

Whakarāpopototanga
Summary

2023/2024

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Te Pūrongo ā-Tau Annual Report



Rārangi take

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Nau mai, haere mai
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Nau mai, haere mai

Welcome

Nau mai ki tā mātou tirohanga rāpopoto o te tau 2023/24.
Welcome to our report of the 2023/24 year.

Our report

The Annual Report describes how Wellington City Council and our Council-controlled organisations (CCOs) performed in the 2023/24 financial year. It states our progress on delivering the key projects, programmes and services that will help us create a dynamic, sustainable and vibrant city.

The period covered is from 1 July 2023 to 30 June 2024. It is the final report against our 2021–31 Long-term Plan and fulfils our obligations under the Local Government Act 2002.

The Annual Report was adopted by the Council on 31 October 2024, and received an unmodified opinion on the audited information, except for the statement of service provision.

A qualified opinion was received for four performance measures, three relating to the total number of complaints received for our three waters network (page 63, 65 and 67 of Volume 1) and one on the measurement of our greenhouse gas emissions (pages 61 and 62 of Volume 1).

The full report comprises two volumes – Volume 1 Performance Overview and Service Statements and Volume 2 Financial Statements for Council and Group.

- **Volume 1 includes:** An overview of our year including a summary of non-financial and financial performance, detailed service performance information, funding impact statements, and the governance and organisational structures for Council. The Independent Auditor's Report is also in this volume.
- **Volume 2 includes:** Our statement of compliance and responsibility, comprehensive revenue and expenses, financial position, changes in equity, and cash flows. Other disclosures, along with financial prudence measures and benchmarks are also in this volume.

This summary does not include all the disclosures provided in the full report and cannot be expected to provide as complete an understanding of the Council's non-financial and financial position.

61%

KPIs met or substantially met targets (same as 61% last year, two not reported)

\$8.7m

Surplus – result for the year (\$56.1m lower surplus than budgeted, see page 37)

66%

KPIs had improved performance or were at max of target (performance for the three years of the 2021 LTP)

\$483.3m

Total rates collected (54.6% of \$885.8m total revenue, in line with budget, see page 39)

1,939

Total workforce (down from 2,065 in 2022/23)

\$877.1m

Total operational expenditure (7% overspend against budget of \$817.6m, see page 38)

\$464.2m

Total capital expenditure (18% underspend against budget of \$566.1m, see page 38)

\$1.4b

Total net borrowing (11% down on forecast of \$1.6b, increase on \$1.1b in 2022/23, see page 40)

In line with the Council's ongoing commitment to sustainability, a limited number of hard copies of the Annual Report are produced.

These can be viewed at any of our libraries. Alternatively, a copy of the report can be requested by calling the Contact Centre on (04) 499 4444.

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.

Tākai Here

Through the signing of Tākai Here, the Council has forged stronger partnerships with mana whenua in Te Whanganui-a-Tara. This collective agreement allows for a stronger governance relationship and sets out the principles, values, and priorities for the way we will work together.

Through Tākai 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.

Reporting entity and compliance

Wellington City Council is a territorial local authority governed by the Local Government Act 2002. It is a public benefit entity for financial and non-financial reporting purposes and is audited by the Auditor General.

The service performance information and financial statements within the full 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, including the new PBE FRS 48 standard for non-financial reporting.

The Council and management of the Council confirm that all the statutory requirements have been complied with in relation to the full Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with NZ GAAP.

The reporting entity is the same for the financial and non-financial reporting as outlined in the Statement of Compliance and Responsibility in Volume 2: Financial Statements on page 2.

He moana pukepuke, e ekenkia e te waka Unsettling times can be overcome if the people are resolute to do so

The theme for this year's Annual Report is a whakatauki (proverb) that speaks to perseverance tenacity, staying power, purpose and determination. That we can overcome the rough seas, if we have a plan and purpose.

And with this mindset, those journeying together in the waka can navigate the roughest, highest (hilltop), choppiest waters.

Our city is experiencing rough waters with strong economic headwinds, the impacts of earthquakes, the aftermath of the global pandemic, issues with our ageing three waters network, and impacts from climate change.

Along with these are financial pressures, with higher inflation and increases in the cost of interest, insurance and from asset ownership (for example, higher depreciation).

We are committed to navigating these waters with our communities.



He kupu nā te Koromatua me te Tumu Whakarae

He nui ngā wawata i te Mahere Pae Tawhiti o 2021–31. I te wā o te rangirua, ko tōna tūāpapa ko te whakakapi i ngā tūāhanga tawhito, te whakarite mō te tipu o te porihanga, te whakapakari i ō tātou hanganga mō ngā rū whenua, me te urupare ki te tairaru āhuarangi.

I whakatakotohia te haumitanga me whai e mātou kia tāone hou, kia tāone tainekeneke, kia tāone auaha, ā, kia tāone toitū.

E toru tau kua taha, ā, nā te pikinga o te haumitanga i nui ai ngā huringa i te tāone. I taua wā tonu, ko te Kaunihera me te hapori tonu kei te pāngia e ngā pēhanga ahumoni nunui, tae ana ki te pikiutu tukipū, utu tonu, utu inihua anō hoki.

E aro ana te Pūrongo ā-Tau o tēnei tau ki te āhua o ā mātou mahi ki te whakatairite i te ngāwari o te utu me te matea haumitanga. Koinei te tau whakamutunga o te pūrongo ki taua mahere.

He tāone matua rawe tēnei, ā, he ngākaunui. Ngā toi, te whenua me ngā hapori kanorau – koinei ngā āhuatanga i rawe ai te tāone nei hei wāhi noho, hei wāhi mahi, hei wāhi rēhia anō hoki.

I tēnei tau, i Manaaki mātou i ngā kēmu e iwa i roto i te FIFA Women's World Cup, e whakanui ana i te 25 tau o Makara Mountain Bike Park, i hoki ngā kiwi taketake ki ngā hiwi o te tāone,

i manaakitia ngā taiopenga e 127 me ngā whakaaturanga ā-ao e rua i te tau tuatahi o Tākin Wellington Convention & Exhibition Centre, ā, i hikina tētahi wāhanga o tā mātou Mahere Tāone hou, e whai ana ki te whakapiki mārika i te hanganga o ngā whare hou huri noa i te tāone.

I tā mātou Mahere ā-Tau o 2023/24, i tuhi mātou e pā ana ki te wero o te taiao whakahaere, ā, i whakaputa i ēnei whakatau kei raro iho nei e ngāwari tonu ai ō mātou utu:

- i whakatārewahia ngā whakatau e pā ana ki ngā tahua pūtea tautoko hou,
- i whakatārewahia ngā utunga nama mō ngā utu mino e hāngai ana ki a KOWHEORI
- i whakamahia ētahi tahua toenga nō ngā tau o mua, waihoki
- i whakapiki i ētahi utu kaiwhakamahi

I tutuki i te Kaunihera tana tukunga nui katoa o ngā kaupapa pūrawa, i eke ki te \$464.2m. Kei te whakapakari tonu hoki mātou i ngā mahi ki Te Matapihi Central Library kua tae nei ki te weheruatanga. Kua timatahia hoki te hanganga o Te Whare Wai Para Nuku, te Taupuni Whakahaere Kenepuru ki Moa Point, ka whakahaere nei i te rōrahi o te kenepuru mā te 80%. Waihoki, ka whakahaere i ngā puhanga mā te whakatika me te tukatuka i te kenepuru mā te 60% heke iho.

Ahako te uaua o ngā āhuatanga ā-ōhanga, i te mutunga iho he toenga whakahaere o te \$8.7m, ka whakatauritehia ki te toenga whakamahere o te \$64.8m. I whakahaere paitia ngā moniwhiwhi me ngā whakapaunga, ā, ko te nuinga i hāngai ki te mahere pūtea. Engari i iti iho te whiwhinga takuhe nō te moni taurewa ripanga-kore mō te Taupuni Whakahaere Kenepuru i tērā i takunetia nā runga i te wā o te kaupapa, ā, nā runga hoki i te mea i whakapaua ngā pūtea i roto i ngā tau ahumoni maha.

Nō te mutunga o te tau pūrongo (30 o Hune 2024), kua whiwhi te Kaunihera i tētahi pae taurewa kua heke mai i a S&P, ā, kua pōti rātou kia tautoko i tētahi Pānui Whakamōhiotanga hei timata i te hātepe ki te panoni i tāna Mahere Pae Tawhiti 2024–34. Tērā pea ka mutu te hokonga atu o ngā hea a te Kaunihera i roto i te Wellington International Airport Limited. I whakapuaki hoki te Kāwanatanga ka whakatūria e rātou tētahi Kaitirotiro Karauna hei tuku tohutohu, aratohu hoki ki te Kaunihera hei tautoko i te hātepe panoni i te Mahere Pae Tawhiti.

Nā runga i ēnei āhuatanga e toru, me ētahi atu pēhanga ahumoni, ka whai tonu mātou i tētahi tukanga whakatonu ki te taha ahumoni ā ngā tau o te anamata.



Tory Whanau
Koromatua o Te Whanganui-a-Tara



Barbara McKerrow
Tumu Whakarae

2 December 2024

Message from our Mayor and Chief Executive

The 2021-31 Long-term Plan was ambitious. During a time of uncertainty, it was built on replacing ageing infrastructure, preparing for population growth, earthquake-strengthening our buildings, and responding to the climate crisis.

It set out the investment we needed to become a modern, dynamic, creative, and sustainable city.

Three years on the increased investment means the city is undergoing a significant transformation programme. At the same time, the Council alongside the community, is facing major financial pressures, including increased inflation, borrowing and insurance costs.

This year's Annual Report looks at how we performed in balancing affordability against the need to invest. This is the final year of reporting against that plan.

We have a great capital city with a lot of heart. Art, nature and diverse communities – it's what makes the city such an amazing place to live, work and play.

This year, we hosted nine games as part of the FIFA Women's World Cup, celebrated 25 years of Makara Mountain Bike Park, had wild kiwi return to the hills of the city, hosted 127 events and two international exhibitions in the first year of Tākina Wellington Convention & Exhibition Centre, and adopted part of our new District Plan that aims to greatly increase the construction of new housing around the city.

In our 2023/24 Annual Plan we noted that the operating environment continued to be challenging and we made the following decisions to keep our costs down:

- deferred decisions about some new additional funding,
- delayed debt repayments for COVID-related borrowing costs,
- used some surplus funds from previous years, and
- increased some user fees and charges.

The Council achieved its highest ever delivery of capital projects totalling \$464.2 million (m). We have also continued the strengthening work on Te Matapihi Central Library which has reached the halfway point, and started construction of Te Whare Wai Para Nuku, the Sludge Minimisation Facility at Moa Point, which will reduce the volume of sludge created by up to 8 percent and reduce emissions created through the treatment and processing of sludge by up to 60 percent.

Despite challenging economic conditions our overall result was an operating surplus of \$8.7m, compared with a planned surplus of \$64.8m. Revenue and expenditure were well managed and predominately as budgeted, but the grant revenue from the off-balance sheet loan for the Sludge Minimisation Facility was lower than expected due to the timing of the project and when spend occurred across financial years.

Since the end of the reporting year (30 June 2024), the Council has received a lowered credit rating from S&P and voted in support of a Notice of Motion to start a process to amend its 2024-34 Long-term Plan, which may mean stopping the sale of its shareholding in Wellington International Airport Limited.

Central government also announced that it will appoint a Crown Observer to provide advice and guidance to the Council to support the LTP amendment process.

These three factors, along with other financial pressures, means we will continue to take a very careful approach to our finances in future years.



Tory Whanau
Mayor of Wellington



Barbara McKerron
Chief Executive

2 December 2024

01

Tō Tātou Tāone Nui

Our city

Kei tēnei wāhanga

Kei tēnei wāhanga ko te tirohanga whānui ki te Ahunga Nui - tō tātou whakakitenga, ngā whāinga nui me te tūranga a te Kaunihera, āpiti atu ko te tūtakitaki ki tō tātou Koromatua, ngā mema Kaunihera me te Kāhui Whakahaere.

In this section

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



Kōtaha 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 289.91 square kilometre landscape is the taonga of many Wellingtonians. It 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.

Our community can 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 provides many options for transportation.

Although many drive private vehicles, many also enjoy walking, running, cycling, and using public transportation to get around the city.



Wellington at a glance

202,689

Wellington City population¹

2,038

Sunshine hours in 2023²

34.9 years

Median age of population¹

98.9 km

Length of coastline⁵

33.7%

Population born overseas⁴

391 km

Walking and biking tracks⁵

11.1%

Population of Māori descent¹

4,073 hectares

Open green space across the city⁵

24.8%

Population speaks more than one language⁴

46%

Degree qualification or higher⁴

303 m

Tinakori Hill, highest point of Town Belt⁵

\$165,914

Average household income⁵

163 kmph

Top wind gust⁷

107

Play areas in Wellington⁶

798

Places to eat⁵

1,100

Approximate number of houses powered each year by the Southern Landfill Power Station³

- 1 Population total and high level breakdown figures from 2023 Census
- 2 NIWA Annual Climate Summary 2023
- 3 WCC Southern Landfill Power Station
- 4 Detailed population breakdown figures from 2018 Census. 2023 release not available at time of publication
- 5 Infometrics Wellington City Economic Profile - Living Standard - Mean Household Income, year to March 2024
- 6 WCC figures for Coastline, Tracks, Eateries and Playgrounds
- 7 NIWA Climate data, 17 Sept 2023



Our history

Tapatapa tū ana Te Wai
Mānga i te tini tipua kai
tangata, Tāia te kawa e te
Kāhui Mounga, ka hua ko
Whātaimai, ka hua ko Ngake,
Ka hāmama te waha o te
ika, ka puta ki whei ao, ki
te ao mārama.

This song speaks of a time long ago, before the arrival of the waka, when Wellington's harbour was a lake, settled by the Kāhui Mounga people and many creatures that wreaked havoc on the land and its people.

Two guardian beasts were called to bring peace, they were Ngake, and Whātaimai. They opened the lake to the sea and they raised the land, creating the mountains, valleys, and harbour we know today.

Te Whanganui-a-Tara, or the Wellington region has been known by many names, its earliest name is said to be given by the Kāhui Mounga people, the original inhabitants of the land – Te Upoko-o-te-ika-a-Māui, or the head of the fish of Māui.

The arrival of the migrating waka meant waves of iwi who settled in the Wellington region. The name Te Whanganui-a-Tara is said to have come from Whātonga, who captained the Kurahaupō waka, he named the harbour after his son Tara. Te Whanganui-a-Tara translates to the great harbour of Tara. 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.

Wellington City Council met for the first time on 28 September 1870.

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

Our economy

Wellington remains the creative heart of the Greater Wellington region, with an economy that is central to the wellbeing of the region and, as the capital city, to New Zealand as a whole. Our local economy sustains approximately 171,700⁸ jobs and is home to around 28,845⁹ businesses. This year, our economy produced over NZ\$31.9 billion (b) in GDP with exports estimated at NZ\$3.1b.

Like all global cities, this past year has been challenging for Pōneke with ongoing impacts from global economic conditions, inflation, and cost of living pressures. Additionally, a reduction in public sector employment has tempered employment growth (0.4 percent to June 2024)¹⁰ contributing to a more complex economic landscape in the city, with reduced consumer spending affecting retail and hospitality businesses, and impacting confidence. Shifts in work patterns continue to influence spending in the city and suburbs.

The opening of Tākina and a world class Major Events programme continue to be significant economic contributors for Pōneke, generating a combined \$109m¹¹ to the local economy and enhancing Wellington's profile as a vibrant and attractive destination for both domestic and international visitors.

Our environment

Wellingtonians are proud that they are actively working to conserve, restore and enhance the natural flora and fauna of the city. Community programmes to eradicate pests and bring back native species are supported by the Council and residents, and are having good results.

Over the past 12 months over 110,000 native plants were planted by staff, volunteers, and contractors as part of our ongoing revegetation programme. Wild kiwi have returned and are living in the Wellington hills, native bird counts are increasing, and our bush-clad hills are a sign that regeneration is possible.

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.

In June 2019, we declared a climate and ecological emergency, which means our commitment to our environment becomes even more important to the wellbeing of the city.

⁸ Stats NZ – Geographic units by region and industry 2000–2023

⁹ Infometrics – 2024 Wellington City economic information (Business Counts, GDP, exports) qem.infometrics.co.nz/wellington-city/

¹⁰ Infometrics – 2024 Wellington City economic information (Labour market) qem.infometrics.co.nz/wellington-city/

¹¹ WellingtonNZ (out of region spend generated via Major Events for FY 23/24) and Wellington City Council

02

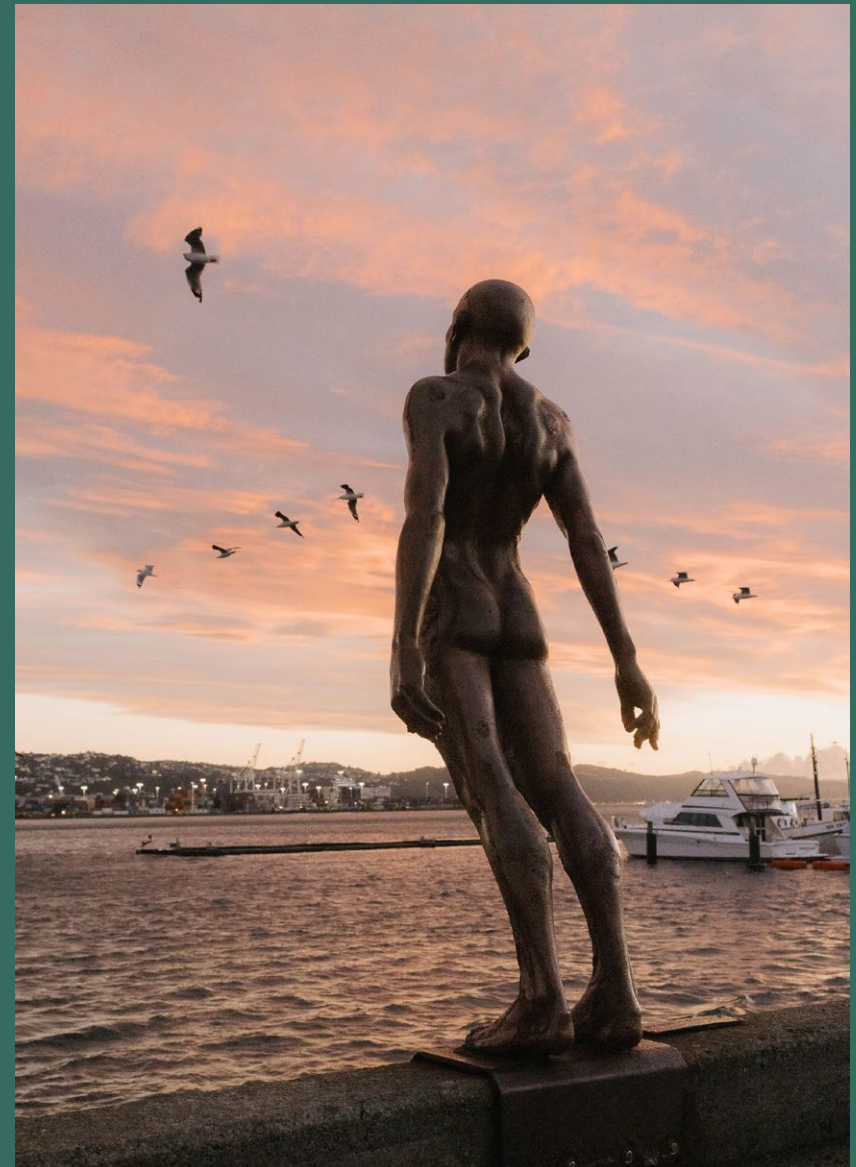
Ō tātou kaiarataki me te ahunga nui Our leaders and strategic direction

Kei tēnei wāhanga

Kei tēnei wāhanga ko te tirohanga whānui ki te Ahunga Nui – tō tātou whakakitenga, ngā whāinga nui me te tūranga a te Kaunihera, āpiti atu ko te tūtakitaki ki tō tātou Koromatua, ngā mema Kaunihera me te Kāhui Whakahaere.

In this section

This section outlines our Strategic Direction – our vision, our strategic outcomes, and the role Council plays, along with an introduction to our Mayor, Councillors, and Executive Team.



Tō tātou ahunga nui Our strategic direction

Our Council's vision for the city

Wellington 2040 – an inclusive, sustainable and creative capital for people to live, work and play.

This vision for Wellington City is our guiding star, it anchors us in what we are trying to achieve for the city and how we will get there.

The key focus for local authorities is promoting the social, economic, environmental, and cultural wellbeing of their communities in a sustainable way, as required by the Local Government Act 2002.

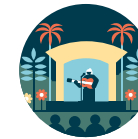
Our long-term strategic vision of an inclusive, sustainable and creative capital is supported by four community outcomes that reflect each of the four dimensions of wellbeing. These outcomes are at the centre of our 2021–31 Long-term Plan (2021 LTP).

Our four community outcomes



Environmental: A sustainable, climate friendly eco capital

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.



Cultural: An innovative, inclusive and creative city

Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage.



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

An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy.



Economic: A dynamic and sustainable economy

The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.

Our six priorities

The 2021–31 Long-term Plan (2021 LTP) identified six priority objectives to focus on.

The priority objectives are a result of engagement with business groups, community groups, students, and the public, who told us that water, transport and housing were particularly important.

A functioning, resilient and reliable three waters infrastructure – with improving harbour and waterway quality, and reducing water usage and waste

Wellington is an affordable, resilient and safe place to live – with an accessible, connected, and compact city

The city has resilient and fit-for-purpose community, creative and cultural spaces – including libraries, museums and community halls, where people connect, develop, and express their arts, culture and heritage

An accelerating zero-carbon and waste-free transition – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation.

The city’s core transport infrastructure is a safe, resilient, reliable network – that supports active transport choices, and an efficient, productive and sustainable economy

Strong partnerships with mana whenua – weaving te reo and te ao Māori into the social, environmental and economic development of our city and, restoring the city’s connection with Papatūānuku

New strategic direction in the 2024–34 Long-term Plan

Our strategic direction is reviewed every three years and refined based on any changes in the city to make sure we remain on track.

We completed this review in April and May 2023 as part of the 2024–34 Long-term Plan (2024 LTP) that was adopted on 27 June 2024. This can be viewed at wellington.govt.nz/ltp

The 2021 LTP Strategic Direction, as outlined here, guided the Council for the 2023/24 year and this report outlines our performance against that direction over the past three years.



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 delivering Council services to the community.



The outcome indicator trends that we monitor, and report include:

Environmental

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

Social

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

Economic

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

Cultural

- City vibrancy
- Cultural diversity
- Artistic talent and expression
- City heritage
- Cultural infrastructure

Service performance

We use a suite of Key Performance Indicators (KPIs) to track performance across the services we deliver. Some KPIs are required by statute and others monitor progress in key areas. In general, we report service performance against the targets we set in the 2021-31 Long-term Plan.

Section 4: Our performance in detail in Volume 1 provides the detailed Statements of Service Provision which outline our performance within each of our seven strategic activity areas:

1. **Pārongo ā-tāone** Governance
2. **Te Taiao me te hanganga** Environment & infrastructure
3. **Whanaketanga ōhanga** Economic development
4. **Oranga ahurea** Cultural wellbeing
5. **Pāpori me te hākinakina** Social and recreation
6. **Tāone tupu ora** Urban development
7. **Ngā waka haere** Transport

Tō mātou tūranga Our role

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

- to enable democratic local decision-making and action by, and on behalf of, the people of Wellington; and
- to 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 operation of the city, it cannot do this alone.

The development of the city's wellbeing is a partnership involving the whole Wellington community – including regional and central government.

The graphic to the right outlines some of the more significant roles for Council in the operation and development of the city.

Through our 2021–31 Long-term Plan, we provide funding for the services and development projects that reflect these roles.

Council's 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

Role of government in Wellington

Wellington City Council is a local government organisation and focuses on issues and opportunities specific to our local area.

In New Zealand there are two types of local government organisations: **territorial authorities** and **regional councils**. We have both in Wellington – Wellington City Council operates as the territorial authority for the city and Greater Wellington Regional Council operates on behalf of the wider Wellington region, including the Wairarapa and the Kāpiti Coast.

The services provided by Wellington City Council are explored in more detail in Volume 1, Section 4: Our performance in detail, page 37 to 136.

Understandably, there can be some confusion about which services are provided by Wellington City Council and Greater Wellington Regional Council.

Here is an example of the differences between some of the services Wellington's two local government councils offer in similar service areas.

As the capital city, we also have a large central government presence in the city. About 28,700 people work as central government public servants in Wellington.¹²

Central government is made up of 120 elected Members of Parliament, who oversee 32 institutions that give advice to the politicians and deliver services to the public. These are the organisations with 'ministry' or 'department' in the title such as the Ministry for the Environment, Ministry of Corrections and the Inland Revenue Department. There are also 27 Crown Entities – organisations such as Accident Compensation Corporation (ACC), Fire and Emergency NZ (FENZ), and Sport New Zealand.

Central government politicians, ministries, departments and crown entities focus on broader issues that affect all New Zealanders.

In other words:

- **Central government** looks at the big picture. It makes sure all parts of the country are working as they should
- **Local government** focuses on a particular area.

Service area	Wellington City Council	Greater Wellington Regional Council
Transport	Maintenance of roads, bus lanes, cycleways and footpaths	Work with transport operators to deliver Wellington's public transport network
Regulation	Regulatory services, including building consents and food venue licensing	Regulatory services, including managing pollution and environmental incidents
Environment	Maintaining local reserves, tracks, beaches and parks	Maintaining regional parks and forests

¹² Public Service Commission, 2023

Tō tātou Kaunihera Our Council

The essence of Te Kaunihera o Pōneke | Wellington City Council's role is to set strategic direction and priorities through policy decisions and the Long-term and Annual Plan processes, and to provide governance oversight of the organisation.

Every three years, 15 people are elected as Councillors and one is elected as Mayor. Together, these 16 people represent the city's residents and ratepayers in the Council and are the governors of the city. Residents in Tawa and in Mākara/Ōhāriu also vote to elect six members to their local community boards.

Two representatives of our Tākai Here partners are also appointed to Council committees and have voting rights.

Te Kaunihera o Pōneke | Wellington City Council established a Māori ward in 2021, and the election held in October 2022 was the first where those on the Māori electoral roll were able to vote in the new ward. This increased the number of Councillors from 14 to 15.

The profiles of elected members and details of committee roles are provided in Volume 1 Section 5: Our Council and organisation on page 138.

For details of the Mayor's, Deputy Mayor's and Councillors' remuneration, see Note 38 in Volume 2: Financial statements on page 121.

The current Council

Mayor Tory Whanau

Matairangi/Eastern Ward

- Councillor Tim Brown
- Councillor Sarah Free
- Councillor Teri O'Neill

Paekawakawa/Southern Ward

- Councillor Nureddin Abdurahman
- Deputy Mayor Laurie Foon

Pukehinau/Lambton Ward

- Councillor Iona Pannett
- Councillor Geordie Rogers
- Councillor Nicola Young

Wharangi/Onslow-Western Ward

- Councillor Diane Calvert
- Councillor Ray Chung
- Councillor Rebecca Matthews

Takapū/Northern Ward

- Councillor John Apanowicz
- Councillor Ben McNulty
- Councillor Tony Randle

Te Whanganui-a-Tara Māori Ward

- Councillor Nikau Wi Neera

Pouwi mana whenua representatives

- Holden Hohaia
- Liz Kelly



The organisation

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

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

The Council employs the Chief Executive to manage the day-to-day operation of the city and its services, who in turn employs the Council's managers and staff. The Councillors have a governance function of monitoring their progress.

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

The Council as a whole strives to ensure our decision-making processes are fair, transparent and robust.

Wellington City Council also has eight Council-controlled organisations (CCOs) that independently manage some of the Council's facilities, and deliver services and activities for residents and visitors to enjoy.

The profiles and responsibilities of our current Executive Leadership Team (ELT) are outlined in Volume 1, Section 5: Our Council and organisation on page 138.

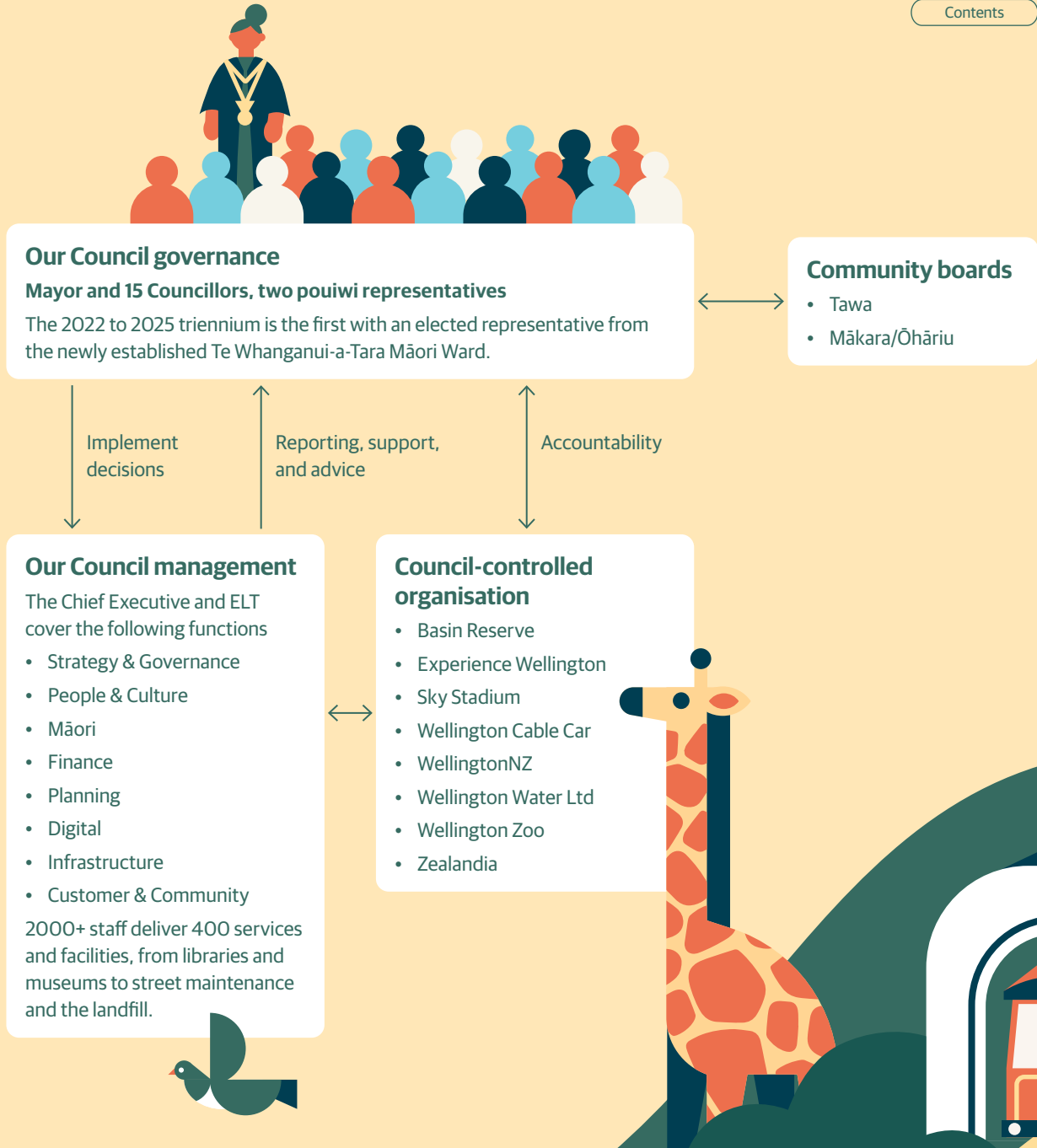
For details of ELT remuneration, see Note 38 in Volume 2: Financial statements on page 121. The staff structure of the organisation is shown in Volume 1, Section 5 from page 137.



Governance structure

Wellington City Council does not have any statutory committees. Each incoming Council determines the committee structure that will work best for its term.

- The current committee structure is detailed in Volume 1, Section 5: Our Council and organisation on page 138.
- A more detailed organisational structure including business units is also in Volume 1, Section 5 from page 153.



03

Rapopototanga mō te tau

Summary of our year

Kei tēnei upoko

Kei tēnei upoko ko ngā whakakōpakitanga o ngā tutukihanga, āpiti ake ko ētahi o ngā aupiki me ngā auheke o te tau 2023/24 me te tirohanga whānui ki ngā mahi matua.

In this section

This section includes summaries of our performance, including some of the challenges and highlights of the 2023/24 year, and an overview of our financial performance.



Ā mātou tutukihanga

Our performance

Introduction

We are in an important period in which our city is undergoing a significant transformation programme – replacing ageing infrastructure, preparing for population growth, earthquake-strengthening our buildings, and responding to the climate and ecological crisis.

At the same time, the Council is facing major financial pressures, including increased inflation, borrowing and insurance costs.

This year we continued to deliver our services in a challenging operating environment, with 61 percent of our active performance measures having a met or substantially met result. See page 26 for more details.

Our financial result for the year was a \$8.7m surplus compared to a planned surplus of \$64.8m. See from page 37 for details.

Challenges

Our city is currently experiencing the impacts of key public buildings and spaces having seismic issues, the aftermath of the global pandemic, issues with our ageing three waters network and climate change. We also have financial and economic pressures and we know our community faces the same issues.

The challenges outlined in this section had significant impacts on the Council's performance during the 2023/24 year.

Affordability and increasing costs

The Council and residents of the city are facing affordability challenges. Put simply, everything we do is costing more to deliver, which increases costs for our community.

The economic and community operating environment has changed dramatically since the Council prepared its 2021 Long-term Plan (2021 LTP).

In 2023/24 we were operating in an environment of:

- higher inflation than expected, impacting the cost of construction;
- increased interest rates; and
- higher insurance costs for the same level of cover, influenced by seismic and natural disaster events.

The 2023/24 Annual Plan included a 12.3 percent rates increase. On top of this the Council consulted during the year on the 2024 LTP, which had a Year 1 rates increase (2024/25) of 16.9 percent (after growth) and an average annual increase over the 10 years of the plan of 8 percent.

Residents' ability to pay more rates is limited and we are increasingly hearing during consultations that the cost of rates is having an impact in a tough economic climate.

We need to continue to work to keep our budgets affordable and to have money available for future risks, such as the need to respond to natural disasters.

Unfortunately, local government has a narrow range of tools for funding projects and everyday costs. Most of our operating revenue comes from residents through rates, or fees and user charges, and our capital investments are paid for through debt. We also receive some funding for projects from the NZ Transport Agency Waka Kotahi (NZTA).

We have been able to access funding through the Infrastructure Funding and Finance Act 2020 for the new Te Whare Wai Para Nuku Moa Point Sludge Minimisation Facility.

Funding this asset via a central government pathway means we don't increase our debt directly, but it still impacts ratepayers through a levy on rates bills from August 2024 (a 1.6 percent increase in 2024/25).

More information about this challenge is included in our financial summary, on page 37 and in Volume 2: Financial Statements.

Upgrading our ageing infrastructure

The Council owns more than \$11.4b worth of assets, including pipes, reservoirs, roads, tunnels, bridges and retaining walls. We all know that a city's infrastructure is crucial for residents to thrive, but it is often taken for granted.

Much of the city's infrastructure was built in waves when parts of the city were urbanised, including a sizeable portion that was built after World War Two. This means a lot of our infrastructure will reach the end of its life in the next 30 years.

In the 2021 LTP, Council committed to upgrading much of the city's ageing infrastructure, particularly the water network, so it could manage the city's growth. We continued this investment in the new 2024 LTP.

We have also reviewed and changed parts of our District Plan to account for where and how we envision growth happening in our city, and are working with Central Government on how we can provide more travel choices for Wellingtonians to improve connections across the city.

These priorities increased our total capital expenditure for the 2021 LTP from \$2.3b to \$3.2b. The size of the increase in the capital programme meant a necessary change in how the Council operated, requiring us to balance delivering our promised programme and considering the impact that would have on rates. It has also led to the Council strengthening its capability to manage and deliver more projects and programmes of work.

There is pressure to deliver this programme when the construction market is constrained and in a year of increasing costs. This meant that while we spent more this year on our capital programme and 82 percent of what was budgeted, part of this funding was needed to cover the increase in costs, and not necessarily to deliver more of the work.

Experiencing the impacts of climate change

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 targets reducing city emissions by 57 percent by 2030, being a net zero carbon capital by 2050, and supporting the city to adapt to the impacts of climate change.

Climate change affects all of us and exacerbates other problems – equity, biodiversity, housing, the economy, immigration, and social justice. We already see the impacts in Wellington from extreme weather and rising seas to increased food prices and travel costs. The most vulnerable people are often the most affected by climate change impacts.

Wellington City Council's climate response and work towards a sustainable future cannot be delivered by one team or business unit alone – it is a whole-of-Council mission.

Climate change response

The biggest opportunities to reduce emissions in Wellington are 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. The Council also has key roles in the waste system.

Over the past year we have invested in bus, cycle and pedestrian network upgrades, the new sludge treatment plan, and decided to introduce a kerbside collection of organic waste in 2027.

These investments are setting our residents up for success, with affordable, safe and accessible options to change how they live, as our world changes.

We are also continuing to deliver a targeted, streamlined set of initiatives to maximise the use of these infrastructure changes, and collaborating with communities and partnering with mana whenua on how to navigate the economic and physical transitions of our city.

More information is included in Volume 1 of the full report.



Central government reforms

Over the past three years, central government has undertaken a significant reform programme that affects local government.

The reforms outlined here could lead to fundamental changes to how the local government sector is structured and the services councils deliver.

As well as the three key reforms detailed here, central government has made amendments to two National Policy Statements in the past three years on Urban Development and Fresh Water Management that have affected how we plan our city. The biggest impact was the change to how high buildings could be in some areas and how much land could be used for urban development.

Affordable Water Reforms

In December 2023 the Government announced a new direction for water services (drinking water, wastewater and stormwater services) policy and legislation, which it has called Local Water Done Well. We are working with the other councils in the Greater Wellington region along with the Horowhenua District on a Water Services Delivery Plan (WSDP) to reform the region's water services

The 10 councils, representing more than half a million people, are committed to the process and are working at pace to ensure we establish an enduring approach to water management ahead of the local government elections in 2025.

More information on this is in Volume 2, Note 39, page 127 and on our website here: **Local Water Done Well – Water – Wellington City Council.**

Resource Management reform

In February 2021, the Government announced it would replace the Resource Management Act 1991 with a new legislative framework, reflecting that the RMA had not delivered the desired environmental and development outcomes, and did not consistently give effect to Te Tiriti o Waitangi.

The change of Government in 2023 changed the direction of the RMA reforms. A new Resource Management Ministerial Group was formed in March 2024 to progress the National-led coalition's direction, which includes a new fast-track consenting regime; and targeted changes to the RMA to reduce unnecessary regulation, and support housing development and renewable energy projects. By mid-2025, the Government plans to introduce legislation to replace the RMA.

The changes may have an impact on parts of our work in consenting, compliance, urban planning and development.

Future for Local Government Review

The 2023 Future for Local Government Review report, commissioned in 2021 by the Labour-led Government, had 17 recommendations on how local government needed to change over the next 30 years. The National-led Government, elected in 2023, has decided that the 17 recommendations will not be progressed. The Government is working on a regional deals framework and other options for new local government funding and financing tools.



External awards and nominations

The Council received several significant awards and nominations in 2023/24. They acknowledge innovative work in key areas and our leadership role in the local government sector.

- The Council won the Rāngai Tūmatanui – Public Sector award for advocacy, innovation and leadership for te reo Māori in 2024 Ngā Tohu Reo Māori.
- The Council won the Big Street Bikers' Breakthrough Biking City of the Year Award in 2023 at the Local Government NZ conference. The annual award celebrates a city or town which has demonstrated outstanding initiatives and actions that enable more people to cycle more often.
- In November 2023, our Council-controlled organisation Zealandia Te Māra a Tāne was named the top tourism operation in Aotearoa New Zealand as the winner of the prestigious Air New Zealand Supreme Tourism Award. As well as taking out the top award, Zealandia won the category of the Airbnb Tourism Excellence Award (Small-Medium Business).
- The Cinderella projection on St James Theatre won an award for Excellence in Design and Innovation in September 2023 at the prestigious Australian International Good Design Awards. The animations were a partnership between the Royal New Zealand Ballet, Wellington City Council, and Wellington creative companies ClickSuite and Streamliner, demonstrating collaboration under the Council's Aho Tini 2030 Arts, Culture, and Creativity Strategy.
- Three Council supported facilities were winners in their categories at the region's Te Kāhui Whaihanga New Zealand Institute of Architects awards in May 2024.
 - Tākina Wellington Convention & Exhibition Centre (Studio of Pacific Architecture) and Te Nukuao Wellington Zoo's snow leopard habitat (Architecture Workshop) both won awards for Public Architecture.
 - An Enduring Architecture award went to City Gallery Wellington | Te Whare Toi (1992–1993, by Gardyne Architecture now Architecture Plus).
- At the New Zealand Commercial Project Awards in May 2024, both Tākina (LT Guinness) and Te Nukuao Wellington Zoo snow leopard habitat (Naylor Love Wellington) won gold in the Built Tourism and Leisure Project category, and the Newtown Community & Cultural Centre upgrade (WSP) won a silver award.
- In 2023 Council was invited to apply for a place on the Harvard Bloomberg City Leadership Initiative. Our proposal was then selected as one of 10 cities to participate in the Collaboration Track. The programme focuses on building the skills in how to collaborate effectively to make progress on a complex city problem. The programme was fully funded by Bloomberg Philanthropies.
- Te Whai Oranga Pōneke, our Open Space and Recreation Strategy, won the Outstanding Research Planning and Policy Awards at the 2023 New Zealand Recreation Awards.
- In May 2024, Wellington was recognised as one of five cities shortlisted and with a Special Mention in the 2024 Lee Kuan Yew World City Prize, for its exemplary commitment towards living with nature, and dedication to conserving and restoring natural habitat in both urban and natural areas through innovative programmes.
- The Council's 2022/23 Annual Report received a Gold Award at the Australasian Reporting Awards (ARA). This is the third successive gold award for our Annual Reports.



Tirohanga whānui o ngā whakaritenga moni kore

Overview of our non-financial performance

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

In Volume 1, Section 4: Our performance in detail outlines each activity area, including an overview of the highlights, challenges, performance information and what the activities cost. This 2023/24 Annual Report is a report against Year 3 of the 2021-31 Long-term Plan.

Community outcomes

Meeting our vision and community wellbeing goals is not just the work of Council, but also of the city, so we look to track meaningful changes to our outcomes over time.

This is the third year we are monitoring our outcome indicators for trends in community wellbeing.

We are continuing the journey to improve underlying data to reflect the work the city is currently delivering, and in anticipation of any changes to the outcomes through the work on the 2024 LTP review.

Summary of outcome performance

Some of the underlying data sources we use to report on our progress are not produced annually and some have ceased during the reporting period. Additionally the date at which data is released varies, which means that not all data is the most recent at the time of reporting.

When monitoring trends, we have indicated the most recent data, as noted in Appendix 3, from 184 in Volume 1.



Economic wellbeing

Employment-related indicators all showed improvement with the city well below the national average for young people not in education, employment or training, as well as improvement in the average annual household income. There has been a small increase in the diversity of our economy. However, it is less diverse than the national average and the wider Wellington region.



Social wellbeing

At a city level there have been small improvements in housing, sense of community, participation and wellbeing, with a larger improvement in civic awareness. However when comparing nationally, Wellington scores lower than our counterparts for confidence in Council's decision making and perceptions of overall quality of life.



Cultural wellbeing

There has been a reduction in residents' perceptions of the way the city looks and feels, but there is a steady positive perception relating to the city's arts scene. While the data is from 2021, there is a potential positive trend for Te Ao Māori cultural activities. The City's Pōneke Promise programme of works seeks to address these elements.



Environmental wellbeing

We are making some progress in the awareness and actions needed to become a more sustainable city. However more work needs to be done to reduce waste to landfill.

Emerging trends

Highlights

- A steady increase from the previous year in the capacity of solar as a renewable energy source, with solar energy installations rising 160 percent over the past five years.
- City greenhouse gas emissions fell by 9 percent between 2020 and 2022.
- Positive trends in city food rescue and redirection, resulting in meals being provided to those in need and a reduction in CO₂ emissions.
- Improvements in residents' sense of community, participation and wellbeing.
- An increase in residents feeling the transport system allows easy to access the city, which is attributed to the improved reliability of the bus service.
- Steady increase in long-term growth of GDP per capita, with improved housing affordability and wellbeing, and household incomes.

Challenges

- More needs to be done to reduce waste to landfill. We are working to address this through the actions in our Zero Waste strategy - He anamata para kore mō Pōneke.
- Perceptions of the way the city looks and feels, and its character have declined. However Wellingtonian's have a strong, positive sense of our arts scene.
- The proportion of residents who have confidence in Council's decision-making processes is still low, although confidence has increased across all three years.
- The city's economic diversity remains below the national average, but our second largest industry, professional, scientific and technical services, contributed to the city's GDP at higher rates than the national average.

Performance measures

This is the final year of reporting our performance against the 2021 LTP. The Council set 95 key performance indicators (KPIs) to gauge our performance across the services we provide the city.

This includes those related to Council-controlled organisations (CCOs), which have annual Statements of Intent that confirm their programmes for the year.

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

- **Met** (at or exceeding target)
- **Substantially met** (within 10 percent of target, new category*)
- **Not met** (greater than 10 percent of target)
- **Not reported** (where the result was not available at the time of publication).

*This year changes to Audit NZ guidance means we have updated how we report our results to include a new category of substantially met. This category means we can show a more detailed view of our performance. A new performance framework, KPIs and targets will apply from the 2024/25 financial year onwards. More information on the new framework is included **Volume 2 of the 2024 LTP**

12 out of 20

Satisfaction measures were met or substantially met. This is an improvement on last year, but shows the impact of delays in providing our services

13 out of 25

Measures relating to our delivery of the water network were met this year

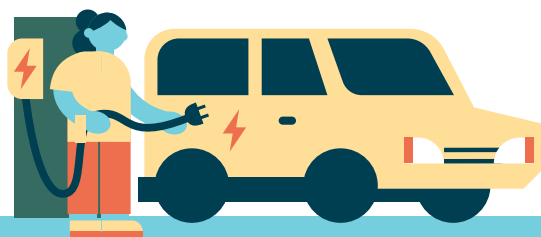
12 out of 25

Timeliness measures were met or substantially met showing delays were experienced in providing our services

41 out of 95

KPIs show improved performance this year

More details are in the KPI tables in the Statements of Service Provision for each activity area from page 27.



Summary of KPI performance

The Council has maintained its performance against a backdrop of challenges outlined earlier in this section. These challenges have impacted on the performance of the KPIs across the three years of the 2021-31 Long-term Plan.

The following graphs indicate the overall performance for all 95 KPIs. The result is also split to show the total performance for Council-based KPIs and the total performance for the KPIs that relate to our CCOs.

Our result of 60 percent of KPI targets (57 out of 95) being met or substantially met is a small decrease in performance against last year's results (61 percent).

However, if we remove the two KPIs that we ceased reporting on in 2022/23 (related to social housing which moved to Te Toi Mahana, our new community housing provider) the net result improves to 61 percent. These two KPIs are included as 'not reported' this year.

Of the 57 KPIs that are met or substantially met, 31 are at or exceeded their target, a further 10 are at the maximum of the target, and 16 are substantially met (within 10 percent of their target).

Drilling down further, of the 55 Council-based KPI targets which were met or substantially met, 45 percent (25) had improved performance over last year's result, a further 7 percent (4) were at the max of their targets and 31 percent (17) had a reduction in performance.

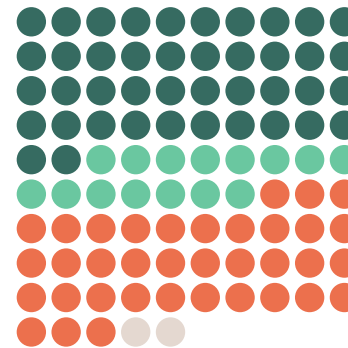
For our CCOs 68 percent were met or substantially met compared to last year's 63 percent, which showed the city continued to enjoy the benefit of high-profile events after COVID-19 such as the FIFA Women's World Cup. Increased utilisation of funding by Wellington Water has also led to improved performance.

Overall, 54 percent of our 95 measures had an improvement in performance this year or were at the max for their targets, compared to 29 percent (28) that had a reduction in performance. This reflects that there has been an uplift in how we have been providing our services.

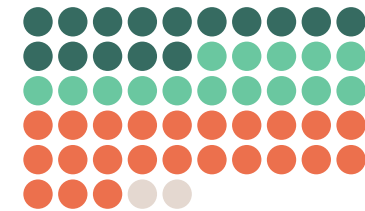
This is best exemplified by the *Building consents (%) issued within 20 working days* KPI for which we achieved a significant 24 percent jump in performance over 2022/23 despite not meeting the target. This result was mainly due to process improvements, but it also reflects that construction activity has slowed – reducing the number of building consent applications to be processed.

2023/24 overall performance

Total



Wellington City Council

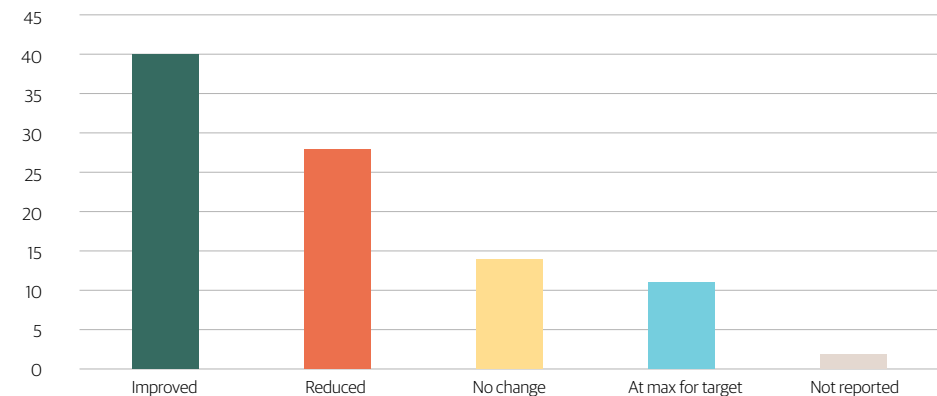


Council-controlled organisations



● Met ● Substantially met ● Not met ● Not reported

KPI performance 2023/24 vs 2022/23



Overview of KPI results

The following table provides a summary of KPI results by strategic activity area. Results are ordered as per the service descriptions that outline what Council does in each area.

For more information on our 2023/24 KPIs, see Volume 1, see Section 4: Our performance in detail, from page 37 to 136

Notes:

- We reported on two of our KPIs in Social and Recreation for the last time in 2022/23. Both relate to the establishment of Te Toi Mahana Community Housing during the 2022/23 financial year.
- Three performance measures for complaints received for water supply, wastewater and stormwater received a qualified Audit Opinion from our external auditors. The results and variance explanations for the qualified measures are on pages 63, 65 and 67 of Volume 1.
- Our greenhouse gas emissions KPI also received a qualification because changes to how emissions were calculated meant we were unable to report Scope 3 emissions in time for publication of this report. For more information see our KPI measure on pages 61 and 62 of Volume 1 and Appendix 1 from page 178 of Volume 1.

Strategic activity and service description	Met	Substantially met	Not met	Not reported	Total
Governance	3	1	3	-	7
Facilitate democratic decision-making and open access to information to build trust and confidence	2	1	3	-	6
Develop, maintain and inspire meaningful relationships so that our partnerships with mana whenua, tāngata whenua and Māori within our community are mana enhancing	1	0	0	-	1
Environment and infrastructure*	19	1	16	-	36
Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment	2	0	2	-	4
Reduce our impact on the environment by minimising and managing the disposal of waste and by reducing our carbon footprint	2	1	2	-	5
Increase the security of potable and stored water	2	0	8	-	10
Provide safe and sanitary removal of wastewater	3	0	3	-	6
Protect people, property and the environment from flooding and storm runoff	8	0	1	-	9
Protect flora and fauna through conservation and biodiversity	2	0	0	-	2
Economic development	8	0	1	-	9
Grow tourism spend and economic returns from events that bring visitors and extra spending to the city	8	0	1	-	9
Cultural wellbeing	2	1	0	-	3
Build and maintain a sense of place and identity	2	1	-	-	3
Social and recreation	4	6	5	2	17
Encourage active and healthy lifestyles important for people's health and wellbeing	1	3	1	-	5
Foster diverse communities and enable people to connect with information and each other	2	2	0	2	6
Maintain public health standards and promote individual wellbeing, safe neighbourhoods and a safe inner city	1	1	4	-	6
Urban development	2	2	7	-	11
Help protect, restore and develop the city's heritage and character assets	0	0	1	-	1
Provide building and development control and facilitation activities to protect public and environmental health and safety, and to protect future users of land and buildings	2	2	6	-	10
Transport	3	5	4	-	12
Deliver an accessible, safe, regulated and reliable transport network	3	4	3	-	10
Manage parking in line with the aims and objectives of the 2020 Parking Policy	0	1	1	-	2
Total	41	16	36	2	95

Delivering our services

Analysis of our performance across the service dimensions (the KPI categories relating to the services we deliver) is shown here.

Overall, the Council performed well with results above 60 percent in five of the eight service dimensions, with one, Affordability, at 80 percent. However, utilisation and timeliness were impacted with results of 25 percent and 48 percent respectively.

Out of the four utilisation KPIs, the three not meeting their targets were real water loss and water consumption, which had results higher than target, and parking utilisation, which was lower than target.

For timeliness, response times for water network issues (five KPIs); public health services such as food registrations or graffiti removal (four KPIs); as well as urban development services (four KPIs) were all below set targets.

However, 10 KPIs in the timeliness dimension did improve their performance over the previous year's result. This encompassed three KPIs in responding to water network issues, four in the consenting, noise control and roading areas plus three in the public health and contact centre service areas. Nine KPIs had no change in performance.

This compared with nine KPIs which experienced a reduction in performance.

In the satisfaction dimension, the results are based on our annual Residents Monitoring Survey, see 183 of Volume 1 for more.

This year, 12 KPIs improved their performance against 2022/23 results. These include open spaces, kerbside recycling, waste collection and the stormwater system. Satisfaction with our arts and cultural activities, pools and library services also improved. There were also improvements in the number of residents satisfied with the levels for transport systems – walking, and in perceptions of the fairness of parking enforcement.

The service dimension analysis does not include the two housing related KPIs which ceased reporting in the 2022/23 year.

Service dimension*	Result 2023/24				Performance against 2022/23			Total
	Met	Substantially met	Not met	% Met or Substantially met	Improved	Reduced	No change	
Satisfaction	4	7	8	55%	12	4	3	19
Affordability	3	1	1	80%	1	2	2	5
Clean and Safe	7	0	2	78%	4	2	3	9
Compliance	2	3	3	63%	3	3	2	8
Customer expectations	11	0	4	73%	7	3	5	15
Utilisation	1	0	3	25%	2	2	0	4
Timeliness	7	5	13	48%	10	9	6	25
Sustainability	6	0	2	75%	2	1	5	8

*excludes not reported

Long-term Plan performance

The following is a snapshot of our KPI performance trends across the past three years.

We have focused on two areas.

Firstly, if the KPIs did or did not meet targets for the past three years.

- **Met:** those always at target, including those at the max of their targets, or those that exceeded targets.
- **Substantially met:** those always within 10 percent of target.
- **Exceeded:** those that always exceeded targets where this was possible.
- **Not met:** more than 10 percent away from target.
- **No pattern:** those that had differences in results over time. Many of these were impacted by COVID-19 in the first years of the 2021 LTP.

Secondly, we have analysed where our KPIs showed improved performance against the performance baseline of the Year 1 result.

This is irrespective of whether the target was met or not. This includes KPI results which:

- at the max for their target. eg binary yes/no targets or at 100 percent.
- had improved or reduced performance against the Year 1 baseline.
- had no change and/or did not show a pattern to their performance against the Year 1 baseline.

Results

- 11 KPI results exceeded their targets for the full three years. These include six water related measures and three residents' satisfaction measures.
- 26 KPIs met or substantially met their targets for the full three years. These include most non-water related CCO performance KPIs, official information requests, residents' satisfaction with library services, and transport measures.
- 25 KPIs were consistently not met. These include residents' satisfaction with Council decision making, access to information, waste diversion, and water response and resolution times to call outs.
- Water related services had mixed results with 13 improving, 10 having reduced performance and two having no change or no performance pattern.

Summary of three-year Long-term Plan performance

Performance for LTP - to target

Met: Exceeded target	11	12%
Met: at target or max of target	13	14%
Substantially met	13	14%
Not met: >10% away from target	25	26%
No pattern	33	35%

Performance change for LTP

At max for target	9	9%
Improved performance	54	57%
Reduction in performance	24	25%
No change	5	5%
No pattern	1	1%
Ceased reporting	2	2%

The analysis of our KPIs' performance in each strategic activity area is provided in the Statements of Service Provision which make up Volume 1, Section 4: Our Performance in Detail, from page 37 to 136.

95

Number of KPIs

37

Met or substantially met all three years

25

Timeliness measures were met or substantially met showing delays were experienced in providing our services

54

Improved performance against year 1 result

24

Reduction in performance against year 1 result

Ngā kaupapa me ngā hōtaka matua

Key projects and programmes

In our 2021–31 Long-term Plan, we outlined the major projects we intended to complete during the year.

These are highlighted in the relevant chapters of Volume 1, Section 4: Our performance in detail, from page 37 to 136 and summarised here.

Key programmes

In our 2021–31 Long-term Plan we had agreed to focus on some 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 (wastewater, drinking water and stormwater).

Mana whenua partnerships

Our Tūpiki Ora Māori Strategy and Action Plan sets goals and targets for short term and long-term success. Each year we build on the work of the previous year to create long lasting, enduring change that delivers better outcomes for Māori and the whole city.

The full report includes many other projects and initiatives that reflect our commitments to these outcomes, including some significant highlights from page 43 of Volume 1.

Te Atakura – First to Zero

Many highlights were achieved during the year, and these are included throughout the full report as the Te Atakura strategy is a cross-Council function, not the responsibility of this activity area alone. The strategy articulates the role of Council in reducing city and Council emissions. Significant highlights are included from page 43 and 57 of Volume 1.

A qualified opinion was received for our performance measure on the Council's greenhouse gas emissions, see Volume 1 page 61 and 62 for more details and page 28 of this summary

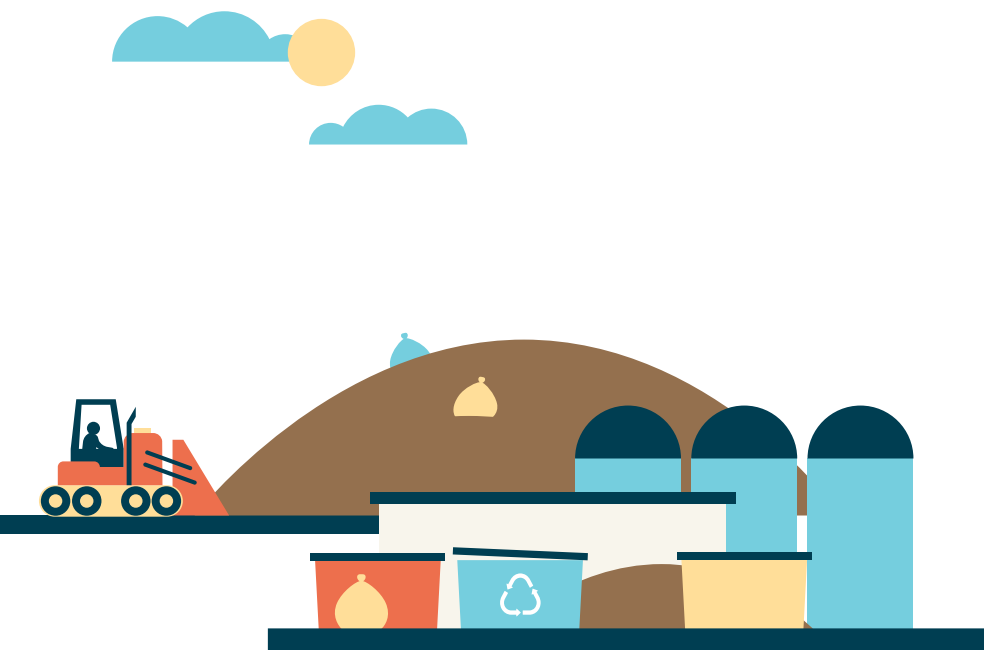
Te Whare Wai Para Nuku

The Moa Point Sludge Minimisation Facility was gifted a te reo Māori name, Te Whare Wai Para Nuku, by Te Ātiawa Taranaki Whānui at a Matariki ceremony in June 2024.

Work began on the new plant in May 2023, with the initial groundwork and piling began in November 2023. The facility is expected to be operational in 2026. More information on the project is available in the full report in Volume 1 from page 56, and on the Council website [wellington.govt.nz/sludge](https://www.wellington.govt.nz/sludge)

Three waters

In the 2021–31 Long-term Plan we increased the level of investment in our three waters network. This was mainly about looking after existing infrastructure and completing targeted growth investments. Further funding has also been approved and the 2023/24 Annual Plan operational budget for WWL was more than \$50.6m – 27 percent higher than the approved LTP budget for the 2023/24 financial year.



Volume 1 of the full report from page 56 includes the performance of Wellington Water's 25 KPIs and information on the following areas.

- CBD Wastewater Pump Station and Rising Main Projects
- Omāroro Reservoir
- Leak management
- New water standards
- Error in 2021/22 response times

A qualified opinion was received for three performance measures relating to the total number of complaints received for our three waters network, see Volume 1 pages 63, 65 and 67 for more details.

An emphasis of matter was also included in the Audit Opinion outlining the significant uncertainties over the fair value of three waters assets as at 30 June 2024, see Volume 2 page 57 for more details and page 28 of this summary.

Planning for growth

The District Plan review began in 2021 and will be completed by the end of the 2024/25 financial year.

Hearings on the Part 1 Schedule 1 matters of the District Plan are presently concluding, and the Independent Hearings Panel will make its recommendations to Council in the first months of the 2025 calendar year.

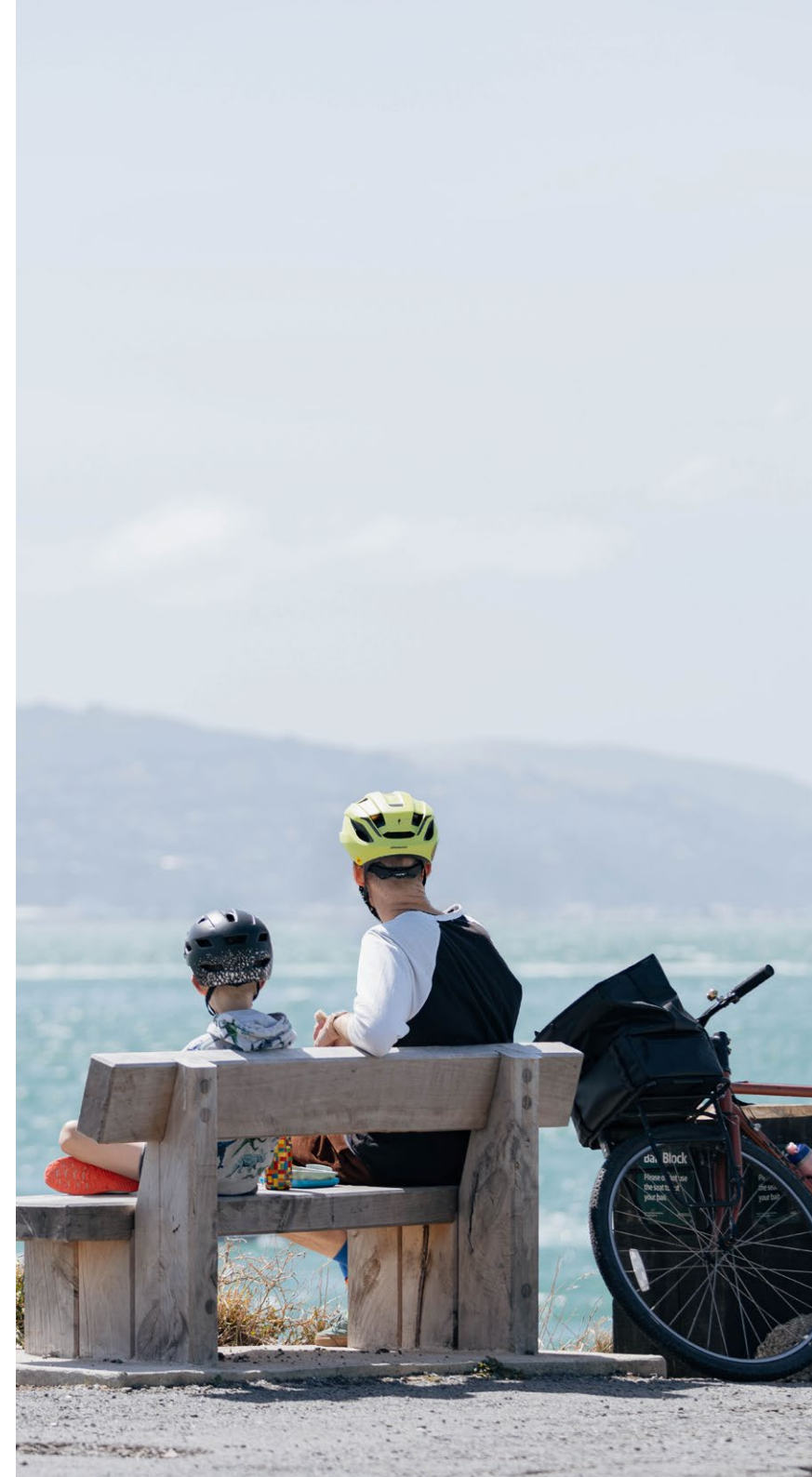
Council's Housing Action Plan

As a key priority of the Housing Action Plan, Council is increasing its delivery of affordable housing solutions in the city. In June 2023, Council recommitted to a target of 1,000 affordable rental units to be either under contract or delivered by 2026.

There are currently 290 apartments within the programme offering below market rents and several additional tenant benefits. Our full progress against meeting this target is detailed in Volume 1 of the full report, from page 114.

Let's Get Wellington Moving

- In December 2023 the Government, Wellington City Council and Greater Wellington Regional Council agreed to dissolve the Let's Get Wellington Moving (LGWM) programme. The programme was split between the three partners and details of the Council's projects and progress in this area in in Volume 1 of the full report from page 128.



Key Long-term Plan and Annual Plan 2023/24 projects

Key projects were also outlined in the 2021-31 Long-term Plan and in the 2023/24 Annual Plan. Some of these were one-year projects that were completed during the year or are soon to be completed, and others are multi-year projects.

2024-34 Long-term Plan

The Council developed and engaged on the 2024-34 Long-term Plan (2024 LTP), before adopting the final plan on 27 June 2024. The work took more than two years and included multiple rounds of community engagement. The updated plan sets a new strategic framework and new priorities to guide service delivery and capital Vworks for the next three to 10 years. All the information on the new plan can be viewed on our website (wellington.govt.nz/ltp).

More information about this key review is detailed in Volume 1 of the full report, from page 42.

Southern Landfill extension

The consent for the current Southern Landfill runs out in 2026. After public consultation, it was decided that a new landfill will be constructed on top of the existing landfill.

Following the granting of the 35-year Southern Landfill Extension resource consent, the detailed design has been completed. The first part of the extension is expected to be ready by April 2026.

More information is detailed in Volume 1 of the full report, from page 55.

Tākina Convention and Exhibition Centre

Tākina, Wellington Convention & Exhibition Centre, was completed and opened on 1 June 2023. In its first year, the centre has hosted 127 events, two international exhibitions and delivered approximately \$43m in new expenditure to Wellington's economy.

More information is detailed in Volume 1 of the full report, from page 79.

Te Matapihi ki te Ao Nui Central Library

Significant progress was made towards the 2026 opening of Te Matapihi ki te Ao Nui, the Central Library. We're strengthening and modernising the building. The project is tracking on time and within budget.

More information is detailed in Volume 1 of the full report, from page 102.

Frank Kitts Park playground upgrade

This project was reassessed in 2022/23 and re-scaled. Taranaki Whānui ki te Upoko o te Ika gifted the new playspace the name Te Aro Mahana, translated as warm front.

The playground re-opened to the public in February, following a dawn blessing ceremony. The new space was celebrated with a full day of activities on Te Rā o Ngā Tamariki – Childrens' Day in March.

More information is detailed in Volume 1 of the full report, from page 100.

Te Ngākau Civic Precinct

Te Ngākau Civic Precinct is home to many of Wellington's key civic and cultural venues and connects the city to the waterfront. However, it has seismic issues and many of the buildings have notices and require work. As part of this, we are currently developing a Te Ngākau masterplan to look at the whole Civic Square precinct as well as progressing some key building work projects.

More information on this project is detailed in Volume 1 of the full report, from page 117.

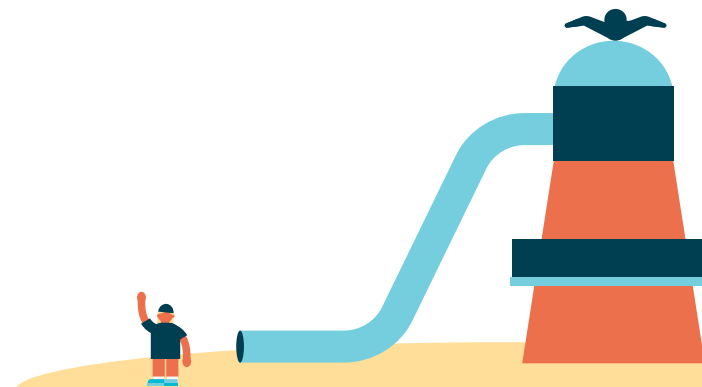
Town hall strengthening

The Wellington Town Hall is a grade one listed heritage building and is nearly 120 years old. Since 2019, the Council has been reconstructing and redeveloping the building to make it resilient and meet current earthquake standards.

The seismic strengthening and redevelopment has reached an important milestone, with the majority of seismic strengthening works coming to an end.

From its inception the project was considered highly complex with several known challenges. In October 2023, the Council voted to increase the project's budget by up to an additional \$140m, increasing the total cost to \$329m.

More information is detailed in Volume 1 of the full report, from page 117.



Public space upgrades

Island Bay

The Island Bay Town Centre upgrade is a significant project that is currently under construction. This project has both a permanent cycleway and urban design upgrades as its scope of works.

The improvements include a focus on accessibility and walkability, increased safety, creation of urban public space with places design with the community in the main shopping area.

Berhampore

The Berhampore Town Centre upgrade was a public space upgrade project, completed early in 2024. This project was focused on providing light touch urban design upgrades to the Berhampore shopping area, with a focus on placemaking, accessibility and walkability. The upgrades have been well received by the community.

Farmers Lane

The Farmers Lane laneway upgrade project was a joint project between WCC and Cornerstone Developers who own the adjacent building. Both partners invested in this project which has improved walkability, increased safety, and offered a more convenient and enjoyable way to access between The Terrace and Lambton Quay. The improvements also delivered new planters and seating elements to provide a public space off the busy Lambton Quay thoroughfare. Works were completed early in 2024.

Central city

This year we also continued the planning of two central city parks. A new park on the corner of Fredericks Street and Taranaki Street and an upgrade of Te Aro Park. In both of these projects we have been working with key stakeholders to design projects grounded in the history of the places, but designed for a dense and vibrant city where people live, work and play.

More information on these upgrades is detailed in Volume 1 of the full report, from page 116.

Transport network upgrades

During the year, we installed eight EV chargers, continued to install new seawalls around the coast from Oriental Bay to Evans Bay, worked with schools on street safety improvements, completed the Aotea Quay roundabout, and continued to roll out Paneke Pōneke – our bike network – including installing some key transitional cycleways in Karori, Island Bay and Berhampore, Cambridge Terrace and Adelaide Road, and maintained our extensive transport network.

More information on our transport network upgrades is detailed in Volume 1 of the full report, from page 127.



04

Ā mātou pūtea

Our finances

Kei tēnei upoko

Kei roto i tēnei wāhanga, te whakarāpopototanga o ngā tauāki 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 2024.

He mea tango mai te whakarāpopototanga o ngā tauāki 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 Revenue and Expense, Financial Position, Changes in Equity, and Cash Flows. It also includes relevant disclosures for the Council for the year ended 30 June 2024.

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 Annual Report and cannot be expected to provide as complete an understanding as provided by the full financial statements.



Tirohanga whānui o te tahua

Overview of our finances

Introduction

The Council creates plans, including 10-year and annual budgets, to make sure we are working towards the best future for our city.

This report holds us accountable to those plans and how we are spending our money.

This section outlines how we have financially performed against the 2021 LTP (as amended) and the 2023/24 Annual Plan.

Our planning documents

The Long-term Plan (LTP) is a key planning tool for councils. It keeps us accountable to our communities and provides a long-term view of our projects and the Council's budgets.

The Council is required to revise the Long-term Plan every three years and must always have one in place. Importantly, through public engagement, the review of the Long-term Plan is a chance for the community to have a say on the future of our city.

The Council is also required to adopt an Annual Plan (the LTP is the Annual Plan for the first year it is set). The Annual Plan sits alongside the LTP as a record of annual changes that needed to be made.

This includes setting a budget that supports the delivery of our services and development projects to improve the city.

Financial Context

The context in which the 2021 LTP was set is significantly different to the environment in which we are now operating. There was significant uncertainty because the ongoing impacts of the COVID-19 pandemic were unknown in 2021 and there was a focus on the city's economic recovery.

As outlined in detail in the challenges section on page 21, we now face affordability challenges, plus higher inflation, increases in the cost of interest and insurance, as well as higher costs associated with asset ownership (for example, higher depreciation). These challenges are being faced by councils across the country and we need to be conscious of our financial impact on our ratepayers and residents.

In the 2021 LTP, the Council committed to upgrading much of the city's ageing infrastructure, particularly the water network. This has meant increases year-on-year in our capital expenditure and our debt.

All of our budgets are linked – increasing our debt also increases the operating costs for paying it back, including the cost of interest.

Therefore, we need to balance having a city we can all enjoy, with the ability of residents to pay rates.

\$8.7m

Surplus - result for the year

\$64.8m

Budgeted surplus in Annual Plan 2023/24

82%

Capital programme budget spent

\$877.1m

Total operational expenditure (7% overspend against budget of \$817.6m, see page 38)

\$11.8

Operational cost of Council services per resident per day

AA+

S&P credit rating for the year (Note: this was downgraded in August 2024 to AA)

A balanced budget

Under the Local Government Act 2002, councils are expected to operate a balanced budget. This means rates and other revenue equals or is greater than our operating expenses.

A balanced budget helps to ensure we are not passing on the cost of running the city today to 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.

As part of the 2021–31 Long-term Plan and subsequent annual plans several items related to the impact of COVID-19 were funded through debt. For example, the Council did not receive any airport dividends during the pandemic period and had to borrow to cover the shortfall in revenue.

The rates repayments for this debt are spread over 10 to 15 years to minimise the impact on rates in the short term.

During the period of consultation on the 2023/24 Annual Plan, the revaluation of water, sewerage and stormwater networks increased the value of our assets by 80 percent. This increased depreciation expenditure by \$60.1m. Depreciation would normally be fully funded by rates, but this would have meant an additional 9 percent rates increase on top of the 12.3 percent proposed. The Council therefore resolved that it would be prudent to work towards fully funding depreciation over a period of time rather than imposing this cost immediately.

The Council forecast a surplus in the 2023/24 Annual Plan. However, the plan included \$126.2m of revenue from grants, subsidies and reimbursements for the Sludge Minimisation Facility. This was accounted for in accordance with accounting rules. If the capital grant revenue had not been included, the Council would have budgeted a deficit position.

Key variances to budget

We achieved a \$8.7m surplus compared with a budgeted surplus of \$64.8m. The overall surplus is \$56.1m lower than what was budgeted in the 2023/24 Annual Plan.

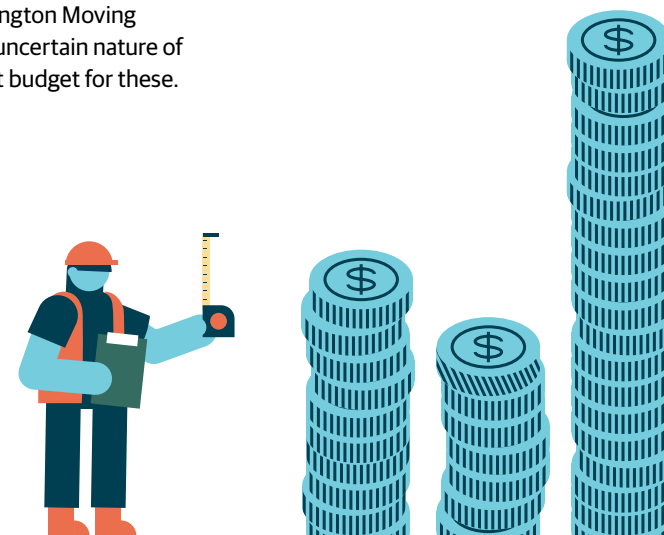
The key changes are

- The cost of delivering and running Council services and operating projects in 2023/24 was \$59.5m higher, driven by non-cash expenses such as depreciation and adverse fair value movements.
- Grants, subsidies and reimbursements received were \$46.6m less than budget because of lower sludge minimisation grant revenue. This revenue is used to fund the construction of the new sludge facility. The project spend is behind budget, so the associated grant revenue is too.
- Vested assets and other revenue were \$34.7m higher than budget. During the year we recognised vested asset revenue of \$33.6m largely relating to water assets from new subdivisions and roading assets from the Let's Get Wellington Moving partnership. Given the uncertain nature of vested assets we do not budget for these.

- Fair value movements were \$32.8m lower than budget. This is primarily due to investment property revaluation decreases. The Annual Plan predicted a fair value gain of \$13.9m compared to an actual net fair value loss of \$18.9m.
- Depreciation and amortisation expenses were \$14.6m higher than budget. This is mainly due to higher depreciation based on the significant increase in the value of our assets from the previous year.

The Revenue and Expenditure sections of this summary outline the key variances to the budget in more detail.

See the Glossary from page 195 of Volume 1 of the full report for definitions of key terms.



Expenditure

Operational spend

The 2023/24 Annual Plan forecasted an operating cost of delivering Council services of \$817.6m. This was a significant increase compared with previous year’s budgets and related to the increased costs of contracts, personnel and interest.

The operational expense this year totalled \$877.1m driven by non-cash expenses such as depreciation and adverse fair value movements.

The main area of spend was our Environment and Infrastructure activity (43 percent of all of actual Council spend) with increases in the amount spent on our water network and increased depreciation as outlined above. Inflation also had an impact on costs across the Council.

Depreciation and amortisation continues to rise driven by increases in asset valuations such as three waters assets and the large capital expenditure programme that is underway. This cost continues to grow each year, with \$14.7m more depreciation and amortisation expenditure this year than in 2022/23.

Contracts, services and materials costs were \$218.3m in 2023/24. This spend represents a \$32.9m increase in spend compared to last year. This was driven by continued investment in the environment and our transport network.

The graph below shows the top five areas of operational spend, along with other operating expenses.

- **Contracts, services and materials:** includes our maintenance and renewals programme, Government waste and landfill fees and levies, contracts, consumable materials and the cost of our consenting and compliance functions.
- **Employee benefits:** includes remuneration, training and development, superannuation and other personnel costs.
- **Other operating expenses:** includes utility costs, insurance premiums, professional fees, information and communication technology and operating leases.

Capital Spend

During 2023/24 we delivered capital projects totalling \$464.2m. This is the highest capital expenditure programme Wellington City Council has delivered. In total, the Annual Plan forecast a capital spend of \$566.1m. We therefore underspent our capital budgets by 18 percent, or \$101.9m.

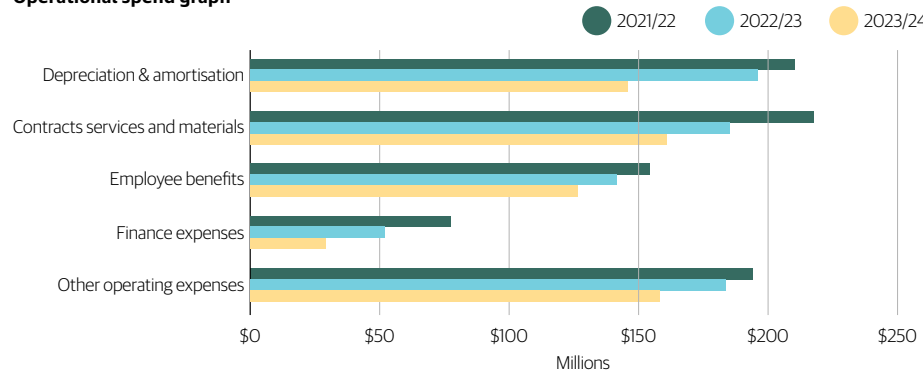
The key highlights and differences, to the 2023/24 Annual Plan are listed below:

- Our largest capital spend in 2023/24 was \$90m on the sludge minimisation facility/ Te Whare Wai Para Nuku compared with the Annual Plan budget of \$126m. This capital spend is behind budget because the timing of key equipment purchases has been slightly later than expected. The project is still well advanced.

- We invested in the remediation of critical community assets such as Te Matapihi and the Town Hall, spending \$118m on these projects (2023/24 Annual Plan budget: \$122m).
- Significant investment occurred in the three waters network this year, with \$67.5m spent on capital expenditure. We had planned to spend \$60m (in the 2023/24 Annual Plan budget) and during the year the Council approved an additional \$11m in response to critical investment needs.
- The capital spend on our transport network including the bike network, Paneke Pōneke, and Let’s Get Wellington Moving (LGWM) was \$111.1m in 2023/24 compared to the \$128.5m set aside in the Annual Plan. This spend changed during the year due to the decision to wind down the LGWM programme which caused delays in the associated projects.

More information about our expenses for the year is detailed in Note 7 to the financial statements, on page 20 of Volume 2.

Operational spend graph



Your rates at work

In the same way that our national taxes contribute to the running of the country, Council rates are important to ensure Wellington continues to function.

We set our rates in the Annual Plan by balancing the needs of the community, demand for services and rates affordability. The money helps us deliver hundreds of day-to-day services and pays for the interest on loans used to fund big capital projects across Wellington.

There are different types of 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, or you own a home or business in Wellington you contribute to Council rates either directly or indirectly.

We collected \$483.3m (GST exclusive) of rates during 2023/24.

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

¹³ Not all of this water is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils



416 litres

Litres of drinkable water supplied per resident per day¹³



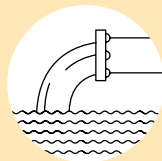
110,105

Native plants planted with the community



169,628

Calls answered by our Contact Centre staff



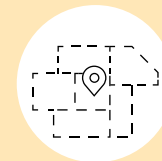
827 km

Stormwater pipes



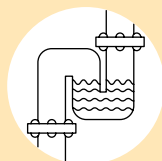
2 million

Physical items borrowed from our 13 libraries



204 sqm

Open space per Wellingtonian



1,085 km

Wastewater pipes



391 km

Of walking and biking tracks



107

Play areas



995 km

Of footpaths



803,971

Resources in City Archives



18,828

Streetlights operated

Revenue

Operational income

Our main source of funding is from rates – which makes up 54.6 percent of our total revenue of \$885.8m. The next largest source is user fees, at 20 percent. (Money charged for using Council services such as swimming pools and the landfill).

We also received 15.6 percent of our revenue from other external sources (mainly from central government) and gained some from investment revenue.

The graph to the right shows the main sources of revenue for the Council.

Our total revenue for the year is in line with the 2023/24 Annual Plan at \$885.6m. There was a decrease in grant revenue compared with the budget. Grant revenue was provided to us when capital spend on the sludge minimisation plant was incurred. As the actual project spend has been lower than expected, grant revenue has also been lower (\$47.0m).

This has been offset by revenue which is not budgeted such as vested asset revenue of \$33.6m and interest revenue of \$17.5m.

For revenue from Council operating activities, the main sources are:

- City housing – \$2.5m (2023: \$27.0m). This revenue fell as Te Toi Mahana took over City Housing operations in August 2023. Lease revenue has increased to \$29.4m from \$8.3m in 2022/23.
- Landfill operations and recycling – \$34.2m (2023: \$31.1m).
- Parking fees and permits – \$23.4m (2023: \$24.4m).
- Consents and licensing services – \$18.0m (2023: \$17.5m).
- Convention and conference centres – \$15.2m (2022: \$15.9m).

More information about these revenue sources is detailed in Note 2 to the Financial Statements, on page 13 of Volume 2.

Capital income

The main source of funding for our capital programme is from borrowing. We also receive revenue from other external sources, mainly central government, to fund particular parts of our work. This includes grant revenue to fund the construction of the sludge minimisation plant and Waka Kotahi NZ Transport Agency’s contributions towards the Paneke Pōneke cycleways network.

Borrowing for the year

Total net borrowings increased by \$301.5m to fund the capital expenditure programme for the 2023/24 year.

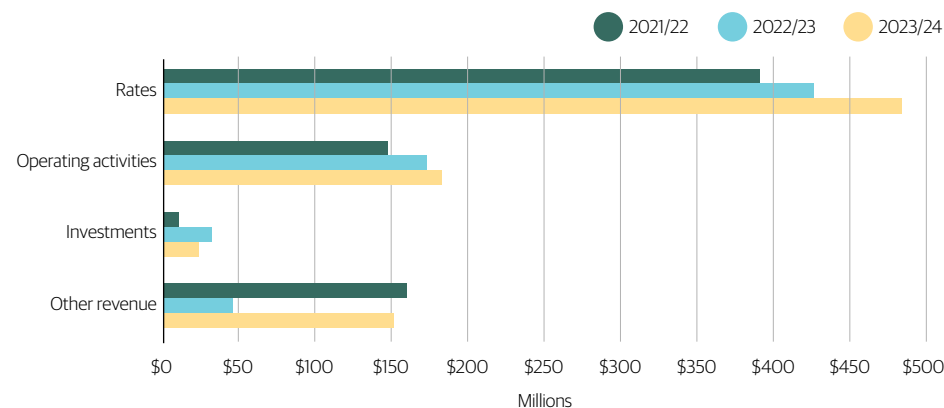
Net borrowing is made up of gross borrowings minus cash and term deposits. Net borrowing was \$1.44b at the end of the year compared to \$1.59b forecast in our 2023/24 Annual Plan. At the end of the year, the average borrowing per resident is \$5,365.

The ratio of debt servicing costs to investment returns is \$1:\$0.40. This means that every \$1 paid in interest costs is offset by 40c of investment income received.

Before COVID-19, this ratio was \$1:\$1 or higher, but it dropped in 2021/22 because we did not receive a dividend from Wellington International Airport Ltd due to the impact of the pandemic. The 2022/23 dividend was \$20.4m and this year’s dividend was \$12.0m.

More information about our borrowing for the year is detailed in Note 24 to the Financial Statements, on page 71 of Volume 2.

Sources of Council revenue



Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

The main variances from budget are discussed in the notes following the Statement of Comprehensive Revenue and Expense in the full 2023/24 Annual Report.

Significant variations

A summary of significant variations from budget are as follows:

Total revenues were \$3.3m higher than budget.

Major variances included:

- Grants revenue for the construction of Te Whare Wai Para Nuku, the Sludge Minimisation Facility were \$48.0m lower than budget. This is due to the timing of spend on this capital project being behind budget and so the associated grant revenue is too.
- Vested assets revenue were \$33.6m higher than budget. Vested assets recognised were largely in relation to three water assets from new subdivisions and roading assets from the Let's Get Wellington Moving partnership. Vested asset revenue is not budgeted for.
- Finance revenue was \$17.4m higher than budget. Finance revenue is not budgeted for. Instead, net interest expense is budgeted under finance expense.

Table 1: Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	Council			Group	
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Total revenue	885,767	882,441	699,120	911,212	705,375
Total expense (excluding finance expense)	(799,096)	(756,629)	(721,261)	(825,331)	(746,503)
Total finance expense	(77,970)	(60,972)	(52,085)	(78,018)	(52,097)
Operating surplus/(deficit)	8,701	64,840	(74,226)	7,863	(93,225)
Share of equity accounted surplus/(deficit) from associates and joint venture	-	-	-	(2,844)	7,627
Net surplus/(deficit) before taxation	8,701	64,840	(74,226)	5,019	(85,598)
Income tax credit/(expense)	-	-	20	(340)	(304)
Net surplus/(deficit) for the year	8,701	64,840	(74,206)	4,679	(85,902)
Net surplus/(deficit) attributable to:					
Wellington City Council and Group	8,701	64,840	(74,206)	4,714	(85,811)
Non-controlling interest	-	-	-	(35)	(91)
	8,701	64,840	(74,206)	4,679	(85,902)
Other comprehensive revenue and expense					
Cash flow hedges - Fair value movement (net)	(7,854)	-	15,556	(7,854)	15,556
Share of other comprehensive revenue and expense of associates and joint venture - Cash flow hedges - Fair value movement (net)	-	-	-	46	1,588
Fair value through other comprehensive revenue and expense (net)	440	-	34	530	(205)
Revaluations of property, plant and equipment (net)	713,751	-	(59,615)	713,751	(59,615)
Share of other comprehensive revenue and expense of associates and joint venture - Revaluations of property, plant and equipment (net)	-	-	-	19,778	33,015
Total other comprehensive revenue and expense	706,337	-	(44,025)	726,251	(9,661)
Total comprehensive revenue and expense for the year	715,038	64,840	(118,231)	730,930	(95,563)
Total comprehensive revenue and expense attributable to:					
Wellington City Council and Group	715,038	64,840	(118,231)	730,965	(95,472)
Non-controlling interest	-	-	-	(35)	(91)
	715,038	64,840	(118,231)	730,930	(95,563)

Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

– continued

Total expenses (including finance expenses) were \$59.5m higher than budget.

Major variances included:

- Fair value movement losses were \$20.4m higher than budget, due to investment property revaluation decreases of \$20.4m. The budget assumed a fair value increase in investment properties.
- Finance expenses were \$17.0m higher than budget since the budget reflects only the net finance cost (ie finance expense less finance revenue).
- Depreciation and amortisation expenses were \$14.6m higher than budget, primarily due to higher actual depreciation compared to budget which was based on different assumptions for asset valuations, useful lives and timing of capitalising work in progress.

Other comprehensive revenue and expense was \$706.3m higher than budget.

Major variances included:

- Fair value movement gains of \$713.8m largely due to revaluation of infrastructure assets. We did not budget for these items as the revaluations were completed in year 2 of the normal three-yearly cycle.
- Cash flow hedge reserve movements of \$7.9m largely from fair value losses on cash flow hedges due to changes in floating interest rates. Cash flow hedge movements is not budgeted for.

Summary Statement of Financial Position

As at 30 June 2024

The main variances from budget are discussed in the notes following the Statement of Financial Position in the full 2023/24 Annual Report.

Significant variations

A summary of significant variations from budget are as follows:

Current assets were \$23.5m higher than budget.

Major variances included:

- Cash and cash equivalents were \$31.5m higher and receivables and recoverables were \$22.6m higher than budget due to the timing of working capital movements.
- Other financial assets were \$47.8m below budget due to lower amounts of term deposits being held than originally budgeted. This is partially offset by higher than budgeted non-current other financial assets of \$16.7m.
- Non-current assets held for sale were \$9.8m higher than budget due to the reclassification of housing assets that were identified for sale to Te Toi Mahana. The sale was completed in September 2024.

Non-current assets were \$328.3m higher than budget.

Major variances included:

- Property, plant and equipment were \$343.7m higher than budget. This is largely due to the impact of the unbudgeted revaluation gain of infrastructure assets, partially offset by the lower capital programme delivery compared to budget.
- Investment properties were \$28.2m lower than budget. This is due to a decrease in fair value from the investment properties revaluation. The budget had assumed an increase in fair value.

Total liabilities were \$103.4m lower than budget.

Major variances included:

- Total borrowings were \$124.9m lower than budget. This is due to a range of factors including lower capital programme delivery than budget.
- Taxes payable are \$14.0m over budget due to the timing of payments, including payments of rates to GWRC, differing to the original budget.
- Total provisions for other liabilities are \$6.4m over budget due to higher provisions for landfill post-closure costs and weathertight homes than budgeted.

Table 2: Summary Statement of Financial Position

	Council		Group		
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current assets	380,272	356,740	198,374	407,996	225,286
Non-current assets	11,829,633	11,501,366	10,867,122	12,118,382	11,142,654
Total assets	12,209,905	11,858,106	11,065,496	12,526,378	11,367,940
Current liabilities	327,083	355,681	362,500	342,608	380,014
Non-current liabilities	1,546,039	1,620,854	1,081,251	1,548,547	1,083,633
Total liabilities	1,873,122	1,976,535	1,443,751	1,891,155	1,463,647
Equity					
Wellington City Council and Group	10,336,783	9,881,571	9,621,745	10,634,591	9,903,575
Non-controlling interest	-	-	-	632	718
Total equity	10,336,783	9,881,571	9,621,745	10,635,223	9,904,293

Summary Statement of Changes in Equity

For the year ended 30 June 2024

The main variances from budget are discussed in the notes following the Statement of Changes in Equity in the full 2023/24 Annual Report.

Changes in equity

The Council's equity is represented by the difference between what the community owns (assets of \$12.2b) and what it owes (liabilities of \$1.9b).

The Council's equity at the end of the year was \$10.3b, an increase of \$715.0m from 2022/23. The major reason for the variance was the \$713.8m increase in revaluation reserves from the revaluation of the three waters infrastructure assets and the fair value indexation uplift of the roading infrastructure assets during the year. These were completed in year 2 of the normal three-yearly cycle and were therefore not budgeted for.

The increase in fair value on property, plant and equipment is mainly due to:

- Increase in indexed construction costs between 2021/22 and 2023/24 driven by the increase in construction activity across New Zealand from post-storm rebuild and the high demand for new healthcare facilities and office buildings.
- The scarcity of disposal sites within Wellington has resulted in substantial increases in disposal and transportation costs.
- Drainage, water and waste infrastructure assets – Increase in indexed pipe valuation unit rates and additional cost movements where indexed unit rates were deemed not reflective of current market costs.

Table 3: Summary Statement of Changes in Equity

	Council			Group	
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Equity at the beginning of the year	9,621,745	9,816,731	9,739,976	9,904,293	9,999,856
Net surplus/(deficit) for the year	8,701	64,840	(74,206)	4,679	(85,902)
Other comprehensive revenue and expense	706,337	-	(44,025)	726,251	(9,661)
Total comprehensive revenue and expense	715,038	64,840	(118,231)	730,930	(95,563)
Equity – closing balances					
Accumulated funds	1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings	3,839,916	3,890,556	3,828,987	3,832,978	3,826,006
Revaluation reserves	5,138,158	4,637,773	4,424,407	5,411,485	4,677,956
Hedging reserve	65,326	57,624	73,180	67,508	75,316
Fair value through other comprehensive revenue and expense reserve	7,328	6,854	6,888	8,308	7,778
Non-controlling interest	-	-	-	632	718
Restricted funds	16,921	19,630	19,149	21,150	23,357
Total equity	10,336,783	9,881,571	9,621,745	10,635,223	9,904,293
Total comprehensive revenue and expense attributable to:					
Wellington City Council and Group	715,038	64,840	(118,231)	730,965	(95,472)
Non-controlling interest	-	-	-	(35)	(91)
	715,038	64,840	(118,231)	730,930	(95,563)

Summary Statement of Cash Flows

For the year ended 30 June 2024

The main variances from budget are discussed in the notes following the Statement of Cash Flows in the full 2023/24 Annual Report.

Significant variations

A summary of significant variations from budget are as follows:

Net cash flows from investing activities were \$121.3m higher than budget.

The major variances included an increase in other financial assets which were \$126.9m higher than budget largely relating to the purchases of term investments to pre-fund upcoming debt maturities on borrowings.

Net cash flows from financing activities were \$92.6m higher than budget. This included net cash inflow from borrowings which were \$104.1m higher than budget mainly due to the pre-funding of upcoming debt maturities – see \$126.9m variance in the increase of other financial assets above. This is partially offset by a lower level of capital programme spend compared to budget.

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).

Table 4: Summary Statement of Cash Flows

	Council		Group		
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Net cash flows from operating activities	213,373	203,400	187,525	222,886	194,245
Net cash flows from investing activities	(558,449)	(437,109)	(277,727)	(565,239)	(279,413)
Net cash flows from financing activities	348,349	255,782	132,156	348,284	132,148
Net increase/(decrease) in cash and cash equivalents	3,273	22,073	41,954	5,931	46,980
Cash and cash equivalents at the beginning of the year	68,529	18,257	26,575	87,707	40,727
Cash and cash equivalents at the end of the year	71,802	40,330	68,529	93,638	87,707

Ngā tuhipoka ki te whakarapopotanga pūrongo tahua

Notes to the summary financial statements

Basis of Reporting

Wellington City Council (the Council) has designated itself and the Wellington City Council Group (the Group) as public benefit entities and applies New Zealand Tier 1 Public Benefit Entity Accounting Standards (PBE Accounting Standards).

The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities.

The summary financial statements comply with Public Benefit Entity Financial Reporting Standard 43: Summary Financial Statements. The information presented is in New Zealand dollars, rounded to the nearest thousand dollars (\$000) unless otherwise stated.

The full 2023/24 Annual Report and 2023/24 Summary Annual Report were authorised for issue by the Governing Body on 31 October 2024.

Budget information

The 2023/24 Annual Plan (AP) budget figures included in these financial statements are for the Council as a separate entity. The AP figures do not include budget information relating to controlled entities or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the AP process. The AP figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council in the preparation of the full financial statements.

Contingencies

Legal proceedings

Legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to the Group is anticipated to be less than \$0.4m (2023: \$1.6m).

Unquantified contingent liabilities

Riskpool - winding up

The Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

On 1 August 2023 the Supreme Court dismissed Riskpool's final appeal in *Local Government Mutual Funds Trustee Limited v Napier City Council* [2023] NZSC 97. This created an immediate liability for Riskpool in relation to that claim, which necessitated a call on members. The amount of the call for the Council was \$0.7m and was paid in December 2023.

Riskpool's wind-down remains a very dynamic situation and there are significant challenges that Riskpool are still working through to be able to quantify the extent of Riskpool's potential exposure.

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.

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 update has been included due to the significant impact the programme is likely to have on the Council including on all water related infrastructure assets.

Local Water Done Well

In December 2023, the Government announced a new direction for water services (drinking water, wastewater and stormwater services) policy and legislation which it has called Local Water Done Well.

This is being implemented in 3 stages namely:

- stage 1 - repealing the previous affordable water reforms (completed in February 2024);
- stage 2 - enacting the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) which received Royal Assent on 2 September 2024; and
- stage 3 - implementing further legislative change (expected to be introduced in December 2024 to be passed by mid-2025).

The Act requires the Council to submit a Water Services Delivery Plan (WSDP) to the Secretary of Local Government, by September 2025. In broad terms, a WSDP must identify the current state of the Council's water services and show how the Council will deliver those services in a way that:

- meets relevant regulatory quality standards for stormwater, wastewater and water supply networks;
- is financially sustainable;
- ensures compliance with drinking water quality standards; and
- supports the council's housing growth and urban development objectives.

The Council is currently working with other councils in the Greater Wellington region along with the Horowhenua District on a WSDP to reform the region's water services.

The 10 councils, representing more than half a million people, are committed to the process and working at pace to ensure an enduring approach to water management ahead of the local government elections in 2025.

The Council is also required to formally consult the community on aspects of the proposed model and arrangements for delivering water services.

The reforms to date have had no effect on the financial statements or performance information for the year ended 30 June 2024.



05

Tō tātou Kaunihera me te rōpū whakahaere Our Council and organisation

Kei tēnei upoko

Kei tēnei upoko he whakamāramatanga mō ngā whakaritenga manapori, kaporeihana hoki a te Kaunihera me te whakapuaki mōhiohio e pā ana ki ngā mema, ngā komiti, ngā rōpū me ngā ohu pakihi, te hanganga o te rōpū whakahaere me ngā kaimahi.

In this section

This section gives summary of the Council's democratic and corporate governance arrangements, including committees, Council controlled organisations and staff.



Te Kaunihera o Pōneke

Our Council

Te Kaunihera o Pōneke Wellington City Council is made up of the Mayor and 15 Councillors, one of whom serves as Deputy Mayor.

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

The role of our elected members is to set the direction of the city, approve the budgets which fund the city's services and facilities, and adopt bylaws, policies and plans to meet the needs of our diverse communities.

Councillors are also responsible for representing those from the geographical area (ward) that elected them.

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

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

The next election will be held in October 2025.

The profiles and responsibilities of the Council are detailed in this section.

Committee structure

The Mayor put in place the current structure of committees and subcommittees at the beginning of the triennium.

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

Two representatives of our Tā kai Here partners have been appointed to most of Council's committees and subcommittees for the 2022–2025 triennium: Pou iwi Liz Kelly from Ngāti Toa Rangatira and Pou iwi Holden Hohaia from Taranaki Whānui ki te Upoko o te Ika.

Council

- Te Kaunihera o Pōneke | Council

Committees of the whole

- Kōrau Tōtōpu | Long-term Plan, Finance, and Performance Committee
- Kōrau Mātinitini | Social, Cultural, and Economic Committee
- Kōrau Tūāpapa | Environment and Infrastructure Committee

Additional committees and subcommittees

- Koata Hātepe | Regulatory Processes Committee
- Unaunahi Māhirahira | Audit and Risk Committee
- Unaunahi Ngaio | Chief Executive Performance Review Committee
- Pitau Pūmanawa | Grants Subcommittee

Hearing panels

- Environment and Infrastructure Hearings Panel
- Social, Cultural, and Economic Hearings Panel

Tō tātou rōpū whakahaere

Our organisation

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. The Chief Executive is the sole employee of the elected Council and is the employer of all other staff.

The Executive Leadership Team supports the Chief Executive to provide advice to the Council, manage the Council organisation and implement Council decisions. The team is made up of eight members who lead functional Groups based on key areas of focus.

Alongside the Council organisation, the Council has established several Council-controlled organisations to help it achieve its goals for Wellington. The governance structures and purposes of those organisations are profiled here.

Any related performance information is detailed in Volume 1, Section 4: Our performance in detail.



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 1,939 staff to help with these responsibilities.

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

Barbara McKerrow

Tumu Whakarae
Chief Executive Officer

Stephen McArthur

Tātai Heke Rautaki
Chief Strategy & Governance Officer

Meredith Blackler

Tātai Heke Tāngata
Chief People & Culture Officer

James Roberts

Tātai Heke Auaha
Chief Digital Officer (June to Sept 2023)

Tātai Heke Hapori
Chief Operating Officer (Oct 2023 onwards)

Kym Fell

Tātai Heke Hapori
Chief Customer and Community Officer

Andrea Reeves

Tātai Heke Tahua
Chief Financial Officer

Liam Hodgetts

Tātai Heke Maherehere
Chief Planning Officer

Siobhan Procter

Tātai Heke Waihanga
Chief Infrastructure Officer

Karepa Wall

Tātai Heke Māori
Chief Māori Officer



Council-controlled organisations

Alongside our seven groups and business units, Wellington City Council has seven Council-controlled organisations that undertake activities on behalf of the Council and are each governed by an independent board.

Council-controlled organisations (CCOs) enable the Council to use specialist expertise to manage Council assets or deliver Council services.

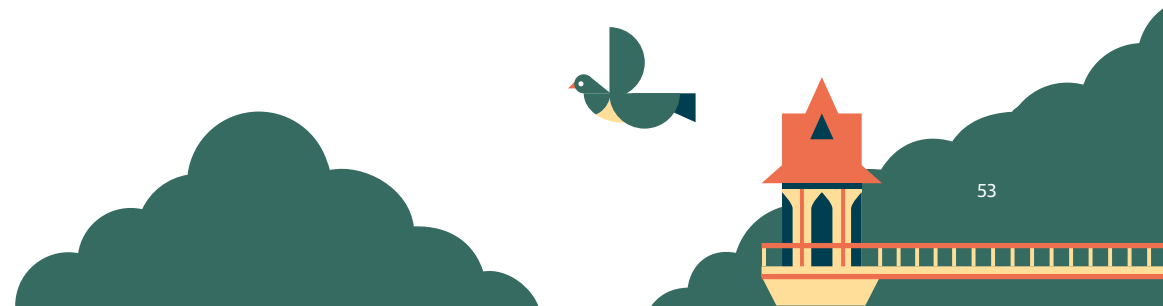
The Wellington Regional Stadium Trust is not a Council-controlled organisation, however its relationship with Council is conducted in a similar manner so it is reported here in a similar fashion.

The organisations are:

- **Basin Reserve Trust** manages and promotes the Basin Reserve for recreation, leisure, and games of domestic and international cricket.
- **Karori Sanctuary Trust** trades as ZEALANDIA - Te Māra a Tāne and manages ongoing conservation and restoration work at its sanctuary in Karori.
- **Wellington Cable Car Ltd** maintains and operates Wellington's iconic Cable Car.
- **Wellington Museums Trust** trades as Wheako Pōneke Experience Wellington and manages educational and cultural facilities and experiences.
- **Wellington Regional Economic Development Agency Ltd (WREDA)** trades as WellingtonNZ and is the city and region's economic development organisation.
- **Wellington Regional Stadium Trust** owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting and events venue.
- **Wellington Water** manages all three water services for Hutt, Porirua, Upper Hutt and Wellington City Councils, and South Wairarapa District Council.
- **Wellington Zoo Trust** manages Te Nukuao Wellington Zoo, provides experiences and education and supports conservation initiatives.

Further reading

- For details on the performance of each entity, please refer to Volume 1, Section 4: Our performance in detail, or their respective annual reports.
- The governance arrangements for each of the organisations are outlined in the following pages.



Our Council and organisation

Ā mātou kaimahi Our staff

Our people are our strength. We have many talented, hard-working kaimahi (staff) across Council, and much to celebrate and be proud of. Through their efforts we are able to deliver on our promises to the community.

Having highly engaged kaimahi supports retaining the skills and abilities to deliver Council services. Retaining staff reduces the cost of recruitment and retraining allowing the council to focus on skill development and service delivery.

We have made significant progress over the past three years, building an organisational culture that supports our kaimahi to be high performing and one that looks after their physical and mental wellbeing.

We have designed our support for our kaimahi from the start of the employee journey to the end.

More information on our staff is in Volume 1 of the full report.

1,939
Total staff headcount
(as of 30 June 2024)

1,342
Total fulltime staff

555
Total part-time staff

1,471
Fulltime equivalents
(FTE)

5.96 years
average tenure of full time employees

♂ Kaimahi
♀ by gender

45%
Male 866

54%
Female 1046

1%
Gender diverse
/undisclosed 27

\$1.6m
spent on training opportunities
(Business Units:
\$1.1m; Culture and
Capability: \$0.5m)

6.1%
reduction in total headcount

7.5%
of Council kaimahi identify as Māori

74%
Current engagement score is 9% higher than the local govt benchmark

\$843
per kaimahi on development and training

132
Staff in the 20+ service club

40%
reduction since 2020/21 in total staff injuries

14.9%
Our core unplanned turnover (down from 19.1% in 2022/23, excludes Recreation staff)

2,232
Course completions (online and workshops) by kaimahi across the Council

30
applications per role in 2023/24 (increase from 12 in 2021/22)



Pūrongo Tātari 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 2024

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 2024.

The summary of the annual report comprises the following information on pages 25 to 30, 36 to 38, and 40 to 47.

- the summary statement of financial position as at 30 June 2024;
- 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 2024;
- 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 2024 in our auditor's report dated 31 October 2024. The basis for our qualified opinion on the statement of service provision is explained below.

Measurement of and reporting of Wellington City Council Group greenhouse gas emissions

The City Council has chosen to include a measure of the quantity of greenhouse gas (GHG) emissions from the City 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 City Council and Group. We consider this material performance information because the City 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 City Council in the 2023 performance year, including capital goods, the Council relied on spend-based emissions factors based on 2015 data. There is insufficient evidence to show that these factors are relevant for use in measuring the City Council's GHG emissions for the year ended 30 June 2023, 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 City Council's scope three emissions audit procedures we could apply to obtain assurance over the reported results for the performance measure described above.

For the year ended 30 June 2024, as explained on page 62 of Volume 1 of the annual report, the City Council has identified a new data source for these spend-based emission factors, however due to significant changes required on adoption of a new data source for these scope 3 spend-based emissions factors, the City Council has been unable to complete the calculation in time for this annual report. As a result, the City Council has been unable to report completely against the WCC Group greenhouse gas emissions (tCO₂-e decreasing) performance measure this year.

Without further modifying our opinion, we also draw attention to the inherent uncertainty disclosure in Volume 1, page 62 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.

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

Our work was limited in respect of the total number of complaints received about water supply, wastewater, and stormwater

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 the performance measures for the total number of complaints received for 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 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 2023 performance year.

Information about these matters are also disclosed on page 32 of the City Council's summary annual report.

Emphasis of matter – uncertainty over the fair value of three water assets

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the fair value of three water assets.

Page 57 of the financial statements in Volume 2, outlines the significant uncertainties over the fair value of three waters assets as at 30 June 2024. The fair value of these assets has been affected by increased costs of construction over the last few years. The future review of procurement arrangements and changes to the region's water services delivery model could lead to changes in construction costs, which increases the uncertainty over the estimated fair value of these assets.

Council's responsibility for the summary of the annual report

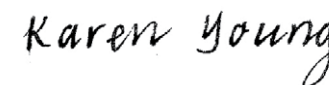
The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

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 Wellington City Council's 2024-2034 Long-term plan, carried out an assurance engagement on greenhouse gas emissions inventory information and procurement assurance for the regional processing solution for organics in the Wellington region, performed a review of the revenue and expenditure of the Clifton Terrace Car Park managed by the City Council on behalf of NZ Transport Agency Waka Kotahi and limited assurance engagement related to the City Council's debenture trust deed. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Council or its subsidiaries and controlled entities.



Karen Young
Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

2 December 2024



Directory

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

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The Annual Report 2023/24 was adopted
by the Council on 31 October 2024 in
compliance with the Local Government
Act 2002.

