

OUR ROLE AND DIRECTION

Enabling the well-being of Wellington and its residents is our responsibility.

OUR ROLE

Under the Local Government Act 2002, the Council's purposes are to:

- promote the social, economic, environmental and cultural well-being of the people of Wellington, now and into the future.
- enable democratic local decision-making and action by, and on behalf of, the people of Wellington.

We also have other responsibilities through the Act including services such as water, wastewater and other sanitary works.

The Local Government Act 2002 gives the Council a general right to take actions that are wholly or principally for the benefit of Wellington City. That Act and others give us a wide range of other powers including gathering rates and setting bylaws.

Further legislation makes us responsible for civil defence and emergency management, public health and safety and waste minimisation. We also regulate building, land use, food and liquor sales, gambling, animal control, and a range of other activities.

Councils are responsible not only for basic infrastructure, but also for helping the community achieve its aspirations for the city and its residents.

Such aspirations may include social cohesion, inclusiveness, prosperity, management of resources and public safety.

Factors such as community and individual well-being and containment of costs all help shape the long term direction of the city. It is left to the Council, working with the people of Wellington, to determine whether well-being is served by Council action, and if so, what type of action the Council should take.

To enhance the well-being of Wellingtonians, we provide services (such as parks and roads), regulate activities (such as building and liquor licensing), or act as an advocate or partner working with others in the city's interests.

OUR VISION

We aim for Wellington to be a vibrant, internationally competitive, and affordable city.

In our 2009-2019 long-term plan, we outlined 13 outcomes that reflect our 10-year aspirations for the city. The outcomes are: more liveable, stronger sense of place, more compact, more eventful, more inclusive, more actively engaged, better connected, more sustainable, safer, healthier, more prosperous, more competitive, and more entrepreneurial/innovative.

Our activities contribute to one or more of these outcomes and they act as signposts to achieving the city's vision.

The outcomes guide our seven strategic areas of focus. These areas are presented as separate chapters within this report. The seven strategic areas are:

- *Governance* – building trust and confidence in decision-making
- *Environment* – protecting and enhancing Wellington's environment
- *Economic Development* – Supporting growth to enhance quality of life
- *Cultural Wellbeing* – reflecting and helping shape Wellington's unique cultural identity
- *Social and Recreation* – sustaining safe, resilient, and healthy communities
- *Urban Development* – preserving Wellington as a compact, vibrant, and attractive city
- *Transport* – connecting people and places.

There are multiple interdependencies between these strategic areas. For example our approach to urban development manages intensive growth along a 'spine' that connects key centres. This allows the most efficient use of existing infrastructure (such as water supply), transport choices, and strengthens 'sense of place' – the pride we have in our local areas.

In developing the strategies we considered a wide range of issues such as population growth and diversity, demands on infrastructure networks and retaining the city's vibrant character, as well as other issues.

We are also specific in our interpretation of our outcomes for each strategy. For instance, our outcome to be safer relates to road safety in transport and to food regulations or safe city initiatives in our social and recreation area. This integrated approach provides us with clarity of purpose.

EXPLAINING OUR WORK

We aim to keep residents informed and make ourselves accountable. In 2009, the Council adopted our long-term plan for the period 2009 – 2019 which outlined the services we planned to deliver for the city for that period. In June 2010 we adopted an annual plan that outlined the work we would do as part of the second year of that plan. This annual report explains how we've delivered that plan.

Our comprehensive reporting reflects the fact that we do a lot. We have structured this report so that information is easy to find, on an activity of interest. For each activity we explain what we did, how we performed, what it cost and how we performed against budget.

Financial Overview

The following pages provide an overview of the financial performance for the year ended 30 June 2011. They provide an explanation of the financial statements and notes on pages XX to XX so that they can be more easily understood by non-financial readers.

Net Surplus

Net surplus is calculated using the following formula:

Total income – total expenses = net surplus

The Council recorded a net surplus of \$16.0 million against a budgeted net surplus for the year of \$49.0 million.

The surplus is made up of funding received specifically for capital projects and cannot be used to offset rates. This includes the funding from NZ Transport Agency and Housing New Zealand.

Underlying Budget Variance

The underlying variance is the remaining difference between the budgeted and actual surplus after adjusting for items that are not used to fund operating expenditure including fair value movements in financial instruments. This year there was an underlying variance of -\$24.4 million.

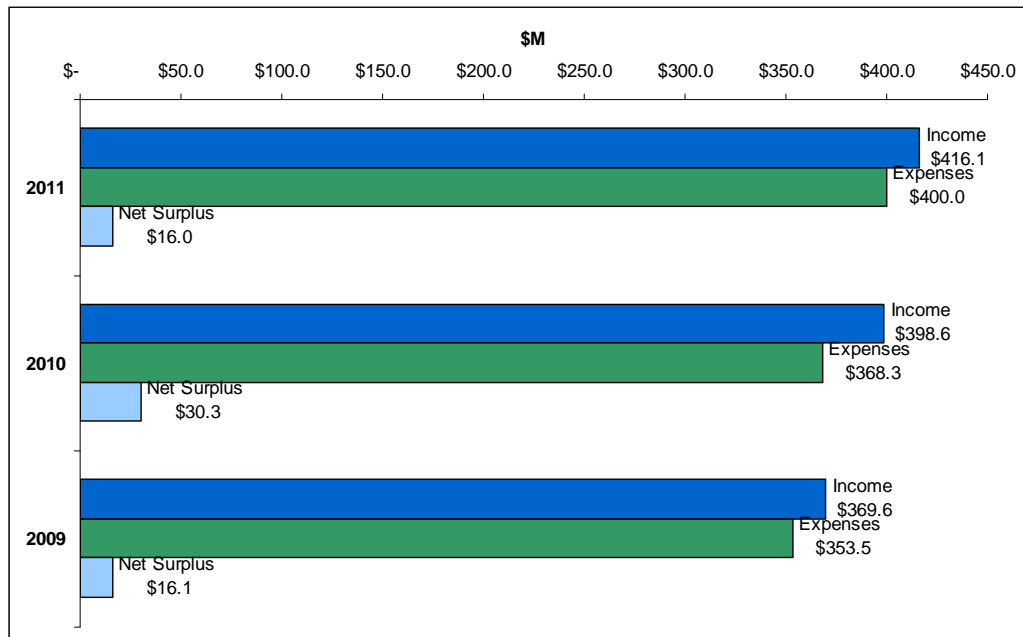
| | \$M |
|---|---------------|
| Net surplus | 16.0 |
| <u>Exclude</u> | |
| Fair Value movements | 10.1 |
| Expenditure from Wellington Waterfront Project and joint ventures | 1.3 |
| Gain or loss on disposal of property, plant and equipment - net | 0.3 |
| Vested assets | (3.1) |
| Adjusted surplus | 24.6 |
| less: budgeted net surplus | 49.0 |
| Underlying variance | (24.4) |

The main reason for the underlying variance was increase in the provision for weathertight homes of \$33.9 million. This provision represents an estimate of the claims outstanding at the end of the reporting period together with an estimate of the claims incurred but not yet reported. This is the first year the provision has included an estimate for claims that have not yet been reported. Previously claims that had not yet been reported were disclosed as an unquantified contingent liability.

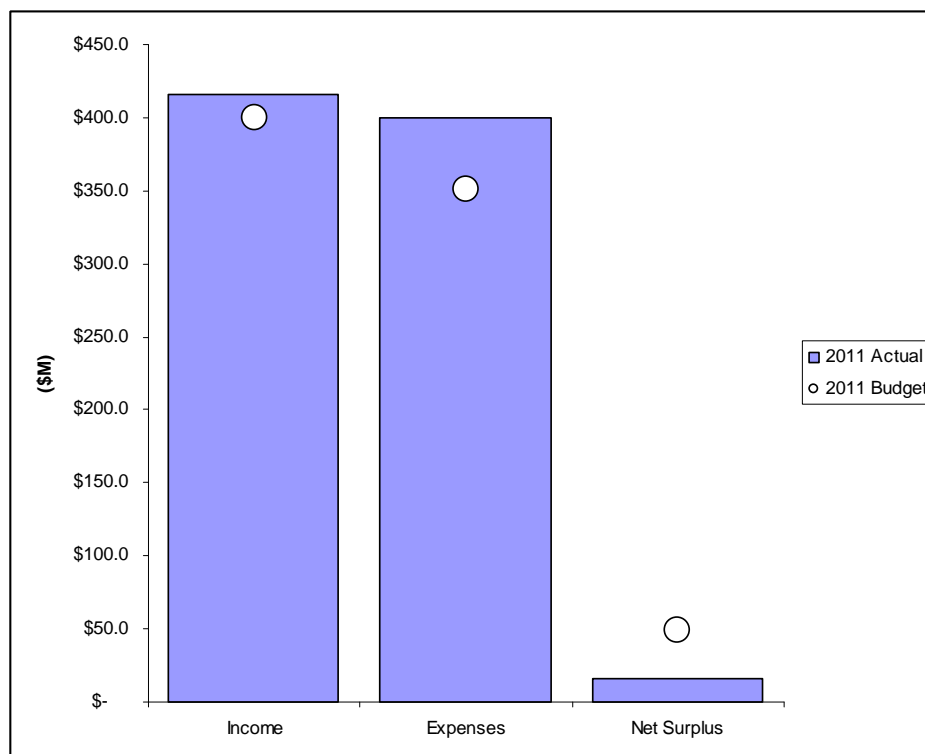
The provision is based on best estimates and actuarial assessments. Actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported. More information on the movement in the provision for weathertight homes can be found in Note 23 of the financial statements.

Offsetting some of the increase in provisions was dividend income \$3.8 million greater than expected and savings in areas such as interest costs.

Council Income and Expenses – Three year trend



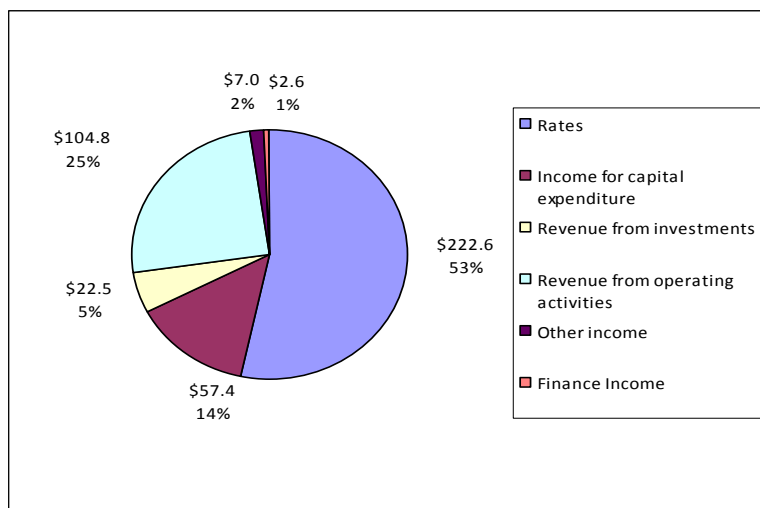
2011 results compared with Annual Plan



Income

The Council received total income of \$416.0 million during the year.

The following graph shows the various sources of income during the year. Rates are the main source of funding for the Council with revenue from operating activities being the next largest source.

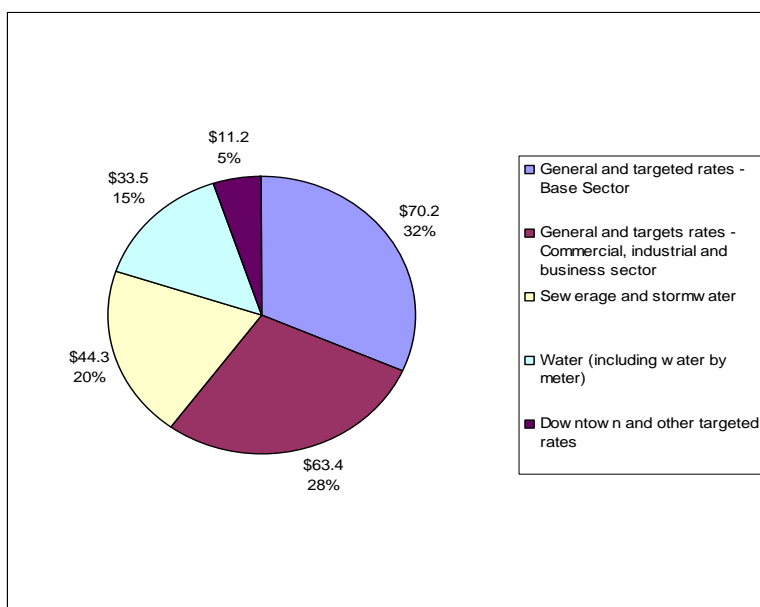


Revenue from operating activities is substantially comprised of fees and user charges.

Income for capital expenditure is mainly the income from Housing New Zealand to provide financial assistance for 10 years towards the upgrade of the Council's portfolio of social housing and income received from the NZ Transport Agency which is used to part fund the Council's transport networks and related assets.

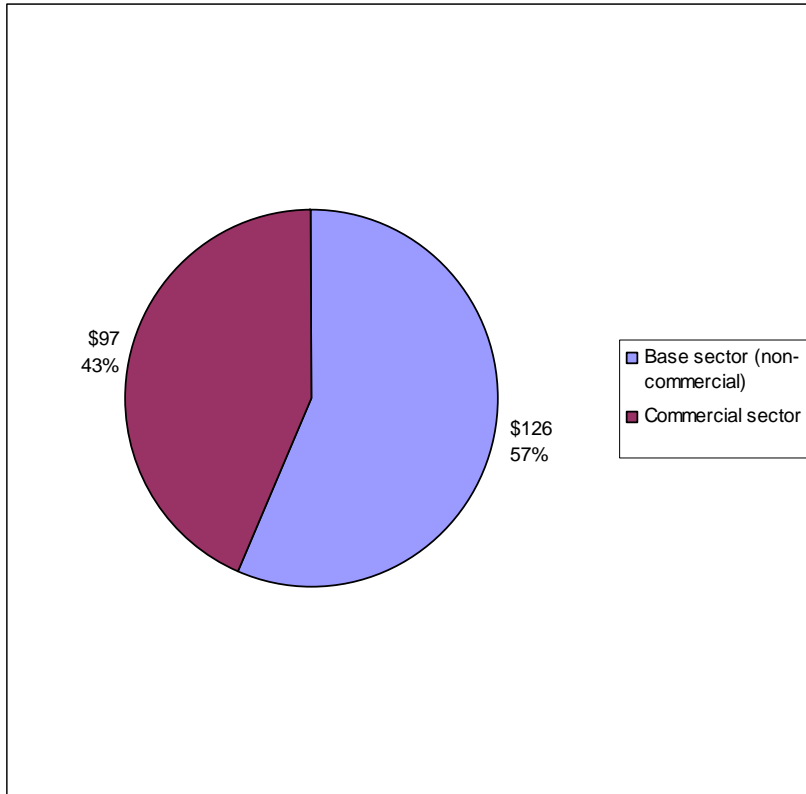
Income from rates

We received \$222.6 million of our income from rates. The Council receives income from general rates, and from a range of targeted rates including stormwater and sewerage rates. A breakdown of the rates is shown below.

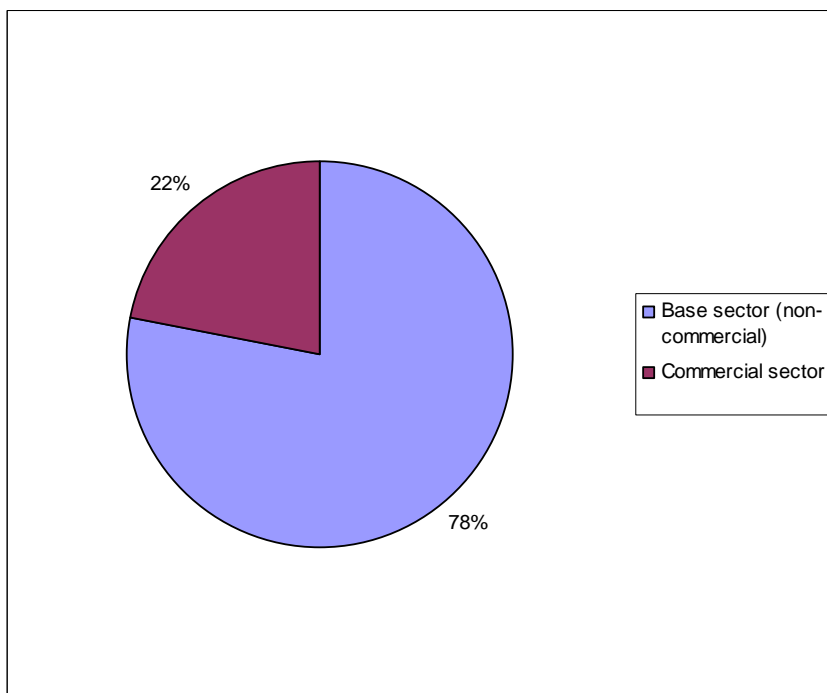


The following graphs show the how the rates revenue received during the year was split between commercial and non-commercial rates and how the rates base is split between commercial and non-commercial.

Rates collected from commercial and non-commercial ratepayers (\$M)

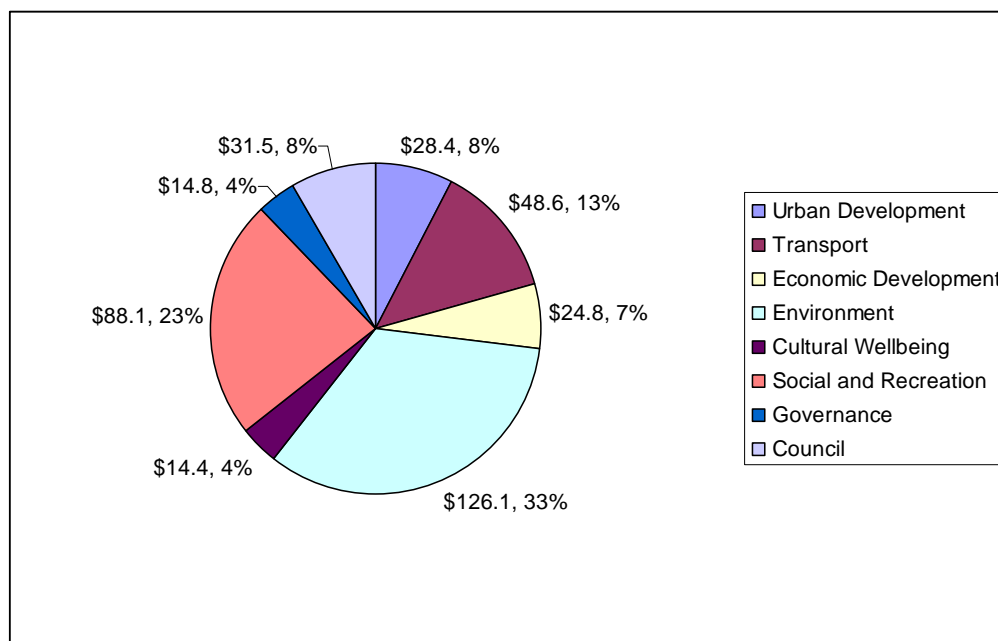


Proportion of commercial and non-commercial rateable values



Expenses

The total expenditure incurred by the Council during the year was \$400.0 million. The graph below shows the breakdown of expenditure by strategy.



The total expenditure incurred of \$400.0 million represents the cost of running the city during the year. The activities of the Council are divided into seven strategies:

Governance includes community engagement, Council elections and meetings.

Environment includes maintaining and protecting parks, botanic gardens, coastlines and open spaces. Also includes water supply, stormwater and sewerage, landfills and Kiwi Point Quarry.

Economic development includes supporting and attracting major events and promoting Wellington overseas and locally.

Cultural wellbeing includes support of the Wellington Museums Trust and events in the city, Wellington City Archives and Toi Poneke.

Social and recreation includes the libraries network, swimming pools, recreation centres, cemeteries, social housing, marinas, sportsfields, playgrounds and skate parks.

Urban Development includes assessing building consent and resource consent applications, providing funding for heritage buildings and to develop streets and other public areas.

Transport includes maintaining and developing the city's transport networks and providing on-street parking spaces.

The table below shows the cost per Wellington resident¹ per day for each strategy.

Cost per strategy per resident per day

| Strategy | Total cost \$M | Cost per resident per year \$ | Cost per resident per day \$ |
|--------------------------|-------------------|--|---------------------------------------|
| Governance | 14.8 | 75 | 0.21 |
| Environment | 126.0 | 637 | 1.75 |
| Economic Development | 24.8 | 125 | 0.34 |
| Cultural Wellbeing | 14.4 | 73 | 0.20 |
| Social and Recreation | 88.1 | 446 | 1.22 |
| Urban Development | 28.4 | 144 | 0.39 |
| Transport | 48.5 | 246 | 0.67 |
| Council | 55.0 | 278 | 0.76 |
| | <u>\$400.0</u> | <u>\$2,024</u> | <u>\$5.54</u> |

The areas of greatest operational expenditure are Environment and Social and Recreation. The strategies are discussed in detail in the Our Work in Detail section of this report.

Deciding who pays

When we're deciding how to fund an activity (whether to use rates, user charges, or other sources of income), we consider:

- **community outcomes** that the activity contributes to (i.e. aspirations for the city – see page **XX**);
- **who benefits** – individuals, identifiable parts of the community, or the community as a whole;
- the **timeframe** in which the benefit occurs – for example, an asset that lasts for several generations will generally be funded through borrowing and depreciation so that everyone who benefits, present and future, contributes.

Our Revenue and Financing Policy sets out how each Council activity will be funded, based on these criteria. The policy is available on our website www.Wellington.govt.nz.

¹ Estimated city population to be 197,700 by Statistics New Zealand Census 2009

How we funded our expenditure this year

The table below outlines how we funded our expenditure this year. The total expenditure of \$400.0 million includes items that do not require funding. After adjusting for these items the remaining operational expenditure is \$376.0 million.

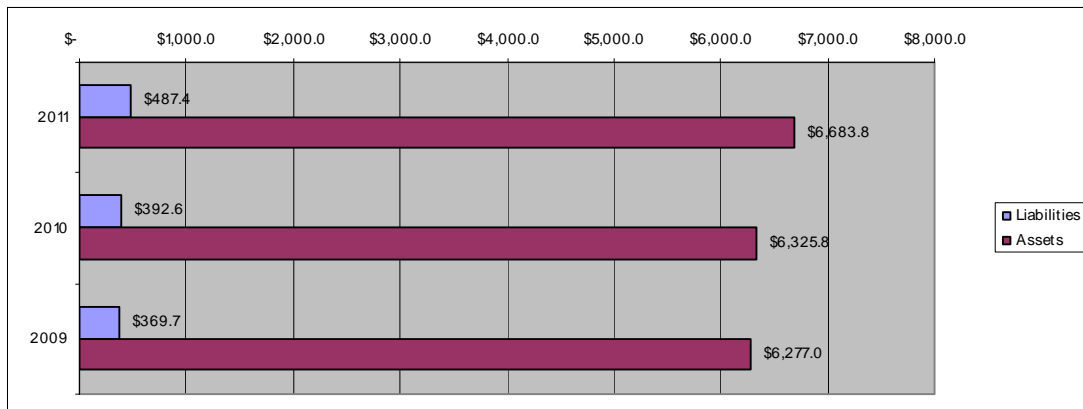
| | \$M |
|---|------------------|
| Total operating expenditure | 400.0 |
| <u>Exclude</u> | |
| City housing ring-fenced surplus | 0.5 |
| Waste activity ring-fenced surplus | 0.7 |
| Expenditure not funded under section 100 of LGA: ¹ | |
| NZTA Transport funded projects | -7.8 |
| Sewerage treatment plant | -2.9 |
| Expenditure from Wellington Waterfront Project and joint ventures | -1.3 |
| <i>Non-cash items:</i> | |
| Loss on sale of assets | -1.3 |
| Vested asset expense | -1.2 |
| Fair value movements | -10.7 |
| Total operating expenditure to be funded | 376.0 |
| <u>Funded by:</u> | |
| Rates | |
| General rates | 35% 123.6 |
| Targeted rates | 28% 99.0 |
| User charges and other income | |
| Revenue from operating activities | 28% 98.6 |
| Grants and subsidies | 2% 6.2 |
| Revenue from investments | 6% 22.5 |
| Other income | 0% 1.2 |
| Finance income | 0% 0.5 |
| Total sources of funding | 351.6 |
| Underlying variance | -24.4 |

Financial Position

The Council's net worth at the end of the year was \$6,196.4 million – an increase of \$263.2 million from the previous year.

The major contributor to the increase in net worth was the effect of the revaluations carried out this year on the balance of property, plant and equipment. For more detail on the revaluations see Note 18 of the financial statements

Council assets and liabilities – three year trend (\$M)



| | 2011 | 2010 | 2009 |
|---------------------------|---------|---------|---------|
| | \$M | \$M | \$M |
| Total assets | 6,683.8 | 6,325.8 | 6,277.0 |
| Less: total liabilities | 487.4 | 392.6 | 369.7 |
| Net assets at end of year | 6,196.4 | 5,933.2 | 5,907.3 |

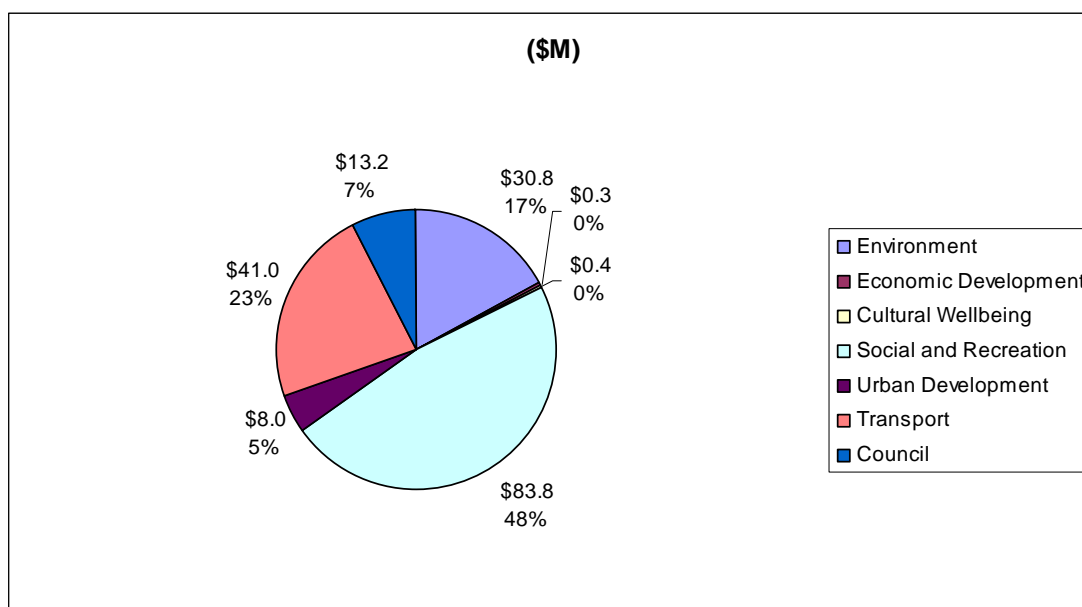
Assets

The major assets of the Council include:

- Property, Plant and Equipment (including land, buildings, drainage waste and water assets) - \$6,362.5 million
- Other Assets (including investment properties and investments in subsidiaries and associates) - \$321.3 million

Breakdown of capital expenditure by strategy

During the year \$177.5 million was spent on constructing and developing assets around Wellington. The chart below shows how much was spent on each strategy area.



Liabilities

The major liabilities of Council include:

- Gross borrowings - \$331.4 million
- Other liabilities (including trade and other payables) - \$156.0 million

Net Borrowings

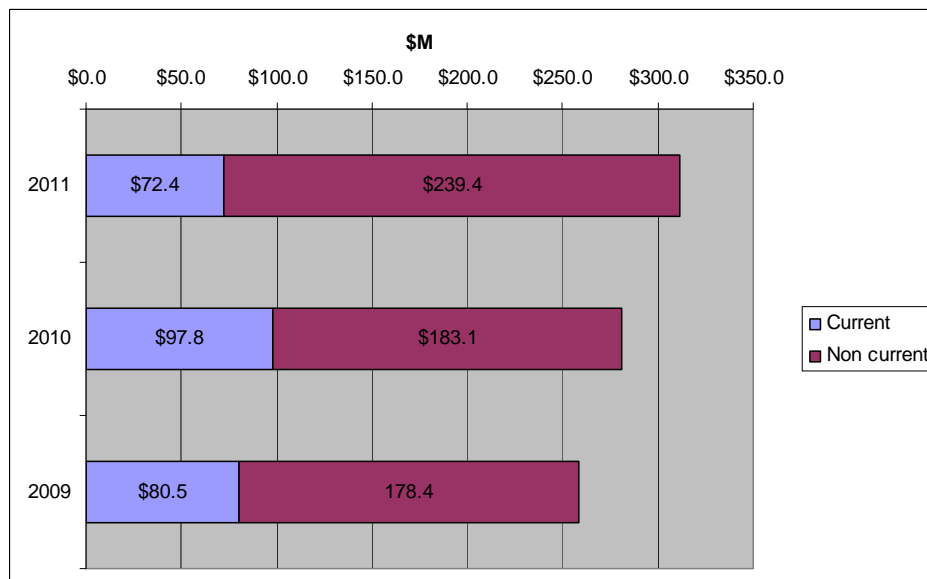
Net borrowings is calculated using the following formula:

Gross borrowings – cash and cash equivalents = net borrowings

The gross borrowings were \$331.4, less the balance of cash and cash equivalents of \$19.6 million results in a net borrowings balance of \$311.8 million at 30 June 2011.

Net borrowings increased by \$30.9 million during the year. The increase in net borrowings during the year is \$45.9 million less than budgeted in the 2011 Annual Plan and \$42.0 million less than budgeted in the 2009-2019 Long Term Plan. In both cases the reason for the difference is due to changes in project timing and savings in capital expenditure.

Current and non-current borrowings (\$M)



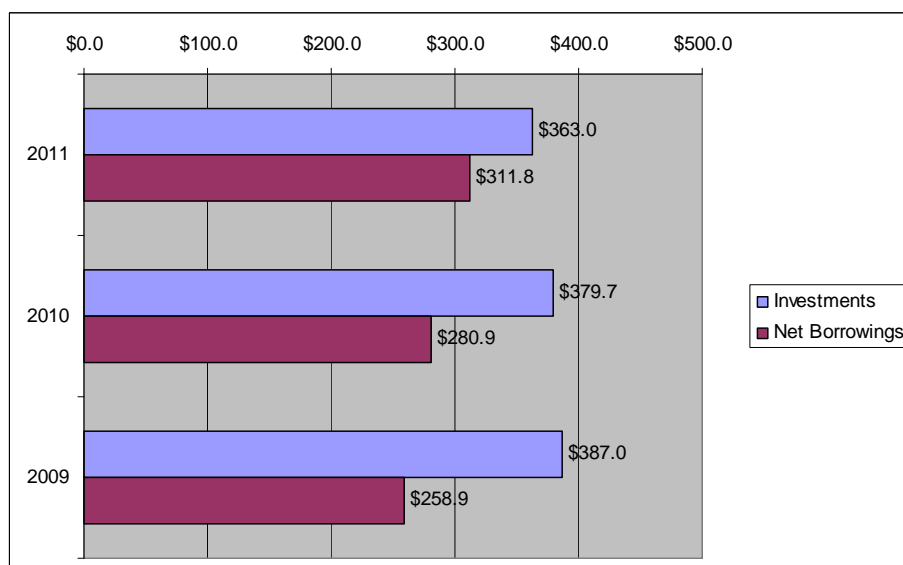
The Council uses borrowings to fund the purchase or construction of new assets or upgrades to existing assets that are approved through the Annual Plan process. This year these assets included the construction of the Indoor Community Sports Centre, \$31.0 million, and the housing upgrade project, \$40.3 million.

Investment Position

The Council continues to maintain a strong investment position when compared with the level of borrowings.

The graph below compares the balance of investments and net borrowings over the last three years.

Investments and net borrowings – three year trend (\$M)



The balance of investments primarily comes from investment properties, our share of the net assets of our associates (including Wellington International Airport Limited) and other financial assets.

Borrowings compliance

During the year the Council received a credit rating from Standard and Poor's. The long-term rating is AA+ with a stable outlook and the short-term rating is A-1+ . This is a tremendous outcome for the Council and will provide greater access to debt markets and improved pricing.

The Council has met all of the core policy compliance requirements set out in the Council's Investment and Liability Management Policy.

The prudential limits are set out in the table below.

| Prudential limits | Policy Limit | Actual | Compliance |
|--|--------------|--------|------------|
| Borrowings as a % of equity | <10% | 5.1% | Yes |
| Borrowings as a % of income | <150% | 75.5% | Yes |
| Net interest as a % of annual rates income | <15% | 8.2% | Yes |

The Council uses hedging to reduce the impact of changes in interest rates. 80% of the borrowings were effectively at fixed rates due to hedging. The table below shows the amount of borrowings hedged against changes in interest rates by maturity.

| Interest rate risk control limits (interest rate exposure) | Policy Limit | Actual | Compliance |
|--|--------------|--------|------------|
| Fixed interest proportion | 50% - 95% | 85% | Yes |
| <i>Broken down as follows:</i> | | | |
| 1 - 3 year bucket | 20% - 60% | 25% | Yes |
| 3 - 5 year bucket | 20% - 60% | 29% | Yes |
| 5 - 10 year bucket | 20% - 60% | 46% | Yes |

The Council manages its liquidity risk by ensuring we have unused facilities available to fund future spending and by ensuring the maturity of our borrowings is well spread. There are some \$161 million of unused facilities available at 30 June to cover future spending requirements and ensure that the Council has adequate access to funds at all times. The table below shows the maturity profile of our total facilities.

| Liquidity/funding risk (access to funds) | Policy Limit | Actual | Compliance |
|--|--------------|--------|------------|
| Liquidity/funding risk (access to funds) | >110% | 114% | Yes |
| <i>Broken down as follows:</i> | | | |
| 0 - 3 year bucket | 20% - 60% | 46% | Yes |
| 3 - 5 year bucket | 20% - 60% | 30% | Yes |
| 5 - 10 year bucket | 15% - 60% | 25% | Yes |

* "Liquidity" is defined as: Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purposes of measuring liquidity short dated Commercial Paper is excluded)

Group highlights

The Group comprises the Council and its interests in associate and subsidiary entities. These entities include Wellington International Airport Limited and Capacity. Refer to Note 38 of the financial statements for the full Group structure diagram.

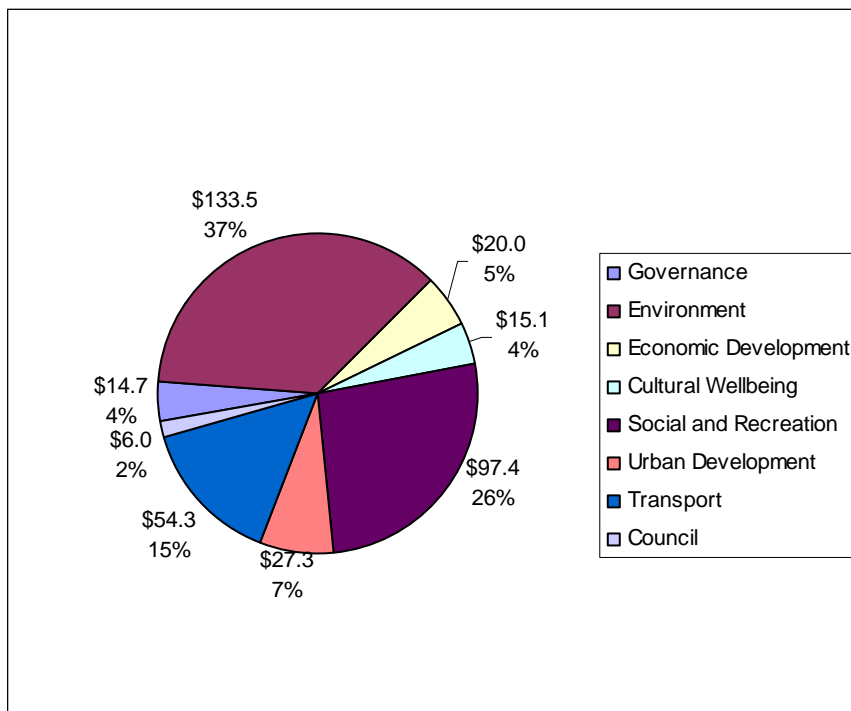
| | 2011 | 2010 | 2009 |
|-------------------|---------|---------|---------|
| | \$M | \$M | \$M |
| Net surplus | 8.2 | 23.5 | 16.0 |
| Total assets | 6,841.9 | 6,485.7 | 6,443.0 |
| Total liabilities | -495.1 | -397.6 | -375.4 |
| Total equity | 6,346.8 | 6,088.0 | 6,067.6 |

Looking forward

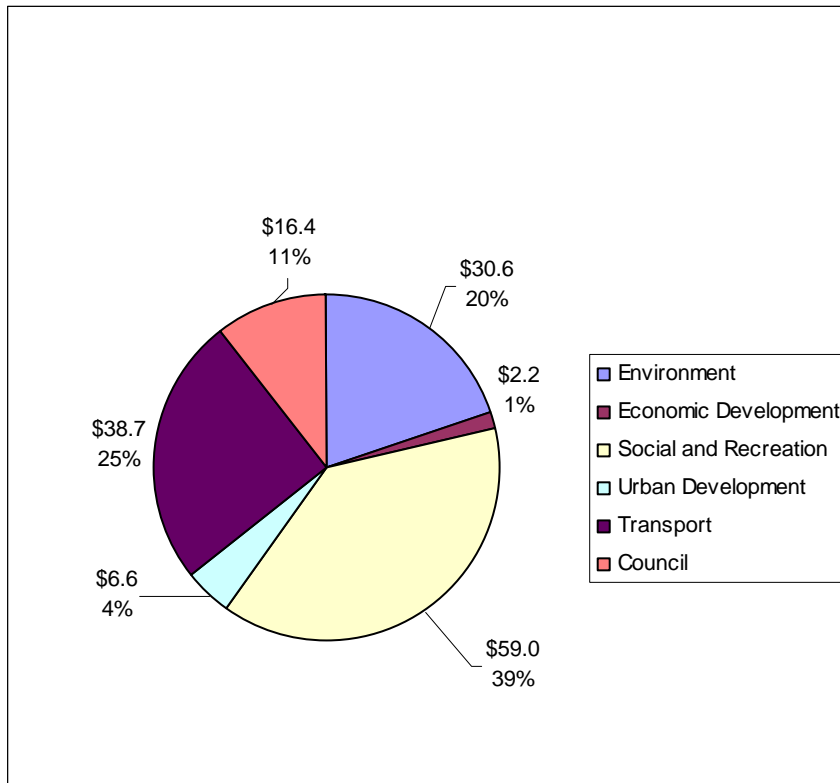
The results for the year ended 30 June 2011 reflect the delivery of high quality, cost effective services and products to the residents of Wellington.

The 2011/12 Annual Plan sets out the Council's planned operating expenditure programmes for 2011/12. The following graphs highlight the Council's spending plans for the 2011/12 financial year.

Operational Expenditure 2011/12 (\$M)



Capital Expenditure 2011/12 (\$M)



Glossary

Associates – are entities that the Council owns a share of but does not control. Our share of the associates' surplus/deficit and net assets is recorded in the Group financial statements. The Council's associates are Basin Reserve Trust (50%), Capacity (63%), Chaffers Marina Holding Ltd (12%), Wellington International Airport limited (34%) and Wellington Regional Stadium Trust (50%).

Cash and cash equivalents – includes cash as well as deposits which mature in less than three months.

Current asset – an asset that can readily be converted to cash or will be used to repay a liability within 12 months of balance date.

Current liability – a liability that is required to be discharged within 12 months of balance date.

Depreciation (amortisation) – an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Fair value – essentially reflects the market value of assets or liabilities.

Investment properties – these are properties that are primarily held by the Council to earn rental income.

Liquidity/funding risk – this is the risk that the Council will not have access to the required funds to meet its present obligations.

Prudential limits – these are limits applied to the level of borrowings to ensure we are managing the Council’s assets and liabilities prudently. These limits are outlined in the Investment and Liability Policy in the Long Term Plan.

Ring-fenced – funds that can only be used for a specific purpose.

Vested assets – assets that are created by others and passed into Council ownership (e.g. roads built by a developer as part of a subdivision).

OUR WORK IN DETAIL

This section contains comprehensive detail on our achievements and performance (referred to as statements of service performance) as well as commentary about what we did in each of our seven strategic areas.

All of this information is grouped together to provide you with the full picture about how we're performing in each area. All of our work aims to contribute to the long-term goals or "outcomes" we want for the city.

For each strategic area, we report on the following:

- What we did (our general work and our key projects for the year).
- A representative selection of indicators that show how we're progressing towards our outcomes for the city.
- What it cost; whether we met budget and the reason for any variances.
- How we performed and whether we met our performance targets.

All performance measures were set in the 2009-2019 long term plan and revised and signed off by the Council as part of the 2010/11 Annual Plan. We get performance information from a wide variety of sources, including annual surveys of Wellington residents.

Our measures, financial results and commentary are independently scrutinised by Audit New Zealand.

FINANCIAL REPORTING

The costs referred to in the 'what it cost' tables include both direct and indirect costs. Direct costs can be directly attributed to the activity. Indirect costs include things like staff time, office space and other costs which relate to the overall costs of running the organisation. These indirect costs are allocated as overheads across all activities.

SURVEY INFORMATION

Every year we seek to find out what Wellingtonians think of the city, our services and our facilities. To this end, we commission independent surveys of Wellington city residents. This report uses information from those surveys, which are conducted independently by research company Nielsen. The annual sample of 600 residents aged over 15, is representative of the Wellington population in terms of ward, age and gender. The maximum standard margin of error is +/-3.99%.

Governance

We aim to build trust and confidence by being open, transparent and accountable.

The challenges we face

- A low level of participation in local elections.
- Consulting in ways that residents find meaningful and convenient.
- Ensuring that all voices are heard, especially as the city becomes more diverse.
- Raising understanding of Council decision-making processes and opportunities for input.
- Demonstrating that decisions are made in the city's wider interests.

Our strategic approach

- Build public trust and confidence in the decisions we make and the services we offer.
- Increase awareness of the reasons for our decisions and, in particular, the need to balance limited resources across all of our services.
- Develop new ways to engage – ones that better meet residents' needs.

In this section:

- 1.1: Information, Consultation and Decision-making
 - Elected members
 - How we make decisions
- 1.2: Māori Engagement (including Mana Whenua)

Outcomes

Our 2009-19 long-term plan identified the following outcomes (i.e. aspirations) for our governance of the city:

- **MORE INCLUSIVE:** Wellingtonians will become more actively involved in the direction of their communities.
- **MORE ACTIVELY ENGAGED:** Wellingtonians will (a) recognise the special position of Māori in the city's history and this will be evident in current relationships; (b) operate an open and honest decision-making process that generates confidence and trust in the decision-making system, and (c) information required by citizens and groups will be easily accessible to enable participation in the community.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- 40.1% of Wellington eligible voters participated in the October 2010 local body elections—the first increase since 1992.
- The 2010 local body election resulted in a new Mayor and three new councillors being elected.
- We answered 333,000 phone calls to our contact centre during the year. 78% of which were answered within 30 seconds.
- Wellington City's population has increased by 5% since 2006 and stands at an estimated 197,700. Regional population growth was 4% over the same period.
- Insert Ward / Councillor map

First lift in voter turnout in seven elections

An intensive voter awareness campaign helped to raise voter turnout at the 2010 local elections – the first lift in 18 years.

Turnout at the 2010 election was 40.11 percent – a small increase on the 39.8 percent turnout in 2007. The increase reversed a trend of declining turnout that had lasted for seven elections.

The last increase occurred at the 1992 election when turnout was 52.8 percent – up from 49.4 percent in 1989.

A close and high profile mayoral contest saw Celia Wade-Brown elected over incumbent Kerry Prendergast by a margin of 176 votes – 24,881 to 24,705. The election, held under the STV system, is believed to be the closest the capital has seen.

The contest was decided on special votes after Ms Prendergast held a narrow election night lead of just 40 votes.

The election was the third for Wellington city held under the STV system. It saw Ms Prendergast leave the Council after a distinguished contribution to the city spanning 21 years that included nine as mayor.

Three other changes occurred that saw Justin Lester (Northern Ward), Simon Marsh (Eastern Ward), and Paul Eagle (Southern Ward) join the Council. See page xx for a full list of elected members.

An intensive voter awareness campaign contributed to the higher turnout by encouraging voting voter enrolment, raising understanding of the STV system, and raising awareness of the importance of voting – for example by emphasising that:

- votes affect people's day-to-day lives by determining how the city is run, and
- the Council is a \$360-million-a-year organisation, and residents need to vote to determine how that money is spent.

These messages were spread through a range of media including billboards, posters on public transport, radio advertising, information in Council publications and the Council's Our Wellington page in the *Dominion Post*, and efforts to raise awareness among frontline Council staff.

The successful campaign built on lessons learned from a similar one held in 2007.

1.1 INFORMATION, CONSULTATION AND DECISION-MAKING

Through this activity we aim to keep residents well informed and engaged and, by doing this, build trust and confidence in local decision-making.

This activity includes:

- **City governance and engagement** – We run local elections, run decision-making processes such as Council meetings, and inform and engage with residents.
- **Civic information** – We inform residents about Council decision-making and activities, and about the city, through our website, 24-hour-a-day Contact Centre, publications and other media.

Why it's important

Democratic local decision-making is important for its own sake; because we exist to enable democratic local decision making by, and on behalf of our own community. It is also important for the benefits it brings such as higher levels of community engagement and higher confidence in local decision-making.

As with all Councils, we have directive powers – we require land owners to pay rates and we set bylaws that can place limits on people's actions. It is therefore important that people can provide input into our decision making processes.

Providing information about our services is important for several reasons. It allows people to have an input into decisions. It also allows them to take advantage of entertainment or recreation opportunities, make decisions about their own property, or simply to know what's going on in their local area. Open, honest communication about public services is part of any healthy democracy.

These notions are reflected in legislation. The Local Government Act 2002 sets out the decision-making, planning and accountability procedures expected of local authorities. Other legislation requires us to keep a record of our work and provide access to the information we hold. The work we do under this activity ensures we comply with these requirements.

Key projects

- The Council adopted its 2011/12 Annual Plan after public consultation that included 787 submissions. Our consultation processes allowed us to reach new audiences, with over 70% of submissions coming from first time submitters.

- The Council adopted several policies and plans such as Road Encroachment and Sale Policy, Water Efficiency and Conservation Plan, and Carbon Management Policy.
- We consulted on 26 initiatives and proposals including the Wellington Region Governance Review, the Draft Wellington Regional Waste Management and Minimisation Plan, proposed Miramar town centre improvements, proposed changes to reserves classification, and a draft plan for management of the Point Dorset Recreation Reserve.
- The 2010 local authority elections were held in 2010. See, feature page xx.
- We implemented 'Text-Fix', which allows the public to notify us by text if they see something that needs fixing.
- We undertook consultation on *Toward 2040: Smart Green Wellington*. This draft strategy set out the long-term trends that the city will need to respond to in order to be economically sustainable. The consultation included two Storyboxes – interactive spaces inside shipping containers that allowed people to visualise how the city could transform in the coming years. A total of 6,000 people went through the boxes or took part in the mini-gigs that were used to draw in people. The strategy was scheduled for adoption in September 2011.

During the year:

What it cost

| What it cost | | | | |
|--|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 1.1.1 City Governance and Engagement ¹ | | | | |
| Expenditure | 9,075 | 9,380 | 305 | 7,756 |
| Revenue | (325) | (227) | 98 | (22) |
| Net Expenditure | 8,750 | 9,153 | 403 | 7,734 |
| 1.1.2 Civic Information ² | | | | |
| Expenditure | 5,208 | 5,679 | 471 | 5,313 |
| Revenue | (347) | (325) | 22 | (382) |
| Net Expenditure | 4,861 | 5,354 | 493 | 4,931 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 1.1.1 City Governance and Engagement ³ | | | | |
| Expenditure | 8 | 73 | 65 | 0 |
| Unspent portion of budget to be carried forward | N/A | 31 | | N/A |
| 1.1.2 Civic Information | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

¹ The revenue variance is due to a higher elections revenue. The expenditure variance is due to lower personnel costs and associated organisational overhead costs.

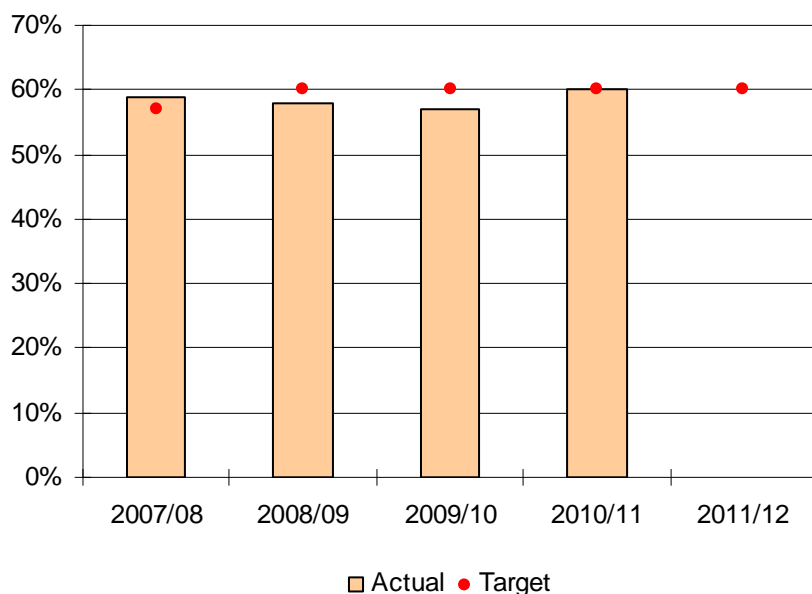
² The expenditure variance is due to lower personnel costs and associated organisational overhead costs.

³ Under budget due to decision to not renew Mayoral car. Carry forward relates to refit of councillors lounge. To be completed in 2011/12.

HOW WE PERFORMED

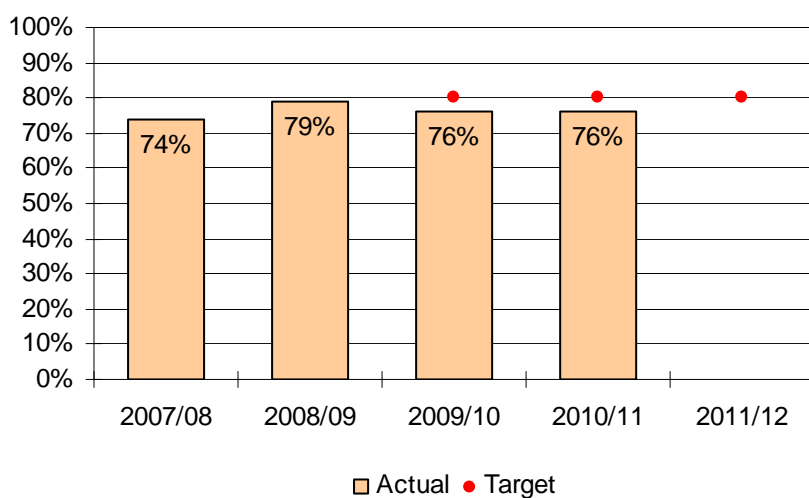
We aim to enable residents to be well informed and engaged in decision-making. To assess our performance, we ask residents' views on Council consultation processes, information provision, and decision-making, and record levels of participation in elections. We also monitor the performance of our Contact Centre at answering calls and emails.

Percentage of residents satisfied with the level of consultation (e.g. the right amount)



Source: WCC Residents' Satisfaction Survey 2011.

Residents' (%) satisfaction with their involvement in Council decision-making (including neutral)



Source: WCC Residents' Satisfaction Survey 2011.

Number of consultation processes undertaken and the number of people that submit

The Council consulted on 26 initiatives and proposals in 2010/11. Out of these, four consultations had started in 2009/10 and closed during 2010/11. Altogether, 3,395 written submissions and 279 oral submissions were received during the year.

There is no target for this performance measure. The number of consultation processes and the levels of public participation vary from year to year depending on issues before the Council.

Source: WCC Consultation and Engagement.

Voter turn-out in local elections

Result: 40.1% (target 50%).

Local authority elections were held in 2010. The voter turnout for Wellington city of 40.1% was an increase on the voter turnout achieved in 2007 and, although small, it was the first reversal in what has been a declining voter turnout over the last six elections. Although some of the results were close, no recount requests or petitions demanding an inquiry into the running of the election were received. The average voter turnout across the country was 49%, which was boosted considerably by the high voter turnouts achieved in Auckland (51%) and Christchurch (51.7%).

Source: WCC Democratic Services

E-democracy participation – number of ePetitions and number of people that participate

During the year 34 e-petitions were received, four of which were still open as at 30 June 2011. This compared with 42 in 2009/2010.

Not all e-petitions are accepted as some fail to meet Council criteria (for example, because they deal with issues outside our jurisdiction) and some are withdrawn by the petitioner. Of the 34 e-petitions received, 10 were declined and three were withdrawn.

Of those that closed in 2010/2011, a total of 7,550 people took part (this includes those that opened in 2009/2010, but closed in 2010/2011).

There is no target for this performance measure.

Source: WCC Democratic Services.

Council and committee agendas (%) made available to the public 5 days prior to the meeting

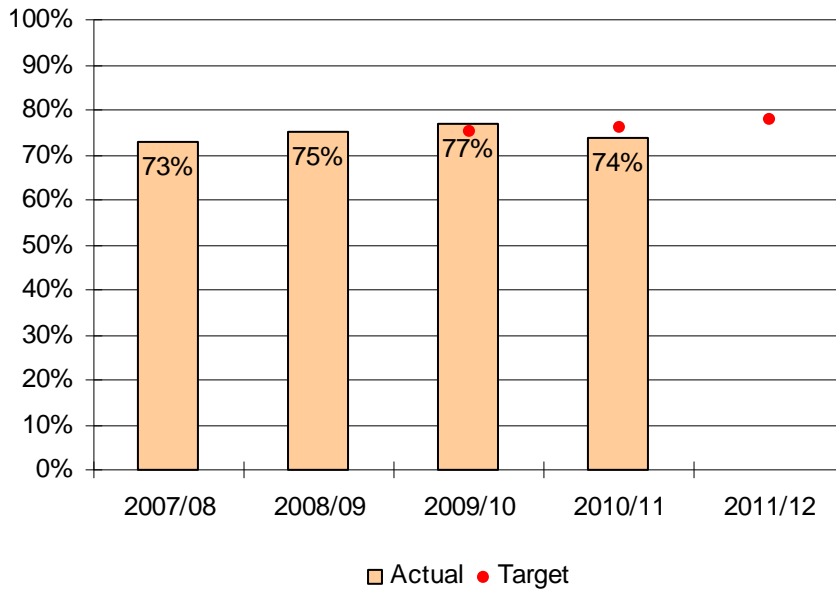
Result: 75% (target: 90%).

The percentage of agendas that are available to the public five days prior to the meetings is steadily improving (from 59% in 2008/2009 and 68% in 2009/2010 to 75% in 2010/2011). All agendas were available to the public at least two days prior to the meetings (which is the legal requirement) apart from the agendas for three extraordinary Council meetings, which were held on 11 and 18 November 2010 and 20 April 2011.

The Local Government Official Information and Meetings Act 1987 requires us to make all agendas and reports available two days before meetings. We have set a higher standard for ourselves by aiming for five days.

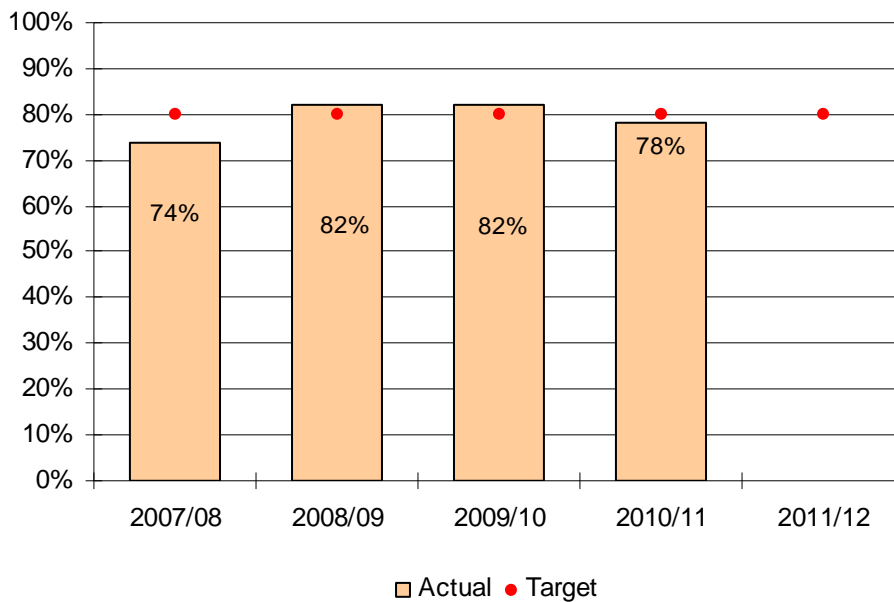
Source: WCC Democratic Services.

Residents' (%) who agree that Council information is easy to access



Source: WCC Residents' Satisfaction Survey 2011.

Contact Centre calls that are answered within 30 seconds



Contact centre emails that are answered within 24 hours

The Contact Centre answered 91% of emails within 24 hours (target: 100%).

The new recycling system generated an additional 9,000 calls during May which affected response times to emails and calls. We also set up a new phone line in response to the February Christchurch earthquake and took 1,200 offers of accommodation in one day using staff volunteers.

Source: WCC Contact Centre

1.2 MĀORI ENGAGEMENT (INCLUDING MANA WHENUA)

We acknowledge the special place of Māori in Wellington’s history, so our governance arrangements include formal opportunities for mana whenua to participate in decision-making and have their contributions to the city appropriately recognised.

We work closely with the city’s mana whenua organisations (the Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira). For both mana whenua partners, this includes: non-voting rights on the Council’s Strategy and Policy Committee; and formal consultation on land and resource management issues such as changes to the District Plan and protection of wāhi tapu (sacred places).

We provide a grant to each organisation to reflect the commitment of time and resources required to take part in Council decision-making.

In addition, through this activity:

- We work with the wider Māori community on issues of mutual interest. This includes building relationships with Māori social service providers, businesses, kaumātua and rangatahi, and other Māori networks; and holding hui to discuss areas of mutual concern.
- We promote and celebrate Māori culture, through events such as Matariki, Maori Language Week, Waitangi Day, through public art and heritage sites, and through initiatives such as the development of Te Raukura: Te Wharewaka o Pōneke on the waterfront.

Why it’s important

Māori have a long history of settlement in Wellington, and therefore special relationships with the city’s land, waterways, and flora and fauna. This creates opportunities and responsibilities for the Council. We want to see the special position of mana whenua acknowledged and reflected in the way we make decisions about the city and its resources. The progression and realisation of Treaty of Waitangi claims for Port Nicholson Block claimants has brought into focus the relationship.

We have an obligation to ensure mana whenua views are heard regarding land use and development. As owners of prominent pieces of land – such as parts of Shelly Bay – it’s important that we work together to achieve great outcomes for Wellington. We’re keen that the development of such sites meets the needs of mana whenua and add to the city’s sense of place.

Key projects

- We signed a new Memorandum of Understanding (MOU) with the Port Nicholson Block Settlement Trust representing Taranaki-Whānui ki te Upoko o te Ika (Te Atiawa, Ngāti Ruanui, Taranaki, and Ngāti Tama) defining the relationship with Council post-settlement..
- In July 2010, We undertook a full Māori Language Week programme themed to ‘the language of food’ which involved concerts, cooking demonstrations, and competitions.
- We worked closely with Port Nicholson Block Settlement Trust to hold the annual Waitangi Day event commencing with the dawn ceremonial opening of Te Wharewaka o Pōneke – Te Raukura.
- We came to an agreement with Te Runanganui o Taranaki Whānui ki te Upoko o Te Ika a Maui Association in regard to the waka Te Raukura and commissioned a new waka for the Wharewaka.
- We worked with Pipitea marae, Ngāti Pōneke, and Port Nicholson Block Settlement Trust to assist evacuees of the Christchurch earthquake – providing food, accommodation and comfort for up to 200 potential evacuees at Pipitea marae.
- In collaboration with Pipitea marae and Port Nicholson Block Settlement Trust, we hosted ‘He Kāinga Hou – A New Home’ at Pipitea marae aimed at providing newcomers to New Zealand with a cultural experience and the opportunity to learn more about local iwi and marae.
- We undertook consultation on two major co-management proposals – Point Dorset and the Town Belt.

What it cost

| What it cost | | | | |
|---|------------------------|------------------------|--------------------------|------------------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 1.2.1 Maori and Mana Whenua Partnerships ¹ | | | | |
| Expenditure | 486 | 360 | (126) | 131 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 486 | 360 | (126) | 131 |
| Capital Expenditure (\$000) | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| 1.2.1 Maori and Mana Whenua Partnerships | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

¹ The expenditure variance is due to increased grants payments.

HOW WE PERFORMED

Our aims are for positive relationship with mana whenua, and high levels of engagement with all Māori in the city.

Mana whenua partner evaluation – satisfaction with Council relationship

One way we assess success in our mana whenua partnerships is by carrying out an annual evaluation in which we ask mana whenua organisations about the effectiveness of their relationships with the Council, their satisfaction with consultation processes, and whether we are meeting our obligations outlined in our memorandums of understanding.

Both mana whenua partners perceive their relationship with the Council positively due to clear lines of communication, satisfaction with advice given by the Council, and Council management and staff being accessible and approachable.

While both partners are satisfied with the consultation and communication from the Council they would like to see more involvement at initial stages of projects. In addition, one partner asked to have more involvement in ceremonies.

Each partner is satisfied that the Council is meeting its obligations as outlined in the memorandums of understanding.








Source: Mana Whenua Partners' Relationship Evaluation 2011

Māori residents' (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making

Result: 83% of Māori surveyed were satisfied or neutral with regard to their involvement with decision-making (target: 80%; 2009/10: 81%).

Source: WCC Residents' Satisfaction Survey 2011. Note: We increase the number of Māori sampled for selected questions in our Residents' Satisfaction Survey. This improves our confidence in the results.




Mayor and councillors

| | | |
|--|---|--|
|  <p>Celia Wade-Brown (Mayor) City-wide Phone: (04) 938 6691 mayor@wcc.govt.nz</p> <p>Council Appointments Trustee: Wellington Zoo Trust¹ The Mayor is an ex officio member of all Committees and Subcommittees</p> |  <p>Ray Ahipene-Mercer Eastern ward Phone: (04) 388 2366 ray.ahipene-merc @wcc.govt.nz Meeting Attendance: 84%</p> <p>Council Appointments Portfolio Leader: Arts and Culture Director: Positively Wellington Waterfront¹ Trustee: Wellington Museums Trust⁴</p> |  <p>Ngaire Best Northern ward Phone: (04) 232 9000 ngaire.best@wcc.govt.nz Meeting Attendance: 99%</p> <p>Council Appointments Portfolio Leader: Three Waters and Waste Director: Wellington Venues Limited² Tawa Community Board (Appointed Member)</p> |
|  <p>Stephanie Cook Lambton ward Phone: (04) 970 5351 stephanie.cook@wcc.govt.nz Meeting Attendance: 94%</p> <p>Council Appointments Portfolio Leader: Social Grants Subcommittee (Chair) Trustee: St James Theatre Charitable Trust³</p> |  <p>Jo Coughlan Onslow-Western ward Phone: (04) 473 7920 jo.coughlan@wcc.govt.nz Meeting Attendance: 95%</p> <p>Council Appointments Portfolio Leader: Economy Trustee: Positively Wellington Tourism</p> |  <p>Paul Eagle Southern Ward Phone: 021 673 630 paul.eagle@wcc.govt.nz Meeting Attendance: 96%</p> <p>Council Appointments Portfolio Leader: Community Engagement</p> |
|  <p>Andy Foster Onslow-Western ward Phone: (04) 476 9220 andy.foster@wcc.govt.nz Meeting Attendance: 92%</p> <p>Council Appointments Strategy and Policy Committee (Chair) Portfolio Leader: Transport (Public Transport and Roding) Director: Capacity</p> |  <p>Leonie Gill Eastern ward Phone: (04) 387 9363 leonie.gill@wcc.govt.nz Meeting Attendance: 97%</p> <p>Council Appointments Regulatory and Processes Committee (Chair)</p> |  <p>Justin Lester Northern Ward Phone: (04) 478 8264 justin.lester@wcc.govt.nz Meeting Attendance: 98%</p> <p>Council Appointments Portfolio Leader: Community Facilities Tawa Community Board (Appointed Member)</p> |
|  <p>Simon Marsh Eastern ward Phone: 021 922 196 simon.marsh@wcc.govt.nz Meeting Attendance: 98%</p> <p>Council Appointments Trustee: Wellington Zoo Trust⁴</p> |  <p>Ian McKinnon (Deputy Mayor) Lambton ward Phone: (04) 472 6832 ian.mckinnon@wcc.govt.nz Meeting attendance: 94%</p> <p>Council Appointments Performance Review Committee (Chair) Audit and Risk Management Subcommittee (Chair) Portfolio Leader: Governance Director: Wellington International Airport Ltd⁴</p> |  <p>John Morrison Onslow-Western ward Phone: (04) 938 9350 john.morrison@wcc.govt.nz Meeting Attendance: 92%</p> <p>Council Appointments Portfolio Leader: Sports and Events Trustee: Wellington Regional Stadium Trust</p> |

¹ From 1 July 2010 to 10 November 2010

² From 1 February 2011 to 30 June 2011

³ From 1 July 2010 to 30 September 2010

| | | |
|--|---|---|
|  <p>Iona Pannett Lambton ward Phone: (04) 384 3382 iona.pannett@wcc.govt.nz Meeting Attendance: 100%</p> <p>Council Appointments Development Contributions Subcommittee (Chair) Portfolio Leader: Built Environment</p> |  <p>Bryan Pepperell Southern ward Phone: (04) 934 3660 bryan.pepperell@wcc.govt.nz Meeting Attendance: 100%</p> <p>Council Appointments Portfolio Leader: Walking, cycling, motorcycling and safety</p> |  <p>Helene Ritchie Northern ward Phone: (04) 473 1335 helene.ritchie@wcc.govt.nz Meeting Attendance: 95%</p> <p>Council Appointments Portfolio Leader: Natural Environment</p> |
|--|---|---|

Notes to the table:

- The Mayor is an ex-officio member of all committees and subcommittees (that is 10 bodies plus the Wellington Regional Strategy Forum). The conduct of her other Mayoral duties restricts her ability to attend meetings of all these bodies and also the length of time she can be in attendance. Despite this she attended 83% of meetings during the year.
- For information on remuneration and a break-down of remuneration sources refer to Note 42 Related Parties Disclosures. Remuneration
- The meeting attendance figure relates to Council, committee (including Strategy and Policy pre meeting sessions) and subcommittee meetings. Councillors are also appointed to Council-controlled organisations, community boards, working parties, advisory groups and other external bodies. The meeting attendance figures provided do not include councillors' attendance at these meetings. Such meetings can conflict with Council meeting times.

ELECTED MEMBERS TO OCTOBER 2010

| Name | Ward |
|-------------------|-------------------|
| Kerry Prendergast | Mayor (City-wide) |
| Rob Goulden | Eastern |
| Hayley Wain | Northern |

TAWA COMMUNITY BOARD

| | |
|--|--|
| <p>Malcolm Sparrow (Chair) Meeting Attendance 100% Phone: (04) 232 5030 Mobile: 027 232 2320 Email: malcolm@tawalink.com</p> | <p>Graeme Hansen (Deputy Chair) Phone: (04) 232 9784 Meeting Attendance 80% Mobile: 027 679 0968 Email: graemeh-tcbd@xnet.co.nz</p> |
|--|--|

⁴ From 11 November 2010 to 30 June 2011

| | |
|--|--|
| <p>Justin Lester</p> <p>Meeting Attendance 100%</p> <p>Mobile: 021 247 8312</p> <p>Email: justin.lester@wcc.govt.nz</p> | <p>Ngairé Best</p> <p>Meeting Attendance 100%</p> <p>Phone: (04) 232 900</p> <p>Mobile: 027 449 6925</p> <p>Email: ngairé.best@wcc.govt.nz</p> |
| <p>Margaret Lucas</p> <p>Meeting Attendance 100%</p> <p>Phone: (04) 232 7284</p> <p>Email: mm.lucas@xtra.co.nz</p> | <p>Chris Reading</p> <p>Meeting Attendance 90%</p> <p>Phone: (04) 232 8130</p> <p>Mobile: 021 257 7126</p> <p>Email: chris.reading@xtra.co.nz</p> |
| <p>Alistair Sutton</p> <p>Meeting Attendance 100%</p> <p>Phone: (04) 232 2873</p> <p>Mobile: 027 478 8269</p> <p>Email: thesuts@xtra.co.nz</p> | <p>Robert Tredger</p> <p>Meeting Attendance 100%</p> <p>Phone: (04) 232 5982</p> <p>Mobile: 021 181 4499</p> <p>Email: tredger@slingshot.co.nz</p> |

MAKARA / OHARIU COMMUNITY BOARD

| | |
|--|---|
| <p>Christine Grace (Chair)</p> <p>Meeting Attendance 100%</p> <p>Phone: (04) 476 8176</p> <p>Mobile: 0274 620 108</p> <p>Email: gracecp@xtra.co.nz</p> | <p>Gavin Bruce (Deputy Chair)</p> <p>Meeting Attendance 100%</p> <p>Phone: (04) 478 3231</p> <p>Mobile: 021 906 252</p> <p>Email: bruceohariu@hotmail.com</p> |
| <p>Judy Liddell</p> <p>Meeting Attendance 86%</p> <p>Phone: (04) 477 2322</p> <p>Mobile: 0274 502 009</p> <p>Email: judyliddell@hotmail.com</p> | <p>Wayne Rudd</p> <p>Meeting Attendance 86%</p> <p>Phone: (04) 476 2283</p> <p>Mobile: 027 228 8877</p> <p>Email: wayne.rudd@paradise.net.nz</p> |

| | |
|--------------------------|-----------------------------|
| Margie Scotts | Hamish Todd |
| Meeting Attendance 86% | Meeting Attendance 100% |
| Phone: (04) 476 6601 | Phone: (04) 477 4673 |
| Mobile: 0274 620 601 | Email: aandhtodd@xtra.co.nz |
| Email: mscottsxtra.co.nz | |

HOW WE MAKE DECISIONS

Decision-making structure

The elected Council makes key decisions and sets the city's overall direction.

The elected Council is responsible and democratically accountable for Council decision-making. Its role is to set the overall direction and priorities for the city, make key decisions, and oversee progress. Key decisions include setting rates and bylaws, setting the budget, adopting policies and strategies, and appointing the Chief Executive.

Committees ensure that proposals receive thorough scrutiny from a wide range of perspectives before decisions are made.

Some decisions are considered by committees and subcommittees before being considered by the full Council. Other decisions are delegated to committees with appropriate expertise.

All councilors are members of the Strategy and Policy Committee, which oversees the Council's overall direction, making initial decisions on policies and strategies. The Regulatory Processes Committee oversees regulatory matters such as road stoppings and hearings under the Dog Control Act. The Performance Review Committee oversees the Chief Executive's performance.

The Council has subcommittees overseeing the performance of Council-controlled organisations, grants, development contributions, and temporary road closures. The Audit and Risk Management Subcommittee monitors the control procedures and systems of the organisations.

From time to time, the Council appoints external members to its subcommittees, to provide professional expertise or to represent particular sectors of the community.

Responsibility for day-to-day management of Council activities is delegated to the Chief Executive.

The Chief Executive is responsible for managing those activities efficiently and effectively, in accordance with legislation, and within the framework set by the Council in its plans, policies and other decisions. The Chief Executive is also responsible for providing advice to the Council, and keeping track of the Council's finances and service performance, and employing staff.

To fulfil these responsibilities, the Chief Executive is supported by a management board and by the Council's 1500+ staff. Garry Poole is in his 13th year as the Council's Chief Executive. See Note **XX** to the Financial Statements on page **XXX** for details of his remuneration.

Decision-making process

Council decision-making processes are open and transparent.

Advance public notice (usually 14 days) is given of the date, time and place of all Council meetings, and agendas are made available in advance.

Meetings are open to the public unless there is a good – and legally valid – reason for keeping discussions confidential. Valid reasons are set out in legislation and include protection of personal privacy, protection of privileged or commercially sensitive information, or maintenance of public health and safety or order.

Council decisions are made by formal resolution, and meetings follow formal procedures set out in the Council's Standing Orders. Minutes of Council meetings are kept and made public.

Before making any significant decision, the Council carefully weighs up all of the options.

The exact process followed for any decision will vary according to its significance. For any significant decision, the Council will receive advice on and carefully consider all available options, including their costs and benefits, contribution to community aspirations, impact on the Council's finances, and any other relevant matters – such as legislative and contract requirements, or impact on other Council services.

The Council is required by law to take a long-term view, considering the impact of each decision on future well-being of Wellington and its people.

Engagement and consultation

All Council decision-making is informed by input from residents.

We aim to keep residents informed about Council services and decisions that affect them. Council information is available through a range of publications, libraries and service centres, and through our award-winning website and Contact Centre (for more detail, see activity 1.1 Information, Consultation and Decision-making).

Keeping residents informed and encouraging engagement allows residents to influence the decision-making process.

The Council has ongoing relationships with a wide range of groups, including resident groups, local iwi, and groups representing interests and communities such as sportspeople, retailers, people with disabilities, Pacific people, and young people, who are represented through forums and advisory groups.

We also receive feedback through regular surveys, focus groups, meetings, petitions, letters, complaints, and through the huge amount of day-to-day contact residents have with Councillors and staff.

Before any significant decision is made, we ascertain and consider the views of affected people.

Usually, there will be several stages of consultation – first, when we identify the problem and talk to affected people and groups; then, when we have identified options; and finally, when we have identified a preferred option and are seeking input.

The exact consultation process will depend on the significance of the matter being considered, the level of public interest, and other factors such as urgency and the extent to which community views are already known to the Council. As a matter of principle, we aim to ensure that all consultation is clear and open, that affected people can have their say early in the process, that all relevant information is provided and people have enough time to comment, and that community input reflects the full range of views.

We are accountable for all of our decisions and actions.

All Council decisions are made public, and every year we publish our Annual Report setting out our performance against budget and expected service levels.

We are also accountable through legal processes, and our Annual Reports, Annual Plans and Long Term Plans are subject to the scrutiny of Audit New Zealand.

The Council is ultimately accountable through elections, which are held every three years (see page XXX).

Balancing competing interests

In a community of almost 200,000 people, decision making involves balancing competing interests.

The Council is elected to represent the people of Wellington, and to act and make decisions on their behalf. In this role, the Council often has to weigh up competing views and interests. This might include balancing the interests of one part of the community against another, balancing community aspirations against financial constraints, or balancing the present against the future.

As an example, in making a decision about a bus route, the Council has to balance the needs of bus users against those of other road users such as cyclists and people in cars, and businesses moving goods. It also has to consider environmental and safety concerns, lifestyle impacts, impacts on where people will choose to live (and therefore on other services), limits imposed by the city's hilly landforms and the existing road structure, and costs to ratepayers.

Whatever decisions Councillors make, some people will like it better than others – that's the nature of representative democracy. In addition, Council decisions are made in an environment where public organisations are scrutinised more than ever before, and trust in public organisations is generally declining.

We cannot make decisions by consensus, or keep everybody happy all of the time. But we do aim to ensure that our decision-making processes are effective, open, fair, and have the trust and confidence of Wellington's people.

Regulatory decisions

The Council has separate processes for resource consents and other regulatory decisions.

The Local Government Act 2002 requires that processes for making regulatory decisions (for example, about building and resource consents, or liquor licensing) are kept separate from processes for making non-regulatory decisions (such as setting policies on urban development). This separation helps to ensure that laws and policies are consistently and fairly applied, and conflicts of interest are avoided.

Most regulatory decisions – for example, to grant a building or earthworks consent, or liquor licenses – are made by Council officers. Some are made by hearings panels – for example, hearings for publicly notified resource consents, and hearings on dog control and fencing of swimming pools. Hearings are quasi-judicial processes and extensive training is provided to anyone appointed to a hearings panel.

If we are a party in the resource consent proceedings (for example, if we are applying for a resource consent or making a submission on someone else's application), or if particular skills or expertise are required, or if there

is any possibility of a conflict of interest, we appoint independent commissioners to these hearings panels. Hearings panels are appointed by the Chair of the Regulatory Processes Committee.

Environment

We aim to protect and enhance Wellington's natural environment.

The challenges we face

- Protecting biodiversity and managing pest plants and animals.
- Reducing or offsetting greenhouse gas emissions.
- Encouraging efficient use of resources such as water and energy.
- Continuing to reduce the amount of solid waste the city produces.

Our strategic approach

- Protect sensitive natural areas and resources.
- Reduce the city's greenhouse gas emissions; reduce resource use and convert to renewable energy.
- Minimise the impact of resource use, including development, on landscapes and ecosystems.
- Dispose of waste in ways that protect the environment; encourage recycling.
- Provide high quality, accessible green spaces.

In this section

- 2.1 Gardens and beaches
- 2.2 Green open spaces
- 2.3 Water
- 2.4 Wastewater and stormwater
- 2.5 Waste reduction and energy conservation
- 2.6 Environmental conservation attractions
- 2.7 Quarry

Outcomes

Our long-term outcomes (i.e. what we're working towards) for the city's environment:

MORE LIVEABLE: Wellington will provide a wide range of social and recreation opportunities that don't compromise environmental values.

MORE COMPETITIVE: Wellington's high quality natural environment will attract visitors, residents and businesses.

BETTER CONNECTED: A network of green spaces and corridors will link the coast and bush areas.

MORE ACTIVELY ENGAGED: The community will feel a sense of kaitiakitanga/guardianship over the natural environment.

MORE SUSTAINABLE: The city will reduce its impact on the environment through more efficient use of energy, water, land and other resources, and by minimising waste.

SAFER: Wellington's water will be safe to drink, its air safe to breath, and waste will be disposed of in ways that minimise harm.

HEALTHIER: Natural ecosystems will be restored so there are healthy habitats for indigenous and non-indigenous plants and animals.

STRONGER SENSE OF PLACE: Wellington will value and protect the city's natural heritage.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- There are over 200 square metres of green space maintained by the Council for every Wellingtonian – this makes us one of the greenest cities in the world. The WHO recommends at least 9m³ per person.
- Our water use per capita has decreased every year for the last five years – the total savings equate to 2,379 Olympic size pools per year over the city.
- Over 196,000 people visited the Zoo this year – the most visitors since the mid-1970's.
- Native bird numbers have increased – we observed 15 times more wood pigeons (Kererū) and 26 times more Tuis in our latest counts compared to 2007.
- Insert green space map.

Feature

Safer and more sustainable recycling

Changes to the city's kerbside recycling scheme have made it safer for workers and better for the environment.

In May 2011, new 140-litre wheelie bins were introduced for the majority of Wellington properties. Recycling bags were provided for other properties that were not suitable for bins, mainly because of difficult terrain or access.

The new bins improve safety by reducing the amount of recycling collection workers have to handle.

They also reduce the amount of recycling blowing down streets, and are expected to increase the amount of recycling collected by about 40 percent.

At the same time, the Council expanded the range of material it will recycle – all grades of plastic are now collected.

And it changed its recycling contracts so that all suitable material is recycled in New Zealand, rather than some being sent overseas as was previously the case. This change makes recycling more sustainable by reducing associated greenhouse gas emissions.

The Council carried out intensive communication to ensure that residents were informed of the changes.

More than 60,000 letters sent out informing residents about the changes and their ability to opt for bins or bags.

Later, an information pack was delivered to residents with their bins, explaining how the new service would work, and what would be collected. The pack also contained information about the timing of collections. The new bins are collected fortnightly and can be used for paper, card, plastics and cans. In alternate weeks, glass is collected in the old green recycling bins.

The roll out of the scheme was not ideal. A large number of residents objected to their properties being assessed as unsuitable for bins, or did not receive bins or bags. In the first couple of weeks of collections some residents put out the wrong bins, and some collections were missed.

But these were put right and – although volume figures are not yet available – the scheme appears to be achieving its goals of improving safety, increasing recycling volumes, and reducing litter.

The Council is now trialling a recycling scheme for schools.

2.1 GARDENS AND BEACHES

We aim to care for the city's gardens and coastal areas in ways that balance nature with opportunities for enjoyment.

This activity includes:

- **Local parks and open spaces** – We manage and maintain the city's parks and open spaces, along with buildings and other assets.
- **Botanic gardens** – We manage and maintain the city's four botanic gardens: Wellington Botanic Garden, Otari Wilton's Bush, Bolton Street Memorial Park, and Truby King Park.
- **Beaches and coastal operations** – We manage and maintain the city's beaches and coastal areas.

Why it's important

A high quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible opportunities for outdoor leisure and recreation for residents and visitors alike. The Wellington Botanic Garden alone is estimated to have more than a million visitors a year.

Parks, gardens and beaches make the city's help in the conservation and protection of native and exotic plants; their vegetation also helps to absorb the city's carbon emissions. They are natural gathering places and, by bringing people together, enhance social cohesion. This not only improves quality of life but adds to people's sense of pride in the city and makes it an attractive place to be.

Key projects

During the year:

Beaches and coastline

- We continued our dune restoration work at Lyall Bay, which included realigning pedestrian access ways and installing sand ladders, fencing, and signage.
- We undertook stone work for planting protection, erosion control, and to stop vehicle entry on the stretch of coast between Island Bay and Owhiro Bay.
- Together with Te Raekaihau Coast Care, we organised a planting day at Te Raekaihau Point and provided around 1,000 native ecosourced plants.

Botanic gardens

- We undertook a major upgrade to our nursery which provides plants for the Begonia House and garden collections, installed a new barrier fence at Serpentine Way, and upgraded the Carter Path.

- With the Friends of the Botanic Garden, we completed the development of two bush walks. We also renewed the Innovation Garden and installed a new sculpture in the Begonia House called *Looking & Listening for the Sea* by Paul Dibble.
- We installed compost bins at Magpie Lawn in the Botanic Garden to enable us to make better use of the compostable garden waste, and to manufacture custom composts for the gardens.
- At Otari-Wilton's bush, we refurbished the Canopy Walkway, installed new steps in the Blue Trail, and installed new interpretation signage.
- The Botanic Garden held several successful events including Spring Festival and the Festival of Roses, and we began our *Meet the Curators* series of events held both at the Botanic Garden and Otari-Wilton's Bush.

Parks

- We identified the need to upgrade Newlands and Pinkerton Parks close to Newlands town centre. Work will be completed in 2011/2012 on plans for these parks.

What it cost

| What it cost | | | | |
|---|---------------|---------------|-----------------|---------------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.1.1 Local Parks and Open Spaces ¹ | | | | |
| Expenditure | 7,424 | 7,563 | 139 | 7,503 |
| Revenue | (481) | (414) | 67 | (509) |
| Net Expenditure | 6,943 | 7,149 | 206 | 6,994 |
| 2.1.2 Botanical Gardens | | | | |
| Expenditure | 4,248 | 4,409 | 161 | 4,146 |
| Revenue | (417) | (565) | (148) | (380) |
| Net Expenditure | 3,831 | 3,844 | 13 | 3,766 |
| 2.1.3 Beaches and Coast Operations | | | | |
| Expenditure | 1,028 | 1,019 | (9) | 1,033 |
| Revenue | (98) | (51) | 47 | (50) |
| Net Expenditure | 930 | 968 | 38 | 983 |
| | Actual | Budget | Variance | Actual |
| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.1.1 Local Parks and Open Spaces ² | | | | |
| Expenditure | 877 | 741 | (136) | 1,095 |
| Unspent portion of budget to be carried forward | N/A | 245 | | N/A |
| 2.1.2 Botanical Gardens ³ | | | | |
| Expenditure | 956 | 1,079 | 123 | 1,093 |
| Unspent portion of budget to be carried forward | N/A | 2 | | N/A |
| 2.1.3 Beaches and Coast Operations | | | | |
| Expenditure | 374 | 365 | (9) | 618 |

1 The expenditure variance is due to lower depreciation costs.

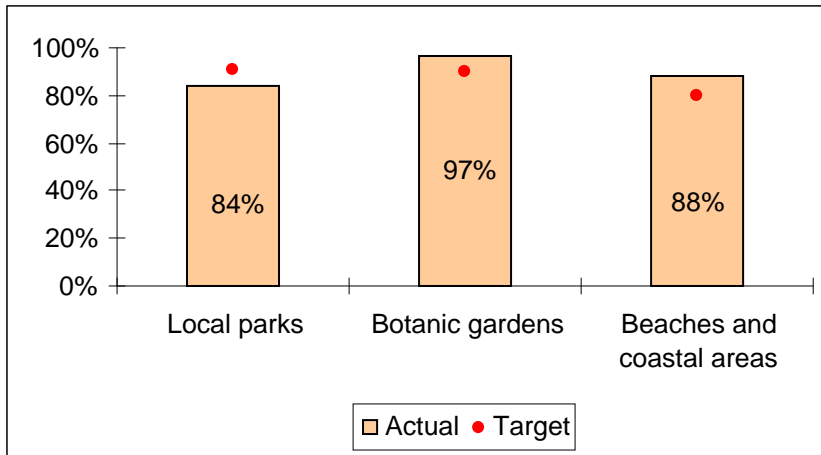
2 Under budget due to delays in the renewal of Berhampore shade houses. To be completed in 2011/12.
Council approved an unbudgeted purchase of land in Sunhaven Drive.

3 Under budget due to Council's decision not to proceed with the installation of parking meters in 2010/11.

HOW WE PERFORMED

We aim to keep the city's parks, gardens, beaches and coastlines attractive and accessible, while also protecting Wellington's ecology and unique natural environment. We assess our contribution by measuring compliance with quality standards surveying resident use of and satisfaction with beaches and coastal areas, and recording how long it takes to make hazards safe.

Residents' (%) satisfaction with the quality and maintenance of gardens and beaches



Source: WCC Residents' Satisfaction Survey 2011.

City mowing sites (%) compliance with quality performance standards

Result: 87% (target: 90%). Quality performance standards include grass length and health.

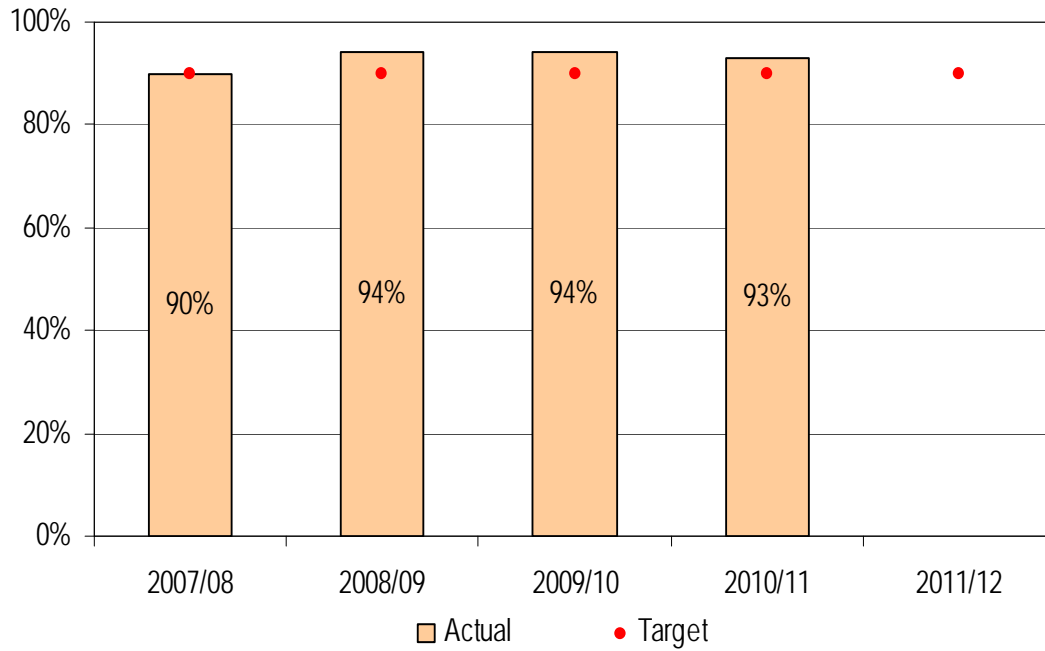
Source: WCC Parks and Gardens.

Beaches areas (%) compliance with quality performance standards

Result: 98% (target: 90%; 2009/10: 93%). Quality performance standards cover maintenance, boat ramp spraying, hard surface spraying, removing sand build-up from sea walls and litter removal.

Source: WCC Parks and Gardens.

Botanic Gardens' plant collection (%) compliance with quality standards



This measure includes the Wellington Botanic Garden, Truby King and Bolton Street Memorial Park. Otari-Wilton's Bush compliance is 95%. Criteria include plant health, presence of weeds, pruning, and general presentation.

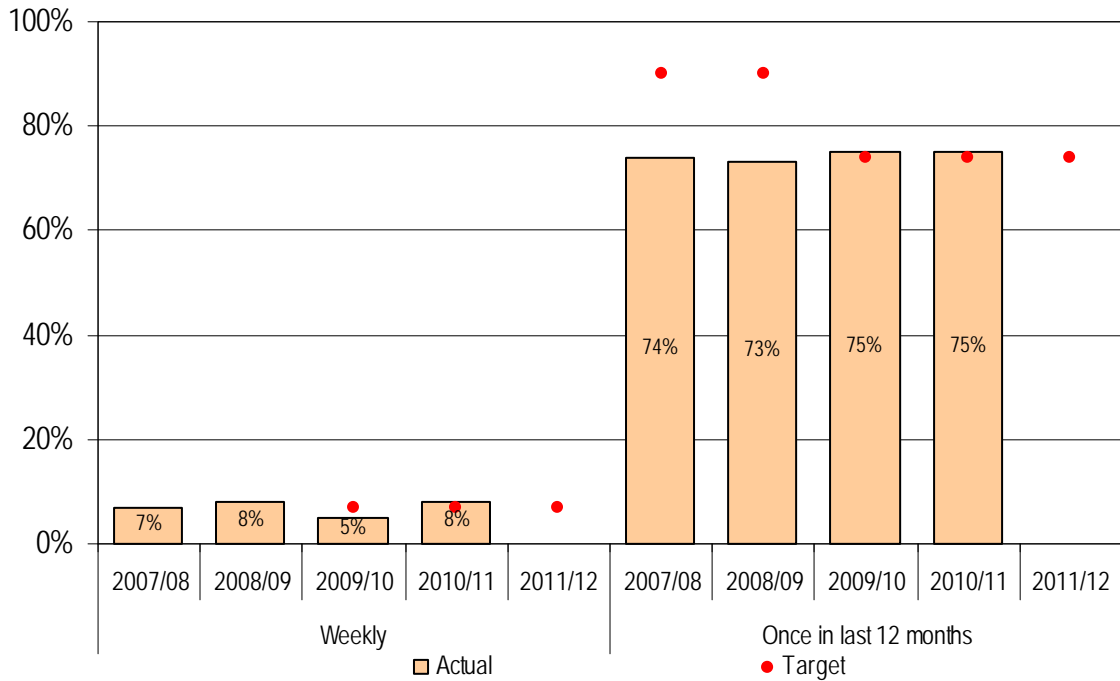
Source: WCC Parks and Gardens

Reported hazards (%) that are made safe (or secured) within 24 hours

Result: 100% (target: 100%; 2009/10: 100%).

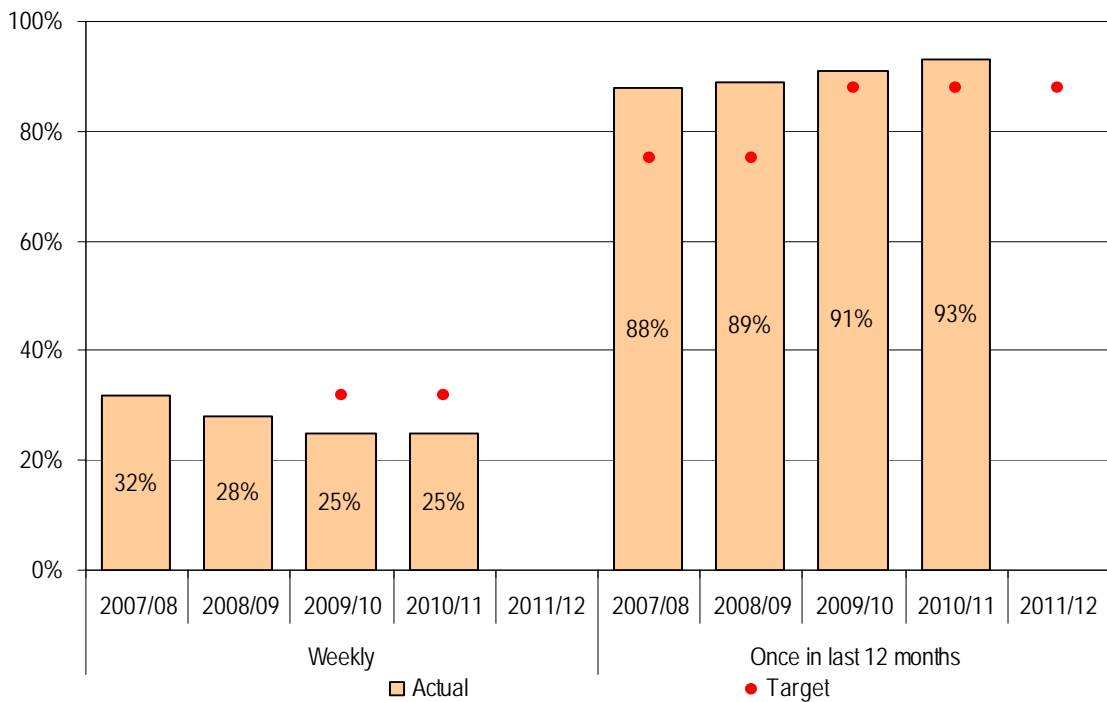
Source: WCC Parks and Gardens.

Residents (%) usage of the Botanic Gardens



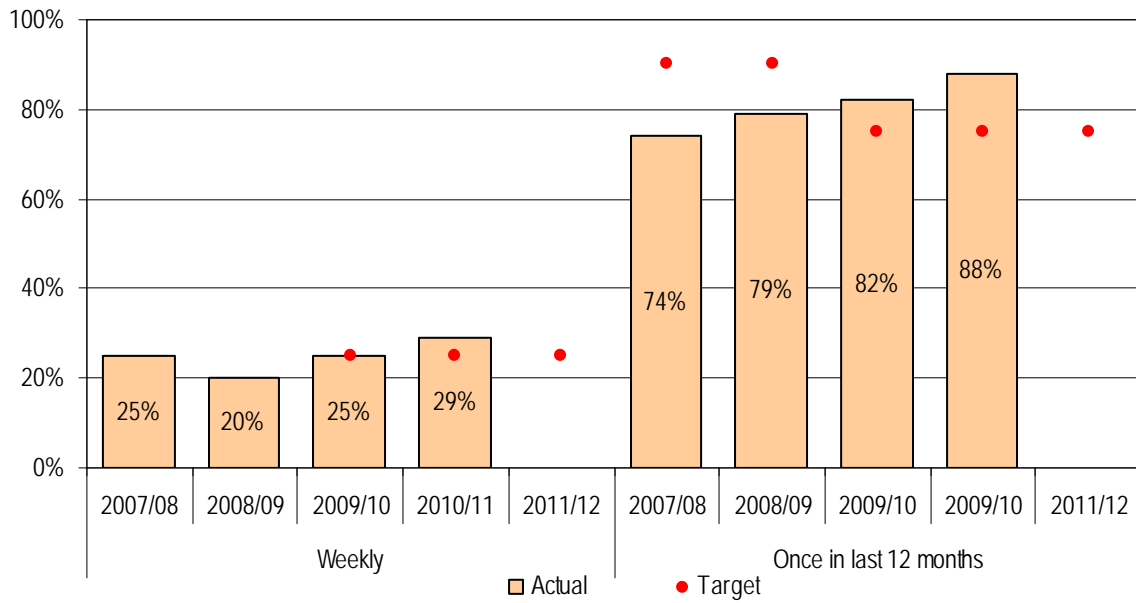
Source: WCC Residents' Satisfaction Survey 2011.

Residents (%) usage of beaches and coastal areas



Source: WCC Residents' Satisfaction Survey 2011.

Residents (%) usage of Wellington City Council parks



Source: WCC Residents' Satisfaction Survey 2011.

Residents' (%) ratings of ease of access to local gardens and beach areas

Result: 90% (target: 90%) of residents surveyed rated beaches and coastal areas easy to access; 94% (target: 90%) of residents surveyed rates local parks easy to access.

Source: WCC Residents' Satisfaction Survey 2011.

Residents (%) who agree that gardens and beaches provide good value for money

Result: 91% (target: 90%, 2009/10: 89%).

Source: WCC Residents' Satisfaction Survey 2011.

2.2 GREEN OPEN SPACES

Wellington's reserve land is both rugged and beautiful. One eighth of Wellington's area is reserve, and has been protected for generations. It is a vital and iconic part of Wellington's landscape, and also has great potential to support the city's response to climate change by acting as carbon sinks.

Our activities under this area include:

- **Town belts** – Wellington has more than 40 square kilometres of Town Belt, Outer Green Belt and other reserve land. We manage and maintain these areas.
- **Community environmental initiatives** – We provide grants for community projects that benefit the city's environment, and we support volunteers from community groups, schools, and other organisations who work to maintain and improve the city's parks and open spaces.
- **Walkways** – We manage and maintain the 337km of tracks and walkways on open space land throughout the city to provide residents with safe access for recreation and leisure opportunities.
- **Stream protection** – We work with community groups to restore and protect the city's streams and surrounding areas.
- **Pest plant and animal management** – We protect native ecosystems by controlling weeds and pest animals at high priority sites.
- **Roadside vegetation** – We maintain the roadside vegetation along the road corridor for road safety reasons we support volunteer groups and individuals who want to beautify these areas.

Why it's important

One-eighth of Wellington's area is reserve land, much of it rugged and covered in regenerating native bush. It is a key feature of the Wellington landscape, which contributes to the city's unique identity. This point of difference enhances economic well-being by attracting tourists and people to live in the city. It also provides unrivalled opportunities for outdoor recreation and leisure activities which lead to enjoyment and benefit health.

Our work in this area helps to sustain the city's biodiversity by conserving and protecting natural ecosystems and providing a habitat for native plants, birds and animals. This helps to ensure that future Wellingtonians will be able to enjoy the city's natural environment.

Assisting the community to engage in environmental initiatives raises awareness of the need to take responsibility for protecting and enhancing the natural environment.

Key projects

During the year:

- Wellington City Council and the Makara Peak Supporters group won the New Zealand Recreation Association's (NZRA) 2010 Outstanding Park Award for their collaboration on Makara Peak Mountain Bike Park.
- We undertook track renewal works on the Eastern Walkway/Ataturk Memorial, Tukanae/Kekerenga Reserve, Tawatawa Reserve, and Te Kopahou Reserve.
- We supported community track builds in Centennial Reserve on the Miramar peninsula, Polhill Reserve, and Makara Peak.
- We classified major sections of the hills that make up the Outer Green Belt behind Tawa, Broadmeadows, Khandallah, Ngaio, Karori, Brooklyn and Owhiro Bay, and more of the city's forest remnants, as reserves to give them protection under the Reserves Act.
- We bought land adjacent to the historic Fort Buckley Reserve in Wadestown to help protect the site from future development.
- The viewing deck and lookout development on Te Ahumairangi Hill (formerly known as Tinakori Hill) was officially opened and won a Wellington Civic Trust Award (in 'The City's Public Spaces' category).
- As part of implementation of our Biodiversity Action Plan we continued to deliver our key native ecosystem weed control programme targeting 33 key sites. We also began controlling invasive weeds in high profile parts of the Town Belt.
- We worked with the Wellington Regional Council and other territorial authorities to develop a Wellington Regional Open Spaces strategy and work plan, aimed at ensuring a coordinated approach to development and protection of open spaces.
- We completed a regional assessment of the different scales and functions of open space in the region and are working more collaboratively on a range of cross-boundary issues such as the long-term recreational role of Spicer Forest located between Wellington and Porirua.

What it cost

| What it cost | | | | |
|--|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.2.1 Road Open Spaces ¹ | | | | |
| Expenditure | 8,830 | 9,150 | 320 | 8,292 |
| Revenue | (567) | (577) | (10) | (734) |
| Net Expenditure | 8,263 | 8,573 | 310 | 7,558 |
| 2.2.2 Town Belts ² | | | | |
| Expenditure | 4,145 | 4,471 | 326 | 4,148 |
| Revenue | (231) | (209) | 22 | (491) |
| Net Expenditure | 3,914 | 4,262 | 348 | 3,657 |
| 2.2.3 Community Environmental Initiatives | | | | |
| Expenditure | 415 | 448 | 33 | 408 |
| Revenue | (9) | 0 | 9 | (10) |
| Net Expenditure | 406 | 448 | 42 | 398 |
| 2.2.4 Walkways | | | | |
| Expenditure | 455 | 461 | 6 | 447 |
| Revenue | 0 | 0 | 0 | (11) |
| Net Expenditure | 455 | 461 | 6 | 436 |
| 2.2.6 Pest Plant and Animal Management | | | | |
| Expenditure | 962 | 942 | (20) | 898 |
| Revenue | (1) | 0 | 1 | 0 |
| Net Expenditure | 961 | 942 | (19) | 898 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 2.2.1 Road Open Spaces | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 2.2.2 Town Belts | | | | |
| Expenditure | 294 | 287 | (7) | 510 |
| 2.2.3 Community Environmental Initiatives | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 2.2.4 Walkways | | | | |
| Expenditure | 335 | 335 | 0 | 327 |
| 2.2.6 Pest Plant and Animal Management | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

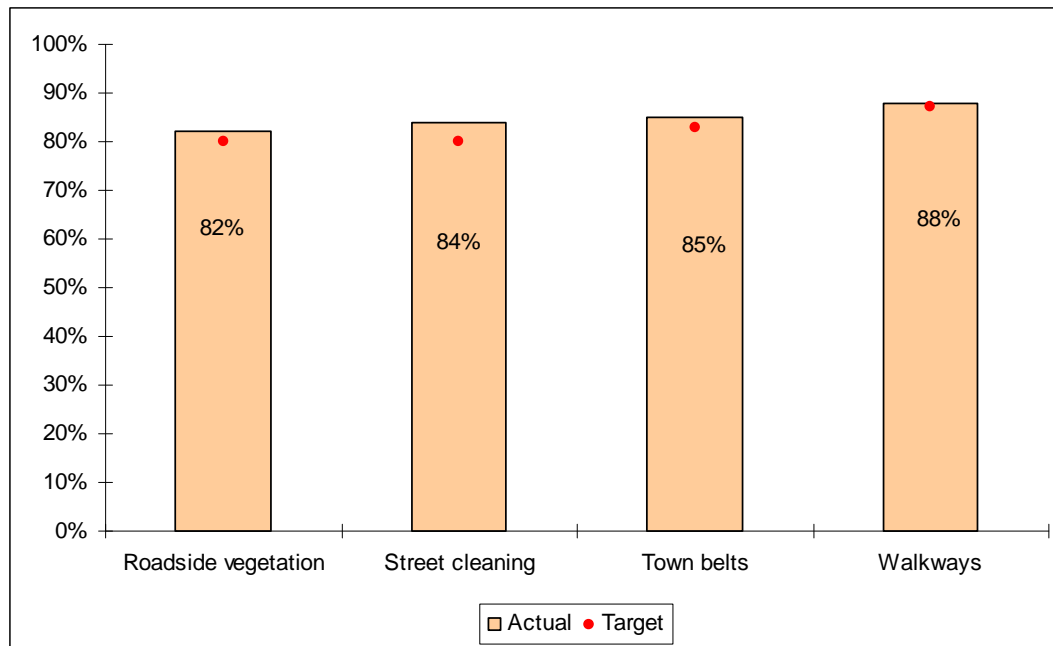
1 The expenditure variance is due street cleaning savings achieved through revised terms and conditions of the contract.

2 The expenditure variance is due to lower labour and interest costs.

HOW WE PERFORMED

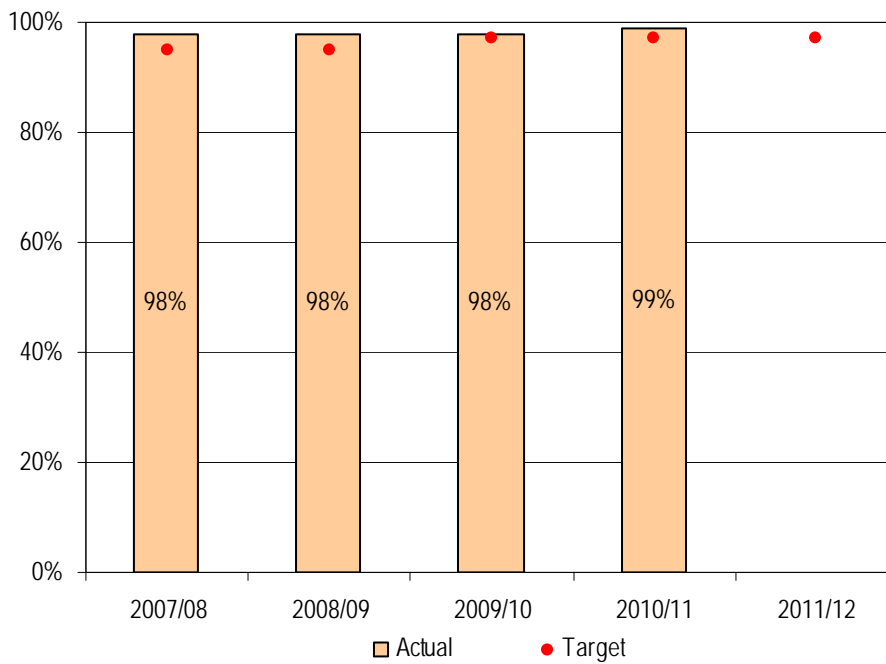
We aim to ensure that the city's green open spaces, walking tracks, residential streets and roadside verges are attractive, accessible and safe.. We assess our effectiveness by measuring residents' use of and satisfaction with green open spaces, measuring compliance with performance standards, measuring the amount of restorative planting and pest management that takes place, and recording how long it takes to make hazards safe.

Residents' (%) satisfaction with the quality and maintenance of green open spaces



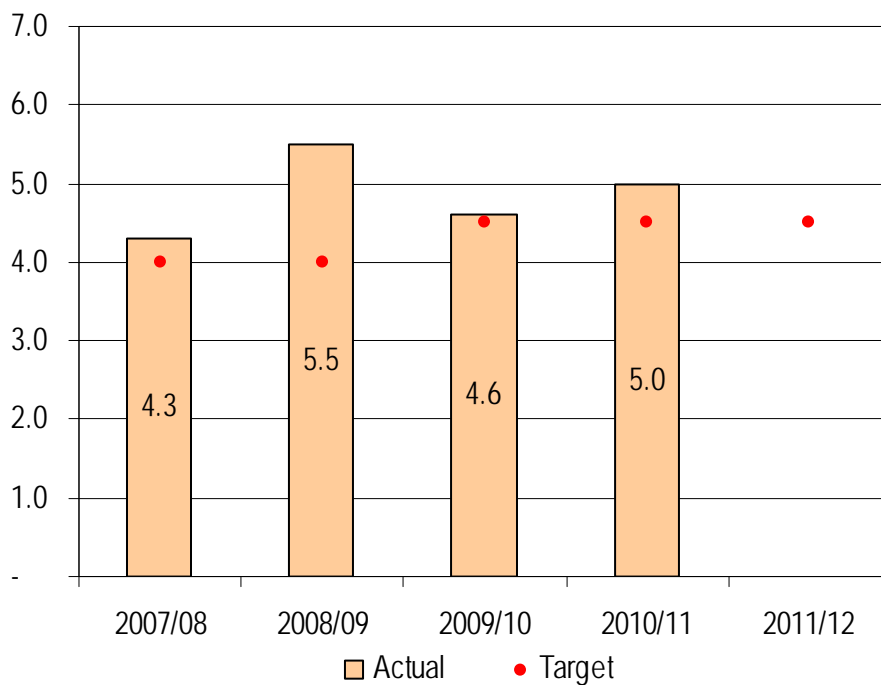
Source: WCC Residents' Satisfaction Survey 2011.

Street cleaning (%) compliance with quality performance standards



Source: WCC CitiOperations

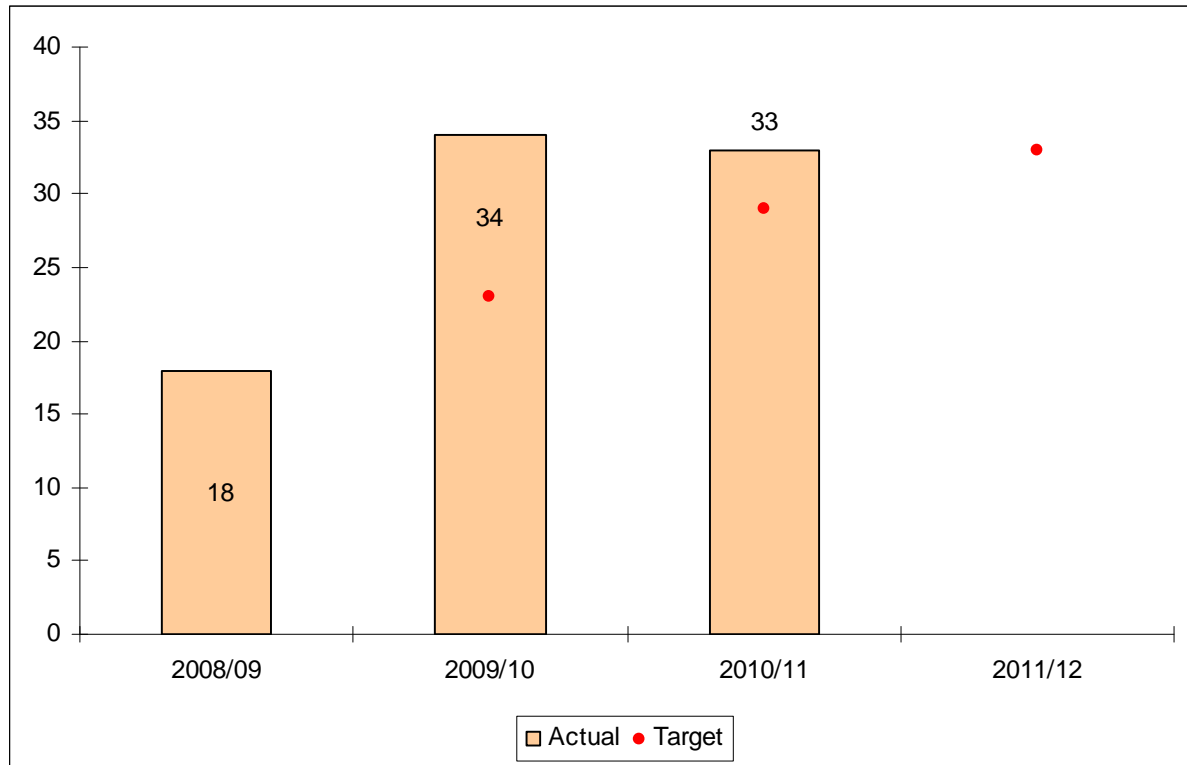
Total area of restorative planting (hectares) along the Town Belt



Source: WCC Parks and Gardens

The 2011 planting season was shifted forward to ensure that planting was completed well in advance of Rugby World Cup 2011, resulting in more plantings in the 2010/11 financial year.

'Key native ecosystems' with operational pest management plans



A 'key native ecosystem' is an ecosystem that is exceptionally important in terms of ecological value and/or diversity of plant life and wildlife. In 2010/11, two areas were merged into a single larger area, resulting in the drop from 34 to 33 key native ecosystems. The total area under management has not changed.

Source: WCC Parks and Gardens

Walkways (%) – compliance with national standards

Result: 100% of primary walkways and tracks were compliant with national standards (target: 100%). The standards cover a range of criteria including integrity of structures and maintenance. This result compares with the 91% result in 2009/10.

Source: WCC Parks and Gardens.

Reported hazards (%) that are made safe (or secured) within 24 hours

Result: 100% (target: 100%). (This is the same measure as recorded in 2.1 Gardens and Beaches).

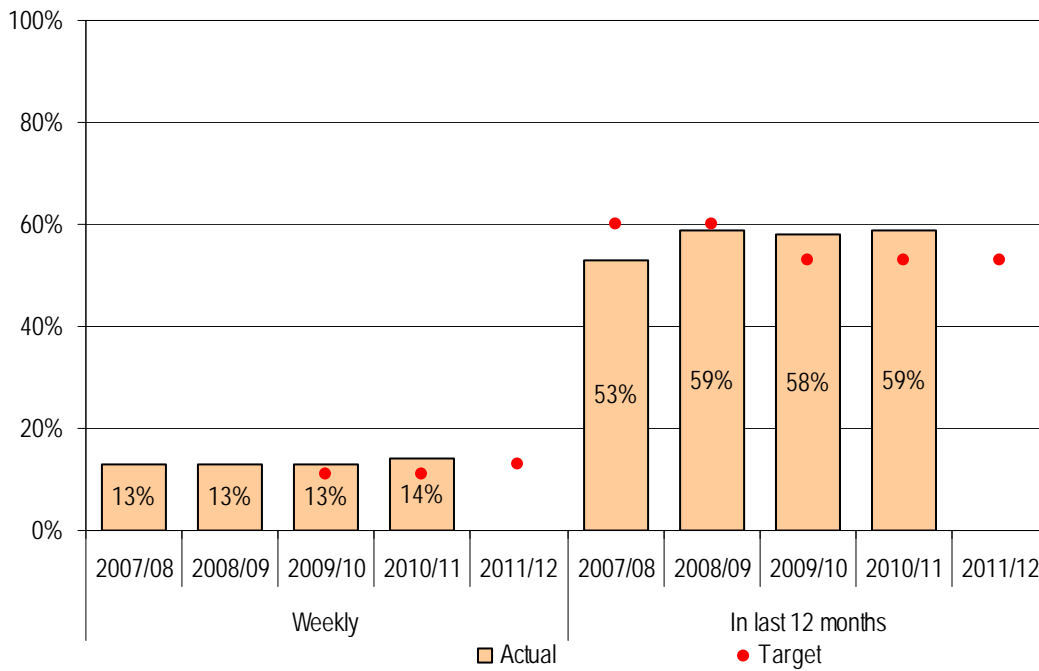
Source: WCC Parks and Gardens.

Residents' (%) ratings of ease of access to green open spaces

Result: 94% (target: 90%; 2009/10: 94%).

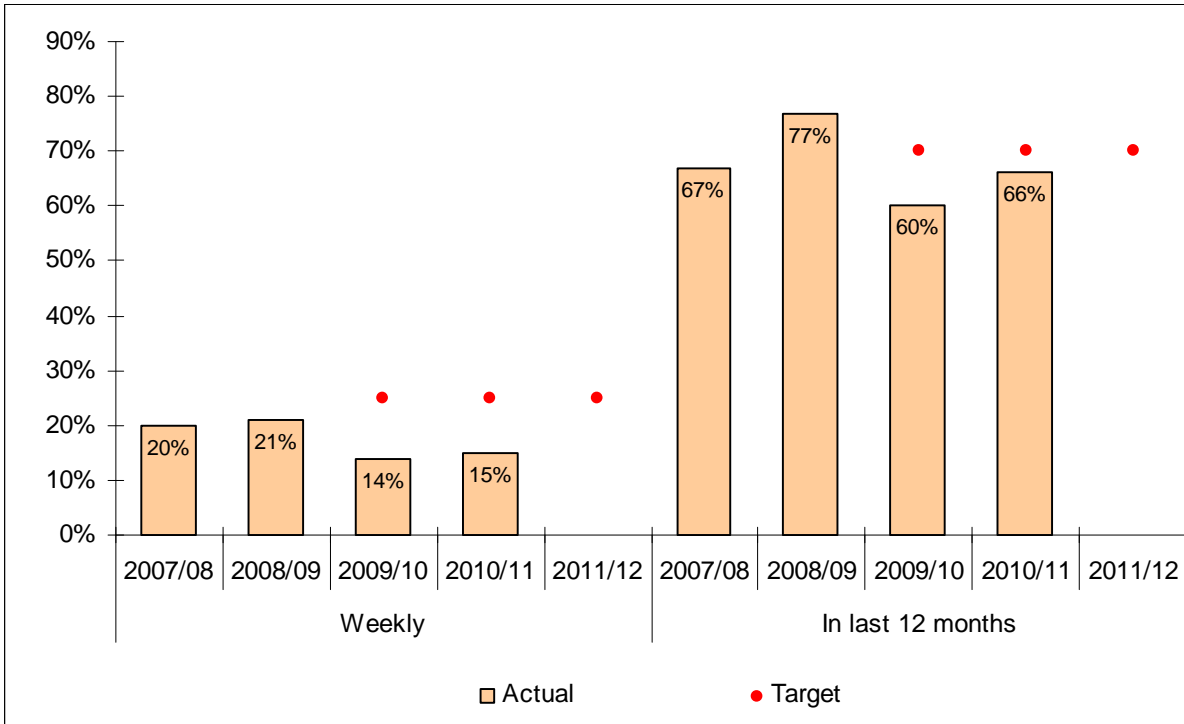
Source: WCC Residents' Satisfaction Survey 2011.

Residents (%) usage of town belts



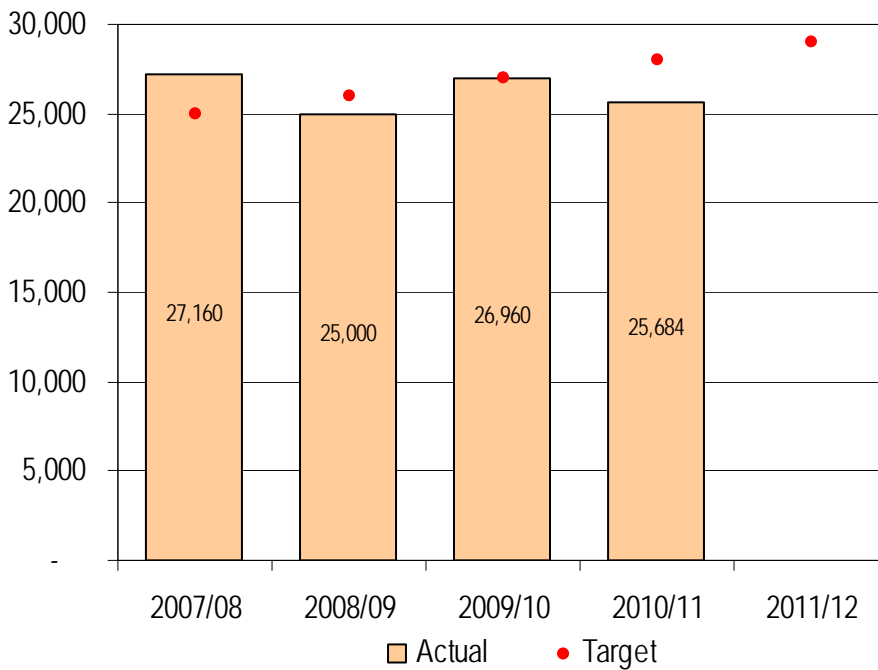
Source: WCC Residents' Satisfaction Survey 2011

Residents (%) usage of WCC walkways



Source: WCC Residents' Satisfaction Survey 2011

Number of Wellington City Council supported planting activities by community groups



Source: WCC Parks and Gardens

Environmental grants

There are no performance targets for this measure. We aim to support initiatives that contribute to environmental well-being in line with eligibility criteria (available at www.Wellington.govt.nz/services/grants).

| ENVIRONMENTAL GRANTS | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|----------|----------|----------|----------|----------|
| Total number of grant applicants | 22 | 33 | 26 | 28 | 21 |
| Total number of applicants receiving grants | 11 | 9 | 13 | 17 | 20 |
| Total budget available to applicants | \$80,000 | \$80,000 | \$80,000 | \$78,170 | \$80,000 |
| Total budget distributed to applicants | \$67,750 | \$67,750 | \$56,052 | \$75,170 | \$80,000 |

This year we supported a range of initiatives including the Solar Decathlon First Light house in Frank Kitts Park which promoted new green technologies, Go by Bike Day, the eDay electronic waste collection and the Wellington Marine Conservation Trust for their Ocean Discovery programme.

We also supported community planting projects such as the Patanga Hill Group, Woodridge Planters, Trelisick Park Group, Project Crimson, Friends of Owhiro Stream, Island Bay and Berhampore Community Orchard.

Source: WCC City Communities and Grants

Residents' (%) agreement that green open spaces provide good value for money

Result: 88% (target: 90%; 2009/10: 88%).

Source: WCC Residents' Satisfaction Survey 2011.

2.3 WATER

Under the Local Government Act 2002, we are required to provide an adequate water supply for Wellington.

This activity includes:

- **Water network** – We own the city’s water network and contract Capacity Infrastructure Services Limited (Capacity) – a company we jointly own with Hutt City Council – to manage, maintain and operate the network on our behalf.
- **Water collection and treatment** – We purchase water in bulk from the Greater Wellington Regional Council and supply it to Wellington properties.

Our water network includes more than 1,000km of pipes, along with 81 reservoirs, 34 pumping stations, more than 7,300 hydrants, and more than 65,000 domestic connections.

A major challenge is our management of a limited resource. Water conservation, leak detection and remediation, as well as more efficient use of water are increasingly important in light of potential climatic changes and Wellington’s growing population.

Why it’s important

A city cannot function without a safe, reliable water supply – it is a fundamental need. Water is critical for the health, well-being and prosperity of Wellington residents.

Key projects

Water conservation

The Council adopted a Water Conservation and Efficiency Plan as a means to manage demand. Key aspects of this policy include water conservation education in schools (to be delivered through the Enviro-Schools programme), the development of a new Water Supply By-law, increased communication with major consumers, and greater analysis of consumption trends.

Pressure reduction

We installed pressure reduction equipment in Karaka Bay. This improved the area's fire-fighting water supplies by making handling equipment more manageable for fire fighting personnel.

Measuring and managing consumption

In order to assist with the management of water consumption by some of the city's large users, we installed new remote water meters that send us consumption data daily. This demand management approach augments the work done in the leak detection programme which has helped to keep consumption below last year's levels.

Renewals and upgrades

Design work was undertaken for an upgrade of the roof of the Carmichael Reservoir (Newtown). An upgrade to the Messines Road Reservoir was commenced. This project, designed to increase the resilience of Karori's water supply, will see the old tanks replaced with two new storage tanks of greater capacity. The completed design includes a new stairway to provide access to a restored park area, and a new frontage area landscaped with native plants.

In addition, 7.5 kilometres of water pipes were replaced across the city, and new pumping equipment was installed at the Russell Terrace and Hay Street pump stations.

What it cost

| What it cost | | | | |
|---|--------|--------|----------|---------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.3.1 Water Network ¹ | | | | |
| Expenditure | 20,823 | 20,903 | 80 | 20,051 |
| Revenue | (657) | (31) | 626 | (2,500) |
| Net Expenditure | 20,166 | 20,872 | 706 | 17,551 |
| 2.3.2 Water Collection and Treatment | | | | |
| Expenditure | 12,720 | 12,818 | 98 | 12,705 |
| Revenue | (3) | 0 | 3 | 1 |
| Net Expenditure | 12,717 | 12,818 | 101 | 12,706 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 2.3.1 Water Network ² | | | | |
| Expenditure | 11,258 | 11,009 | (249) | 9,916 |
| Unspent portion of budget to be carried forward | N/A | 899 | | N/A |
| 2.3.2 Water Collection and Treatment | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

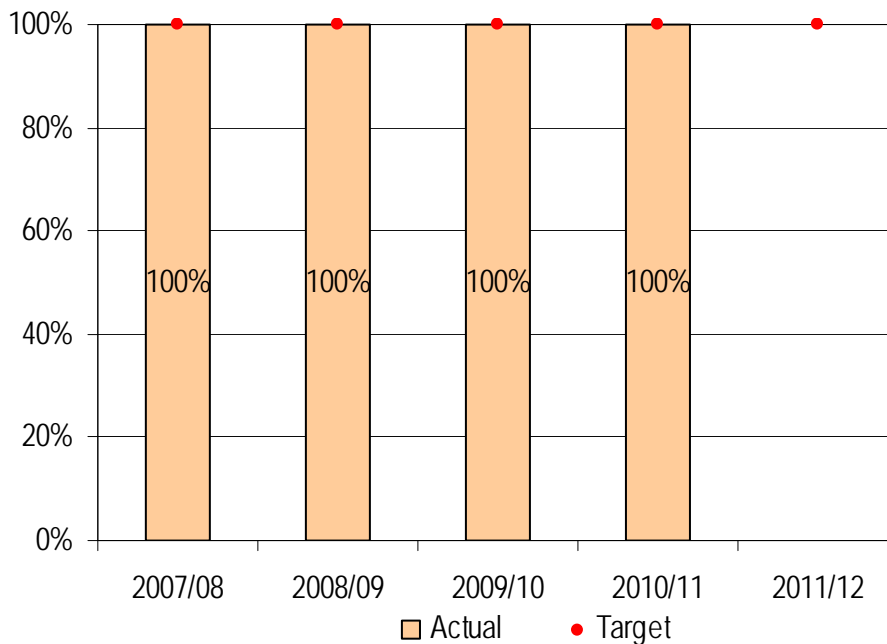
¹ The revenue variance is due to the recognition of unbudgeted vested asset income.

² Under budget due to the Carmichael Reservoir roof replacement work delayed as a result of detailed design changes for additional seismic upgrading. To be completed in 2011/12.

HOW WE PERFORMED

We ensure residents have access to safe, reliable drinking water. We measure our effectiveness by monitoring: water consumption; residents satisfaction with water quality and the water network; the amount of water that is lost through leaks or cannot be accounted for; compliance with NZ Drinking Water Standards, water distribution network quality gradings, and water pressure requirements; number of complaints; and response times for service requests.

Compliance with Drinking Water Standards for New Zealand 2005 (revised 2008)



Source: Capacity Infrastructure Services Ltd.

Water distribution network – quality grading

Result: all parts of the network retained the grading of ‘a’ to ‘b’ in the Ministry of Health quality grading (target: ‘a’ to ‘b’).

An ‘a’ grading refers to assets that are completely satisfactory with negligible or very low levels of risk; a ‘b’ grading refers to assets that are satisfactory with very low levels of risk; a ‘c’ grading refers to assets that are marginally satisfactory with moderate-low risk.

In 2008, the Ministry of Health graded the entire network. Annually, they ensure this grading has been retained by reviewing the Council’s replacement and/or maintenance of water pipes.

Source: Capacity Infrastructure Services Ltd.

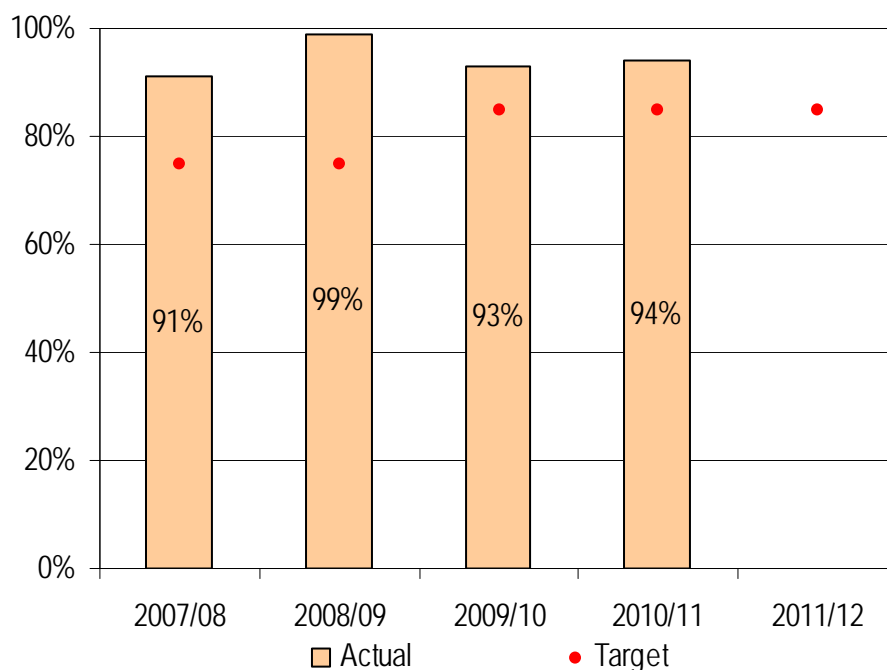
Customer complaints regarding water quality (taste and odour)

Result: 289 complaints (target: fewer than 80; 2009/10: 377).

The cause of the high numbers of complaints has not been fully determined. However, there was a mains replacement in Miramar where there were some difficulties with recharging the water main upon completion. Also, there have been changes in the Greater Wellington Regional Council treatment process. These factors may have changed the taste and appearance of water for some customers. New Zealand Drinking Water Standards have been met at all times.

Source: Capacity Infrastructure Services Ltd.

Customer (%) satisfaction with water network



Source: Capacity Infrastructure Services Ltd.

Water pressure

Result: 96% of properties had appropriate water pressure i.e. minimum 250kPa (target: 98%). Some older water supply zones have lower pressure and this cannot be improved without significant cost. As the network grows and pipe-upgrades are carried out, the target will be reached.

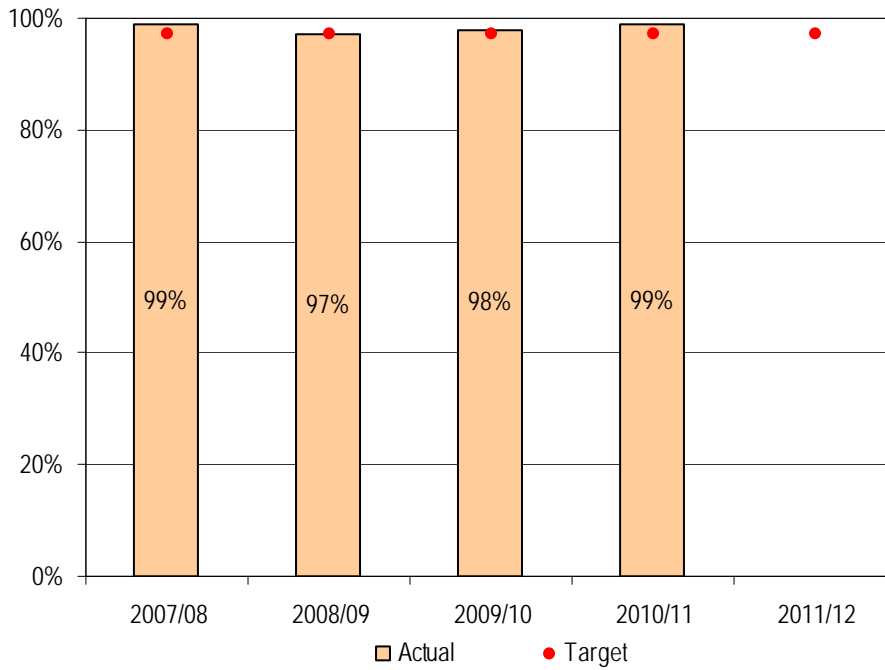
Source: Capacity Infrastructure Services Ltd.

Fire hydrants

Our target is for 95% of hydrants tested to meet New Zealand Fire Service Code of Practice firefighting water supply requirements. The Fire Service did not carry out testing in Wellington during 2010/11 and it is unclear when testing will resume. Our modelling, however, indicates that that we will be able to meet our target for the Code's pressure and flow requirements.

Source: Capacity Infrastructure Services Ltd.

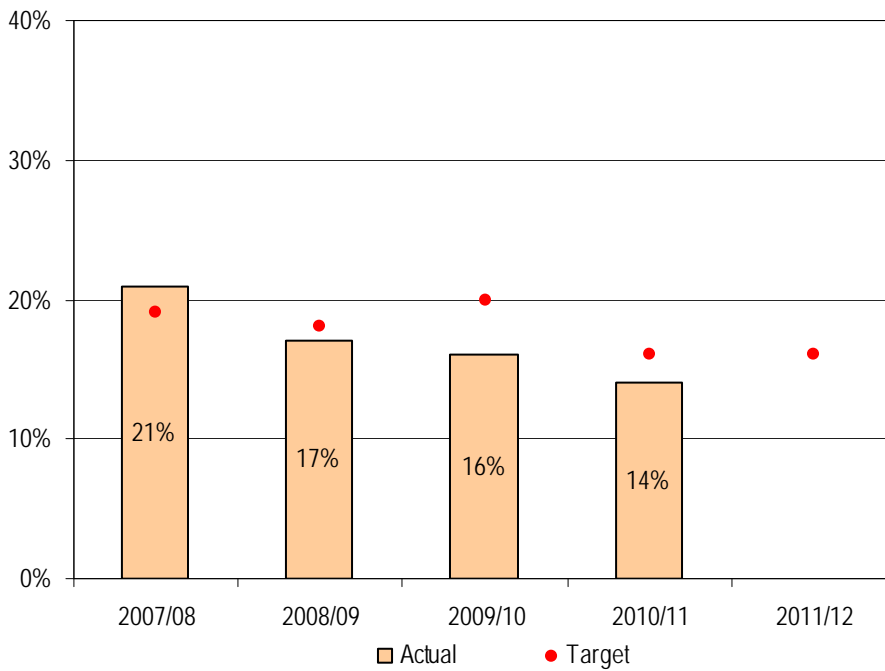
Water network service requests (%) that are responded to within one hour of notification



Response includes initial investigation and prioritisation of the work.

Source: Capacity Infrastructure Services Ltd.

Unaccounted water from the network – Estimated water loss (%)



Unaccounted for water includes leaks from the public and private network.

During the year, active leak detection and remediation work was undertaken on the public network, resulting in a reduction in loss from the network.

Source: Capacity Infrastructure Services Ltd.

Residential water consumption

Result: 297 litres per person per day (target: 345 litres per person per day; 2009/10: 300).

This figure has been trending down over the past few years – a result of leak detection work, water conservation projects, and education. Residential water consumption is based on the total bulk water supplied less the metered commercial consumption, divided by the resident population.

Source: Capacity Infrastructure Services Ltd.

Residents' (%) agreement that water services provide good value for money

Result: 85% (target: 90%; 2009/10: 85%).

Source: WCC Residents' Satisfaction Survey 2011.

2.4 WASTEWATER AND STORMWATER

Our key aims for this activity are ensuring public health and safety, and acting sustainably. Wastewater and stormwater needs to be disposed of in ways that protect the public and don't compromise our natural environment.

This activity includes:

- **Stormwater management** – We own the city's stormwater network and contract Capacity Infrastructure Services Limited (Capacity) – a company we jointly own with Hutt City Council – to manage, maintain and operate the network.
- **Wastewater collection and disposal network** – We own the city's wastewater network and contract Capacity to manage, maintain and operate the network.
- **Wastewater treatment** – We own Karori and Moa Point treatment plants, and co-own the Porirua treatment plant with Porirua City Council; the Karori and Moa Point plants are managed by United Water.

Why it's important

Management and maintenance of these networks and the treatment of sewage before disposal are essential for public health and wellbeing, for protection of property from flooding, and for protecting the environment. Without these services, Wellington could not operate as a modern, efficient city.

Key challenges for this area are twofold. First, we must ensure the stormwater and wastewater networks have sufficient capacity to cope with demand; insufficient capacity in the stormwater network results in flooding. Secondly, we must manage the environmental effects from both wastewater and stormwater. For stormwater, it's important that members of the public are aware of their responsibilities to keep contaminants out of the city's drains, waterways, and the sea.

The city's stormwater network includes almost 650km of pipes with an average age of over 50 years. These pipes carry almost 80 million cubic metres of water each year from kerbs, channels and household drains into the city's waterways. Stormwater is discharged untreated into streams and the sea.

The wastewater network includes the treatment plants and about 970km of pipes with an average age of over 50 years, as well as 60 pumping stations. The network carries about 29 million cubic metres of wastewater each year. Treated wastewater is discharged into the sea.

Key projects

Stormwater

- The Council received resource consents for the discharge of stormwater into the Wellington Harbour and coastal marine areas. The consents require increased attention is being given to the effects of stormwater-carried contaminants on the harbour's ecology. The consents will also see increased consultation with community groups, recreational harbour and coastal area users, iwi, other territorial authorities and government agencies on how stormwater contamination should be managed.
- The Tacy Street stormwater pump station construction project commenced. The pump station will improve flood protection in Kilbirnie as well as manage the rainwater from the new Indoor Community Sports Centre.
- Major works were undertaken at the Waring Taylor culvert to remove sediment from a slip in the Kumutoto Stream that had entered the network.
- As part of our maintenance programme we inspect drains with specialised closed circuit camera equipment (CCTV). Last year we inspected 13km of stormwater drains using this method. This information helps us to target repairs to critical areas, and plan for replacing parts of the network.
- 1,500 meters of stormwater pipes were replaced.

Wastewater

- We established a community liaison group for the Western Wastewater Treatment Plant in south Karori, to improve communication about how the site is operated, and to allow the community to have input into plant management and decisions about future works.
- We upgraded the wastewater and stormwater network under Wakefield Park. These upgrades increased flood protection and meant that artificial turf could be installed on the park.
- 6,300 metres of wastewater pipes were replaced.

What it cost

| What it cost | | | | |
|--|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 2.4.1 Stormwater Management ¹ | | | | |
| Expenditure | 14,337 | 14,187 | (150) | 13,537 |
| Revenue | (1,036) | (8) | 1,028 | (1,727) |
| Net Expenditure | 13,301 | 14,179 | 878 | 11,810 |
| 2.4.2 Sewage Collection and Disposal Network ² | | | | |
| Expenditure | 14,091 | 14,658 | 567 | 14,622 |
| Revenue | (1,038) | (568) | 470 | (1,387) |
| Net Expenditure | 13,053 | 14,090 | 1,037 | 13,235 |
| 2.4.3 Sewage Treatment | | | | |
| Expenditure | 20,146 | 19,503 | (643) | 19,760 |
| Revenue | (1,348) | (730) | 618 | (962) |
| Net Expenditure | 18,798 | 18,773 | (25) | 18,798 |
| Capital Expenditure (\$000) | | | | |
| 2.4.1 Stormwater Management ³ | | | | |
| Expenditure | 5,040 | 4,637 | (403) | 3,652 |
| Unspent portion of budget to be carried forward | N/A | 282 | | N/A |
| 2.4.2 Sewage Collection and Disposal Network ⁴ | | | | |
| Expenditure | 7,910 | 9,115 | 1,204 | 7,530 |
| Unspent portion of budget to be carried forward | N/A | 493 | | N/A |
| 2.4.3 Sewage Treatment | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

1 The revenue variance is due to the recognition of unbudgeted vested asset income. The expenditure variance is due to lower interest costs.

2 The revenue variance is due to the recognition of unbudgeted vested asset income. The expenditure variance is due to lower interest and rates costs.

3 Tacy Street stormwater pump station delayed by electrical services upgrade to accommodate the Indoor Community Sports Centre

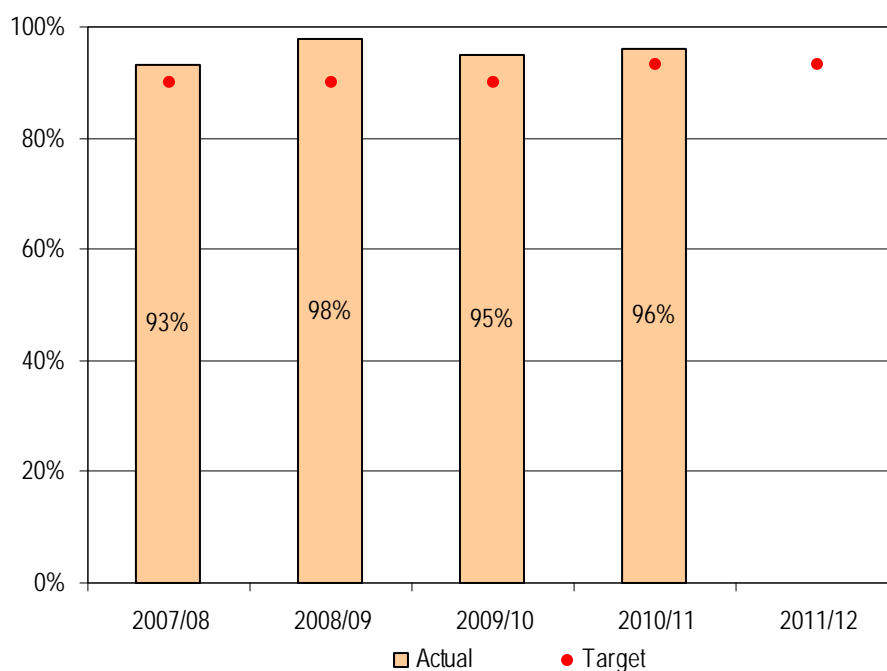
4 Under budget due to the UV treatment pilot plant study not finalised. The commencement of work is delayed pending the outcome of the study. Funds carried forward in 2011/12.

A re-engineered solution for additional pumps at the Moa Point Treatment Plant is no longer required to meet the resource consent conditions resulting in savings.

HOW WE PERFORMED

We aim to ensure that our stormwater and wastewater network protects public health and property without compromising the environment. We measure our effectiveness by monitoring freshwater and beach compliance with water contamination guidelines, resident satisfaction with the water and stormwater networks, and response times for service requests, and by monitoring flooding in the city and resource consent compliance.

Monitored bathing beaches (% of sampling days) that comply with Ministry for the Environment guidelines (Green Status)

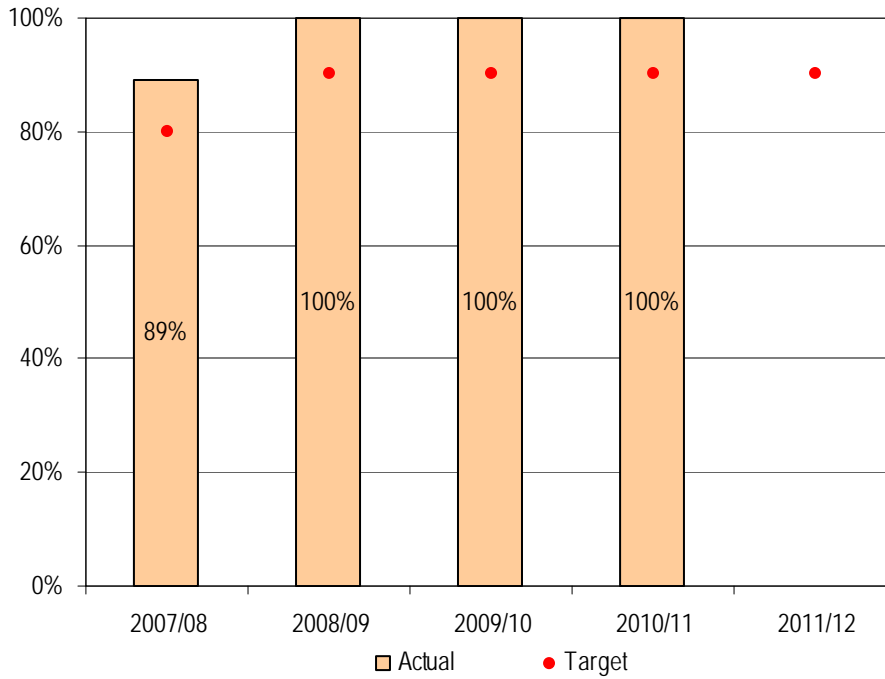


Ten of the 21 marine sites monitored in Wellington city exceeded the action guideline during the bathing season. The majority of these coincided with significant rainfall. In 2009/10, this figure was three sites and results for the two preceding years were 2 and 11. In all but two cases, immediate follow-up samples were within the guideline and no beach closures occurred.

Bathing beach guidelines (grades) are: Green (water is acceptable for bathing – routine monitoring); Amber (increased risk of illness from bathing, but still within an acceptable range – increased monitoring, investigation of source and risk assessment); Red (the water poses an unacceptable health risk from bathing – closure, public warnings, increased monitoring and investigation of source).

Source: Capacity Infrastructure Services Ltd.

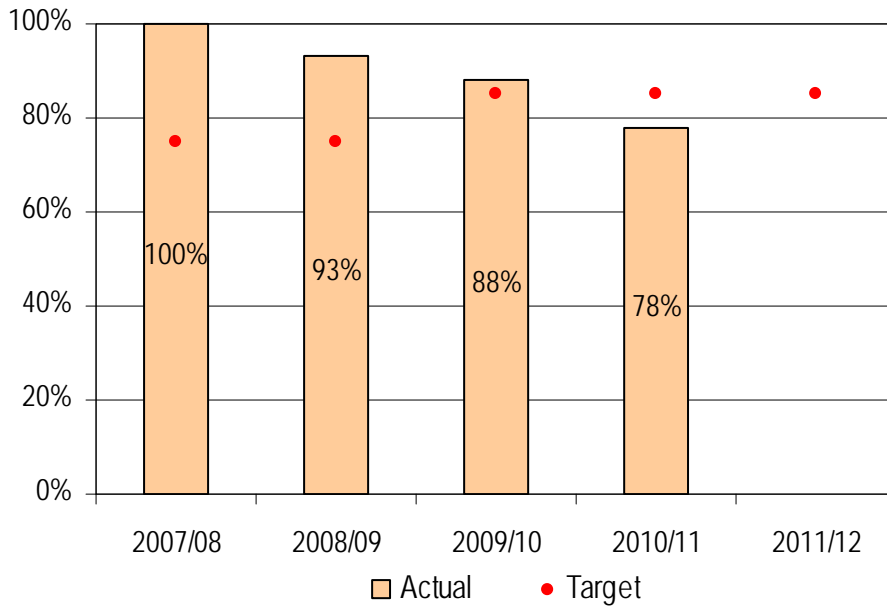
Freshwater sites (%) within acceptable faecal coliform counts



Fortnightly sampling is undertaken at each site. Acceptable faecal coliform counts are 1000 bacterial colony forming units (cfu) per 100mL for the annual median at each site – these targets are based on the Australia and New Zealand Environment and Conservation Council (ANZECC) guidelines for recreational water quality and aesthetics. These guidelines are essential for protecting people when using freshwater sites for recreation.

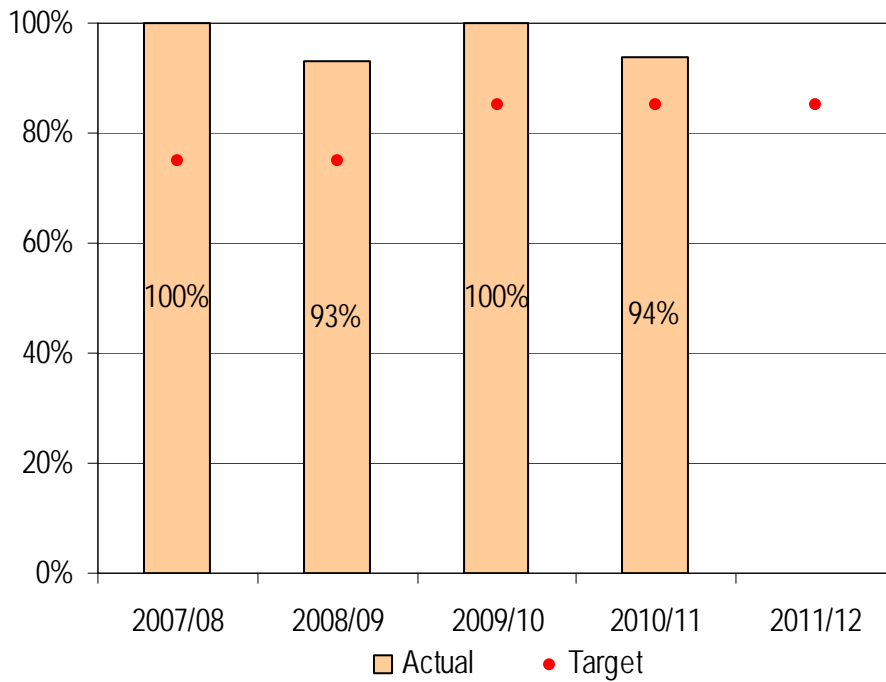
Source: Capacity Infrastructure Services Ltd.

Customer (%) satisfaction with stormwater services



Source: Capacity Infrastructure Services Ltd.

Customer (%) satisfaction with wastewater services



Source: Capacity Infrastructure Services Ltd.

Response time to service requests

Result: 91% of requests were responded to within one hour of notification (target: 97%; 2009/10: 90%).

Source: *Capacity Infrastructure Services Ltd.*

Flooding

Result: There were no one-in-50-year rain events this year and as such no properties were flooded as a consequence of such an event (target: no properties).

Source: *Capacity Infrastructure Services Ltd.*

Stormwater network - resource consent compliance

Result: 100% compliance (target: compliance).

Source: *Capacity Infrastructure Services Ltd.*

Wastewater network – resource consent compliance

We do not currently hold any resource consents for the wastewater network.

Source: *Capacity Infrastructure Services Ltd.*

Residents' (%) who agree wastewater and stormwater services provide good value for money

Result: 71% (target: 90%; 2009/10: 67%).

Result: *WCC Residents' Satisfaction Survey 2011*

2.5 WASTE REDUCTION AND ENERGY CONSERVATION

We aim for Wellington to be a sustainable city by encouraging energy efficiency and ensuring waste is disposed of safely, without causing harm to the environment.

This activity includes:

- **Waste minimisation, disposal and recycling** - We collect waste and recycling, manage the Southern landfill, manage environmental impacts of waste disposal, and enforce waste bylaws. Under the Waste Minimisation Act 2008 we are required to promote effective and efficient waste management and minimisation within the city, and ensure that waste is disposed of safely.
- **Energy efficiency and conservation** – We support households and businesses to be energy efficient and use renewable energy as well as improving the energy efficiency of our own activities.

Why it's important

Our goal is for Wellington to be a sustainable city, which means meeting today's needs in ways that don't cause future harm. A truly sustainable city meets its energy needs from renewable supplies, uses resources efficiently, and finds ways to minimise waste and to re-use or recycle instead of sending rubbish to landfills.

Wellington can't claim to be a truly sustainable city – but we are heading in the right direction.

Many forms of energy production produce greenhouse gases. By using energy more efficiently, the Council and the city can reduce its contribution to climate change.

Landfills (including closed landfills) have environmental impacts including emissions of greenhouse gases (specifically methane), and leachate (a liquid run-off formed during waste decomposition, which often contains hazardous chemicals and heavy metals). From an asset management as well as an environmental sustainability perspective, it is therefore in our and the community's interest to minimise the amount of waste the city produces.

Key projects

Energy efficiency and conservation

- The Council's 2010 Climate Change Action Plan won the 'Reducing our Greenhouse Gas Emissions' category of the government's 2011 Green Ribbon Awards which recognise outstanding contributions to the protection and enhancement of New Zealand's environment.
- Energy audits were carried out on Newtown Park, Freyberg Pool, and the Civic Complex building management system. A night tour of the Town Hall identified potential areas of saving.

- The Council worked with other businesses to pilot the operation of electric vehicles in the city. Eight Mitsubishi electric vehicles were trialled as part of the pilot, and a charging post was installed in the city. The Council is working with the Energy Efficiency and Conservation Authority (EECA) and corporate partners to evaluate the pilot programme, which runs for another year.
- We supported Earth Hour on March 26, encouraging residents to turn off lights and non-essential appliances as a sign of support for global action on climate change.
- We started investigations into the impacts of potential sea level rise in Wellingtons CBD, and contributed to a regional study led by the National Institute for Water and Atmospheric Research, into the effects of storm surge and sea level rise on the city's coastlines.
- We entered into a partnership with EECA to support their *Energising Business* programme and we supported the government's *Warm Up New Zealand: Heat Smart* scheme. Ninety-five households were retrofitted with insulation under the latter scheme.
- The Council approved a Carbon Management Policy in February 2011, to manage emission credits and Emissions Trading Scheme (ETS) obligations. We received 1196 carbon credits under the ETS in recognition of the carbon absorbed by a part of the green belt. The Council now holds a total of 3511 carbon credits.
- We are in the process of registering more than 1200ha of Council reserve land into the government's Permanent Forest Sink Initiative, which would result in approximately 3,600 additional carbon credits per annum.

Waste minimisation and recycling

- We introduced new bins and bags for recycling collection to improve safety for collection staff and to increase the amount of recycling collected (see feature, page XXX). We also changed our recycling processor. As a result, most of the city's recycling can now be processed in New Zealand, and the Council receives income from recycling instead of paying to process recycling as was the case previously.
- In 2011/12 we will continue a pyrolysis (pressurised heating) trial which could potentially significantly reduce the volume of sewage sludge being deposited in the Southern Landfill.
- We started consultation on a Regional Waste Management and Minimisation Strategy.
- We provided tours of the Southern Landfill site to over 1,000 members of the public as part of the waste education process.
- Consultants provided proposals for two options for the development of the next stage of the Southern Landfill. The capacity of the current stage of the landfill has been maximised by design enhancements. Public consultation will be undertaken in 2011/12.
- We installed litter fences to reduce the amount of windblown litter from the landfill.
- We recovered 615 tonnes of scrap metals and other materials for sale to merchants and in our second treasure shop. We also recycled 6650 tonnes of green waste and food waste into compost and other products for sale to distributors, retailers and the public. Some of this compost has also been donated to community garden projects.

What it cost

| What it cost | | | | |
|--|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 2.5.1 Energy Efficiency and Conservation | | | | |
| Expenditure | 186 | 201 | 15 | 171 |
| Revenue | 0 | 0 | 0 | (3) |
| Net Expenditure | 186 | 201 | 15 | 168 |
| 2.5.2 Waste Minimisation Disposal and Recycling Management ¹ | | | | |
| Expenditure | 9,855 | 8,483 | (1,372) | 8,940 |
| Revenue | (11,338) | (9,232) | 2,106 | (9,386) |
| Net Expenditure | (1,483) | (749) | 734 | (446) |
| 2.5.3 Closed Landfills Aftercare | | | | |
| Expenditure | 727 | 704 | (23) | 438 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 727 | 704 | (23) | 438 |
| | Actual | Budget | Variance | Actual |
| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.5.1 Energy Efficiency and Conservation | | | | |
| Expenditure | 168 | 168 | 0 | 125 |
| Unspent portion of budget to be carried forward | N/A | 45 | | N/A |
| 2.5.2 Waste Minimisation Disposal and Recycling Management ² | | | | |
| Expenditure | 756 | 757 | 1 | 90 |
| Unspent portion of budget to be carried forward | N/A | 381 | | N/A |
| 2.5.3 Closed Landfills Aftercare | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

¹ The revenue variance is due to more contaminated soil waste being disposed at the landfill. The expenditure variance is due to the reassessment of the closed landfill provision.

² Under budget due to the capital work on the Southern Landfill project delayed to ensure optimal working conditions (weather related) and geotechnical investigations. Works to continue in 2011/12.

HOW WE PERFORMED

We assess our effectiveness in waste disposal and minimisation by monitoring resource consent compliance and by measuring: resident use of satisfaction with waste management services; volumes of kerbside recycling and solid waste collected; volumes of recyclable material diverted from landfill; and amount of electricity generated using landfill methane

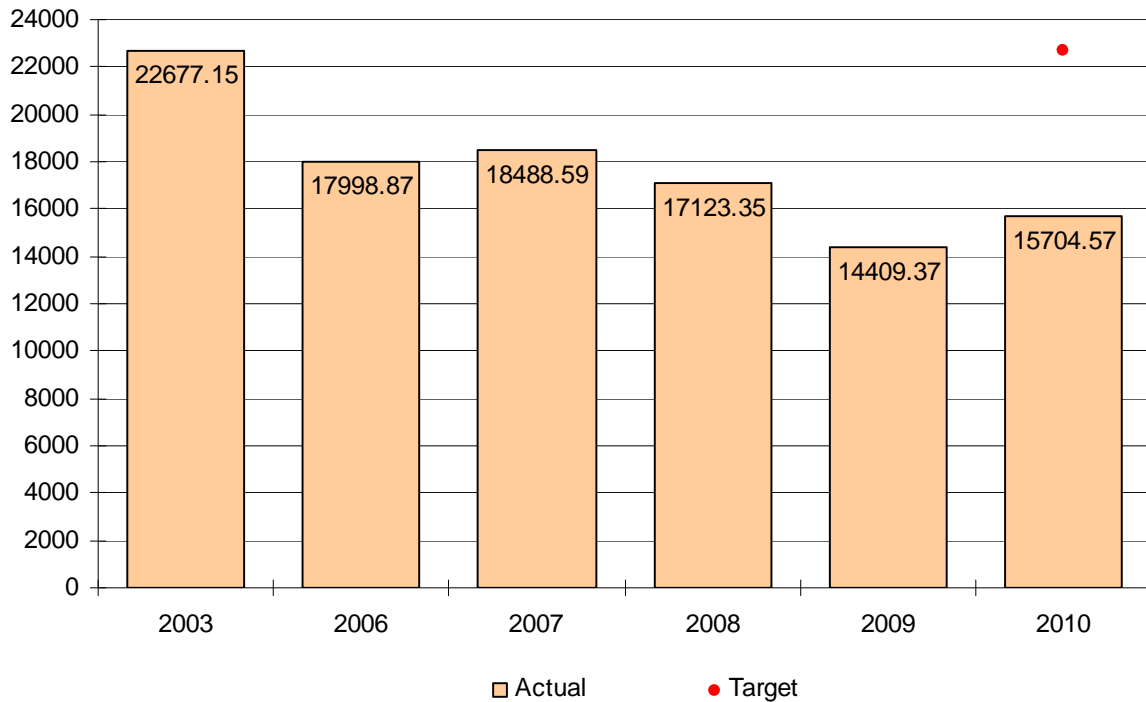
We assess energy efficiency by measuring city and Council greenhouse gas emissions, and Council energy use.

Residents' (%) satisfaction with waste management services

Result: recycling collection 85% (target: 85%); waste collection 92% (target: 85%).

Greenhouse gas emissions

WCC Corporate greenhouse gas emission (Tonnes Co2-e)

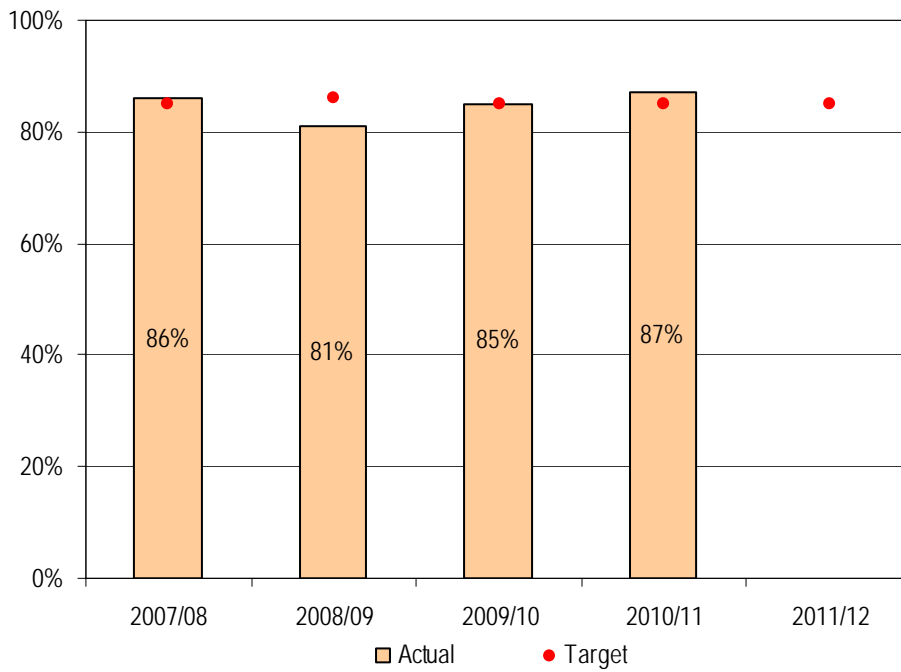


City wide emissions

Our target was to stabilise city emissions at 2001 levels by 2010. The latest city inventory indicates that emissions have stabilised at 2001 levels of 1.1 million tonnes CO₂-e. The Council has set an interim target of reducing city-wide emissions by 3% (below 2011 levels) by 2013, as a stepping stone towards a target of 30% emissions reduction by 2020.

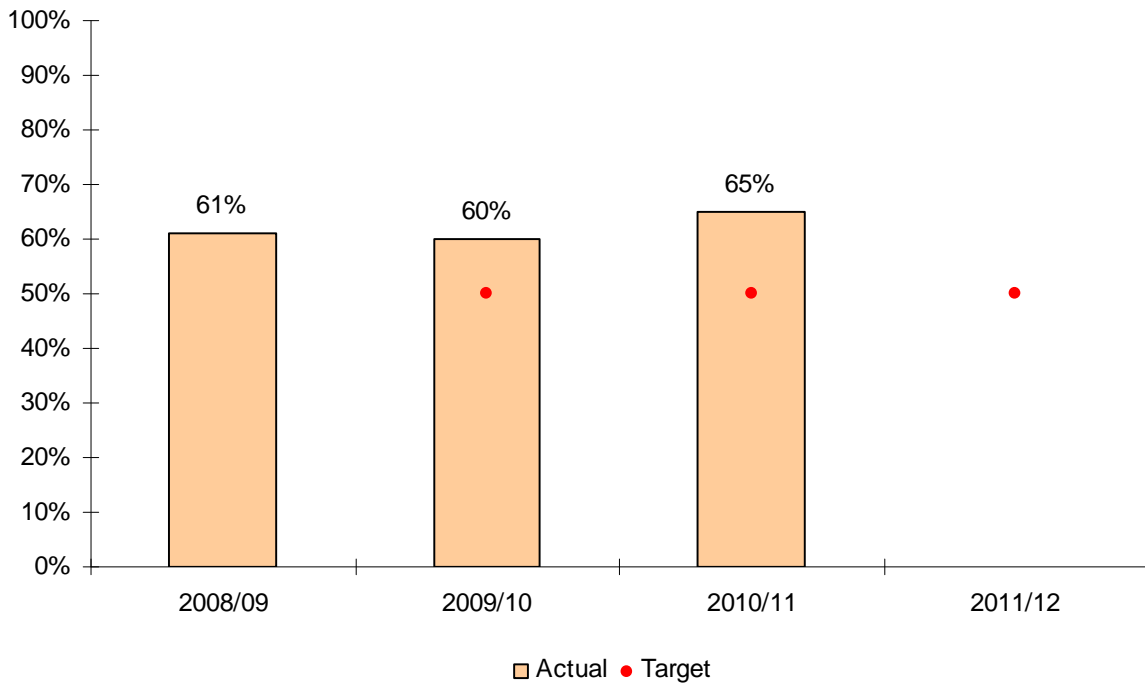
Source: WCC Climate Change Office.

Residents (%) who use kerbside recycling weekly



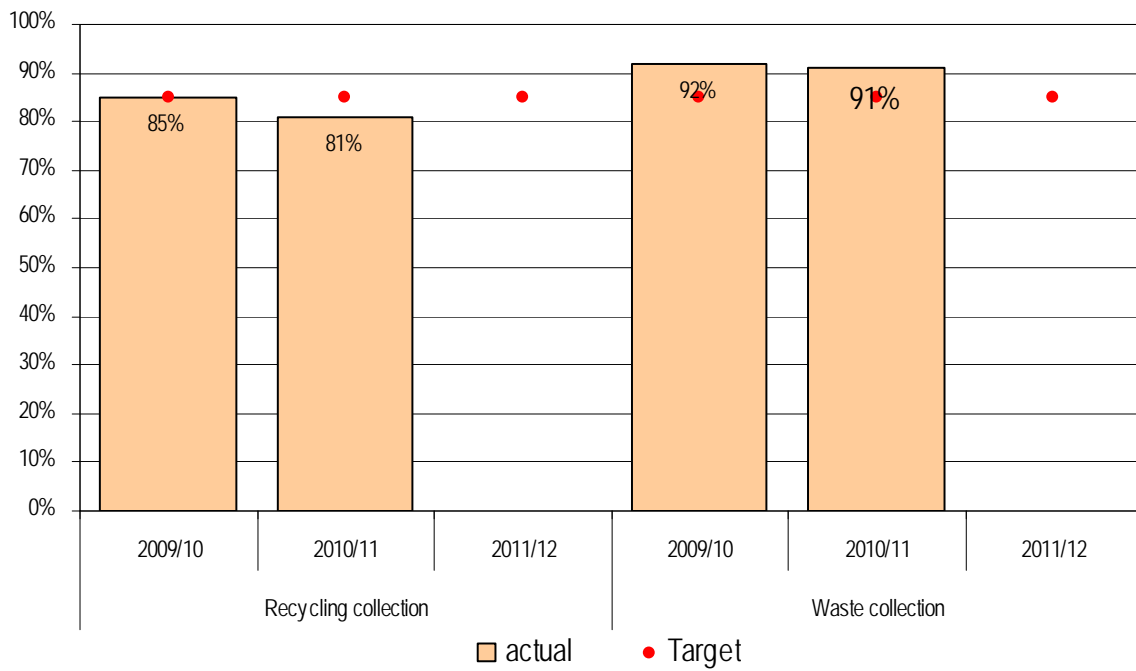
Source: WCC Residents' Satisfaction Survey 2011.

Residents (%) who use rubbish collection services weekly



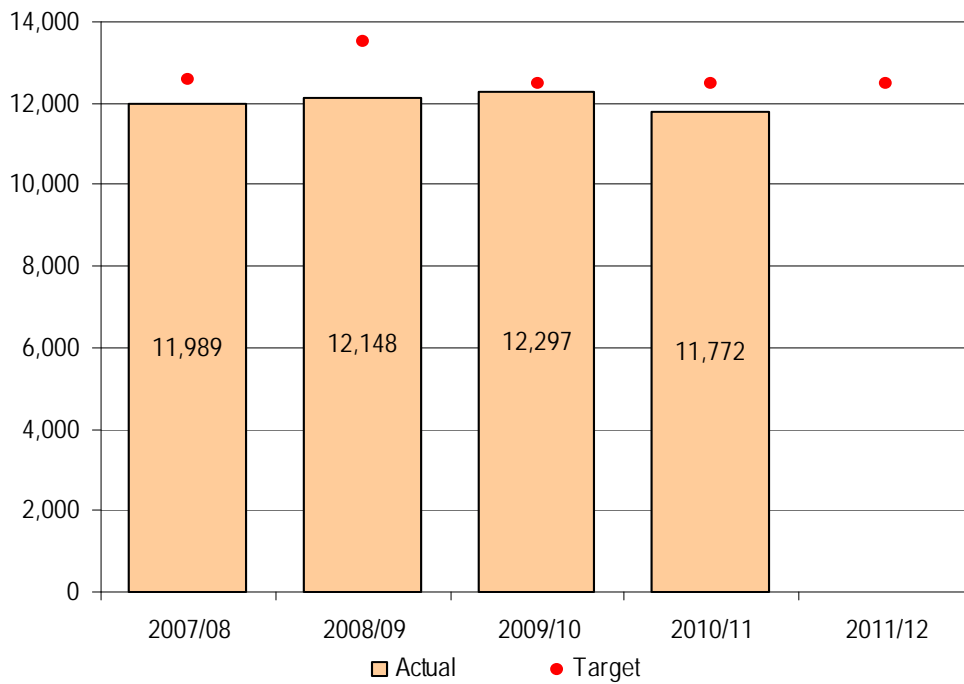
Source: WCC Residents' Satisfaction Survey 2011.

Resident satisfaction with recycling and waste collection services



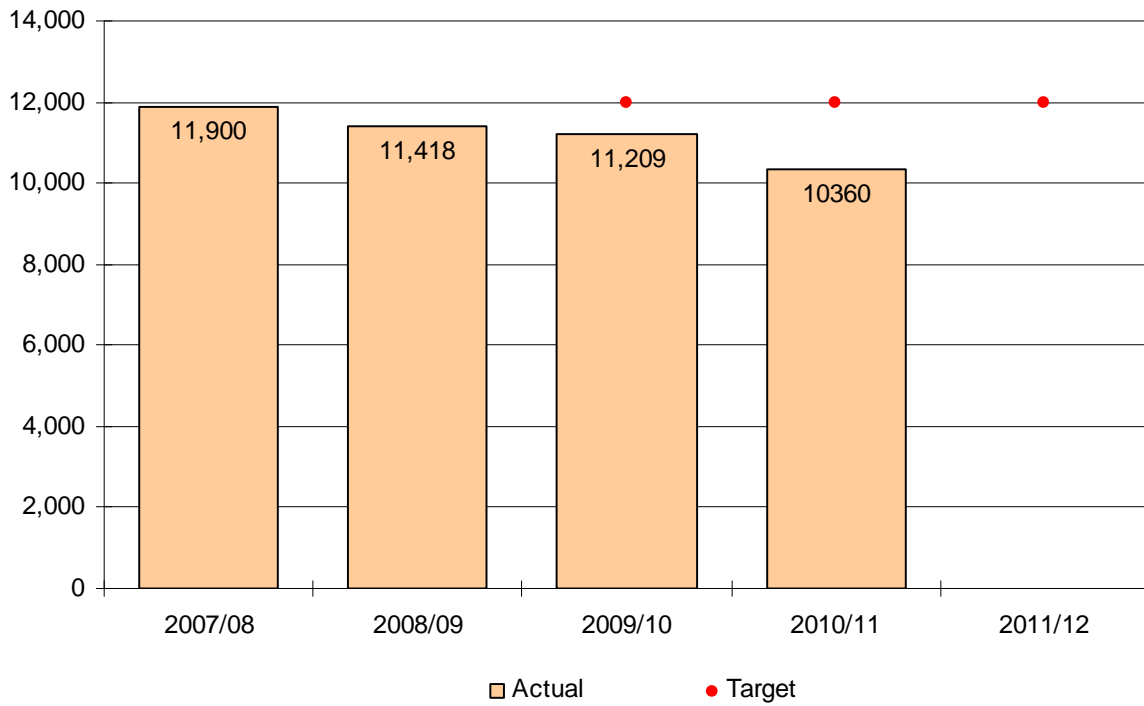
Source: WCC Residents' Satisfaction Survey 2011

Kerbside recycling collected (tonnes)



Source: WCC CitiOperations

Kerbside waste collected (tonnes)



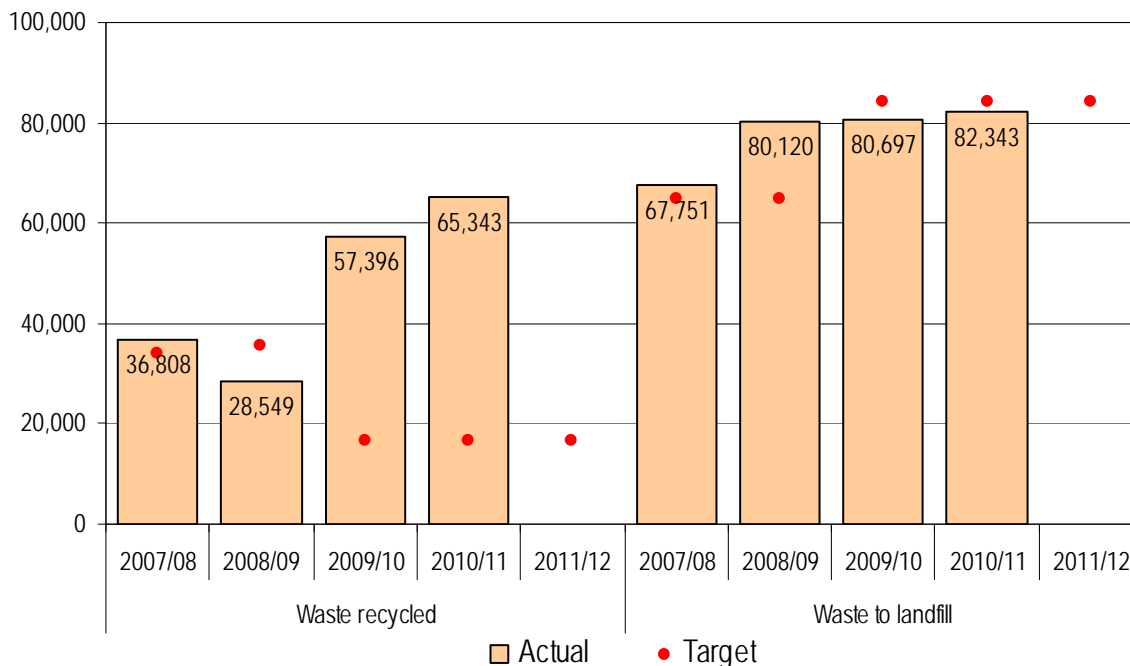
Source: WCC CitiOperations

Landfill - resource consent compliance

Result: compliance achieved (target: compliance).

Source: WCC CitiOperations.

Recyclable material diverted from the landfill vs. waste deposited in the landfill (tonnes)



The ‘waste recycled’ material diverted from the landfill includes 46,340 tonnes of contaminated soil. It is generally excavated from the sites of major construction projects. This material is used to remediate closed sections of the landfill with the benefit of making the land more useable for operational uses.

Source: WCC CitiOperations

Energy sourced from the Southern Landfill

Result: 7.4GWh (target: 8GWh).

Source: Todd Energy

WCC corporate energy use (electricity and natural gas)

| Properties | Target | Result |
|---------------------------------|----------------|----------------|
| Civic complex | 7,319,700 kWh | 6,888,844 kWh |
| Pools and recreation facilities | 15,858,500 kWh | 16,216,342 kWh |
| Wellington Convention Centre | 4,110,900 kWh | 4,201,540 kWh |

Pools used more energy than expected for a range of reasons, including additional heating at Keith Spry Pool in response to users’ concerns, and unplanned but necessary maintenance of the pool heating plant at Wellington Regional Aquatic Centre which required us to temporarily use a less efficient pool heater.

The bulk of Wellington Convention Centre increases were at the Town Hall. We are investigating options to reduce energy use in the future at this site.

Source: WCC Energy Management

Residents' (%) agreement that waste management services provide good value for money

Result: 82% (target: 90%; 2009/10: 79%).

Source: WCC Residents' Satisfaction Survey 2011

2.6 ENVIRONMENTAL CONSERVATION ATTRACTIONS

Nature is one of Wellington’s biggest attractions.

Wellington Zoo and Zealandia provide the city with a range of facilities that play crucial roles in wildlife conservation, educating people about nature, and attracting visitors to the city. Under this activity, the Council provides funding to these facilities.

The Zoo has more than 400 animals and attracts more than 180,000 visitors each year. Zealandia also attracts tens of thousands of visitors and has a vision of restoring pristine native forest and bird life in a valley just minutes from the central city.

Both the Zoo and Zealandia are on Council land and receive Council funding. Zealandia is managed by the Karori Sanctuary Trust under a lease arrangement, and the Zoo is managed by a Council-controlled organisation, the Wellington Zoo Trust.

Why it’s important

These facilities play important conservation roles, protecting native and exotic flora and fauna. They inform and educate, attract visitors, and their existence creates economic incentives for the city’s environment to be protected and enhanced.

Along with other attractions such as Otari-Wilton’s Bush, botanic gardens and the Taputeranga Marine Reserve, they form a cluster of nature-based attractions for residents and visitors to the city.

Key projects

Wellington Zoo

- The Zoo launched its first large corporate partnership, giving ASB bank naming rights for its new Malayan sun bear exhibit.
- Zoo Chief Executive Karen Fifield won Wellingtonian of the Year – Environment. The Zoo also won the inaugural Encore Award for Business Environmental Leadership, and The Nest – Te Kohanga won several architecture and conservation awards.
- The Zoo hosted an extremely successful Big Bite fundraising event, raising over \$30,000 for the sun bear exhibit.

- The Zoo had an outstanding zoo industry accreditation site visit. This industry peer review takes three full days and is very comprehensive in its assessment of animal welfare, health and safety and general zoo operations, leadership and strategy.
- The Nest – Te Kohanga veterinary team successfully treated a kākapo chick and a Chatham Islands taiko – two of NZ most endangered birds. The Nest – Te Kohanga also treated an emperor penguin that was found on Peka Peka beach in the Kapiti Coast. The penguin attracted hundreds of media stories worldwide.

Zealandia

- A total of 80 red-crowned parakeet (kākārīki) were translocated into Zealandia from Kapiti Island in July 2010 and May 2011. In September 2010, Zealandia celebrated the first successful fledging of a wild chick in the city in at least 100 years.
- Two rare tākahe were released into the sanctuary valley.
- In partnership with Department of Conservation, Zealandia completed the eradication of introduced fish in the top lake. This is believed to be a first for New Zealand, as the complete removal of introduced fish from streams has not been successful here before.
DOC announced initial results of its 10-year kiwi census, which showed that Zealandia's kiwi are faring much better than other managed populations with an annual increase of nearly 10% compared to 6.5% nationally. The latest estimate is approximately 100 kiwi in the sanctuary.
- A native Maud Island frog census counted 25 adults, 1 yearling, and 12 hatchlings. Survivorship continues to be higher than any other captive population.
Zealandia banded over 80 kaka chicks – the best kaka breeding season ever.
NZ falcons were confirmed to be nesting at Zealandia for the second year running. Zealandia has been the only place in Wellington city where falcons have successfully bred since at least the 1970s. Zealandia won the Virgin Holidays Responsible Tourism Award for best conservation of wildlife and habitats, at the World Travel Market in London.
- The Zealandia open weekend in October attracted over 7,200 people.

What it cost

| What it cost | | | | |
|--------------------------------------|--------|--------|----------|--------|
| Operating Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 2.6.1 Zoo | | | | |
| Expenditure | 4,092 | 3,921 | (171) | 3,863 |
| Revenue | (1) | 0 | 1 | 0 |
| Net Expenditure | 4,091 | 3,921 | (170) | 3,863 |
| 2.6.2 Karori Sanctuary | | | | |
| Expenditure | 1,324 | 1,416 | 92 | 1,715 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 1,324 | 1,416 | 92 | 1,715 |
| 2.6.3 Marine Education Centre | | | | |
| Expenditure | 0 | 0 | 0 | 41 |
| Revenue | 0 | 0 | 0 | 0 |

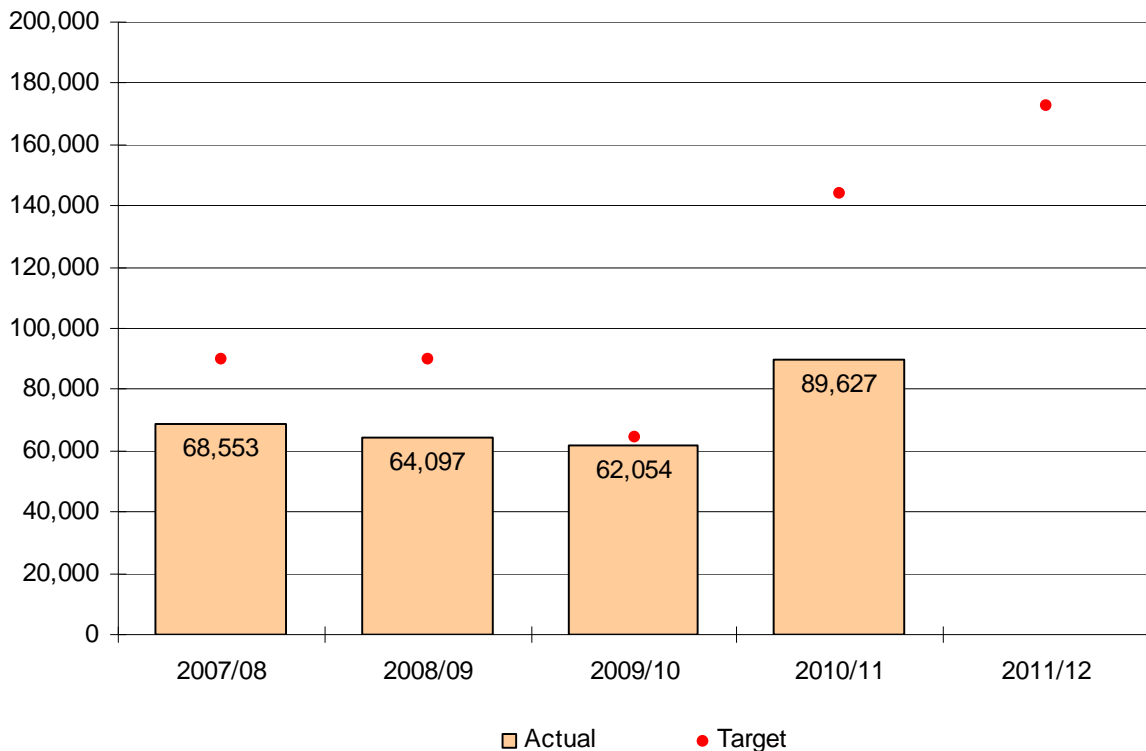
| | | | | |
|-------------------------------|--------|--------|----------|--------|
| Net Expenditure | 0 | 0 | 0 | 41 |
| | Actual | Budget | Variance | Actual |
| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.6.1 Zoo ¹ | | | | |
| Expenditure | 2,854 | 2,163 | (691) | 2,907 |
| 2.6.2 Karori Sanctuary | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 2.6.3 Marine Education Centre | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

¹ Over budget due to additional capital work during 2010/11, offset by additional unbudgeted revenue following fund raising success by the Wellington Zoo Trust.

HOW WE PERFORMED

We support the Zoo and Zealandia for their conservation roles and for their status as nature-based visitor attractions. We assess their success on the basis of visitor numbers, completion of projects that enhance appeal to visitors, and the amount of non-Council income they generate.

Zealandia - Karori Wildlife Sanctuary visitors



While substantially below target, Zealandia had its highest year of visitation. A review of the visitor offering and associated price structure has been carried out.

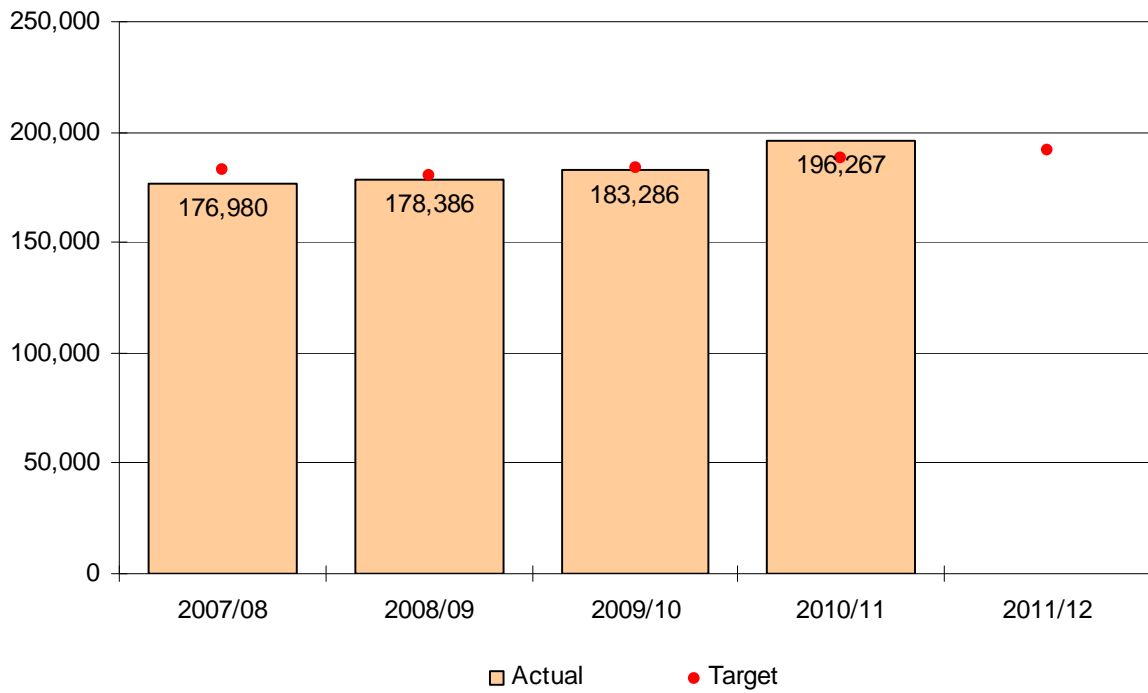
Source: Zealandia - Karori Sanctuary Trust

Sanctuary – education programme attendance

Result: 7068 (target: 6000).

Source: Zealandia – Karori Sanctuary Trust

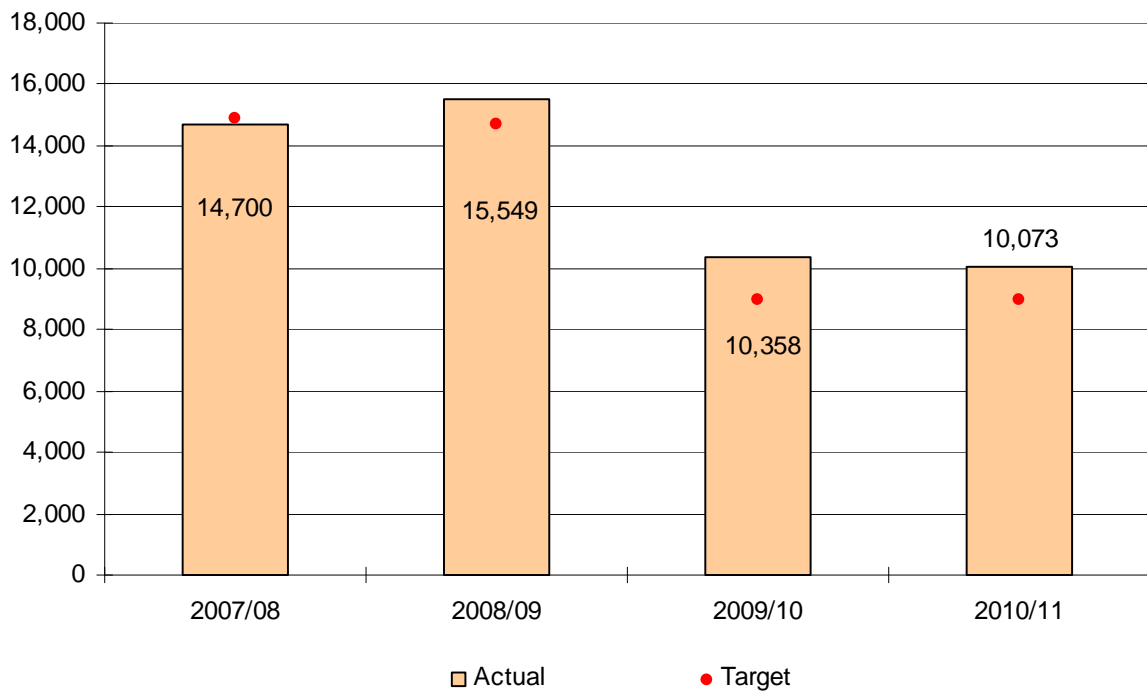
Number of visitors to the Wellington Zoo



This result exceeds our record for visitor numbers (set in 1974).

Source: Wellington Zoo Trust

Wellington Zoo education programme attendees



Source: Wellington Zoo Trust

Wellington Zoo – capital programme

Result: Animal Hospital completed on time and on budget (target: complete Animal Hospital).

Source: Wellington Zoo Trust

Wellington Zoo – Trust income

Result: The Trust generated income equivalent to 94% of the WCC grant (target: 90%).

Source: Wellington Zoo Trust

Wellington Zoo – average WCC subsidy

Result: \$14.26 per visitor (target: \$14.42).

Source: Wellington Zoo Trust

2.7 QUARRY

We own the Kiwi Point Quarry in Ngauranga Gorge, which every year provides hundreds of thousands of tonnes of aggregate to the local construction market for use in roading and other projects. The quarry is managed by an external contractor.

Why it's important

Growing cities need a reliable source of reasonably priced aggregate to meet their infrastructure needs. In this context, we consider the Quarry to be a strategically important asset.

Ownership serves two useful purposes. It secures our direct access to a constant supply of product, and it enables us to retain a degree of influence over the price of that product in the local market. It also means that, once the quarry reaches the end of its life, we can control the most appropriate use of the site.

What it cost

2.7.1 Quarry Operations

| What it cost | | | | |
|-------------------------------|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 2.7.1 Quarry Operations | | | | |
| Expenditure | 183 | 220 | 37 | 204 |
| Revenue | (428) | (398) | 30 | (456) |
| Net Expenditure | (245) | (178) | 67 | (252) |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 2.7.1 Quarry Operations | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

This activity is funded from income received from sale of quarry products. This covers costs and returns a surplus to the Council.

HOW WE PERFORMED

We manage the quarry to meet the demands of the market and the city's infrastructure needs. We assess its effectiveness by measuring production, and monitoring compliance with the quarry licence, resource consents, and the District Plan.

Aggregate (tonnes) produced from the Quarry

Results: 259,688 tonnes

277,145 tonnes of rock for use on roads and other infrastructure were produced (compared with 307,000 tonnes in 2008/09). (Target: no target)

Source: WCC Infrastructure

Compliance

Result: We complied with all resource consent, District Plan, and quarry license requirements. (Target: compliance).

Source: WCC Infrastructure

Economic Development

We aim to support economic growth to enhance quality of life.

Challenges

- Manage Council services in light of slower economic growth.
- Ensure the city is an easy place to do business.
- Focus on competitive strengths.
- Retain skills.
- Harness the economic opportunities presented by new technologies.
- Attract world leading talent to Wellington.

Our strategic approach

- Support high quality events and promote tourism and a vibrant retail sector.
- Celebrate creativity and innovation in the business sector.
- Improve the city's connections to the rest of the world.
- Support downtown Wellington as the centre of the region's retail and service economy.
- Provide a high quality of life for residents in order to attract and retain talent.
- Support business opportunities through the regional economic development agency Grow Wellington.

In this section

- 3.1 City promotions, events and attractions
- 3.2 Business support

Outcomes

Our 2009-19 long-term plan identified the following outcomes (i.e. what we are working towards) for the city's economic development.

- **STRONGER SENSE OF PLACE:** Wellington will be a prime tourist and conference destination, with a range of attractions that highlight the city's best features.
- **MORE COMPACT:** Wellington's CBD will be the region's premier retail, entertainment and commercial district.
- **MORE EVENTFUL:** Wellington will maximise economic value from promoting and hosting high-profile events.
- **MORE ENTREPRENEURIAL AND INNOVATIVE:** Wellington will have high levels of innovation underpinned by strong education and training, research, entrepreneurship and investment.
- **BETTER CONNECTED:** Wellington will have world class communications and transport linkages.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- We've continued to enjoy three years of positive GDP growth while Auckland City and New Zealand had negative growth for two of the past three years.
- International visitor numbers have bounced back in the last year (up 1.5%), but they are still 2% lower than in 2007/8.
- Wellington has a lot of people in the labour force (2.8% more than Auckland and 2.4% more than the New Zealand Average).
- Our events development fund achieved a 30:1 ratio of investment to economic benefit to the city from the events it supported. In 2010-11 we spent \$1.98M with an estimated economic benefit to the city of over \$60 Million.
- 86% of residents have access to broadband at home. This compares to 51% in 2006.
- 33% of Wellingtonians over the age of 15 hold a bachelors degree or higher.
- The average household weekly income in Wellington is \$1,726.

Feature

Central city wifi for the Rugby World Cup and beyond

Wellington has become the first city in New Zealand to offer free wireless internet throughout the main parts of its central city, turning it from the coolest little capital to the coolest connected capital.

From January, free wifi was made available on the waterfront, allowing web users to surf the net for free on smartphones, laptops and other internet devices in the area from Frank Kitts Lagoon along the harbour side of the NZX Centre and Te Papa.

The initiative was a partnership between Trade Me and the Council, with Trade Me providing the wireless access points and covering bandwidth costs, while the Council paid for installation and electricity use.

Though numbers have varied depending on weather and other factors, an average of XXX people have logged on each day.

Trade Me has no revenue objectives for the service, but rather has provided it as a 'good thing to do'.

'Trade Me's an online business and we're a proudly Wellington company,' says CEP John Macdonald. 'It's nice to be able to give something back. We hope lots of visitors to the waterfront get online with their smartphones and iPads and make the most of the service.'

From August, free wifi has been extended throughout the central city, covering an area from the Wellington Regional Stadium along the Golden Mile to Waitangi, Courtenay Place and Cuba Street.

Coverage will eventually extend to other locations like the Zoo, Zealandia, the Cable Car, Carter Observatory, and main libraries.

The city wifi service is provided by Citylink and funded by the Council at an annual cost of \$216,000, though some costs will be recouped from sponsorship.

Free wifi is one of many initiatives enhancing the experience of the thousands of international visitors coming to the city for Rugby World Cup 2011.

Others include the establishment of a Fanzone based around the new wharewaka beside Frank Kitts Lagoon, where games will be broadcast live on a giant screen, and the development of Carnivale, a festival of arts and cultural events showcasing the city.

The Council has also completed a range of infrastructure projects to ensure the city is looking its best for the tournament, such as upgrades to Waterloo Quay and Midland Park, and completion of the Manners Mall bus lanes. Sports facilities such as Newtown Park have also been upgraded to provide training facilities for World Cup teams.

Wellington is hosting eight matches in the Cup, including two quarter-finals. The city is expected to gain millions of dollars in direct economic benefits, as well as ongoing boost to its tourism industry.

3.1 CITY PROMOTIONS, EVENTS AND ATTRACTIONS

We aim to position Wellington as an attractive destination by supporting and promoting events and visitor attractions, and by supporting the central city as a vibrant retail and entertainment district.

This activity includes:

- **Tourism promotion** – We own and fund Positively Wellington Tourism to run domestic and international visitor campaigns.
- **Visitor attractions** – We provide ongoing funding to Te Papa, which attracts visitors to the city.
- **Convention venues** – Wellington Venues Limited, a Council-controlled trading organisation, operates the Michael Fowler Centre, Wellington Town Hall, TSB Bank Arena and the St James Theater and Opera House.
- **City centre vitality** – We provide free parking in the central city at weekends. to encourage people into the city to shop and access other services. We maintain time restrictions to generate turnover and allow more people access.
- **Events attraction and support** – We operate an events development fund which we use to support major events that contribute to the city's economy.

In addition to these projects, we provide support through other activities for a range of visitor attractions including the Carter Observatory, Zealandia – the Karori Sanctuary, Wellington Zoo, the Cable Car, botanic gardens, and the city's museums and art gallery.

Why it's important

Tourism makes a major contribution to the city's economy. The city's hospitality and entertainment industry is a major employer and it benefits directly from tourism spending. The events and attractions that draw visitors to Wellington also add to the city's vibrant atmosphere. Our support of Te Papa, for example reflects, the appeal it has to tourists. Te Papa currently welcomes over 1.3 million visitors per year.

Wellington Venues Limited manages auditoriums that are not provided for in the private sector. The performances, shows and conventions that are hosted bring new spending to the city and also provide residents with access to world class and local performances.

Key projects

During the year:

- We hosted Wellington-exclusive large participation events including the 2011 World Taekwondo Championships and the 2nd Asia-Pacific Outgames.
- We prepared the city for Rugby World Cup 2011 – the largest event to be held in the city. (see case study p xx)

- We supported several sell-out events including the NZI International Sevens, World of Wearable Art, the All Blacks vs. Springboks Test Match and Home-grown 2011. We also hosted the first Wellington stop over of the Velux 5 Oceans yacht race.
- Lonely Planet's *Best in Travel 2011* publication named Wellington 'the coolest little capital in the world' and one of the top 10 cities to visit. Positively Wellington Tourism used this endorsement to promote Wellington in the domestic market.
- We established a new Council-controlled trading organisation, Wellington Venues Ltd, to manage the St James Theatre, Opera House, Wellington Convention Centre and TSB Arena, with the aim of providing more effective and coordinated management, and better service for people hiring and using these key venues.
- We secured the NZI Sevens tournament for another four years.
- Wellington was named as a host city for the FIFA U-20 mens World Cup in 2015.

| What it cost | | | | |
|---|------------------------|------------------------|--------------------------|------------------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 3.1.1 Tourism Promotion | | | | |
| Expenditure | 5,740 | 5,778 | 38 | 5,240 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 5,740 | 5,778 | 38 | 5,240 |
| 3.1.2 Visitor Attractions ¹ | | | | |
| Expenditure | 3,026 | 2,611 | (415) | 2,647 |
| Revenue | 0 | 0 | 0 | (4,020) |
| Net Expenditure | 3,026 | 2,611 | (415) | (1,373) |
| 3.1.3 Convention Centre ² | | | | |
| Expenditure | 9,041 | 11,154 | 2,113 | 10,632 |
| Revenue | (5,919) | (6,263) | (344) | (5,798) |
| Net Expenditure | 3,122 | 4,891 | 1,769 | 4,834 |
| 3.1.4 Suburban and City Centres Vitality | | | | |
| Expenditure | 1,266 | 1,266 | 0 | 1,266 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 1,266 | 1,266 | 0 | 1,266 |
| 3.1.5 Events Attractions and Support | | | | |
| Expenditure | 3,451 | 3,160 | (291) | 3,633 |
| Revenue | (193) | 0 | 193 | (1) |
| Net Expenditure | 3,258 | 3,160 | (98) | 3,632 |
| Capital Expenditure (\$000) | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| 3.1.1 Tourism Promotion | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 3.1.2 Visitor Attractions | | | | |
| Expenditure | 0 | 0 | 0 | 2,203 |
| 3.1.3 Convention Centre ³ | | | | |
| Expenditure | 261 | 285 | 24 | 553 |

| | | | | |
|---|-----|-----|---|-----|
| Unspent portion of budget to be carried forward | N/A | 332 | | N/A |
| 3.1.4 Suburban and City Centres Vitality | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 3.1.5 Events Attractions and Support | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

1 The expenditure variance is due to additional depreciation costs as a result of Carter Observatory assets vested to Council.

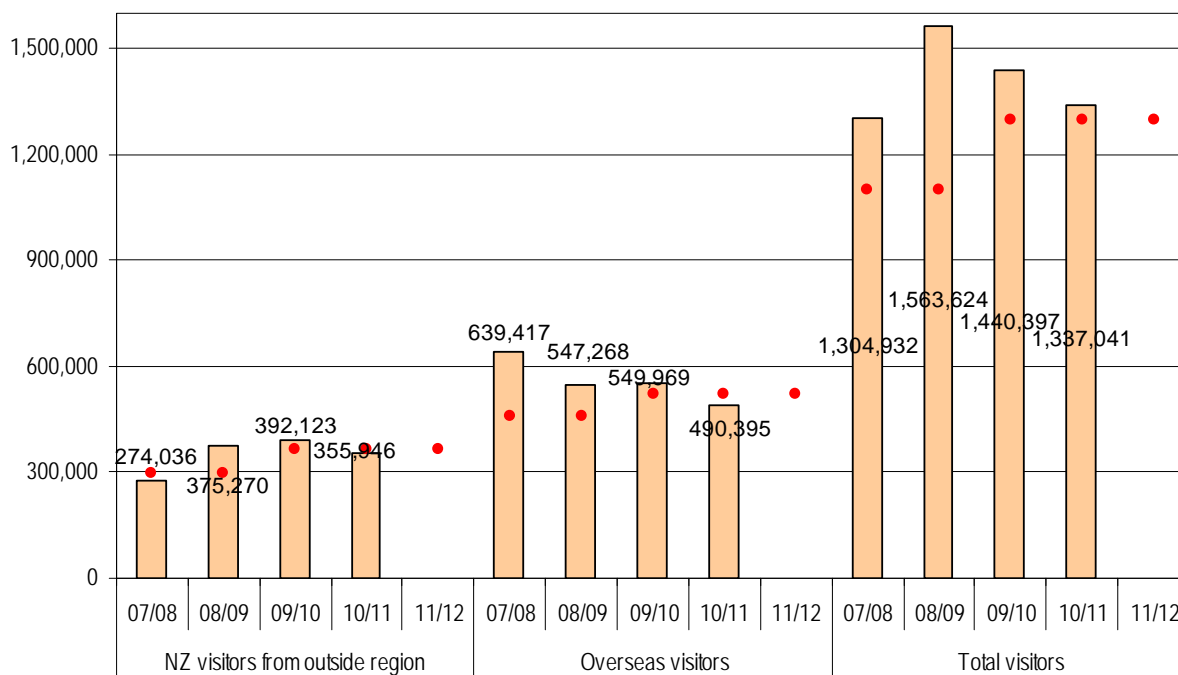
2 The tragic earthquake in Christchurch, resulted in venues there being closed and some venue activity transferred to Wellington. In addition significant personnel and overhead savings have been made throughout the year.

3 Under budget due to renewals work placed on hold pending completion of the earthquake strengthening at the Town Hall.

HOW WE PERFORMED

Positioning Wellington as an eventful and attractive tourist and retail destination strengthens the city's economy. We measure our contribution by monitoring the number of visitors to the city, attendees at key facilities and by the strong return on events investment.

Visitors to Te Papa



Source: Te Papa

International visitors – visitor nights

International visitor room nights increased to 702,463 in the year to April 2011, an increase of 1.48% on the same period in 2010 (target: increase international visitor room nights by 2% over 2009/10 levels).

Source: Positively Wellington Tourism.

International visitors - market share (US, UK and Australian)

Wellington's market share of Australian visitors increased by 1.3 percentage points (from 20.4% to 21.7%). Market share for UK visitors declined by 4.4 percentage points to 35.8%, and US visitor market share increased 2 percentage points to 28% for the 9 months to March 2011 (target: maintain market share).

Source: Ministry of Tourism's International Visitor Survey.

New Zealand market visitors

Domestic visitor room nights decreased by 3.6% to 1,080,368 for the year to April 2011, compared to the same period in 2010 (target: increase by 2%).

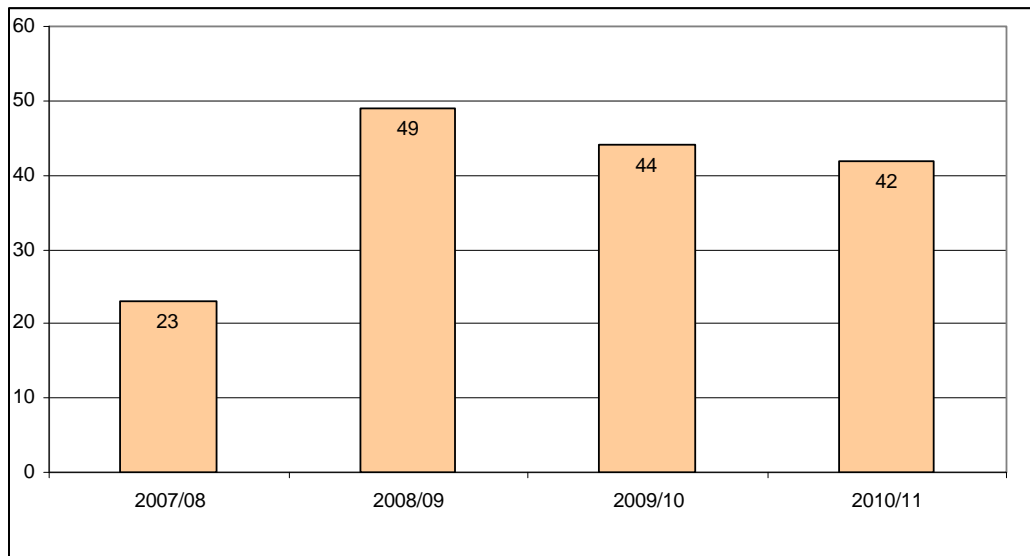
Source: Positively Wellington Tourism.

Positively Wellington Tourism - partnership funding

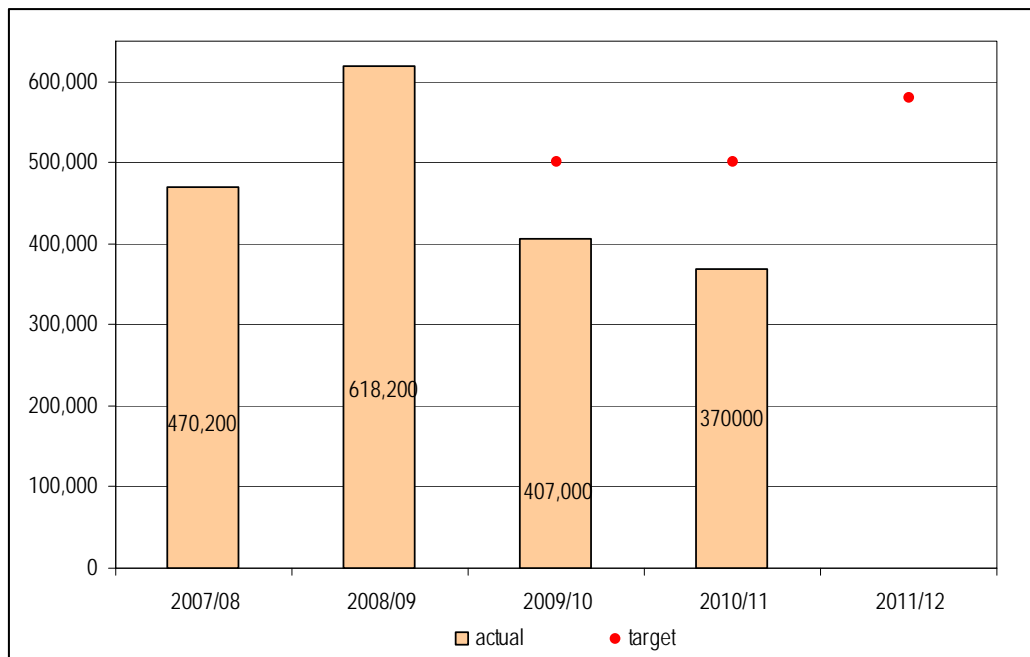
The Council's funding amounted to 49.9% of total income (target: maintain the Council's funding at less than 50% of total income).

Source: Positively Wellington Tourism

Events Development Fund – events supported



Events Development Fund – estimated attendance at supported events

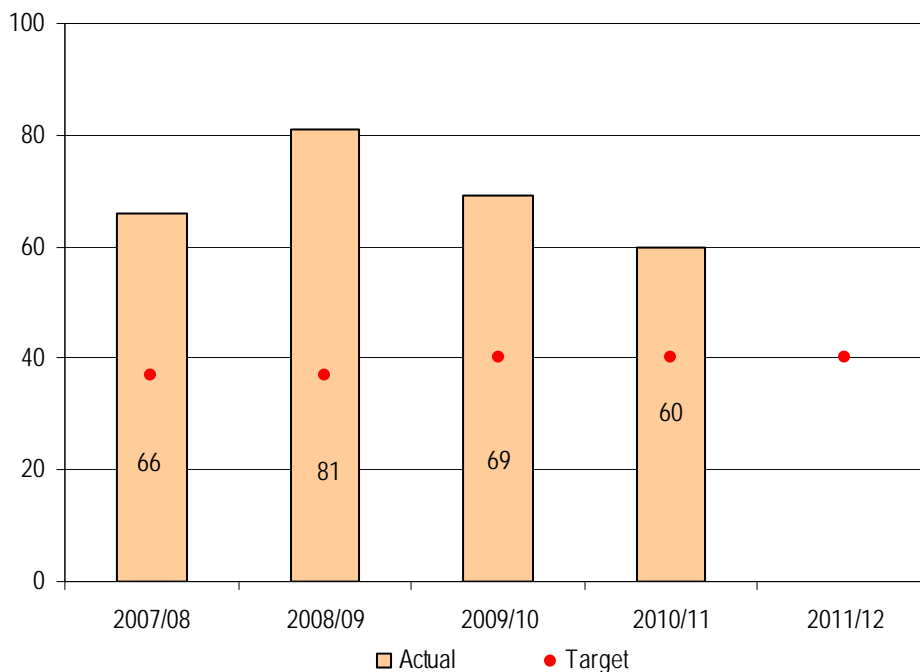


Attendance was affected this year due to the events development fund not supporting any major concert events.

There is no target for number of events. We aim to support events that meet our funding criteria (which include economic benefits outweighing costs by a ratio of 20:1). Estimated attendance is for both ticketed and non-ticketed events.

Source: WCC City Events

Events Development Fund – estimated economic impact of events (new spend \$000,000)



Major ticketed events attracted significant visitor numbers and economic benefit and we met our overall goal of economic benefits outweighing costs by a ratio of at least 20:1. We achieved 30:1.

Source: WCC City Events

Carter Observatory – visitors

Result: 46,124 (target: 48,000).

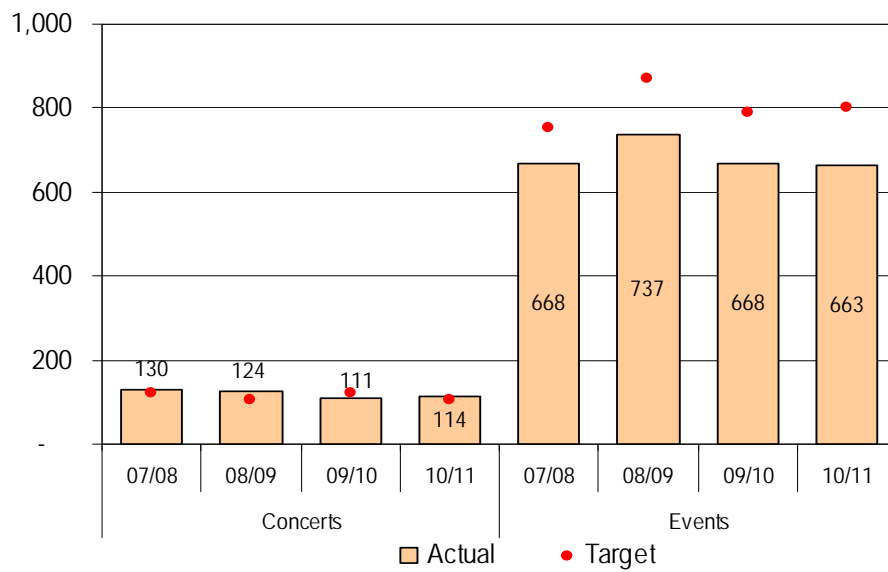
Source: Carter Observatory

Free on-street weekend parking – turnover rates

Result: turnover of 5.2 cars per day (target: 4.3).

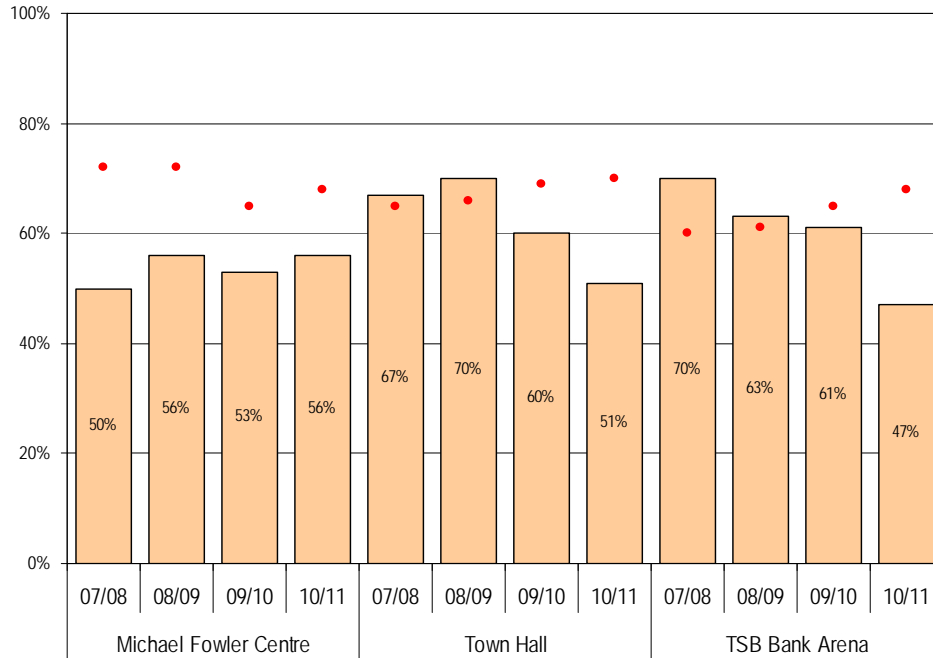
Source: WCC Infrastructure

Wellington Convention Centre and TSB Arena events



Source: Wellington Convention Centre

Wellington Convention Centre and TSB Arena occupancy



Over the year, there has been a reduction in the number, size and duration of meetings and conventions. There was a pickup in business in the last quarter of 2010/11.

Source: Wellington Convention Centre

Creative workforce - Businesses, jobs and GDP by targeted sectors (Education Sector, Food & beverage Sector, Manufacturing Sector, Film Sector and Primary Sector)

| Sector | Businesses | | | Employees | | | Industry composition of City's total GDP | | |
|--------------------------------------|------------|------|------|-----------|------|------|--|------|------|
| | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 |
| Education | 485 | 487 | 469 | 9400 | 9210 | 9320 | 2.2% | 2.1% | 2.0% |
| Accommodation, Cafes and Restaurants | 733 | 740 | 734 | 8300 | 8220 | 8550 | 1.2% | 1.2% | 1.1% |
| Manufacturing | 634 | 618 | 601 | 5380 | 4970 | 4610 | 0.2% | 0.2% | 0.2% |
| Cultural and Recreational Services | 1481 | 1626 | 1610 | 5590 | 5340 | 5230 | 3.1% | 3.3% | 3.2% |
| Primary | 192 | 194 | 193 | 270 | 340 | 330 | 0.2% | 0.2% | 0.2% |

Target: Positive growth across all sectors.

Note: Businesses and Employees are from the Annual Statistics New Zealand Business Demographics series (as at February). GDP data is derived from annualised December year end data and is sourced from Infometrics Ltd. All sectors are based on the Australian and New Zealand Industrial Classification 1996 (ANZSIC96).

3.2 BUSINESS SUPPORT

We aim to improve Wellington’s competitiveness by promoting the city’s interests to central government and businesses, and supporting strategic projects that bring economic benefits to the city.

Our activities under this area include:

- **Regional and external relations** – We promote the city’s interests to central government, the business community and others. This includes hosting international civic and business delegations and maintaining international relationships.
- **Grants and creative workforce** – We provide grants to support projects that bring strategic economic benefits to the city. We also celebrate the creativity and innovation by sponsoring awards and scholarships, and promote the city as a great place to live, work and play.
- **Long-haul airline attraction** – We are supporting efforts to attract at least one daily long-haul air service from Asia. Improvements in technology mean airlines are currently reviewing routes and Wellington’s relatively short runway is no longer a restriction to long haul aircraft.

Why it’s important

Maintaining relationships with other cities and gaining more direct access to their markets will increase tourism and investment in Wellington. Improving access to Asian markets is particularly important in the current economic climate.

By promoting the city’s interests, we can help to ensure that Wellington gets its fair share of central government resources (for example, for transport projects), and that the city’s interests are taken into account when laws are passed or regulations made.

The city’s prosperity is linked to that of the wider Wellington region, and these initiatives have regional as well as city benefits. Working alongside other institutions in the region such as Grow Wellington means we can make the most effective use of our limited resources towards shared goals.

Key projects

During the year:

- The Council received 24 international delegations involving over 300 delegates including the Deputy Mayor of Beijing, the Mayor of Tianjin, and the Deputy Mayor of Xiamen. These three collectively represent over 28 Million people and a GDP over \$400 Billion NZD.
- The Council’s international relations team organised seven events, including a sushi fundraising event for Japan’s earthquake recovery.
- Prepared for a mayoral led delegation of local businesses to China and Japan in late July 2011.
- Developed *Towards 2040* which includes an economic development strategy looking at the actions that the city needs to undertake to maximise its mid- to long-term viability.

What it cost

| What it cost | | | | |
|--|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 3.2.1 Long-Haul Airline Attraction | | | | |
| Expenditure | 200 | 200 | 0 | 200 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 200 | 200 | 0 | 200 |
| 3.2.2 Regional and External Relations | | | | |
| Expenditure | 586 | 584 | (2) | 357 |
| Revenue | (43) | 0 | 43 | (44) |
| Net Expenditure | 543 | 584 | 41 | 313 |
| 3.2.3 Grants and Creative Workforce | | | | |
| Expenditure | 1,453 | 1,363 | (90) | 1,071 |
| Revenue | (59) | 0 | 59 | (2) |
| Net Expenditure | 1,394 | 1,363 | (31) | 1,069 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 3.2.1 Long-Haul Airline Attraction | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 3.2.2 Regional and External Relations | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 3.2.3 Grants and Creative Workforce | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

HOW WE PERFORMED

A prerequisite to business success is reliable infrastructure. In this context all of the Council’s activities can be seen to support local business. Roads provide for the movement and exchange of goods, and the environment provides an appealing quality of life for employees. There are also specific actions that we take and measure including grants and international connections.

We aim to improve Wellington’s economic competitiveness by supporting strategic projects and by representing the city’s interests to central government and overseas. To assess success, we monitor the projects supported.

Economic grants

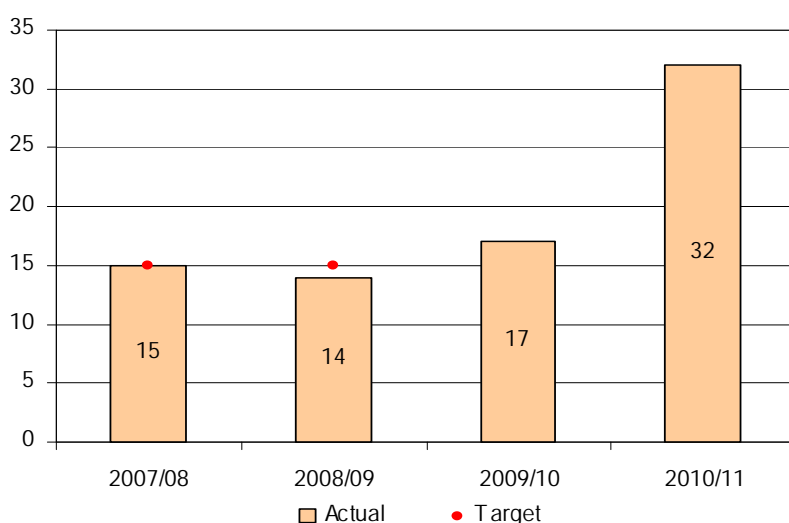
Economic grants support projects that are of economic benefit to Wellington. These grants help strengthen the city’s status as a centre of creativity and innovation, increase our international links, attract and retain skilled migrants, and encourage the deployment of open access broadband infrastructure.

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|-----------|-----------|-----------|----------|----------|
| Total number of grant applicants | 19 | 13 | 15 | 12 | 12 |
| Total number of applicants receiving grants | 10 | 4 | 11 | 4 | 6 |
| Total budget available to applicants | \$165,000 | \$165,000 | \$213,200 | \$55,000 | \$50,000 |
| Total budget distributed to applicants | \$156,172 | \$164,741 | \$212,500 | \$55,000 | \$50,000 |

Successful applicants during the year included marketing, development, and promotional support for inner city markets including Frank Kitts Creative Market, Thorndon Farmers Market and Herd Street City Market. We also supported the Inner City and Newtown Business associations and Arts Wellington to assist their arts partners and networking events for the cultural sector.

Source: WCC City Communities and Grants

Events/activities held with formal international partnerships cities (in Wellington and overseas)



We no longer set a target for this performance measure. Opportunities vary from year to year depending on a range of factors, including demand from partners and one-off events.

Source: WCC International Relations

Long-haul airline project

Positively Wellington Tourism and Wellington International Airport Limited met with 10 targeted airlines at the annual Routes Asia Conference held in Seoul, Korea. More than 100 one-on-one decision maker appointments were undertaken at TRENZ (Queenstown) and at KiwiLink Asia (Singapore) events.

Source: Positively Wellington Tourism

Cultural Well-being

Our aim is to shape Wellington's unique cultural identity

Challenges

- Maintain and strengthen Wellington's 'edge' as arts and culture capital in the face of increasing competition.
- Monitor and respond to changes in attitudes towards ethnic diversity.

Our strategic approach

- Provide a supportive environment in which arts and cultural activities can flourish.
- Build on the city's status as New Zealand's 'arts and culture capital' and 'events capital'.
- Provide a welcoming environment for the city's diverse population.
- Foster and celebrate 'sense of place' – the combination of landscape, buildings, public art and other features that give the city a unique look and feel.

In this section

- 4.1 Galleries and museums
- 4.2 Heritage
- 4.3 Community arts and cultural support
- 4.4 Arts partnerships

Outcomes

Our 2009-19 long-term plan identified the following outcomes (i.e. what we're working towards) for the city's cultural well-being.

- **STRONGER SENSE OF PLACE:** Wellington will have a strong local identity that celebrates and protects its sense of place, capital city status, distinctive landforms and landmarks, defining features, history, heritage buildings, places and spaces.
- **MORE EVENTFUL:** Wellington will be recognised as the arts and culture capital, and known for its exciting entertainment scene and full calendar of events, festivals, exhibitions and concerts.
- **MORE INCLUSIVE:** Wellington will celebrate its bicultural heritage and growing ethnic, religious and social diversity, and be tolerant, welcoming and inclusive of people's differences to create a sense of belonging, shared understanding and identity.

- **MORE ACTIVELY ENGAGED:** Wellington will encourage greater involvement and participation by offering an exceptional range of arts and cultural amenities that cater to all tastes as well as a high quality natural environment that fosters a vibrant city life.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- 93% of Wellingtonians think their city has a culturally rich and diverse arts scene - the highest proportion in the country.
- 65% of New Zealanders think Wellington is the arts capital of New Zealand – 42% think we are the events capital.
- An estimated 750,000 attendees went to arts and cultural festivals in the city in 2010/11.
- Te Papa visitation has been dropping for the past two years – it's down 14% since 2008/2009:

Feature

Te Raukura: a new landmark on Wellington's waterfront

A dawn ceremony on Waitangi Day marked the opening of the wharewaka Te Raukura near Taranaki Wharf.

An iconic new landmark for the waterfront, Te Raukura also provides powerful recognition of the mana whenua status of Taranaki Whānui ki te Upoko o te Ika.

Te Raukura is 'a building you couldn't see anywhere else in the world', says Mayor Celia Wade-Brown.

'Taranaki Whānui ki Te Upoko o Te Ika have delivered Wellington a wonderful asset that reminds us all of their place in the city – their history on the waterfront and their future as well.'

Te Raukura's exterior form reflects that of a korowai (feather cloak), which symbolizes mana and prestige, and protects from sun and wind just as a korowai provides the body.

The panels that make up this korowai reflect the triangular shape of traditional waka sails.

The building is located near the harbour frontage of Taranaki Whānui's Te Aro Pa.

It also recognises Wellington's links with earlier Polynesian explorers through its relationship with the Kupe statue beside it and the representation of a traditional aronga mana (star compass) at its front.

Te Raukura has exhibition and function areas, a cafe, commercial kitchen and office space. It will host powhiri and cultural performances, and feature carvings and interactive history displays.

Te Raukura will be the centrepiece of Wellington's Rugby World Cup 2011 (RWC 2011) 'fanzone'. The Council has worked with the Wharewaka o Poneke Trust to ensure that the city's Rugby World Cup Carnivale showcases Maori culture and the role of mana whenua, providing visitors with a unique experience.

The wharewaka was originally intended to house the waka Te Raukura, which was commissioned in 1990 for New Zealand's sesquicentennial. The Council took court action after Waiwhetu Marae refused to return that waka, but this action was settled when the marae paid \$150,000 to the council.

Te Raukura will now house two new waka: one a waka taua (voyaging and war canoe) and the other a smaller waka tētē (fishing canoe).

The Council committed \$1 million to the \$11.5m project, with other funding came from the Government (\$7 million), Port Nicholson Block Settlement Trust, Wellington Tenths Trust, and the Palmerston North Māori Reserve Trust.

4.1 GALLERIES AND MUSEUMS

Through this activity we fund the Wellington Museums Trust, which operates the Museum of Wellington City to Sea, the City Gallery, Capital E, the Wellington Cable Car Museum, the Colonial Cottage Museum, the New Zealand Cricket Museum and Carter Observatory.

These facilities stage displays and events that showcase our culture and arts to residents and visitors.

We also provide funding to Te Papa (see 3.1 City promotions, events and attractions).

Why it's important

Galleries and museums entertain and challenge residents and visitors alike, encouraging engagement and participation in the arts. They help make the city vibrant and interesting, preserve its heritage, form a vital part of Wellington's image as a creative city, and are a source of civic pride. The exhibitions and educational programmes run by the galleries and museums allow for reflection and consideration of different views and stories.

The various venues are also important visitor attractions with over 600,000 people attending exhibitions, shows or educational programmes each year. The location of these draws people into the downtown area and boosts local businesses, particularly those in the tourism, hospitality and retail sectors.

Outcomes

Key projects

During the year:

- The Museum of Wellington City & Sea exhibition Back & Beyond & Here was a finalist in the Museums Aotearoa 2011 Achievement Award Exhibition Excellence – Art, and received praise from the judges as an “excellent example of art education reaching out in a new way, inspiring questioning of art”.
- The City Gallery's expansion and refurbishment (completed in 2009) won the New Zealand Institute of Architects' national award for Significant Public Architecture in 2011.
- The City Gallery in partnership with the Museum of New Zealand Te Papa Tongarewa secured a \$600,000 grant from Government to present the exhibition Oceania, as part of the Real New Zealand Festival in conjunction with RWC 2011. New Zealand Lottery Grants Board has also funded RWC 2011 projects at the Museum of Wellington City & Sea, Carter Observatory and Capital E.

- The fifth biennial Capital E National Arts Festival for young people was the most successful yet, with over 42,000 people attending.
- Carter Observatory had a successful first full year since refurbishment and welcomed 45,000 visitors, 95% of whom said that they would recommend it to others. The Observatory hosted over 800 tourism and 71 media visits as well as 8,000 students participating in education programmes; twice the number expected for its first year of operation.
- Capital E and Carter Observatory collaborated to mark the beginning of Matariki and over 800 visitors came to the Observatory to hear stories and search for hidden stars on an exhibition trail.
- Capital E launched Ten By Ten, a new playwriting competition for children, giving young playwrights the opportunity to work alongside professionals to develop their short plays.
- The Cable Car Museum celebrated ten years in December and was the subject of a Spectrum programme on Radio New Zealand National.
- In November, the Colonial Cottage Museum at 68 Nairn Street celebrated its 30th anniversary of becoming a museum.

What it cost

4.1.1 City Galleries and Museums

| What it cost | | | | |
|----------------------------------|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 4.1.1 City Galleries and Museums | | | | |
| Expenditure | 7,769 | 7,942 | 173 | 7,066 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 7,769 | 7,942 | 173 | 7,066 |
| Capital Expenditure (\$000) | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| 4.1.1 City Galleries and Museums | | | | |
| Expenditure | 0 | 0 | 0 | 1,629 |

HOW WE PERFORMED

We support the Wellington Museums Trust to deliver high quality gallery and museum experiences and events. We measure performance through visitor numbers, number of events and exhibitions held, and average subsidy per customer. For results, see 'Wellington Museums Trust' on page XXX in the Council-controlled organisations section of this report.

4.2 HERITAGE

Through this activity we operate the Wellington City Archives, the primary information resource for the city's history.

The archives hold hundreds of thousands of documents, including maps and photographs, relating to the city and the organisations that have played key roles in shaping it from the 1840s to the present.

The archives are open to the public and their catalogue can be searched online.

We also contribute to preservation of the city's history and heritage through many other activities including the Maori heritage trail (see 1.2 Māori Engagement, page XXX), maintenance of Truby King Gardens and the Bolton Street Cemetery, our museums and libraries, and protection for heritage buildings (see Urban Development).

Why it's important

The City Archives is a guardian of Wellington's history. It preserves and makes available a huge range of primary information about the city's past. This is valuable for historians, genealogists, students and other members of the public. It is also valuable for businesses and property owners: for instance, building records held at Archives are important for anyone planning or carrying out building work.

Understanding the past contributes to residents' sense of shared heritage and identity. History contributes to our sense of pride in the city, and our sense that we all have a stake in its future.

The Council also has obligations under the Public Records Act. The Council is required to retain much of the information that it produces. The City Archives is the repository for that information.

Key projects

- The Archives developed a digital copy service that has been available to the public from 1 July 2011.
- The Archives added another 65,000 items to its online database; there are now more than 500,000 records available on our website www.Wellington.govt.nz/services/archives.
- The Archives reviewed and updated the Council's Retention and Disposal Schedule, which helps to determine how long we keep different types of records. This will help us to make unprocessed material available more efficiently.

What it cost

| What it cost | | | | |
|----------------------------------|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 4.2.1 City Archives ¹ | | | | |
| Expenditure | 1,160 | 1,435 | 275 | 1,310 |
| Revenue | (138) | (142) | (4) | (140) |
| Net Expenditure | 1,022 | 1,293 | 271 | 1,170 |

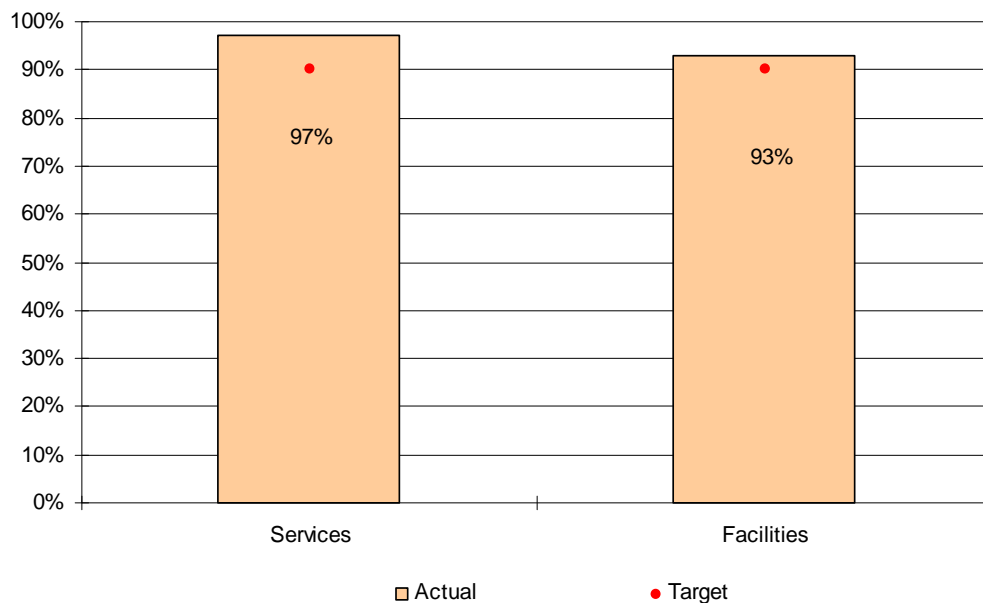
| | | | | |
|--|-------------|-------------|---------------|-------------|
| 4.2.2 Promotion of Heritage Landmarks | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 0 | 0 | 0 | 0 |
| Capital Expenditure (\$000) | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| 4.2.1 City Archives | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 4.2.2 Promotion of Heritage Landmarks | | | | |
| Expenditure | 10 | 80 | 70 | 0 |
| Unspent portion of budget to be carried forward | N/A | 24 | | N/A |
| Additional carry forward funded by external revenue received | N/A | 140 | | N/A |

1 The expenditure variance is due to lower personnel costs and associated organisational overhead costs.

HOW WE PERFORMED

Wellington City Archives aims to preserve and provide access to an extensive collection of historical material about the city. To measure our effectiveness we monitor the volume of users, their levels of satisfaction, and the number of items added to the online collection (which makes the archives more accessible), and compliance with Archives New Zealand standards.

Users' (%) satisfaction with City Archives' services and facilities



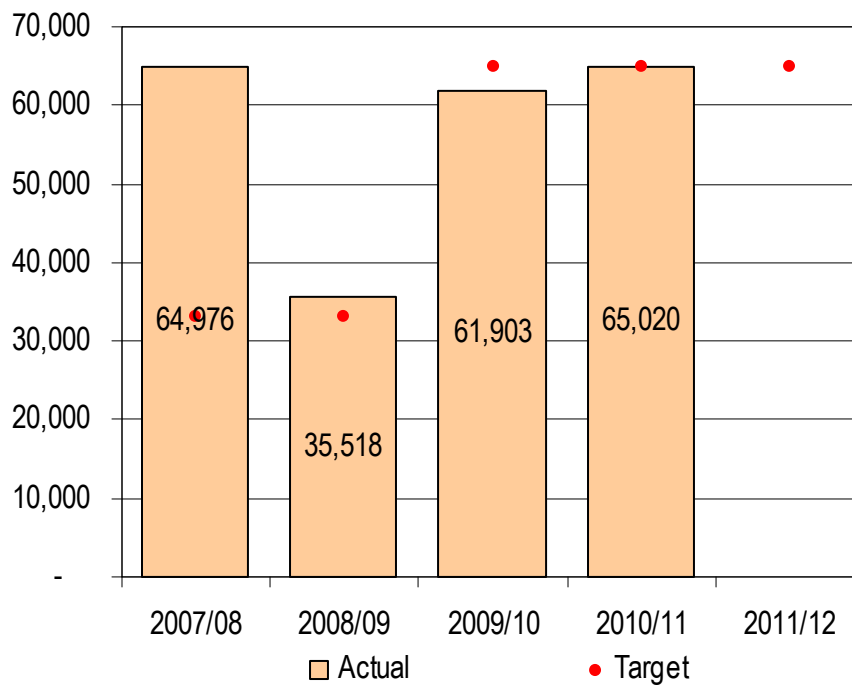
Source: City Archives' Customer Satisfaction Survey 2011

City Archives – users accessing archives resources

Result: 5,428 physical visitors (target: 5,500); 18603 online users (target: 14,500).

Source: City Archives.

Items added to the City Archives’ online database



Source: WCC City Archives

Compliance with national archives standards (Archives New Zealand)

Result: Compliance achieved under mandatory standard S2 (Storage), and discretionary standards S1 (Appraisal) and S4 (Access). Target: comply with Standards.

Source: WCC City Archives

4.3 COMMUNITY ARTS AND CULTURAL SUPPORT

A strong local arts scene helps keep the city vibrant, and stimulates interest in professional art and performance. By sharing experiences through art and performance, we build stronger and more cohesive communities.

This activity includes:

- **Arts and cultural festivals** – We fund and provide a range of arts and culture events/festivals.
- **Cultural grants** – We provide grants to support community-based arts initiatives.
- **Access and support for community arts** – We support community arts by providing community groups with subsidised access to performance spaces.

We also provide access to space at Toi Pōneke – the Wellington Arts Centre (see 4.4 Arts partnerships).

Why it's important

By sharing our experiences through art and performance, we'll build stronger, more inclusive communities.

A local arts and festival scene ensures there's always plenty to see and do, and that the city's atmosphere is vibrant and eventful. It also provides other benefits, such as the chance to celebrate Wellington's many cultures. Community festivals and events offer low- or zero-cost opportunities for people to come together and enjoy themselves and ensure access to the arts in tough economic times.

Key projects

- The 2011 Pacifica Festival was held in Waitangi Park, attracting 10,000 people.
- Waitangi Day festivities were held on the waterfront in a combined event with the opening of Te Raukura – Te Wharewaka o Pōneke (see case study, page XXX).
- ASB Gardens Magic continues to be a popular event, attracting 20,000 people over three weeks.
- The annual Santa Parade attracted over 60,000 spectators.
- The Pelorus Trust Sky Show attracted more than 100,000 people to the waterfront and surrounding vantage points around Wellington.
- We hosted four artists (from Indonesia, India and Korea) on the Wellington Artist Residency Exchange.
- We ran the 2010 Artsplash! children's arts festival which involved over 7500 pupils from 97 schools and was attended by 18,000 people.

- Toi Pōneke was established as a welfare centre to receive people leaving Christchurch following the earthquake (see case study, page XXX).

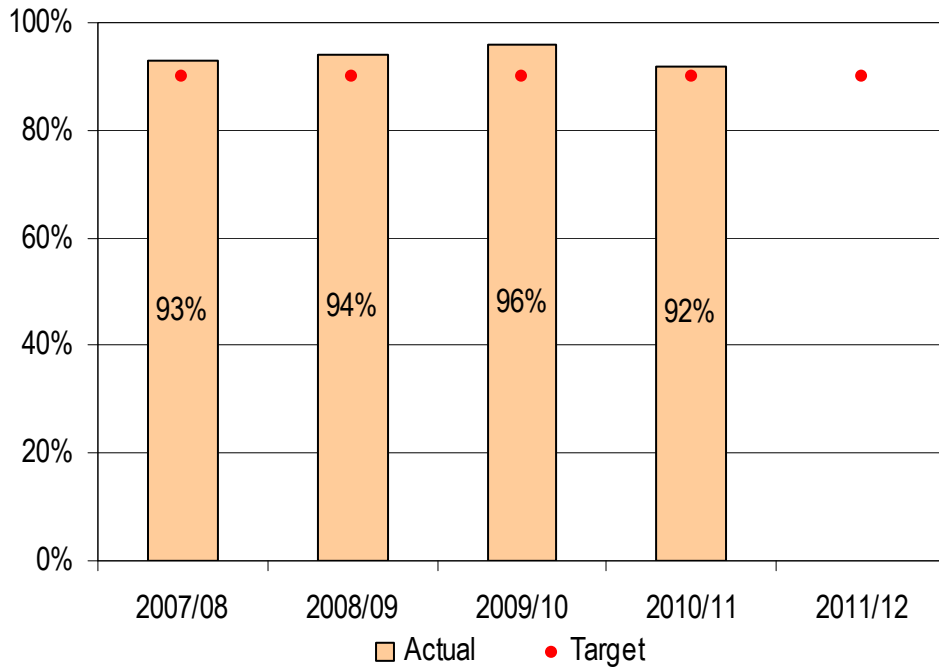
What it cost

| What it cost | | | | |
|---|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 4.3.1 Arts and Cultural Festivals | | | | |
| Expenditure | 2,038 | 2,166 | 128 | 2,188 |
| Revenue | (285) | (398) | (113) | (315) |
| Net Expenditure | 1,753 | 1,768 | 15 | 1,873 |
| 4.3.2 Cultural Grants | | | | |
| Expenditure | 745 | 738 | (7) | 739 |
| Revenue | (8) | 0 | 8 | (1) |
| Net Expenditure | 737 | 738 | 1 | 738 |
| 4.3.3 Access and Support for Community Arts | | | | |
| Expenditure | 600 | 557 | (43) | 557 |
| Revenue | (47) | 0 | 47 | (27) |
| Net Expenditure | 553 | 557 | 4 | 530 |
| Capital Expenditure (\$000) | | | | |
| 4.3.1 Arts and Cultural Festivals | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 4.3.2 Cultural Grants | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 4.3.3 Access and Support for Community Arts | | | | |
| Expenditure | 345 | 345 | 0 | 61 |
| Unspent portion of budget to be carried forward | N/A | 68 | | N/A |

HOW WE PERFORMED

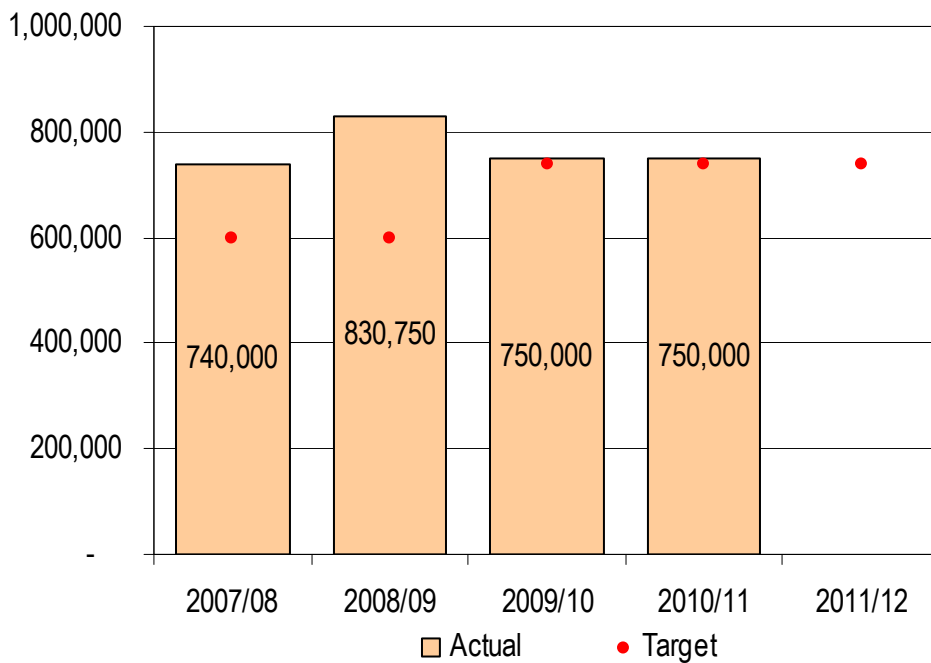
We aim to support a wide range of arts and cultural festivals adding to a sense of inclusiveness. To assess our contribution we monitor the number of events and groups supported, and measure attendance and satisfaction with events and festivals.

Attendees' satisfaction with Wellington City Council supported events and festivals



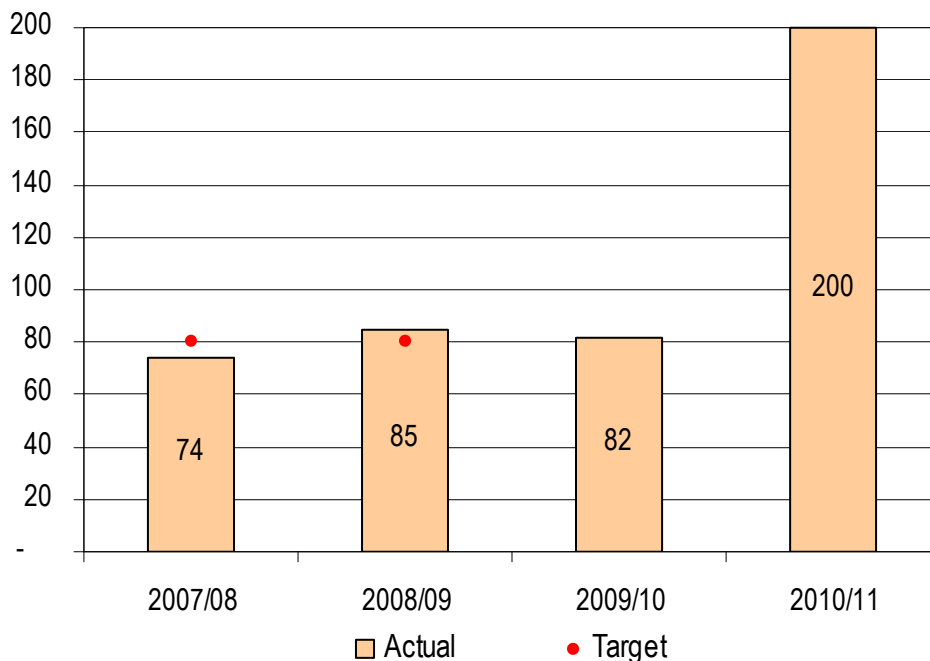
Source: WCC City Events

Estimated attendance of Wellington City Council supported arts and cultural festivals



Source: WCC City Events

Number of Wellington City Council supported arts and cultural events



Since 2009/10 there has been no target for this performance measure. We aim to support as many worthwhile festivals as possible within budget constraints.

Source: WCC City Events

Venues subsidies

Result: 13 groups/13 events (target: 35 groups). The entire budget for this activity (\$45,000) was spent. The number of groups that can be assisted varies from year to year. Budget is allocated according to the needs of each group.

Source: Wellington Venues

Cultural grants

There are no performance targets for this measure. We aim to support initiatives that contribute to cultural well-being in line with eligibility criteria (available at www.Wellington.govt.nz/services/grants).

Funds from our \$718,000 cultural grants budget are distributed in two ways. More than \$400,000 is distributed through three-year funding contracts with organisations that contribute strongly to our strategic objectives. The rest is distributed through one-off grants from a contestable funding pool to organisations and projects that meet our eligibility criteria.

Cultural Grants

| CULTURAL GRANTS | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|-----------|-----------|-----------|------------------|
| Total number of grant applicants | 107 | 106 | 108 | 153 |
| Total number of applicants receiving grants | 73 | 73 | 68 | 75 |
| Total budget available to applicants | \$328,000 | \$361,349 | \$321,473 | \$318,014 |
| Total budget distributed to applicants | \$328,000 | \$357,997 | \$318,995 | \$318,014 |

In our October 2011 grants round we prioritised community performances during the Rugby World Cup Festival of Carnivale. Projects supported included community festivals, street theatre, Batacuda (Brazilian Samba Percussion), theatre productions and exhibitions.

We supported the Island Bay and Kilbirnie community festivals, the Roar Gallery, and Cutting Edge Sport for a programme of rural sports on the waterfront during Rugby World Cup. We also supported Tawata Productions for the Matariki Development Festival for indigenous playwrights.

Funding through contracts supported 13 key cultural organisations such as Vector Wellington Orchestra, the Royal New Zealand Ballet, Bats, Circa and Downstage theatres.

Source: WCC City Communities and Grants

4.4 ARTS PARTNERSHIPS

Through this activity, we support professional artists and arts organisations to ensure that Wellington continues to be recognised as New Zealand’s arts and culture capital.

This includes:

- operation of Toi Pōneke Arts Centre – which provides spaces for artists and arts organisations
- provision of a home for the New Zealand Symphony Orchestra
- supporting the St James Theatre Charitable Trust through Wellington Venues Limited
- funding public art through the Wellington Sculpture Trust
- providing advice and support for arts and culture groups and practitioners; and facilitation of street closures, permits and other requirements for art and performance activities.

Why it’s important

Our arts partnerships ensure Wellington continues to be home to top-class arts organisations and retains its reputation as New Zealand’s arts and culture capital. The range of arts activities we support provides entertainment and contributes to the local economy.

The benefits of the partnerships goes well beyond the direct support the Council might offer. They can only thrive in a city that supports the arts as a whole. Wellington’s knowledgeable audiences and committed sponsors coupled with the critical mass of creative people, together generate the unique cultural dynamic that sets our city apart.

The establishment of Toi Pōneke, our commitment to the installation of public artworks, and our efforts to increase dialogue with and collaboration within the arts community, demonstrate our commitment to working in partnership with, and securing the long-term future of, the arts sector in Wellington.

Our support acts as a catalyst for the professional institutions to draw sponsorship from other sources. This ensures sponsors can have greater confidence that their support is valuable and that shows will be of high quality and attract audiences.

Key projects

- We established a new Council-controlled trading organisation, Wellington Venues Limited, to manage the St James Theatre, Opera House, and Wellington Convention Centre.
- The Meridian Energy Wind Sculpture series of public artworks on Cobham Drive won an NBR 2010 Sponsorship of the Arts Award.
- We partnered with the Ministry for Culture and Heritage to develop an online survey tool for cultural organisations to use with their customers.
- We held four sessions with the arts sector to inform them about, and encourage their involvement in, the Rugby World Cup 2011 festival.

- We partnered with Arts Access Aotearoa to hold workshops with arts organisations and help them develop accessibility plans for their venues and activities.

What it cost

| What it cost | | | | |
|-------------------------------|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 4.4.2 Art Partnerships | | | | |
| Expenditure | 2,063 | 2,083 | 20 | 1,947 |
| Revenue | (465) | (517) | (52) | (501) |
| Net Expenditure | 1,598 | 1,566 | (32) | 1,446 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 4.4.2 Art Partnerships | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

This activity is funded mainly from general rates, with some other income including rents from Toi Pōneke office and studio space.

HOW WE PERFORMED

We aim to support arts projects that contribute to the city's status as arts and culture capital, by encouraging people to get involved as audiences and arts practitioners. To assess our contribution, we monitor completion of public art projects, which are available to all residents to view, and measure use and user satisfaction with Toi Pōneke.

Public Art Fund – projects delivered

Result: 4 projects were delivered (target: 3).

The Public Art Fund supported four projects: a Courtenay Place Park light box exhibition (untitled) by Bryce Galloway, 'Inhabittance' by Sian Torrington, 'The Value Waste Procession' by Brydee Rood and a Courtenay Place Park light box exhibition titled 'All the Cunning Stunts'.

Source: WCC City Arts.

Toi Pōneke – user satisfaction

Result: 90% of users were satisfied with Toi Pōneke facilities and services (target: 85%; 2009/10: 73%).

Source: Toi Pōneke Customer Satisfaction Survey 2010

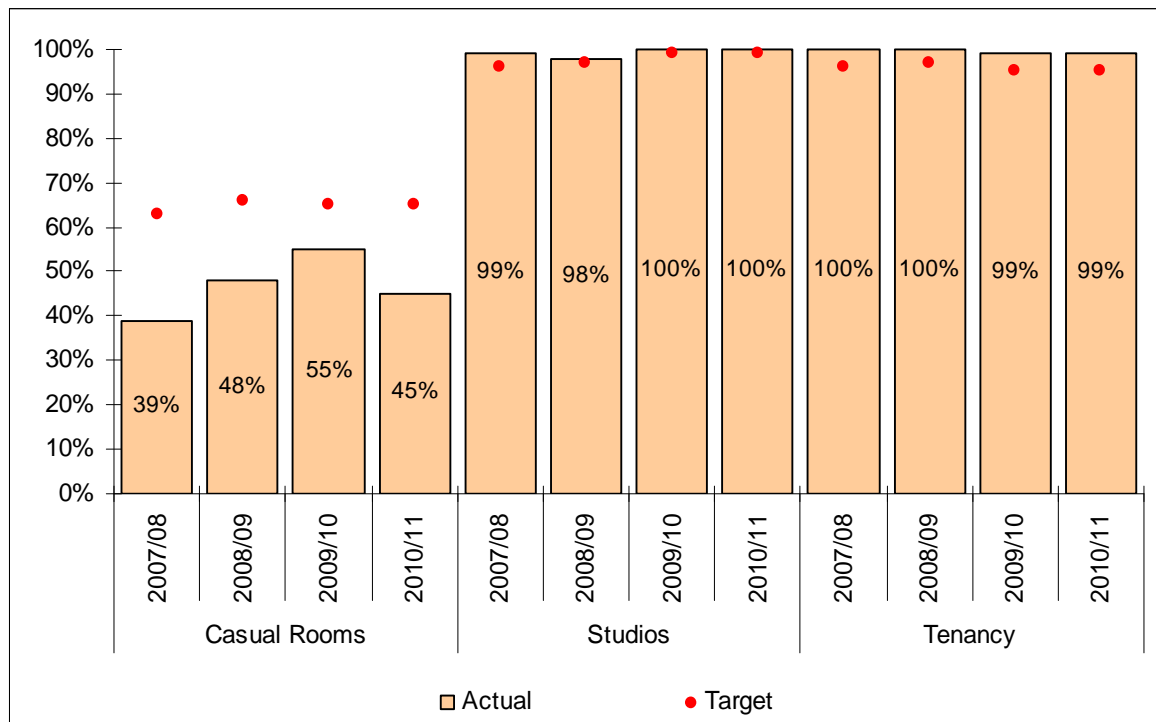
Toi Pōneke – usage

Results: 61 artists in studios (target: 40); 33 organisations/businesses at Toi Pōneke (target: 20).

There was an increase in the number of jewellers and fashion design artists using the studio space at Toi Pōneke, with more of a focus on selling work. The SOUNZ music information centre became Toi Pōneke's largest tenant. The Young and Hungry Arts Trust are now based at Toi Pōneke and will help ensure high levels of use of rehearsal space.

Source: WCC City Arts.

Toi Pōneke occupancy rates



Two factors have affected casual room occupancy. Firstly, some regular classes at Toi Pōneke have had to be reduced or cancelled due to low attendance, and, secondly, the current economic climate has meant that there is less funding available for theatre groups and this has, in turn, meant less budget for rehearsal space.

Source: WCC City Arts

Social and Recreation

We aim for strong, safe, healthy communities

Challenges

- Maintaining the city's existing strengths such as safety, strong communities, open and tolerant attitudes, and high quality of life.
- Balancing rising demand and expectations against pressure on costs to ratepayers.
- Meeting the needs of a population that is ageing and becoming more diverse.

Strategic approach

- Promoting and facilitating strong, safe, healthy communities is based on ensuring the infrastructure and services are in place to meet community needs.
- Many organisations contribute to residents' health and safety, and to community strength. The Council's approach is to support those agencies by playing a facilitation role, and to provide facilities and services where the market does not meet community needs.

In this section

- 5.1 Libraries
- 5.2 Recreation promotion and access
- 5.3 Recreation services
- 5.4 Public health and safety
- 5.5 Housing
- 5.6 Community participation and support

Outcomes

Our 2009-19 long-term plan identified the following outcomes (i.e. what we are working towards) for the city's social and recreation facilities and services.

- **MORE LIVEABLE:** Wellington will be a great place to live, work and play, offering a stimulating and high quality range of community amenities and services, including affordable housing.
- **MORE INCLUSIVE:** Wellington's diverse population will be supported and embraced by a tolerant, caring and welcoming community.
- **MORE ACTIVELY ENGAGED:** Wellington residents will be actively engaged in their communities, and in recreation and leisure activities.
- **BETTER CONNECTED:** Wellington will offer excellent access to a sound social infrastructure that supports high level social cohesion.
- **HEALTHIER:** Wellington's population will enjoy a healthy lifestyle with high standards of public health.
- **SAFER:** Wellington will offer a safe living environment, where people feel safe.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- 94% of Wellingtonians rate their overall quality of life as 'good' or 'extremely good' – 2% higher than the national average, and the second highest score in the country.
- 91% of residents agree that Wellington has a good variety of leisure activities and opportunities to socialise.
- Wellington is a World Health Organisation 'Safe City'
- Residents use of community facilities has been trending up over the past 5 years – 22% of residents used a community centre and 22% used a community hall (up 3% and 4% respectively since 2007/08).
- 81% of residents used libraries in 2010/11 - 2% higher than last year and 9% higher than 2007/08
- 85% of residents now have access to an emergency kit – 11% higher than last year.
- 82% of Wellingtonians are prepared to change their lifestyle to prevent global warming – the highest rate in the country.
- 77% of Wellingtonians engage in physical activity for 2.5 Hours or more per week.
- Insert artificial turfs graphic - location and carrying capacity.

Feature

Supporting Canterbury's earthquake response

Wellington region emergency management staff and volunteers joined others from around the country in providing support to Christchurch after that city's devastating earthquakes in September and February.

More than 40 staff and volunteers went to Christchurch after the September quake, while 80 – including the Council's and Victoria University's emergency response teams – provided support after February's 6.3 magnitude quake.

Wellington contributed search and rescue teams, building officers, water and drainage repair and engineering staff to help Christchurch with early efforts to respond to and recover from the quakes.

In addition, about 3,000 people were evacuated from Christchurch to Wellington after the February quake.

Around a third of these – mainly visitors to New Zealand – needed Council help once they arrived. This ranged from charging cellphones to accommodation, and help with passports, clothes, food and medication.

The Council set up a welfare response centre at the Toi Poneke Arts Centre where Council staff, civil defence volunteers, Salvation Army, Victim Support, and Capital and Coast Health all supported those who were evacuated.

Wellington hotels provided some accommodation, as did Pipitea Marae. Wellingtonians responded generously to the quake, with offers of time, food, accommodation and other supplies – to an extent that response centre staff could not handle the volume of donations.

Wellington Mayor Celia Wade-Brown said she was proud of the way people from the region threw their weight behind the recovery effort and showed such generosity.

Wellingtonians – and Cantabrians who had temporarily relocated here – were also able to watch the national memorial service for victims of the Christchurch quake on a large screen in the TSB Bank Arena.

Wellington's preparedness

While Wellingtonians' thoughts and efforts were on Canterbury, the quakes also served as a reminder that this city needs to be prepared for the possibility of a major quake.

The Council takes a comprehensive approach to its emergency management responsibilities. These cover the reduction of risk, readiness for an event, response and recovery. Our work includes: a programme for identifying earthquake prone buildings and requiring owners to take remedial actions; investing in seismic strengthening of core infrastructure such as reservoirs; prioritising 'life lines' as part of recovery plans for instance routes to the hospital and strengthening retaining walls along Ngaio Gorge for access to and from the northern suburbs.

The current state of *Civil Defence Preparedness* was outlined in a report to the Council in June (and can be found at www.Wellington.govt.nz).

See also section 6.4 Earthquake risk mitigation.

5.1 LIBRARIES

Our aim is for the libraries to be neighbourhood institutions that anchor community life and bring people together.

We provide 12 libraries throughout the city. They provide items for loan such as books and CDs. They also host events, provide meeting spaces, and offer a range of services such as information for residents and businesses, outreach services for schools and the housebound, and sessions to introduce children to reading.

The libraries' website (www.wcl.govt.nz) is a virtual branch allowing people to access a wide range of information and library services without having to travel to a physical branch.

Why it's important

Libraries enhance cultural well-being by providing access to books, music, magazines and information, and perform a heritage role by collecting and maintaining information of interest and importance to Wellington. They also enhance social connectedness by ensuring people have access to information resources and providing focal points for community events.

Key projects

During the year:

- The libraries established a collection of downloadable audio-books, and a trial of e-books.
- The library management system was upgraded in October, updating outdated hardware and software. This means that ongoing maintenance costs will be lower.
- Te reo Māori branch names were developed in consultation with iwi and added to entrances of each library.
- Under the theme 'Put the Kettle On', the libraries hosted a series of tea and coffee ceremonies from around the world which also encouraged people to share family traditions. Several other events focused on crafts, including a 'craft lock in' after the library was closed.
- We added additional Baby Rock n Rhyme sessions (parent and baby interaction through rhyme and play) due to increased demand.
- New Zealand Music month was celebrated with a series of gigs and other events at library locations.

What it cost

| What it cost | | | | |
|---|---------|---------|----------|---------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 5.1.1 Libraries Network ¹ | | | | |
| Expenditure | 20,600 | 21,551 | 951 | 21,539 |
| Revenue | (2,153) | (2,338) | (185) | (2,286) |
| Net Expenditure | 18,447 | 19,213 | 766 | 19,253 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 5.1.1 Libraries Network ² | | | | |
| Expenditure | 2,008 | 2,011 | 3 | 2,243 |
| Unspent portion of budget to be carried forward | N/A | 371 | | N/A |

1 The revenue variance is due to lower audio visual user charges and lower overdue fees. The expenditure variance is due to lower organisational overhead costs.

2 Under budget due to the Johnsonville library relocation design work being delayed pending a decision from the site feasibility study. To be completed in 2011/12.

HOW WE PERFORMED

We aim to provide high quality library services and facilities so residents can access information, entertainment, events and meeting places. To this end, we measure residents use of and satisfaction with library services, facilities and programmes.

User (%) satisfaction with services and facilities

Result: 95% (target: 90%; 2009/10: 95%).

Source: WCC Residents' Satisfaction Survey 2011.

Residents (%) who are registered members

Result: 78% (target: 68%).

Source: Wellington City Libraries.

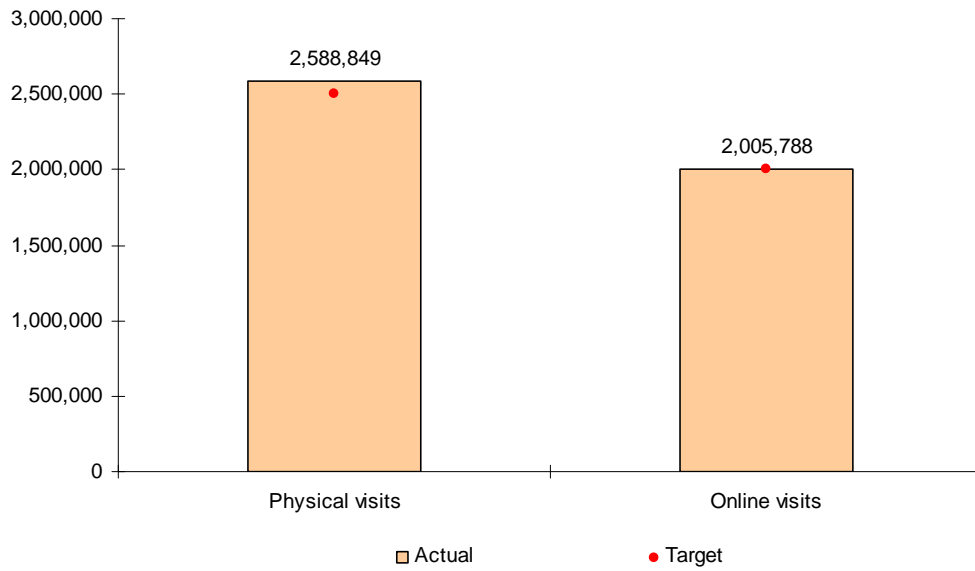
The database of library memberships was not updated this year due to our library management system upgrade. This means the above figure includes lapsed memberships and some customers who now live out of Wellington whom would not usually be included. Based on data from previous years, a more accurate figure is likely to be in the region of 72-74%.

Residents (%) satisfaction with range and variety of collection

Result: 94% (target: 85%; 2009/10: 93%).

Source: WCC Residents' Satisfaction Survey 2011.

Libraries - physical visits and website visits



Source: Wellington City Libraries.

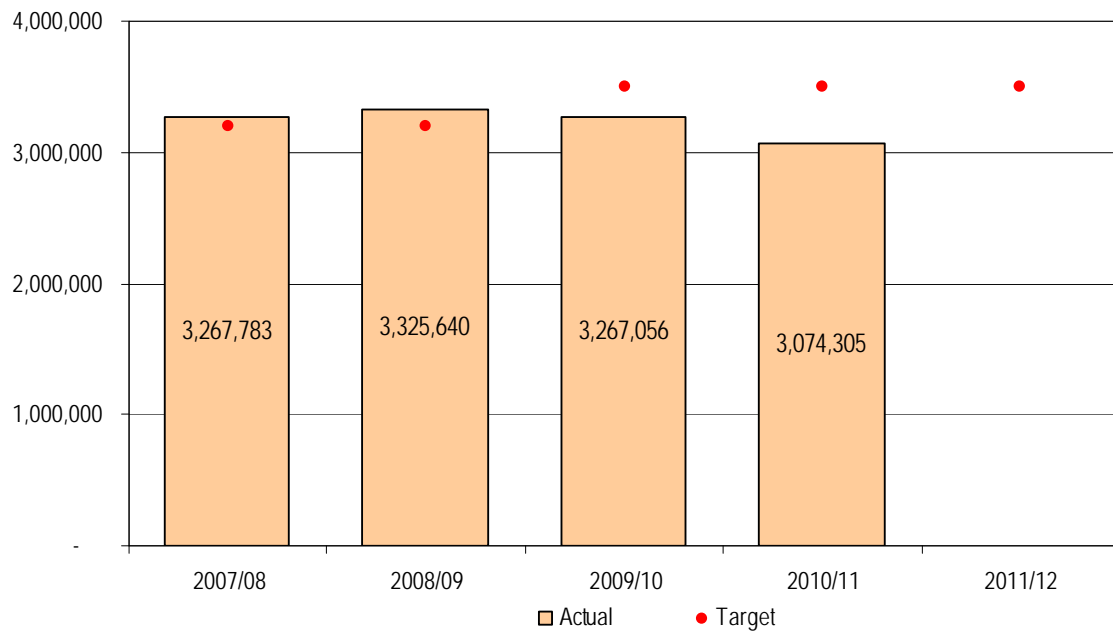
Library programmes - estimated attendees

Result: 89,886 (target: 84,000, 2009/10: 84,217).

The main reason for the increase was due to increased number of Baby Rock n Rhyme sessions held.

Source: Wellington City Libraries

Library items issued



Source: Wellington City Libraries.

Research is being undertaken to identify reasons for changes in library usage, including the reduction in items issued.

Residents (%) who agree that library services and facilities provide good value for money

Result: 86% (target: 90%; 2009/10: 85%).

Source: WCC Residents' Satisfaction Survey 2011.

5.2 RECREATION PROMOTION AND ACCESS

Our aim is to provide access to sport and recreation opportunities for people of all ages, abilities and circumstances.

This activity includes:

- **Recreation partnerships** – We liaise with national and regional sporting bodies, and support the Basin Reserve to remain the country’s premier international test cricket ground.
- **Access support** – Through the Leisure Card programme, we provide community services cardholders, superannuitants, people with disabilities, refugees, mental health consumers, and Green Prescription referrals with discounted access to recreation centres, swimming pools, libraries, and recreation programmes.
- **Recreation programmes** – We provide dozens of sports, fitness and leisure programmes for children and adults, and inform residents about recreation opportunities through our website and guides.

Why it’s important

Participation in recreation improves people’s health and well-being. Our recreation facilities provide a wide range of health and well-being benefits to users. Recreation and sport activities bring people together and strengthen social cohesion. Our wide range of facilities also makes the city becomes a more appealing place for people to live.

Key projects

During the year:

- More than 19,000 Wellingtonians participated in community recreation opportunities and events through our partnerships with numerous community groups and organisations. These included Freewheeling in Wellington, Women's Run Swim Series, and Push Play in the Park. In addition, a number of Get-Set-Go workshops were delivered that assist community groups to develop and deliver their own events and programmes.
- In conjunction with Compass Health, Sport Wellington Region and Regional Public Health we developed and distributed 10,000 copies of *Fun for \$5 and Under*, a guide to low-cost recreation opportunities.
- Leisure card use continued to grow with a total of 5082 members, who used our recreation facilities on over 90,000 occasions.

What it cost

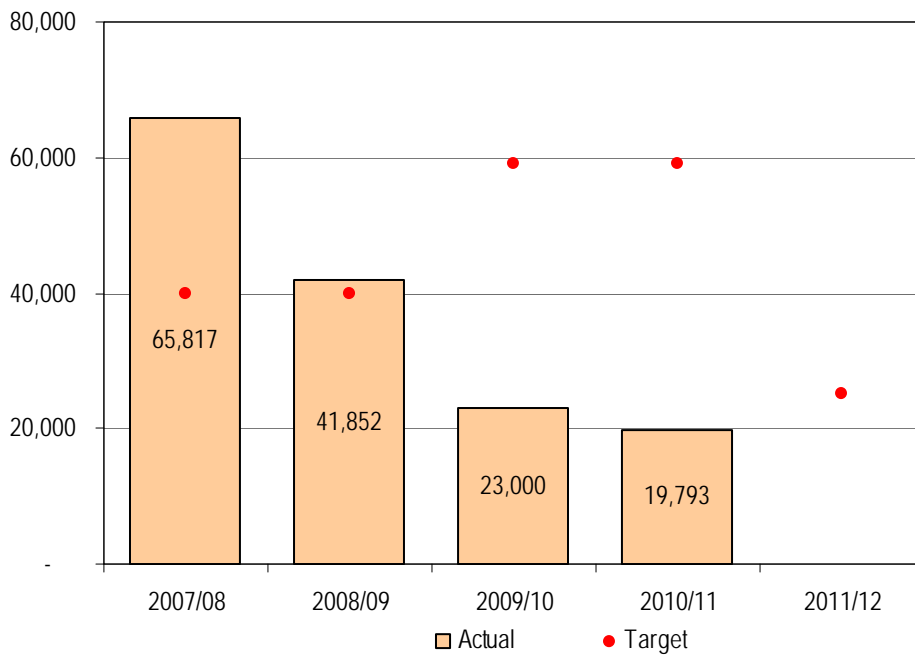
| What it cost | | | | |
|---|---------------|---------------|-----------------|---------------|
| Operating Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 5.2.1 Recreation Partnerships | | | | |
| Expenditure | 581 | 581 | 0 | 635 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 581 | 581 | 0 | 635 |
| 5.2.2 Access Support | | | | |
| Expenditure | 96 | 121 | 25 | 98 |
| Revenue | 0 | 0 | 0 | (10) |
| Net Expenditure | 96 | 121 | 25 | 88 |
| 5.2.3 Recreation Programmes | | | | |
| Expenditure | 975 | 1,028 | 53 | 927 |
| Revenue | (74) | (72) | 2 | (160) |
| Net Expenditure | 901 | 956 | 55 | 767 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 5.2.1 Recreation Partnerships | | | | |
| Expenditure | 38 | 38 | 0 | 495 |
| Unspent portion of budget to be carried forward | N/A | 74 | | N/A |
| 5.2.2 Access Support | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 5.2.3 Recreation Programmes | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

A small proportion of our recreation programme funding comes from user charges. This activity is otherwise funded from general rates.

HOW WE PERFORMED

We aim to maintain and support high levels of participation in recreation activities. We measure our contribution through usage and satisfaction with our recreation programmes and 'reach' by monitoring the number of groups/events we support through grants.

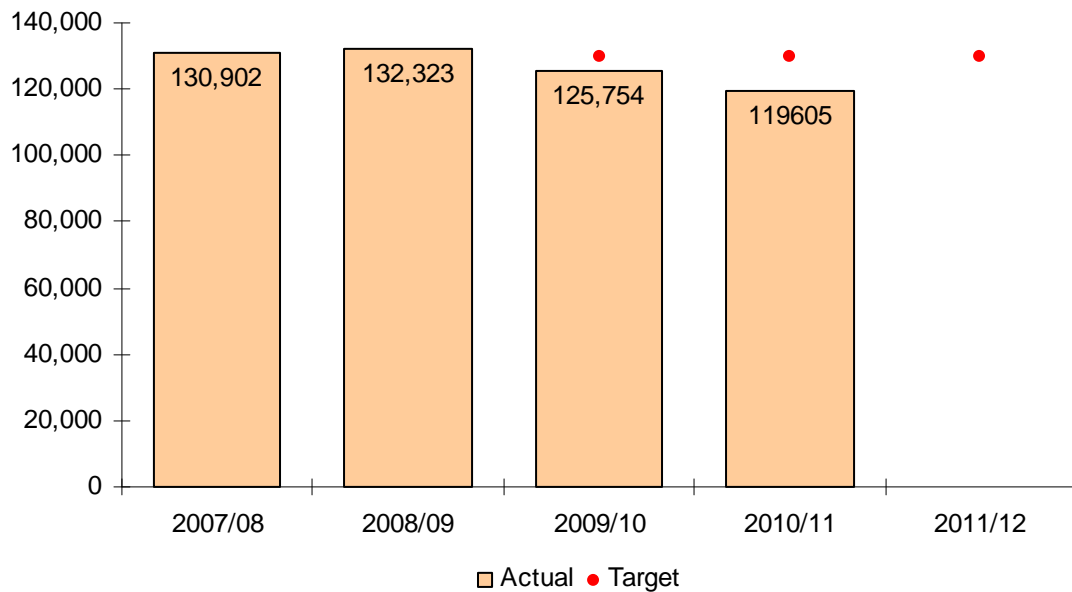
Users of recreation programmes (excluding recreation centres)



The removal of Push Play funding (which is externally sourced and not controlled by Council) has significantly reduced the number of programmes being delivered and therefore the number of users.

Source: Recreation Wellington.

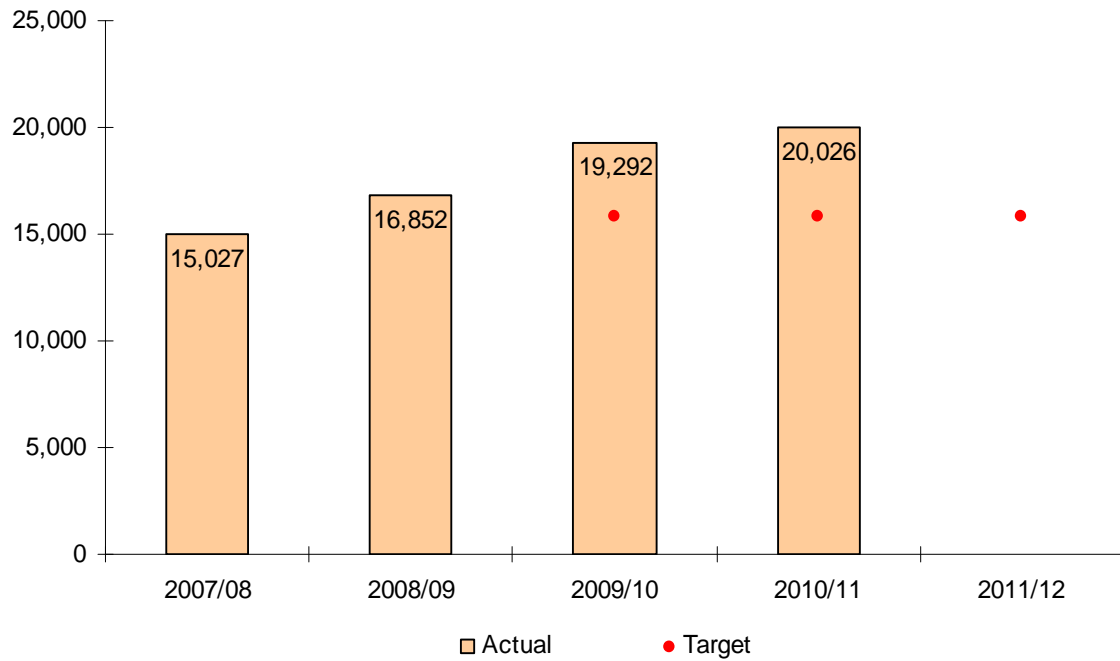
Users of recreation centre programmes



Increased competition in the school holiday programme market has seen a reduction in the number of children participating.

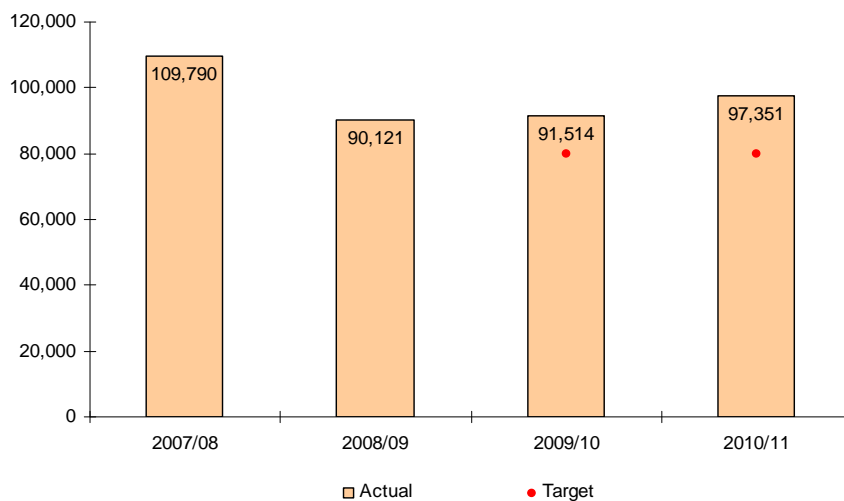
Source: Recreation Wellington.

Number of people enrolled in Learn to Swim programmes



Source: Recreation Wellington.

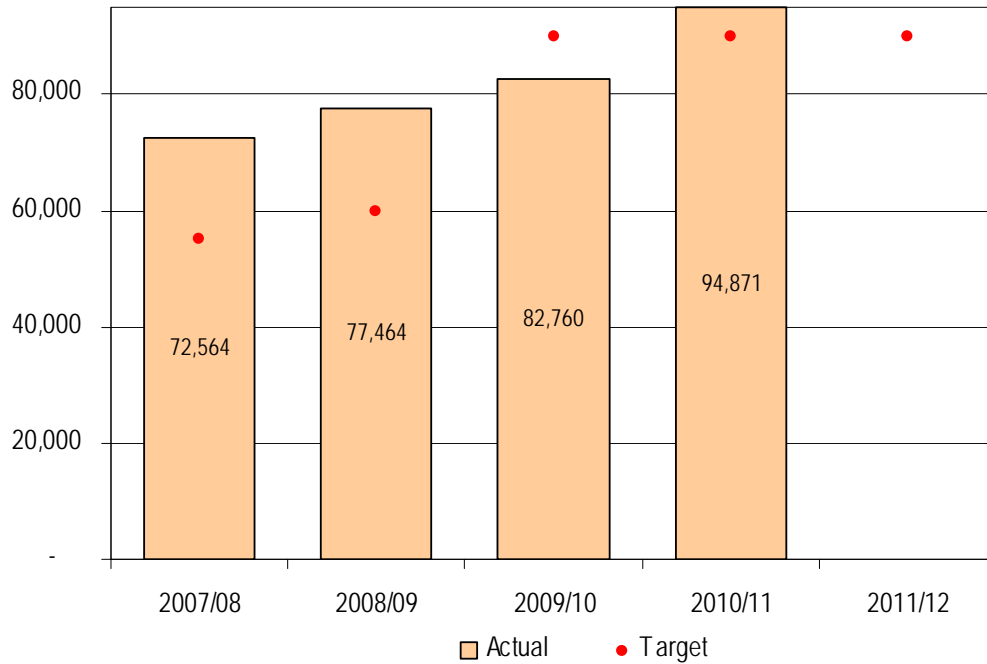
Number of people enrolled in aquatic education



Source: Recreation Wellington.

Aquatic Education covers programmes for primary and secondary schools as part of the school curriculum. Learn to Swim covers other swimming lessons, which are booked by individuals (usually parents) and usually take place outside of the school day.

Number of times that leisure cards are used



The Leisure Card programme was expanded in 2009/10 to include all superannuitants.

Source: Recreation Wellington.

Sports Forums held and estimated attendance.

Result: 1 forum held, 100 people attended (target: 1 forum, 200 people). The annual Sports and Recreation forum was held in April 2010. Attendance was lower than targeted as many other similar opportunities are now available to groups.

Source: Recreation Wellington.

Residents (%) who rate their access to WCC recreation facilities and programmes as easy or very easy.

Result: 84% (target: 90%; 2009/10: 84%).

Source: WCC Residents' Satisfaction Survey 2011.

Sports development grants

There are no performance targets for this measure. We aim to support initiatives that contribute to sports development in line with eligibility criteria (available at www.Wellington.govt.nz/services/grants).

| SPORTS DEVELOPMENT FUND | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|----------------|----------------|----------------|----------------|
| Total number of grant applicants | 13 | 22 | 14 | 4 |
| Total number of applicants receiving grants | 10 | 15 | 10 | 4 |
| Total budget available to applicants | \$100,000 | \$100,000 | \$50,000 | \$50,000 |
| Total budget distributed to applicants | \$87,675 | \$100,000 | \$49,854 | \$45,000* |

* Included returned funds from the previous financial year

In 2010/11 we supported Sport Wellington's Push Play event 'Round the Bays', Wellington Rugby League's 'Leadership through League' programme, and the early development of plans for facilities by Alex Moore Park Sport and Community Inc.

Source: WCC City Communities and Grants

5.3 RECREATION SERVICES

Our aim is to provide a wide range of high-quality facilities that are accessible and encourage healthy lifestyles.

This activity includes:

- **Swimming pools** – We provide seven swimming pools – the Wellington Regional Aquatic Centre; indoor pools at Oriental Bay, Johnsonville, Karori and Tawa; and outdoor pools at Thorndon and Khandallah.
- **Sports fields** – We provide 46 sports grounds throughout the city including rugby and soccer fields, netball courts, golf courses, and athletics tracks among others.
- **Synthetic turf sports fields** – We build synthetic turf playing surfaces on existing sports fields to support higher levels of year-round use.
- **Recreation centres** – We provide recreation centres at Karori, Kilbirnie, Khandallah, and Tawa; the Tawa facility is owned by the local college and leased to the Council for community use out of school hours.
- **Playgrounds** – We provide more than 100 playgrounds and skate parks throughout the city.
- **Marinas** – We provide two marinas, the Evans Bay Marina and the Clyde Quay Boat Harbour.

Why it's important

Recreational facilities provide a wide range of benefits to the city and its residents. Exercise improves health and mental well-being. Sport and recreation enhances social connectedness and builds stronger communities. Recreation facilities and services make the city an appealing place to live, and many facilities build the city's profile and attract visitors by hosting national and international events. For these reasons, providing a wide range of facilities and services, and ensuring that they are accessible, is important for the city.

Key projects

During the year:

- Construction of the new Indoor Community Sports Centre continued at Cobham Park. The centre will provide facilities for netball, basketball, volleyball and other indoor sports. A scheduled public opening is set for late August 2011.
- We completed major drainage and irrigation upgrades at Karori and Kilbirnie parks.
- We undertook five-yearly maintenance at Freyberg Pool and Fitness Centre, which resulted in closure for a period.
- We completed detailed design work for the new hydrotherapy pool at the Wellington Regional Aquatic Centre and a new teaching pool at Karori, while preliminary design work started on the extension of Johnsonville's Keith Spy Pool.

- We worked with volunteers to improve the bike skills area at Ian Galloway Park.
- We undertook planning and design work for a community play area on land adjacent to the new school being built in Amesbury Drive, Churton Park. We also undertook early planning for a playground adjacent to Kipling Street Reserve in Johnsonville and for stage two of the Rongotai Skate Park.
- We installed a new playground in Mt Cook on the Town Belt adjacent to Hutchinson Road, and completed the upgrade of playgrounds at Kanpur Road Play Area, Ben Burn Park, and the Silverstream Road/Huntleigh Park Play Area.
- Two new, full-sized, all-weather artificial sports fields were opened at Wakefield Park in Island Bay in early July to help meet the growing demand from sport. The all-weather surface means that grounds can be used for more than 60 hours a week, while grassed sports fields are often only usable for six to eight hours a week.
- We completed the renewal of the No 1 artificial Turf at the National Hockey stadium in Mount Albert.
- We began the process towards installation of artificial turf at Alex Moore Park in Johnsonville, and a partnership to install artificial turf at Wellington College in 2011/12.
- We undertook replacement of piles and mooring rings at Evans Bay Marina and continued with the restoration of the heritage boatsheds at Clyde Quay Boat Harbour.
- During the first year of the School Pools Partnership Fund, through which the Council assists schools to maintain and improve pool facilities, seven applications were received and three projects were supported – Khandallah, Tawa and Berhampore Schools were granted amounts totalling \$490,000.

What it cost

| What it cost | | | | |
|---|---------|---------|----------|---------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 5.3.1 Swimming Pools ¹ | | | | |
| Expenditure | 17,477 | 18,202 | 725 | 17,024 |
| Revenue | (7,029) | (7,359) | (330) | (6,758) |
| Net Expenditure | 10,448 | 10,843 | 395 | 10,266 |
| 5.3.2 Sports Fields | | | | |
| Expenditure | 3,398 | 3,384 | (14) | 3,627 |
| Revenue | (270) | (353) | (83) | (273) |
| Net Expenditure | 3,128 | 3,031 | (97) | 3,354 |
| 5.3.3 Synthetic Turf Sportsfields ² | | | | |
| Expenditure | 640 | 439 | (201) | 315 |
| Revenue | (191) | (175) | 16 | (99) |
| Net Expenditure | 449 | 264 | (185) | 216 |
| 5.3.4 Recreation Centres | | | | |
| Expenditure | 5,681 | 5,826 | 145 | 3,402 |
| Revenue | (744) | (740) | 4 | (700) |
| Net Expenditure | 4,937 | 5,086 | 149 | 2,702 |
| 5.3.5 Playgrounds | | | | |

| | | | | |
|---|---------------|---------------|-----------------|---------------|
| Expenditure | 775 | 794 | 19 | 802 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 775 | 794 | 19 | 802 |
| 5.3.6 Marinas | | | | |
| Expenditure | 502 | 532 | 30 | 532 |
| Revenue | (525) | (533) | (8) | (515) |
| Net Expenditure | (23) | (1) | 22 | 17 |
| | Actual | Budget | Variance | Actual |
| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 5.3.1 Swimming Pools ³ | | | | |
| Expenditure | 1,618 | 1,763 | 145 | 2,793 |
| Unspent portion of budget to be carried forward | N/A | 2,945 | | N/A |
| 5.3.2 Sports Fields ⁴ | | | | |
| Expenditure | 584 | 359 | (225) | 532 |
| 5.3.3 Synthetic Turf Sportsfields ⁵ | | | | |
| Expenditure | 3,867 | 568 | (3,299) | 1,649 |
| 5.3.4 Recreation Centres ⁶ | | | | |
| Expenditure | 31,046 | 29,037 | (2,009) | 9,582 |
| Unspent portion of budget to be carried forward | N/A | 4,498 | | N/A |
| 5.3.5 Playgrounds | | | | |
| Expenditure | 422 | 420 | (2) | 532 |
| Unspent portion of budget to be carried forward | N/A | 0 | | N/A |
| 5.3.6 Marinas ⁷ | | | | |
| Expenditure | 234 | 228 | (6) | 202 |
| Unspent portion of budget to be carried forward | N/A | 292 | | N/A |

1 The revenue variance is due to lower membership income from the fitness centres. The expenditure variance is due to savings in personnel, utilities, depreciation and organisational overhead costs.

2 The expenditure variance is due to accelerated depreciation for the early replacement of the Hockey Stadium artificial turf and higher interest relating to the early construction of two artificial turfs at Wakefield Park.

3 Under budget due to design alterations delaying construction of the new WRAC Hydrotherapy pool. To be completed in 2011/12. Resource consent delays means the learners pool at Karori will be completed in 2011/12. Tawa pool maintenance rescheduled to be completed in 2011/12.

4 Over budget due to an unbudgeted upgrade of Kilbirnie Park approved by Council.

5 Over budget due to Council approval of the early construction of two new artificial turfs at Wakefield Park by reprioritising budget from out years.

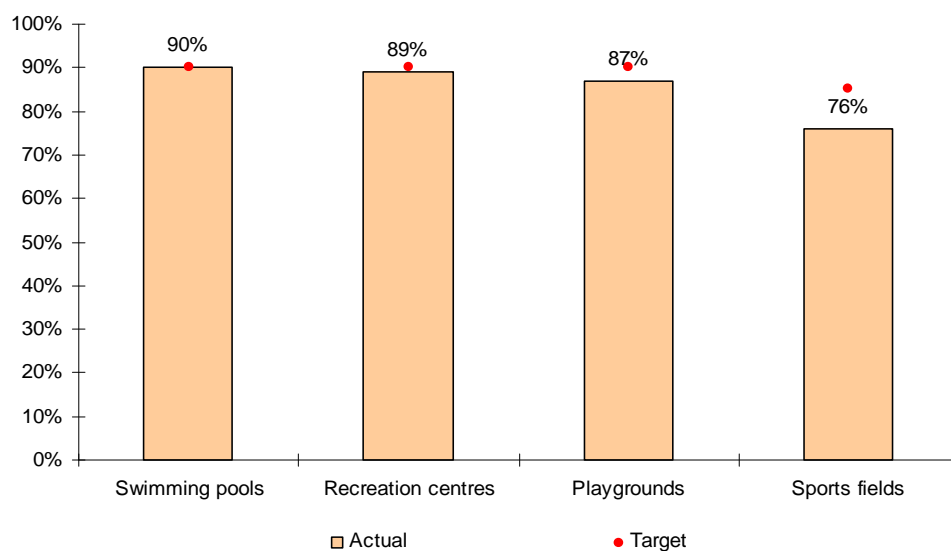
6 Under budget due to an Environment Court hearing delaying the start of construction of the ICSC. To be completed in August 2011.

7 Under budget due to the delay in the plant availability to complete programmed piling renewals. To be completed in 2011/12.

HOW WE PERFORMED

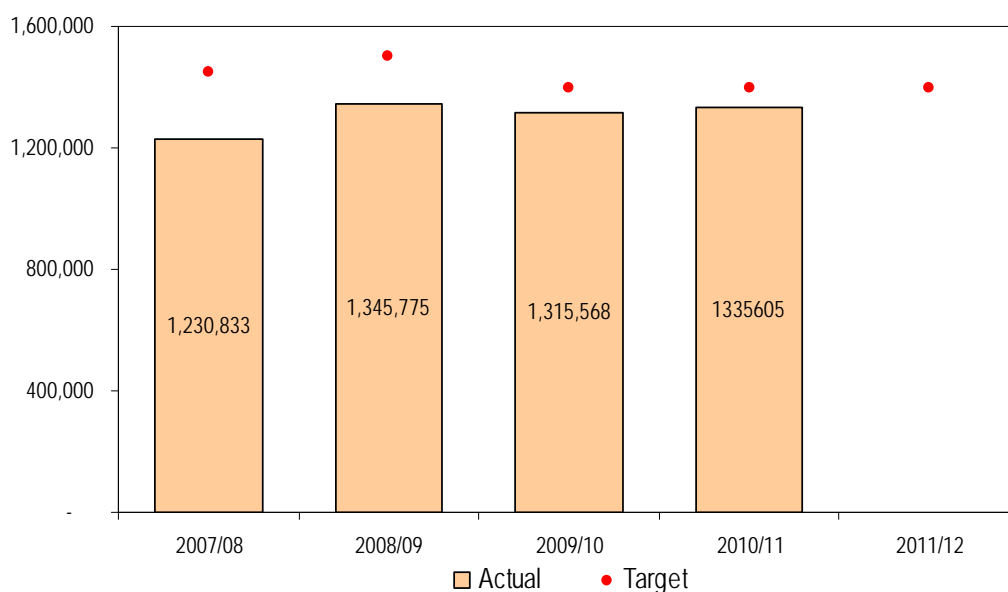
We aim to provide a wide range of facilities that offer access to sports and recreation opportunities that enhance health and well-being. We assess our performance by measuring use of and user satisfaction with recreation services and facilities, and (in the case of sports fields) by monitoring field condition.

User (%) satisfaction with recreation services and facilities



Source: WCC Residents' Satisfaction Survey 2011.

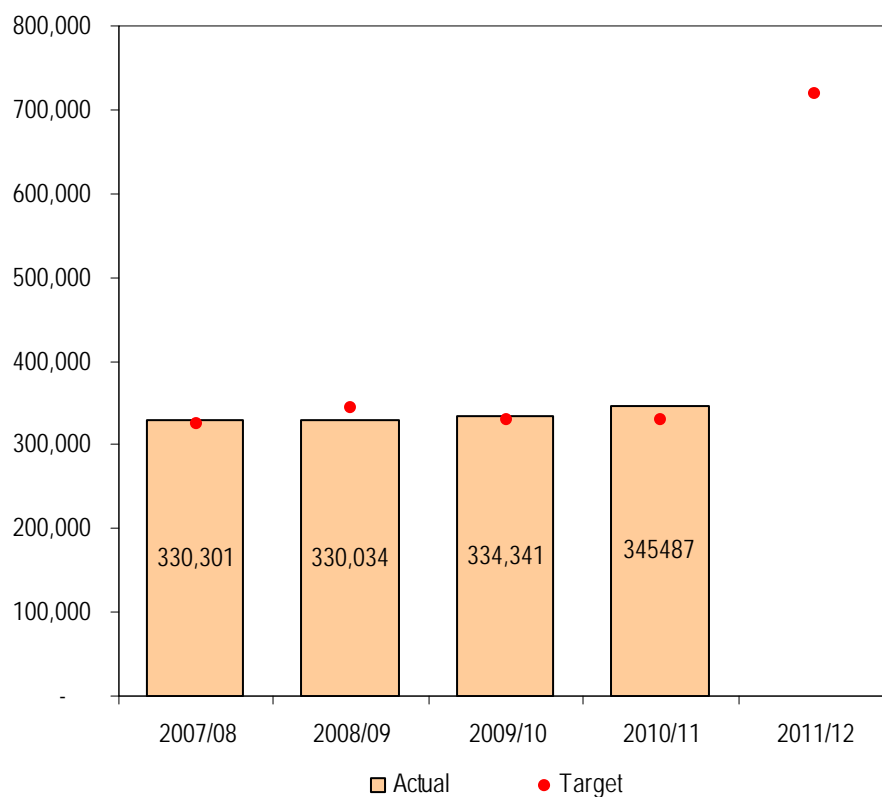
Visits to Wellington City Council swimming pools



The longer than planned closure of Freyberg Pool for maintenance impacted on overall attendance figures.

Source: Recreation Wellington

Visitors to Wellington City Council recreation centres



Source: Recreation Wellington

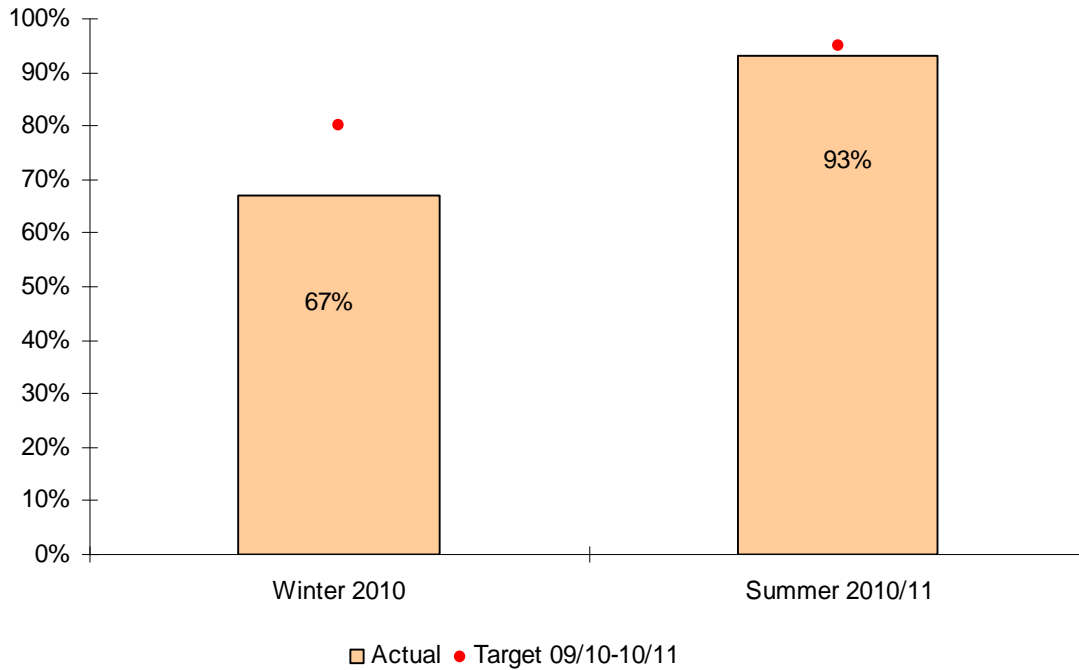
Sports field quality grading

| | Sand fields | A grade fields | B grade fields | C grade fields |
|--------|-------------|----------------|----------------|----------------|
| Result | 7 | 12 | 16 | 10 |

Our targets were: 4 A-grade fields; 11 B-Grade fields; 19 C-grade fields and 9 sand fields.

Source: WCC Parks and Gardens.

Scheduled sports games (%) that are played



Targets were not achieved due to weather restricting ground use during the winter and summer seasons.

Source: WCC Parks and Gardens

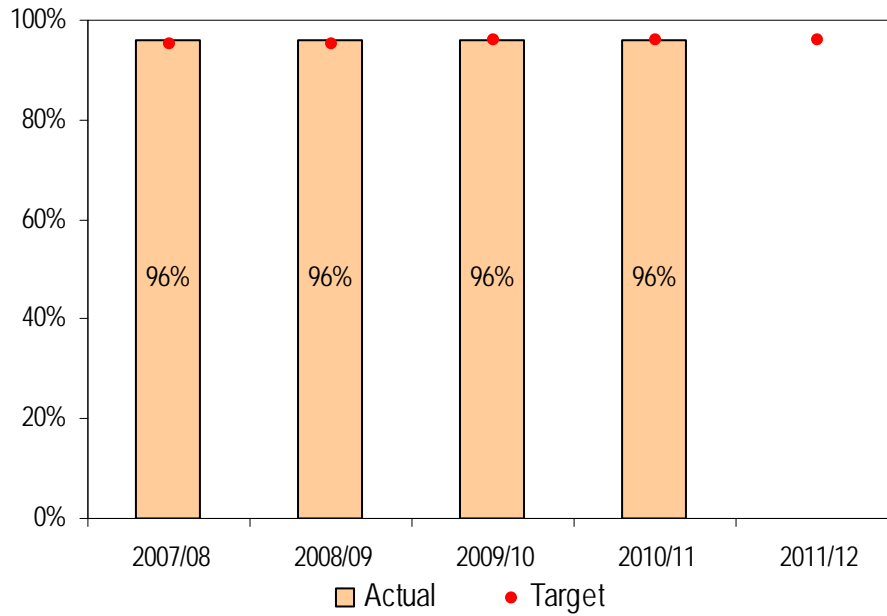
Sports field utilisation

We assess the use of fields on a weekly basis taking into account ground conditions and weather. We allow as much play as each ground can take. On occasions when fields cannot sustain play we will close the field or restrict play on that day. In general, the increasing demand from sporting codes means there is a lack of available playing space across the city. Our synthetic programme aims, in part, to allow greater access and use of playing surfaces.

Target: Use of sports fields does not exceed recommended levels. Result: Winter 2010 - target not exceeded. Summer 2010/11 - exceeded by 1.8% (18,036 hours recommended versus 18,363 played).

Source: WCC Parks and Gardens

Marina's berths and boatshed occupancy (%)



Source: WCC Parks and Gardens

Residents (%) who agree that WCC recreation services and facilities provide good value for money

Result: 79% (target: 90%).

Source: WCC Residents' Satisfaction Survey 2011.

5.4 PUBLIC HEALTH AND SAFETY

Public health and safety are fundamental to residents' quality of life, and also influence the city's attractiveness as a place to live, work, play and do business.

This activity includes:

- **Burials and cremations** – We provide cemeteries in Makara and Karori, and a crematorium at Karori.
- **Public toilets** – We provide more than 60 public toilets throughout the city, and almost 50 sports field pavilions which have public toilets.
- **Public health regulation** – We regulate food and liquor outlets, animals, trade waste, and other activities affecting public health in line with legislation and local bylaws.
- **City safety** – We work with Police and others to ensure that Wellington remains a safe city, through initiatives such as closed circuit TV cameras, provision of Walkwise officers who monitor city streets, banning public liquor consumption, and urban design that promotes visibility and safety.
- **Wellington Emergency Management Office** – We work with all sectors of the community to ensure the city is well-prepared for such events. In the event that that a civil emergency was declared in response to a natural disaster, the Wellington Emergency Management Office – located in a purpose built facility in Thorndon - coordinates the necessary response to ensure peoples safety and aid the city's recovery.

Why it's important

Our involvement in most of these areas reflects legislative requirements covering public health, burials and cremations, emergency management, food hygiene, liquor licensing, noise control, animal control, trade waste and other activities. This work is also guided by Council bylaws and policies.

Wellington's location on key fault lines makes earthquake-preparedness particularly important, as clearly highlighted by the recent events in Christchurch.

Public confidence in the safety of the city's streets and suburbs is a top priority for all cities. Wellington enjoys a reputation as a safe city with a vibrant inner city. To be an attractive destination and to offer a high quality of life to residents it is critical that our reputation is maintained or enhanced.

We provide cemeteries and crematoria services as a vital public health function.

Key projects

During the year:

- The Wellington Emergency Management Office (WEMO) was heavily involved in WCC's response to the September and February Christchurch earthquakes (see feature on p xx).

- We started an emergency text alert service via Twitter, generating almost 4,000 subscribers and started a Facebook page which has approximately 1,600 followers.
- We trained 150 new Civil Defence volunteers and, in conjunction with Capital and Coast Health, we organised and hosted a pilot 'Psychological First Aid' course.
- We devised and piloted a new tsunami hazard awareness programme.
- All Civil Defence Centres were audited, with a variety of upgrades, repairs and re-stocking undertaken. We moved two centres into more suitable premises.
- We took a leading role in changing the regions Civil Defence and Emergency Management structure.
- We made submissions to Parliamentary committees on the draft Food Bill and the Alcohol Reform Bill.
- We updated all dogs signage throughout the CBD and in parks throughout Wellington.
- We were granted a further five years operation of the crematorium resource consent at Karori cemetery.
- We rebuilt the Courtenay Place and Willowbank Reserve public toilets and upgraded the Wakefield Park and Lyndhurst pavilions.

What it cost

| What it cost | | | | |
|---|---------------|---------------|-----------------|---------------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 5.4.1 Burials and Cremations | | | | |
| Expenditure | 1,560 | 1,604 | 44 | 1,525 |
| Revenue | (736) | (802) | (66) | (687) |
| Net Expenditure | 824 | 802 | (22) | 838 |
| 5.4.2 Public Toilets | | | | |
| Expenditure | 1,995 | 2,072 | 77 | 1,972 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 1,995 | 2,072 | 77 | 1,972 |
| 5.4.3 Public Health Regulations | | | | |
| Expenditure | 4,175 | 4,402 | 227 | 4,209 |
| Revenue | (2,224) | (2,329) | (105) | (2,284) |
| Net Expenditure | 1,951 | 2,073 | 122 | 1,925 |
| 5.4.4 City Safety | | | | |
| Expenditure | 1,448 | 1,382 | (66) | 1,727 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 1,448 | 1,382 | (66) | 1,727 |
| 5.4.5 Wellington Emergency Management Office | | | | |
| Expenditure | 2,139 | 2,251 | 112 | 2,077 |
| Revenue | (85) | (99) | (14) | (100) |
| Net Expenditure | 2,054 | 2,152 | 98 | 1,977 |
| | Actual | Budget | Variance | Actual |

| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
|---|-------|-------|------|------|
| 5.4.1 Burials and Cremations | | | | |
| Expenditure | 224 | 221 | (3) | 217 |
| 5.4.2 Public Toilets | | | | |
| Expenditure | 1,469 | 1,482 | 13 | 368 |
| Unspent portion of budget to be carried forward | N/A | 14 | | N/A |
| 5.4.3 Public Health Regulations | | | | |
| Expenditure | 42 | 40 | (2) | 0 |
| 5.4.4 City Safety ¹ | | | | |
| Expenditure | 42 | 91 | 49 | 60 |
| Unspent portion of budget to be carried forward | N/A | 184 | | N/A |
| 5.4.5 Wellington Emergency Management Office | | | | |
| Expenditure | 138 | 137 | (1) | 3 |
| Unspent portion of budget to be carried forward | N/A | 80 | | N/A |

¹ Under budget due to Constable Street play area safety upgrade delayed as a result of no successful tenders initially being received. To be completed in 2011/12.

HOW WE PERFORMED

We aim to protect and enhance public health and safety. For public health, we measure our effectiveness through residents satisfaction with and complaints about facilities and services, and by monitoring food premises' compliance with hygiene standards. We set benchmarks for safety through maintaining accreditation as a World Health Organisation 'Safe Community' and by measuring WEMO partners' satisfaction with the city's earthquake preparedness.

World Health Organisation 'Safe Community' status

Our target is to retain this status (which we currently hold). We are currently in the process of re-applying for accreditation – a five yearly task.

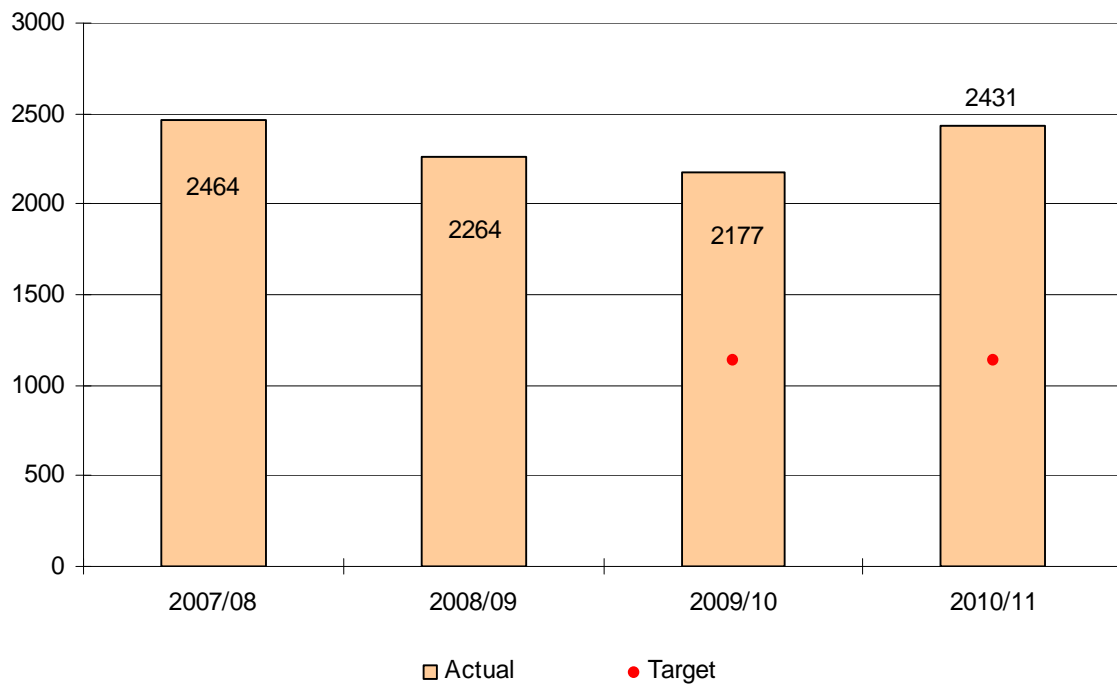
Source: WCC City Safety.

Complaints received – public toilets

Result: 318 complaints received (target: fewer than 671).

Source: WCC Parks and Gardens.

Number of complaints about dogs to Wellington City Council



Despite there being an increase in complaints, proportionally, this is less than the dog population increase over the period.

Source: Building Consents and Licensing Services

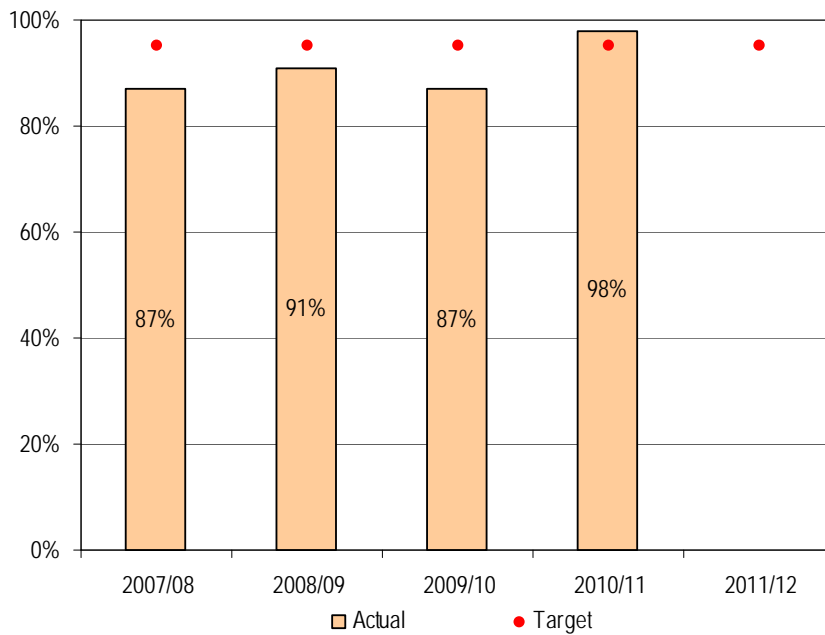
Despite

Complaints received – food premises

Result: 47 (target: fewer than 50; 2009/10 result: 70). None of the complaints received were serious in nature, and no food premises were closed or operators prosecuted as a result of these complaints.

Source: WCC Building Consents and Licensing Services

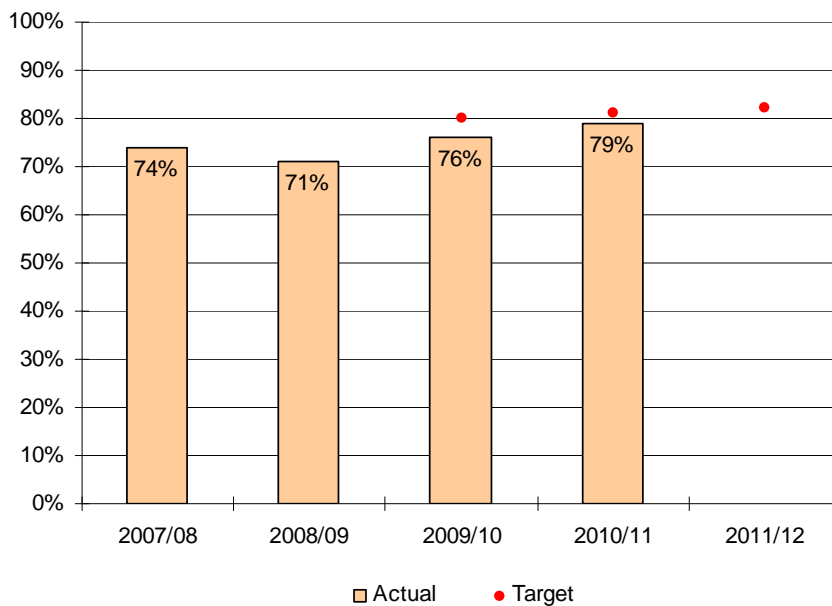
Food premises (%) with excellent or very good hygiene ratings that maintain or improve their rating



Food premises are assessed in scheduled annual inspections. There was a strong focus in 2010/11 on providing information about risk management to food businesses. This has helped more food businesses to maintain standards.

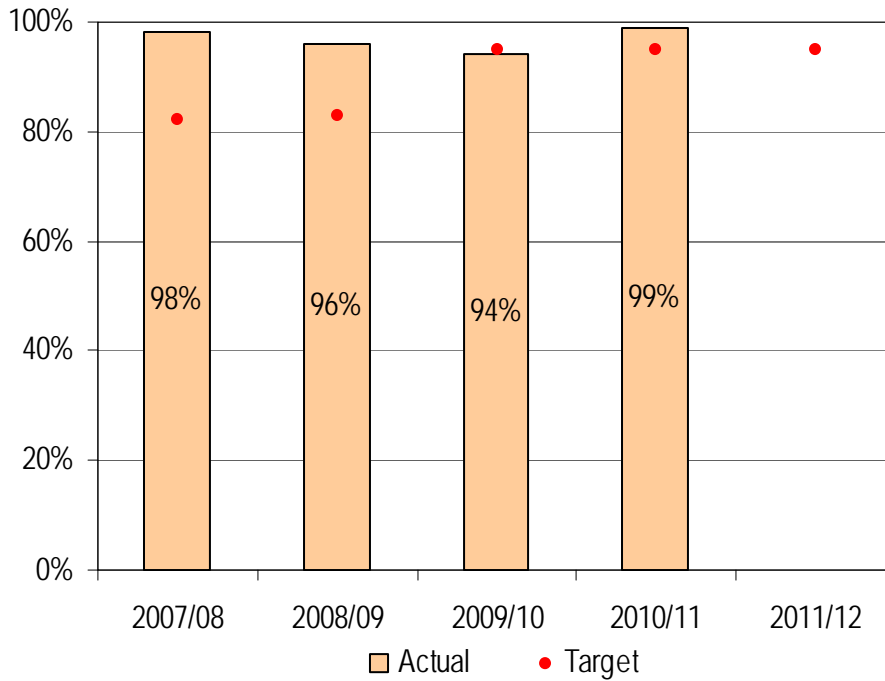
Source: WCC Building Consents and Licensing Services.

Residents' (%) satisfaction with the cleanliness of Wellington City Council public toilets (satisfied or neutral)



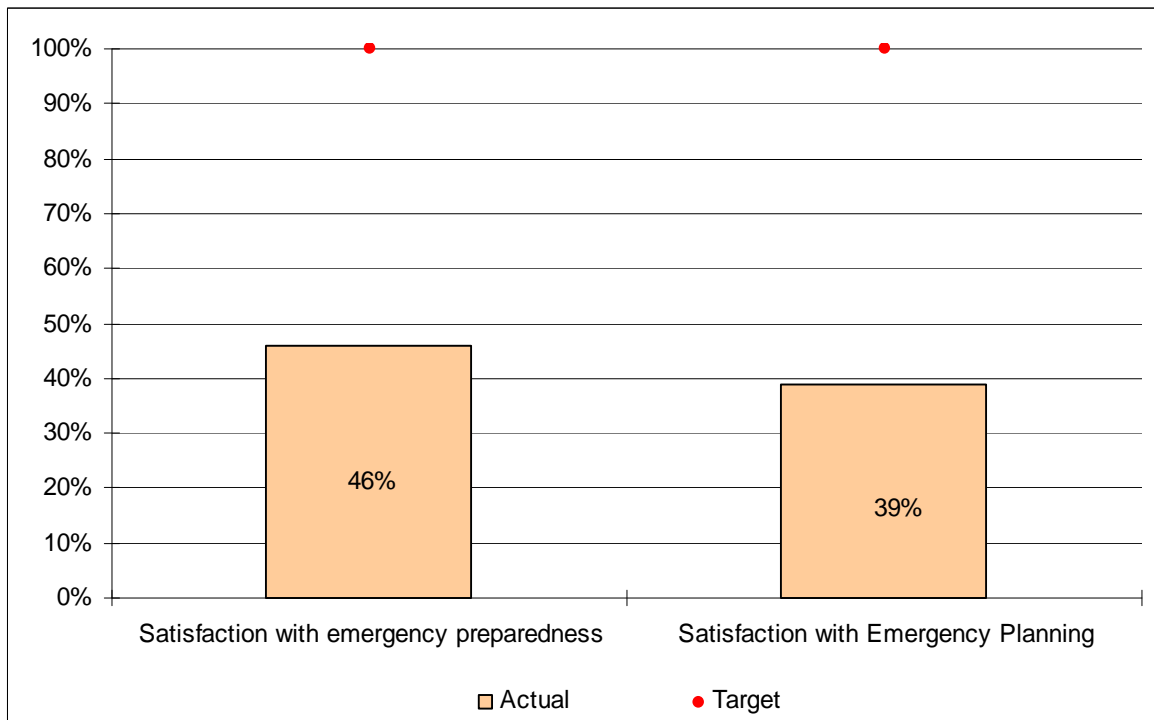
Source: WCC Residents' Satisfaction Survey 2011.

Wellington City Council public toilets that meet required cleanliness and maintenance performance standards



Source: WCC Parks and Gardens

Wellington Emergency Management Office partners' satisfaction with emergency planning and preparedness



Last year, 78% were satisfied with emergency planning and 73% with emergency preparedness. The decline can probably be largely attributed to the Christchurch earthquakes, and the uncertainties that have arisen from the local response to these events. For instance, more partners may have indicated they were neither satisfied nor dissatisfied, because they genuinely do not know whether Wellington's emergency planning processes are adequate for any significant event.

Work is currently being undertaken to improve the regional emergency management structure and preparedness.

Source: Wellington Emergency Management Partner Survey 2011.

Emergency management programmes

Result: we provided emergency management presentations to 93 organisations (target: 170). This included presentations to 45 businesses (1,434 people), 21 schools (858 people) and 27 community groups (672 people).

Fewer presentations were made than planned due in large part to resources being redirected in response to the Christchurch earthquakes. In April two new part-time public educators were hired with the specific task of delivering presentations to schools, businesses and community groups. We have also placed emphasis on the 'reach' of the presentations i.e. the number of people presented to, not simply the number of presentations.

In addition, we delivered five public presentations and had a presence at 25 public events (approx 5,425 people).

Source: Wellington Emergency Management Office.

Response to service requests – dog control

Result: we responded to 100% of urgent requests within one hour (target: 100%), and 99% of non-urgent requests within 24 hours (target: 95%). Urgent dog attacks are defined as attacks on people or other animals. This is the same result as 2009/10.

Source: WCC Building Consents and Licensing Services.

Response to service requests – hazardous substances

Result: we responded to 100% of urgent requests within one hour (target: 100%).

Source: WCC Building Consents and Licensing Services.

Response to service requests – food premises

Result: We responded to 100% of urgent requests within one hour (target: 100%), and 75% of non-urgent requests within 48 hours (target: 90%).

Source: WCC Building Consents and Licensing Services.

Response to service requests – public toilets

Result: we responded to 99% of urgent requests within four hours (target: 100%), and 99% of non-urgent requests within three days (target: 100%).

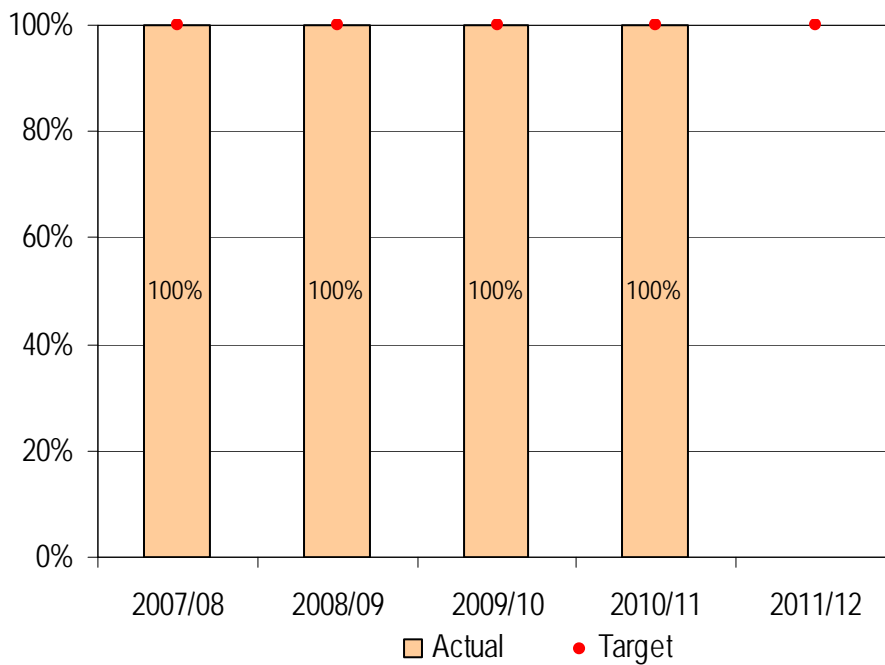
Source: WCC Parks and Gardens.

Inspection schedule completion – liquor licensed premises

Result: 100% of scheduled inspections were completed (target: 100%).

Source: WCC Building Consents and Licensing Services.

Scheduled food premises (%) inspections that were completed



Source: WCC Building Consents and Licensing Services.

5.5 HOUSING

We provide housing to people whose needs are not met by other housing providers. We are the city's biggest provider of housing with more than 2,300 housing units offering shelter to more than 4,000 tenants.

Our housing units are rented at below-market rates. Rental income is ring-fenced for reinvestment in social housing.

To be eligible for social housing, applicants must have modest incomes and assets, and their current housing must be inadequate for their needs.

Our commitment to social housing is supported by Housing New Zealand, which is providing \$220 million for a 10-year upgrade programme. This work includes upgrading insulation and ventilation, upgrading kitchens and bathrooms, reconfiguring some bedsits into larger accommodation, improving safety and security, and bringing buildings up to modern Building Code standards. These upgrades will make houses and apartments safer, more secure, healthier, more energy efficient, and more comfortable.

The upgrades involve temporary relocation of tenants. We work with tenants to ensure this is carried out with the least possible inconvenience.

Why it's important

As well as meeting a basic need, our social housing contributes to social cohesion, helps people to access the opportunities the city has to offer, and contributes to Wellington's reputation as a close, caring community. The upgrade programme is enhancing tenants' health, safety and security, while also contributing to the local economy.

Key projects

During the year:

Upgrade project

- We completed the refurbishment of Hanson Court in Newtown, and the first phase of the refurbishment of Central Park Flats in Te Aro.
- We started refurbishment of Newtown Park Flats, and the main block of Regent Park Flats in Newtown.

Community Action

- Through the 'Good Neighbours' project we established tenant groups to increase awareness of community safety, develop neighbourliness, and develop processes which will help tenants look after each other in an emergency. This concept will roll out to all of the Council's housing complexes over the next two years.
- The Community Action team worked with tenants on projects such as Te Ara Hou Mosaic and storytelling project, the 'Cheap as Chips' nutritional programme, and the Digital Inclusion Strategy.
- City Housing's Assets Manager, Byron Roff, won the award for Project Manager of the Year at the Project Management Institute of New Zealand Awards in 2010.

What it cost

| What it cost | | | | |
|---|----------|----------|----------|----------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 5.5.1 Community Housing¹ | | | | |
| Expenditure | 17,242 | 17,053 | (189) | 17,061 |
| Revenue | (57,046) | (55,200) | 1,846 | (32,761) |
| Net Expenditure | (39,804) | (38,147) | 1,657 | (15,700) |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 5.5.1 Community Housing² | | | | |
| Expenditure | 41,410 | 39,332 | (2,078) | 16,776 |
| Unspent portion of budget to be carried forward | N/A | 273 | | N/A |

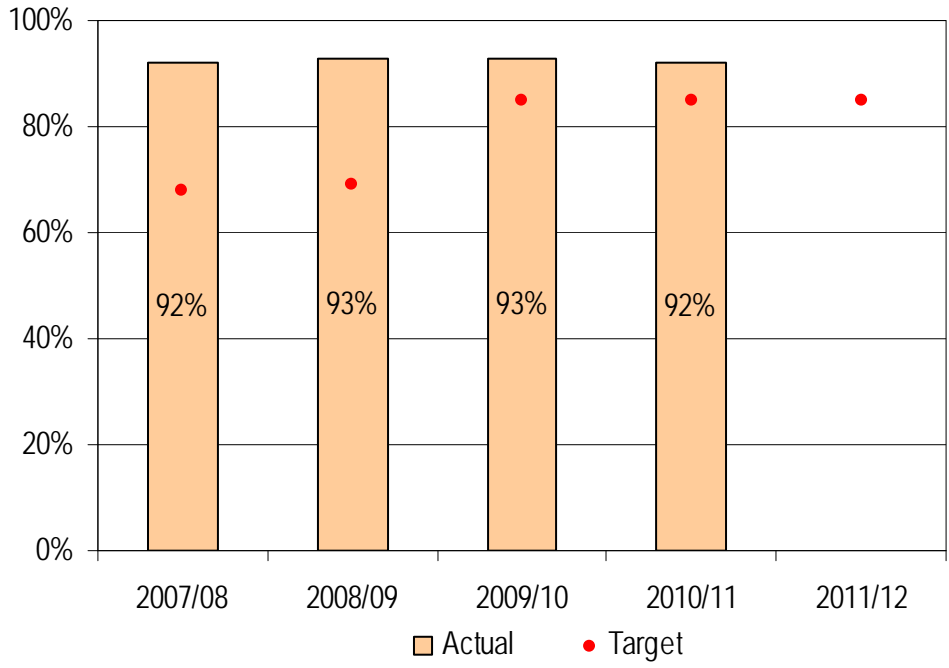
1 The revenue variance is due to additional capital funding being recognised as a result of an accelerated work programme for the Newtown Park flats upgrade.

2 Over budget due to an accelerated work programme being agreed for the Newtown Park flat upgrade. Funded by the Crown Housing Grant.

HOW WE PERFORMED

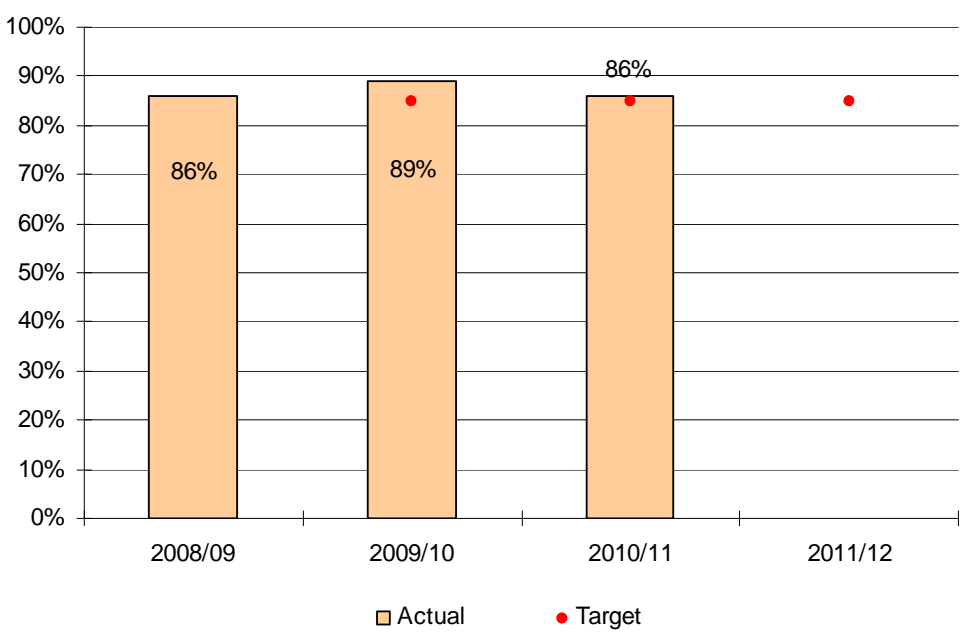
We aim to provide good quality homes to people whose housing needs are not met by other landlords. We assess our effectiveness by measuring tenant satisfaction, compliance with legal requirements, completion of scheduled upgrades, and occupancy rates.

Wellington City Council housing tenants (%) satisfaction with services and facilities



Source: WCC Housing Tenants Survey 2011

Wellington City Council housing tenants (%) that rated the condition of their house/apartment as good or very good



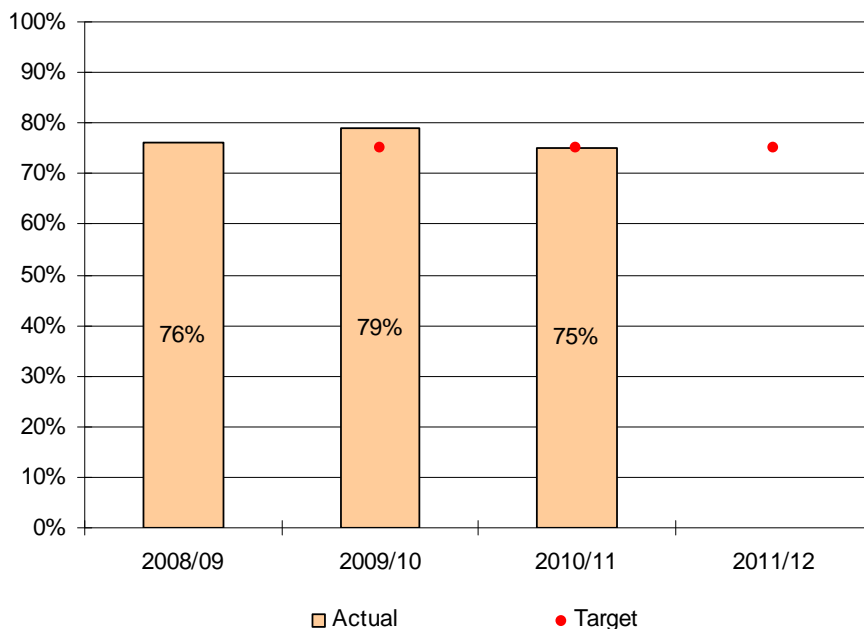
Source: WCC Housing Tenants Survey 2011

Compliance with legislative requirements

Result: All City Housing services and facilities complied with all legislative requirements (e.g. Residential Tenancies Act, building warrant of fitness). Target: Compliance.

Source: WCC City Housing.

Wellington City Council housing tenants (%) that feel safe in their housing complex at night



Source: WCC Housing Tenants Survey 2011

Occupancy rate (%) for housing facilities

Result: 86% (target: 90%; 2009/10: 93%).

Occupancy has been affected by the need to re-house tenants during reconstruction and upgrades as part of the Housing Upgrade Project.

Source: WCC City Housing.

Average waiting time for housing applicants

| AVERAGE WAITING TIME - BY GROUP | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------------------|----------|----------|----------|----------|
| Elderly | 76 days | 52 days | 151 days | 462 days |
| Refugees/migrants | 128 days | 63 days | 154 days | 203 days |
| Physical disability | 103 days | 116 days | 206 days | 423 days |
| Psychiatric disability | 78 days | 86 days | 84 days | 216 days |
| Multiple disadvantage | 80 days | 86 days | 153 days | 96 Days |
| Rent >50% income | 66 days | 135 days | 126 days | 90 days |
| Overall (target less than 80 days) | 87 days | 89 days | 140 days | 248 days |

Applicants (%) housed – by target group

| Group | 2009/10 | 20010/11 |
|------------------------|----------------|-----------------|
| Elderly | 59% | 0% |
| Refugees/Migrants | 49% | 21% |
| Physical Disability | 50% | 11% |
| Psychiatric Disability | 54% | 18% |
| Multiple Disadvantages | 64% | 52% |
| Rent > 50% Income | 55% | 32% |
| Overall | 56% | 25% |

There is no target for this performance measure. The Council has made a commitment to re-house eligible tenants displaced by the Housing Upgrade Project. This has resulted in tenants from upgrade sites being temporarily, or in some cases, permanently relocated. The effect of having over 200 units off line for construction at any one time has been a reduction in the number of new standard tenancies and to increase time on the waiting list.

Source: WCC City Housing.

Residents (%) who rate services and facilities as good value for money

Result: 83% (target: 90%; 2009/10: 82%).

Source: WCC Housing Tenants Survey.

Milestones for Housing Upgrade Project

Result: All project design and construction milestones were achieved in accordance with the agreed works programme with the Deed of Grant Between the Crown and the Council (target: meet all milestones, design standards and budgets.)

Source: WCC City Housing

Property upgrades

Result: Completed the upgrade of Hanson Tower and Podium Building (target: complete the upgrade).

Source: WCC City Housing

5.6 COMMUNITY PARTICIPATION AND SUPPORT

Wellington should have strong communities and to be a place where everyone feels included.

This activity includes:

- **Implementation of homelessness strategy** – We fund projects to help homeless people with health, accommodation and other needs.
- **Community advocacy** – We provide information, advice and advocacy services to a wide range of people and community groups, publish a directory of community organisations, and support community forums.
- **Social and recreation grants** – We provide grants to support initiatives that support our strategic objectives – which include encouraging healthy lifestyles, enhancing health and safety, enhancing social cohesion, and ensuring that people can meet their basic needs.
- **Community centres and halls** – We own a network of community centres and town halls throughout the city, and also support community-owned centres. All are run by their local communities through independent management committees.

Why its important

This work builds social cohesion, strengthens community identity, contributes to residents' health and safety, supports people to access opportunities and fulfil their potential, and contributes in many other ways to social and cultural well-being.

Our work with the homeless – who often have complex health and other needs – is designed to improve their health and wellbeing.

Our community advocacy supports a wide range of groups and initiatives, each of which builds social cohesion, allow people to access opportunities, and contributes to overall social well-being.

Our social and recreation grants support a wide range of initiatives, each bringing its own benefits to the city, such as encouraging healthy lifestyles, enhancing social cohesion, protecting people's health and safety, and ensuring people have access to basic needs.

Our provision of community venues for activities and services, bring people together and help them to access opportunities. They also contribute to people's sense of belonging and pride in their local suburban areas. Support for community groups helps to build social cohesion and assist people in need.

Much of our work under this activity supports Wellington's large volunteer networks. Their knowledge, expertise and resources are a critical part of city life.

Key projects

- The upgrade of the Khandallah Town Hall was undertaken to retrofit the space for use as a multi-use community centre. The centre was officially opened on 7 August 2011.
- A new methodology for funding community centres was implemented which allocates funding depending on factors such as the local population, catchment area, number of available spaces for activities and the social deprivation index of the area they serve.
- We worked in partnership with the Downtown Community Ministry providing services to homeless people including food, advocacy support, and facilitating access to health and social services.
- We started maintenance work on Vogelmorn Hall, including exterior re-painting, and refinishing floors and woodwork.

What it cost

| What it cost | | | | |
|--|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 5.6.1 Implementation of the Homelessness Strategy | | | | |
| Expenditure | 130 | 130 | 0 | 130 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 130 | 130 | 0 | 130 |
| 5.6.2 Community Advocacy | | | | |
| Expenditure | 1,616 | 1,488 | (128) | 1,605 |
| Revenue | (157) | (100) | 57 | (102) |
| Net Expenditure | 1,459 | 1,388 | (71) | 1,503 |
| 5.6.3 Social and Recreational Grants | | | | |
| Expenditure | 3,193 | 3,165 | (28) | 2,423 |
| Revenue | (12) | 0 | 12 | 0 |
| Net Expenditure | 3,181 | 3,165 | (16) | 2,423 |
| 5.6.4 Community Centres and Halls | | | | |
| Expenditure | 3,883 | 3,660 | (223) | 4,138 |
| Revenue | (238) | (145) | 93 | (252) |
| Net Expenditure | 3,645 | 3,515 | (130) | 3,886 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 5.6.1 Implementation of the Homelessness Strategy | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 5.6.2 Community Advocacy | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 5.6.3 Social and Recreational Grants | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| 5.6.4 Community Centres and Halls ¹ | | | | |
| Expenditure | 610 | 300 | (310) | 218 |
| Unspent portion of budget to be carried forward | N/A | 556 | | N/A |

¹ Under budget due to delays at the start of the Khandallah Town Hall upgrade. To be completed in 2011-12.

HOW WE PERFORMED

Our aim in this activity is for Wellington to have strong communities where everyone feels included. We assess success in a variety of ways, including number of homeless people assisted, use of community centres and halls, and community group satisfaction with Council relationships. We also keep track of the number of groups supported through social and recreation grants.

Community groups (%) satisfaction with Council relationships

Result: 83% (target: 70%).

Those surveyed included organisations that the Council holds funding contracts with (see 'social and recreation grants' below), as well as people who applied for grants.

Source: *City Communities Customer Satisfaction Survey 2011*

Community forums, community group meetings, advisory groups and youth events

There is no target for this measure.

We held four Pacific and Ethnic Forums during the year and supported several community meetings which included platforms to discuss social media, web development, assistance with governance and accounting for organisations.

40 advisory group meetings were held including Youth, Accessibility and Pacific.

Social and recreation grants

There are no targets for this measure. We aim to support initiatives that contribute to social well-being in line with eligibility criteria (available at www.Wellington.govt.nz/services/grants).

| Contestable funding pool | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|----------------|----------------|----------------|----------------|
| Total number of grant applicants | 136 | 163 | 140 | 51 |
| Total number of applicants receiving grants | 45 | 77 | 65 | 24 |
| Total budget available to applicants | \$402,000 | \$381,533 | \$404,778 | \$371,518 |
| Total budget distributed to applicants | \$402,000 | \$376,621 | \$383,193 | \$383,518 |

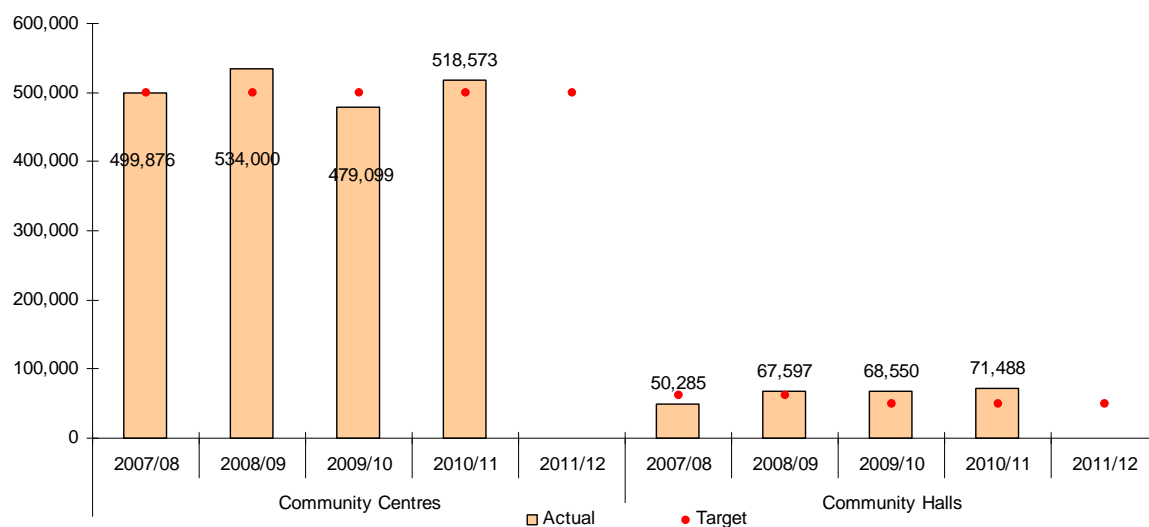
Successful applicants during the year included the Chinese New Year Festival, Capital Gymnastics, the Home of Compassion and Wellington Womens Refuge to support volunteering and for co-ordination.

In addition to the one-off grants referred to above, we funded another 39 organisations through multi-year contracts. This included 14 community centres, the Life Flight Trust, Wellington Free Ambulance, Citizens Advice Bureau, Wellington Community Law, the Wellington Night Shelter Trust, and the Sustainability Trust.

During the first year of the School Pools Partnership Fund, seven applications were received and three projects were supported – Khandallah, Tawa and Berhampore Schools were granted amounts totalling \$490,000.

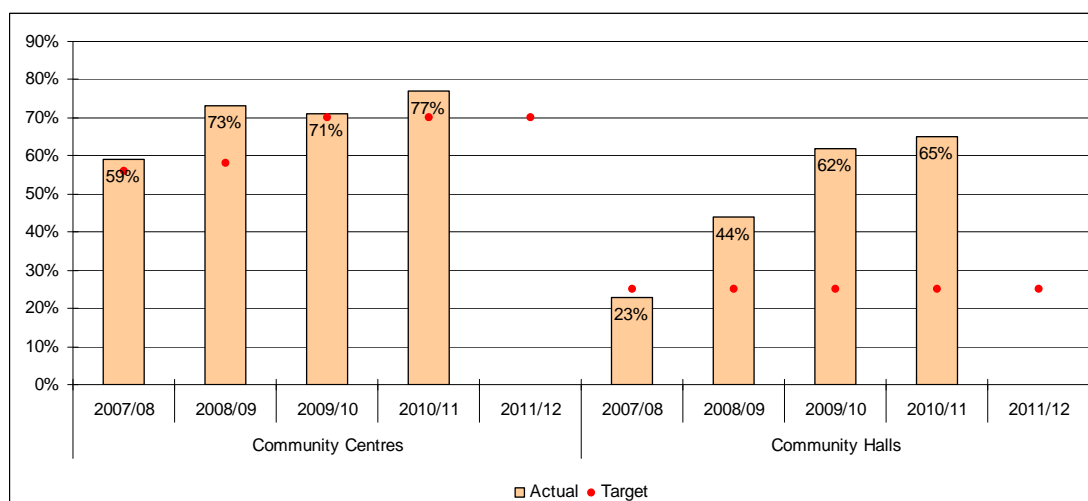
Source: WCC City Communities and Grants.

Number of visitors to Wellington City Council community centres and halls



Source: WCC City Communities and Grants

Occupancy rates (%) of Wellington City Council Community Centres and Halls



Source: WCC City Communities and Grants

Homelessness Strategy

There is no target for this performance measure.

Through Project Margin, we partner with Downtown Community Ministry to work with people that are or are at risk of becoming homeless. Downtown Community Ministry has dedicated staff to assist people into housing. It operates a food bank, assists with money management, assists with Work and Income advocacy, and publishes the *Survival Guide to Wellington: Living in Wellington on a Low Income*.

We also provide financial support through our grants to agencies who work with homeless people. This includes the Wellington Night Shelter, the Wellington Soup Kitchen, and transition/emergency housing for youth through the Salvation Army.

Source: WCC City Communities and Grants

Urban Development

We aim for a compact, vibrant and attractive city.

The challenges we face

- Meet changing demands such as smaller households and more inner city living.
- Support more sustainable land use and transport options to accommodate the growing population, pressure on land, and environmental concerns.
- Improve quality of urban design.
- Manage consent processes to ensure safety and sustainability without hindering economic development

Our strategic approach

- Maintain the city's 'compactness' and unique character.
- Focus development where benefits are greatest – in key centres with strong infrastructure and transport links along a 'growth spine' extending from Johnsonville through the city centre to Newtown and Kilbirnie.
- Allow intensive development in some areas while protecting others.
- Improved integration of land use and transport.
- Improving the quality of urban design, and public open spaces.

In this section

- 6.1 Urban planning and policy
- 6.2 Building control and facilitation
- 6.3 Development control and facilitation
- 6.4 Earthquake risk mitigation
- 6.5 Public spaces development

Outcomes

Our 2009-19 long-term identified the following outcomes (i.e. what we're working towards) for the city's urban development:

- **MORE LIVEABLE/MORE SUSTAINABLE:** Wellington will be a great place to live, offering a variety of places to live, work and play in a high quality urban environment. The city's buildings and urban design will use land and other resources efficiently and sustainably.
- **BETTER CONNECTED:** Wellington will be accessible, pedestrian-friendly and offer quality transport choices on a highly interconnected public transport and street system.
- **MORE PROSPEROUS:** Urban design will contribute to economic development through good transport linkages and a flexible approach to land use planning. The Council contributes through its support for centres and appropriately managing the location of activities.
- **MORE COMPACT:** We develop policies and plans that encourage a city with a contained urban form and more intensive development focused on the city centre, key suburban centres and major transport corridors.
- **SAFER:** Wellington will be a safe city.
- **HAVE A STRONGER 'SENSE OF PLACE':** Wellington will be a memorable, beautiful city, celebrating its capital city status, distinctive landforms and landmarks, its heritage, and its high quality buildings and spaces.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- We've inspected 2957 buildings in the city and identified 201as being earthquake prone. To date, eleven buildings have been strengthened.
- 75% of New Zealanders believe Wellington is an attractive destination.
- We've improved our internal processes - the average time to get a Land Information Memorandum (LIM) report from WCC is now 3.8 Days – last year it was 6.3 days.
- Residential building has partially rebounded since last year but commercial consents are still down.
- 88% of residents believe that heritage items contribute to the city's unique character.
- We created six new heritage areas which means buildings are recognised and protected for their heritage value.

The areas are:

- Aro Valley shopping centre
- Berhampore (Rintoul Street) shopping centre

- Hataitai shopping centre
- Adelaide Road-Riddiford/John Street corner (Newtown)
- Newtown shopping centre
- Tinakori shops in Thorndon.

Feature

Faster, more convenient land information

The amount of time taken to issue land information memorandums (LIMs) has almost halved after the Council made improvements to its internal processes.

Since April 2011, residents have also been able to apply for LIMs and property reports online, making them far more convenient.

LIMs provide owners and buyers with comprehensive information about a property, including information about rates, building consents, drainage, and District Plan and other classifications.

Obtaining this information can help owners and buyers in many ways. For example, they can find out if there are outstanding building consents on a property, or if a neighbouring property is zoned for commercial use or high-rise development, or if the property is prone to flooding or landslips.

Since 2009/10, the Council has looked for ways to improve the efficiency of its LIM processing. Those improvements have resulted in dramatic improvements in the amount of time taken to issue LIMs – with the average processing time dropping from 6.26 days in 2009/10 to 3.75 days in 2010/11.

These improvements – along with other factors including weathertightness issues, the economy, changes to the Real Estate Act, and marketing aimed at land agents – have contributed to significant growth in the number of LIMs issued.

In 2008/09 and the preceding two years, just over 900 LIMs were issued. In 2009/10, the number grew to 1219, and in 2010/11 there was further growth to 1578.

There has also been a significant jump in the proportion of house sales for which LIMs are issued. In 2009/10, LIMs were issued for 18.7 percent of house sales; in 2010/11 that jumped to 32.7 percent.

6.1 URBAN PLANNING AND POLICY

Our overall aim is to develop policies and plans to encourage high-quality urban development, ensuring we focus growth in a way that makes the city more sustainable, while also preserving its character.

Through this activity we manage the District Plan and other policies that guide urban development.

Why its important

Wellington city's population is expected to grow by around 55,000 people over the next 30 years. This places demands on infrastructure and on land use. More people, means more dwellings are required. This poses questions about how and where the city should grow. Our urban planning and policy development work guides our answer.

It's important that we guide growth to ensure that we hold on to the things residents like about the city – such as its compact nature, the fact that it has a true 'heart' around the city centre and harbour, the character of its hillside residential areas.

It's also important that we manage development in ways that minimise harm to neighbours and to the wider environment.

Our approach is to focus development around key 'centres', which will bring together more intensive residential development, places of work, shops and other facilities, and public transport, in ways that support sustainable development and high quality of life.

The District Plan is required under the Resource Management Act 1991. It sets out rules for land use and development within the city – for example, types and sizes of buildings allowed in different areas of the city, and protections for heritage and open space areas. Anything not permitted by the District Plan requires a resource consent, which will be for either a land-use consent or a subdivision consent.

Key projects

During the year:

- We issued decisions on two major reviews of the District Plan in September 2010. These covered the review of residential areas (Plan Change 72) and the review of suburban centres (Plan Change 73). These reviews have covered most of the built-up area of the city except for the CBD. Mediation on appeals is now underway.
- Plan Change 75 was also completed and became operative in July 2011. This recognises and provides protection for six suburban heritage areas (Thorndon, Hataitai, Berhampore (Rintoul Street), Aro Valley, John Street intersection, and Newtown).

- Four plan changes relating to zoning in Owhiro Bay, Ngaio, and Newlands and a plan change relating to earthworks were made operative during the course of the year.
- The Kilbirnie Town Centre Revitalisation Plan was adopted August 2010 and initial designs for public space improvements were developed. \$1.5 million has been set aside for their implementation in 2011/12.
- We prepared a spatial framework for the development of central city over the next 30 years. The work forms part of the Wellington 2040 project. The work assesses the street structure, built form and city's landscape and frames developments around nine interrelated ideas including: laneways; adding prominence to the capital city status; a revitalisation plan for two blocks of Victoria Street; and embedding the use of green infrastructure in to developments. The work is subject to consultation and will guide future investment decisions.

What it cost

| What it cost | | | | |
|---|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 6.1.1 Urban Planning and Policy Development ¹ | | | | |
| Expenditure | 1,898 | 2,758 | 860 | 2,271 |
| Revenue | (4) | (32) | (28) | (33) |
| Net Expenditure | 1,894 | 2,726 | 832 | 2,238 |
| Capital Expenditure (\$000) | | | | |
| 6.1.1 Urban Planning and Policy Development ² | | | | |
| Expenditure | 813 | 887 | 74 | 197 |
| Unspent portion of budget to be carried forward | N/A | 837 | | N/A |

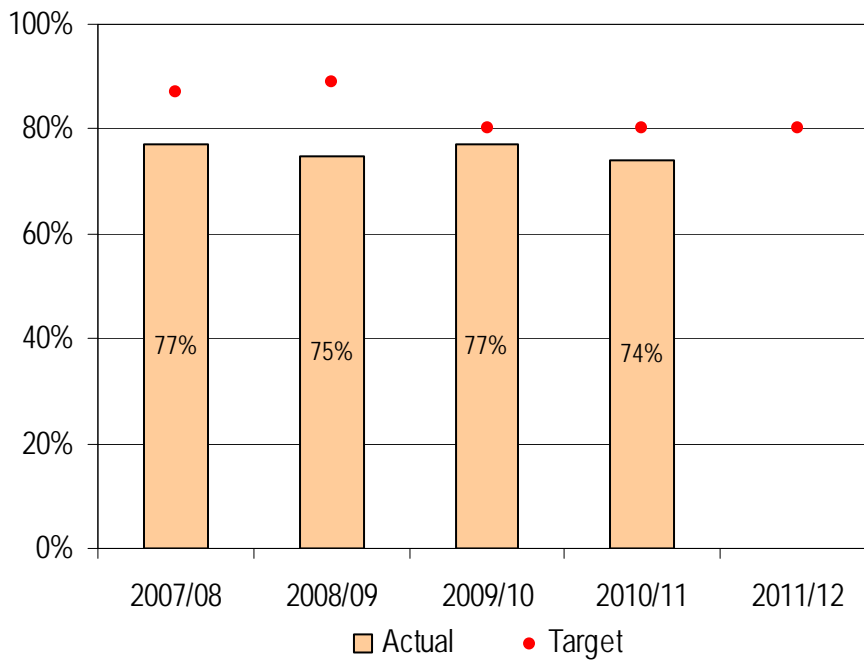
¹ The expenditure variance is due to lower legal and consulting costs associated with District Plan changes, lower contract costs associated with Growth Spine Centres, savings arising from personnel vacancies and associated organisational overheads.

² Under budget due to John Street upgrade section of the Adelaide Road project being rescheduled. To be completed in 2011/12.

HOW WE PERFORMED

We encourage high-quality urban development that focuses growth in a way that makes the city more sustainable, while preserving its character. We monitor our District Plan programme and measure progress towards this aim through residents' perceptions of development in relation to urban character.

Residents (%) who feel the city is developing in a way that takes into account its unique urban character and natural environment



Source: WCC Residents' Satisfaction Survey 2011

Urban heritage and character protection – work schedule

Community Engagement: A number of community engagement opportunities have been initiated. A focus of these was proposed changes to District Plan provisions for the suburb of Thorndon. The outcomes of this consultation are being used to improve advice provided to the community and heritage building owners. The consultation has provided the opportunity to engage with an involved and interested community to ensure improved interaction and understanding of what is needed by the public.

Non-regulatory initiatives to enhance management of heritage properties: work is under way on initiatives to provide easy to use conservation and heritage advice and information to owners of heritage buildings.

Regulatory initiatives to provide guidance to owners of heritage properties: a workshop was held which assessed a range of different models, sourced from NZ and overseas, for design guidelines which would be more easily understood by building owners, professionals working in the field and council officers. An appropriate model was identified and agreed upon by workshop participants. The first design guideline will be prepared for the suburb of Thorndon.

Archaeological sites: Across Council communication networks have been established to ensure that the statutory requirements for management of archaeological sites owned by Council are complied with.

Council Asset Management Plans: Council owns a range of heritage items. Information regarding best practice conservation and management of these items is being included in Council's asset management plans.

District Plan proposed changes – work schedule

Complete subject to mediation on appeals: Plan Change 72 residential areas Plan Change 73 suburban centres.

Completed:

Plan Change 75 protection for six suburban heritage areas (Thorndon, Hataitai, Berhampore (Rintoul Street), Aro Valley, John Street intersection, and Newtown) became operative in July 2011.

Plan Changes relating to zoning in Owhiro Bay, Ngaio, and Newlands and earthworks are operative.

Source: WCC City Planning.

District Plan changes - appeals that are mediated (settled) before reaching the Environment Court

There is no target for this performance measure – we use this information for monitoring only.

In the past year seventeen appeals have been resolved (either settled or withdrawn) before going to Environment Court hearings. One appeal was heard by the Court with a ruling in Council's favour.

Source: WCC City Planning.

Growth Spine Framework implementation – milestones

Target: complete one centre plan. The Kilbirnie Town Centre Revitalisation Plan was adopted in August 2010. A draft of the Central City Framework was approved for consultation on 16 June 2011. Work on the Miramar Peninsula Framework got underway with initial engagement on preliminary concepts for streetscape improvements to Miramar town centre.

Source: WCC Urban Design

6.2 BUILDING CONTROL AND FACILITATION

We have a statutory responsibility under the Building Act to control building developments. This includes ensuring buildings are safe and sanitary and do not threaten environmental quality or public health.

Our work under this activity includes issuing and monitoring building consents, and providing guidance to make sure buildings meet the standards required.

We offer grants for homes that use sustainable building features such as solar or heat pump water heating or wood pellet stoves with ‘wetbacks’.

Why it’s important

All cities control building work according to the provisions of the Building Act and codes. These controls are necessary to protect public health and safety, and to protect future users of land and buildings.

Our work covers both the residential and commercial sector. Ensuring our staff are knowledgeable and consistent in their approach and efficient in their work is vital. Delays can add costs to projects and working to set standards means people can have confidence in the process. Towards this, we hold accreditation as a building consent authority.

Our work goes beyond regulation. We’re also eager to encourage greater use of energy-efficient design and renewable energy technology in Wellington’s buildings. The incentives we offer in this regard are important because sustainable building solutions will help reduce the city’s carbon emissions.

Overall, we want the city to become more sustainable, safe, and prosperous, and to retain its compact nature and unique ‘sense of place’.

Key projects

During the year:

- An internal systems review improved our processes and the quality of information provided by customers. The approach to Land Information Memorandum is an example where we achieved a large reduction in the time taken to produce them (see, feature pxx).
- We sent skilled officers to Christchurch to help with the earthquake response and building evaluations following both the September and February earthquakes.
- We retained our accreditation as a building consent authority following review in May. The accreditation scheme was introduced under the Building Act 2004 to help ensure that buildings are built right first time. It focuses on strengthening the building process at the consent processing, inspection and approval stages. This change was brought about primarily in response to the nationwide issue around leaky homes.

- Council took a lead role in the initiation and development of the Government’s Financial Assistance Package for Leaky Buildings. The package aims to help people get their leaky homes fixed faster, and centres on the Government and local authorities each contributing 25% of agreed repair costs and affected homeowners funding the remaining 50% backed by a government loan guarantee.

What it cost

| What it cost | | | | |
|---|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 6.2.1 Building Control and Facilitation | | | | |
| Expenditure | 10,727 | 11,808 | 1,081 | 10,685 |
| Revenue | (5,995) | (7,191) | (1,196) | (6,334) |
| Net Expenditure | 4,732 | 4,617 | (115) | 4,351 |
| Capital Expenditure (\$000) | | | | |
| 6.2.1 Building Control and Facilitation | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

HOW WE PERFORMED

We measure efficiency and effectiveness by monitoring whether services (such as the issuing of building consents) are completed on time.

Building consents (%) issued within 20 working days

Result: 94% of building consents were issued within 20 working days (target: 100%; 2009/10: 92%).

Timeliness for issuing building consents fluctuated during the year. Process improvement work has been undertaken that should improve this figure in the future.

Source: WCC Building Consents and Licensing.

Code Compliance Certificates (%) issued within 20 working days

Result: 99% of code compliance certificates were issued within 20 working days of receipt (target: 100%; 2009/10: 99%).

Source: WCC Building Consents and Licensing.

Land Information Memorandums (LIMs) (%) issued within 10 working days

Result: 100% of LIMs were issued within 10 working days (target: 100%).

Source: WCC Building Consents and Licensing.

Complaints (%) – urgent (initial investigation within 24 hours) and non-urgent (initial investigation within 3 days)

Results: 100% of urgent issues or complaints were responded to within 24 hours (target: 95%); 90% of non-urgent issues or complaints were responded to within 3 working days (target: 80%).

Source: WCC Building Consents and Licensing.

Building Consent Authority (BCA) accreditation retention

IANZ accreditation took place 24-27 May and IANZ subsequently confirmed BCA accreditation has been retained. In their report to Council, IANZ noted that "the organisation continued to maintain a very positive approach to its work and to accreditation in general." (the target was to retain this status).

Source: WCC Building Consents and Licensing.

Customers (%) who rate building control services as good or very good

Results: 43% of building consent customers rate the service as good or very good (target: 80%; 2009/10: 54%)

Source: CTMA Customer Experience Survey 2011.

6.3 DEVELOPMENT CONTROL AND FACILITATION

Through this activity, we control land development in line with the provisions of the Resource Management Act 1991 and our District Plan.

This work includes assessing resource consent applications, granting consents, and monitoring compliance. A resource consent is required for any activity that is not permitted under the District Plan.

The consent process depends on the environmental impacts and who is affected. If the effects are not minor, the consent may be publicly notified, allowing other residents to have a say before a hearing is held to determine whether to grant the consent.

Why it's important

All cities control development work according to the provisions of the Resource Management Act and District Plan. These controls are necessary to ensure resources are used sustainably, to protect public health and safety, and to protect future users of land and buildings. They're also needed to protect urban character and to preserve the city's heritage, for example the workers' cottages and grand villas from the early 1900s in suburbs like Mount Cook and Thorndon.

The Resource Management Act requires us to regulate land use in the city to minimise environmental harm from such things as noise, earthworks, new subdivisions and land developments, plans to clear native bush, changes to historic buildings, and other factors set out in the District Plan.

Overall, we want the city to become more sustainable, safe, and prosperous, and to retain its compactness and unique 'sense of place'.

Key projects

- We have previously streamlined the resource consent decision-making process in anticipation of the 2009 amendments to the Resource Management Act. This work laid the foundation for achieving all legislative timeframes, with 100% of resource consents and subdivision certifications being issued on time (see 'how we performed').
- During the year, we issued 778 resource consents. This compared with 924 consents in 2009/10 and 1127 the previous year.

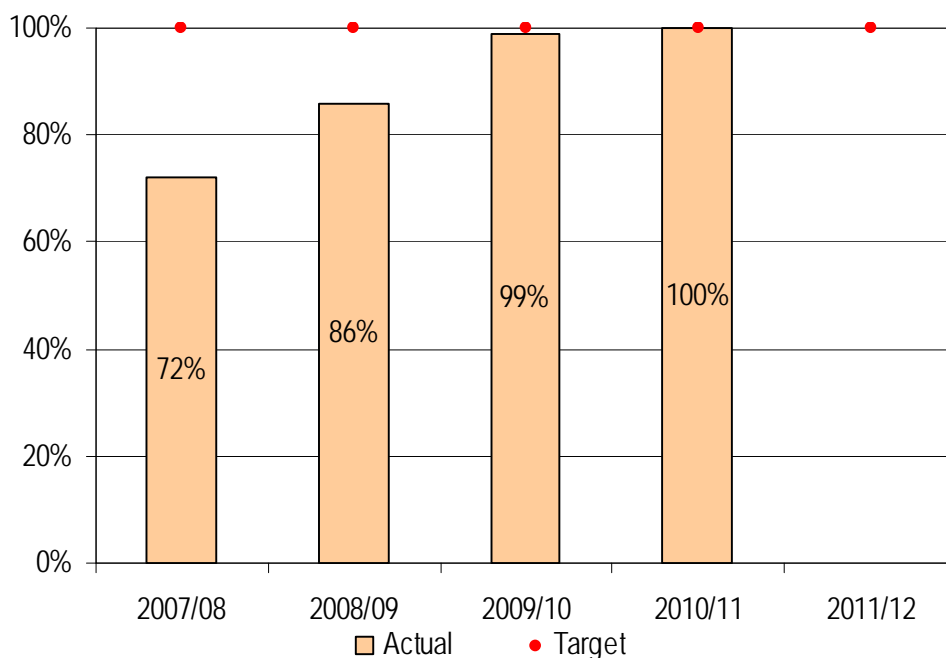
What it cost

| What it cost | | | | |
|--|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 6.3.1 Development Control and Facilitation | | | | |
| Expenditure | 5,810 | 6,528 | 718 | 5,417 |
| Revenue | (2,629) | (3,181) | (552) | (2,508) |
| Net Expenditure | 3,181 | 3,347 | 166 | 2,909 |
| Capital Expenditure (\$000) | | | | |
| 6.3.1 Development Control and Facilitation | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

HOW WE PERFORMED

We aim to ensure any development is of high quality, and complies with the District Plan and resource consent conditions. We monitoring the rates of customer satisfaction with the service we provide and our timely issue of contents and certificates.

Resource consents (non notified) issued within statutory timeframes (20 working days)



Note: Under the Resource Management Act, non-notified resource consent applications must be processed within 20 working days of receipt.

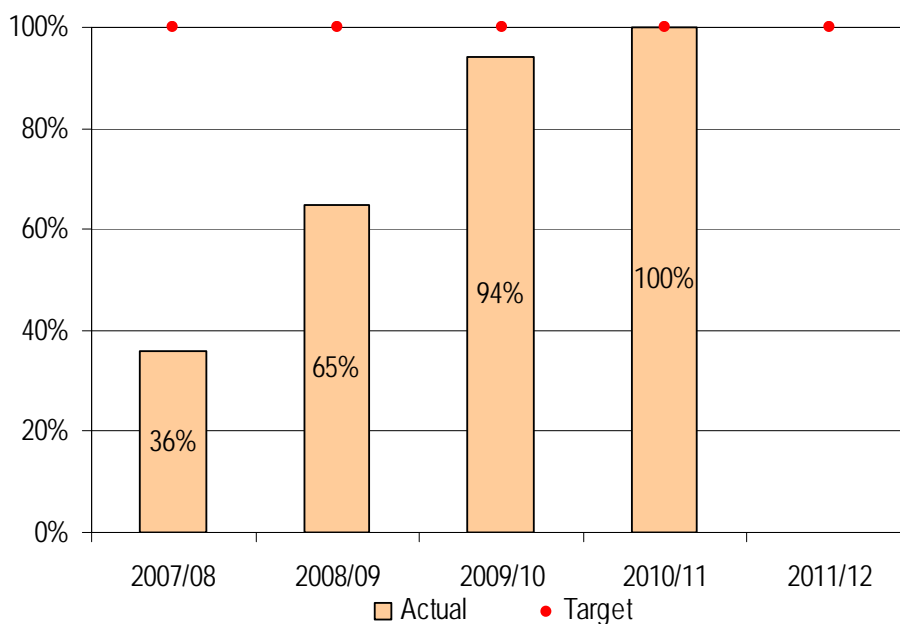
Source: WCC Development Planning and Compliance

Resource consents (%) that are monitored within 3 months of project commencement

Result: 90% of resource consents were monitored within 3 months of project commencement (target: 90%; 2009/10: 75%).

Source: WCC Development Planning and Compliance.

Subdivision certificates (%) – Section 223 certificates issued within 10 working days



This measure relates to certificates for survey plans issued under section 223 of the Resource Management Act 1991.

Source: WCC Development Planning and Compliance.

Subdivision certificates (%) – Section 224 certificates issued within 20 working days

Result: 100% of subdivision certificates issued under section 224 of the Resource Management Act 1991 were issued within 20 working days (target: 100%).

Source: WCC Development Planning and Compliance.

Noise control (excessive noise) complaints (%) investigated within 1 hour

Result: 98% of noise control complaints were investigated within 1 hour (target: 90%).

Source: WCC Development Planning and Compliance.

Environmental complaints (%) investigated within 48 hours

Result: 98% of environmental complaints were investigated within 48 hours (target: 95%).

Source: WCC Development Planning and Compliance.

Customers (%) who rate development control services as good or very good

Result: 64% of customers rated development control services as good or very good (target: 80%; 2009/10: 74%).

Source: WCC Development Control Services Customer Satisfaction Survey 2011.

6.4 EARTHQUAKE RISK MITIGATION

We aim to protect the safety of Wellington’s residents by working to mitigate the potential impact of an earthquake.

Wellington is built on an active faultline, which makes it prone to earthquakes – a fact brought into stark focus as events in Christchurch unfolded this year. We work to mitigate the potential impact of earthquakes by assessing buildings for earthquake risk and working with owners to ensure that buildings are strengthened to required standards. This work is guided by our Earthquake-prone Buildings Policy which is currently under review.

Why it’s important

New Zealanders were shocked by the scenes from Christchurch as a result of the quakes in September and February. Among other things, it was a reminder that Wellington is situated on an active fault zone and it at risk of a similar event.

In 1855, the country’s most powerful quake ever struck the city, raising the harbour by 1–2 metres and shifting Lambton Quay inland. We need to understand the impact of a similar quake today and plan to reduce and manage those impacts.

In short, it’s not a matter of if, but when. The more we know about earthquakes, the better prepared Wellington can be. Our support of a major research project in this area will provide an unprecedented amount of information on Wellington’s earthquake risk, which could then be used by engineers, planners, emergency managers and the insurance industry to better plan for and respond to a major earthquake.

We also implement and review an Earthquake-prone Buildings Policy. This sets in place processes for identifying buildings that are below the required earthquake standards and the requirements and timeframes for building owners to bring them up to the necessary standard.

Wellington’s high earthquake risk means this work is critical. It protects public safety, as well as preserving the city’s heritage and the economic investment made in buildings and infrastructure. In addition, implementation of the Earthquake-prone Buildings Policy is a statutory requirement.

Key projects

During the year:

- Following a review, a new Earthquake-prone Building Policy was introduced on 1 July 2009. The review aimed to ensure that at-risk buildings are identified and that owners have sufficient time to plan and undertake the strengthening work. At that time, the review took into account learnings from the Gisborne earthquake. As a result of the Canterbury earthquakes the Council considers it is appropriate to revisit the policy. This process will be undertaken during the next planning period.
- The current policy means that strengthening work will be required on several Council buildings. Investigation and design work has got under way for strengthening of the Town Hall and Municipal Office Building. Other buildings that require strengthening include the Opera House, Thistle Hall, and the Old Stand at the Basin Reserve. Strengthening of the Embassy Theatre and City Art Gallery has been completed.
- We continued to contribute funding to *Wellington: It's Our Fault*, a seven-year, \$3.6 million project aimed at better understanding the region's vulnerability to large earthquakes. The project began in 2006 and is led by GNS Science. It is assessing the likelihood and potential impacts of a large earthquake in the city.
- A summary of the Council's current state of resilience to natural hazards was outlined in a report to the Council in June. (See the feature on pxx.) The report highlighted the extensive steps that have been undertaken to date and further actions that can be taken.

What it cost

| What it cost | | | | |
|--|----------------|----------------|------------------|----------------|
| | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| Operating Expenditure (\$000) | | | | |
| 6.4.1 Earthquake Risk Mitigation ¹ | | | | |
| Expenditure | 506 | 667 | 161 | 563 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 506 | 667 | 161 | 563 |
| Capital Expenditure (\$000) | | | | |
| 6.4.1 Earthquake Risk Mitigation ² | | | | |
| Expenditure | 709 | 708 | (1) | 1,949 |
| Unspent portion of budget to be carried forward | N/A | 498 | | N/A |

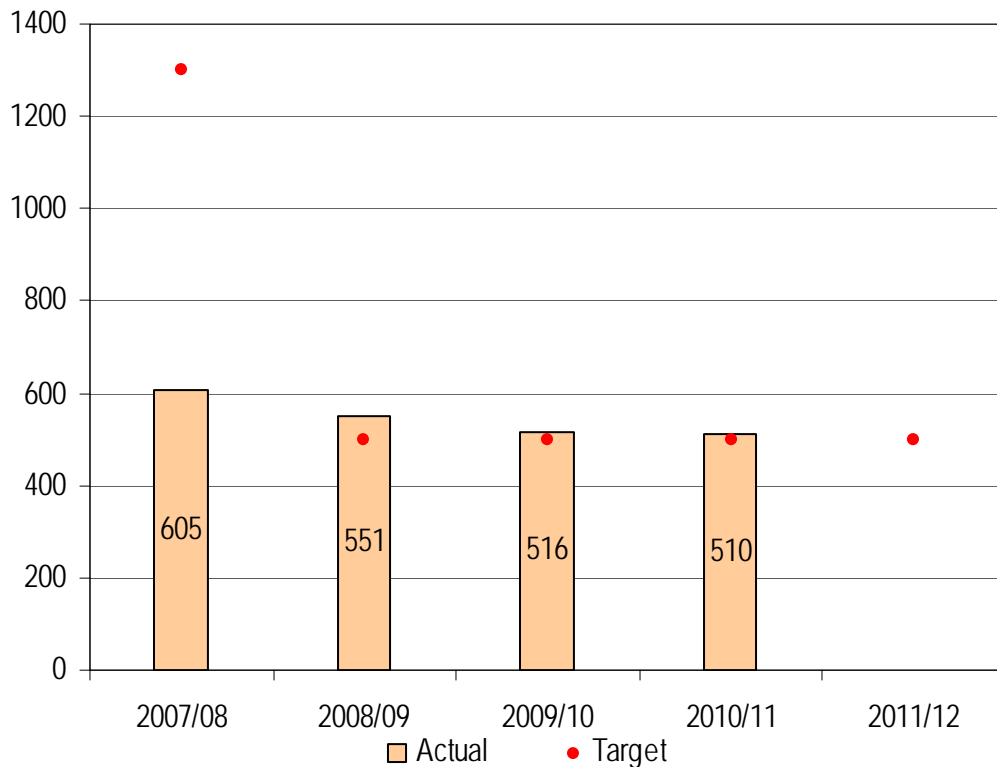
¹ The expenditure variance is due to a lower level of re-assessment work being required.

² Under budget due to work on the earthquake strengthening assessments for the Council offices and the Town Hall. Work to continue in 2011/12.

HOW WE PERFORMED

To protect the safety of Wellingtonians, we work to mitigate the potential impact of earthquakes. Progress is measured through the number of earthquake prone building assessments we've undertaken, and the proportion of notifications that are not challenged.

Potentially earthquake-prone buildings assessed (initial assessment)



Source: WCC Building Consents and Licensing Services.

Earthquake-prone building notifications (%) that are issued without successful challenge

Result: 100% – 79 notifications were issued and none were challenged (target: 95%).

Source: WCC Building Consents and Licensing Services.

6.5 PUBLIC SPACES DEVELOPMENT

Attractive open spaces and parks contribute to people's enjoyment of the city.

This activity includes:

- **Waterfront development** – We fund and oversee work to enhance the waterfront.
- **Public space and centre development** – We fund work to develop and upgrade street environments, urban parks, and other public areas in the city and suburbs.
- **Heritage development** – We work with owners and provide grants to support the upgrade of heritage buildings.

Public spaces provide places for people to get together, provide venues for recreation and entertainment events, support shops and cafes, make the city more attractive, and encourage civic pride.

Under this activity, we operate an 'anti-graffiti flying squad' which responds to complaints and removes graffiti from public places.

Heritage buildings contribute to the city's distinct identity and enhance its sense of place. Encouraging the upgrade of heritage buildings also contributes to public safety.

Waterfront development is managed by a Council-controlled organisation, Wellington Waterfront Ltd, in line with the Wellington Waterfront Framework.

Why it's important

Sensitive development of public squares and parks enhances people's enjoyment of the city and contributes to our civic pride and our 'sense of place'. The waterfront's public spaces bring people together and provide venues for a wide range of events and recreational opportunities. High-quality developments make the city a more attractive place to live, attract visitors and support business opportunities. In addition, the waterfront development is giving new life to many of the city's most prominent heritage buildings.

Heritage buildings contribute to the city's distinct identity and enhance its sense of place. Encouraging the upgrade of heritage buildings may also contribute to public safety.

Overall, our work in this activity aims to make the city more liveable and visually appealing. We also aim to improve public safety. Lighting and the free movement of people are important environmental design principles. Incorporating these in urban design can prevent crime and improve safety and the perception of safety.

Key projects

Public spaces

During the year:

- The upgrading of lower Cuba Street as a pedestrian priority shared space was completed in August 2011. The development provides a public space immediately adjacent to already established Cuba Mall and Manners Street.
- Drummond Street has been upgraded with new steps, planting and open spaces. This has helped create a safer, more attractive and more visible pedestrian connection from Tasman St to Adelaide Rd, which was identified as an opportunity in the Adelaide Road Framework.
- We completed designs for the upgrade of McMillan Court in Newlands. The upgrade will proceed in 2011/12 concurrently with the construction of a new supermarket. This will help bring vitality and visual appeal to the currently car-dominated space, and is one step towards implementing the Newlands Town Centre plan.
- Upgrades of Midland Park and Cobblestone Park in the central city were completed.

Waterfront

- Construction was completed for the Wharewaka (canoe house) and surrounds at Taranaki Wharf and the facility was opened at a dawn ceremony on Waitangi Day.

Heritage

- Provided heritage input for various projects within Council such as Point Dorset Reserve Management Plan and the Tapu te Ranga planting plan.
- Completed consultation with Thorndon community groups, culminating with the Thorndon Place-Based Study.
- Provided support to the owners of 18 heritage buildings to facilitate the upgrade of buildings through the Built heritage Incentive Fund.

What it cost

| What it cost | | | | |
|--|----------------|----------------|------------------|----------------|
| Operating Expenditure (\$000) | Actual 2011 | Budget 2011 | Variance 2011 | Actual 2010 |
| 6.5.1 Waterfront Development ¹ | | | | |
| Expenditure | 7,622 | 2,040 | (5,582) | 8,096 |
| Revenue | (241) | 0 | 241 | (3,233) |
| Net Expenditure | 7,381 | 2,040 | (5,341) | 4,863 |
| 6.5.2 Public Space and Centre Development | | | | |
| Expenditure | 1,357 | 1,291 | (66) | 1,241 |
| Revenue | (111) | 0 | 111 | (444) |

| | | | | |
|---|---------------|---------------|-----------------|---------------|
| Net Expenditure | 1,246 | 1,291 | 45 | 797 |
| 6.5.3 Built Heritage Development | | | | |
| Expenditure | 518 | 603 | 85 | 553 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 518 | 603 | 85 | 553 |
| | Actual | Budget | Variance | Actual |
| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 6.5.1 Waterfront Development ² | | | | |
| Expenditure | 2,200 | 4,156 | 1,956 | 4,400 |
| Unspent portion of budget to be carried forward | N/A | 1,344 | | N/A |
| 6.5.2 Public Space and Centre Development ³ | | | | |
| Expenditure | 4,269 | 3,464 | (805) | 1,915 |
| Unspent portion of budget to be carried forward | N/A | 518 | | N/A |
| 6.5.3 Built Heritage Development | | | | |
| Expenditure | 0 | 0 | 0 | 0 |

1 The expenditure variance is due to lower interest costs as a result of reduced capital funding for the Wellington Waterfront project.

2 Elements of the 10/11 waterfront development plan were not completed in the year.

3 Overspend relates to a Council approved decision to bring forward budget from 2011/12 relating to Lower Cuba Street upgrade.

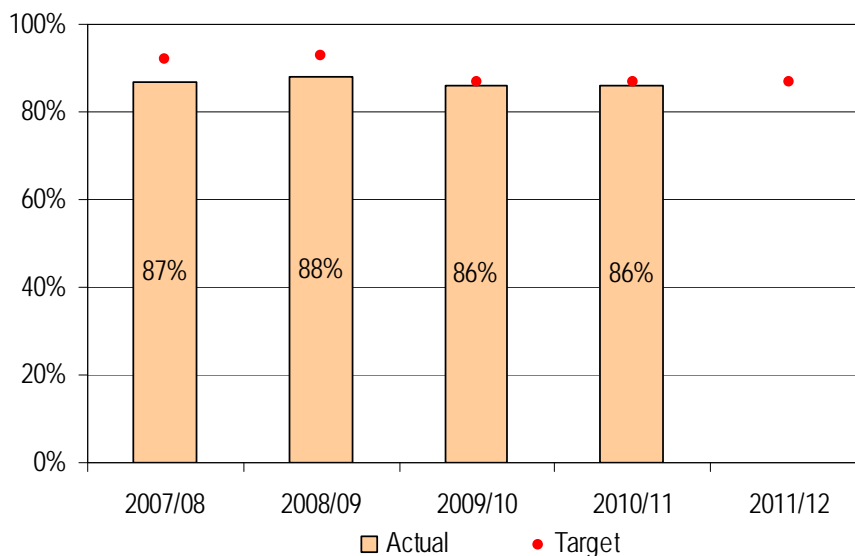
To be complete by August 2011.

Miramar Peninsula Framework to be continued in 2011/12.

This activity is funded through general rates.

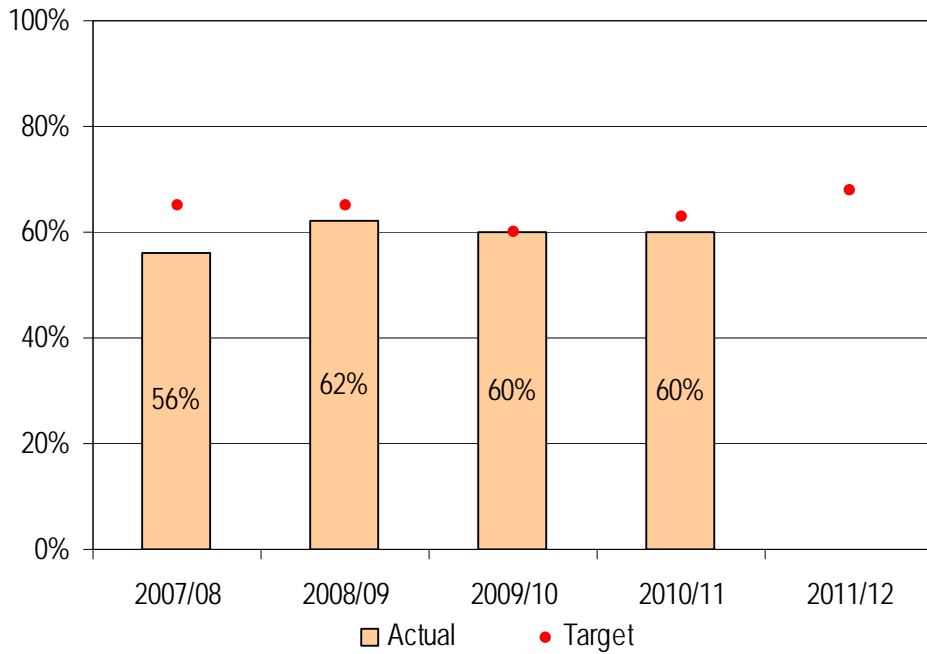
HOW WE PERFORMED

Residents' (%) agreement that the city centre is lively and attractive



Source: WCC Residents' Satisfaction Survey 2011

Residents' (%) agreement that their local suburban centre is lively and attractive



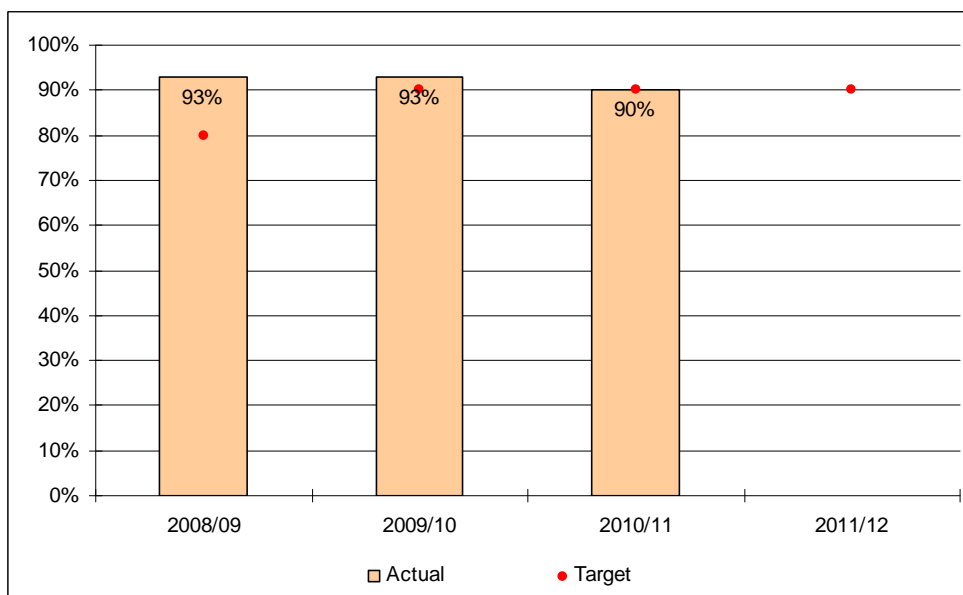
Source: WCC Residents' Satisfaction Survey 2011

Public space and centres development projects - scheduled work programme

Result: four key project (target :100% of scheduled projects) were completed during the year: a refresh of Midland Park; and of Cobblestone Park; the introduction of a shared space on lower Cuba Street; and the completion of new steps on Drummond St.

Source: WCC Urban design

Residents' (%) rating of their waterfront experience as good or very good



Source: WCC Residents' Satisfaction Survey 2011

District Plan listed items that are removed or demolished

No items were removed or demolished (target: no items).

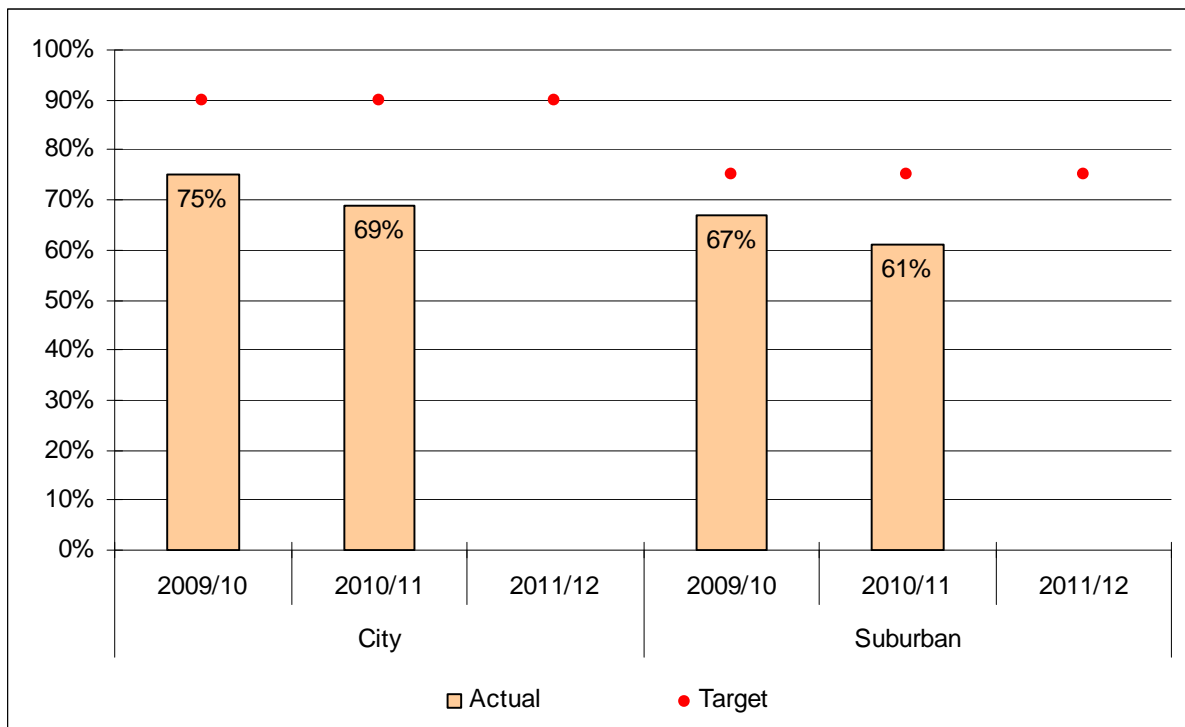
Source: WCC Urban Design and Heritage.

Heritage buildings (adaptive re-use) - heritage buildings that are granted resource consents for additions or alterations

Resource consents were granted for additions or alterations to 28 listed heritage buildings. There is no target for this performance measure.

Source: WCC Urban Design and Heritage.

Residents (%) who agree heritage items are appropriately valued and protected in central city and suburban areas



Through this activity, we work with building owners and provide grants to support upgrades of heritage buildings. We also preserve heritage through the District Plan, which protects listed heritage items and provides guidance on building design.

Source: WCC Residents' Satisfaction Survey 2011.

Transport

Connecting people and places

Challenges

- Congestion at peak times
- Lack of land to develop the transport network to meet increased demand
- Safety – particularly for pedestrians and cyclists
- Dominance of private motor vehicles vies a vie other transport options that are healthier, more sustainable, and more cost-effective.

Our strategic approach

- Ensure the transport network works as efficiently as possible
- Support all forms of transport while encouraging more sustainable and cost-effective transport options such as walking, cycling, and public transport
- Work with other agencies that are responsible for regional and national transport networks to support more sustainable and reliable transport options
- Provide infrastructure that supports different forms of transport – for example cycleways, footpaths, bus routes, motorbike stands.

In this section

- 7.1 Transport planning and policy
- 7.2 Transport networks
- 7.3 Parking

[Panel 2]

Outcomes

Our outcomes (i.e. what we working towards) for the city's transport network are:

- **MORE LIVEABLE:** Wellingtonians will have good access from homes to shops and places of work and recreation, priority walking routes to and within the central city, and access to parking.
- **BETTER CONNECTED/HEALTHIER:** The transport network allows people to move easily throughout the city using all forms of transport; and walking and cycling are promoted.
- **MORE SUSTAINABLE:** The transport system will operate to minimise environmental harm – by operating efficiently, providing viable alternatives to private cars, and reducing the need to travel.
- **SAFER:** The city will be safer for all transport users (cyclists and pedestrians as well as people in cars).
- **MORE PROSPEROUS:** The city's transport system will contribute to economic development.

How we're progressing

A representative sample of our outcomes indicators will be graphically presented here. The full set of these indicators is currently provided in the appendix: 'Monitoring Information'.

- Over 24 Million trips were taken on public buses last year – up 400,000 on the previous year.
- Car travel into the central city has been reducing for the past four years. It was 46% of trips in 2008 and is 28% in 2011.
- The total number of road crashes in Wellington resulting in injury has been trending down for the past four years – in 2007 is was 521. In 2010 it was 372.
- The amount of fuel used in Wellington last year was 1,934 litres/person – slightly less that the previous 2 years.
- The shortest and longest times (in minutes) it takes to commute into the city by car are:

| | |
|--------------|------------|
| Miramar | 9.0 - 19.0 |
| Karori | 8.0 - 20.0 |
| Island Bay | 8.0 - 16.0 |
| Johnsonville | 7.0 - 24.0 |

Feature

A single public transport 'spine' for the central city

After two years of planning and consultation, and almost six months of construction, a shorter, better defined, and more direct Golden Mile bus route opened in November 2010.

The new route restored Wellington's original Golden Mile, with two-way public transport along Lambton Quay, Willis and Manners Streets, and Courtenay Place. It replaced a split route, with many twists and turns, that had been used since Manners Mall was closed to traffic in 1979.

Supporting walking and public transport

The Council's transport strategy aims to provide for all modes of transport while encouraging more use of public transport, cycling and walking to help reduce congestion, energy use and climate change.

'Most of us use a mix of transport,' says Councillor Andy Foster, the Council's Transport Portfolio Leader. 'Lots of us walk, an increasing number of us cycle, we use public transport more than any other Australasian city, and people still want to be able to access the city centre by car at times. The Golden Mile changes have been carefully planned to take all of those things into account.'

The new bus route is better defined, shorter and more direct than the old one, and provides for dedicated bus lanes throughout much of the Golden Mile during the day, making public transport more reliable and efficient.

Initial results indicate that north-bound buses have become more reliable and that travel times have fallen by an average 14 percent in the key evening peak time. Travel times have also become less variable.

Broad footpaths, improved street furniture and signage, and a new shared public space on lower Cuba Street (see below) provide for pedestrians. A survey has found that foot traffic along Manners Street has returned to 2009 levels.

Minimising disruption

Construction of the new bus route began in June 2010.

Poor weather caused some initial delays, and construction of the new road along Manners Street also proved more challenging than anticipated after it was discovered that the concrete beneath Manners Mall was not sufficiently deep and strong to support a roadway. But these challenges were negotiated, and the new roadway was completed in time for a scheduled opening on 28 November.

During construction, the Council and its contractors went to considerable effort to minimise disruption to pedestrians, retailers and transport users from noise and temporary detours and changes to bus routes.

The Council took steps to keep everyone informed during construction, and thanked all those affected by the construction for their patience.

A new shared public space

In early 2011, work began on a shared pedestrian and transport space in lower Cuba Street. This new space is greener, with the planting of 36 trees, along with native plants and grasses.

Though it is open to vehicles and provides some parking, pedestrians have priority with a speed limit of 10kph in place. Planting and new seating determine where vehicles can and can't go.

The area is designed so it can be closed to traffic for events such as Cuba Carnival.

Encouraging pedestrian safety

The changes were expected to provide a challenge for safety as people used to one-way traffic along Manners Street adjusted to the new two-way route. The Council sought to address this by encouraging pedestrians not to jaywalk, and to look both ways before crossing.

These messages were reinforced in several ways. 'Look both ways' signs were painted on kerbsides; pedestrian safety posters were put up, and flyers were handed out along streets and delivered to businesses along the route; and people were stationed at intersections to help people adjust to the new route.

In spite of these measures, several accidents occurred during the first few months after the route opened and in June, a woman died when struck by a southbound bus while walking across Willis St. I.

A taskforce involving Council safety staff, Police, ACC, NZTA and NZ Bus has been established to carry out a rigorous safety analysis of the Golden Mile from the railway station through to Courtenay Place, to identify measures which can be used to reduce the incidence and severity of crashes – in particular those involving pedestrians and buses.

Pedestrian safety is an issue throughout the central city, to a significant extent because of people not using designated crossing points.

7.1 TRANSPORT PLANNING

We aim to have a well-planned, efficient transport system that allows for the easy movement of people and goods to and through the city.

We also aim to support a range of transport options, while encouraging more sustainable alternatives to private cars, such as walking, cycling and public transport.

We work closely with the Greater Wellington Regional Council, which has overall responsibility for regional land transport planning, and with the New Zealand Transport Agency which funds transport projects using revenue from fuel taxes and other transport-related levies.

Through this activity, we develop policies and plans for management of the transport network. This includes: developing and implementing initiatives to ease congestion and make the transport network more efficient; and undertaking detailed traffic modelling and planning work.

Why it's important

Transport is one of the key issues facing any city. A well-planned transport system is critical for economic growth and for quality of life. The transport system influences where people choose to live, how easily they can get to and from work and shops, and how easily they can enjoy what the city has to offer. A network that allows easy movement of people and goods is vital for business and a significant competitive advantage. And one that encourages energy efficient forms of transport has significant environmental benefits.

Key projects

During the year:

- The Golden Mile upgrade project to improve bus priority was substantially completed (see 'feature' page XXX). The new bus lanes along Manners Street became operational in November 2010 and work to convert lower Cuba Street into a pedestrian shared space has been largely completed. We will continue to monitor and make refinements to the traffic flows along this new route.
- We continued to work with NZTA on Roads of National Significance projects including Transmission Gully, Basin Reserve, and Memorial Park.

What it cost

| What it cost | | | | |
|--------------------------------------|--------|--------|----------|--------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 7.1.1 Transport Planning Expenditure | 751 | 860 | 109 | 834 |
| Revenue | (131) | (221) | (90) | (314) |
| Net Expenditure | 620 | 639 | 19 | 520 |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 7.1.1 Transport Planning Expenditure | 0 | 0 | 0 | 0 |

HOW WE PERFORMED

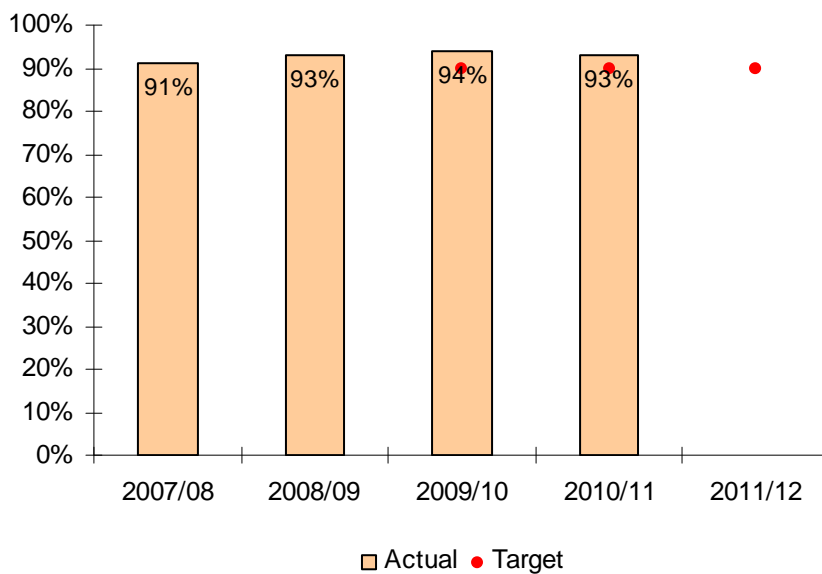
We aim for a sustainable, safe and efficient transport system. We assess efficiency and sustainability by measuring the proportion of residents who walk, cycle or use buses for transport; and by measuring resident satisfaction with the city as a place to move around on foot and in cars. We assess safety by asking for residents' views of common transport safety issues (road casualties are covered in section 7.2).

Residents' (%) agreement that the city allows easy movement for vehicles

Result: 60% (target: 70%).

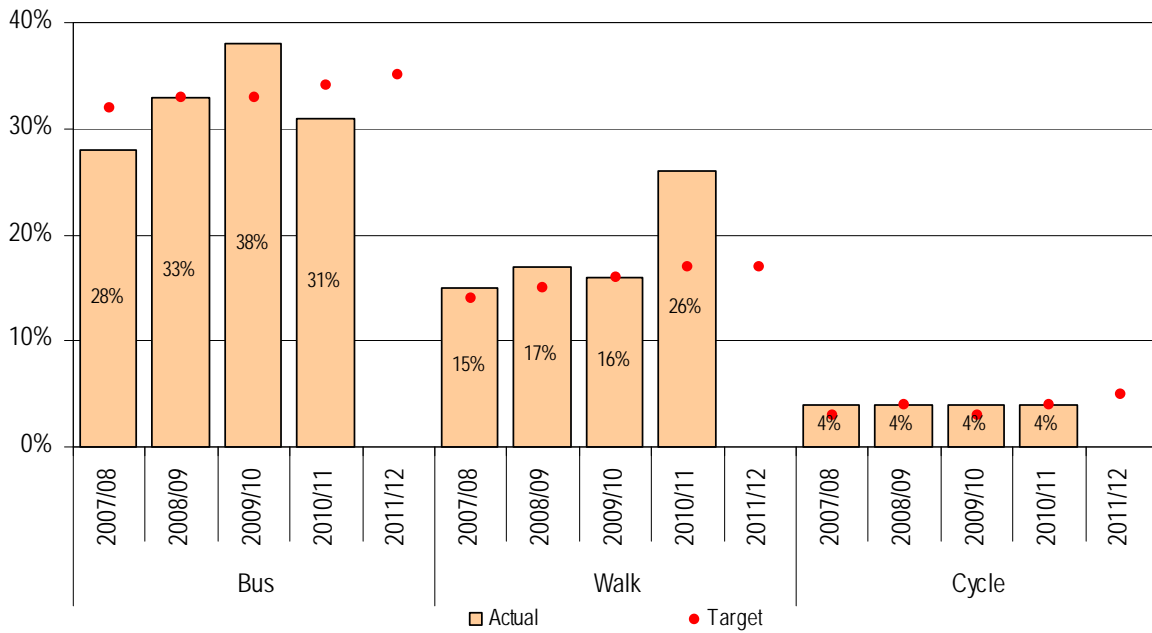
Source: WCC Residents' Satisfaction Survey 2011.

Residents' (%) agreement that the city allows easy movement for pedestrians



Source: WCC Residents' Satisfaction Survey 2011

Residents (%) who bus, cycle or walk into the central city on weekdays



Note: The above chart presents residents’ **main** modes of travel into the central city.

We are noticing an upward trend in the number of residents entering the CBD by walking, with a corresponding drop in those taking the bus.

Source: WCC Residents’ Satisfaction Survey 2011

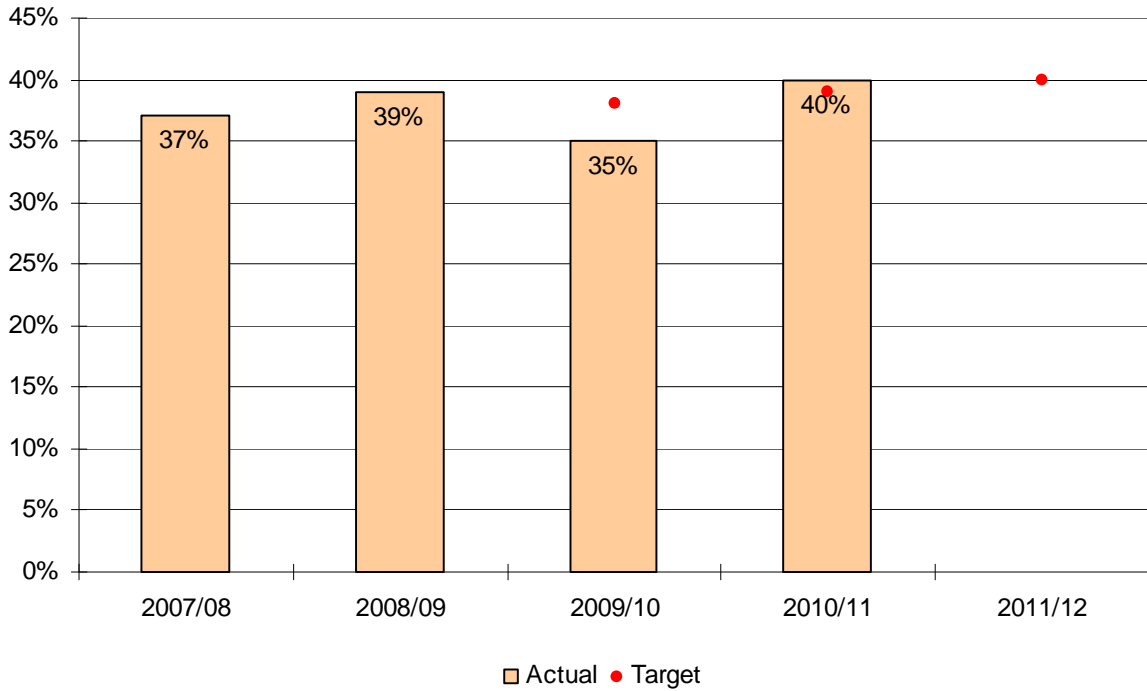
Cyclists and pedestrians entering the CBD (weekdays)

Result: 700 cyclists (target: 822); 4470 pedestrians (target: 5,200). Note that these targets are to increase on 2009/10 levels.

Surveys were undertaken from 28 February to 4 March 2011, between 7am and 9am. The results are based on the average number of pedestrians and cyclists entering the city *per hour*. This year, the result was affected by poor weather during the survey week.

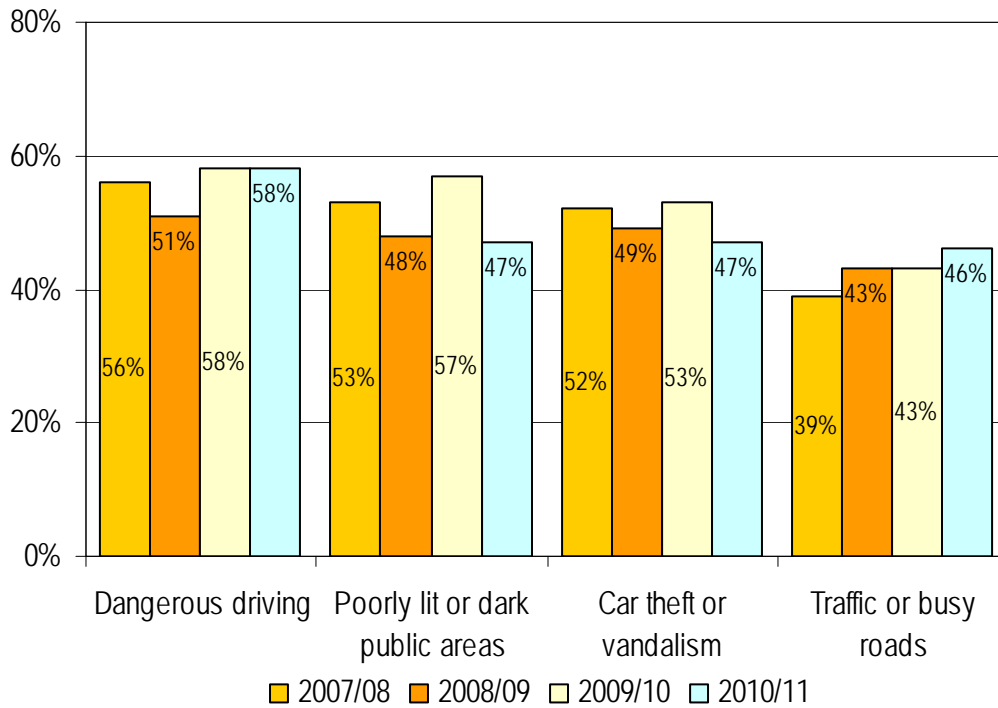
Source: WCC Infrastructure

School children (%) who walk to and from school daily



Source: WCC Residents' Satisfaction Survey 2011

Residents' (%) perceptions of transport safety issues



Source: WCC Residents' Satisfaction Survey 2011

7.2 TRANSPORT NETWORKS

We aim to manage and maintain the city's transport network so it is safe, efficient and sustainable.

This activity includes:

- **Ports access** – We make improvements to the area around the port and along Waterloo and Aotea Quays to ensure traffic flows smoothly in this important 'gateway' to the city.
 - **Vehicle network** – We manage a network that includes more than 670km of urban and rural roads, as well as 74 bridges, four tunnels, and more than 2,400 retaining walls and sea walls.
 - **Passenger transport network** – We support public transport through bus priority measures such as bus lanes and traffic signals that allow buses to go first. We also provide bus stops and bus shelters throughout the city, and park-and-ride areas.
 - **Network-wide control and management** – We run a traffic control system that includes over 100 sets of traffic lights, 16 closed circuit television camera systems, and a central traffic computer system. The system is run with the aim of ensuring smooth traffic flows.
 - **Cycle network** – We manage the city's 24km network of cycleways, about half of which is dedicated cycleways and the rest is shared pedestrian/cycle paths.
 - **Pedestrian network** – We manage over 980km of footpaths, as well as steps, accessways, subways, and pedestrian malls.
- Road safety** – We work with communities to improve road safety through education, enforcement, and installing physical controls such as roundabouts, traffic islands, pedestrian crossings, and other features such as speed limits that slow traffic or protect pedestrians.

Why its important

An efficient and safe vehicle network is important for the city's economy and for residents' quality of life. It is also important for the environment. An inefficient transport network that is congested results in cars spending more time in transit consuming fuel and emitting carbon monoxide – a negative consequence of the roading network that we are seeking to minimise.

We provide cycling and walking networks to encourage alternative options to the private motor vehicle for commuting. These are environmentally sustainable, and enhance the city's 'connectedness' and 'liveability' by reducing traffic congestion and making travel a form of recreation. It's also good for the health of individual cyclists and walkers.

Our work to enhance the public transport network through implementing bus priority measures makes the network more efficient, helps reduce congestion, makes the city more sustainable, and provides a cost-effective option for people to move to and through the city.

Key projects

During the year:

Transport infrastructure

- We started the upgrade of Waterloo Quay. The section of road between Kings Wharf and Aotea Quay is being improved as the main access to the city and port. The railway realignment has been completed so that the railway lines are now further away from the road and closer to CentrePort, with safety features added to the rails to improve cyclist safety. A new footpath with pedestrian canopies has been constructed from the overseas passenger terminal into the city past the log yard. The road past the Westpac Stadium is being resealed.
- We completed construction of the Hopper Street service lane.
- We constructed 34 new walls and continued with the strengthening of Ngaio Gorge Road walls to ensure that the route is less prone to earthquake risk.
- We completed the replacement of the bearings under the Box Hill overbridge in Khandallah and undertook a risk assessment and developed improvement plans to strengthen the Karori Tunnel portal.
- We completed six flood mitigation projects, and started planning for another nine.
- We completed the resurfacing of the Kelburn Viaduct and started with the repair and strengthening of the Aotea Quay overbridge.
- 64km of road was resurfaced.

Public transport

- With the Greater Wellington Regional Council, we facilitated the introduction of providing real-time public transport information through the Council's traffic signal system.
- We established a new bus lane monitoring and enforcement unit. Warranted by the NZ Commissioner of Police, the team's focus is to use engineering, education and (as a last resort) enforcement in order to reduce bus lane offending at problem locations.

Cycleways

- We secured funding from the New Zealand Transport Agency for the creation of an extensive shared walkway and cycle path through Tawa. Stage 1 of this project (from Duncan St to Redwood Station) has been completed.
- We began to put in place 'advanced stop' boxes for cyclists at intersections throughout the city to improve safety, and we completed a cycle safety project at the Spotlight driveway on the Hutt Road at Kaiwharawhara.

Safety

- Handrails throughout the city were upgraded to comply with the new Building Act, and we trialled the use of street furniture made of recyclable plastic.
- Lower speed limits were introduced within the CBD and suburban centres, and intersection improvements, roundabouts, and pedestrian crossings were put in place at locations where there were safety concerns.

- The Council continued to work with schools and Greater Wellington to implement school travel plans promoting safer and more sustainable travel to and from school.
- We continued education work around child restraints, cycle safety, pedestrian safety, motorcycle safety, and intersection safety, and held the annual 'Orange Day' parade for children who run school patrols.

What it cost

| What it cost | | | | |
|---|---------------|---------------|-----------------|---------------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 7.2.1 Ports access | | | | |
| Expenditure | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Net Expenditure | 0 | 0 | 0 | 0 |
| 7.2.2 Vehicle Network ¹ | | | | |
| Expenditure | 20,620 | 20,932 | 312 | 19,738 |
| Revenue | (3,190) | (962) | 2,228 | (6,616) |
| Net Expenditure | 17,430 | 19,970 | 2,540 | 13,122 |
| 7.2.3 Passenger Transport Network ² | | | | |
| Expenditure | 1,110 | 1,228 | 118 | 1,405 |
| Revenue | (874) | (813) | 61 | (948) |
| Net Expenditure | 236 | 415 | 179 | 457 |
| 7.2.4 Network-Wide Control and Management | | | | |
| Expenditure | 5,560 | 5,671 | 111 | 5,052 |
| Revenue | (1,730) | (1,810) | (80) | (1,794) |
| Net Expenditure | 3,830 | 3,861 | 31 | 3,258 |
| 7.2.5 Cycle Network | | | | |
| Expenditure | 52 | 67 | 15 | 48 |
| Revenue | (3) | (6) | (3) | (10) |
| Net Expenditure | 49 | 61 | 12 | 38 |
| 7.2.6 Pedestrian Network | | | | |
| Expenditure | 4,893 | 5,067 | 174 | 4,762 |
| Revenue | (37) | (38) | (1) | (80) |
| Net Expenditure | 4,856 | 5,029 | 173 | 4,682 |
| 7.2.7 Road Safety | | | | |
| Expenditure | 4,827 | 4,835 | 8 | 4,722 |
| Revenue | (1,410) | (1,265) | 145 | (1,360) |
| Net Expenditure | 3,417 | 3,570 | 153 | 3,362 |
| | Actual | Budget | Variance | Actual |
| Capital Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 7.2.1 Ports access ³ | | | | |
| Expenditure | 5,036 | 4,580 | (456) | 0 |
| 7.2.2 Vehicle Network ⁴ | | | | |
| Expenditure | 20,332 | 20,895 | 563 | 19,128 |
| Unspent portion of budget to be carried forward | N/A | 6,458 | | N/A |
| 7.2.3 Passenger Transport Network ⁵ | | | | |

| | | | | |
|--|-------|-------|-------|-------|
| Expenditure | 4,837 | 4,065 | (772) | 1,582 |
| Unspent portion of budget to be carried forward | N/A | 1,011 | | N/A |
| 7.2.4 Network-Wide Control and Management | | | | |
| Expenditure | 2,499 | 2,549 | 50 | 2,108 |
| 7.2.5 Cycle Network | | | | |
| Expenditure | 727 | 726 | (1) | 117 |
| Unspent portion of budget to be carried forward | N/A | 85 | | N/A |
| 7.2.6 Pedestrian Network | | | | |
| Expenditure | 4,491 | 4,490 | (1) | 4,784 |
| 7.2.7 Road Safety | | | | |
| Expenditure | 2,781 | 2,690 | (91) | 2,740 |

1 The revenue variance is due to the recognition of unbudgeted vested asset income. The expenditure variance is due to lower interest rate costs.

2 The expenditure variance is due to the purchase of Lambton Quay Interchange building resulting in rental savings.

3 Over budget due to bridging works to protect sewer pump station as a result of a rail alignment during the construction of the pedestrian walkway at Waterloo Quay.

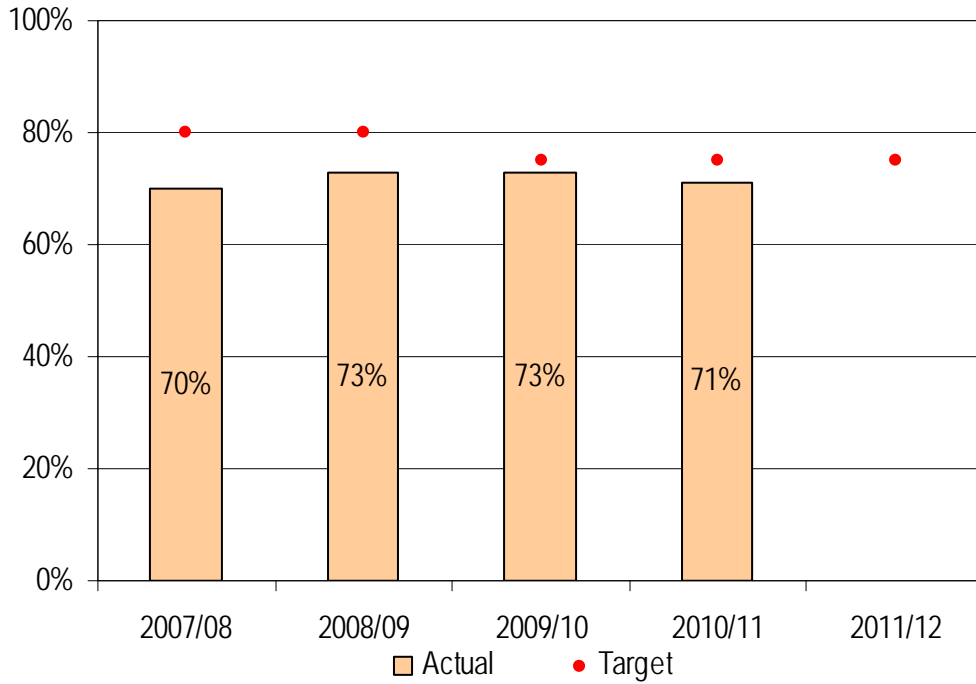
4 Under budget due to the Westchester Drive link project delayed as a result of longer contract tendering process. Work to continue in 2011/12. The Adelaide Road widening has been delayed with negotiation with property owners ongoing. Work to continue in 2011/12.

5 Manners Mall bus waiting lounge pending final negotiations with the developer.

HOW WE PERFORMED

We want to ensure Wellington's transport network is efficient, convenient, reliable and safe. We assess performance by recording the rate of road casualties occurring on Wellington and by measuring: residents' satisfaction with our transport infrastructure/services; performance against international standards; service provision; asset condition; and peak travel times..

Residents' (%) condition rating of roads (good and very good)



Source: WCC Residents' Satisfaction Survey 2011.

Residents' (%) condition rating of footpaths

Result: 76% rate footpaths as good or very good (target: 75%; 2009/10 result: 79%).

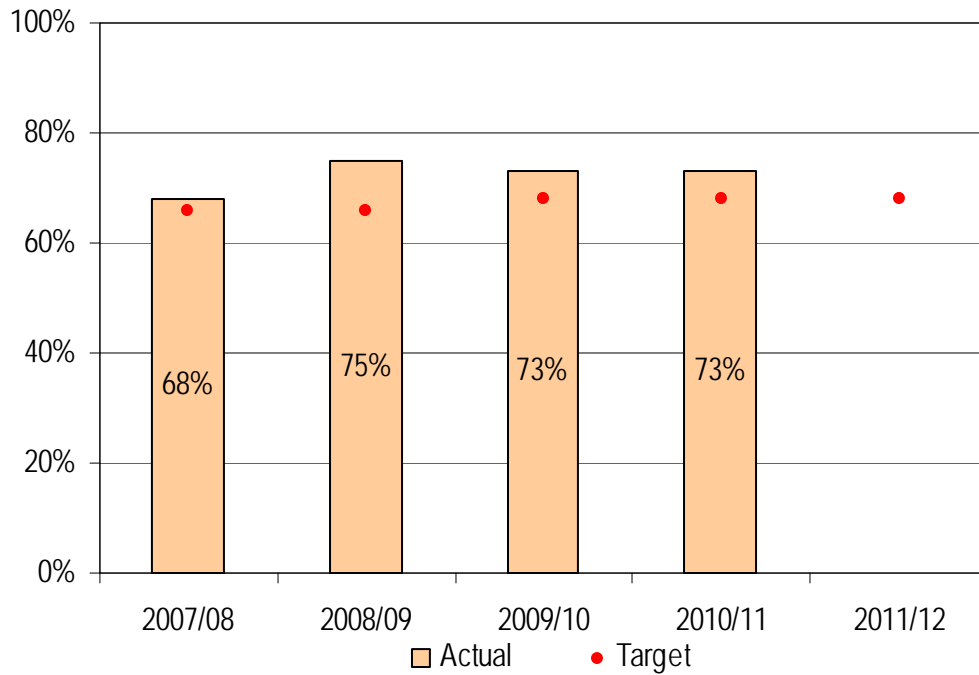
Source: WCC Residents' Satisfaction Survey 2011.

Requests for service

Result: we responded to 100% of urgent requests for service within two hours (target: 100%) and 100% of non-urgent requests for service within 15 days (target: 100%).

Source: WCC Infrastructure

Smoothness of roads (% of kilometres travelled on smooth roads) – NAASRA standards



Most roads are sealed with chipseal, which is flexible and provides a good quality surface. Asphalt is quieter and smoother but more expensive, and is used in shopping areas and other areas where traffic volumes are heavy.

Road smoothness is assessed using criteria from the National Association of Australian State Road Authorities (NAASRA).

The above figures include smoothness ratings for both rural and urban roads within Wellington city.

Source: WCC Infrastructure

Street (footpath) pavement condition rating – % compliant with WCC standards

97% (Target 97%)

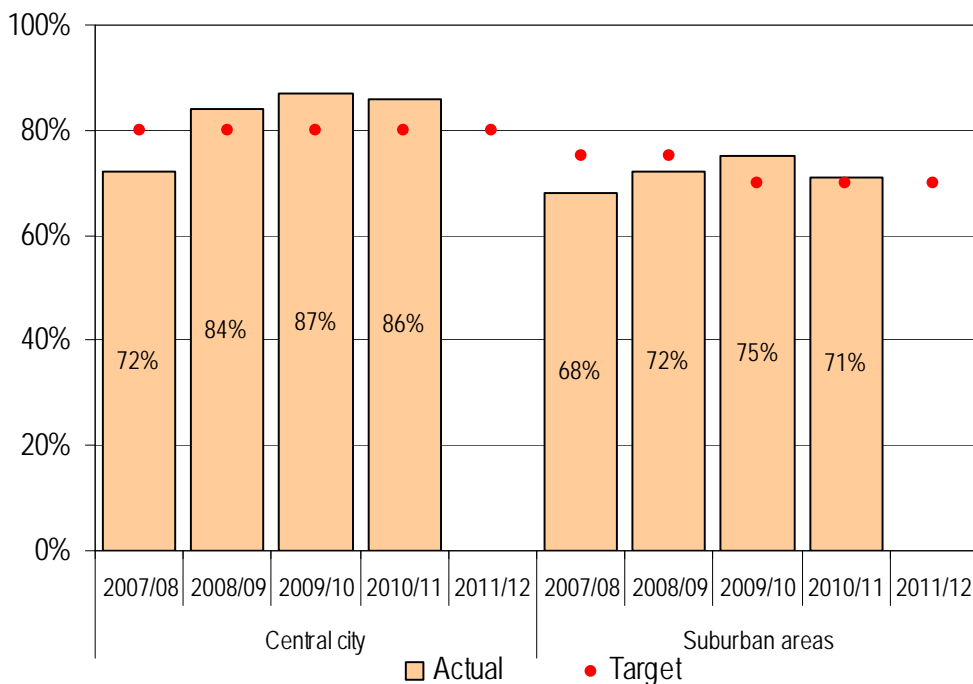
Source: WCC Infrastructure

Street lighting – % compliant with national standards

Result: 93% of lights comply (target: 100%).

Source: WCC Infrastructure

Residents' (%) satisfaction with street lighting in the central city and suburbs



Source: WCC Residents' Satisfaction Survey 2011

Cycleways – user (%) satisfaction

Result: 60% of users were satisfied with maintenance of cycleways (target: 70%; 2009/10 result: 49%) and 40% were satisfied with safety (target: 51%; 2009/10 result: 35%).

Source: WCC Residents' Satisfaction Survey 2011

Road casualties (per 10,000 population)

| | Target | 2008/09 | 2009/10 | 2010/11 |
|-------------|-----------|---------|---------|---------|
| Vehicles | Reduction | 22.8 | 19.4 | 15.2 |
| Pedestrians | Reduction | 4.9 | 3.5 | 4 |
| Cyclists | Reduction | 4.8 | 3.7 | 3.3 |

Source: NZ Transport Agency

Peak travel times between CBD and suburbs

Target is to maintain or improve on these times.

| Location | Peak Travel Time Range (minutes) | | | |
|----------|----------------------------------|------------|------------|------------|
| | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Miramar | 7.5 - 24.5 | 8.0 - 28.0 | 8.5 - 19.0 | 9.0 - 19.0 |
| Karori | 9.0 - 22.0 | 8.5 - 22.0 | 8.0 - 23.0 | 8.0 - 20.0 |

| | | | | |
|--------------|------------|------------|------------|------------|
| Island Bay | 7.5 - 14.5 | 8.0 - 16.5 | 8.0 - 16.5 | 8.0 - 16.0 |
| Johnsonville | 7.0 - 16.0 | 7.0 - 21.0 | 6.5 - 22.0 | 7.0 - 24.0 |

Source: WCC Infrastructure

Residents' (%) perceptions that WCC transport network provides good value for money

Result: 70% of residents agree the Council transport network provides good value for money (target: 90%; (2009/10 result: 72%).

Source: WCC Residents' Satisfaction Survey 2011

Ports access

Result: Improvement works on Waterloo Quay between Kings Wharf and Aotea were substantially completed this year. Planning and design for the next stage of the project is under way (target: complete planning and design).

Source: WCC Infrastructure

Walls – condition rating (%)

Result: 92% of walls are rated '3' or better – '1' being very good and '5' very bad (target: 62%).

This target was based on previous data. Since the target was set, substantial work has been undertaken to raise the standard of several condition '4' walls to condition '3'.

Source: WCC Infrastructure

7.3 PARKING

The provision of car parks – which are used by shoppers, businesses, visitors, and people working in the city – helps to keep the city vibrant and prosperous.

Through this activity, we provide on-street parking spaces in the central city, and off-street parking at Clifton Terrace, the Michael Fowler Centre, and beneath Civic Square. We also regulate coupon parking zones and resident parking in inner city suburbs.

We regulate and enforce parking times and impose fees to encourage regular park turnover.

Parking network assets, such as pay-and-display machines, are managed under our Transportation, Traffic and Road Asset Management Plan, which is available on our website www.Wellington.govt.nz.

Why its important

Central city car and motorbike parking is important for shoppers, people working in the city, visitors to the city, and people coming in to the city for recreational activities. It is also necessary to allow for goods to be picked up and delivered throughout the city. The provision of car parking helps make Wellington a liveable, prosperous city.

Key projects

- Sunday parking time limits were introduced in the central city from 1 March 2011. This has resulted in an increase in turnover of spaces on Sundays, indicating that more people are now able to access the CBD for shopping and other activities.
- Education and enforcement of motorcycle parking continued with a marked improvement in compliance.
- A warden was introduced to target short-duration offending in high risk areas that typically leads to road safety issues, particularly for cyclists and pedestrians.
- A new payment method called Phone 2 Park was introduced. This enables people to pay parking fees by sending a text message from their car. They also receive text reminders when their parking time is about to expire, and can remotely extend the time paid for. Phone 2 Park is easier to use for those with impaired mobility.
- We provided parking bays that created additional on-street parking spaces around town centres and sports fields that had significant changes to their environment.

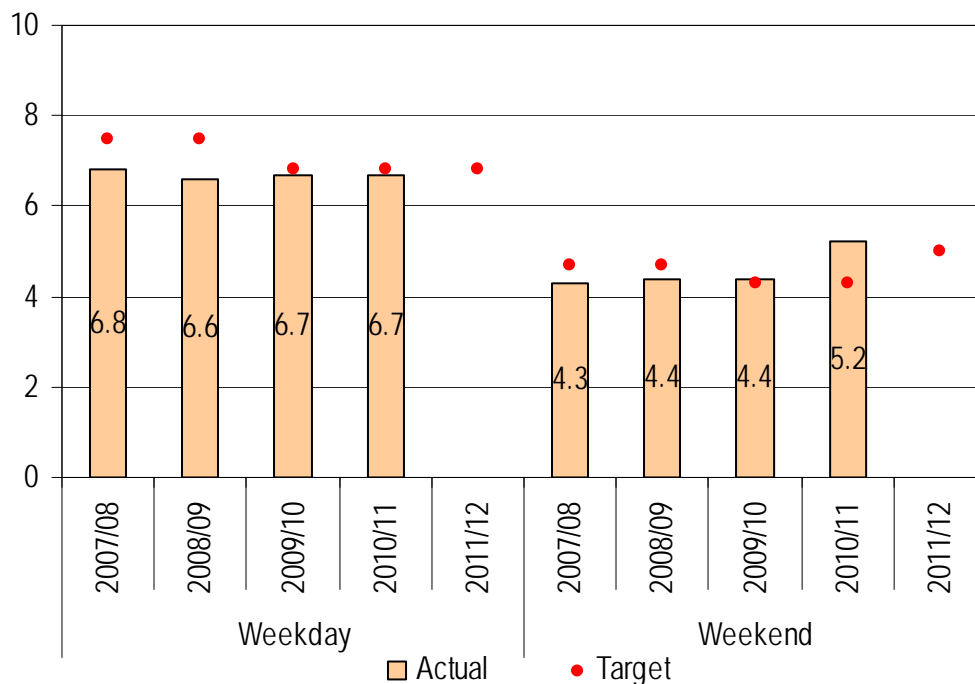
What it cost

| What it cost | | | | |
|-------------------------------|----------|----------|----------|----------|
| | Actual | Budget | Variance | Actual |
| Operating Expenditure (\$000) | 2011 | 2011 | 2011 | 2010 |
| 7.3.1 Car Parking Expenditure | 10,774 | 11,580 | 806 | 11,038 |
| Revenue | (25,798) | (27,014) | (1,216) | (25,510) |
| Net Expenditure | (15,024) | (15,434) | (410) | (14,472) |
| Capital Expenditure (\$000) | Actual | Budget | Variance | Actual |
| | 2011 | 2011 | 2011 | 2010 |
| 7.3.1 Car Parking Expenditure | 272 | 269 | (3) | 283 |

HOW WE PERFORMED

To ensure people can access the central city and its amenities, we provide convenient on-street parking throughout the central city. We monitor this by measuring daily parking turnover rates and compliance with parking regulations.

Central city on-street daily parking turnover rates



Since Sunday time restrictions were introduced, weekend turnover rates have increased significantly. This has had the effect of making the central city more accessible to more vehicles in the weekend.

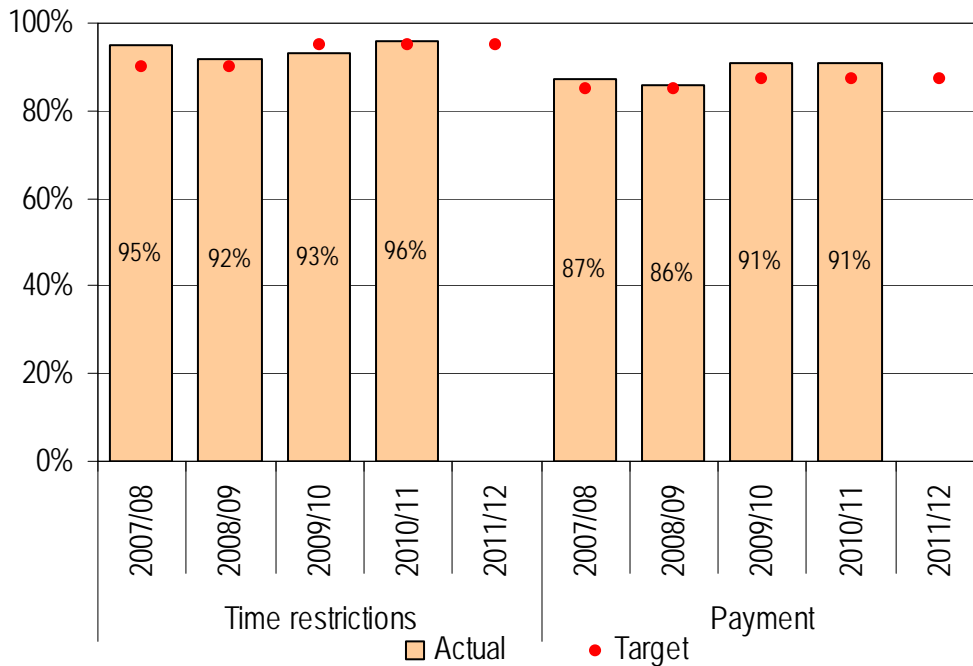
Source: WCC Infrastructure

On-street car parking – average occupancy (%)

Result: 76% (target: 75%).

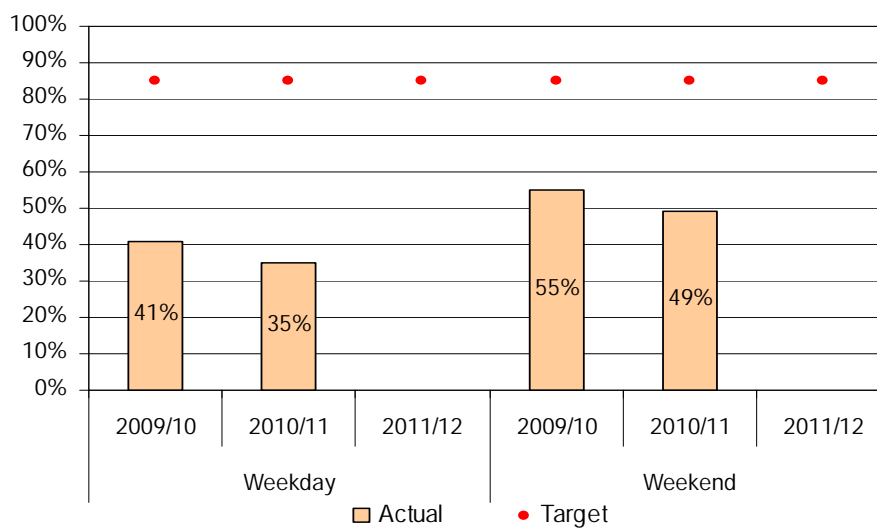
Source: WCC Infrastructure

Compliance with parking time restrictions and payment



Source: WCC Infrastructure

Residents' (%) satisfaction with the availability of car parks



Source: WCC Residents' Satisfaction Survey 2011

Wellington City Council and Group

Financial Statements

For the year ended 30 June 2011

Contents

| | |
|---|----------------|
| Statement of Compliance and Responsibility | Page xx |
| Statement of Comprehensive Financial Performance | Page xx |
| Statement of Changes in Equity | Page xx |
| Statement of Financial Position | Page xx |
| Statement of Cash Flows | Page xx |
| Notes forming part of the financial statements | Page xx |

Statement of Compliance and Responsibility

Compliance

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, have been complied with.

Responsibility

The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the annual financial statements for the year ended 30 June 2011 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.

Celia Wade-Brown
Mayor
31 August 2011

Garry Poole
Chief Executive
31 August 2011

Peter Garty
Chief Financial Officer
31 August 2011

Statement of Comprehensive Financial Performance

For the year ended 30 June 2011

| | Note | Council | | | Group ¹ | |
|---|------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Actual 2011 \$000 | Budget 2011 \$000 | Actual 2010 \$000 | Actual 2011 \$000 | Actual 2010 \$000 |
| INCOME | | | | | | |
| Revenue from rates | 1 | 222,612 | 221,987 | 213,489 | 222,612 | 213,489 |
| Revenue from operating activities | 2 | 162,270 | 161,819 | 135,566 | 182,427 | 153,692 |
| Revenue from investments | 3 | 22,513 | 14,849 | 29,808 | 13,452 | 14,269 |
| Total Revenue | | 407,395 | 398,655 | 378,863 | 418,491 | 381,450 |
| Other income | 4 | 7,003 | 1,165 | 17,711 | 7,003 | 17,711 |
| Finance income | 5 | 1,688 | 465 | 2,015 | 1,978 | 2,273 |
| TOTAL INCOME | | 416,086 | 400,285 | 398,589 | 427,472 | 401,434 |
| EXPENSE | | | | | | |
| Finance expense | 5 | (19,872) | (21,569) | (18,410) | (19,913) | (18,467) |
| Expenditure on operating activities | 6 | (289,118) | (252,744) | (264,331) | (306,920) | (281,246) |
| Depreciation and amortisation | 7 | (80,576) | (76,983) | (77,703) | (81,993) | (79,127) |
| Fair value movement on related party loans | 13 | - | - | (2,410) | - | (2,410) |
| Fair value movement on investment property revaluation | 17 | (10,473) | - | (5,405) | (10,473) | (5,405) |
| TOTAL EXPENSE | | (400,039) | (351,296) | (368,259) | (419,299) | (386,655) |
| TOTAL OPERATING SURPLUS | | 16,047 | 48,989 | 30,330 | 8,173 | 14,779 |
| Share of equity accounted surplus/(deficit) from associates | 41 | - | - | - | 491 | 8,783 |
| NET SURPLUS BEFORE TAXATION | | 16,047 | 48,989 | 30,330 | 8,664 | 23,562 |
| Income tax expense | 8 | - | - | - | (444) | (17) |
| NET SURPLUS for the year | | 16,047 | 48,989 | 30,330 | 8,220 | 23,545 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Revaluations: | | | | | | |
| Fair value movement - property, plant and equipment - net | 25 | 252,408 | 152,382 | - | 254,281 | - |
| Impairment | 25 | (257) | - | (234) | (257) | (234) |
| Cash flow hedges: | | | | | | |
| Fair value movement - net | 26 | (4,440) | - | (5,058) | (4,440) | (5,058) |
| Reclassification to finance income | 26 | (268) | - | (268) | (268) | (268) |
| Fair value through other comprehensive income: | | | | | | |
| Fair value movement - financial assets - net | 27 | (332) | - | 1,080 | (332) | 1,080 |
| Share of other comprehensive income of associates: | | | | | | |
| Reclassification to share of equity accounted surplus | 26 | - | - | - | 1,429 | 1,461 |
| Effect of changed shareholding - Chaffers Marina Holdings Limited | 25 | - | - | - | 87 | - |
| TOTAL OTHER COMPREHENSIVE INCOME | | 247,111 | 152,382 | (4,480) | 250,500 | (3,019) |
| TOTAL COMPREHENSIVE INCOME for the year | | 263,158 | 201,371 | 25,850 | 258,720 | 20,526 |

1. The Group includes the Council, the subsidiaries disclosed in Note 40, and the Council's interest in the associates disclosed in Note 41. A structural diagram of the Group is shown in Note 38.

The notes on pages XX to XX form part of and should be read in conjunction with these financial statements.

Explanation of Net Surplus

The Council has recorded a net surplus for the year of \$16,047 compared to a budgeted surplus of \$48,989m. The underlying financial performance outlined below shows a variance for the year of -\$24.386m after the exclusion of fair value movements and other items that cannot be used to fund operating expenditure.

| | \$000 |
|--|-----------------|
| Reported Council surplus | 16,047 |
| <i>Adjusted by:</i> | |
| Fair value movements | 10,095 |
| Additional net expenditure from Wellington Waterfront and Venues projects and Porirua joint ventures | 1,284 |
| Vested assets - net | (3,066) |
| (Gain) or loss on disposal of property, plant and equipment - net | 304 |
| Other changes | (61) |
| Adjusted surplus | 24,603 |
| Council budgeted surplus | 48,989 |
| Underlying variance | (24,386) |

Budgeted surplus

The Council has budgeted for a surplus of \$48,989m in the 2010/11 Annual Plan. The majority of this surplus represents funding received from the Crown for the housing upgrade (\$36,690m). As this income is received for specific capital projects, it cannot be used to offset rates.

Significant variances to the budgeted surplus are as follows:

Fair value movements

These amounts are non-cash, and reflect changes in the fair value of our investment properties, loans to related parties and interest rate swaps (shown in Note 5: Finance income and expense). In accordance with NZ International Financial Reporting Standards these fair value movements, while being non-cash in nature, are recognised in the Statement of Comprehensive Financial Performance.

Vested assets - net

Vested assets are those assets transferred between the Council and an external party and recognised as revenue or expense accordingly. The majority of the \$3,066m of net vested assets represents the fair value of infrastructural assets such as roading, drainage, water and waste assets that have been constructed by developers and transferred to the Council on completion.

Additional net expenditure from Wellington Waterfront and Venues projects and the Porirua City joint ventures

The collective financial performance (deficit) of the other entities that comprise the Council is not included in the budget and is added back to adjust the surplus.

Council underlying variance

The underlying financial performance outlined above shows an underlying variance of -\$24.386m versus the budgeted surplus for the year after the exclusion of fair value movements and other items that cannot be used to fund operating expenditure. Items which have had a significant impact on the underlying result for the year are:

- A \$33.9m increase in the Council's provision for non-weather-tight homes. This includes unreported claims of \$24.4m, previously disclosed as a contingent liability. The Council is actively working with the Crown to address this issue with the introduction of the Government package.
- \$3.8m of higher than budgeted dividends from Wellington International Airport Limited, \$1.0m extra rates and penalties, and another \$5.9m of other savings such as interest costs and general expenses.

Net surplus for the Group

The Group has recorded a net surplus for the year of \$8,220m. The difference between the Council and Group results arises from the elimination of transactions between Group entities, and recognition of the Group's share of the results of subsidiaries and associates.

Explanation of Total Comprehensive Income

The Council has recorded total comprehensive income of \$263,158m for the year. This includes the net surplus (as identified above), plus primarily the fair value movements in our revaluation reserves. The Group has recorded total comprehensive income of \$258,720m. This includes the accumulated net surpluses from its subsidiaries and the Council's share of reserve movements for Wellington International Airport Limited.

For further explanation of the Council's net surplus please refer to Note 33: Major budget variations.

Statement of Changes in Equity

For the year ended 30 June 2011

| | Note | Actual 2011 \$000 | Council Budget 2011 \$000 | Actual 2010 \$000 | Group Actual 2011 \$000 | Group Actual 2010 \$000 |
|---|------|-------------------------|------------------------------------|-------------------------|----------------------------------|----------------------------------|
| EQUITY - Opening balances | | | | | | |
| Accumulated funds and retained earnings | 24 | 4,801,720 | 4,769,715 | 4,769,715 | 4,880,421 | 4,855,281 |
| Revaluation reserves | 25 | 1,117,615 | 1,118,338 | 1,118,338 | 1,194,025 | 1,194,748 |
| Hedging reserve | 26 | (4,465) | 861 | 861 | (7,120) | (3,255) |
| Fair value through other comprehensive income reserve | 27 | 1,080 | - | - | 1,080 | - |
| Restricted funds | 28 | 17,248 | 18,434 | 18,434 | 19,694 | 20,800 |
| TOTAL EQUITY - Opening balance | | 5,933,198 | 5,907,348 | 5,907,348 | 6,088,100 | 6,067,574 |
| CHANGES IN EQUITY | | | | | | |
| Retained earnings | | | | | | |
| Net surplus for the year | 24 | 16,047 | 48,989 | 30,330 | 8,220 | 23,545 |
| Transfer to restricted funds | 24 | (537) | - | (557) | (1,482) | (967) |
| Transfer from restricted funds | 24 | 1,700 | - | 1,743 | 2,793 | 2,073 |
| Transfer from revaluation reserves | 24 | 660 | - | 489 | 660 | 489 |
| Revaluation reserves | | | | | | |
| Fair value movement - property, plant and equipment - net | 25 | 252,408 | 152,382 | - | 254,281 | - |
| Impairment | 25 | (257) | - | (234) | (257) | (234) |
| Transfer to retained earnings | 25 | (660) | - | (489) | (660) | (489) |
| Effect of changed shareholding in Chaffers Marina Holding Limited | 25 | - | - | - | 87 | - |
| Hedging reserve | | | | | | |
| Movement in hedging reserve | 26 | (4,708) | - | (5,326) | (3,279) | (3,865) |
| Fair value through other comprehensive income reserve | | | | | | |
| Movement in fair value | 27 | (332) | - | 1,080 | (332) | 1,080 |
| Restricted funds | | | | | | |
| Transfer to retained earnings | 28 | (1,700) | - | (1,743) | (2,793) | (2,073) |
| Transfer from retained earnings | 28 | 537 | - | 557 | 1,482 | 967 |
| Total comprehensive income | | 263,158 | 201,371 | 25,850 | 258,720 | 20,526 |
| EQUITY - Closing balances | | | | | | |
| Accumulated funds and retained earnings | 24 | 4,819,590 | 4,818,704 | 4,801,720 | 4,890,612 | 4,880,421 |
| Revaluation reserves | 25 | 1,369,106 | 1,270,720 | 1,117,615 | 1,447,476 | 1,194,025 |
| Hedging reserve | 26 | (9,173) | 861 | (4,465) | (10,399) | (7,120) |
| Fair value through other comprehensive income reserve | 27 | 748 | - | 1,080 | 748 | 1,080 |
| Restricted funds | 28 | 16,085 | 18,434 | 17,248 | 18,383 | 19,694 |
| TOTAL EQUITY - Closing balance | | 6,196,356 | 6,108,719 | 5,933,198 | 6,346,820 | 6,088,100 |

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Statement of Financial Position

As at 30 June 2011

| | Note | Council | | Group | | |
|---|------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Actual 2011 \$000 | Budget 2011 \$000 | Actual 2010 \$000 | Actual 2011 \$000 | Actual 2010 \$000 |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 10 | 19,641 | 3,945 | 2,349 | 23,832 | 6,016 |
| Derivative financial assets | 11 | - | 238 | - | - | - |
| Trade and other receivables | 12 | 38,090 | 35,724 | 42,674 | 39,586 | 43,577 |
| Prepayments | | 5,869 | 6,322 | 3,874 | 5,974 | 4,089 |
| Inventories | 14 | 1,134 | 925 | 837 | 2,117 | 1,666 |
| Non-current assets classified as held for sale | 15 | 8,099 | - | 9,044 | 8,099 | 9,044 |
| Total current assets | | 72,833 | 47,154 | 58,778 | 79,608 | 64,392 |
| Non-current assets | | | | | | |
| Derivative financial assets | 11 | 1,275 | 4,831 | 1,460 | 1,275 | 1,460 |
| Other financial assets | 13 | 6,694 | 5,933 | 6,569 | 7,703 | 6,977 |
| Intangibles | 16 | 10,691 | 9,935 | 7,043 | 10,846 | 7,220 |
| Investment properties | 17 | 203,742 | 217,617 | 213,127 | 203,742 | 213,127 |
| Property, plant and equipment | 18 | 6,362,494 | 6,265,228 | 6,012,779 | 6,393,223 | 6,039,941 |
| Investment in subsidiaries | 40 | 6,509 | 6,509 | 6,509 | - | - |
| Investment in associates | 41 | 19,519 | 19,468 | 19,556 | 145,491 | 152,583 |
| Total non-current assets | | 6,610,924 | 6,529,521 | 6,267,043 | 6,762,280 | 6,421,308 |
| TOTAL ASSETS | | 6,683,757 | 6,576,675 | 6,325,821 | 6,841,888 | 6,485,700 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Derivative financial liabilities | 11 | 26 | 153 | 377 | 26 | 377 |
| Trade and other payables | 19 | 60,435 | 55,139 | 49,720 | 63,627 | 52,006 |
| Revenue in advance | 20 | 10,320 | 11,022 | 8,876 | 11,634 | 9,632 |
| Borrowings | 21 | 92,067 | 84,490 | 100,105 | 92,599 | 100,187 |
| Employee benefit liabilities | 22 | 5,694 | 8,228 | 6,464 | 7,006 | 7,606 |
| Provision for other liabilities | 23 | 11,708 | 4,843 | 10,184 | 11,708 | 10,184 |
| Total current liabilities | | 180,250 | 163,875 | 175,726 | 186,600 | 179,992 |
| Non-current liabilities | | | | | | |
| Deferred tax | 9 | - | - | - | 1,151 | - |
| Derivative financial liabilities | 11 | 10,062 | 5,819 | 5,923 | 10,062 | 5,923 |
| Borrowings | 21 | 239,370 | 275,376 | 183,117 | 239,370 | 183,688 |
| Employee benefit liabilities | 22 | 1,600 | 1,644 | 1,614 | 1,766 | 1,754 |
| Provision for other liabilities | 23 | 56,119 | 21,242 | 26,243 | 56,119 | 26,243 |
| Total non-current liabilities | | 307,151 | 304,081 | 216,897 | 308,468 | 217,608 |
| TOTAL LIABILITIES | | 487,401 | 467,956 | 392,623 | 495,068 | 397,600 |
| EQUITY | | | | | | |
| Accumulated funds and retained earnings | 24 | 4,819,590 | 4,818,704 | 4,801,720 | 4,890,612 | 4,880,421 |
| Revaluation reserves | 25 | 1,369,106 | 1,270,720 | 1,117,615 | 1,447,476 | 1,194,025 |
| Hedging reserve | 26 | (9,173) | 861 | (4,465) | (10,399) | (7,120) |
| Fair value through other comprehensive income reserve | 27 | 748 | - | 1,080 | 748 | 1,080 |
| Restricted funds | 28 | 16,085 | 18,434 | 17,248 | 18,383 | 19,694 |
| TOTAL EQUITY | | 6,196,356 | 6,108,719 | 5,933,198 | 6,346,820 | 6,088,100 |
| TOTAL EQUITY AND LIABILITIES | | 6,683,757 | 6,576,675 | 6,325,821 | 6,841,888 | 6,485,700 |

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements

Statement of Cash Flows

For the year ended 30 June 2011

| | Note | Actual | Council | Actual | Group | |
|---|-----------|------------------|------------------|------------------|------------------|------------------|
| | | 2011 | Budget | 2010 | Actual | Actual |
| | | \$000 | \$000 | \$000 | 2011 | 2010 |
| | | | | | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from rates - Council | | 222,640 | 221,987 | 213,390 | 222,640 | 213,390 |
| Receipts from rates - Greater Wellington Regional Council | | 42,440 | - | 40,631 | 42,440 | 40,631 |
| Receipts from activities and other income | | 100,717 | 108,413 | 107,333 | 122,670 | 119,728 |
| Receipts from grants and subsidies - operating | | 6,261 | 4,416 | 5,924 | 4,502 | 9,319 |
| Receipts from grants and subsidies - capital | | 55,741 | 50,255 | 27,384 | 56,715 | 29,755 |
| Receipts from investment property lease rentals | | 13,652 | 9,599 | 16,374 | 13,652 | 16,433 |
| Cash paid to suppliers and employees | | (225,259) | (226,567) | (237,924) | (254,270) | (271,702) |
| Rates paid to Greater Wellington Regional Council | | (43,129) | - | (41,374) | (43,129) | (41,374) |
| Grants paid | | (27,156) | (27,993) | (30,514) | (15,817) | (14,176) |
| Income tax paid | | - | - | (84) | - | (103) |
| Net GST (paid) / received | | (2,583) | - | - | (2,614) | (296) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 143,324 | 140,110 | 101,140 | 146,789 | 101,605 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Dividends received | | 17,402 | 5,250 | 7,238 | 17,402 | 7,108 |
| Interest received | | 496 | 10 | 262 | 655 | 406 |
| Decrease in bank investments | | - | - | - | - | 33 |
| Proceeds from sale of property, plant and equipment | | 1,995 | - | 707 | 1,996 | 730 |
| Increase in bank investments | | - | - | - | (601) | - |
| Loan advances made | | - | - | (3,280) | - | (3,280) |
| Purchase of investment properties | | (1,080) | - | (915) | (1,080) | (915) |
| Purchase of intangibles | | (5,694) | (4,128) | (4,261) | (5,706) | (4,422) |
| Purchase of property, plant and equipment | | (168,281) | (192,885) | (106,828) | (170,606) | (107,276) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | (155,162) | (191,753) | (107,077) | (157,940) | (107,616) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| New borrowings | | 147,113 | 71,984 | 79,863 | 147,113 | 79,863 |
| Repayment of borrowings | | (99,577) | - | (59,182) | (99,697) | (59,406) |
| Interest paid on borrowings | | (18,406) | (20,341) | (16,340) | (18,447) | (16,396) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | 29,130 | 51,643 | 4,341 | 28,969 | 4,061 |
| Net increase/(decrease) in cash and cash equivalents | | 17,292 | - | (1,596) | 17,818 | (1,950) |
| Cash and cash equivalents at beginning of year | | 2,349 | 3,945 | 3,945 | 6,014 | 7,966 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 10 | 19,641 | 3,945 | 2,349 | 23,832 | 6,016 |

Wellington City Council acts as a collection agency for Greater Wellington Regional Council (GWRC) by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC.

The GST (net) component of operating activities reflects the net GST paid and received.

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Statement of Cash Flows - continued

The net surplus from the Statement of Comprehensive Financial Performance is reconciled to the net cash flows from operating activities in the Statement of Cash Flows as follows:

| Reconciliation of net surplus to net cash flows from operating activities | Note | Council | | Group | |
|---|------|----------------|-----------------|----------------|-----------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Net surplus for the period | | 16,047 | 30,330 | 8,220 | 23,545 |
| Add/(deduct) non-cash items: | | | | | |
| Net vested assets / expense | | (3,066) | (15,194) | (3,066) | (15,194) |
| Bad debts written-off not previously provided for | 6 | 122 | 59 | 123 | 70 |
| Depreciation and amortisation | 7 | 80,576 | 77,703 | 81,993 | 79,127 |
| Fair value changes in investment properties | 17 | 10,473 | 5,405 | 10,473 | 5,405 |
| Other fair value changes | | (1,277) | 2,336 | (1,253) | 2,534 |
| Movement in provision for impairment of doubtful debts | | (62) | (245) | 159 | (228) |
| Tax expense | | - | - | 595 | 65 |
| Non-cash movement in provisions | | 35,426 | 14,473 | 35,426 | 14,473 |
| Total non-cash items | | 122,192 | 84,537 | 124,450 | 86,252 |
| Add/(deduct) movement in working capital: ¹ | | | | | |
| Trade and other receivables | | 4,741 | (6,705) | (4,412) | 1,776 |
| Prepayments | | (1,995) | 2,448 | (2,116) | 2,500 |
| Trade and other payables | | 5,449 | (11,326) | 6,485 | (12,090) |
| Revenue in advance | | 1,444 | (2,146) | 1,843 | (2,420) |
| Inventories | | (297) | 88 | (408) | 30 |
| Employee benefit liabilities | | (894) | (1,905) | (520) | (1,889) |
| Provision for other liabilities | | (4,011) | (3,051) | (4,158) | (3,081) |
| Total working capital movement | | 4,437 | (22,597) | (3,286) | (15,174) |
| Add/(deduct) investing and financing activities: | | | | | |
| Net loss / (gain) on disposal of property, plant and equipment | | 304 | (207) | 304 | (207) |
| Dividends received | | (17,402) | (7,238) | - | (40) |
| Interest received | | (496) | (262) | (650) | (519) |
| Interest paid on borrowings | | 18,242 | 16,577 | 18,242 | 16,531 |
| Share of equity accounted surplus from associates | | - | - | (491) | (8,783) |
| Total investing and financing activities | | 648 | 8,870 | 17,405 | 6,982 |
| Net cash flow from operating activities | | 143,324 | 101,140 | 146,789 | 101,605 |

1. Excluding non-cash items

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Notes forming part of the Financial Statements

For the year ended 30 June 2011

| | Page |
|---|------|
| Summary of significant accounting policies | XX |
| Note | |
| 1 Revenue from rates | XX |
| 2 Revenue from operating activities | XX |
| 3 Revenue from investments | XX |
| 4 Other income | XX |
| 5 Finance income and expense | XX |
| 6 Expenditure on operating activities | XX |
| 7 Depreciation and amortisation | XX |
| 8 Income tax expense | XX |
| 9 Deferred tax assets and liabilities | XX |
| 10 Cash and cash equivalents | XX |
| 11 Derivative financial instruments | XX |
| 12 Trade and other receivables | XX |
| 13 Other financial assets | XX |
| 14 Inventories | XX |
| 15 Non-current assets classified as held for sale | XX |
| 16 Intangibles | XX |
| 17 Investment properties | XX |
| 18 Property, plant and equipment | XX |
| 19 Trade and other payables | XX |
| 20 Revenue in advance | XX |
| 21 Borrowings | XX |
| 22 Employee benefit liabilities | XX |
| 23 Provision for other liabilities | XX |
| 24 Accumulated funds and retained earnings | XX |
| 25 Revaluation reserves | XX |
| 26 Hedging reserve | XX |
| 27 Fair value through other comprehensive income reserve | XX |
| 28 Restricted funds | XX |
| 29 Special and Council created reserves and funds | XX |
| 30 Trusts and bequests | XX |
| 31 Financial instruments | XX |
| 32 Analysis of operating surplus by strategy | XX |
| 33 Major budget variations | XX |
| 34 Analysis of capital expenditure by strategy | XX |
| 35 Capital expenditure performance | XX |
| 36 Commitments | XX |
| 37 Contingencies | XX |
| 38 Group structure | XX |
| 39 Joint ventures | XX |
| 40 Investment in subsidiaries | XX |
| 41 Investment in associates | XX |
| 42 Related party disclosures (including Mayoral and Councillor remunerations) | XX |
| 43 Community Board remuneration | XX |
| 44 Severances | XX |
| 45 Events after the end of the reporting period | XX |

Summary of Significant Accounting Policies

Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002. For the purposes of financial reporting Wellington City Council is a public benefit entity.

The financial statements include the Council and Group. A Group structural diagram is included in Note 38. The Council includes the results and operations of Wellington City Council as a separate legal entity, the Council's interests in the joint ventures as disclosed in Note 39 and the Wellington Waterfront Project. The Group includes the Council, the subsidiaries disclosed in Note 40, and the Council's interest in the associates disclosed in Note 41.

All entities included within the Group are based in New Zealand.

Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. For investment property, non-current assets classified as held for sale and items of property plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are obtained from the latest BERL forecasts and the discount rate is the Council's forecast long term cost of borrowing.

The reporting period for these financial statements is the year ended 30 June 2011. The financial statements are presented in New Zealand dollars, rounded to the nearest thousand, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Judgements and estimations

The preparation of financial statements using NZ IFRS requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Basis of consolidation

The Group includes joint ventures, subsidiaries and associates. A Group structural diagram is included in Note 38.

Joint ventures

Joint ventures are contractual arrangements with other parties to undertake a jointly controlled operation. The Council has a liability in respect of its share of joint ventures' deficits and liabilities, and shares in any surpluses and assets. The Council's proportionate interest in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

Subsidiaries

Subsidiaries are entities that are controlled by the Council. In the Council financial statements, the investment in subsidiaries are carried at cost. In the Group financial statements, subsidiaries are accounted for using the purchase method where assets, liabilities, revenue and expenditure is added in on a line-by-line basis.

All significant transactions between Group entities, other than rates, are eliminated on consolidation. Rates are charged on an arm's length basis and are not eliminated to ensure that reported costs and revenues are consistent with the Council's Annual Plan.

Associates

Associates are entities where the Council has significant influence, but not control, over their operating and financial policies. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

Income

Income comprises revenue, gains and finance income and is measured at the fair value of consideration received or receivable. Specific accounting policies for major categories of income are outlined below:

Rates

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised proportionately throughout the year.

Operating activities

Grants, subsidies and reimbursements

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the payment will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (e.g. New Zealand Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Development contributions

Development contributions are recognised as income when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide, the service, development contributions are recognised as liabilities.

Fines and penalties

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Rendering of services

Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Sale of goods

Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment revenues***Dividends***

Dividends are recognised when the shareholders' rights to receive payment have been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease.

Other income

Specific accounting policies for major categories of other income are outlined below:

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Finance income***Interest***

Interest income is recognised using the effective interest rate method.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (e.g. beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Expenses

Specific accounting policies for major categories of expenditure are outlined below:

Operating activities***Grants***

Expenditure is classified as a grant if it results in a transfer of resources (e.g. cash or physical assets) to another entity in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants are distinct from donations which are discretionary or charitable gifts. Where grants and subsidies are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Finance expense***Interest***

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Taxation

Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and to unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Good and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Financial instruments

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive income), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Financial assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive income.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of less than three months.

Trade and other receivables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable.

Loans and deposits include loans to other entities (including subsidiaries and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of these receivables.

Financial assets at fair value through other comprehensive income relate to equity investments that are held by the Council for long term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive income are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive income is recognised within surplus or deficit.

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with a duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with a duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

Derivatives

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive income while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive income transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit. Where a derivative is used to hedge variability in the fair value of the Council's fixed rate borrowings (fair value hedge), the gain or loss is recognised within surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Inventories

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Inventories held for resale (such as rubbish bags), are recorded at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business.

Inventories held for distribution at no or nominal cost, are recorded at the lower of cost and current replacement cost.

Investment properties

Investment properties are properties which are held primarily to earn rental income or for capital growth or both. These include the Council's ground leases, land and buildings and the Wellington Waterfront Project's investment properties.

Investment properties exclude those properties held for strategic purposes or to provide a social service, this includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Non-current assets classified as held for sale

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- A plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;

- The sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence that the Group remains committed to sell the asset; and
- Actions required to complete the sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

Property, plant and equipment

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post closure asset, buildings, the Civic Centre complex, the library collection and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (e.g. infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (e.g. vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

Operational assets

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines released by the New Zealand Library Association and the National Library of New Zealand.

Land and buildings are valued at fair value on a three-year cycle by independent registered valuers.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (roading network, water, waste and drainage reticulation assets) are valued at optimised depreciated replacement cost on a three-year cycle by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Revaluations

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive income and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive income and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Further information in respect of the most recent valuations for each class is provided in Note 25: Revaluation reserves.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive income.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

| | |
|---|-----------------|
| Land | unlimited |
| Buildings | 10 to 100 years |
| Civic Centre complex | 10 to 100 years |
| Plant and equipment | 3 to 100 years |
| Library collections | 3 to 10 years |
| Restricted assets (excluding buildings) | unlimited |
| Infrastructure assets | |
| Land (including land under roads) | unlimited |
| Roading | |
| Formation/earthworks | unlimited |
| Pavement | 13 to 40 years |
| Traffic Islands | 80 years |
| Bridges and tunnels | 3 to 150 years |
| Drainage | 15 to 120 years |
| Retaining walls | 30 to 100 years |
| Pedestrian walkway | 10 to 50 years |
| Pedestrian furniture | 8 to 25 years |
| Barriers & lighting | 10 to 50 years |
| Cycleway network | 25 to 40 years |
| Parking equipment | 8 to 10 years |
| Passenger transport facilities | 25 years |
| Traffic infrastructure | 3 to 30 years |
| Drainage, waste and water | |
| Pipework | 40 to 100 years |
| Fittings | 7 to 100 years |
| Water pump stations | 10 to 100 years |
| Water reservoirs | 40 to 100 years |
| Equipment | 25 years |
| Sewer pump stations | 20 to 80 years |
| Tunnels | 150 years |
| Treatment plants | 3 to 100 years |

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Intangible assets

Intangible assets predominantly comprise computer software and carbon credits. They are recorded at cost less any subsequent amortisation and impairment losses.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

| | |
|-------------------|--------------|
| Computer software | 3 to 5 years |
|-------------------|--------------|

Carbon credits are allocations of emission allowances granted by the Government. Cost is deemed to be equal to the fair value at the date of allocation. Any difference between the carrying value and the residual value is amortised over the estimated useful life of the asset.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

Leases

Operating leases as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

Operating leases as lessor

The Group leases investment properties and a portion of land and buildings. Rental income is recognised on a straight line basis over the lease term.

Finance leases

Finance leases transfer to the Group (as lessee) substantially all the risks and rewards of ownership of the leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments.

The finance charge is released to surplus or deficit over the lease period and the capitalised values are amortised over the shorter of the lease term and the useful life of the leased item.

Employee benefit liabilities

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes: annual leave, long service leave (qualified for), statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Long service leave and retirement gratuities

Long-service leave (not yet qualified for) and retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Other contractual entitlements

Other contractual entitlements include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Landfill post closure costs

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

Financial Statements

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council has a 21.5% joint venture interest in the Spicer Valley landfill. The Council's provision for landfill post closure costs includes the Council's proportionate share of the Spicer Valley landfill provision for post closure costs.

ACC partnership programme

The Council is an Accredited Employer under the ACC Partnership Programme. As such the Council accepts the management and financial responsibility of our employee work-related injuries. From 1 April 2009 the Council changed its agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, the Council is responsible for managing work related injury claims for a two-year period only and transfer ongoing claims to ACC at the end of the two-year claim management period with no further liability. Under the ACC Partnership Programme the Council is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to work related injuries occurring up to the end of the reporting period for which the Council has responsibility under the terms of the Partnership Programme.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Council measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Council's best estimate of the obligation or the amount initially recognised less any amortisation.

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Contingent assets and liabilities

Contingent liabilities and contingent assets are disclosed in the Notes forming part of the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Statement of cash flows

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial income sources of the Council and the Group and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment income. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include members of the Group and key management personnel, including the Mayor and Councillors, the Chief Executive and all members of the Management Board.

The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a director during the reporting period. The disclosures for the Group include the remuneration of the Mayor and those Councillors in their role as trustees or directors of entities within the Group. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

Budget figures

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The Annual Plan figures do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the Annual Plan process. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. For completeness, additional expenditure approved by the Council is explained in Notes 32 to 35. The Annual Plan figures have been prepared in accordance with Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods; and
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council include:

| Reference | Title | Application Date* | Reference |
|-----------|---|-------------------|-----------|
| NZ IFRS 9 | <i>NZ IFRS 9: Financial Instruments</i> | 1 January 2013** | 1 |
| NZ IFRS 9 | <i>NZ IFRS 9: Financial Instruments (2010)</i> | 1 January 2013** | 1 |
| Various | <i>Annual Improvements Process 2010</i> | 1 January 2011 | 2 |
| NZ IAS 24 | <i>Related Parties (Revised 2009)</i> | 1 January 2011 | 3 |
| NZ IFRS 7 | <i>Amendments to NZ IFRS 7 Financial Instruments: Disclosures</i> | 1 July 2011 | 4 |

* The application date is for periods beginning on or after this date.

1. NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. It proposes changes to the requirements for the classification and measurement of financial assets and financial liabilities to reduce the complexity in reporting financial instruments.

Only the first phase of the new standard has been released, which covers the classification and measurement of financial assets and financial liabilities. When adopted, it will affect the categories under which financial assets are classified in the Annual Report, but will largely leave financial liabilities unchanged and have no impact on the values currently reported.

**In late July 2011 the International Accounting Standards Board tentatively decided to move the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015, with earlier application permitted.

2. The Annual Improvements process for 2010 has resulted in various minor amendments and clarifications to existing standards and interpretations.

3. The revision to NZ IAS 24 *Related Party Disclosures* removes some inconsistencies with the definition of a related party and modifies some of the disclosure requirements for government related entities.

4. Enhances the transparency of disclosure requirements for the transfer of financial assets.

Where a standard is not applicable or where Council is not required to comply with the standard because it is a Public Benefit Entities (PBEs), the standards are included in the category below:

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted as they are not anticipated to impact on the Council's financial reporting

| Reference | Title | Application Date |
|-------------|--|------------------|
| NZ IAS 12 | <i>Deferred Tax: Recovery of Underlying Assets</i> | 1 January 2012 |
| Various | <i>Harmonisation Amendments</i> | 1 July 2011 |
| FRS 44 | <i>New Zealand Additional Disclosures</i> | 1 July 2011 |
| NZ IFRS 1 | <i>Amendments to NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards</i> | 1 July 2011 |
| NZ IAS 26 | <i>Amendments to NZ IAS 26 Accounting and Reporting by Retirement Benefit Plans</i> | 1 April 2011 |
| NZ IFRS 8 | <i>Operating Segments</i> | 1 January 2011 |
| NZ IFRIC 14 | <i>Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement</i> | 1 January 2011 |

Note 1: Revenue from rates

| | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| General rates | | | | |
| Base sector | 63,450 | 56,175 | 63,450 | 56,175 |
| Commercial, industrial and business sector | 60,200 | 60,415 | 60,200 | 60,415 |
| Targeted rates | | | | |
| Base sector | 6,714 | 6,473 | 6,714 | 6,473 |
| Commercial, industrial and business sector | 3,189 | 2,970 | 3,189 | 2,970 |
| Sewerage | 30,062 | 30,405 | 30,062 | 30,405 |
| Stormwater | 14,266 | 14,040 | 14,266 | 14,040 |
| Water (including water by meter) | 33,493 | 32,638 | 33,493 | 32,638 |
| Downtown | 11,191 | 10,326 | 11,191 | 10,326 |
| Marsden Village | 14 | 14 | 14 | 14 |
| Tawa driveways | 33 | 33 | 33 | 33 |
| Total revenue from rates for Wellington City Council | 222,612 | 213,489 | 222,612 | 213,489 |
| Total rates billed | 265,044 | 254,150 | 265,044 | 254,150 |
| less Greater Wellington Regional Council component | (42,432) | (40,661) | (42,432) | (40,661) |
| Total revenue from rates for Wellington City Council | 222,612 | 213,489 | 222,612 | 213,489 |

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$10.077m (2010: \$10.322m). For the Group rates of \$10.226m (2010: \$10.428m) have not been eliminated.

Rates remissions

Revenue from rates and levies is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown Levy targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown Levy targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2011 totalled \$0.521m (2010: \$0.295m).

| | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Total gross revenue from rates | 223,133 | 213,784 | 223,133 | 213,784 |
| <i>Less</i> | | | | |
| Council policy remissions | | | | |
| Rural open space | 97 | 90 | 97 | 90 |
| Land used principally for games or sport | 66 | 73 | 66 | 73 |
| Downtown levy | 358 | 132 | 358 | 132 |
| Total remissions | 521 | 295 | 521 | 295 |
| Total revenue from rates (net of remissions) | 222,612 | 213,489 | 222,612 | 213,489 |

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, churches, public gardens and certain land vested in the Crown. This land is non-rateable in respect of general rates but, where applicable, is rateable in respect of sewerage and water. Non-rateable land does not constitute a remission under the Council's Rates Remission and Postponement Policies.

Note 2: Revenue from operating activities

| | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Grants, subsidies and reimbursements - operating | 6,261 | 5,924 | 11,629 | 11,072 |
| Grants, subsidies and reimbursements - capital | 54,741 | 27,384 | 55,074 | 27,456 |
| Development contributions | 2,708 | 5,174 | 2,708 | 5,174 |
| Fines and penalties | 11,689 | 12,152 | 11,689 | 12,152 |
| Rendering of services | 81,271 | 80,014 | 87,278 | 84,066 |
| Sale of goods | 5,600 | 4,918 | 14,049 | 13,772 |
| Total revenue from operating activities | 162,270 | 135,566 | 182,427 | 153,692 |

Grants and subsidies

For the Council, the principal grants and reimbursements are from:

- 1) The New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading infrastructure. The capital reimbursements from NZTA of \$13.304m and operating reimbursements of \$4.049m are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.
- 2) Housing New Zealand, for the upgrade of the Council's social housing stock. The capital grant recognised in the current year of \$39.342m is part of a 10 year work programme and the revenue is recognised in accordance with that agreed work programme. There are no unfulfilled conditions or other contingencies relating to this grant.

For the Group, the additional principal subsidy was \$4.387m from Greater Wellington Regional Council to Wellington Cable Car Limited for the maintenance of the overhead wire trolley system.

Revenue from rendering of services includes revenue from all of the services that the Council provides. Below is a breakdown of these services:

| Rendering of services | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Animal control | 993 | 923 | 993 | 923 |
| Berths and boat sheds | 525 | 515 | 525 | 515 |
| Building consents and licensing services | 9,770 | 10,071 | 9,770 | 10,071 |
| Community programmes and facilities hire | 1,086 | 1,047 | 1,086 | 1,047 |
| Community housing | 16,822 | 17,352 | 16,822 | 17,352 |
| Convention and conference centre | 5,886 | 5,785 | 5,886 | 5,785 |
| Drainage operations and water projects | 116 | 130 | 116 | 130 |
| Encroachments and reserve land contributions | 1,467 | 1,378 | 1,467 | 1,378 |
| Green spaces | 1,591 | 1,372 | 1,591 | 1,372 |
| Landfill operations and recycling | 8,258 | 6,651 | 8,258 | 6,651 |
| Lease revenue from property, plant and equipment | 4,191 | 4,212 | 4,191 | 4,212 |
| Libraries - hireage | 1,106 | 1,204 | 1,106 | 1,204 |
| Parking fees and permits | 16,400 | 15,775 | 16,400 | 15,775 |
| Rendering of services recognised in subsidiaries | - | - | 6,007 | 4,052 |
| Road infrastructure projects | 1,467 | 2,672 | 1,467 | 2,672 |
| Services to Greater Wellington Regional Council | 721 | 693 | 721 | 693 |
| Swimming pools | 6,651 | 6,463 | 6,651 | 6,463 |
| Trade waste | 509 | 528 | 509 | 528 |
| Other | 3,712 | 3,243 | 3,712 | 3,243 |
| Total rendering of services | 81,271 | 80,014 | 87,278 | 84,066 |

Note 3: Revenue from investments

| | Note | Council | | Group | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Dividend from investment in associates | | 9,061 | 15,409 | - | - |
| Dividend from investment in subsidiary | | - | 130 | - | - |
| Dividend from other financial assets | | - | 40 | - | 40 |
| Investment property lease rentals | 17 | 13,452 | 14,229 | 13,452 | 14,229 |
| Total revenue from investments | | 22,513 | 29,808 | 13,452 | 14,269 |

Dividends

Two years of dividends were received from the Council's 34% shareholding in Wellington International Airport Limited in the 2009/10 year.

Note 4: Other income

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Gain on disposal of property, plant and equipment | 1,009 | 207 | 1,009 | 207 |
| Release of provisions | 569 | 1,037 | 569 | 1,037 |
| Petrol tax | 1,167 | 1,251 | 1,167 | 1,251 |
| Restricted funds | 2 | 22 | 2 | 22 |
| Vested assets | 4,256 | 15,194 | 4,256 | 15,194 |
| Total other income | 7,003 | 17,711 | 7,003 | 17,711 |

Vested assets are principally infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network.

The values of principal vested assets received were: land under roads \$2.005m and drainage, waste and water \$2.162m.

Note 5: Finance income and expense

| | Note | Council | | Group | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Finance income | | | | | |
| Amortisation of loans to related parties | 13 | 457 | 362 | 457 | 362 |
| Cash flow hedge movements reclassified from hedging reserve | 26 | 268 | 268 | 268 | 268 |
| Fair value hedge movements | | 360 | 364 | 360 | 364 |
| Interest on deposits, loans and receivables | | 496 | 262 | 786 | 520 |
| Movements on derivatives at fair value through surplus or deficit | | 107 | 759 | 107 | 759 |
| Total finance income | | 1,688 | 2,015 | 1,978 | 2,273 |
| <i>Less</i> | | | | | |
| Finance expense | | | | | |
| Fair value hedge adjustments to borrowings | | 360 | 364 | 360 | 364 |
| Interest on borrowings | | 18,242 | 16,723 | 18,283 | 16,780 |
| Interest on finance leases | | 117 | 146 | 117 | 146 |
| Re-discounting of interest on provisions | | 1,153 | 1,177 | 1,153 | 1,177 |
| Total finance expense | | 19,872 | 18,410 | 19,913 | 18,467 |
| Net finance cost | | 18,184 | 16,395 | 17,935 | 16,194 |

Movements arising from the remeasurement of the Group's fair value hedges are offset by a fair value adjustment to borrowings so there is no impact on the net surplus for the year.

Movements on derivatives at fair value through surplus or deficit represents the fair value movements on interest rate swaps that do not meet the criteria for hedge accounting. Movements in the Group's other derivatives that meet the criteria for hedge accounting, are taken to the cash flow hedge reserve and have no impact on the net surplus for the year.

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 22: Employee benefit liabilities, and Note 23: Provision for other liabilities.

Note 6: Expenditure on operating activities

| | Note | Council | | Group | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Auditor's remuneration: | | | | | |
| Audit services - Audit New Zealand - Financial Statements | | 280 | 268 | 280 | 319 |
| Audit services - Audit New Zealand - Long Term Plan | | 6 | - | 6 | - |
| Audit services - Audit New Zealand - other | | 7 | 7 | 7 | 7 |
| Audit services - Other Auditors | | 5 | - | 94 | 88 |
| Impairments | | | | | |
| Bad debts written off not previously provided for | | 122 | 59 | 123 | 70 |
| Increase in provision for impairment of trade and other receivables | 12 | 255 | 187 | 476 | 187 |
| Impairment loss from property, plant and equipment | 18 | - | 336 | - | 336 |
| Inventory written-off | | 4 | 36 | 4 | 36 |
| Governance and employment | | | | | |
| Councillor remuneration as directors/trustees | 42 | 1,284 | 1,287 | 1,341 | 1,358 |
| Directors/trustees of subsidiaries - remuneration | | - | - | 493 | 488 |
| Other elected members' remuneration (Community Boards) | 43 | 99 | 98 | 99 | 98 |
| Employee benefits expense: | | | | | |
| - Remuneration | | 77,732 | 76,399 | 92,284 | 88,902 |
| - Superannuation contributions (including Kiwisaver) | | 1,153 | 992 | 1,323 | 1,105 |
| - Termination benefits (including severances) | | 570 | 1,090 | 605 | 1,120 |
| Other personnel costs | | 3,694 | 3,569 | 4,095 | 3,957 |
| Insurance | | | | | |
| Insurance premiums | | 5,185 | 5,982 | 5,421 | 6,198 |
| Self insurance costs | 29 | 1,323 | 1,314 | 1,323 | 1,314 |
| General | | | | | |
| Advertising, printing and publications | | 2,644 | 2,401 | 9,360 | 7,570 |
| Consultants and legal fees | | 6,461 | 7,368 | 6,647 | 7,567 |
| Contractors | | 3,395 | 2,957 | 4,459 | 4,128 |
| Direct costs | | 84,871 | 84,405 | 93,271 | 93,703 |
| Donations for charitable purposes | | 8 | 7 | 8 | 7 |
| Grants - general | | 9,091 | 8,555 | 9,463 | 8,567 |
| Grants to subsidiaries | 42 | 17,885 | 16,338 | - | - |
| Grants to associates | 42 | 180 | 180 | 180 | 180 |
| Information and communication technology | | 5,145 | 4,952 | 5,739 | 5,553 |
| Loss on disposal of property, plant and equipment | | 1,313 | 743 | 1,314 | 743 |
| Operating lease - minimum lease payments | | 1,195 | 1,082 | 1,677 | 1,569 |
| Reassessment of weathertight homes provision | 23 | 33,875 | 14,195 | 33,875 | 14,195 |
| Utility costs | | 16,732 | 16,656 | 17,477 | 17,141 |
| Vested assets - expense | | 1,190 | 177 | 1,190 | 177 |
| Other general costs | | 13,414 | 12,691 | 14,286 | 14,563 |
| Total expenditure on operating activities | | 289,118 | 264,331 | 306,920 | 281,246 |

Auditor's remuneration

During the period Audit New Zealand provided other services to the Council, namely assurance services relating to the Clifton Terrace Carpark managed by the Council on behalf of the New Zealand Transport Agency.

General

Direct costs are costs directly attributable to the provision of Council services, including contracts, maintenance, management fees, materials and services.

Note 6: Expenditure on operating activities - continued

Operating lease minimum lease payments are for non-cancellable agreements for the use of assets such as buildings and specialised computer equipment.

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates on Council owned properties.

Note 7: Depreciation and amortisation

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Depreciation | | | | |
| Buildings | 14,382 | 13,422 | 14,518 | 13,917 |
| Civic Centre complex | 2,817 | 2,750 | 2,817 | 2,750 |
| Restricted buildings | 1,029 | 948 | 1,029 | 948 |
| Drainage, waste and water infrastructure | 29,270 | 29,143 | 29,270 | 29,143 |
| Landfill post closure | 160 | 103 | 160 | 103 |
| Library collections | 2,040 | 1,859 | 2,040 | 1,859 |
| Plant and equipment | 10,532 | 10,175 | 11,713 | 10,956 |
| Roading infrastructure | 18,270 | 17,979 | 18,270 | 17,979 |
| Total depreciation | 78,500 | 76,379 | 79,817 | 77,655 |
| Amortisation | | | | |
| Computer software | 2,076 | 1,324 | 2,176 | 1,472 |
| Total amortisation | 2,076 | 1,324 | 2,176 | 1,472 |
| Total depreciation and amortisation | 80,576 | 77,703 | 81,993 | 79,127 |

Note 8: Income tax expense

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Current tax expense | | | | |
| Current year | - | - | 444 | 17 |
| Prior period adjustment | - | - | - | - |
| Total current tax expense | - | - | 444 | 17 |
| Deferred tax expense | | | | |
| Origination and reversal of temporary differences | (326) | (174) | (4) | (25) |
| Change in unrecognised temporary differences | - | - | 7 | 9 |
| Recognition of previously unrecognised tax losses | 326 | 174 | (3) | 16 |
| Total deferred tax expense | - | - | - | - |

| Reconciliation of tax on the surplus and tax expense | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Surplus for the period before taxation | 16,047 | 30,330 | 8,664 | 23,562 |
| Prima facie income tax based on domestic tax rate - 30% | 4,814 | 9,099 | 2,600 | 7,068 |
| Effect of non-deductible expenses and tax exempt income | (5,144) | (9,273) | (4,731) | (9,064) |
| Effect of tax losses utilised | 326 | 182 | 0 | 22 |
| Current years loss for which no deferred tax asset was recognised | (11) | - | (11) | 5 |
| Change in unrecognised temporary differences | 0 | - | 18 | 4 |
| Prior period adjustment | 15 | (8) | (3) | (6) |
| Share of income tax of equity accounted associates | 0 | - | 2,571 | 1,988 |
| Total reconciliation of tax on the surplus and tax expense | - | - | 444 | 17 |

Income tax recognised directly in equity

The amount of current and deferred tax charged or credited to equity during the year was \$Nil (2010: \$Nil)

| Imputation credits | Group | |
|---|---------------|---------------|
| | 2011 \$000 | 2010 \$000 |
| Imputation credits as at 1 July | 7 | 5 |
| New Zealand tax payments | 99 | 5 |
| Imputation credits attached to dividends received | - | - |
| New Zealand tax refunds received | (23) | (3) |
| Imputation credits as at 30 June | 83 | 7 |

No amounts have been shown for the Council as, under section OB1 of the Income Tax Act 2007, local authorities are not permitted to maintain an imputation credit account.

Note 9: Deferred tax assets and liabilities**Unrecognised temporary differences and tax losses**

Deferred tax assets have not been recognised in respect of the following items:

| | Council | | Group | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Deductible temporary differences | - | - | 253 | 60 |
| Tax losses | 3,637 | 4,639 | 3,677 | 4,655 |
| Total | 3,637 | 4,639 | 3,930 | 4,715 |

Under current income tax legislation, the above tax losses and deductible temporary differences do not expire.

The unrecognised deferred tax asset in respect of the above items for the Council is \$1.018m (2010: \$1.392m) and for the Group \$1.105m (2010: \$1.419m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

In 2011 \$1.085m (2010: \$0.582m) previously unrecognised tax losses, with a tax effect of \$0.325m (2010: \$0.175m), were recognised by the Group by way of a loss transfer arrangement between the Council and Council controlled organisations.

As at 30 June 2011 the Group had a deferred tax liability of \$1.151m (2010: \$Nil).

Movement in recognised and unrecognised deferred tax assets and liabilities during the year

| | Temporary Differences | | Tax Losses | Total |
|--|-----------------------|---------------------|--------------|-------------|
| | Taxable \$000 | Deductible \$000 | \$000 | \$000 |
| Council | | | | |
| Balance as at 1 July 2009 | - | - | 1,565 | 1,565 |
| Additions/(reductions) during the year | - | - | 9 | 9 |
| Recognised during the year | - | - | (182) | (182) |
| Balance as at 30 June 2010 | - | - | 1,392 | 1,392 |
| Additions/(reductions) during the year | - | - | 25 | 25 |
| Recognised during the year | - | - | (326) | (326) |
| Increase due to tax rate change for tax years beginning on or after 1 April 2011 | - | - | (73) | (73) |
| Balance as at 30 June 2011 | - | - | 1,018 | 1,018 |
| Group | | | | |
| Balance as at 1 July 2009 | - | 40 | 1,565 | 1,605 |
| Additions/(reductions) during the year | - | (22) | 14 | (8) |
| Recognised during the year | - | - | (182) | (182) |
| Increase due to tax rate change for tax years beginning on or after 1 April 2011 | - | 4 | - | 4 |
| Balance as at 30 June 2010 | - | 22 | 1,397 | 1,419 |
| Additions/(reductions) during the year | (1,151) | 59 | 32 | (1,060) |
| Recognised during the year | - | - | (326) | (326) |
| Increase due to tax rate change for tax years beginning on or after 1 April 2011 | - | (5) | (74) | (79) |
| Balance as at 30 June 2011 | (1,151) | 76 | 1,029 | (46) |

Note 9: Deferred tax assets and liabilities - continued

The Taxation (Budget Measures) Act 2010 containing the provisions for the reduction of the company income tax rate from 30% to 28% for the income tax years beginning on or after 1 April 2011 was given Royal assent on 27 May 2010. Consequently, the unrecognised deferred tax assets of both the Council and the Group were restated to reflect the financial effects of the change as at 30 June 2011.

Note 10: Cash and cash equivalents

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Cash at bank | 2,115 | 2,321 | 4,914 | 4,671 |
| Cash on hand | 26 | 28 | 37 | 44 |
| Short term deposits | 17,500 | - | 18,881 | 1,301 |
| Total cash and cash equivalents | 19,641 | 2,349 | 23,832 | 6,016 |

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

Short term deposits are made with a registered bank for varying periods of up to three months depending on the immediate cash requirements and short term borrowings of the Group, and earn interest at the applicable short term deposit rates.

Note 11: Derivative financial instruments

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Non-current assets | | | | |
| Interest rate swaps - cash flow hedges | - | 545 | - | 545 |
| Interest rate swaps - fair value hedges | 1,275 | 915 | 1,275 | 915 |
| Total non-current assets | 1,275 | 1,460 | 1,275 | 1,460 |
| Total derivative financial instrument assets | 1,275 | 1,460 | 1,275 | 1,460 |
| Current liabilities | | | | |
| Interest rate swaps - cash flow hedges | 26 | 290 | 26 | 290 |
| Interest rate swaps - non-hedged | - | 87 | - | 87 |
| Total current liabilities | 26 | 377 | 26 | 377 |
| Non-current liabilities | | | | |
| Interest rate swaps - cash flow hedges | 9,578 | 5,419 | 9,578 | 5,419 |
| Interest rate swaps - non-hedged | 484 | 504 | 484 | 504 |
| Total non-current liabilities | 10,062 | 5,923 | 10,062 | 5,923 |
| Total derivative financial instrument liabilities | 10,088 | 6,300 | 10,088 | 6,300 |

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Cash flow hedges are used to fix interest rates on floating rate debt (floating rate notes) or bank borrowings.

Fair value hedges are used to float interest rates on fixed rate debt (bonds).

For further information on the Council's interest rate swaps please refer to Note 31: Financial Instruments

Note 12: Trade and other receivables

| | Note | Council | | Group | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Trade receivables - debtors | | 6,838 | 8,430 | 9,158 | 9,853 |
| Provision for impairment of trade receivables -debtors | | (381) | (326) | (654) | (387) |
| Net trade receivables - debtors | | 6,457 | 8,104 | 8,504 | 9,466 |
| Trade receivables - fines | | 11,604 | 11,914 | 11,604 | 11,914 |
| Provision for impairment of trade receivables -fines | | (6,920) | (7,132) | (6,920) | (7,132) |
| Net trade receivables - fines | | 4,684 | 4,782 | 4,684 | 4,782 |
| Trade receivables from related parties | | | | | |
| - Subsidiaries | 42 | 1,127 | 428 | - | - |
| - Associates | 42 | 59 | 15 | 59 | 15 |
| | | 1,186 | 443 | 59 | 15 |
| Total net trade receivables | | 12,327 | 13,329 | 13,247 | 14,263 |
| Accrued income | | 6,953 | 13,182 | 6,974 | 13,307 |
| GST receivable | | 4,860 | 2,277 | 4,920 | 2,466 |
| Rates receivable | | 10,246 | 10,292 | 10,246 | 10,292 |
| Sundry receivables | | 3,704 | 3,594 | 4,199 | 3,249 |
| Total trade and other receivables | | 38,090 | 42,674 | 39,586 | 43,577 |

Trade receivables, rates receivables and sundry receivables are non-interest bearing and receipt is generally on 30 day terms, therefore the carrying value of trade and other receivables approximates their fair value.

The movement in the provision for impairment of trade receivables is analysed as follows:

| Provision for impairment of total trade receivables | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 7,458 | 7,703 | 7,519 | 7,748 |
| Additional or increased provision made | 255 | 187 | 476 | 203 |
| Release of provision | (317) | (202) | (317) | (202) |
| Amount of provision utilised | (95) | (230) | (104) | (230) |
| Provision for impairment of total trade receivables - closing balance | 7,301 | 7,458 | 7,574 | 7,519 |

Note 12: Trade and other receivables - continued

The ageing profile of trade and other receivables at the reporting date is as follows:

| Council | 2011 Receivables | | | 2010 Receivables | | |
|--|---------------------|-------------------|---------------|---------------------|-------------------|---------------|
| | Gross \$000 | Impaired \$000 | Net \$000 | Gross \$000 | Impaired \$000 | Net \$000 |
| Trade and other receivables | | | | | | |
| Not past due | 20,451 | - | 20,451 | 23,821 | - | 23,821 |
| Past due 0-3 months | 7,817 | (1,096) | 6,721 | 9,161 | (607) | 8,554 |
| Past due 3-6 months | 4,568 | (547) | 4,021 | 3,274 | (526) | 2,748 |
| Past due more than 6 months | 12,555 | (5,658) | 6,897 | 13,876 | (6,325) | 7,551 |
| Total trade and other receivables | 45,391 | (7,301) | 38,090 | 50,132 | (7,458) | 42,674 |

| Group | 2011 Receivables | | | 2010 Receivables | | |
|--|---------------------|-------------------|---------------|---------------------|-------------------|---------------|
| | Gross \$000 | Impaired \$000 | Net \$000 | Gross \$000 | Impaired \$000 | Net \$000 |
| Trade and other receivables | | | | | | |
| Not past due | 21,461 | - | 21,461 | 24,350 | - | 24,350 |
| Past due 0-3 months | 8,306 | (1,317) | 6,989 | 9,462 | (616) | 8,846 |
| Past due 3-6 months | 4,688 | (547) | 4,141 | 3,282 | (526) | 2,756 |
| Past due more than 6 months | 12,705 | (5,710) | 6,995 | 14,002 | (6,377) | 7,625 |
| Total trade and other receivables | 47,160 | (7,574) | 39,586 | 51,096 | (7,519) | 43,577 |

The receivables past due for more than six months primarily relates to fines. Due to their nature, the collection pattern for fines is longer than that for trade.

Note 13: Other financial assets

| | Note | Council | | Group | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Equity investment - Civic Assurance | | 1,275 | 1,607 | 1,275 | 1,607 |
| Loans and deposits | | | | | |
| Bank deposits - term | | - | - | 1,009 | 408 |
| Loans to related parties - associates | 42 | 1,107 | 983 | 1,107 | 983 |
| Loans to related parties - other organisations | | 4,312 | 3,979 | 4,312 | 3,979 |
| Total other financial assets | | 6,694 | 6,569 | 7,703 | 6,977 |

Civic Assurance is the trading name of New Zealand Local Government Insurance Corporation Limited, which provides insurance products and other financial services principally to New Zealand local government. The Council holds an 8.2% shareholding in this entity and has no present intention to sell this financial asset. The reduction in equity value from 2010 is a direct result of the claims incurred following the Canterbury earthquakes. A further consequence of the reduced equity base has been the decision to not pay any dividends for the next few years.

The loans to related parties are concessionary in nature, since the loans have been granted on interest free terms. The movements in the loans are as follows:

| | Note | Council | | Group | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Loans to related parties - associates | | | | | |
| <i>Wellington Regional Stadium Trust (nominal value \$15,394,893)</i> | | | | | |
| Opening balance | | 983 | 872 | 983 | 872 |
| Amortisation of fair value adjustment | | 124 | 111 | 124 | 111 |
| Closing balance at fair value | 42 | 1,107 | 983 | 1,107 | 983 |
| Loans to related parties - other organisations | | | | | |
| <i>Karori Wildlife Sanctuary Trust (nominal value \$10,346,689)</i> | | | | | |
| Opening balance | | 3,979 | 2,858 | 3,979 | 2,858 |
| Amortisation of fair value adjustment | | 333 | 251 | 333 | 251 |
| Increase in loan drawdown | | - | 3,280 | - | 3,280 |
| Fair value movement on loan drawdowns | | - | (2,410) | - | (2,410) |
| Closing balance at fair value | | 4,312 | 3,979 | 4,312 | 3,979 |
| Total loans to related parties | | 5,419 | 4,962 | 5,419 | 4,962 |

The fair value movement on loans reflects the timing of their expected repayments and the interest free nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value.

The amortisation rate applicable to the Wellington Regional Stadium Trust is 12.710% and the rates applicable to the Karori Wildlife Sanctuary Trust range from 6.875% to 12.710%.

Further information on the related parties is disclosed in Note 42: Related party disclosures.

Note 14: Inventories

| | Council | | Group | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Consumables | 490 | 544 | 1,224 | 1,163 |
| Inventories held for re-sale | 274 | 293 | 523 | 503 |
| Inventories held for distribution | 370 | - | 370 | - |
| Total inventories | 1,134 | 837 | 2,117 | 1,666 |

Consumables are materials or supplies which will be consumed in conjunction with the delivery of services. Consumables within the Council predominately comprise nursery plants, printing products and drainage and waste consumables. Consumables within the Group are mainly Wellington Cable Car Limited inventories of spare parts.

Inventories held for resale within the Council mainly comprise inventories at the Botanic Gardens and the Council's swimming pools. The Group includes inventories at Wellington Museums Trust, Wellington Zoo and the St. James Theatre.

Inventories held for distribution primarily relate arise from the change to the recycling collection processes and the holding of wheelie bins, green bins and recycling bags for distribution during the introduction stage at no or nominal cost.

Note 15: Non-current assets classified as held for sale

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 9,044 | 7,692 | 9,044 | 7,692 |
| Disposals | (678) | (324) | (678) | (324) |
| Transfers from property, plant and equipment | 731 | 1,676 | 731 | 1,676 |
| Transfers to property, plant and equipment | (998) | - | (998) | - |
| Non-current assets classified as held for sale - closing balance | 8,099 | 9,044 | 8,099 | 9,044 |

Non-current assets held for sale are valued at the lower of the carrying amount and fair value less costs to sell at the time of reclassification.

One property intended for sale represented in the opening balance is still for sale at the end of the reporting period. The agreement remains conditional upon the developer securing minimum agreements for sale and purchase and/or leasing commitments for the completed building and so the property has remained in this category.

Note 16: Intangibles

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Computer software | | | | |
| Cost - opening balance | 27,801 | 24,440 | 28,459 | 24,937 |
| Accumulated amortisation | (23,934) | (22,826) | (24,415) | (23,158) |
| Computer software opening balance | 3,867 | 1,614 | 4,044 | 1,779 |
| Acquired by direct purchase | 6,394 | 3,577 | 6,472 | 3,737 |
| Amortisation | (2,076) | (1,324) | (2,176) | (1,472) |
| Total computer software - closing balance | 8,185 | 3,867 | 8,340 | 4,044 |
| Cost | 34,128 | 27,801 | 34,865 | 28,459 |
| Accumulated amortisation | (25,943) | (23,934) | (26,525) | (24,415) |
| Total computer software - closing balance | 8,185 | 3,867 | 8,340 | 4,044 |
| Work in progress | | | | |
| Computer software | 2,423 | 3,123 | 2,423 | 3,123 |
| Total work in progress | 2,423 | 3,123 | 2,423 | 3,123 |
| Carbon credits | | | | |
| Cost - opening balance | 53 | 20 | 53 | 20 |
| Acquired by government grant | 30 | 33 | 30 | 33 |
| Total carbon credits - closing balance | 83 | 53 | 83 | 53 |
| Total intangibles | 10,691 | 7,043 | 10,846 | 7,220 |

Disposals and transfers are reported net of accumulated amortisation.

Carbon credits

As part of the Emissions Trading Scheme the Council received carbon credits from Central Government in recognition of the carbon absorbed by a portion of the Council's green belt. The Council received 1,196 credits for the 2011 calendar year (2010: 1,531) bringing the total number of credits held to 3,511. These are currently being held pending finalisation of the New Zealand Emissions Trading Scheme.

At 30 June 2011 there are no associated liabilities relating to these credits.

More information on carbon credits can be found in the Statements of Service Performance under activity 2.5: Waste reduction and energy conservation.

Note 17: Investment properties

| | Note | Council | | Group | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | | 213,127 | 217,617 | 213,127 | 217,617 |
| Additions by acquisition | | 63 | - | 63 | - |
| Additions by subsequent expenditure | | 1,017 | 915 | 1,017 | 915 |
| Fair value revaluation movements taken to surplus/(deficit) | | (10,473) | (5,405) | (10,473) | (5,405) |
| Transfer from property, plant and equipment | | 8 | - | 8 | - |
| Investment properties - closing balance | | 203,742 | 213,127 | 203,742 | 213,127 |

Wellington City Council's investment properties were valued as at 30 June 2011 by William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for Darroch Limited. Wellington Waterfront Project's investment properties were valued as at 30 June 2011 by Andrew Washington (BCom, VPM, SPINZ), registered valuer and Director of Colliers International Valuers.

The Council's total investment properties comprise ground leases of \$153.052m (2010: \$159.202m) and land and buildings of \$50.690m (2010: \$53.925m) held for investment purposes.

Ground leases are parcels of land owned by the Council in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the rental income over the remaining term of the lease and add the residual value of the land at lease expiry. For sites subject to perpetually renewable leases values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross rental payments.

| Revenues and expenses | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Revenue from investment properties | 13,452 | 14,229 | 13,452 | 14,229 |
| Direct operating expenses of investment properties - From investment properties that generated income | 823 | 796 | 823 | 796 |
| Contractual obligations for capital expenditure | 230 | 138 | 230 | 138 |
| Contractual obligations for operating expenditure | 111 | 69 | 111 | 69 |

The direct operating expenses relating to investment properties form part of the direct expenses in Note 6: Expenditure.

| Fair value of investment properties valued by independent registered valuers | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| William Bunt - Darroch Limited | 157,962 | 164,012 | 157,962 | 164,012 |
| Andrew Washington - Colliers International Valuers | 45,780 | 49,115 | 45,780 | 49,115 |
| Total fair value of investment properties valued by independent registered valuers | 203,742 | 213,127 | 203,742 | 213,127 |

Note 18: Property, plant and equipment

| | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Operational assets | | | | |
| Land | | | | |
| Land - at cost - opening balance | 1,941 | - | 5,032 | 3,091 |
| Land - at valuation - opening balance | 198,283 | 198,868 | 198,283 | 198,868 |
| Total land - opening balance | 200,224 | 198,868 | 203,315 | 201,959 |
| Additions | 2,503 | 1,941 | 2,503 | 1,941 |
| Disposals | (1,648) | (115) | (1,648) | (115) |
| Transfer from non-current assets held for sale | 285 | - | 285 | - |
| Transfer to non-current assets held for sale | - | (470) | - | (470) |
| Total land - closing balance | 201,364 | 200,224 | 204,455 | 203,315 |
| Land - at cost - closing balance | 3,081 | 1,941 | 6,172 | 5,032 |
| Land - at valuation - closing balance | 198,283 | 198,283 | 198,283 | 198,283 |
| Total land - closing balance | 201,364 | 200,224 | 204,455 | 203,315 |
| Buildings | | | | |
| Buildings - at cost - opening balance | 17,350 | - | 33,441 | 16,075 |
| Buildings - at valuation - opening balance | 369,665 | 370,962 | 369,665 | 370,962 |
| Total cost/valuation | 387,015 | 370,962 | 403,106 | 387,037 |
| Accumulated depreciation | (13,134) | - | (13,629) | - |
| Total buildings - opening balance | 373,881 | 370,962 | 389,477 | 387,037 |
| Additions | 25,671 | 17,350 | 25,671 | 17,366 |
| Depreciation expense | (14,382) | (13,422) | (14,518) | (13,917) |
| Disposals | (799) | (397) | (799) | (397) |
| Revaluation movement | - | (234) | - | (234) |
| Transfer between asset classes | - | (142) | (4,459) | (142) |
| Transfer from non-current assets held for sale | 236 | - | 236 | - |
| Transfer to non-current assets held for sale | - | (236) | - | (236) |
| Total buildings - closing balance | 384,607 | 373,881 | 395,608 | 389,477 |
| Buildings - at cost - closing balance | 41,057 | 17,350 | 54,112 | 33,441 |
| Buildings - at valuation - closing balance | 369,665 | 369,665 | 369,665 | 369,665 |
| Total cost/valuation | 410,722 | 387,015 | 423,777 | 403,106 |
| Accumulated depreciation | (26,115) | (13,134) | (28,169) | (13,629) |
| Total buildings - closing balance | 384,607 | 373,881 | 395,608 | 389,477 |
| Landfill post closure costs | | | | |
| Landfill post closure - at cost - opening balance | 3,354 | 2,917 | 3,354 | 2,917 |
| Accumulated depreciation | (1,476) | (1,209) | (1,476) | (1,209) |
| Landfill post closure costs - opening balance | 1,878 | 1,708 | 1,878 | 1,708 |
| Depreciation expense | (160) | (103) | (160) | (103) |
| Movement in post closure costs | 216 | 273 | 216 | 273 |
| Total landfill post closure costs - closing balance | 1,934 | 1,878 | 1,934 | 1,878 |
| Landfill post closure - at cost - closing balance | 3,635 | 3,354 | 3,635 | 3,354 |
| Accumulated depreciation | (1,701) | (1,476) | (1,701) | (1,476) |
| Total landfill post closure costs - closing balance | 1,934 | 1,878 | 1,934 | 1,878 |

Disposals and transfers are reported net of accumulated depreciation.

Note 18: Property, plant and equipment - continued

| | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Civic Centre complex | | | | |
| Civic Centre complex - at cost - opening balance | 169,157 | 161,766 | 169,157 | 161,766 |
| Accumulated depreciation | (47,443) | (45,061) | (47,443) | (45,061) |
| Total Civic Centre complex - opening balance | 121,714 | 116,705 | 121,714 | 116,705 |
| Additions | 1,617 | 7,841 | 1,617 | 7,841 |
| Disposals | 1 | (82) | 1 | (82) |
| Depreciation expense | (2,817) | (2,750) | (2,817) | (2,750) |
| Total Civic Centre complex- closing balance | 120,515 | 121,714 | 120,515 | 121,714 |
| Civic Centre complex - at cost - closing balance | 170,774 | 169,157 | 170,774 | 169,157 |
| Accumulated depreciation | (50,259) | (47,443) | (50,259) | (47,443) |
| Total Civic Centre complex- closing balance | 120,515 | 121,714 | 120,515 | 121,714 |
| Plant and equipment | | | | |
| Plant and equipment - at cost - opening balance | 135,701 | 121,073 | 145,975 | 138,474 |
| Accumulated depreciation | (60,112) | (53,630) | (64,293) | (64,635) |
| Total plant and equipment - opening balance | 75,589 | 67,443 | 81,682 | 73,839 |
| Additions | 17,576 | 19,005 | 19,881 | 19,483 |
| Depreciation expense | (10,532) | (10,175) | (11,713) | (10,956) |
| Disposals | (605) | (500) | (605) | (500) |
| Impairment losses | - | (336) | - | (336) |
| Transfer between asset classes | 187 | 152 | 4,646 | 152 |
| Total plant and equipment - closing balance | 82,215 | 75,589 | 93,891 | 81,682 |
| Plant and equipment - at cost | 150,472 | 135,701 | 167,405 | 145,975 |
| Accumulated depreciation | (68,257) | (60,112) | (73,514) | (64,293) |
| Total plant and equipment - closing balance | 82,215 | 75,589 | 93,891 | 81,682 |
| Library collections | | | | |
| Library collections - at cost - opening balance | 3,826 | 1,695 | 3,826 | 1,695 |
| Library collections - at valuation - opening balance | 13,700 | 13,700 | 13,700 | 13,700 |
| Total cost/valuation | 17,526 | 15,395 | 17,526 | 15,395 |
| Accumulated depreciation | (3,634) | (1,775) | (3,634) | (1,775) |
| Total library collections - opening balance | 13,892 | 13,620 | 13,892 | 13,620 |
| Additions | 1,629 | 2,131 | 1,629 | 2,131 |
| Depreciation expense | (2,040) | (1,859) | (2,040) | (1,859) |
| Revaluation movement | 2,234 | - | 2,234 | - |
| Total library collections - closing balance | 15,715 | 13,892 | 15,715 | 13,892 |
| Library collections - at cost - closing balance | - | 3,826 | - | 3,826 |
| Library collections - at valuation - closing balance | 15,715 | 13,700 | 15,715 | 13,700 |
| Total cost/valuation | 15,715 | 17,526 | 15,715 | 17,526 |
| Accumulated depreciation | - | (3,634) | - | (3,634) |
| Total library collections - closing balance | 15,715 | 13,892 | 15,715 | 13,892 |
| Total operational assets | 806,350 | 787,178 | 832,118 | 811,958 |

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Infrastructure assets | | | | |
| Drainage, waste and water | | | | |
| Drainage, waste and water - at cost - opening balance | 53,939 | 29,157 | 53,939 | 29,157 |
| Drainage, waste and water - at valuation - opening balance | 1,141,678 | 1,141,686 | 1,141,678 | 1,141,686 |
| Total cost/valuation | 1,195,617 | 1,170,843 | 1,195,617 | 1,170,843 |
| Accumulated depreciation | (58,365) | (29,195) | (58,365) | (29,195) |
| Total drainage, water and waste - opening balance | 1,137,252 | 1,141,648 | 1,137,252 | 1,141,648 |
| Additions | 29,037 | 24,747 | 29,037 | 24,747 |
| Depreciation expense | (29,270) | (29,143) | (29,270) | (29,143) |
| Revaluation movement | 228,365 | - | 228,365 | - |
| Transfer between asset classes | (185) | - | (185) | - |
| Total drainage, water and waste - closing balance | 1,365,199 | 1,137,252 | 1,365,199 | 1,137,252 |
| Drainage, waste and water - at cost - closing balance | - | 53,939 | - | 53,939 |
| Drainage, waste and water - at valuation - closing balance | 1,365,199 | 1,141,678 | 1,365,199 | 1,141,678 |
| Total cost/valuation | 1,365,199 | 1,195,617 | 1,365,199 | 1,195,617 |
| Accumulated depreciation | - | (58,365) | - | (58,365) |
| Total drainage, water and waste - closing balance | 1,365,199 | 1,137,252 | 1,365,199 | 1,137,252 |
| Roading | | | | |
| Roading - at cost - opening balance | 69,522 | 38,499 | 69,522 | 38,499 |
| Roading - at valuation - opening balance | 703,648 | 703,648 | 703,648 | 703,648 |
| Total cost/valuation | 773,170 | 742,147 | 773,170 | 742,147 |
| Accumulated depreciation | (36,050) | (18,071) | (36,050) | (18,071) |
| Total roading - opening balance | 737,120 | 724,076 | 737,120 | 724,076 |
| Additions | 43,274 | 31,023 | 43,274 | 31,023 |
| Depreciation expense | (18,270) | (17,979) | (18,270) | (17,979) |
| Revaluation movement | 22,252 | - | 24,852 | - |
| Transfer between asset classes | (2) | - | (2) | - |
| Total roading - closing balance | 784,374 | 737,120 | 786,974 | 737,120 |
| Roading - at cost - closing balance | - | 69,522 | - | 69,522 |
| Roading - at valuation - closing balance | 784,374 | 703,648 | 786,974 | 703,648 |
| Total cost/valuation | 784,374 | 773,170 | 786,974 | 773,170 |
| Accumulated depreciation | - | (36,050) | - | (36,050) |
| Total roading - closing balance | 784,374 | 737,120 | 786,974 | 737,120 |
| Infrastructure land | | | | |
| Infrastructure land - at cost - opening balance | 376 | 376 | 376 | 376 |
| Infrastructure land - at valuation - opening balance | 36,888 | 37,708 | 36,888 | 37,708 |
| Total infrastructure land - opening balance | 37,264 | 38,084 | 37,264 | 38,084 |
| Addition | 93 | - | 93 | - |
| Revaluation movement | (443) | - | (443) | - |
| Transfer between asset classes | (467) | (330) | (467) | (330) |
| Transfer to non-current assets held for sale | - | (490) | - | (490) |
| Total infrastructure land - closing balance | 36,447 | 37,264 | 36,447 | 37,264 |
| Infrastructure land - at cost - closing balance | - | 376 | - | 376 |
| Infrastructure land - at valuation - closing balance | 36,447 | 36,888 | 36,447 | 36,888 |
| Total infrastructure land - closing balance | 36,447 | 37,264 | 36,447 | 37,264 |

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

| | Council | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Land under roads | | | | |
| Land under roads - at cost - opening balance | 2,943,817 | 2,938,378 | 2,943,817 | 2,938,378 |
| Additions | 2,034 | 5,339 | 2,034 | 5,339 |
| Disposals | (646) | (112) | (646) | (112) |
| Transfer between asset classes | - | 330 | - | 330 |
| Transfer from non-current assets held for sale | 115 | - | 115 | - |
| Transfer to non-current assets held for sale | (681) | (118) | (681) | (118) |
| Land under roads - closing balance | 2,944,639 | 2,943,817 | 2,944,639 | 2,943,817 |
| Total infrastructure assets | 5,130,659 | 4,855,453 | 5,133,259 | 4,855,453 |
| Restricted assets | | | | |
| Art and cultural assets | | | | |
| Art and cultural assets - at cost - opening balance | 7,914 | 7,250 | 10,250 | 9,583 |
| Additions | 187 | 655 | 187 | 658 |
| Transfer between asset classes | 281 | 9 | 281 | 9 |
| Art and cultural assets - closing balance | 8,382 | 7,914 | 10,718 | 10,250 |
| Restricted buildings | | | | |
| Restricted buildings - at cost - opening balance | 28,730 | 22,316 | 28,730 | 22,316 |
| Accumulated depreciation | (3,639) | (2,788) | (3,639) | (2,788) |
| Total restricted buildings - opening balance | 25,091 | 19,528 | 25,091 | 19,528 |
| Additions | 3,922 | 6,631 | 3,922 | 6,631 |
| Depreciation expense | (1,029) | (948) | (1,029) | (948) |
| Disposals | (73) | (101) | (73) | (101) |
| Transfer between asset classes | 294 | (19) | 294 | (19) |
| Restricted buildings - closing balance | 28,205 | 25,091 | 28,205 | 25,091 |
| Restricted buildings - at cost - closing balance | 32,820 | 28,730 | 32,820 | 28,730 |
| Accumulated depreciation | (4,615) | (3,639) | (4,615) | (3,639) |
| Total restricted buildings - closing balance | 28,205 | 25,091 | 28,205 | 25,091 |
| Parks and reserves | | | | |
| Parks and reserves - at cost - opening balance | 202,774 | 202,853 | 202,774 | 202,853 |
| Additions | 256 | 283 | 256 | 283 |
| Transfer between asset classes | (108) | - | (108) | - |
| Transfer from non-current assets held for sale | 362 | - | 362 | - |
| Transfer to non-current assets held for sale | (50) | (362) | (50) | (362) |
| Parks and reserves - closing balance | 203,234 | 202,774 | 203,234 | 202,774 |
| Town Belt - at cost | 88,103 | 88,103 | 88,103 | 88,103 |
| Zoo animals - at cost | 500 | 500 | 500 | 500 |
| Total restricted assets | 328,424 | 324,382 | 330,760 | 326,718 |

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Work in progress | | | | |
| - Land | 11 | 262 | 11 | 262 |
| - Buildings | 84,294 | 31,163 | 84,294 | 31,163 |
| - Civic Centre complex | 538 | 40 | 538 | 40 |
| - Plant and equipment | 10,353 | 10,485 | 10,378 | 10,531 |
| - Roothing | 1,163 | 3,566 | 1,163 | 3,566 |
| - Art and cultural | 562 | 250 | 562 | 250 |
| - Restricted buildings | 140 | - | 140 | - |
| Total work in progress | 97,061 | 45,766 | 97,086 | 45,812 |
| Total property, plant and equipment | 6,362,494 | 6,012,779 | 6,393,223 | 6,039,941 |

The movements in the property, plant and equipment assets above are summarised as follows:

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Property, plant and equipment - Opening balance | 6,012,779 | 5,965,492 | 5,994,129 | 5,993,474 |
| Additions | 128,015 | 117,219 | 130,320 | 117,716 |
| Disposals | (3,770) | (1,307) | (3,770) | (1,307) |
| Depreciation expense | (78,500) | (76,379) | (79,817) | (77,655) |
| Impairment losses | - | (336) | - | (336) |
| Revaluation movement | 252,408 | (234) | 255,008 | (234) |
| Transfer from non-current assets held for sale | 998 | - | 998 | - |
| Transfer to non-current assets held for sale | (731) | (1,676) | (731) | (1,676) |
| Movement in work in progress | 51,295 | 10,000 | 97,086 | 9,959 |
| Property, plant and equipment - Closing balance | 6,362,494 | 6,012,779 | 6,393,223 | 6,039,941 |

Revaluation of property, plant and equipment

The Council's land and buildings were valued as at 30 June 2009, and infrastructural land as at 30 June 2011 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for Darroch Limited.

Library collections were valued as at 30 June 2011 by the Council's library staff. The revaluation was carried out in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets* published by the Treasury Accounting Team, November 2002. An independent peer review was conducted by Michaela O'Donovan, Manager Service Design and Implementation, National Library of New Zealand.

Drainage, waste and water infrastructure and the roading network were valued as at 30 June 2011 by John Vessey (MIPENZ), Partner of Opus International Consultants Limited.

The carrying values of other revalued property, plant and equipment have been reviewed at the end of the reporting period to ensure that they are not significantly different to fair value.

Further information on revaluation reserves and movements is contained in Note 25: Revaluation reserves.

Finance leases

The net carrying amount of plant and equipment assets held under finance leases is \$1.359m (2010: \$0.956m)

Note 18: Property, plant and equipment - continued

Service concession arrangement

The Moa Point sewerage treatment plant is owned by the Council and operated by United Water International (UWI) under a design, build, operate and transfer contract. UWI also operates the Council owned Western (Karori) and Carey's Gully treatment plants. The plants and building assets are included in the drainage, waste and water asset class above.

UWI is required to fund all renewals and repairs and return the plants to the Council in 2019 with a future life expectancy of at least 25 years.

As asset owner, the Council incurs all associated operating expenses, namely management fees, depreciation and finance costs. In accordance with section 100 of the Local Government Act 2002, the Council does not fully fund the plant's depreciation expenditure.

UWI's monthly management fee is determined in accordance with annually adjusted tariffs.

The contract terminates either on the expiry of the 21 year term (2019) or on the occurrence of a contract default event by either party. The contract's right of renewal resides with the Council.

Note 19: Trade and other payables

| | Note | Council | | Group | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Trade payables and accruals | | 46,991 | 37,106 | 50,255 | 39,240 |
| Trade payables owing to related parties | | | | | |
| - Subsidiaries | 42 | 422 | 775 | - | - |
| - Associates | 42 | 876 | 507 | 876 | 507 |
| Interest payable | | 2,868 | 3,032 | 2,868 | 3,032 |
| Sundry payables | | 9,278 | 8,300 | 9,628 | 9,227 |
| Total trade and other payables | | 60,435 | 49,720 | 63,627 | 52,006 |

Trade payables are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date.

Note 20: Revenue in advance

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Building consents and licensing services | 2,764 | 3,010 | 2,764 | 3,010 |
| Housing upgrade project | - | 280 | - | 280 |
| Lease rentals | 3,144 | 2,304 | 3,144 | 2,304 |
| Rates and water | 857 | 867 | 857 | 867 |
| Indoor Community Sports Centre | 940 | - | 940 | - |
| Wellington Venues | 679 | 679 | 679 | 679 |
| Revenue in advance - subsidiaries | - | - | 1,314 | 756 |
| Other | 1,936 | 1,736 | 1,936 | 1,736 |
| Total revenue in advance | 10,320 | 8,876 | 11,634 | 9,632 |

Note 21: Borrowings

| | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Current | | | | |
| Bank facilities - short term - committed | - | 29,500 | - | 29,500 |
| Bank facilities - short term - uncommitted | - | 5,000 | - | 5,000 |
| Bank loans - term | - | 77 | 532 | 159 |
| Commercial paper | 91,500 | - | 91,500 | - |
| Debt securities - floating rate notes | - | 65,000 | - | 65,000 |
| Finance leases | 567 | 528 | 567 | 528 |
| Total current | 92,067 | 100,105 | 92,599 | 100,187 |
| Non-current | | | | |
| Bank loans - term | 1,377 | 764 | 1,377 | 1,335 |
| Debt securities - fixed rate bonds | 40,275 | 34,915 | 40,275 | 34,915 |
| Debt securities - floating rate notes | 197,000 | 147,000 | 197,000 | 147,000 |
| Finance leases | 718 | 438 | 718 | 438 |
| Total non-current | 239,370 | 183,117 | 239,370 | 183,688 |
| Total borrowings | 331,437 | 283,222 | 331,969 | 283,875 |

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity rates and to ensure there is long term access to funds.

Bank facilities

A total of \$155m (2010: \$105m) of committed bank facilities is available to the Council. Some \$95m is on a short term basis of less than one year and \$60m for longer than one year. Interest is payable in arrears at wholesale market rates. A further \$5m (2010: \$5m) is available as uncommitted facilities with interest payable in arrears at wholesale market rates. Of these facilities, none have been drawn at the end of the reporting period (2010: \$34.500m). The Group has additional short term bank facilities of \$0.300m (2010: \$0.300m).

Bank loans – term

Loans for the Council relate to the wastewater treatment plant joint venture with Porirua City Council, and comprise several individual loans totalling \$1.377m (2010:\$ 0.841m) with maturities from 2015 to 2036. The average effective interest rate applicable is 7.00%

Loans for the Group comprise a loan for the St James Theatre Charitable Trust of \$0.532m (2010: \$0.644m) maturing May 2015 at 7.13%. Due to the transfer of operations from St James to Wellington Venues this loan is expected to be fully repaid within the next 12 months. A loan for the Wellington Museums Trust (2010: \$0.008m) matured in July 2010.

Commercial paper

The Group has issued \$91.500m of commercial paper with maturities of six months or less. The interest is paid on issue. The interest rates range from 2.71% to 2.82%.

Debt securities

The Group has issued \$39m (2010: \$34m) of fixed rate bonds with maturities from 16 October 2012 to 13 June 2016. Interest is payable six monthly in arrears. The interest rates range from 5.25% to 7.50%. The value of fixed rate debt securities includes a fair value hedge adjustment of \$1.275m (2010: \$0.915m) relating to the fair value interest rate swaps associated with these bonds.

Note 21: Borrowings - continued

The Group has issued \$197m (2010: \$212m) of floating rate notes with maturities from 2 July 2012 to 31 July 2017. Interest is payable quarterly in arrears. The interest rates vary from 2.75% to 4.15% and are subject to quarterly reset dates.

The following table shows the total borrowing facilities available to the Council and Group, and the use of these facilities during the year.

| Borrowing and overdraft facilities | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$000 | \$000 | \$000 | \$000 |
| Borrowing and overdraft facilities available | | | | |
| Bank facilities - short term - committed | 95,000 | 105,000 | 95,300 | 105,300 |
| Bank facilities - long term - committed | 60,000 | - | 60,000 | - |
| Bank facilities - short term - uncommitted | 5,000 | 5,000 | 5,000 | 5,000 |
| Bank loans - term | 1,377 | 841 | 1,909 | 1,494 |
| Bank overdraft | 1,500 | 1,500 | 2,550 | 2,550 |
| Commercial paper | 91,500 | - | 91,500 | - |
| Debt securities - fixed rate bonds | 40,275 | 34,915 | 40,275 | 34,915 |
| Debt securities - floating rate notes | 197,000 | 212,000 | 197,000 | 212,000 |
| Finance leases | 1,285 | 966 | 1,285 | 966 |
| Total borrowing and overdraft facilities available | 492,937 | 360,222 | 494,819 | 362,225 |
| Borrowing and overdraft facilities utilised | | | | |
| Bank facilities - short term - committed | - | 29,500 | - | 29,500 |
| Bank facilities - short term - uncommitted | - | 5,000 | - | 5,000 |
| Bank loans - term | 1,377 | 841 | 1,909 | 1,494 |
| Commercial paper | 91,500 | - | 91,500 | - |
| Debt securities - fixed rate bonds | 40,275 | 34,915 | 40,275 | 34,915 |
| Debt securities - floating rate notes | 197,000 | 212,000 | 197,000 | 212,000 |
| Finance leases | 1,285 | 966 | 1,285 | 966 |
| Total borrowing and overdraft facilities utilised | 331,437 | 283,222 | 331,969 | 283,875 |
| Borrowing and overdraft facilities unutilised | | | | |
| Bank facilities - short term - committed | 95,000 | 75,500 | 95,300 | 75,800 |
| Bank facilities - long term - committed | 60,000 | - | 60,000 | - |
| Bank facilities - short term - uncommitted | 5,000 | - | 5,000 | - |
| Bank overdraft | 1,500 | 1,500 | 2,550 | 2,550 |
| Total borrowing and overdraft facilities unutilised | 161,500 | 77,000 | 162,850 | 78,350 |

Bank overdraft

An overdraft facility of \$1.500m (2010: \$1.500m) is available to Council. This facility was undrawn as at 30 June 2011 (2010: undrawn). The Group has additional overdraft facilities of \$1.050m (2010: \$1.050m).

Security

Council borrowings are secured by way of a Debenture Trust Deed over the Council's rates revenue.

Note 21: Borrowings - continued

Finance lease liabilities

The Group has entered into finance leases for items of plant and equipment, predominantly computer equipment. The net carrying amount of the leased items is included within the plant and equipment class shown in Note 18: Property, plant and equipment.

The finance leases can be renewed at the Group's option, with rentals set by reference to current market rates for items of equivalent age and condition. The Group does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Group by any of the finance leasing arrangements.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The finance lease liabilities are analysed as follows:

| Analysis of finance lease liabilities | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Future minimum lease payments | | | | |
| Not later than one year | 662 | 609 | 662 | 609 |
| Later than one year and not later than five years | 813 | 473 | 813 | 473 |
| Later than five years | - | - | - | - |
| Total future minimum lease payments | 1,475 | 1,082 | 1,475 | 1,082 |
| Future finance charges | (190) | (116) | (190) | (116) |
| Present value of future minimum lease payments | 1,285 | 966 | 1,285 | 966 |
| Present value of future minimum lease payments | | | | |
| Not later than one year | 567 | 528 | 567 | 528 |
| Later than one year and not later than five years | 718 | 438 | 718 | 438 |
| Later than five years | - | - | - | - |
| Total present value of future minimum lease payments | 1,285 | 966 | 1,285 | 966 |

Note 22: Employee benefit liabilities

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Current | | | | |
| Short-term benefits | | | | |
| Payroll accruals | 159 | 628 | 498 | 1,054 |
| Holiday leave | 5,162 | 5,306 | 6,135 | 6,022 |
| Long service leave provision | - | 13 | - | 13 |
| Total short-term benefits | 5,321 | 5,947 | 6,633 | 7,089 |
| Termination benefits | | | | |
| Other contractual entitlements | 373 | 517 | 373 | 517 |
| Total termination benefits | 373 | 517 | 373 | 517 |
| Total current | 5,694 | 6,464 | 7,006 | 7,606 |
| Non-current | | | | |
| Long-term benefits | | | | |
| Long service leave provision | - | - | 118 | 94 |
| Retirement gratuities provision | 1,600 | 1,614 | 1,648 | 1,660 |
| Total long-term benefits | 1,600 | 1,614 | 1,766 | 1,754 |
| Total employee benefit liabilities | 7,294 | 8,078 | 8,772 | 9,360 |

Movements in the above short term and long term benefit provisions are analysed as follows:

| Long service leave provision | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 13 | 41 | 107 | 129 |
| Additional or increased provision made | - | - | 24 | 6 |
| Release of provision | (4) | (2) | (4) | (2) |
| Rediscounting of interest | - | 1 | - | 1 |
| Amount utilised | (9) | (27) | (9) | (27) |
| Long service leave - closing balance | - | 13 | 118 | 107 |

Background

The Council's long service leave provision was a contractual entitlement for a reducing number of employees who, after 20 years service, were granted a one-off entitlement of additional leave. This entitlement has not been offered to new Council employees since 1991. At 30 June 2011 all long service leave for the Council has been granted and the provision is now extinguished.

The Group's long service leave entitlement continues to be offered to some subsidiaries' employees.

Note 22: Employee benefit liabilities - continued

| Retirement gratuities provision | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 1,614 | 1,630 | 1,660 | 1,675 |
| Additional or increased provision made | 10 | - | 12 | 1 |
| Release of provision | (16) | (100) | (16) | (100) |
| Rediscounting of interest | 110 | 110 | 110 | 110 |
| Amount utilised | (118) | (26) | (118) | (26) |
| Retirement gratuities - closing balance | 1,600 | 1,614 | 1,648 | 1,660 |

Background

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years service, will on retirement be entitled to a payment based on years of service and current salary. This entitlement has not been offered to Council employees since 1991. Based on the age of participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Estimation

The gross retirement gratuities provision (inflation adjusted at 2.30%) as at 30 June 2011, before discounting, is \$2.399m (2010: \$2.514m). The discount rate used is 6.75%.

Movements in the above termination benefit liabilities are analysed as follows:

| Other contractual entitlements | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 517 | 458 | 517 | 458 |
| Additional or increased provision made | 273 | 517 | 273 | 517 |
| Release of provision | (99) | (48) | (99) | (48) |
| Amount utilised | (318) | (410) | (318) | (410) |
| Other contractual entitlements - closing balance | 373 | 517 | 373 | 517 |

Note 23: Provision for other liabilities

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Current | | | | |
| ACC Partnership programme | 133 | 105 | 133 | 105 |
| Landfill post closure costs | 2,833 | 1,972 | 2,833 | 1,972 |
| Weathertight homes | 8,742 | 8,107 | 8,742 | 8,107 |
| Total current | 11,708 | 10,184 | 11,708 | 10,184 |
| Non-current | | | | |
| Landfill post closure costs | 13,997 | 14,564 | 13,997 | 14,564 |
| Weathertight homes | 42,122 | 11,679 | 42,122 | 11,679 |
| Total non-current | 56,119 | 26,243 | 56,119 | 26,243 |
| Total provision for other liabilities | 67,827 | 36,427 | 67,827 | 36,427 |

Movements in the above provisions for other liabilities are analysed as follows:

| ACC Partnership programme | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 105 | 258 | 105 | 258 |
| Change in provision for risks incurred | 133 | (10) | 133 | (10) |
| Amounts utilised | (105) | (143) | (105) | (143) |
| Total liability for claims outstanding | 133 | 105 | 133 | 105 |
| Represented by: | | | | |
| Present value of future payments | 116 | 91 | 116 | 91 |
| Risk margin | 17 | 14 | 17 | 14 |
| Total liability for claims outstanding | 133 | 105 | 133 | 105 |

Background

The Council is a member of the Accident Compensation Corporation (ACC) partnership programme. The Council acts as an agent on behalf of ACC managing claims for its employees and providing entitlements under the Accident Insurance Act 1998 in relation to work-related personal injuries and illnesses.

Estimation

This provision represents an estimate of the claims outstanding at the end of the reporting period together with an estimate of the claims incurred but not yet reported.

Note 23: Provision for other liabilities - continued

| Landfill post closure costs | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 16,536 | 17,040 | 16,536 | 17,040 |
| Additional or increased provision made | 398 | - | 398 | - |
| Release of provision | (133) | (635) | (133) | (635) |
| Re-discounting of interest | 1,043 | 1,064 | 1,043 | 1,064 |
| Amount utilised | (1,014) | (933) | (1,014) | (933) |
| Landfill post closure costs - closing balance | 16,830 | 16,536 | 16,830 | 16,536 |

Background

The Council currently operates the Southern Landfill (Stage 3) and has a 21.5% joint venture interest in the Spicer Valley Landfill. It also manages a number of closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- final cover application and vegetation;
- incremental drainage control features; and
- completing facilities for post closure responsibilities.

Post closure responsibilities include:

- treatment and monitoring of leachate;
- ground water and surface monitoring;
- gas monitoring and recovery;
- implementation of remedial measures such as needed for cover and control systems; and
- ongoing site maintenance for drainage systems, final cover and vegetation.

The management of the landfill will influence the timing of recognition of some liabilities – for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

Estimations

The long term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Future cashflows are discounted using the rate of 6.75%. The gross provision (inflation adjusted at 2.90%), before discounting, is \$28.838m as at 30 June 2011 (2010: \$27.652m). This represents the Council's projection of the amount required to settle the obligation at the estimated time of the cash outflow.

Stage 3 of the Southern Landfill has an estimated remaining capacity of 888,692m³ (2010: 1,085,313m³) and is expected to close in 2018. These estimates have been made by the Council's engineers based on expected future and historical volume information.

The Council's provision includes a proportionate share of the Spicer Valley Landfill provision for post closure costs. The Spicer Valley Landfill has an estimated remaining capacity of 670,000m³ (2010: 600,000m³) and an estimated remaining life out to the end of 2020.

Note 23: Provision for other liabilities - continued

| Weathertight homes | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 19,786 | 7,566 | 19,786 | 7,566 |
| Additional or increased provision made | 33,875 | 14,195 | 33,875 | 14,195 |
| Amount utilised | (2,797) | (1,975) | (2,797) | (1,975) |
| Weathertight homes - closing balance | 50,864 | 19,786 | 50,864 | 19,786 |

Background

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims have been lodged with WHRS but not yet being actively managed. The provision also includes, for the first time, an amount of \$24.4m as a provision for future claims relating to weathertightness issues not yet identified or not yet reported. These future claims were previously recognised as an unquantified contingent liability however, based on an increasing amount of historical data available and work done around the Government's new financial assistance package, it has been concluded that an estimate should be made of the value of these claims.

Estimation

The Council has provided for the expected future costs of reported claims. The provision for active claims is based on the best estimate of the Council's expected future costs to settle these claims and is reviewed on a case by case basis. The estimate for claims which have been notified and are not yet actively managed and unreported claims is based on actuarial assessments and other information on these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future. This represents the Council's best estimate of the amount required to settle the obligation at the estimated time of the cash outflow. Future cashflows are inflation adjusted and discounted using an applicable discount rate. The provision is net of any third-party contributions including insurance, where applicable. Since August 2009 the Council, like all territorial authorities, has been unable to obtain insurance to cover its future liability in respect of new weathertight claims and will need to meet the full cost of these claims, including legal fees and other costs.

The provision is based on best estimates and actuarial assessments and therefore actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported.

The significant assumptions used in the calculation of the weathertight homes provision are as follows:

Amount claimed

Represents the expected amount claimed by the homeowner and is based on the actual amounts for claims already settled.

Settlement amount

Represents the expected amount of awarded settlement and is based on the actual amounts for claims already settled.

Amount expected to be paid by the Council

Represents the amount expected to be paid by the Council out of any awarded settlement amount and is based on the actual amounts for claims already settled. This figure has been increasing over the last few years as it is becoming more common for the other parties involved in a claim to be either in liquidation or bankrupt, or have limited funds and be unable to contribute to settlement. The Council is being seen more often as the "last man standing" and, with joint and several liability, is having to meet up to 100% of an award because no other party is in the financial position to contribute their share.

Note 23: Provision for other liabilities - continued**Timing of claim payments**

Represents the expected timing of claim payments based on the expected length of time it takes to settle claims. This assumption is based on experience and the actual timings for claims already settled.

Government Financial Assistance Package

The provision for 2011 includes certain actuarial assumptions around the Government's Financial Assistance Package (FAP), which was given Royal assent on 22 July 2011, because as at the end of the reporting period this legislation was virtually certain to be enacted. Although this package came into effect after the end of the reporting period it has been factored into the provision calculation.

Percentage of homeowners who will make a successful claim

Historical data collected on the number of claims lodged has enabled assumptions to be made on the percentage of homes built in the last 10 years which may experience weathertightness problems and therefore the percentage of homeowner who may make a successful claim.

The table below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

| Council and Group | 2011 \$000 | |
|---|---|-------------|
| Assumption | +10% | -10% |
| | Effect on Surplus or Deficit | |
| Amount claimed | 4,548 | (4,547) |
| Settlement level award | 4,548 | (4,547) |
| Council contribution to settlement | 4,548 | (4,547) |
| Timing of claim payments | 429 | (458) |
| Participation in FAP scheme | (991) | 1,186 |
| Percentage of homeowners who will make a successful claim | 2,443 | (2,443) |

| Council and Group | 2011 \$000 | |
|--------------------------|-----------------------|------------|
| Assumption | +2% | -2% |
| | Effect on | |
| Discount rate | (2,504) | 2,784 |

Note 24: Accumulated funds and retained earnings

| | Note | Council | | Group | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Accumulated funds | | 1,269,134 | 1,269,134 | 1,293,162 | 1,293,162 |
| Retained earnings | | | | | |
| Opening balance | | 3,532,586 | 3,500,581 | 3,587,259 | 3,562,119 |
| Net surplus | | 16,047 | 30,330 | 8,220 | 23,545 |
| Transfers from revaluation reserves | 25 | 660 | 489 | 660 | 489 |
| Transfers from restricted funds | 28 | 1,700 | 1,743 | 2,793 | 2,073 |
| Transfers to restricted funds | 28 | (537) | (557) | (1,482) | (967) |
| Retained earnings - closing balance | | 3,550,456 | 3,532,586 | 3,597,450 | 3,587,259 |
| Total accumulated funds and retained earnings | | 4,819,590 | 4,801,720 | 4,890,612 | 4,880,421 |

Note 25: Revaluation reserves

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Land - opening balance | 142,298 | 142,301 | 142,298 | 142,301 |
| Transfer to retained earnings on disposal of assets | (162) | (3) | (162) | (3) |
| Land - closing balance | 142,136 | 142,298 | 142,136 | 142,298 |
| Buildings - opening balance | 194,915 | 195,635 | 194,915 | 195,635 |
| Impairment recognised in other comprehensive income | (257) | (234) | (257) | (234) |
| Transfer to retained earnings on disposal of assets | (247) | (486) | (247) | (486) |
| Buildings - closing balance | 194,411 | 194,915 | 194,411 | 194,915 |
| Library collections - opening balance | 4,913 | 4,913 | 4,913 | 4,913 |
| Revaluation recognised in other comprehensive income | 2,234 | - | 2,234 | - |
| Library collections - closing balance | 7,147 | 4,913 | 7,147 | 4,913 |
| Drainage, waste and water - opening balance | 413,184 | 413,184 | 413,184 | 413,184 |
| Revaluation recognised in other comprehensive income | 228,365 | - | 228,365 | - |
| Drainage, waste and water - closing balance | 641,549 | 413,184 | 641,549 | 413,184 |
| Infrastructure land - opening balance | 14,041 | 14,041 | 14,041 | 14,041 |
| Revaluation recognised in other comprehensive income | (443) | - | (443) | - |
| Transfer to retained earnings on disposal of assets | (251) | - | (251) | - |
| Infrastructure land - closing balance | 13,347 | 14,041 | 13,347 | 14,041 |
| Roading - opening balance | 348,264 | 348,264 | 348,264 | 348,264 |
| Revaluation recognised in other comprehensive income | 22,252 | - | 24,125 | - |
| Roading - closing balance | 370,516 | 348,264 | 372,389 | 348,264 |
| Associates' revaluation reserves - opening balance | - | - | 76,410 | 76,410 |
| Effect of changed shareholding in Chaffers Marina Holdings Limited | - | - | 87 | - |
| Associates' revaluation reserves - closing balance | - | - | 76,497 | 76,410 |
| Total revaluation reserves | 1,369,106 | 1,117,615 | 1,447,476 | 1,194,025 |
| These revaluation reserves are represented by: | | | | |
| Opening balance | 1,117,615 | 1,118,338 | 1,194,025 | 1,194,748 |
| Revaluation recognised in other comprehensive income | 252,408 | - | 254,281 | - |
| Effect of changed shareholding in Chaffers Marina Holdings Limited | - | - | 87 | - |
| Impairment recognised in other comprehensive income | (257) | (234) | (257) | (234) |
| Transfer to retained earnings on disposal of assets | (660) | (489) | (660) | (489) |
| Total revaluation reserves - closing balance | 1,369,106 | 1,117,615 | 1,447,476 | 1,194,025 |

The revaluation reserves are used to record accumulated increases and decreases in the fair value of land, buildings, the library collection, and drainage, waste, water and roading assets.

Infrastructure and Library revaluations

Increases in the value of infrastructure and library assets have arisen through a general increase in costs since the last revaluation in 2008.

Note 26: Hedging reserve

| | Council | | Group | |
|---|----------------|----------------|-----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | (4,465) | 861 | (7,120) | (3,255) |
| Cash flow hedge net movement recognised in other comprehensive income | (4,440) | (5,058) | (4,440) | (5,058) |
| Cash flow hedge movement reclassified to finance income | (268) | (268) | (268) | (268) |
| Cash flow hedge movement reclassified to share of equity accounted surplus of associate | - | - | 1,429 | 1,461 |
| Hedging reserve - closing balance | (9,173) | (4,465) | (10,399) | (7,120) |

The hedging reserve shows accumulated fair value changes for interest rate swaps which satisfy the criteria for hedge accounting and have operated as effective hedges during the period. The Group includes the equity accounted net movement in the hedging reserve of our associate, Wellington International Airport Limited.

Note 27: Fair value through other comprehensive income reserve

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Opening balance | 1,080 | - | 1,080 | - |
| Fair value adjustment taken to other comprehensive income | (332) | 1,080 | (332) | 1,080 |
| Fair value through other comprehensive income - closing balance | 748 | 1,080 | 748 | 1,080 |

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Assurance, for which there is no intention to sell. See Note 13: Other financial assets - for further information.

Note 28: Restricted funds

| | Note | Council | | Group | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Special reserves and funds | 29 | 1,243 | 1,433 | 1,243 | 1,433 |
| Council created reserves and funds | 29 | 14,381 | 15,204 | 14,381 | 15,204 |
| Trusts and bequests | 30 | 461 | 611 | 461 | 611 |
| | | 16,085 | 17,248 | 16,085 | 17,248 |
| Subsidiaries' restricted funds | | | | | |
| Opening balance | | | | 2,446 | 2,366 |
| Additional funds received | | | | 945 | 410 |
| Funds utilised | | | | (1,093) | (330) |
| Subsidiaries' restricted funds - closing balance | | | | 2,298 | 2,446 |
| Total restricted funds | | 16,085 | 17,248 | 18,383 | 19,694 |
| These funds are represented by: | | | | | |
| Opening balance | | 17,248 | 18,434 | 19,694 | 20,800 |
| Transfers from retained earnings | | 537 | 557 | 1,482 | 967 |
| Transfers to retained earnings | | (1,700) | (1,743) | (2,793) | (2,073) |
| Restricted funds - closing balance | | 16,085 | 17,248 | 18,383 | 19,694 |

These funds are a mixture of special purpose reserves and funds, including Council created reserves as well as trusts and bequests. More detailed information on the Council's reserves and funds is disclosed in Note 29: Special and Council created reserves and funds, and Note 30: Trusts and bequests.

The restricted funds of the subsidiaries relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has three reserves; a Capital Reserve, a Colonial Cottage Museum Collection reserve and a City and Sea Collection reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has a number of trust and bequests made, which are held as restricted funds until utilised.

Note 29: Special and council created reserves and funds

| Special reserves and funds | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Reserve purchase and development fund | | | | |
| Opening balance | 1,368 | 1,358 | 1,368 | 1,358 |
| Additional funds received /(repaid) | (12) | 22 | (12) | 22 |
| Funds utilised | (157) | (12) | (157) | (12) |
| Reserve purchase and development fund - closing balance | 1,199 | 1,368 | 1,199 | 1,368 |
| Early Settlers Memorial Park reserve | | | | |
| Opening balance | 65 | 76 | 65 | 76 |
| Funds utilised | (21) | (11) | (21) | (11) |
| Early Settlers Memorial Park reserve - closing balance | 44 | 65 | 44 | 65 |
| Total special reserves and funds - closing balance | 1,243 | 1,433 | 1,243 | 1,433 |

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. The funds were primarily utilised for the purchase of reserve land in Sunhaven Drive.

Early Settlers Memorial Park reserve

This reserve is used to upgrade and maintain the Bolton Street Cemetery and surrounding park and walkways.

| Council created reserves and funds | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Self insurance reserve | | | | |
| Opening balance | 10,961 | 11,775 | 10,961 | 11,775 |
| Additional funds received | 500 | 500 | 500 | 500 |
| Funds utilised | (1,323) | (1,314) | (1,323) | (1,314) |
| Self insurance reserve - closing balance | 10,138 | 10,961 | 10,138 | 10,961 |
| Subdivision development reserve | 4,119 | 4,119 | 4,119 | 4,119 |
| Other reserves | 124 | 124 | 124 | 124 |
| Total Council created reserves and funds - closing balance | 14,381 | 15,204 | 14,381 | 15,204 |

Self-insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the uninsured portion of insurance claims. Annual additions to the reserve of \$0.500m (2010: \$0.500m) are funded through rates as identified in the Annual Plan.

Note 30: Trusts and bequests

| Council | Opening | Additional | Funds | Closing |
|--|------------|------------|--------------|------------|
| | Balance | Funds | Utilised | Balance |
| | 2011 | 2011 | 2011 | 2011 |
| | \$000 | \$000 | \$000 | \$000 |
| A Graham Trust | 7 | - | (5) | 2 |
| A W Newton Bequest | 243 | 14 | | 257 |
| Charles Plimmer Bequest | 168 | 5 | (154) | 19 |
| E A McMillan Estate | 6 | - | - | 6 |
| E Pengelly Bequest | 10 | 1 | - | 11 |
| F L Irvine Smith Memorial | 5 | 1 | - | 6 |
| Greek NZ Memorial Association | 5 | - | - | 5 |
| Kidsarus 2 Donation | 2 | 1 | - | 3 |
| Kirkcaldie and Stains Donation | 17 | - | - | 17 |
| Lewis Glover Bequest | 27 | - | - | 27 |
| QEII Memorial Book Fund | 34 | 1 | (16) | 19 |
| Schola Cantorum Trust | 5 | - | - | 5 |
| Stanley Banks Trust | 61 | - | (12) | 49 |
| Terawhiti Grant | 10 | - | - | 10 |
| W G Morrison Estate | 11 | - | - | 11 |
| Wellington Beautifying Society Bequest | - | 14 | - | 14 |
| Total trusts and bequests | 611 | 37 | (187) | 461 |

Analysis of movements in trusts and bequests

New and additional Funds

During the year the Council recognised the gifting of the residual funds (\$14,000) belonging to the Wellington Beautifying Society. These funds will be used towards the Greening of Taranaki Street project which has been deferred to 2014-15 to align with the Government's development of Memorial Park in the Buckle Street area.

Other trusts and bequests receiving additional funds during the year were those where interest has been applied in accordance with the original terms and conditions.

Funds utilised

Trusts and bequests funds utilised during the year were:

- Charles Plimmer bequest – Te Raekaihau Point \$136,000 and Point Dorset \$18,000
- A Graham Trust – two memorial seats and rubbish bin in Karori cemetery - \$5,000
- Stanley Banks trust – educational grants to children of WWII service personnel - \$12,000
- QE2 Memorial Book fund – commonwealth migrant language books - \$16,000.

Other than those specific trusts and bequests discussed above, the others are generally provided for library, educational or environmental purposes.

Note 31: Financial Instruments

The following tables provide an analysis of the Council's financial assets and financial liabilities by reporting category as described in the summary of accounting policies:

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Financial assets | | | | |
| Loans and receivables | | | | |
| Cash and cash equivalents | 19,641 | 2,349 | 23,832 | 6,016 |
| Trade and other receivables | 38,090 | 42,674 | 39,586 | 43,577 |
| Other financial assets | 5,419 | 4,962 | 5,419 | 4,962 |
| Total loans and receivables | 63,150 | 49,985 | 68,837 | 54,555 |
| Financial assets at fair value through other comprehensive income | | | | |
| Other financial assets | 1,275 | 1,607 | 1,275 | 1,607 |
| Total financial assets at fair value through other comprehensive income | 1,275 | 1,607 | 1,275 | 1,607 |
| Hedged derivative financial instruments | | | | |
| Derivatives designated as cash flow hedges | - | 545 | 1,275 | 545 |
| Derivatives designated as fair value hedges | 1,275 | 915 | - | 915 |
| Total hedged derivative financial instruments | 1,275 | 1,460 | 1,275 | 1,460 |
| Total financial assets | 65,700 | 53,052 | 71,387 | 57,622 |
| Total non-financial assets | 6,618,057 | 6,272,769 | 6,770,501 | 6,428,078 |
| Total assets | 6,683,757 | 6,325,821 | 6,841,888 | 6,485,700 |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | | | | |
| Trade and other payables | 60,435 | 49,720 | 63,627 | 52,006 |
| Borrowings | 331,437 | 283,222 | 331,969 | 283,875 |
| Total financial liabilities at amortised cost | 391,872 | 332,942 | 395,596 | 335,881 |
| Derivative financial instruments | | | | |
| Derivatives designated as cash flow hedges | 9,604 | 5,709 | 9,604 | 5,709 |
| Total derivative financial instruments | 9,604 | 5,709 | 9,604 | 5,709 |
| Financial liabilities at fair value through surplus/deficit | | | | |
| Derivative financial instruments | 484 | 591 | 484 | 591 |
| Total financial liabilities at fair value through surplus/deficit | 484 | 591 | 484 | 591 |
| Total financial liabilities | 401,960 | 339,242 | 405,684 | 342,181 |
| Total non-financial liabilities | 85,441 | 53,381 | 89,384 | 55,419 |
| Total liabilities | 487,401 | 392,623 | 495,068 | 397,600 |

Note 31: Financial instruments - continued

Fair value

The fair values of all financial instruments equate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

- **Level 1** - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- **Level 2** - Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3** - Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

| Council and Group | 2011 | | | 2010 | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | Level 1 \$000 | Level 2 \$000 | Level 3 \$000 | Level 1 \$000 | Level 2 \$000 | Level 3 \$000 |
| Financial assets | | | | | | |
| Financial assets at fair value through other comprehensive income | - | - | 1,275 | - | - | 1,607 |
| Derivative financial instruments | | | | | | |
| - Cash flow hedges | - | - | - | - | 545 | - |
| - Fair value hedges | - | 1,275 | - | - | 915 | - |
| Financial liabilities | | | | | | |
| Derivative financial instruments | | | | | | |
| - Cash flow hedges | - | 9,604 | - | - | 5,709 | - |
| - non-hedged swaps | - | 484 | - | - | 591 | - |

| Reconciliation of fair value movements in Level 3 | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Financial assets at fair value through other comprehensive income | | | | |
| - Equity investment - Civic Assurance | | | | |
| Opening balance - 1 July | 1,607 | 527 | 1,607 | 527 |
| Gains or losses recognised in other comprehensive income | (332) | 1,080 | (332) | 1,080 |
| Closing balance - 30 June | 1,275 | 1,607 | 1,275 | 1,607 |

Note 31: Financial instruments - continued

Financial risk management

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer Note 37: Contingencies). There is currently no liability recognised for these guarantees as the Group does not expect to be called upon for payment.

The Group's maximum exposure to credit risk at the end of the reporting period is:

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Financial instruments with credit risk | | | | |
| Cash and cash equivalents | 19,641 | 2,349 | 23,832 | 6,016 |
| Derivative financial instruments | | | | |
| - Interest rate swaps - interest receivable | 433 | 436 | 433 | 436 |
| Trade and other receivables | | | | |
| - Trade receivables | 12,327 | 13,329 | 13,247 | 14,263 |
| - Other receivables | 25,763 | 29,345 | 26,339 | 29,314 |
| Other financial assets | | | | |
| - Loans to related parties - associates | 1,107 | 983 | 1,107 | 983 |
| - Loans to related parties - other organisations | 4,312 | 3,979 | 4,312 | 3,979 |
| Financial guarantees to related parties | 900 | 1,016 | 900 | 1,016 |
| Total financial instruments with credit risk | 64,483 | 51,437 | 70,170 | 56,007 |

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Note 31: Financial instruments - continued

Credit quality of financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard and Poor's credit ratings.

| Counterparties with credit ratings | Council | | Group | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Cash at bank | | | | |
| AA | 2,115 | 2321 | 4,914 | 4671 |
| Short term deposits | | | | |
| AA | 17,500 | - | 18,881 | 1,301 |
| Derivative financial assets | | | | |
| AA | 1,275 | 1,460 | 1,275 | 1,460 |

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group's strong liquidity management means that it is cost effective to maintain negative working capital. The Group maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group is able to access required funds.

Contractual maturity

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

| | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Contractual cash flows of financial liabilities excluding derivatives | | | | |
| 0-12 months | 162,378 | 158,857 | 166,134 | 161,271 |
| 1-2 years | 36,178 | 8,034 | 36,178 | 8,154 |
| 2-5 years | 171,355 | 126,294 | 171,355 | 126,745 |
| More than 5 years | 57,235 | 73,785 | 57,235 | 73,785 |
| Total contractual cash flows of financial liabilities excluding derivatives | 427,146 | 366,970 | 430,902 | 369,955 |
| Represented by: | | | | |
| Carrying amount as per the Statement of Financial Position | 391,872 | 332,942 | 395,596 | 335,881 |
| Future interest payable | 35,274 | 34,028 | 35,306 | 34,074 |
| Total contractual cash flows of financial liabilities excluding derivatives | 427,146 | 366,970 | 430,902 | 369,955 |

Note 31: Financial instruments - continued

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Contractual cash flows of derivative financial liabilities | | | | |
| 0-12 months | 2,248 | 2,620 | 2,248 | 2,620 |
| 1-2 years | 2,020 | 1,495 | 2,020 | 1,495 |
| 2-5 years | 6,392 | 4,686 | 6,392 | 4,686 |
| More than 5 years | 584 | 1,889 | 584 | 1,889 |
| Total contractual cashflow of derivative financial liabilities | 11,244 | 10,690 | 11,244 | 10,690 |
| Represented by: | | | | |
| Future interest payable | 11,244 | 10,690 | 11,244 | 10,690 |
| Total contractual cash flows of derivative financial liabilities | 11,244 | 10,690 | 11,244 | 10,690 |

In addition to cash received in 2011/12 the Council currently has \$155m in unused committed bank facilities available to settle obligations as well as \$56m of cash and cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Council mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits:

| Period | Minimum | Maximum | Actual |
|-------------------|---------|---------|--------|
| 0 to 3 years | 20% | 60% | 46% |
| 3 to 5 years | 20% | 60% | 30% |
| More than 5 years | 15% | 60% | 25% |

Market risk

Market risk is the risk that the value of an investment will decrease or a liability will increase due to changes in market conditions. The Group uses interest rate swaps in the ordinary course of business to manage interest rate risks. A Treasury Committee, headed by senior management personnel, provides oversight for financial risk management and derivative activities and ensures any activities are in line with the Liability Management Policy which is formally approved by the Council as part of the Long Term Plan (LTP).

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will decrease due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing financial liabilities. The Group is risk averse and seeks to minimise exposure arising from its treasury activities primarily by entering into interest rate swap arrangements to fix interest rates on its borrowings.

The Group manages its cash flow interest rate risk by using interest rate swaps. These have the economic effect of converting borrowings from floating rates to fixed rates. The Council uses interest rate swaps to maintain a required ratio of borrowing between fixed and floating interest rates as specified in the treasury management policy:

| Minimum fixed rate | Maximum fixed rate | Actual % of fixed debt prior interest rate swaps | Actual % of fixed debt after interest rate swaps |
|--------------------|--------------------|--|--|
| 50% | 95% | 13% | 81% |

Note 31: Financial instruments - continued

The table below shows the effect of the interest rate swaps at reducing the Council's exposure to interest rate risk:

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Financial instruments subject to interest rate volatility - before effect of interest rate swaps | | | | |
| Cash and cash equivalents | 19,641 | 2,349 | 23,832 | 6,016 |
| Bank loans | (1,377) | (841) | (1,909) | (1,494) |
| Bank facilities - short term | - | (34,500) | - | (34,500) |
| Commercial paper | (91,500) | - | (91,500) | - |
| Debt securities | (197,000) | (212,000) | (197,000) | (212,000) |
| Total financial instruments subject to interest rate volatility before effect of interest rate swaps | (270,236) | (244,992) | (266,577) | (241,978) |
| Effect of interest rate swaps in reducing interest rate | | | | |
| Effect of fair value hedge | (34,000) | (34,000) | (34,000) | (34,000) |
| Effect of Cash flow interest rate swaps - hedged | 270,000 | 227,000 | 270,000 | 227,000 |
| Effect of Cash flow interest rate swaps - non-hedged | 10,000 | 30,000 | 10,000 | 30,000 |
| Total effect of interest rate swaps in reducing interest rate volatility | 246,000 | 223,000 | 246,000 | 223,000 |
| Total financial instruments subject to interest rate volatility - after effect of interest rate swaps | (24,236) | (21,992) | (20,577) | (18,978) |

These interest rate swaps have a nominal value which represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements; instead the fair value of these interest rate swaps is recognised. This represents the difference between the current floating interest rate and the fixed swap interest rate. At 30 June 2011 the fair value of the interest rate swaps was -\$8.813m (2010: -\$4.840m). This liability will reduce to zero as the swaps reach the end of their lives, and therefore do not represent a liability that the Council will be required to pay cash to settle.

Given that the interest rate swaps have terms that match with the borrowings (short term bank facilities, commercial paper and debt securities), it is appropriate to include the effect of the interest rate swaps on the borrowings interest rate and present the net effective interest rates for the underlying borrowings:

| Weighted effective interest rates | Council | | Group | |
|---|-----------|-----------|-----------|-----------|
| | 2011 % | 2010 % | 2011 % | 2010 % |
| Investments | | | | |
| Cash and cash equivalents | 3.40 | 3.00 | 1.41 | 2.54 |
| Bank deposits - term | - | - | 1.33 | 5.10 |
| Loans to related parties | - | 0.00 | - | 0.00 |
| Borrowings | | | | |
| Bank facilities - short term | - | 3.84 | - | 3.84 |
| Bank loans | 7.00 | 7.00 | 7.00 | 7.04 |
| Commercial paper | 2.76 | - | 2.76 | - |
| Debt securities | 4.02 | 3.85 | 4.02 | 3.85 |
| Derivative financial instruments - hedged | 5.04 | 5.18 | 5.04 | 5.18 |
| Derivative financial instruments - non-hedged | 6.31 | 6.72 | 6.31 | 6.72 |
| Finance leases | 11.63 | 13.75 | 11.63 | 13.75 |

Loans to related parties, being the loans to the Wellington Regional Stadium Trust and to the Karori Wildlife Sanctuary Trust, are both on interest free terms.

Note 31: Financial instruments - continued

Sensitivity analysis

While the Council has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

The tables below illustrate the potential surplus and deficit impact of a 1% changes in interest rates based on the Council's and the Group's exposures at the end of the reporting period:

| Council | | 2011 \$000 | | | |
|--|---|---------------------------------|------------|--|-----------------|
| | | +1% | -1% | +1% | -1% |
| Interest rate risk | | Effect on Surplus or Deficit | | Effect on Other Comprehensive Income | |
| | | Note | | | |
| Financial assets | | | | | |
| Cash and cash equivalents - Council | a | 196 | (196) | - | - |
| Derivatives - Interest rate swaps - hedged | b | - | - | (706) | 728 |
| Financial liabilities | | | | | |
| Bank loans | c | (14) | 14 | - | - |
| Commercial paper | d | (435) | 435 | - | - |
| Debt securities | e | (340) | 340 | - | - |
| Derivatives - Interest rate swaps - hedged | b | - | - | 11,210 | (11,907) |
| Derivatives - Interest rate swaps - non-hedged | b | 148 | (151) | - | - |
| Total sensitivity to interest rate risk | | (445) | 442 | 10,504 | (11,179) |

a. Cash and cash equivalents

Council funds are in a number of different accounts with interest payable on the aggregation of all accounts. A movement in interest rates of plus or minus 1% has an effect on interest income of \$0.196m.

b. Derivatives - interest rate swaps

Derivatives include interest rate swaps with a fair value totalling -\$8.813m. A movement in interest rates of plus 1% has an effect on increasing the unrealised value of the hedged interest rate swaps by \$10.504m. A movement in interest rates of minus 1% has an effect on reducing the unrealised value of the hedged interest rate swaps by \$11.179m. A movement in interest rates of plus 1% has an effect on reducing finance costs related to non-hedged derivatives by \$0.148m. A movement in interest rates of minus 1% has an effect of increasing finance costs related to non-hedged derivatives by \$0.151m.

c. Bank loans

Bank loans total \$1.377m. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.014m.

d. Commercial paper

Commercial paper is part of a programme and subject to floating rates and totals \$91.500m. The full exposure to changes in interest rates has been reduced because the Council has \$48m of the debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.435m.

e. Debt securities

Debt securities at floating rates total \$197m. The full exposure to changes in interest rates has been reduced because the Council has \$197m of this debt at fixed rates through interest rate swaps. Debt securities at fixed rates total \$39m of which \$34m is subject to changes in interest rates as it has been swapped to floating through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.340m.

Note 31: Financial instruments - continued

Equity management

The Group's equity includes accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive income reserve and restricted funds which comprise special funds, reserve funds and trusts and bequests.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 32: Analysis of operating surplus by strategy

This analysis by strategy is a summary of the “what it cost” information within the Statements of Service Performance. Refer to pages XX to XX for more detailed information including variance explanations in respect of the Council’s strategies and activities.

Operating Income and Expenditure

| Council | Income | | Expenditure | | Net | | Net Variance 2011 \$000 |
|-----------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|----------------------------------|
| | Actual | Budget | Actual | Budget | Actual | Budget | |
| | 2011 \$000 | 2011 \$000 | 2011 \$000 | 2011 \$000 | 2011 \$000 | 2011 \$000 | |
| Strategy | | | | | | | |
| Urban development | 8,980 | 10,404 | 28,438 | 25,694 | (19,458) | (15,290) | (4,168) |
| Transport | 33,173 | 32,130 | 48,587 | 50,240 | (15,414) | (18,110) | 2,696 |
| Economic development | 6,214 | 6,263 | 24,763 | 26,116 | (18,549) | (19,853) | 1,304 |
| Environment | 17,653 | 12,783 | 125,991 | 125,477 | (108,338) | (112,694) | 4,356 |
| Cultural wellbeing | 943 | 1,057 | 14,375 | 14,921 | (13,432) | (13,864) | 432 |
| Social and recreation | 71,484 | 70,246 | 88,106 | 89,665 | (16,622) | (19,419) | 2,797 |
| Governance | 672 | 552 | 14,769 | 15,419 | (14,097) | (14,867) | 770 |
| Total strategy | 139,119 | 133,435 | 345,029 | 347,532 | (205,910) | (214,097) | 8,187 |
| Council | 276,967 | 266,850 | 55,010 | 3,764 | 221,957 | 263,086 | (41,129) |
| Total strategy and Council | 416,086 | 400,285 | 400,039 | 351,296 | 16,047 | 48,989 | (32,942) |

The variance in Urban Development is due a downward movement in the fair value of investment properties and additional expenditure both relating to the Wellington Waterfront project.

The variance in Transport is due to the recognition of unbudgeted vested asset income for roading assets and lower interest costs.

The variance in Economic Development is partly due to the tragic earthquake in Christchurch, which resulted in venues there being closed and some venue activity transferred to Wellington. In addition significant personnel and overhead savings have been made throughout the year.

The variance in Environment is due to the recognition of unbudgeted vested asset income for water, stormwater and sewerage pipes and higher volumes of contaminated soil waste being disposed at the Landfill and lower interest costs.

The variance in Social and Recreation is due to additional capital funding being recognised as a result of an accelerated work programme for the Newtown Park flats upgrade as well as costs savings, primarily on labour costs and organisational overheads.

The variance in Governance is due to higher than expected elections revenue as well as lower personnel and organisational overhead costs.

The variance in Council is due to a downwards movement in the fair value of investment properties and an increase in the provision for Weathertight homes.

Other major operating income and expenditure budget variances are explained within Note 33: Major budget variations.

Note 32: Analysis of operating surplus by strategy

| Council | Income | | Expenditure | | Net | | Net |
|-----------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|---------------|
| | Actual | Budget | Actual | Budget | Actual | Budget | Variance |
| | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Strategy | | | | | | | |
| Urban development | 12,552 | 9,649 | 28,826 | 24,739 | (16,274) | (15,090) | (1,184) |
| Transport | 36,632 | 31,230 | 47,599 | 48,561 | (10,967) | (17,331) | 6,364 |
| Economic development | 9,865 | 5,853 | 25,046 | 24,481 | (15,181) | (18,628) | 3,447 |
| Environment | 18,605 | 12,762 | 122,922 | 125,385 | (104,317) | (112,623) | 8,306 |
| Cultural wellbeing | 984 | 1,133 | 13,807 | 14,025 | (12,823) | (12,892) | 69 |
| Social and recreation | 46,987 | 45,466 | 85,768 | 87,140 | (38,781) | (41,674) | 2,893 |
| Governance | 404 | 364 | 13,200 | 14,577 | (12,796) | (14,213) | 1,417 |
| Total strategy | 126,029 | 106,457 | 337,168 | 338,908 | (211,139) | (232,451) | 21,312 |
| Council | 272,560 | 259,733 | 31,091 | 3,154 | 241,469 | 256,579 | (15,110) |
| Total strategy and Council | 398,589 | 366,190 | 368,259 | 342,062 | 30,330 | 24,128 | 6,202 |

Note 33: Major budget variations

| Statement of Comprehensive Financial Performance | Council 2011 \$000 |
|---|--------------------------|
| Council actual net surplus | 16,047 |
| Less: | |
| Fair value movements: | |
| Cash flow hedge movement reclassified from hedging reserve | (268) |
| Fair value hedge movements | (360) |
| Fair value hedge adjustments to borrowings | 360 |
| Derivatives at fair value through surplus or (deficit) | (107) |
| Loan amortisation | (3) |
| Investment property revaluation | 10,473 |
| Total fair value movements | 10,095 |
| Additional net expenditure from Wellington Waterfront and Venues Projects and Porirua Joint Ventures | 1,284 |
| Changes to external funding for capital expenditure: | |
| Restricted funds income | 63 |
| Decrease in development contributions revenue | 4,357 |
| Timing of the Housing New Zealand capital grant | (2,652) |
| Increase in New Zealand Transport Agency reimbursement - capital | (229) |
| Additional external funding towards capital projects | (1,814) |
| Total changes to external funding for capital expenditure | (275) |
| Vested assets - income | (4,256) |
| Vested assets - expenditure | 1,190 |
| Gain on disposal of property, plant and equipment | (1,009) |
| Loss on disposal of property, plant and equipment | 1,313 |
| Additional expenditure not funded under section 100 of LGA | |
| New Zealand Transport Agency funded transport projects | (36) |
| Living Earth | (6) |
| Total additional expenditure not funded under section 100 of LGA | (42) |
| Ring-fenced surpluses and deficits | |
| City Housing - deficit | 991 |
| Waste Activity - surplus | (735) |
| Underlying Council actual net surplus | 24,603 |
| less Council budget net surplus | 48,989 |
| Underlying variance | (24,386) |
| Unbudgeted revenue/expenditure: | |
| Restatement of provisions | (33,875) |
| Insurance costs (net of recoveries) funded through self insurance reserve | (1,323) |
| Total unbudgeted revenue/expenditure | (35,198) |
| Significant variations from budget | |
| Dividends in excess of budget (including Wellington International Airport Limited) | 3,811 |
| Increase in rates revenue and rates penalties | 1,039 |
| Decrease in interest expense | 2,147 |
| Decrease in other general expenses | 2,107 |
| Other net variances ¹ | 1,708 |
| Total significant variations from budget | 10,812 |
| Total factors contributing to underlying variance | (24,386) |

1. Other net variances relate to other reduced costs in programmes, projects and organisational costs.

Note 33: Major budget variations - continued

Statement of Changes in Equity

Significant variations from budget are as follows:

Total equity is \$87.6m above budget and is primarily due to the following:

- \$98.4m higher than expected net revaluation increases primarily relating to infrastructure assets
- \$32.0m higher retained earnings from 2009/10 than budgeted
- \$32.9m lower than budgeted net surplus in the current year
- \$5.3m decrease in the hedging reserve in 2009/10 and a further \$4.7m decrease in the current year.

Statement of Financial Position

Significant variations from budget are as follows:

- Current assets are \$25.6m higher primarily due to the \$17.5m of short-term deposits held at year-end and the unbudgeted \$8.1m of non-current assets held for sale.
- Non-current assets are \$81.4 million higher primarily due to the \$97.3m increase of property, plant and equipment assets above budget. This is offset by the \$13.8m decrease in the fair value of investment property which is unbudgeted and the transfer of the \$8.1m of non-current held-for-sale assets to current.
- Current liabilities are \$16.4m higher primarily due to \$7.6m of increased short-term borrowings and \$6.9m of increased provisioning principally for weathertight homes including the increase in 2009/10 that was largely unbudgeted.
- Non-current liabilities are \$3.1m higher primarily due to \$36.0m of reduced long-term borrowings but \$34.9m of increased provisioning principally for weathertight homes including the increase in 2009/10 that was largely unbudgeted.

Statement of Cash Flows

The budget variations explained above also contribute to budget variations in the Statement of Cash Flows.

Note 34: Analysis of capital expenditure by strategy

This analysis reports capital expenditure performance against the approved budget contained within the Annual Plan by strategy. The note reflects Wellington City Council capital expenditure only.

| Council | Annual Plan Budget | Budget Brought Forward | Total Capex Budget | Budget to Carry Forward | Available Capex Budget | Actual Capex | Variance Net |
|---|---------------------------|-------------------------------|---------------------------|--------------------------------|-------------------------------|---------------------|---------------------|
| | 2011 | 2010 | 2011 | to 2012 | 2011 | 2011 | 2011 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Strategy | | | | | | | |
| Urban development | 5,659 | 6,754 | 12,413 | (3,197) | 9,216 | 7,991 | 1,225 |
| Transport | 43,333 | 4,485 | 47,818 | (7,553) | 40,265 | 40,975 | (710) |
| Economic development | 603 | 14 | 617 | (332) | 285 | 261 | 24 |
| Environment | 28,182 | 4,821 | 33,003 | (2,348) | 30,655 | 30,822 | (167) |
| Cultural wellbeing | 449 | 68 | 517 | (232) | 285 | 355 | (70) |
| Social and recreation | 81,233 | 4,083 | 85,316 | (9,287) | 76,029 | 83,752 | (7,723) |
| Governance | 104 | - | 104 | (31) | 73 | 8 | 65 |
| Total strategy | 159,563 | 20,225 | 179,788 | (22,980) | 156,808 | 164,164 | (7,356) |
| Council | 12,650 | 6,578 | 19,228 | (3,839) | 15,389 | 13,231 | 2,158 |
| Total capital expenditure | 172,213 | 26,803 | 199,016 | (26,819) | 172,197 | 177,395 | (5,198) |
| Excluding additional expenditure funded from external sources | | | | | | | |
| Budget brought forward for artificial pitches | | | | | | | 2,625 |
| Housing grant - accrued income | | | | | | | 2,373 |
| Zoo Trust - Contribution | | | | | | | 603 |
| Wakefield Artificial sportsfield | | | | | | | 772 |
| Increase in New Zealand Transport Agency reimbursement | | | | | | | 229 |
| Transfer to reserves purchase and development fund | | | | | | | 157 |
| Waka Settlement | | | | | | | 150 |
| Stormwater development - Moturoa Street | | | | | | | 120 |
| Other - less than \$50,000 | | | | | | | 169 |
| Total adjusted net variance | | | | | | | 2,000 |

The capex variance of -\$5.198m has been adjusted for additional external funding received over and above budget. It has also been adjusted for spend on the Wakefield artificial sportsfield. There was a decision made by Council to bring forward spend on the artificial pitches originally budgeted in future years. There was no requirement to find offsetting savings in the 2010/11 capex programme as this is just a reprioritisation of spend.

Budget to carry forward

Amounts committed for future expenditure at end of the reporting period from within these capital expenditure budget carry forwards have been included within Note 36: Commitments.

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the Local Government Act 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Performance.

Note 34: Analysis of capital expenditure by strategy - continued

| Council | Original Annual Plan Budget | Budget Brought Forward from | Total Capex Budget | Budget to Carry Forward to | Available Capex Budget | Actual Capex | Variance Net |
|---|-----------------------------------|--------------------------------------|--------------------------|-------------------------------------|------------------------------|-----------------|-----------------|
| | 2010 \$000 | 2009 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 | 2010 \$000 | 2010 \$000 |
| Strategy | | | | | | | |
| Urban development | 10,776 | 8,158 | 18,934 | (6,754) | 12,180 | 8,461 | 3,719 |
| Transport | 33,507 | 2,266 | 35,773 | (4,485) | 31,288 | 30,742 | 546 |
| Economic development | 1,138 | 1,322 | 2,460 | (14) | 2,446 | 2,756 | (310) |
| Environment | 29,690 | 3,048 | 32,738 | (4,821) | 27,917 | 27,863 | 54 |
| Cultural wellbeing | 1,163 | 68 | 1,231 | (68) | 1,163 | 1,690 | (527) |
| Social and recreation | 25,426 | 14,365 | 39,791 | (4,083) | 35,708 | 35,670 | 38 |
| Governance | - | - | - | - | - | - | - |
| Total strategy | 101,700 | 29,227 | 130,927 | (20,225) | 110,702 | 107,182 | 3,520 |
| Council | 12,646 | 8,227 | 20,873 | (6,578) | 14,295 | 10,970 | 3,325 |
| Total capital expenditure | 114,346 | 37,454 | 151,800 | (26,803) | 124,997 | 118,152 | 6,845 |
| Excluding additional expenditure funded from external sources | | | | | | | |
| Zoo Trust - Zoo upgrades | | | | | | | 330 |
| Carter Observatory Trust - Observatory upgrade | | | | | | | 309 |
| Art Gallery upgrade | | | | | | | 266 |
| Other - less than \$50,000 | | | | | | | 197 |
| Total adjusted net variance | | | | | | | 7,947 |

Note 35: Capital expenditure performance

Capital expenditure projects

The following analysis shows the actual capital expenditure against budget. Projects are classified according to the strategy area. Detailed commentaries on each strategy area, activity and the outcomes that they contribute towards are contained in the strategy area section of the Statements of Service Performance.

| | Actual Expenditure ¹ 2011 \$000 | Proposed Budget Carry Forward ² 2011 \$000 | Total Forecast Expenditure 2011 \$000 | Budget ³ 2011 \$000 | Notes |
|---|---|---|---|--------------------------------------|-------|
| Urban development | | | | | |
| Urban planning and policy development | 813 | 837 | 1,650 | 1,724 | |
| Earthquake risk mitigation | 709 | 498 | 1,207 | 1,206 | |
| Waterfront development | 2,200 | 1,344 | 3,544 | 5,500 | |
| Public space and centre developments | 4,269 | 518 | 4,787 | 3,983 | 4 |
| Total Urban development | 7,991 | 3,197 | 11,188 | 12,413 | |
| Transport | | | | | |
| Ports access | 5,036 | - | 5,036 | 4,580 | 5 |
| Vehicle network | 20,332 | 6,458 | 26,790 | 27,353 | |
| Passenger transport network | 4,837 | 1,011 | 5,848 | 5,076 | 6 |
| Network-wide control and management | 2,499 | - | 2,499 | 2,549 | |
| Pedestrian network | 4,491 | - | 4,491 | 4,490 | |
| Road safety | 2,781 | - | 2,781 | 2,690 | |
| Other | 999 | 84 | 1,083 | 1,080 | |
| Total Transport | 40,975 | 7,553 | 48,528 | 47,818 | |
| Economic development | | | | | |
| Visitor attractions and Convention venues | 261 | 332 | 593 | 617 | |
| Total Economic development | 261 | 332 | 593 | 617 | |
| Environment | | | | | |
| Botanical gardens | 956 | 2 | 958 | 1,081 | |
| Water network | 11,258 | 899 | 12,157 | 11,908 | 7 |
| Stormwater management | 5,040 | 282 | 5,322 | 4,919 | 8 |
| Sewage collection and disposal network | 7,910 | 493 | 8,403 | 9,608 | |
| Waste minimisation, disposal and recycling management | 756 | 381 | 1,137 | 1,138 | |
| Zoo | 2,854 | - | 2,854 | 2,163 | 9 |
| Other | 2,048 | 291 | 2,339 | 2,186 | 10 |
| Total Environment | 30,822 | 2,348 | 33,170 | 33,003 | |

- Actual capital expenditure consists of all expenditure 2010/11 including expenditure against 2009/10 budget carry forwards.
- Proposed budget carry forwards represent the portion of the project budget to be carried forward to future financial years.
- Budgets comprise 2010/11 Annual Plan budgets brought forward into 2010/11 from the previous financial period.
- Council approved overspend for timing of capital works on Cuba Street upgrade.
- Over budget due to bridging works to protect sewer pump station as a result of a rail alignment during the construction of the pedestrian walkway at Waterloo Quay.
- Council approved overspend for the purchase of Lambton Quay terminal.
- Funded by Council wide savings in other capital projects.
- Funded by Council wide savings in other capital projects.
- Unbudgeted external funding of \$0.603m received from Wellington Zoo Trust for additional capital work.
- Council approved land purchase.

Note 35: Capital expenditure performance - continued

| | Actual Expenditure ¹ 2011 \$000 | Proposed Budget Carry Forward ² 2011 \$000 | Total Forecast Expenditure 2011 \$000 | Budget ³ 2011 \$000 | Notes |
|---|---|---|---|--------------------------------------|-------|
| Cultural Wellbeing | | | | | |
| Art installation | 345 | - | 345 | 413 | |
| Te ara o nga tupuna - Maori heritage trails | 10 | 232 | 242 | 104 | |
| Total Cultural wellbeing | 355 | 232 | 587 | 517 | |
| Social and recreation | | | | | |
| Libraries network | 2,008 | 371 | 2,379 | 2,382 | |
| Swimming pools | 1,618 | 2,945 | 4,563 | 4,708 | |
| Synthetic turf sportsfields | 3,867 | - | 3,867 | 568 | 11 |
| Indoor Community Sports Centre | 31,009 | 4,498 | 35,507 | 33,535 | 12 |
| Public toilets | 1,469 | 14 | 1,483 | 1,496 | |
| Community housing | 41,410 | 273 | 41,683 | 39,605 | 13 |
| Other | 2,371 | 1,186 | 3,557 | 3,022 | |
| Total Social and recreation | 83,752 | 9,287 | 93,039 | 85,316 | |
| Governance | | | | | |
| City governance and engagement | 8 | 31 | 39 | 104 | |
| Total Governance | 8 | 31 | 39 | 104 | |
| Council | | | | | |
| Organisational projects including IT | 13,231 | 3,839 | 17,070 | 19,228 | |
| Total Council | 13,231 | 3,839 | 17,070 | 19,228 | |
| Total capital expenditure projects | 177,395 | 26,819 | 204,214 | 199,016 | |

1. Actual capital expenditure consists of all expenditure 2010/11 including expenditure against 2009/10 budget carry forwards.
2. Proposed budget carry forwards represent the portion of the project budget to be carried forward to future financial years.
3. Budgets comprise 2010/11 Annual Plan budgets brought forward into 2010/11 from the previous financial period.
11. Council decided to bring forward the construction of two synthetic pitches in September 2010.
12. Funded by Council wide savings in other capital projects.
13. Funded by the Crown housing grant.

Note 36: Commitments

| Capital commitments | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Approved and contracted - property, plant and equipment | 91,841 | 88,913 | 93,491 | 88,913 |
| Approved and contracted - investment properties | 230 | 138 | 230 | 138 |
| Approved and contracted - intangibles | 302 | - | 302 | - |
| Approved and contracted - share of associates | - | - | 1,650 | 4,290 |
| Total capital commitments | 92,373 | 89,051 | 95,673 | 93,341 |

The capital commitments above often span more than one financial year and includes the capital expenditure carried forward from Note 34: Analysis of capital expenditure by strategy, which forms only part of the total commitments shown.

Operating leases – Group as lessee

The Group leases certain items of plant, equipment, land and buildings under various non-cancellable operating lease agreements.

The lease terms are between 2 and 21 years and the majority of the lease agreements are generally renewable at the end of the lease period at market rates.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 6: Expenditure on operating activities.

The future expenditure committed by these leases is analysed as follows:

| Non-cancellable operating lease commitments as lessee | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Plant and equipment | | | | |
| Not later than one year | 127 | 69 | 128 | 134 |
| Later than one year and not later than five years | 151 | 70 | 151 | 144 |
| Later than five years | - | - | - | - |
| Land and buildings | | | | |
| Not later than one year | 1,710 | 1,644 | 1,986 | 1,875 |
| Later than one year and not later than five years | 3,908 | 4,227 | 4,641 | 4,636 |
| Later than five years | 4,011 | 3,674 | 4,202 | 3,674 |
| Total non-cancellable operating lease commitments as lessee | 9,907 | 9,684 | 11,108 | 10,463 |

Note 36: Commitments - continued**Operating leases – Group as lessor**

The Group has also entered into commercial property leases of its investment property portfolio and other land and buildings.

The land and buildings held for investment purposes are properties which are not held for operational purposes and are leased to external parties.

Ground leases are parcels of land owned by the Group in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The land and buildings not held for investment purposes are either used to accommodate the Group's operational activities or are held for purposes such as road widening, heritage, or are being monitored for compliance reasons. In some cases, parts of these assets are leased to external parties on a commercial basis. The terms of these commercial leases generally range from 1 to 15 years.

The committed revenues expected from these lease portfolios are analysed as follows:

| Non-cancellable operating lease commitments as lessor | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Investment properties | | | | |
| Not later than one year | 9,689 | 10,683 | 9,689 | 10,683 |
| Later than one year and not later than five years | 31,460 | 32,481 | 31,460 | 32,481 |
| Later than five years | 78,938 | 83,418 | 78,938 | 83,418 |
| Land and buildings | | | | |
| Not later than one year | 2,588 | 1,347 | 2,390 | 3,158 |
| Later than one year and not later than five years | 5,010 | 2,585 | 4,991 | 2,782 |
| Later than five years | 10,125 | 7,512 | 10,125 | 7,512 |
| Total non-cancellable operating lease commitments as lessor | 137,810 | 138,026 | 137,593 | 140,034 |

Note 37: Contingencies

| Contingent liabilities | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Financial guarantees to community groups | 900 | 1,016 | 900 | 1,016 |
| Share of associates' contingent liabilities | - | - | - | - |
| Share of joint ventures' contingent liabilities | - | - | - | - |
| Other legal proceedings | 340 | 780 | 340 | 780 |
| Total contingent liabilities | 1,240 | 1,796 | 1,240 | 1,796 |

The financial guarantees to community groups above are analysed below:

| Outstanding debt subject to Council guarantees | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2011 \$000 | 2010 \$000 | 2011 \$000 | 2010 \$000 |
| Karori Wildlife Sanctuary Trust | 900 | 1,008 | 900 | 1,008 |
| Wellington Museums Trust | - | 8 | - | 8 |
| Total outstanding debt subject to Council guarantees | 900 | 1,016 | 900 | 1,016 |

Karori Wildlife Sanctuary Trust

The Council has provided a guarantee over a term loan facility to a maximum limit of \$1.550m plus any outstanding interest and enforcement costs.

Wellington Museums Trust

The Council has provided a guarantee over a bank term loan facility to a maximum limit of \$0.750m plus one year's interest on the principal amount and enforcement costs. The loan matured in July 2010, and the Council has been released from the guarantee by the bank.

The above financial guarantees have not been recognised as liabilities as the Council and Group consider it is not probable at 30 June 2011 that any expenditure will be incurred to settle them.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period.

The maximum exposure to Council is anticipated to be less than \$0.376m.

Unquantified contingent liabilities

The Government's Financial Assistance Package for Leaky Buildings was given Royal assent on 22 July 2011. The package aims to help people get their leaky homes fixed faster, and centres on the Government and local authorities each contributing 25% of agreed repair costs and affected homeowners funding the remaining 50% backed by a Government loan guarantee. The impact that this package will have on future claim numbers and the quantum of those claims remains unknown at this stage since the scheme is still in very early stages. A provision for known claims and future claims has been made in Note 23: Provisions but there may be an uplift in the number of claims as a result of the Government package. The impact and cost of this potential uplift in claims is unknown at this stage and cannot be measured reliably and therefore the Council and Group have an unquantified contingent liability.

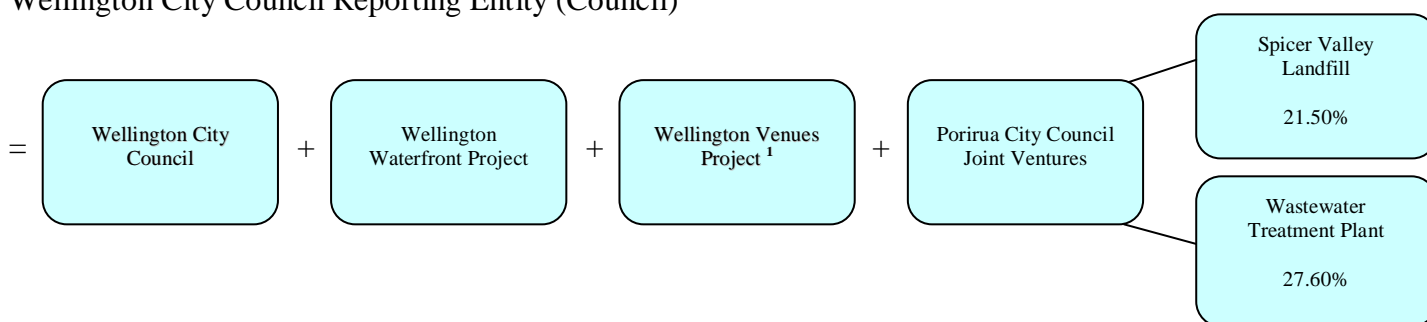
There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement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

Contingent assets

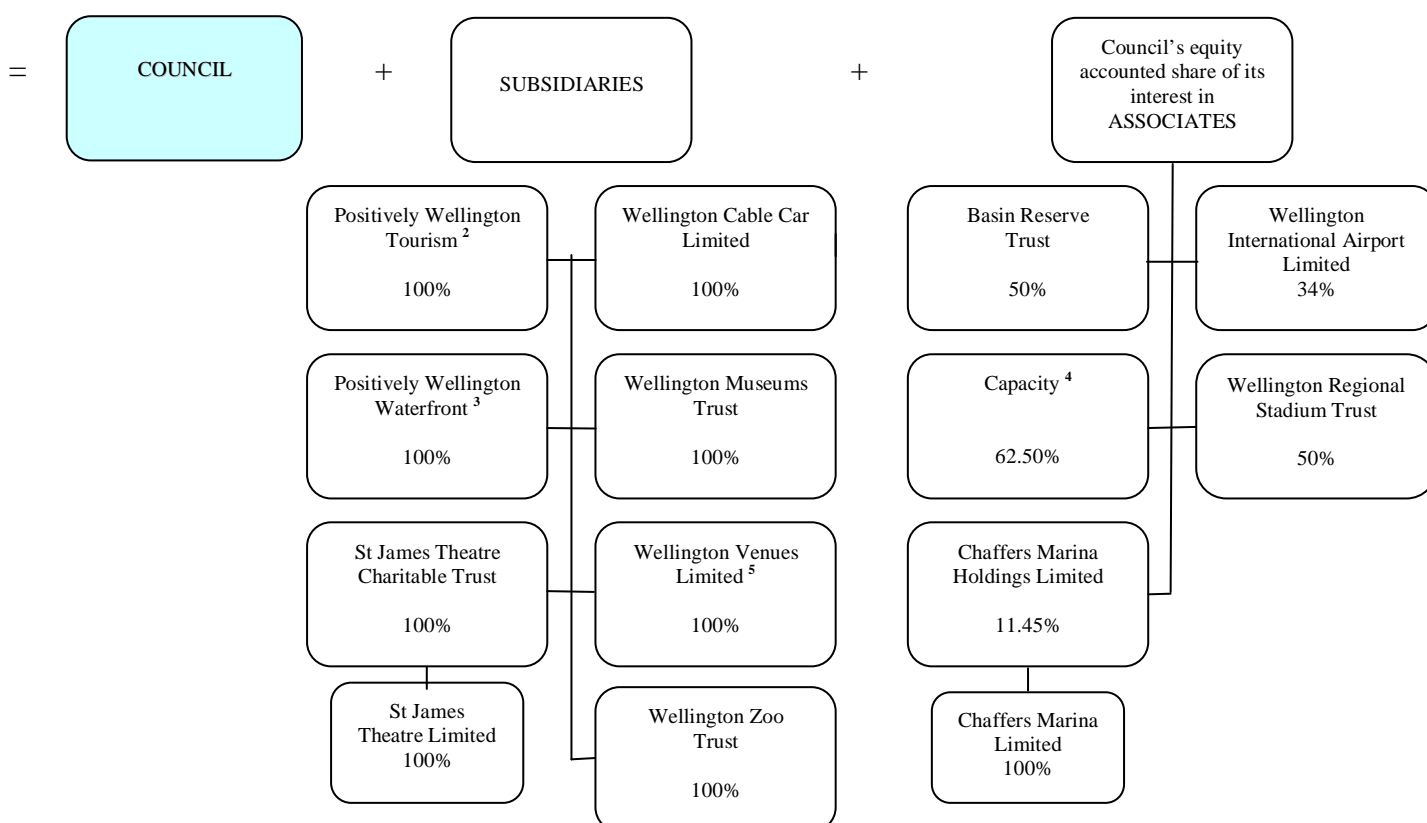
The Council and Group have no contingent assets as at 30 June 2011 (2010: Nil).

Note 38: Group structure

Wellington City Council Reporting Entity (Council)



Wellington City Council Group Reporting Entity (Group)



- Wellington Venues Project commenced on 1 February 2011
- The legal name of the subsidiary is the Partnership Wellington Trust Inc.
- The legal name of the subsidiary is Wellington Waterfront Limited.
- The legal name of the associate is Capacity Infrastructure Services Limited (formerly Wellington Water Management Limited).
- Wellington Venues Limited commenced on 1 February 2011

Percentages represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group.

Note 39: Joint ventures

The Council has significant interests in the following joint ventures:

| Joint Venture | Interest 2011 | Interest 2010 | Nature of business |
|---|------------------|------------------|---|
| Wastewater treatment plant – Porirua City Council | 27.6% | 27.6% | Owens and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs. |
| Spicer Valley Landfill – Porirua City Council | 21.5% | 21.5% | Owens and operates a sanitary landfill that provides services to Wellington City's northern suburbs. |

The end of the reporting period for the joint ventures is 30 June. Included in the financial statements are the following items that represent the Council's and Group's interest in the assets and liabilities of the joint ventures.

| Share of Net Assets | 2011 \$000 | 2010 \$000 |
|-----------------------------------|---------------|---------------|
| Assets | | |
| Current | | |
| Inventory | 1 | 6 |
| Trade and other receivables | 1,340 | 1,538 |
| Non-current | | |
| Property, plant and equipment | 17,803 | 15,350 |
| Share of total assets | 19,144 | 16,894 |
| Liabilities | | |
| Current | | |
| Borrowings | - | 77 |
| Non-current | | |
| Borrowings | 1,377 | 764 |
| Provisions for other liabilities | 979 | 878 |
| Share of total liabilities | 2,356 | 1,719 |
| Share of net assets | 16,788 | 15,175 |

The Council's and Group's share of the joint ventures' current year net surplus and revaluation movements (after elimination) included in the financial statements are shown below.

| Share of Net Surplus and Revaluation Movements | 2011 \$000 | 2010 \$000 |
|---|---------------|---------------|
| Operating revenue | 690 | 293 |
| Operating expenditure | (605) | (372) |
| Share of net surplus or (deficit) | 85 | (79) |
| Share of current year revaluation movement | 1,528 | - |

The Council's and Group's share of the joint ventures' capital commitments is \$Nil (2010: \$Nil) and contingent liabilities is \$Nil (2010: \$Nil).

Note 40: Investment in Subsidiaries

The following entities are subsidiaries of Council:

| Subsidiary | Interest 2011 | Interest 2010 | Nature of business |
|---|--------------------------|--------------------------|--|
| Positively Wellington Tourism (Partnership Wellington Trust Inc) | 100% | 100% | Creates economic and social benefit by marketing the city with the private sector as a visitor destination. |
| Positively Wellington Waterfront (Wellington Waterfront Limited) | 100% | 100% | Manages the Wellington Waterfront Project. |
| St James Theatre Charitable Trust | 100% | 100% | Owns and operates the St James Theatre and Opera House. |
| - St James Theatre Limited | 100% | 100% | Performing arts venue. |
| Wellington Cable Car Limited | 100% | 100% | Owns and manages the trolley bus overhead wiring system and the Cable Car. |
| Wellington Museums Trust | 100% | 100% | Administers the Cable Car Museum, Capital E, the City Gallery, the Colonial Cottage Museum, the Carter Observatory and the Museum of Wellington City and Sea |
| Wellington Venues Limited | 100% | N/A | Manages the Wellington Venues Project from 1 February 2011. |
| Wellington Zoo Trust | 100% | 100% | Manages and guides the future direction of the Wellington Zoo. |

The reporting period end date for all subsidiaries is 30 June. Full copies of their financial statements can be obtained directly from their offices. Further information on the structure, objectives, the nature and scope of activities, and the performance measures and targets of the entities can be found in the Report on Council Controlled Organisations (page XX).

The cost of the Council's investment in subsidiaries is reflected in the Council's financial statements as follows:

| Investment in subsidiaries | 2011 \$000 | 2010 \$000 |
|---|-----------------------|-----------------------|
| St James Theatre Charitable Trust | 2,700 | 2,700 |
| Wellington Cable Car Limited | 3,809 | 3,809 |
| Total investment in subsidiaries | 6,509 | 6,509 |

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to subsidiaries. The Council has only made equity investments in respect of the St James Theatre Charitable Trust and Wellington Cable Car Limited. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality.

Information on inter-company transactions is included in the Note 42: Related party disclosures.

Wellington Venues Limited

This entity commenced on 1 February 2011 to manage the Wellington Venues Project, which currently includes the operations of the former Wellington Convention Centre (the Michael Fowler Centre, the TSB Arena and Shed 6). From 1 July 2011 this project will expand to include the operations of the St James Theatre Charitable Trust, which currently owns and manages the St James Theatre and the Opera House. After 30 June 2011 the Trust and St James Theatre Limited will cease trading in their own right.

Note 41: Investment in Associates

The Council has a significant interest in the following associates:

| Associate | Interest 2011 | Interest 2010 | Nature of business |
|--|------------------|------------------|--|
| Basin Reserve Trust | 50% | 50% | Manages, operates and maintains the Basin Reserve |
| Capacity (Capacity Infrastructure Services Limited) | 62.5% | 62.5% | Jointly manages water services for Wellington and Lower Hutt cities. |
| Chaffers Marina Holdings Limited | 11.45% | 14.7% | Holding company for Chaffers Marina Limited. |
| - Chaffers Marina Limited | 100% | 100% | Owns and manages the marina. |
| Wellington International Airport Limited | 34% | 34% | Owns and manages Wellington International Airport facilities and services. |
| Wellington Regional Stadium Trust | 50% | 50% | Owns and manages the Westpac Stadium. |

Full copies of the associates' separately prepared financial statements can be obtained directly from their offices.

Basin Reserve Trust

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve and has a reporting period end date of 30 June. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust. On this basis the Trust is recognised as an associate of the Council in accordance with NZ IAS 28: *Investments in Associates*. It is therefore appropriate to recognise the interest that Wellington City ratepayers have in the Trust within the Council's financial statements. As each party has equal power to appoint Trustees, Wellington City Council's ownership interest in the Trust has been accounted for at 50%.

Capacity

Capacity, the trading name for Capacity Infrastructure Services Limited (formerly Wellington Water Management Limited), was jointly created with Hutt City Council on 9 July 2003 and has a reporting period ending 30 June. Wellington City Council and Hutt City Council each own Class A and Class B shares in the company.

| | Wellington City Council | Hutt City Council | Shares on Issue |
|---|-------------------------|-------------------|-----------------|
| Class A shares (voting rights) | 150 | 150 | 300 |
| Class B shares (financial entitlements) | 188 | 112 | 300 |

The Class A shares represent voting rights and are split evenly between the two Councils. The Class B shares confer the level of contributions and ownership benefits of each council. Wellington City Council holds 188 Class B shares, and Hutt City Council holds 112. The company is considered to be jointly controlled because of the equal sharing of voting rights conferred through the Class A shares and is therefore an associate of both Wellington City Council and Hutt City Council in accordance with NZ IAS 28: *Investments in Associates*. Each Council will equity account for their respective ownership interest as determined by the proportionate value of Class A and Class B shares held. Wellington City Council's ownership interest in the company is 62.5%.

Chaffers Marina

Chaffers Marina Holdings Limited and Chaffers Marina Limited have a reporting period end date of 30 June. The shares in Chaffers Marina Holdings Limited are held by Wellington Waterfront Limited in a fiduciary capacity. As at 30 June 2011 Council held an 11.45% interest in Chaffers Marina Holdings Limited (2010: 14.70%) which has been reflected in the Group financial statements on an equity accounting basis reflecting the special rights (as set out in Chaffers Marina Limited's Constitution) which attach to the golden share that it holds in Chaffers Marina Limited.

Note 41: Investment in Associates - continued**Wellington International Airport Limited**

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to Council, which is legislatively required to use 30 June. The Council owns 34% of the company, with the remaining 66% owned by NZ Airports Limited (which is wholly owned by Infratil Limited).

Wellington Regional Stadium Trust

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and has a reporting period end date of 30 June. Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of Trustees and receives benefits from the complementary activities of the Trust. On this basis the Trust is an associate of the Council in accordance with NZ IAS 28: *Investments in Associates*. It is therefore appropriate to recognise the interest that Wellington City ratepayers have in the Trust within the Council's financial statements. As each Council has equal power to appoint Trustees, Wellington City Council's ownership interest in the Trust has been accounted for at 50%.

Summary of Financial Position and Performance of Associates

The Council's share of the assets, liabilities, revenues and surpluses or deficits of the associates is as follows:

| Associates | Assets | Liabilities | Revenues | Surplus/(Deficit) |
|--|---------------|---------------|---------------|-------------------|
| | 2011 \$000 | 2011 \$000 | 2012 \$000 | 2011 \$000 |
| Basin Reserve Trust | 728 | 84 | 193 | (134) |
| Capacity | 804 | 633 | 4,588 | (37) |
| Chaffers Marina Holdings Limited | 910 | 154 | 134 | (35) |
| Wellington International Airport Limited | 254,978 | 131,164 | 39,015 | (931) |
| Wellington Regional Stadium Trust | 48,969 | 13,159 | 8,331 | 1,628 |

| Associates | Assets | Liabilities | Revenues | Surplus/(Deficit) |
|--|---------------|---------------|---------------|-------------------|
| | 2010 \$000 | 2010 \$000 | 2010 \$000 | 2010 \$000 |
| Basin Reserve Trust | 869 | 92 | 242 | (144) |
| Capacity | 850 | 641 | 4,514 | 10 |
| Chaffers Marina Holdings Limited | 941 | 139 | 144 | 91 |
| Wellington International Airport Limited | 247,131 | 121,385 | 36,152 | 7,141 |
| Wellington Regional Stadium Trust | 49,622 | 15,531 | 8,863 | 1,685 |

Investment in associates

The cost of the Council's investment in associates is reflected in the Council financial statements as follows:

| Investment in associates | Council | |
|--|---------------|---------------|
| | 2011 \$000 | 2010 \$000 |
| Capacity | 376 | 376 |
| Chaffers Marina Holdings Limited | 1,368 | 1,405 |
| Wellington International Airport Limited | 17,775 | 17,775 |
| Total investment in associates | 19,519 | 19,556 |

Note 41: Investment in Associates - continued

The investment in associates in the Group financial statements represents the Council's share of the net assets of the associate. This is reflected in the Group financial statements as follows:

| Investment in associates | Group | |
|---|-----------------------|-----------------------|
| | 2011 \$000 | 2010 \$000 |
| Basin Reserve Trust | | |
| Opening balance | 777 | 921 |
| Equity accounted earnings of associate | (134) | (144) |
| Closing balance - investment in Basin Reserve Trust | 643 | 777 |
| Capacity | | |
| Opening balance | 210 | 200 |
| Equity accounted earnings of associate | (37) | 10 |
| Closing balance - investment in Capacity | 173 | 210 |
| Chaffers Marina Holdings Limited | | |
| Opening balance | 1,023 | 932 |
| Change in shares during the year | (37) | - |
| Change in equity due to changed shareholding | 86 | - |
| Equity accounted earnings of associate | (35) | 91 |
| Closing balance - investment in Chaffers Marina Holdings Limited | 1,037 | 1,023 |
| Wellington International Airport Limited | | |
| Opening balance | 117,405 | 124,212 |
| Dividends | (9,061) | (15,409) |
| Equity accounted earnings of associate | (931) | 7,141 |
| Share of hedging reserve - movement | 1,429 | 1,461 |
| Closing balance - investment in Wellington International Airport Limited | 108,842 | 117,405 |
| Wellington Regional Stadium Trust | | |
| Opening balance | 33,168 | 31,483 |
| Equity accounted earnings of associate | 1,628 | 1,685 |
| Closing balance - investment in Wellington Regional Stadium Trust | 34,796 | 33,168 |
| Total investment in associates | 145,491 | 152,583 |

Note 41: Investment in Associates - continued

The Council's share of the results of the Basin Reserve Trust, Capacity, Chaffers Marina Holdings Limited, Wellington International Airport Limited and the Wellington Regional Stadium Trust is as follows:

| Share of associates' surplus | Group | |
|--|---------------|---------------|
| | 2011 \$000 | 2010 \$000 |
| Basin Reserve Trust | | |
| Share of net surplus/(deficit) before tax | - | (144) |
| Tax (expense)/credit | (134) | - |
| Share of associate's surplus/(deficit) - Basin Reserve Trust | (134) | (144) |
| Capacity | | |
| Share of net surplus before tax | - | 10 |
| Tax (expense)/credit | (37) | - |
| Share of associate's surplus - Capacity | (37) | 10 |
| Chaffers Marina Holdings Limited | | |
| Share of net surplus/(deficit) before tax | (35) | 91 |
| Tax (expense)/credit | - | - |
| Share of associate's surplus/(deficit) - Chaffers Marina Holdings Limited | (35) | 91 |
| Wellington International Airport Limited | | |
| Share of net surplus before tax | 5,306 | 6,948 |
| Tax (expense)/credit | (6,237) | 193 |
| Share of associate's surplus - Wellington International Airport Limited | (931) | 7,141 |
| Wellington Regional Stadium Trust | | |
| Share of net surplus before tax | 1,628 | 1,685 |
| Tax (expense)/credit | - | - |
| Share of associate's surplus - Wellington Regional Stadium Trust | 1,628 | 1,685 |
| Total share of associates' surplus/(deficit) | 491 | 8,783 |

Note 42 : Related party disclosures

Identity of related parties

In this section, the Council discloses the remuneration and related party transactions of key management personnel, which comprises the directors (Councillors and the Mayor), the Chief Executive and all members of the Council's Management Board. All members of the Group are also considered to be related parties of Wellington City Council, including its joint ventures, subsidiaries and associates.

| Key management personnel | Council | |
|--|------------------|------------------|
| | 2011 \$ | 2010 \$ |
| Chief Executive and Management Board | | |
| Short-term employee benefits | 2,636,432 | 2,582,359 |
| Post employment benefits | 19,171 | 13,756 |
| Termination benefits | - | 58,110 |
| Council Members (Directors) | | |
| Short-term employee benefits | 1,458,106 | 1,470,204 |
| Total key management personnel benefits | 4,113,709 | 4,124,429 |

Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002. The total cost to the Council (including fringe benefit tax), of the remuneration package paid or payable for the reporting period ended 30 June 2011 was \$406,232 (2010: \$393,547).

Under the terms of his contract, the Chief Executive of the Council chooses how he wishes to take his package (salary only or a combination of salary and benefits). A salary review for the Chief Executive will not be completed until late September so there is currently no change to the breakdown of the his remuneration package from the previous reporting period as shown below:

| Remuneration of the Chief Executive | Council | |
|--|----------------|----------------|
| | 2011 \$ | 2010 \$ |
| Short-term employee benefits | | |
| Salary | 380,582 | 380,582 |
| Motor vehicle (including FBT) | 22,650 | 22,650 |
| Carpark | 3,000 | 3,000 |
| Total remuneration of the Chief Executive | 406,232 | 406,232 |

Note 42: Related party disclosures - continued

Councillors' remuneration

Councillors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to the Mayor or a Councillor during the reporting period. The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. The disclosures for the Group include the remuneration of the Mayor and the appropriate Councillors in their role as trustees or directors of entities within the Group.

The following people held office as, either or both, elected members of the Council's governing body, and trustees or directors of entities comprising the Group during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year from 1 July 2010 to 30 June 2011 was \$1,458,106 (2010: \$1,470,204) and is disaggregated and classified as follows:

| Council Member | Monetary Remuneration | | | Non Monetary Remuneration | Total Council Remuneration 2011 | Director/ Trustee Fees | Total Remuneration 2011 |
|-------------------------|-----------------------|-------------------------------|--------------|---------------------------|------------------------------------|------------------------|---|
| | Salary | Resource Consent Hearing Fees | Allowances | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Current Council | | | | | | | |
| Ahipene-Mercer, Ray | 80,574 | 935 | 540 | 3,000 | 85,049 | 16,344 | 101,393 |
| Best, Ngaire | 80,574 | 595 | 490 | 3,000 | 84,659 | 6,250 | 90,909 |
| Cook, Stephanie | 79,760 | - | 490 | 3,000 | 83,250 | 3,250 | 86,500 |
| Coughlan, Jo | 75,218 | - | 1,030 | 3,000 | 79,248 | 14,167 | 93,415 |
| Eagle, Paul | 54,920 | - | 290 | 2,000 | 57,210 | - | 57,210 |
| Foster, Andy | 87,114 | 914 | 490 | 3,000 | 91,518 | 15,000 | 106,518 |
| Gill, Leonie | 82,729 | - | - | 3,000 | 85,729 | - | 85,729 |
| Lester, Justin | 54,920 | - | 50 | 2,000 | 56,970 | - | 56,970 |
| McKinnon, Ian | 98,469 | 782 | 490 | 3,000 | 102,741 | 26,000 | 128,741 |
| Marsh, Simon | 45,913 | - | 290 | 2,000 | 48,203 | 9,625 | 57,828 |
| Morrison, John | 80,574 | - | 915 | 3,000 | 84,489 | 17,000 | 101,489 |
| Pannett, Iona | 76,678 | 340 | 240 | 3,000 | 80,258 | - | 80,258 |
| Pepperell, Bryan | 75,218 | 714 | 490 | 3,000 | 79,422 | - | 79,422 |
| Ritchie, Helene | 75,218 | 476 | 490 | 3,000 | 79,184 | - | 79,184 |
| Wade-Brown, Celia | 138,113 | - | - | 3,000 | 141,113 | 3,250 | 144,363 |
| Previous Council | | | | | | | |
| Goulden, Rob | 20,298 | - | - | 1,000 | 21,298 | - | 21,298 |
| Prendergast, Kerry | 45,046 | - | - | 1,000 | 46,046 | 13,542 | 59,588 |
| Wain, Hayley | 21,758 | - | 200 | 1,000 | 22,958 | 4,333 | 27,291 |
| Totals | 1,273,094 | 4,756 | 6,495 | 45,000 | 1,329,345 | 128,761 | 1,458,106 |
| | | | | | Total monetary remuneration | 128,761 | 1,413,106 |
| | | | | | 45,000 | - | 45,000 |
| | | | | | | | Total non- monetary remuneration |

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the Local Government Act 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority. As permitted under the Authority's guidelines the Council has chosen for its elected members to receive an annual salary for the 2010/11 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Resource consent hearings payments

The determination issued by the Remuneration Authority also provides for the payment of hearing fees for those Councillors who sit as members on hearings of resource consent applications lodged under the Resource Management Act 1991. The fees for members who act in this capacity are paid at the rate of \$85 per hour for the Chair and \$68 per hour for other members of the Hearings Committee.

Note 42: Related party disclosures - continued

Taxable and non-taxable allowances – mileage, broadband services and mobile phones

Councillors are entitled to claim an allowance for mileage for which the rates are set by the Remuneration Authority. However, from December 2008, Councillors voluntarily decided to forgo receiving this allowance.

Until 15 October 2010 Councillors were entitled to receive either a taxable allowance for broadband services or seek reimbursement of the actual expense. The maximum claimable amount was \$50 per month and the reimbursements were not subject to tax.

Councillors were also able, until 15 October 2010, to seek actual reimbursement up to a maximum \$85 per month on their mobile phones. These reimbursements were not subject to tax.

The rules around the payment of allowances changed in October 2010 and, from 16 October 2010, Councillors were able to choose either of the following two options:

- The payment of a communication allowance of \$30 per month; or
- The reimbursement of any Council related communication costs, over and above any communication costs they would normally incur, payable on receipt of the appropriate documentation required under the provisions of the Remuneration Authority's determination.

Both the allowance and reimbursement options are non-taxable. Only the allowances paid to elected members have been included as remuneration in the schedule above.

The level of all allowances payable to the Council's elected members has been approved by the Remuneration Authority and is reviewed by the Authority on an annual basis.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration in relation to car parking space provided. The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation which may occur while undertaking Council business.

Note 42: Related party disclosures - continued

Director/Trustee Fees

The above director/trustee remuneration was paid to the following Council members in their capacity as Council appointees to the following organisations:

| Council Member | Position | Director / Trustee Fees | | Organisation |
|--|-----------------------|-------------------------|------------------|--|
| | | Subsidiaries \$ | Associates \$ | |
| Current Council | | | | |
| Ahipene-Mercer, Ray | Director ¹ | 6,400 | - | Positively Wellington Waterfront |
| | Trustee ² | 9,944 | - | Wellington Museums Trust |
| Best, Ngaire | Director ³ | 6,250 | - | Wellington Venues Limited |
| Cook, Stephanie | Trustee ⁴ | 3,250 | - | St. James Theatre Charitable Trust |
| Coughlan, Jo | Trustee | 14,167 | - | Positively Wellington Tourism |
| Foster, Andy | Director | - | 15,000 | Capacity |
| McKinnon, Ian | Director ² | - | 26,000 | Wellington International Airport Limited |
| Marsh, Simon | Trustee ² | 9,625 | - | Wellington Zoo Trust |
| Morrison, John | Trustee | - | 17,000 | Wellington Regional Stadium Trust |
| Wade-Brown, Celia | Trustee ¹ | 3,250 | - | Wellington Zoo Trust |
| Previous Council | | | | |
| Prendergast, Kerry | Director ¹ | - | 13,542 | Wellington International Airport Limited |
| Wain, Hayley | Trustee ¹ | 4,333 | - | Wellington Museums Trust |
| Total director and trustee fees | | 57,219 | 71,542 | |

¹ From 1 July 2010 to 10 November 2010

² From 11 November 2010 to 30 June 2011

³ From 1 February 2011 to 30 June 2011

⁴ From 1 July 2010 to 30 September 2010

Material related party transactions – key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions of a minor and routine nature with the Council on normal commercial terms (such as payment of rates and purchases of rubbish bags).

During the year the Council also:

- Paid the Wellington Rugby Union \$340,491 for ground signage at Wellington rugby games, events funding and other contributions. The Council's Chief Executive Officer, Garry Poole, is the Deputy Chair of the Union.
- Received income from Capital Football of \$155,952 for contributions and seasonal charges. Councillor Justin Lester is on the Board of the organisation.
- Paid Cricket Wellington Incorporated \$10,000 of sponsorship fees and received income from Cricket Wellington Incorporated of \$44,909 for seasonal charges. The Council's Chief Financial Officer, Peter Garty, is the Chair of the company.
- Paid \$19,275 to Victoria University of Wellington for course fees and grants. The Deputy Mayor, Ian McKinnon, is a Council member and Chancellor of the University.
- Received income in the Wellington Venues Project of \$2,198 from Silvereye Communications Limited for venue hire. Councillor Jo Coughlan is a Director and 50% shareholder in the company.

During the year the Group also:

- Paid \$61,639 from the Basin Reserve Trust to Cricket Wellington Incorporated. This amount is made up of management and secretarial services, event set up, entertainment costs and casual labour.

These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

Note 42: Related party disclosures - continued

The Council and Group have the following balances due to or from related parties at 30 June 2011:

- The Council has \$2,668 due from Cricket Wellington Incorporated.
- The Council has \$43,437 due from Capital Football.
- The Group has \$26,086 due from the Basin Reserve Trust to Cricket Wellington Incorporated.

Material related party transactions – other organisations

The Council has influence in the governance, funding and operations of the Karori Wildlife Sanctuary Trust (trading as Zealandia) which is not part of the Group, to the extent that it is considered appropriate to disclose the nature of the transactions as being between related parties.

Karori Wildlife Sanctuary Trust (Zealandia)

The Council appoints three of the seven trustees including the Chair. Operational funding of \$0.700m was made during the year to 30 June 2011. The Council has a concessionary loan totalling \$10.380m on interest free terms to the Trust. Further information on the loan is included in Note 13: Other financial assets.

Intra group transactions and balances

During the year the Council has entered into several transactions with its joint venture partner. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

| Intra group transactions and balances - Joint ventures | 2011 \$000 | 2010 \$000 |
|---|-----------------------|-----------------------|
| Revenue received by the Council from the joint venture | | |
| Distribution from landfill operations | - | 410 |
| Expenditure incurred by the Council to fund the operation and management of: | | |
| Porirua - waste water treatment plant | 1,528 | 1,532 |

Note 42: Related party disclosures - continued

During the year the Council has entered into several transactions with its subsidiaries. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

| Intra group transactions and balances - Subsidiaries | 2011 \$000 | 2010 \$000 |
|--|-----------------------|-----------------------|
| Dividend received from: | | |
| Wellington Cable Car Limited | - | 130 |
| Revenue for services provided by the Council to: | | |
| Positively Wellington Tourism | 127 | 116 |
| Positively Wellington Waterfront | 2 | 3 |
| St James Theatre Charitable Trust | 61 | 55 |
| Wellington Cable Car Limited | 60 | 57 |
| Wellington Museums Trust | 2,837 | 1,946 |
| Wellington Zoo Trust | 1,199 | 457 |
| | 4,286 | 2,634 |
| Expenditure incurred by the Council to fund operations and management of: | | |
| Positively Wellington Tourism | 5,940 | 5,440 |
| Positively Wellington Waterfront | 1,200 | 1,200 |
| St James Theatre Charitable Trust | 372 | 154 |
| Wellington Museums Trust | 7,574 | 6,835 |
| Wellington Zoo Trust | 2,799 | 2,709 |
| | 17,885 | 16,338 |
| Expenditure for services provided to the Council by: | | |
| Positively Wellington Tourism | 176 | 169 |
| St James Theatre Charitable Trust | 23 | 44 |
| Wellington Cable Car Limited | 1,627 | 239 |
| Wellington Museums Trust | 51 | 48 |
| Wellington Venues Limited | 1,312 | - |
| Wellington Zoo Trust | 1,627 | 936 |
| | 4,816 | 1,436 |
| Current receivables owing to the Council from: | | |
| Positively Wellington Tourism | - | 1 |
| Positively Wellington Waterfront | - | 1 |
| St James Theatre Charitable Trust | 14 | 4 |
| Wellington Cable Car Limited | - | 5 |
| Wellington Museums Trust | 701 | 36 |
| Wellington Zoo Trust | 412 | 381 |
| | 1,127 | 428 |
| Current payables owed by the Council to: | | |
| Positively Wellington Tourism | 3 | - |
| Positively Wellington Waterfront | - | 338 |
| St James Theatre Charitable Trust | 158 | - |
| Wellington Cable Car Limited | 1 | - |
| Wellington Museums Trust | - | 17 |
| Wellington Venues Limited | 202 | - |
| Wellington Zoo Trust | 58 | 420 |
| | 422 | 775 |

Current receivables and payables

The receivables and payables balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Note 42: Related party disclosures - continued

During the year the Council has entered into several transactions with its associates. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

| Intra group transactions and balances - Associates | 2011 \$000 | 2010 \$000 |
|---|-----------------------|-----------------------|
| Dividend received from: | | |
| Wellington International Airport Limited | 9,061 | 15,409 |
| Revenue for services provided by the Council to: | | |
| Basin Reserve Trust | 149 | 44 |
| Capacity | 41 | 41 |
| Wellington International Airport Limited | 3 | 220 |
| Wellington Regional Stadium Trust | 211 | 213 |
| | 404 | 518 |
| Expenditure incurred by the Council to fund the operation and management of: | | |
| Basin Reserve Trust | 180 | 180 |
| Expenditure for services provided to the Council from: | | |
| Basin Reserve Trust | 16 | 1 |
| Capacity | 8,381 | 7,845 |
| Wellington International Airport Limited | 78 | 64 |
| Wellington Regional Stadium Trust | 163 | 352 |
| | 8,638 | 8,262 |
| Current receivables owing to the Council from: | | |
| Basin Reserve Trust | 44 | 4 |
| Capacity | 7 | 3 |
| Wellington International Airport Limited | 1 | 8 |
| Wellington Regional Stadium Trust | 7 | - |
| | 59 | 15 |
| Current payables owed by the Council to: | | |
| Capacity | 876 | 507 |
| Limited-recourse funding loan and advance | | |
| Wellington Regional Stadium Trust - nominal value - \$15,394,893 | 1,107 | 983 |

Current receivables and payables:

The receivables and payables balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Limited-recourse funding loan and advance

The \$15m loan to the Wellington Regional Stadium Trust (WRST) is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished.

On maturity of the WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington Regional Council.

Note 43: Community Board remuneration

The Council has two community boards – the Tawa Community Board and the Makara/Ohariu Community Board. Remuneration paid to the elected members of these boards is as follows:

| Community Board Member | Salary | Resource Consent Hearing Fees | Allowances | Total 2011 |
|--------------------------------------|---------------|--------------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| TAWA COMMUNITY BOARD | | | | |
| <i>Current Board</i> | | | | |
| Sparrow, Malcolm (Chair) | 15,942 | - | - | 15,942 |
| Hansen, Graeme | 8,160 | - | - | 8,160 |
| Lucas, Margaret | 5,768 | - | - | 5,768 |
| Reading, Chris | 8,160 | - | - | 8,160 |
| Sutton, Alistair | 5,768 | - | - | 5,768 |
| Tredger, Robert (previous Chair) | 11,750 | 459 | 225 | 12,434 |
| <i>Previous Board</i> | | | | |
| Darroch, David | 2,392 | - | - | 2,392 |
| Sharman, Dennis | 2,392 | - | - | 2,392 |
| MAKARA-OHARIU COMMUNITY BOARD | | | | |
| <i>Current Board</i> | | | | |
| Grace, Christine (Chair) | 10,009 | - | - | 10,009 |
| Bruce, Gavin (deputy Chair) | 5,105 | - | - | 5,105 |
| Liddell, Judy | 3,608 | - | - | 3,608 |
| Rudd, Wayne | 3,608 | - | - | 3,608 |
| Scotts, Margie | 3,608 | - | - | 3,608 |
| Todd, Hamish | 3,608 | - | - | 3,608 |
| <i>Previous Board</i> | | | | |
| Paul, Ruth (previous Chair) | 3,829 | - | - | 3,829 |
| Hume, John | 1,497 | - | - | 1,497 |
| Jorgenson, Ralph | 1,497 | - | - | 1,497 |
| Shepherd, Craig | 1,497 | - | - | 1,497 |
| Totals | 98,198 | 459 | 225 | 98,882 |

A technology allowance of \$45 per month is available to the chair of both the Tawa and Makara/Ohariu Community Boards. Until 15 October 2010 this payment could be taken as either a taxable allowance or as an actual expense reimbursement (up to a maximum of \$45 per month). From 16 October 2010 both the allowance and the reimbursement options are now non-taxable. Only payments received for the allowance option are included in the above table.

Note 44: Severances

In accordance with Schedule 10, section 19 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ending 30 June 2011 the Council made severance payments to 10 employees (2010: 25) totalling \$168,400 (2010: \$328,458).

The individual values of each of these severance payments are: \$2,370; \$4,500; \$39,857; \$6,668; \$48,654; \$7,104; \$21,688; \$8,918; \$21,641; \$7,000.

Note 45: Events after the end of the reporting period

The Government's Financial Assistance Package was given Royal assent on 22 July 2011. The Financial Assistance Package establishes a basis for the division of the liability for claims made under the Weathertight Homes Resolution Services (WHRS) Act 2006. The expected effect of the Financial Assistance Package has been included in the calculation of the Weathertight Homes Provision as at 30 June 2011. For details see Note 23 – Provision for other liabilities.

APPENDICES

DRAFT

Management and staff

HOW WE'RE STRUCTURED

This section provides a summary of the corporate structure, our values and the workplace practices we have in place to keep our people safe and engaged.

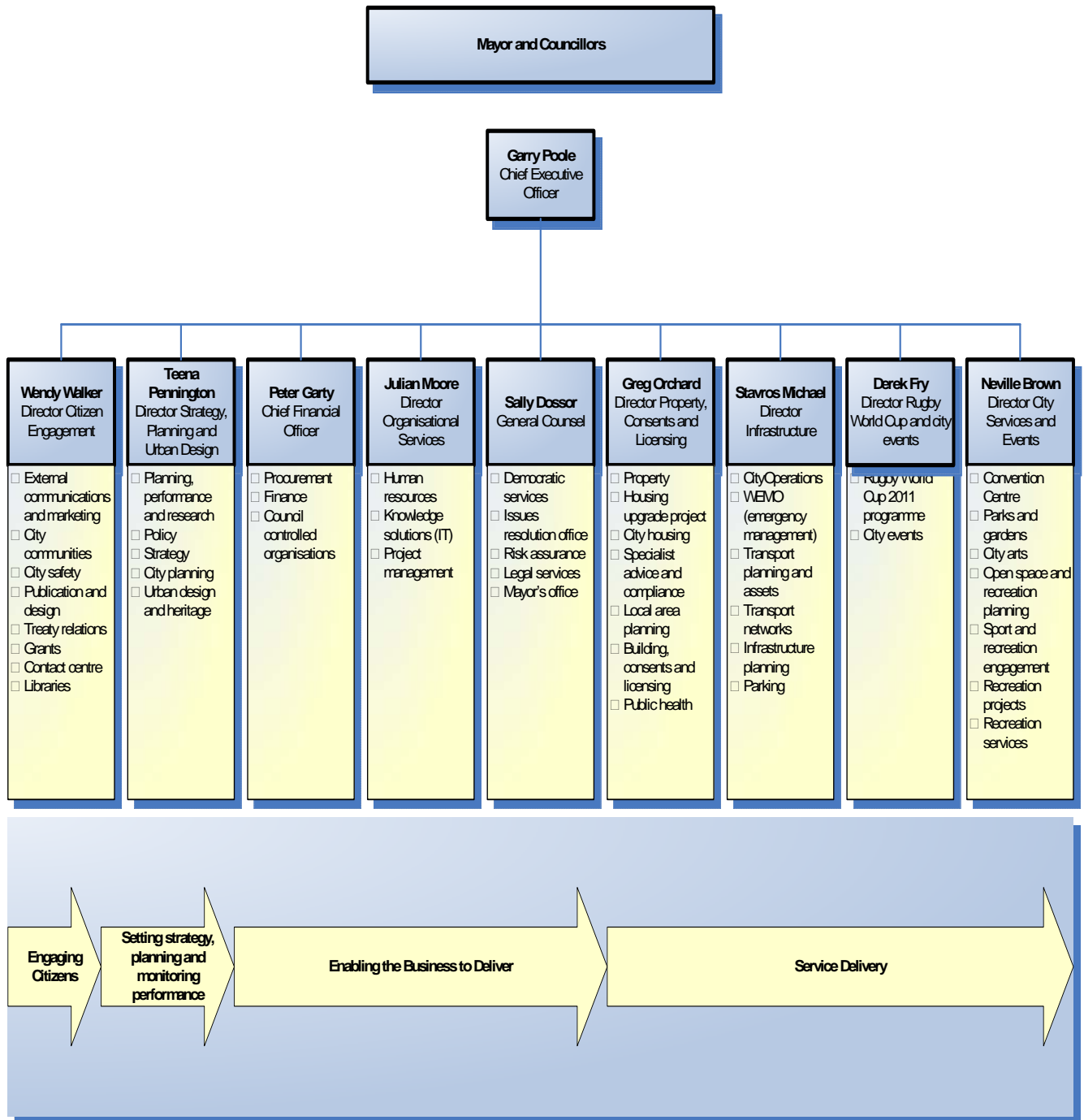
The chief executive is employed by the elected Council and supported by a management team and over 1,400 staff

The Council's chief executive is appointed to deliver the services needed to fulfil the direction set by Council (see the notes to the financial statements on page XX for details of the chief executive's remuneration package).

This section provides a summary of the corporate structure, our values and the workplace practices we have in place to keep our people safe and engaged.

The management board is made up of the chief executive and nine directors. The board's structure reflects the full breadth of council activities. This ensures that all points of view are considered before advice is given and operational decisions made.

The following table shows the management board structure as at 30 June 2011.



Running the city is an enormously varied task.

The Council is one of the city's largest employers: from researchers and urban designers to park rangers and engineers, map makers and dog handlers, life guards, zookeepers and accountants – the skills required to deliver our services are many and diverse.

Many staff are also Wellington residents which means we're all part of the wider community the Council serves. This keeps us motivated and helps us work together to improve the quality of life for all Wellingtonians.

Many of our services can't be delivered by one person or even a single group of people.

Our services depend on a wide range of people working together – it's often our staff from across the Council that provide or facilitate these services.

For instance, the events we offer, such as those planned for the Rugby World Cup 2011 Festival of Carnivale, each involve extensive planning and preparation. In addition to bringing the performers and audience together, there's a venue to organise and funding and sponsorship to secure. There's marketing, hospitality, sound and lighting equipment to arrange and many other things that go on behind the scenes. On occasions there are road closures and parking to manage, even building consents to be issued for temporary structures. And there's always the clean-up.

This requires a shared approach to understanding what the organisation aims to achieve.

We aim to have a strong culture within the organisation. We want staff to be respected in the community and proud to work at the Council.

Our foundation values are integrity and respect. We also encourage our staff to demonstrate the personal values of commitment, competence, and confidence.

Our organisational values of working together, aiming high, delivering what's right, encouraging fresh thinking, and acting with integrity and respect provide the platform on which we conduct our business.

We work for the community and we must maintain our integrity and impartiality.

Our staff must observe the principle of political neutrality and avoid conflicts of interest in all official dealings. The code outlines steps for addressing any potential conflicts before they arise.

Our staff also commit to a Code of Conduct which describes the standard of behaviour expected of them. It highlights best practices in relation to activities such as communications with elected members, participation in public bodies, and handling information.

A GOOD EMPLOYER

To achieve the best results for Wellingtonians, we need great people.

We are a large employer, with 1,467 permanent employees. Additionally, we have 114 employees on fixed term contracts, and a pool of 251 casual employees that help keep services open and running. The workforce is multicultural and evenly split between genders.

| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|-----------------------------|---------|---------|---------|---------|---------|---------|-------------------|
| New staff | 192 | 204 | 353 | 376 | 278 | 302 | 219 |
| Resignations | 201 | 273 | 377 | 423 | 377 | 334 | 351 |
| Total staff numbers | 1,426 | 1,443 | 1,541 | 1,575 | 1,555 | 1,599 | 1467 ¹ |
| Total staff turnover | 14% | 18% | 24% | 27% | 24% | 21% | 23% |

We encourage balanced, healthy lifestyles.

We support staff to participate in leisure and recreational activities. This promotes health and well-being, keeps morale high, and encourages relationships and communication between Council business units. We also up skill staff by providing professional training and networking opportunities.

We are an equal opportunities employer and consult staff on how to improve the workplace.

Equal employment opportunities ensure that everyone has the same chance to be part of the organisation and share in its successes. Such a workforce is diverse, flexible, skilled, in touch with the needs of Wellington's people, and able to provide quality service.

As part of our commitment we provide work experience for refugees and migrants who are unable to find work. The programme has enhanced our organisation by creating a positive work environment, given us greater community engagement and allowed us to better understand and prepare for a more diverse workforce in the future.

We have clear commitments in our employment agreements to act as a good employer in all dealings with our employees. This is supported by good employer commitments contained in our code of conduct.

We also survey all our staff annually to find out about how engaged they are in their work. Level of staff engagement is a reflection of overall job satisfaction and indicates that their input is valued. Staff levels of engagement remain high and continue to show an improving trend from 93% engaged and nearly engaged in 2009 up to 95% this year.

We aim for a work culture that is safety-conscious.

¹ The drop in staff numbers occurred across the organisation with a major contribution being due to the Convention Centre being transferred to the new CCO, Wellington Venues. This meant the convention centre employees are no longer direct employees of WCC.

We're an accredited employer under the Accident Compensation Corporation (ACC) Partnership Programme. This programme requires eligible employers to take full responsibility for the rehabilitation of any employee who suffers a workplace injury in return for levy reductions.

Employers in the programme are effectively agreeing to act on behalf of ACC in their own workplace. As a result, we are able to provide injured employees with a comprehensive rehabilitation programme that speeds recovery and improves return to work outcomes.

DELEGATIONS AND CONTROLS

Authority to act and commit funding is delegated to the most appropriate level in the organisation.

Each person making a decision or committing funds is accountable for his or her actions.

Our policies governing delegated decision-making are described in a Delegations Manual/Standard.

A Delegations Schedule describes the limits of delegated authority in detail for each of the eight levels of authority in the organisation.

And the Delegations Register – which is required under legislation – lists Council officers and their individual levels of delegated authority. It consists of a file of signed delegation of authority letters and any other signed authorisation to individual officers.

To ensure the details are kept current, the register is reviewed and updated regularly as people join and leave the organisation. Delegations are automatically revoked when people leave or change their position.

A financial management information system is used to monitor spending decisions.

Under this system, all transactions can be accounted for and allocated to a cost centre. The system automatically refers transactions, i.e. purchase orders, to someone with the appropriate cost centre/delegation level for approval and authorisation.

Council activities are subject to both internal and external audit.

Our risk assurance team works to ensure that risk management and internal control systems are soundly based and operate effectively. The director of this team reports directly to the chief executive.

The Council's Audit and Risk Management Subcommittee is responsible for reviewing the adequacy of our financial management and reporting, internal control systems, risk management processes and compliance with legislative requirements. The subcommittee is made up of four elected members and two external members. It meets quarterly and receives reports from the risk assurance team and the Council's external auditors. It questions officers about any issues that have been raised in those reports and the measures taken to address them.

REPORT ON COUNCIL CONTROLLED ORGANISATIONS

In order to achieve our objectives for Wellington, we have established several companies and trusts. These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake development on behalf of the Wellington community. Where necessary, we provide funding to support their operations and capital investment requirements.

The following pages explain what the organisations do, how their performance is measured, and how they performed during 2010/11.

DRAFT

Partnership Wellington Trust (trading as Positively Wellington Tourism)



Structure

All trustees are appointed by the Council. As at 30 June 2011 they were Glenys Coughlan, Councillor Jo Coughlan, Kim Wicksteed, John Milford (Chair), Mike O'Donnell, Peter Monk and Ruth Pretty. The Chief Executive was David Perks.

Objectives

The Partnership Wellington Trust markets and adds value to Wellington to achieve sustainable economic growth for the people of the city. It acts to enhance the recognition of Wellington as a desirable visitor destination, enhance the profile of city businesses and to promote strategic alliances and private sector partnerships, and maximise the city's share of regional spending. It also promotes community focused initiatives, aims to improve the sustainability of Wellington's commercial sector through the trust's marketing initiatives, and facilitates the coordination of marketing initiatives that are appropriate to its objectives.

Activities

The Trust:

- Promotes Wellington as a visitor destination in national and international markets
- Markets Wellington as a convention and conference destination
- Provides visitor information services
- Runs initiatives that promote retail growth, including the downtown retail campaign
- Profiles Wellington's strengths in arts, sport and education attractions, and conducts development of an ongoing events profile for the city
- Facilitates the development of new tourism and event product, and the development of the Visiting Friends and Relatives (VFR) market
- Manages Wellington's destination profile on the internet
- Conducts research and analysis of the tourism industry.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|--|--|--|
| International direct arrivals to Wellington Airport from Australia | Increase Australian visitor arrival by 7% over 2009/10 levels | Direct Australian visitor arrivals to Wellington Airport increased by 8.3% to 111,657 for the year to May 2011. |
| International visitor nights | Increase international visitor room nights by 2% over 2009/10 levels | International visitor room nights increased 3.6% to 619,962 for the year to April 2011, compared to the same period in 2010. |
| New Zealand market visitors and visitor nights | Increase New Zealand market numbers and visitor nights by 2% over 2009/10 levels | Domestic visitor room nights decreased by 3.6% to 1,080,368 for the year to April 2011, compared to the same period in 2010. |
| Weekend occupancy in partner hotels (capacity aligned) | 2% increase (over 2009/10 levels) | Weekend occupancy in partner hotels increased 1.4% to 70.2% in 2010/11. |
| Downtown weekend visitation | Increase by 2% over 2009/10 levels | Weekend visitation in downtown Wellington declined 3.4% for the year to March 2011 compared with 2009/10. |

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|--|---|---|
| i-Site revenue | Increase revenue by 3% over 2009/10 levels | i-SITE revenue decreased by 3.8% compared to 2009/10 revenue. |
| Partner funding | Maintain funding within +/- 5% of 2009/10 levels | Partner funding increased by 87% in 2010/11 compared to 2009/10. |
| Number of partners | Maintain number of partners within +/- 5% of 2009/10 levels | The number of partners declined 1% to 196 compared to 2009/10 (198). |
| Cost effectiveness | Maintain Council's funding at less than 50% of total income | Council's funding amounted to 49.88% of total income. |
| Visits to www.WellingtonNZ.com | 20% increase over 2009/10 levels | Visits to WellingtonNZ.com increased 20% to 1,638,341 compared to 2009/10. |
| Online Revenue | Generate \$730k of bookings through the site | \$741,815 of bookings were generated through WellingtonNZ.com in the year – an increase of 4% on 09/10. |

See also City Promotions, Events and Attractions in the Economic Development strategy.

DRAFT

Wellington Museums Trust

Structure

All trustees are appointed by the Council. As at 30 June 2011, they were Councillor Ray Ahipene-Mercer, Philip Shewell, Peter Cullen, Alick Shaw and Quentin Hay (Chair). The Chief Executive was Pat Stuart.

Objectives

The Wellington Museums Trust (WMT) was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City & Sea, the Colonial Cottage Museum, Capital E, the Wellington Cable Car Museum, and the New Zealand Cricket Museum. Since 1 June 2010, the Trust manages the Carter Observatory. It manages and develops the Trust programmes and services, and acquires and manages collections for the benefit of Wellington. It provides advice to the Council for the development of museum and gallery services in Wellington, establishes exhibition programmes and education policies for its facilities, and develops acquisition, de-accession and collection development policies. The Trust liaises with Positively Wellington Tourism to enhance its attraction to Wellington's visitors.

Activities

The Trust:

- Delivers high quality experiences, events and exhibitions at its facilities
- Manages conservation and care for the objects of its collections, and conducts research and development to enhance visitors' experiences
- Offers quality education experiences to children and young people
- Promotes and protects the heritage of venues
- Develops and operates the Soundhouse Studio
- Works with national and international artists and collectors.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|---|---|----------------|
| Attendance targets: | | |
| City Gallery | 180,000 | 131,700 |
| Capital E | 130,000 | 136,693 |
| City and Sea | 92,700 | 95,161, |
| Colonial Cottage | 2,040 | 2,535 |
| Cable Car Museum | 228,888 | 238,310 |
| NZ Cricket Museum | 2,040 | 2,821 |
| Carter Observatory | 48,000 | 46,124 |
| Subsidy per customer (excludes Plimmer's Ark and Carter Observatory, but includes rental subsidy) | \$12.00 | \$12.01 |
| Carter Observatory subsidy per customer | \$7.00 | \$6.50 |
| Number of exhibitions (seasons) held by trust institutions | A minimum of 25 new temporary exhibitions presented and a minimum of 3 segmental changes achieved | 42 |
| Number of visitors to events programmes | At least 35,000 visitors attend events | 70354 |

| | | |
|--|--|--|
| Percentage of visitors to all trust institutions who are satisfied with the experience | 92% of visitors rate their experience as good or very good | Museum of Wellington City and Sea: 98% City Gallery Wellington: 85% Cable Car Museum: 92% Colonial Cottage: 97% Capital E: 91% NZ Cricket Museum: 81% |
| | 95% of Carter Observatory visitors rate the quality of their experience as good or very good | 91% |
| Percentage of visitors to all Trust institutions are repeat visitors | 27% | Museum of Wellington City and Sea: 26% City Gallery Wellington: 69% Cable Car Museum: 27% Colonial Cottage: 27% Capital E: 63% NZ Cricket Museum: 3% |
| Percentage of all residents are aware of Trust institutions | 87% (across all institutions) | Museum of Wellington City and Sea: 87% City Gallery Wellington: 85% Cable Car Museum: 88% Colonial Cottage: 53% Capital E: 86% NZ Cricket Museum: 49% |

See also Galleries and Museums in the Cultural Well-being strategy.

DRAFT

St James Theatre Charitable Trust



Structure

All trustees are appointed by the Council. As at 30 June 2011 they were Chris Parkin (Chair), Roger Miller, Pele Walker, Derek Fry and Sam Knowles. The Chief Executive was Glenys Coughlan.

Objectives

As at 30 June 2011, the St James Theatre Charitable Trust is in the final stages of winding up with operations having transferred to Wellington Venues Limited.

The St James Theatre Charitable Trust exists to preserve the historic St James Theatre and Opera House buildings, and to promote these theatres as venues for the live performance of cultural and artistic events. The Trust also acts as a general sponsor for performing arts and the preservation of historic buildings in Wellington.

Activities

The Trust:

- Managed and developed the St James Theatre and the Opera House
- Promoted audience development (to include children and young people) and developed a broad range of programmes to meet the needs of a wide audience
- Developed and maintained beneficial relationships with other national and international institutions, supports Positively Wellington Tourism, and developed new initiatives in its role as a key provider of performance venues.

The nature and scope of these activities were consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|----------------------------------|----------------|----------------|
| Number of performances | | |
| St James Theatre | 86 | 91 |
| The Opera House | 108 | 87 |
| Total number of days utilisation | | |
| St James Theatre | 290 | 322 |
| The Opera House | 160 | 144 |
| Number of non-performance events | | |
| St James Theatre | 200 | 154 |
| The Opera House | 50 | 18 |

See also Community Arts and Cultural Support in the Cultural Wellbeing strategy.

Wellington Venues Limited (trading as Positively Wellington Venues)



Structure

All trustees are appointed by the Council. As at 30 June 2011 they were Chris Parkin (Chair), Derek Fry, Sam Knowles, Linda Rieper, Stephen Whittington, Kim Wicksteed and Councillor Ngaire Best. The Chief Executive was Glenys Coughlan.

Objectives

Wellington Venues Limited began trading on 1 February 2011, merging the operations of the St James Theatre Charitable Trust and the Wellington Convention Centre. Wellington Venues Limited exists to manage and promote Wellington's major Events venues, including the Michael Fowler Centre, Town Hall, St James Theatre and Opera House as venues, and to help establish Wellington as the premier city for events and conferences.

Activities

The company:

- Manages and operates the Venues and any related Events business
- Advocates for the Venue and Event sector for the benefit of the residents of Wellington
- Works to achieve greater community access to the Venues' facilities
- Develops and maintains beneficial relationships with other national and international institutions, supports Positively Wellington Tourism, and develops new initiatives in its role as a key provider of event and performance venues.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

Wellington Venues had no performance measures for the 2010/11 financial year. Performance measures for 2011/12 are outlined in the 2011/12 annual plan.

Wellington Cable Car Limited



Structure

The Council is the 100% shareholder in this company and appoints all of the directors. As at 30 June 2011 they were Roger Drummond (Chair) and Jeremy Ward. The Chief Executive was Des Laughton.

Objectives

Wellington Cable Car Limited operates the Cable Car as an efficient, reliable and safe transport service and uniquely Wellington tourism asset. It also owns and maintains the overhead wiring system for the trolley bus passenger network which services the city.

Activities

The company:

- Maintains the cable cars and associated track, plant, tunnels, bridges and buildings in accordance with best engineering practice, and to meet the certification requirements of the New Zealand Transport Agency
- Manages the Cable Car passenger service operation
- Markets the cable car
- Identifies options for enhancing the cable car travel and tourism experience
- Specifies and controls the contract for the inspection, maintenance and repair of the trolleybus overhead wiring system.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|---|------------------|----------------|
| Cable Car passenger numbers | 1,146,000 | 1,056,764 |
| All cable car vehicles and associated buildings and equipment are maintained to required safety standards | Achieve | Achieved |
| Percentage of residents who have used the Cable Car in the last 12 months | 30% | 46% |
| Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good | 95% | 94% |
| Cable Car service reliability | Greater than 99% | 99.8% |

Wellington Waterfront Limited



Structure

The Council is the 100% shareholder in this company and appoints all of the directors. As at 30 June 2011 they were Jane Black, Robert Gray (Chair) and Mark Petersen. The Chief Executive was Ian Pike.

Objectives

Wellington Waterfront Limited acts as the implementation manager for the waterfront development area. This means ensuring that the waterfront area is recognised locally and internationally for its design; is attractive; caters for a wide range of activities; is readily accessible to all people, and is both safe and perceived to be safe. Wellington Waterfront Ltd also acts to protect significant heritage buildings on the waterfront, and makes sure that activities on the waterfront are integrated with those on the harbour.

Activities

The company:

- Implements the waterfront development project
- Owns and manages the marina
- Manages day to day operations on the waterfront, including cleaning, security and maintenance
- Negotiates and manages contracts for the design and construction of the waterfront's public spaces
- Negotiates and manages contracts and leases for all building development sites, and the refurbishment and re-use of existing buildings.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|--|---------------------------------|---------------------------------|
| Percentage of residents visiting the waterfront | 95% | 96 |
| Percentage of residents satisfied with the waterfront | 90% | 98 |
| Number of project milestones achieved on time: | All project milestones achieved | Project terminated by Developer |
| Complete design planning and regulatory approval Kumutoto Service Jetty (Quarter 2) | | |
| Complete Kumutoto toilet project (Quarter 2) | | 90% complete |
| Achieve 'core' Asset Management Plan status (Quarter 2) | | Achieved (subject to Audit) |
| Complete Wharewaka and Taranaki Street Wharf Public Space (Quarter 3) | | complete |
| Facilitate the commencement of construction on the Overseas Passenger Terminal (subject to confirmation of Willis Bond contract) (Quarter 4) | | complete |
| Complete master plan for Queens Wharf redevelopment and gain WCC approvals for the future direction of this precinct (Quarter 4) | | complete |
| Obtain Council approval of interim use projects, undertake design development and obtain resource consent (Quarter 2). | | Project Terminated |
| Complete preliminary feasibility study of UN Studio and Wardle Building (Quarter 2). | | Project Terminated |
| Capital expenditure | \$ 4.194M | \$3.727M |

See also Public Spaces Development in the Urban Development strategy.

Capacity Infrastructure Services Limited (trading as Capacity)



Structure

Wellington City Council and Hutt City Council have equal voting rights in this Council Controlled Trading Organisation, and between them appoint all of the directors. The company is overseen by a board of directors made up of two Councillors (one from each council) and four independent directors. Each council continues to own its respective water, stormwater and waste water assets and determines the level and standard of services to be provided to its customers and ratepayers.

As at 30 June 2011 the Councillor appointees were Councillor Andy Foster (Wellington City Council) and Councillor David Bassett (Hutt City Council). The four independent directors were Peter Allport (Chair), Peter Leslie, Ian Hutchings and John Strahl. The Chief Executive was David Hill.

Objective

The objective of Capacity is to manage the provision of water services (water supply, stormwater and wastewater) to the residents and businesses in the areas served by Wellington City Council and Hutt City Council. Capacity's current customers are Wellington City Council, Hutt City Council and Upper Hutt City Council.

Activities

The company is contracted to deliver drinking water, stormwater and wastewater services.

The company is committed to ensuring all work managed on behalf of customers' accords with the highest standards of health and safety for those involved in the work and for the general public. The company will continually seek opportunities to integrate water, stormwater and wastewater activities within the Wellington region where such integration can deliver least cost, best practice outcomes to the benefit of shareholder councils and other entities.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|---|---|---------------------------|
| Provide a reliable water supply, wastewater and stormwater service. | Fewer than 4 unplanned supply cuts (pipe bursts) per 1000 connections | 1.00 |
| Develop and complete asset management plans | Within agreed timeframe | Achieved ¹ |
| Deliver budgeted capital expenditure projects for respective councils | Within agreed timeframes and budget | Achieved ² |
| Deliver budgeted operating and maintenance activities for respective councils | Within agreed timeframes and budget | Achieved |
| Manage and operate Capacity within its 2010/11 budget | Within agreed budget | Achieved |
| Comply with financial, technical and regulatory standards | Achieve full compliance | Not Achieved ³ |

See also the Environment strategic area for more information on water, stormwater and wastewater services.

¹ Summary AMP delivered on time

² Interim result only -Subject to confirmation from Upper Hutt City Council

³ Infringement notice received for wastewater discharge via broken pipe

Wellington Zoo Trust

WELLINGTON



Structure

The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council. As at 30 June 2011 they were Ross Martin (Chair), Frances Russell, Linda Meade, Alan Dixson, Shaan Stevens and Councillor Simon Marsh. The Chief Executive Officer was Karen Fifield.

Objectives

The Wellington Zoo Trust manages the assets and operations of Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. It aims to be “the best little zoo in the world” by providing a quality visitor experience, promoting species conservation, educating the community, and supporting the conservation and educational activities of other organisations.

Activities

The Trust:

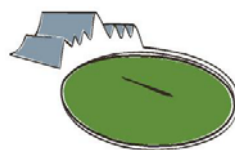
- Develops and maintains high quality animal exhibits to provide an excellent visitor experience
- Cares for resident animals and manages the animal collection
- Participates in managed breeding programmes
- Delivers educational material and learning experiences
- Contributes to zoological conservation and facilities management research projects
- Contributes to conservation awareness in the community.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|--|----------------|----------------|
| Number of visitors | 187,810 | 196,267 |
| Number of students participating in an LEOTC learning session | At least 9,000 | 10,073 |
| Conservation Programme Managed Species (% of total collection) | 41% | 38.1% |
| Average WCC subsidy per visitor | \$14.42 | \$14.26 |
| Annual fundraising target for ZCP | \$658,894 | \$579,651 |
| Average income per visitor (excluding WCC grant) | \$13.76 | \$13.45 |
| Ratio of generated Trust income as % of WCC grant. | 90% | 94% |

See also Environmental Conservation Attractions in the Environment strategy.

Basin Reserve Trust



Basin Reserve Trust

Structure

There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington. As at 30 June 2011 the two trustees appointed by the Council were Councillor John Morrison and Glenn McGovern. The two trustees appointed by Cricket Wellington were Don Neely and Douglas Catley (Chair). The Chief Executive of Cricket Wellington was Gavin Larsen.

Objectives

The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.

Activities

The Trust:

- Manages the Basin Reserve for recreational activities and the playing of cricket for the residents of Wellington
- Contributes to the events programme for Wellington
- Operates as a successful not-for-profit undertaking
- Preserves and enhances the heritage value of the Basin Reserve.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|----------------------|----------------|----------------|
| Number of events | | |
| Cricket | 10 | 16 |
| Other sports | 12 | 7 |
| Community | 5 | 10 |
| Number of event days | | |
| Cricket | 28 | 34 |
| Other sports | 12 | 7 |
| Community | 5 | 11 |

Wellington Regional Stadium Trust



Structure

All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC). As at 30 June 2011 they were Paul Collins (Chair), Councillor Chris Laidlaw (GWRC), Chris Moller, Sir John Anderson, Liz Dawson, Sue Elliot, David Bale and Councillor John Morrison (WCC). The Chief Executive was David Gray.

Objectives

The Wellington Regional Stadium Trust owns, operates and maintains the Stadium as a high-quality multi-purpose sporting and cultural venue. It provides facilities to be used for rugby, cricket and other sports codes, musical and cultural events, and other users including sponsors and event and fixture organisers.

Activities

The Trust:

- Operates the Stadium
- Manages the event programme and seeks opportunities to provide regular quality events
- Ensures the Stadium is provided to the community for appropriate usage
- Administers the Trust assets and the Stadium on a prudent commercial basis.

The nature and scope of these activities are consistent with those set out in the 2009-19 long-term plan.

| PERFORMANCE MEASURES | TARGET 2010/11 | ACTUAL 2010/11 |
|----------------------|-----------------|------------------------------|
| Number of events | 47 | 56 |
| Total revenue | \$14.65 million | \$16.73 Million ⁴ |
| Event revenue | \$5.12 million | \$6.65 Million ⁴ |
| Net surplus | \$1.28 million | \$3.47 Million ⁴ |

Note: The Wellington Regional Stadium Trust is not formally defined as a Council Controlled Organisation. This report on their activities is presented to recognise the interest that Wellington City ratepayers have in the Trust and its activities.

⁴ Subject to final audit approval.

MONITORING INFORMATION

COUNCIL OUTCOME INDICATORS

The following indicators have been developed to assess achievement of our Council outcomes.

The Council's outcomes are our overall 10-year aspirations for the city. They were developed in response to the city and regional community outcomes processes and reflect the community aspirations set down in those processes.

The Council outcomes reflect areas of the city we are able to influence, whereas community outcomes reflect the community's overall aspirations including areas we have limited ability to influence (for example, affordability of housing). Over time we expect to see improvement across all areas. The information provided below is a complete record of the 'outcomes indicators' section under each strategy area.

(We use some acronyms: GIS: Geographic Information Systems; PWT: Positively Wellington Tourism; NZTA: New Zealand Transport Agency; TEC: Tertiary Education Commission.)

GOVERNANCE OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|------------------|---|---|---|
| <p>The Treaty partnership will continue to be acknowledged in all local decision-making processes.</p> <p>Wellington will have a culture of open and honest, no surprises consultation involving all age groups that is genuine, timely and well informed.</p> <p>Wellington's governing bodies will comply with all legislative requirements, and will behave in an ethical and fair manner.</p> <p>Information required by citizens and groups will be easily accessible, to enable participation in the community.</p> <p>Wellington's media will be diverse, open and accessible to all people.</p> <p>Wellingtonians will be actively involved in their communities and work with others to make things happen.</p> <p>Wellington, as New Zealand's capital city, will house and engage effectively with central government, embassies and corporate organisations.</p> | More Inclusive | Residents' agreement that decisions are made in the best interests of the city. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011): 54%, 59%, 59%, 61%, 60% |
| | Actively Engaged | Residents' perceptions of their extent of influence on Council decision-making. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) Large and Some Influence 56%; 59%; 64%, 65%, 63% |
| | | Mana whenua partner satisfaction with Council relationship (interviews). | <i>WCC Strategy, Planning and Performance</i> | Both partners perceive the relationship positively |
| | | Residents' perceptions that they understand how the Council make decisions | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 43%, 40%; 45%, 51%, 48%. |
| | | Mana whenua partner satisfaction that 'Wellington is a great place to do business in' | <i>WCC Strategy, Planning and Performance</i> | Wellington is seen as a great place to do business. It is see as central to many business partners and very accessible. |

ENVIRONMENT OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|------------------|---|---|--|
| Wellington will protect and showcase its natural landforms and indigenous ecosystems. | More Liveable | Hectares of open space land owned or maintained by WCC, per capita ¹ . | <i>WCC Parks and Gardens</i> | 2006/07: 188.3 m ² / person (3,535 hec); 2007/08: 185.5 m ² / person (3,535 hec); 2008/09: 183.3 m ² / person (3,535 hec); 2009/10: 208.6m ² /person (4,078 ha); 2010/11:206.7m ² /person(4086 hec). |
| Pest animals and plants will be eliminated as methods become available, and no new pests will become established. | | Residents' usage of the city's open spaces. | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011) Most days = 6%, 5%, 3%, 5%; Once or twice a week =14%, 13%, 12%,16%; Once every 2 - 3 weeks = 10%, 11%, 11%,13%; Once a month = 11%, 14%, 11%; 14% Once every 2-3 months = 12%, 13%, 13%,15%; Once every 4-5 months = 6%, 6%, 6%,6 Once every 6 months or less often = 13%, 13%, 13% 16% ; Never in the last 12 months = 29%, 24%, 31%, 34%. |
| Wellington's long-term environmental health will be protected by well-planned and well-maintained infrastructure. | Sense of Place | Residents' perceptions that the natural environment is appropriately managed and protected. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011):79%, 75%, 82%, 84%, 89%. |
| Wellingtonians use of non-renewable energy sources will decrease. | Actively Engaged | Residents' actions to reduce waste from homes (including recycling, composting, etc). | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011) Use Council's kerbside recycling service: 90%, 91%, 90%, 91%; Donating things to second-hand shops/charities: 89%, 87%, 90%; 91% Reusing plastic containers such as food containers: 87%, 88%, 88%,92%; Buying refills: 75%, 66%, 73%,74 %; Avoiding using plastic bottles or bags/use green bags: 57%, 57%, 59%,58%; Taking things to recycling stations: 56%, 51%, 52%, 48%; Home composting: 44%, 48%, 47%,50% |
| Wellington will move towards a zero waste policy. | | Hours worked by recognised environmental volunteer groups. | <i>WCC Parks and Gardens</i> | 2006/07 = 7,511 hours; 2007/08 = 9,388 hours; 2008/09 = 12,326 hours; 2009/10 = 25,000; 2010/11= 28,000. |
| Wellington will preserve and improve its parks, trees and open spaces. | | Residents' actions to reduce stormwater pollution. | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010,2011):Putting litter in a rubbish bin: 92%, 85%, 91%,87%; Pouring all household liquid waste down inside sink, toilet or gully trap: 66%, 71%, 72%, 73%; Disposing of oil, paint, chemicals by putting them out with household rubbish or taking them for recycling: 57%, 68%, 69%, 67%; collect sweepings from driveway, paths or yard for composting or for disposal with your household rubbish: 56%, 62%, 62%,60%; Wash the car at the car wash or on the lawn: 43%; 52%; 52%, 45%; Washing paint brushes in an inside sink: 47%; 49%; 48%,52%; Pick up droppings left by dogs: 23%, 23%, 26%,30%; Try to use natural/environmentally friendly detergents/products: -, -, 1%,-; Recycle/reuse where possible: -, -, 1%,-; Take care what goes down into drain/stormwater systems: -, -, 1%,1%, Pick up rubbish in public places -,-, -1% |
| Wellington's urban development and buildings will be energy efficient. | | | | |
| Wellingtonians will protect and have access to public green open spaces and the coast. | | | | |
| Wellington will promote the sustainable management of the environment, and support increased opportunities for the | Better Connected | Kilometres of managed tracks and walkways | <i>WCC Parks and Gardens</i> | 2006/07 = 365.5km; 2007/08 = No change; 2008/09 = 316.6km; 2009/10: 337km; 2010/11= 327km ² |
| | More Sustainable | Total waste to landfill, per capita. | <i>WCC</i> | 2006/07 = 0.39 tonnes /person; 2007/08 = 0.36 tonnes / person; 2008/09 = 0.42 |

¹ All per capita calculations are based on the most recent (30 June 2009) Wellington City resident population estimate from Statistics New Zealand (195,500).

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|------------------|--|---|--|
| exercise of kaitiakitanga or environmental guardianship. | | Water-use, per capita. | <i>CitiOperations Capacity</i> | tonnes / person, 2009/10 = 0.41 tonnes/person, 2010/11 = 0.42 tonnes/person 2006/07 = 173,792 litres /person; 2007/08 = 161,234 litres/person; 2008/09 = 152,219 litres/person; 2009/10 = 149,025 litres/person, 2010/11 = 143,708 litres/person. |
| | | Energy-use, per capita (Wellington Region) | <i>Wellington Electricity</i> | 2007/08: 6.6 MWh/person; 2009/10: 7.2 MWh/person, 2010/11: 7.0 MWh/person |
| | | Ecological footprint | <i>Ministry for the Environment</i> | 2003-2009: 1.7 local hectares per resident. No updated data available. This is a long-term measure. |
| | | Safer | Air quality – particulate matter (PM ₁₀). | <i>Greater Wellington</i> |
| | | Energy-supply interruptions | <i>Wellington Electricity</i> | 2006/07 = 34.1 minutes; 2007/08 = 32.0 minutes; 2008/09 = 35.3 minutes; 2009/10 = 40.6 minutes. 2010/11 = 34.7 minutes. |
| | Healthier | Fresh water biological health (macroinvertebrates) | <i>Greater Wellington Regional Council</i> | (2004/05, 2005/06, 2006/07, 2007/08, 2008/09, 2009/10) - Makara Stream: 100,94,96,113, 112; Karori Stream: 93,109,88,95, 82; Kaiwharawhara Stream: 91,88,96,85, 91; Most recently available data are for 2009/10 year. |
| | | Fresh water quality | <i>Greater Wellington Regional Council</i> | Fresh water quality rating - (2006/2007-2008/09, 2009/10) - Makara Stream: Fair, Good; Karori Stream: Fair, Fair; Kaiwharawhara Stream: Fair, Fair. Most recently available data are for 2008/09 year |
| | | Bird counts | | |
| | | | | |

| Species | % of stations where species were recorded | | | | average number of birds observed at each station | | | |
|--------------|---|------|------|------|--|------|------|------|
| | 2007 | 2008 | 2009 | 2010 | 2007 | 2008 | 2009 | 2010 |
| bellbird | 14 | 23 | 7 | 3 | 0.07 | 0.13 | 0.56 | 0.19 |
| fantail | 55 | 57 | 47 | 51 | 0.38 | 0.33 | 4.50 | 7.44 |
| grey warbler | 91 | 93 | 76 | 68 | 1.09 | 1.51 | 7.75 | 9.84 |
| hihi | 1 | | 1 | | 0.00 | 0.00 | 0.06 | 0.00 |
| kaka | 4 | 16 | 7 | 6 | 0.02 | 0.07 | 0.56 | 0.44 |
| kakariki | | | 1 | | 0.00 | 0.00 | 0.06 | 0.00 |
| karearea | | | 1 | | 0.00 | 0.00 | 0.06 | 0.00 |

² This measure includes tracks built by volunteer networks, road sections where the walkway uses a public footpath, and Makara Peak. Precision of measurement has improved resulting in the reduction noted.

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------|------------------|--|--------|---|------------|------|-------|-------|---|------|------|------|------|------------|---|---|---|--|------|------|------|------|----------------|---|---|----|----|------|------|------|---|----------|----|----|----|----|------|------|-------|------|-----|----|----|----|----|------|------|-------|-------|-----------|---|--|---|---|------|------|------|------|------------|----|----|----|----|------|------|------|------|
| | | | | <table border="1"> <tr> <td>kingfisher</td> <td>23</td> <td>27</td> <td>15</td> <td>4</td> <td>0.10</td> <td>0.16</td> <td>1.13</td> <td>0.25</td> </tr> <tr> <td>saddleback</td> <td>3</td> <td>4</td> <td>3</td> <td></td> <td>0.01</td> <td>0.02</td> <td>0.19</td> <td>0.00</td> </tr> <tr> <td>shining cuckoo</td> <td>4</td> <td>8</td> <td>19</td> <td>29</td> <td>0.02</td> <td>0.03</td> <td>1.44</td> <td>3</td> </tr> <tr> <td>silvewye</td> <td>97</td> <td>98</td> <td>89</td> <td>55</td> <td>2.58</td> <td>2.66</td> <td>19.75</td> <td>0.00</td> </tr> <tr> <td>tui</td> <td>96</td> <td>99</td> <td>93</td> <td>89</td> <td>1.48</td> <td>2.16</td> <td>16.88</td> <td>38.31</td> </tr> <tr> <td>whitehead</td> <td>5</td> <td></td> <td>6</td> <td>1</td> <td>0.03</td> <td>0.00</td> <td>0.75</td> <td>0.18</td> </tr> <tr> <td>woodpigeon</td> <td>18</td> <td>20</td> <td>16</td> <td>15</td> <td>0.11</td> <td>0.11</td> <td>1.25</td> <td>1.62</td> </tr> </table> | kingfisher | 23 | 27 | 15 | 4 | 0.10 | 0.16 | 1.13 | 0.25 | saddleback | 3 | 4 | 3 | | 0.01 | 0.02 | 0.19 | 0.00 | shining cuckoo | 4 | 8 | 19 | 29 | 0.02 | 0.03 | 1.44 | 3 | silvewye | 97 | 98 | 89 | 55 | 2.58 | 2.66 | 19.75 | 0.00 | tui | 96 | 99 | 93 | 89 | 1.48 | 2.16 | 16.88 | 38.31 | whitehead | 5 | | 6 | 1 | 0.03 | 0.00 | 0.75 | 0.18 | woodpigeon | 18 | 20 | 16 | 15 | 0.11 | 0.11 | 1.25 | 1.62 |
| kingfisher | 23 | 27 | 15 | 4 | 0.10 | 0.16 | 1.13 | 0.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| saddleback | 3 | 4 | 3 | | 0.01 | 0.02 | 0.19 | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| shining cuckoo | 4 | 8 | 19 | 29 | 0.02 | 0.03 | 1.44 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| silvewye | 97 | 98 | 89 | 55 | 2.58 | 2.66 | 19.75 | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| tui | 96 | 99 | 93 | 89 | 1.48 | 2.16 | 16.88 | 38.31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| whitehead | 5 | | 6 | 1 | 0.03 | 0.00 | 0.75 | 0.18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| woodpigeon | 18 | 20 | 16 | 15 | 0.11 | 0.11 | 1.25 | 1.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | More Competitive | Key Wellington natural environmental attractions visitor numbers (Wellington Zoo and Zealandia - Karori Wildlife Sanctuary). | Venues | 2007/08 = 245,533; 2008/09 = 242,483; 2009/10 = 245,340, 2010/11 = 285,894 (Zealandia- 89627, Zoo - 196267) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ECONOMIC DEVELOPMENT OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|------------------|--|--|--|
| <p>Wellington will have an increasing diversity of vibrant, internationally competitive businesses and industries of all sizes, and sustainable employment opportunities.</p> <p>Wellington will become a centre of excellence for education and training, and the promotion of entrepreneurship.</p> <p>Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington's best features.</p> <p>Wellington's thriving suburban and rural centres will offer enhanced services and lifestyle choices.</p> <p>Wellington will have venues that suit a range of events and reflect the needs of the city.</p> | Sense of Place | Visitor numbers – international (guest nights) | <i>Statistics NZ</i> | (2007/08, 2008/09, 2009/10, 2010/11) 716, 614; 691,851; 692,202, 702,463. |
| | | Visitor numbers – domestic (guest nights) | <i>Statistics NZ</i> | (2007/08, 2008/09, 2009/10): 1, 223, 315; 1, 268,426; 1,352, 242; 1,280,162 |
| | | Accommodation (commercial) - occupancy rates and guest nights. | <i>Statistics NZ</i> | (2008,2009, 2010) Guest nights: 2008: 1,939,929; 2009: 1,960,277; 2010: 2,017,445, 2011: 1982625 (Year-end April). (2008,2009,2010) Occupancy: 2008: 63%; 2009: 65%; 2010: 64%; 2011:62% (Year-end April), |
| | | Number of major conferences. | <i>PWT</i> | 2006/07 = 1,026; 2007/08 = 822; 2008/09 = 795; 2009/10 = 647 2010/11 = 689 (Year-end March). |
| | More Compact | Growth in businesses - retail, entertainment, service and knowledge sectors | <i>Statistics NZ</i> | (2007,2008,2009,2010) Businesses Total: 4,752, 4,797, 4,858, 4868 Retail: 1,940, 1,934, 1,901, 1,889; Entertainment: 1,447, 1,465, 1,564, 1,610 Service: 1,102, 1,116, 1,109, 1,103 Knowledge: 263, 282, 284, 282 |
| | | Growth in employees - retail, entertainment, service and knowledge sectors | <i>Statistics NZ</i> | (2007, 2008,2009, 2010) Employees Total: 29,880, 30,410, 30,190, 28,970 Retail: 11,830, 11,940, 11,470, 10,810; Entertainment: 5,320, 5,590, 5,270, 5,230; Service: 7,880, 7,890, 7,760, 7,940; Knowledge: 4,850, 4,990, 5,690, 4,990. |
| | More Eventful | Number of A-level events held in Wellington and their economic contribution | <i>WCC Events</i> | 2007/08 = 5 A-Level events (\$30.5m); 2008/09 = 7 A-Level events (\$51m); 2009/10 = 9 A-Level events (\$34.8m);2010/11= 9 A-Level events (\$23.7M) |
| | Better connected | Broadband usage - home access. | <i>WCC Residents' Satisfaction Survey</i> | (2006, 2007, 2009, 2010, 2011): 51%; 68%; 79%; 86%, 86% ³ . |
| | | Cargo loaded and unloaded at Wellington Seaport and Airport (dollar value). | <i>Statistics NZ</i> | (2007, 2008, 2009, 2010 March year-end) Loaded: \$956.9m, \$840.4m, \$952.2m, \$1.05bn; \$1.21bn Unloaded: \$2.2bn; \$2.4bn, \$2.9bn; \$2.0bn, \$2.16b. |
| | | Number of domestic and international passengers entering Wellington airport. | <i>Wellington International Airport</i> | (2007, 2008, 2009, 2010,2011 March year-end) Domestic: 4,060,313, 4,418,381, 4,644,505, 4,491,402; 4,479,664. International: 575,398, 603,344, 611,002, 626,365, 654,615 |
| | More Prosperous | Gross Domestic Product (per capita growth) | <i>Infometrics</i> | (2008, 2009, 2010): 1.6%, 1.4%, 1.8% |
| | | Income – household and personal | <i>Statistics NZ</i> | (2006 Census data): Median personal income: \$32,500 Median Household Income: \$72,200 |
| Regional economic activity growth. | | <i>The National Bank</i> | 2006 = 0.8%; 2007 = 3.0%; 2008 = 0.2%; 2009 = -1.0%, 2010 = 2.0% (Average annual growth rate December year-end). | |
| Number of job vacancies. | | <i>NZ Department of Labour</i> | May 2008 to May 2009: Skilled Vacancies decreased by 47% May 2009 to May 2010: Skilled vacancies increased by 32% May 2010 | |

³ This measure featured in the November Residents' survey in 2006 and 2007, there was no November survey in 2008. Since 2009, this measure has been included in the February Residents' Satisfaction Survey.

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--------------------|-------------------------|--|------------------------------|---|
| | | Employees by industry. | <i>Statistics NZ</i> | to May 2011 – skilled vacancies increased by 13.4% ⁴ (2007, 2008, 2009, 2010) Top 4: Total: 137,330, 140,780, 137,970, 138,210. Public administration and safety = 23,490, 23,910, 23,880, 24,77 Professional, scientific and technical services = 17,620, 18,910, 19,410, 19,420 Health care and social assistance = 10,370, 10,840, 10,590, 10,860 Education and Training 9,780, 10,200, 10,100, 10,240 |
| | | Labour force participation rate. | <i>Statistics NZ</i> | 2007 = 70.5%; 2008 = 67.9%; 2009 = 71.2%; 2010 = 70.3%; 2011 = 71.1% (March quarter) |
| | More Competitive | New Zealand's top 200 companies based in Wellington. | <i>Management Magazine</i> | 2006 = 27; 2007 = 29; 2008 = 24; 2009 = 24; 2010 = 20 |
| | | Business enterprises– births and deaths (net growth in businesses). | <i>Statistics NZ</i> | Annual growth (business units): 2007/08 = 1.9%; 2008/09 = 2.1%; 2009/10 = 1.3%, 2010/11: -2.1% Net growth 2000-2010: 22%. |
| | Entrepreneurial | Industry training enrolments. | <i>TEC</i> | Wellington City: 2006 = 6,171; 2007 = 6,263; 2008 = 6,108; 2009 = 5,697, 2010 = 4910. |
| | | Businesses and employees engaged in research and development sector. | <i>Statistics NZ</i> | (2007, 2008, 2009, 2010) Businesses: 108, 113, 116, 113; Employees: 4,270, 4,450, 5,050, 4,400. |
| | | Tertiary students enrolled in Wellington Region and NZ. | <i>Ministry of Education</i> | (2007, 2008, 2009, 2010) Wellington City: 43,339; 42,100; 42,777, 41,737 New Zealand (Public Providers): 416,474; 395,494; 401,549, 399,076 |

⁴ Skilled vacancies are defined as skill levels 1-3 in the Australia New Zealand Standard Classification of Occupations. Vacancy data is collected by the Department of Labour. The 'Jobs Online database' stores skilled vacancy information from the main online job boards.

CULTURAL WELL-BEING OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|--|---|--|--|
| Tangata whenua and our multicultural diversity will be recognised and valued, and reflected in our city's culture. Wellingtonians will celebrate their unique cultural identity. Wellington will be recognised as New Zealand's arts and cultural capital, encouraging visual and performing arts. Wellington will have venues that suit a range of events and reflect the needs of the city. Wellington will be a dynamic and multicultural city that respects and celebrates cultural diversity. Wellington will host and promote international sporting events which make appropriate use of its natural environment and established facilities. | Sense of Place | Residents' perceptions that Wellington's local identity (sense of place) is appropriately valued and protected. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 79%; 77%; 79%; 81%, 81%. |
| | More Eventful | Number of events held at key venues. ⁵ | <i>Venues</i> | (2007/08, 2008/09, 2009/10, 2010/11) 1,176; 1,361; 1,514, 1,489 |
| | | New Zealanders' perceptions that 'Wellington is the arts capital of New Zealand.' | <i>Nielsen Omnibus Survey</i> | (2007, 2008, 2009, 2010, 2011) 61%; 63%; 64%; 68%, 65%. |
| | | Wellingtonians' perceptions that 'Wellington is the arts capital of New Zealand.' | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 76%; 77%; 80%; 81%, 79%. |
| | | New Zealander perceptions that 'Wellington is the events capital of New Zealand.' | <i>Nielsen Omnibus Survey</i> | (2007, 2008, 2009, 2010, 2011) 37%; 39%; 42%; 53%, 42%. |
| | | Wellingtonians' perceptions that 'Wellington is the events capital of New Zealand.' | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010) 63%; 65%; 65%; 70%, 64%. |
| | | Number of national arts organisations, and professional and amateur theatre groups based Wellington. | <i>Creative NZ and Wellington District Theatre Federation</i> | (2007 – 2010, 2011) National organisations = 23, 23+ ⁶ ; Professional theatre groups = 4, 5; Amateur theatre groups = 5, 5. |
| | More Inclusive | New Zealanders' perceptions that 'Wellington has a culturally rich and diverse arts scene'. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 81%; 82%; 84%; 85%, 85%. |
| | | Wellingtonians' perceptions that 'Wellington has a culturally rich and diverse arts scene'. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 90%; 94%; 94%; 94%, 94%. |
| | | Actively Engaged | Number of businesses and employees engaged in the arts and cultural sector. | <i>Statistics NZ</i> |
| Residents' frequency of engagement in cultural and arts activities | <i>WCC Residents' Satisfaction Survey (February)</i> | | (2010, 2011) At least once a week: 11%,11%; At least once a month: 41%,36%; At least once ever six months: 31%,33%; At least once a year: 8%,9%; less often: 6%, 8%. | |

⁵ Key venues include: Westpac Stadium, St James Theatre, Opera House, Wellington Convention Centre, and Te Papa.

⁶ Updated data on National arts organisations is no longer collected by Creative NZ, however, all of the 23 organisations previously identified are still based in Wellington.

SOCIAL AND RECREATION OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|---|---|--|---|--|
| <p>A wide range of educational opportunities will be available for Wellingtonians of all ages.</p> <p>Wellington communities will be inclusive and welcoming to all people.</p> <p>Wellington will have responsive social services and a strong volunteer sector.</p> <p>Wellingtonians will enjoy recreation and be amongst the most active in New Zealand.</p> <p>Social services, especially public health and housing, will be affordable, available and accessible to all Wellingtonians.</p> <p>Wellington City and its amenities will be accessible to all Wellingtonians.</p> <p>Opportunities for active and passive recreation are diverse, safe, affordable, accessible and attractive.</p> <p>Wellington's communities will have ready access to multi-use indoor and outdoor facilities and spaces.</p> <p>Wellingtonians will feel safe in all parts of the city.</p> <p>Wellingtonians will be well prepared and coordinated to deal with any civil emergency and its aftermath.</p> <p>Wellingtonians will be healthy and</p> | More Liveable | Residents' perceptions that Wellington offers a wide range of recreation activities. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 94%; 93%; 94%; 91%, 91%. |
| | | Residents' perceptions of their 'quality of life' | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011): 94%, 93%, 92%, 93% |
| | Local and central government housing provisions, as a proportion of all rented private dwellings. | <i>WCC City Housing</i> | Housing New Zealand (2010,2011) = 1,639 (6.18%); 1912 (6.98%); WCC (2010, 2011) = 2,347 (8.85%), 2263 (8.26%); Total rented dwellings in Wellington (2010, 2011) = 26,503, 27,389 | |
| | Actively Engaged | Residents' usage of WCC community facilities. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) Community centre = 19%, 18%, 25%, 24%; 22% Community Hall = 18%, 15%, 20%, 23%, 22%. |
| | | Residents' usage of WCC Libraries | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011): 73%, 79%, 79%, 81% |
| | | Residents frequency of visiting WCC Libraries | <i>WCC Residents' Satisfaction Survey</i> | (2010, 2011) More than once a week: 10%, 7%; once a week: 16%, 19%, once every 2-3 weeks: 19%, 22%; Once a month: 23%, 23% once every 2-3 months: 14%, 15% once every 4-6 months: 10%; 8% less often: 8%, 7% |
| | | Residents' usage of WCC recreation facilities. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009 2010, 2011) Recreation centre = 22%, 20%, 28%, 23%, 24%; Swimming pool = 55%, 52%, 53%, 52%, 54%. |
| | | Residents' perceptions of barriers restricting participation in recreation activities, for example, parking, transport, too busy, poor health, no facilities, weather, expense, etc. | <i>WCC Residents' Satisfaction Survey</i> | (2010, 2011): too busy: 28% 26%, poor health: 10%, 8% Lack of motivation: 8%, 7%; Lack of parking/public transport/transport: 8%, 6%; Weather: 7%, 5%. |
| | Better connected | Residents' perceptions that they feel a sense of community with others in their local neighbourhood. | <i>Quality of Life Survey</i> | (2006, 2008, 2010): 57%, 51%, 60% |
| | More inclusive | Resident satisfaction with services and resources provided by WCC to encourage strong and thriving communities | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009 , 2010, 2011): 58%, 63%, 62%, 68% |
| | | Resident awareness of the types of community support provided by WCC | <i>WCC Residents' Satisfaction Survey</i> | (2010, 2011): Grants: 79%, 79%; Provision of support networks for various groups: 81%, 82%; Organising community events: 92%, 92%; Provision of advocacy services for various groups: 61%, 69% |
| | | Residents' importance of sense of community in local neighbourhood | <i>Quality of Life Survey</i> | (2006, 2008, 2010): 69%, 59%, 70% |
| | | Types of social networks to which residents belong (i.e. community, sports, ethnic, etc) | <i>Quality of Life Survey</i> | (2006, 2008, 2010): school or work network: 62%, 67%; 65% hobby/interest group:37%, 41%, 38%; online community groups (eg |

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|------------------------------------|------------------|--|--|---|
| experience a high quality of life. | Healthier | Residents' frequency of physical activity. | <i>WCC Residents' Satisfaction Survey</i> | Facebook): 20%, 38%, 59%; sports club: 33%, 29%, 30%; church/spiritual group: 32%, 26%, 23%; community/voluntary group: 22%, 19%, 22%; Friends: 4%; 11%, 7% |
| | | Life expectancy (with break-down). | <i>Statistics NZ</i> | (2007, 2008, 2009, 2010, 2011) 80%; 72%; 73%; 75%, 77% (more than 2.5 hours per week). Male: 1995-1997 = 75.4; 2000-2002 = 78; 2005-2007 = 80.1%. Female: 1995-1997 = 81.2; 2000-2002 = 82.5; 2005-2007 = 83.7%. (Census – not updated in 2010/11) |
| | | Number of notifications of the most prevalent food and water-borne diseases. | <i>WCC Building Consents and Licensing</i> | 2006/07 = 261; 2007/08 = 269; 2008/09 = 306; 2009/10 = 291, 2010/11 = 210. |
| | Safer | Crime – number recorded (resolution rate) - by category. | <i>NZ Police</i> | (2008, 2009, 2010) Offences against the person (% resolved): 7,052 (78%); 7,222 (80%); 6,959 (76%) Burglary/ Theft: 28,974 (34%); 28,677 (36%); 26,897 (34%) Illicit drug offences: 1,897 (96%); 2,367 (97%); 1,907 (95%) Public order offences: 4,517 (86%); 5108 (87%); 4,342 (86%). |
| | | Residents' perceptions of safety – central city and local neighbourhood (day and night). | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) Central city day =99%, 96%, 99%, 99%; 99% Central city night = 74%, 56%, 67%, 64%, 74%; Neighbourhood day = 99%, 98%, 98%, 100%, 98%; Neighbourhood dark = 86%, 84%, 88%, 87%, 89%. |
| | | Resident perceptions – city safety issues of most concern | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011): Alcohol and drug problems: 21%, 21%, 22%; 22% Dangerous drivers (including speed, drunk drivers): 14%, 14%, 18%, 19%; Threatening people/people behaving dangerously: 17%, 16%, 13%, 10%; Poorly lit/dark public areas (streets, paths, parks): 12%, 11%, 13%, 10%; Traffic including busy roads/lack of pedestrian facilities: 10%, 12%, 9%, 14%; Car theft/vandalism: 4%, 6%, 7%, 5%; Graffiti: 11%, 7%, 5%, 10%; Vandalism (broken windows in shops): 4%, 4%, 3%, 1%; poorly maintained/dangerous public areas: 4%, 4%, 3%, 3% |
| | | Residents with a home emergency plan. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011): 33%; 36%; 45%; 48%, 65% |
| | | Residents with an emergency kit | <i>WCC Residents' Satisfaction Survey</i> | 2010, 2011: 76%, 85% ⁷ |

⁷ Civil Defence and Emergency Management now emphasise residents have access to emergency survival items (food, water, torches, essential medication etc) rather than a specific emergency kit.

URBAN DEVELOPMENT OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|------------------|--|--|--|
| Wellington will protect its heritage buildings and ensure that new developments are sympathetic to them. Urban development will support Wellington's uniqueness as a compact harbour city. | More Liveable | Resident perceptions that Wellington is a great place to live, work and play | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011): great place to live: 95%, 94%, 94%, 96%; great place to work: 80%, 78%, 75%, 74%; great place to play: 91%, 93%, 90%, 91% |
| | | Population density – central city area, 'Growth Spine,' inner-city residential, outer residential, suburban centres (long-term indicator). | <i>WCC GIS</i> | (2001, 2006) Central city: 5,844, 8,547 people; 'Growth Spine:' 18,348, 22,293 people; Inner city: 23,559, 25,227 people; Outer residential: 98,718, 108,402 people; Suburban centres: 2,295, 3,105 people. (Census – not updated in 2010/11) |
| Wellington's thriving suburban and rural centres will offer enhanced services and lifestyle choices. Wellingtonians will feel safe in all parts of the city. | More Prosperous | Value of commercial and residential building consents | <i>Statistics NZ</i> | (2009, 2010, 2011) March Year End. Commercial: \$318.7m, \$307.9m, \$263.8m. Residential: \$314.3m, \$210.8m, \$265.9m. |
| | More Compact | Building density (buildings per hectare) – central city area, 'Growth Spine,' inner-city residential, outer residential, suburban centres (long-term indicator). | <i>WCC GIS</i> | (2010, 2011): Central Area - 1,904 (7.85 buildings per hectare), 1884 Buildings (7.76blgs/ha) ; Inner Residential - 10,652 (34.60 buildings per hectare), 10633 Buildings (34.54blgds/ha); Outer Residential - 76,699 (21.84 buildings per hectare), 76818 Buildings (21.88blgds/ha); Suburban Centres - 2,217 (7.37 buildings per hectare). 2207 Buildings (7.34blgds/ha); Growth Spine - 10,172 (13.93 buildings per hectare), 10153 (13.90blgds/ha) |
| | | Proportion of houses within 100m of a public transport stop. | <i>WCC GIS</i> | 2006 = 48%; 2008 = 48%; 2010 = 48%. 2011 = 47% |
| Wellington's urban development and buildings will be energy efficient. Wellington will be pedestrian and cyclist friendly. Wellington's transport system will be designed to meet the needs of its people efficiently and sustainably. | Safer | Residents' perceptions of safety issues (urban design focussed) | <i>WCC Residents' Satisfaction Survey</i> | (2008,2009, 2010, 2011): Poorly lit public areas: 53%, 48%, 57%, 47%; Vandalism: 45%, 34%, 36%, 30%; Graffiti: 64%, 56%, 48%, 50%; Poorly maintained/dangerous public areas: 42%, 34%, 41%, 36% |
| | | Identified earthquake-prone buildings that have been strengthened | <i>WCC Building Consents and Licensing</i> | 2009/10: 4; 2010/11: 11 |
| | Sense of Place | Residents' perceptions that heritage items contribute to the city's unique character. | <i>WCC Residents' Satisfaction Survey</i> | (2006, 2007, 2008, 2009, 2010, 2011): 91%; 86%; 91%; 95%; 91%, 88% |
| | | Residents' perceptions that heritage items contribute to their local community's unique character. | <i>WCC Residents' Satisfaction Survey</i> | (2006, 2007, 2008, 2009, 2010, 2011) 79%; 72%; 74%; 83%; 80% 77% |
| | | New Zealanders perception that Wellington is an attractive destination. | <i>Nielsen Omnibus Survey</i> | (2006, 2007, 2008, 2009, 2010, 2011) 81%; 75%; 79%; 80%; 82%, 75%. |
| | | Residents' rating of sense of pride in the way their city looks and feels. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 87%; 86%; 88%; 86%, 91%. |

TRANSPORT OUTCOME INDICATORS

| COMMUNITY OUTCOMES | COUNCIL OUTCOMES | COUNCIL OUTCOME INDICATOR | SOURCE | DATA |
|--|-------------------------|---|---|---|
| <p>Wellington's transport system will be designed to meet the needs of its people efficiently and sustainably.</p> <p>Wellington's public transport system will be accessible and affordable for all.</p> <p>Wellington will be pedestrian and cyclist friendly.</p> <p>Wellington's traffic will flow smoothly through and around the city and suburbs.</p> <p>Links by land, air and sea will meet the needs of people and enterprises.</p> <p>Wellington will have clear directional signage.</p> | More Liveable | Residents' perceptions that public transport is convenient and affordable | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010): Convenient 77%, 80%, 75%; Affordable: 75%, 72%, 68% |
| | More Prosperous | Cargo loaded and unloaded at Wellington Seaport and Airport (tonnage). | <i>Statistics NZ</i> | (2007/08, 2008/09, 2009/10, 2010/11): Loaded: 781,221; 749,092; 966,293; 1,148,767; Unloaded: 1,246,324; 1,306,771; 1,083,773, 1,055,450 (tonnes) |
| | More Sustainable | Mode of transport used by residents to come into the CBD - by car, bus, walking, train, and cycling. | <i>WCC Residents' Satisfaction Survey</i> | (2008, 2009, 2010, 2011) Car: 46%, 36%, 35%, 29%; Bus: 28%, 33%, 38%, 31%; Walking: 15%, 17%, 16%, 26%; Train: 6%, 5%, 4%, 6%; Cycle: 4%, 4%, 4%, 4%. |
| | | Total fuel used on Wellington roads, per capita. | <i>WCC Infrastructure Planning and Data</i> | 2008/09: 2,022 litres/person; 2009/10: 2,012 litres/person 2010/11=1934 litres/person |
| | | Users of public buses (actuals) | <i>WCC Infrastructure Planning and Data</i> | 2009/10: 23,647,840, 2010/11: 24,030,485 |
| | | Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter) | <i>Greater Wellington</i> | (2009, 2010 Calendar years): Nitrogen: Maximum: 100.1, 105.4; mean (annual): 27.4, 25.8; Carbon monoxide: Maximum: 2.9, 3.2; mean (annual): 0.6, 0.6. Please refer to Activity 2.5 for particulate matter |
| | Better connected | Residents' perceptions that the city's transport system allows easy access from the suburbs to the city | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 77%; 75%; 80%; 80%, 77%. |
| | | Residents' perceptions that peak traffic volumes are acceptable. | <i>WCC Residents' Satisfaction Survey</i> | (2007, 2008, 2009, 2010, 2011) 55%; 58%; 64%; 66%, 75%. |
| | | Resident perceptions of barriers to using preferred mode of transport | <i>WCC Residents' Satisfaction Survey</i> | 2010, 2011: yes: 34%, 40%; no: 66%, 60% |
| | Safer | Number of road crashes resulting in injury | <i>NZTA</i> | (2007/08, 2008/09, 2009/10, 2010/11): Total: 521, 559, 433, 372; Fatal: 2, 5, 3, 3; Serious: 89, 88, 53, 55 |
| | | Social cost of all crashes – includes loss of life estimates and non-injury crashes. | <i>NZTA</i> | (2007/08, 2008/09, 2009/10, 2010/11): \$154m, \$159m, \$110m, \$105m. |