



## WELLINGTON CITY COUNCIL'S Summary Annual Report 2007/08



### INTRODUCTION

Welcome to this snapshot of Wellington City Council's work in the 2007/08 financial year. The next few pages explain what we did during the year – some of our highlights, what it cost to provide the many services we provide to the community, and some key indicators regarding the shape that Wellington is in.

Wellington has been thriving with events this year, which include the Homegrown Music Festival held on our waterfront, the visit by David Beckham and his LA Galaxy Football team, and the NZ International Arts Festival. Closer to home, tens of thousands of residents participated in our community events and festivals.

A number of major building projects have been completed or are in the works. The redevelopment of the waterfront has been marked by the opening of Meridian Energy's five star green rated head office in the Kumototo area and a number of awards for Waitangi Park, Frank Kitts Park and Kumototo. We completed a new water reservoir to supply growth in the northern parts of the city, and a generator that converts methane from the landfill into electricity. We've also been busy consulting with the community regarding projects of long term interest, such as the Ngauranga to Airport transport corridor, our plans to focus growth around Johnsonville and Adelaide Road, and proposed wind farms in our region.

We are continuing our efforts towards sustainable growth. We established a Climate Change Office to reduce our environmental footprint, and we have ongoing projects to incorporate sustainable design principles in existing and new developments. We are also working at improving the sustainability of our community, via the provision of services that will improve home insulation, make it easier for residents to incorporate sustainability features in their buildings, and foster community initiatives to live sustainably.

We are enormously proud of the work that our organisation does for Wellington City. We wish to thank our councillors and staff, and the many community groups and agencies that contribute to our rich and vibrant city.

### ABOUT THE COUNCIL

We have two key jobs. The first is to promote the well-being of Wellington and its people. The second is to facilitate local democracy.

We're made up of 15 elected representatives – the mayor and 14 councillors. It's their job to make bylaws, set the city's overall strategic direction, and approve budgets, policies and plans aimed at achieving that direction. Part of their role is to listen and take the pulse of the community before making decisions. We also have two community boards to consider local issues in Makara/Ohariu and Tawa.

The elected representatives are supported by a chief executive and 1500+ staff, who provide advice, implement Council decisions, and look after the city's day to day operations.

What we all have in common is a commitment to improving quality of life for all Wellingtonians, now and into the future.

### ABOUT THIS SUMMARY

This is a summary of the Council's activities for the year 1 July 2007 – 30 June 2008. The information has been extracted from our 2007/08 Annual Report which was adopted on 29 August 2008. This summary has been prepared in accordance with FRS-43 Summary Financial Statements. The Annual Report contains detailed information about our finances and service performance. Audit NZ has audited the full Annual Report and issued an unqualified opinion. This summary has been examined by Audit NZ for consistency with the full Annual Report.



**KERRY PRENDERGAST** MAYOR  
26 September 2008



**GARRY POOLE** CHIEF EXECUTIVE  
26 September 2008



**NEIL CHERRY** CHIEF FINANCIAL OFFICER  
26 September 2008

# Our activities at a glance

We group our work in these seven areas.

## URBAN DEVELOPMENT

Our built environment work includes enhancing the waterfront and city and suburban centres, developing public spaces such as urban parks and squares, looking after heritage sites, assessing and issuing building and resource consents, ensuring earthquake-prone buildings are strengthened, and planning for the city's future growth and development.

The key challenge we face is to manage growth in ways that are sustainable and retain the city's special character.

### HIGHLIGHTS

- The opening of Meridian Energy's five star green rated head office and the surrounding public space marked an important milestone in the redevelopment of the Kumototo area of the waterfront.
- Residents' views were sought on the Johnsonville town centre plan, growth and development around Adelaide Road, the suburban centres policy, and rules that control earthworks around the city.
- We dealt with over 3,400 building consents and 948 resource consents, including resource consents for Bowen Campus, New Zealand's biggest office development, the proposed Mill Creek wind farm and many others.
- We introduced a new Eco-Design service which provides free advice on home building projects to help create more energy efficient and sustainable homes.

### AWARDS

Wellington waterfront projects won several major awards.

At the 2008 NZ Institute of Landscape Architects Awards, the redevelopment of Kumototo won the George Malcolm Supreme Award, and Waitangi Park won the Sustainability Award of Excellence. At the same time, Frank Kitts Park was recognised by a gold award for its landscape design.

The Len Lye 'Water Whirler' sculpture and the redevelopment of Shed 13 won 2007 NZ Institute of Architects Wellington awards.

## TRANSPORT

We look after 670km of streets and roads, as well as footpaths, cycle lanes, traffic signals, car parks and so on. We also: support public transport through bus priority measures such as bus lanes, letting buses go first at traffic lights, and providing bus shelters; work suburb by suburb to improve road safety; and plan to ensure the city's transport network meets future needs.

The key challenges we face are to deal with congestion and support healthy, sustainable alternatives to the private car.

### HIGHLIGHTS

- We continued our on-going safer roads programme, including the 'Stop, Look, Live' and 'Cycle to be Seen' campaigns.
- More than 4,600 people gave their views on plans for the transport corridor between Ngauranga and the Airport.
- We developed plans to improve the environment for walking and cycling.

### AWARDS

The Inner City Bypass team won a Greater Wellington Regional Council Environmental Award.

## ECONOMIC DEVELOPMENT

Our economic strategy is to keep Wellington vital – to provide a great place for workers and their families to live and for businesses to locate.

We support major events such as the IRB Sevens and the Homegrown Music Festival; fund tourism promotions; support attractions such as Te Papa; provide venues such as the Wellington Convention Centre; keep the city centre vibrant by providing free weekend parking; provide grants for community projects with economic benefits; and market the city as a great place to live, work and visit.

We also support the Wellington Regional Strategy that guides the work of the regional economic development agency Grow Wellington.

### HIGHLIGHTS

- About 70,000 people went to the IRB Sevens and tens of thousands saw David Beckham and his LA Galaxy football team.
- Wellington's Homegrown Music Festival featured 33 bands and DJs across five stages, to a sold-out crowd of thousands.
- We estimate the economic benefit of the events we supported to be over \$60 million.
- We started redeveloping the Carter Observatory as a visitor attraction.

## ENVIRONMENT

We look after the city's 34+ square kilometres of reserve land, as well as beaches, coastline, and world class botanical gardens. We fund Wellington Zoo and the Karori Sanctuary, and work to develop other world-class nature-based visitor attractions such as the Marine Education Centre.

We also supply water, stormwater and sewage disposal systems; provide recycling and waste disposal services; offer grants for environmental initiatives; run the Kiwi Point Quarry; and promote energy efficiency and sustainability.

All cities face significant environmental challenges in responding to climate change, using resources such as water and energy wisely, and managing waste.



### HIGHLIGHTS

- A new water reservoir was built to serve growth in the north of the city.
- A new generator was installed at the Southern Landfill to convert methane to electricity.
- Wellington Zoo opened its new giraffe house, and visitor numbers increased.
- Upgrades of Mount Victoria, Cog Park and the entrance to Red Rocks were completed.
- We established a climate change office to reduce the Council's environmental footprint.

### AWARDS

The Karori Sanctuary won the 2008 New Zealand Tourism Awards Conservation in Action category. The Sanctuary also won the Wellington city supreme award and the city and regional heritage and environment prizes at the Wellington Airport Regional Community Awards.

The Mount Victoria redevelopment won a 2008 NZ Institute of Landscape Architects bronze award.

### CULTURAL WELLBEING

We fund the city's popular art galleries and museums, operate Toi Pōneke – Wellington Arts Centre, and support the NZ International Arts Festival, the St James Theatre and the NZ Symphony Orchestra.

We also provide cultural grants, support community events and festivals, and run the City Archives.

### HIGHLIGHTS

- Tens of thousands of residents enjoyed festivals including Summer City, Cuba Carnival, Matariki, Pasifika, Diwali and more.
- Te Ara o Nga Tupuna – the Maori heritage trail was extended.
- Several major new sculptures were added to the cityscape including Te Waka Pou in Waitangi Park and Solace in the Wind (a year-long loan from sculptor Max Patte) on the waterfront.
- The NZ International Arts Festival lit up the city with more than 125,000 tickets sold.

### SOCIAL AND RECREATION

We provide housing for people whose needs are not met by state housing or the private housing market, fund projects to help homeless people, support community organisations, and provide libraries, community centres and halls.

Our sports fields, swimming pools and recreation centres provide places for people to congregate and get active.

We also work to protect public health and safety through projects such as monitoring the city centre with CCTV and Walkwise officers, controlling liquor consumption in public in parts of the city, licensing food and liquor outlets, animal control, regulating other public health risks, providing public toilets and preparing the city to deal with emergencies such as earthquakes. We also provide two cemeteries.

Challenges include responding to the demands of a growing population with increasingly diverse needs, maintaining the city's excellent safety record, and dealing with the effects of weather on sports grounds.

### HIGHLIGHTS

- Makara Cemetery opened a Natural Burials area.
- We confirmed our new Indoor Sports Centre location at Cobham Park in Kilbirnie, and we completed the preliminary design for the facility.
- The new waterplay area opened at Wellington Regional Aquatic Centre and we upgraded play areas in Tawa, Miramar, Newlands and Island Bay.
- A new tsunami warning system was put in place.

### GOVERNANCE

Our governance work includes all of the activities that make us accountable to the people of Wellington. This includes: running local elections; holding meetings; informing residents about the city and our work; and seeking input from residents into our decision-making.

While Wellington residents generally feel well informed and reasonably well consulted, there are challenges. In particular, participation in elections is declining in Wellington – as in other cities.

### HIGHLIGHTS

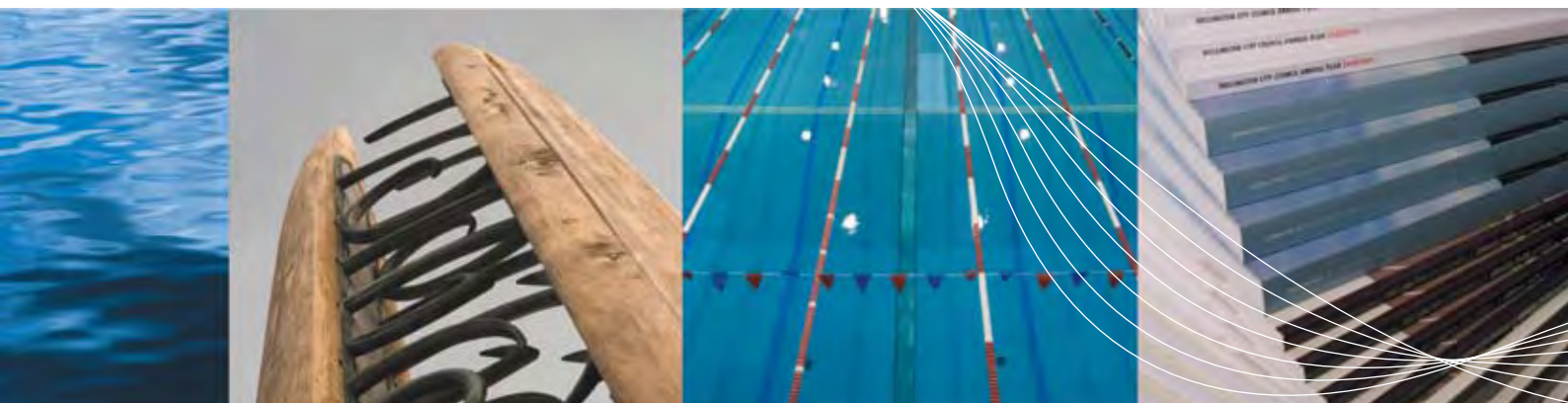
- Local body elections were held in 2007.
- Our website introduced an online petition feature.
- More than half a million people got in touch with our Contact Centre.

### AWARDS

Our website ([www.Wellington.govt.nz](http://www.Wellington.govt.nz)), Call Centre and annual report have won many awards in recent years. At the Association of Local Government Information Management (ALGIM) 2008 Web Symposium, our website's e-Petitions function won the 'best new feature' award.

At the CRM Contact Centre Awards, the Contact Centre won the online (web/email) customer service category for the third consecutive year.

The NZ Institute of Chartered Accountants, at its 2008 awards, judged our annual report the country's best for the third year running. The report also won the best local authority award for the fourth time in five years, and picked up a commendation for governance reporting for the second year in a row.



# Financial summary

This summary provides an overview of the Council and Group's financial results for the period.

The Council reports its financial results in accordance with New Zealand International Financial Reporting Standards (NZ IFRS). These standards collectively represent generally accepted accounting practice in New Zealand. They prescribe the way we must recognise and disclose all financial transactions in our financial statements.

## UNDERSTANDING THE COUNCIL'S REPORTED SURPLUS FOR THE YEAR ENDED 30 JUNE 2008

The Council has reported a net surplus of \$25.515 million compared with a budgeted surplus of \$3.960 million, an overall favourable variance of \$21.555 million.

### WHY HAS THE COUNCIL MADE A SURPLUS?

The majority of the Council's reported surplus arises from the recognition of fair value movements in our assets and liabilities. Under NZ IFRS certain fair value movements are recognised as income in our financial statements even though the Council has not actually received any additional cash. The majority of the fair value increase for the current year relates to the increase in value of our investment properties.

Although we reported a surplus of \$25.515 million, if all fair value adjustments are excluded, an underlying result of \$10.793 million was achieved, \$6.833 million favourable to budget. The favourable variance was influenced by a number of factors including additional revenue from assets vested in Council and external income received for capital projects. These gains were offset by unbudgeted expenditure including additional net expenditure for Wellington Waterfront Project and Council joint ventures with Porirua City Council and restatement of provisions.

### CAN THE COUNCIL USE THIS ADDITIONAL SURPLUS TO OFFSET THE AMOUNT OF RATES REQUIRED IN FUTURE FINANCIAL PERIODS?

The majority of the Council's surplus does not represent additional cash collected by the Council. Accordingly, the surplus cannot be used to offset rates or fund the Council's planned expenditure for future financial years.

It would be similar to ratepayers including the increase in value of their residential property in their annual tax return – your property may have increased in value, you may be better off as a result but you haven't received any additional cash during the year. Until you sell the property you won't receive the cash arising from the increased value.

Overall, we have maintained a strong financial performance for the year.

## FINANCIAL PERFORMANCE AND CHANGES IN EQUITY

The Summary Statement of Financial Performance and Summary Statement of Changes in Equity presents the financial performance and equity movements of the Council and the Group. These statements summarise operating income and expenditure as well as other financial transactions that have impacted on the Council's and the Group's net equity.

### SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

	COUNCIL		GROUP		
	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Total operating income	360,443	316,162	352,130	372,014	363,670
Total operating expense (excluding finance expense)	313,761	291,944	299,557	330,982	317,773
Finance expense	21,167	20,258	16,851	21,259	16,955
<b>Total Operating Surplus</b>	<b>25,515</b>	<b>3,960</b>	<b>35,722</b>	<b>19,773</b>	<b>28,942</b>
Share of equity accounted surplus from associates	-	-	-	15,093	7,127
<b>Net surplus for the year</b>	<b>25,515</b>	<b>3,960</b>	<b>35,722</b>	<b>34,866</b>	<b>36,069</b>

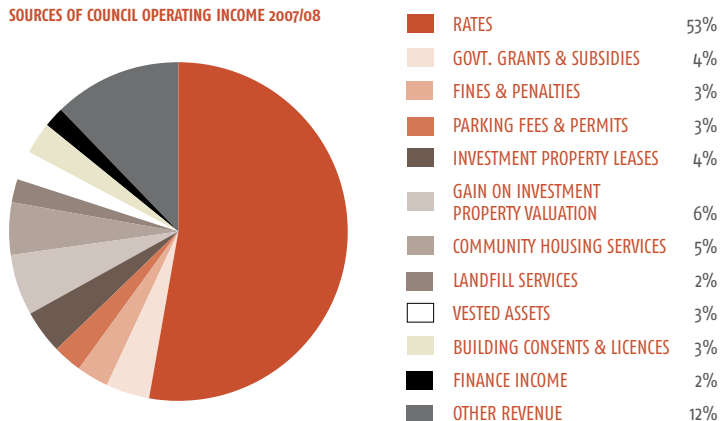
In the summary financial statements, the "Council" column includes Wellington City Council, Wellington Waterfront Project and the joint ventures with Porirua City Council. "Group" refers to the Council together with its interests in subsidiary and associate entities such as the Wellington Zoo Trust, Capacity and Wellington International Airport. The summary financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.



## SUMMARY STATEMENT OF CHANGES IN EQUITY

	COUNCIL		GROUP		
	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Net Surplus for the Year	25,515	3,960	35,722	34,866	36,069
Net income recognised directly in equity	189,672	177,341	3,441	192,339	3,002
<b>Total Recognised income and expense for the year</b>	<b>215,187</b>	<b>181,301</b>	<b>39,163</b>	<b>227,205</b>	<b>39,071</b>
Other movements in equity	-	-	-	-	-
<b>Total Changes in Equity</b>	<b>215,187</b>	<b>181,301</b>	<b>39,163</b>	<b>227,205</b>	<b>39,071</b>
Equity at the beginning of the year	5,597,873	5,557,968	5,558,710	5,732,216	5,693,145
<b>Equity at the end of the year</b>	<b>5,813,060</b>	<b>5,739,269</b>	<b>5,597,873</b>	<b>5,959,421</b>	<b>5,732,216</b>
Comprising:					
Accumulated funds and retained earnings	4,750,523	4,694,931	4,723,786	4,835,506	4,799,859
Revaluation reserves	1,038,501	1,021,496	846,245	1,096,865	901,918
Hedging reserve	3,057	1,793	5,468	3,033	5,468
Restricted funds	20,979	21,049	22,374	24,017	24,971
<b>Equity at the end of the year</b>	<b>5,813,060</b>	<b>5,739,269</b>	<b>5,597,873</b>	<b>5,959,421</b>	<b>5,732,216</b>

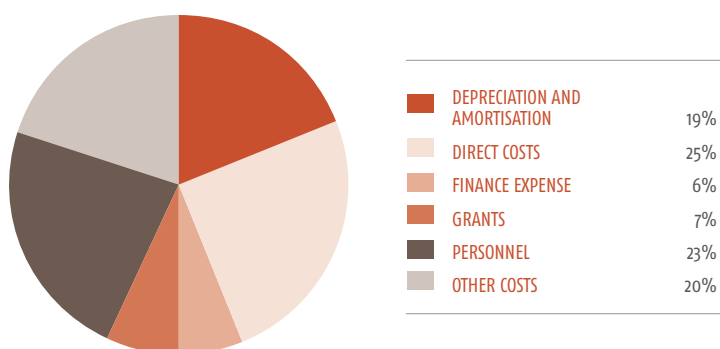
## SOURCES OF COUNCIL OPERATING INCOME 2007/08



While rates and levies remain the primary source of funding, the Council collected almost half (47%) of its income from other sources. These include user charges, fees and fines, rentals, subsidies and sale of goods.

This year we have recognised the increase in the value of Council investment properties which represented 6% of total income.

## SOURCES OF COUNCIL OPERATING EXPENDITURE 2007/08



The largest component of operating expenditure is direct costs incurred in the delivery of Council services. Direct costs and personnel costs account for 48% of our total operating expenditure. Other costs include general costs such as electricity, insurance, security and cleaning.

## FINANCIAL POSITION

The Summary Statement of Financial Position presents what assets we own and what liabilities we owe to other parties.

### SUMMARY STATEMENT OF FINANCIAL POSITION

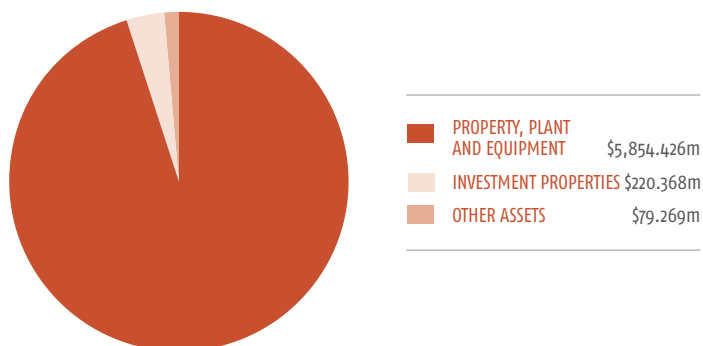
	COUNCIL		GROUP		
	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Current assets	44,408	31,340	44,838	49,913	50,920
Non-current assets	6,109,655	6,079,989	5,865,990	6,255,812	6,000,299
<b>Total Assets</b>	<b>6,154,063</b>	<b>6,111,329</b>	<b>5,910,828</b>	<b>6,305,725</b>	<b>6,051,219</b>
Current liabilities	176,759	168,226	170,668	180,413	175,531
Non-current liabilities	164,244	203,834	142,287	165,891	143,472
<b>Total Liabilities</b>	<b>341,003</b>	<b>372,060</b>	<b>312,955</b>	<b>346,304</b>	<b>319,003</b>
<b>Total Equity</b>	<b>5,813,060</b>	<b>5,739,269</b>	<b>5,597,873</b>	<b>5,959,421</b>	<b>5,732,216</b>

The Council's financial position remains very strong with liabilities representing only 6% of total assets.

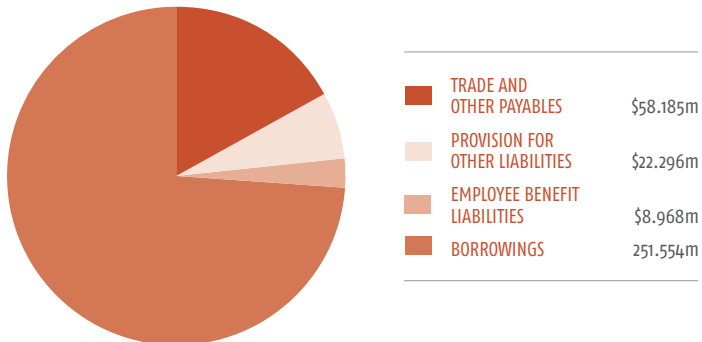
The increase in the Council's total assets from the previous year primarily reflects the revaluation of investment properties, library assets and our infrastructure assets of \$192.3 million and the completion of our capital expenditure programme of \$99.5 million. The increase in total liabilities is due to the increase in borrowings of \$22.2 million to fund our capital expenditure programme.

Variances to budget primarily reflect the impact of final asset revaluations and lower borrowings as a result of delays in the capital expenditure programme.

### COMPOSITION OF THE COUNCIL'S ASSETS

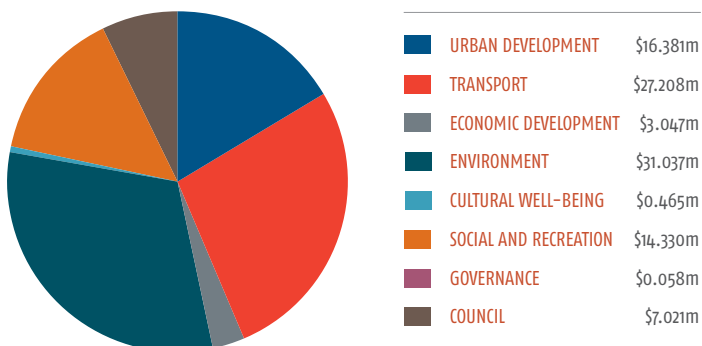


## COMPOSITION OF THE COUNCIL'S LIABILITIES



## INVESTING IN THE ASSETS OF THE CITY

## CAPITAL EXPENDITURE PROJECTS BY STRATEGY 2007/08



Capital expenditure is the amount that we spent on purchasing, constructing and developing assets (e.g. parks, storm water pipes and libraries). The Council has continued to invest in the city, completing \$99.5 million of capital expenditure during the 2007/08 financial year.

Refer to the "Our activities at a glance" section of the report for further detail on the projects completed during the year.

## INVESTMENTS AND BORROWINGS

The Council's investment portfolio includes investment properties, cash and cash equivalents, other financial assets, non-current assets available for sale and investment in subsidiaries and associates. During the year there was a significant increase in investment properties arising from the annual revaluation.

Note that the Council's investment in associates is reflected at original cost in the Council financial statements in accordance with applicable financial reporting standards. Including these investments at a value reflecting the Council's share of equity results in a total investment portfolio at 30 June 2008 of \$381.6 million.

The Council's gross borrowings have increased by \$22.2 million to \$251.6 million to support the 2007/08 capital expenditure programme.

## CASH FLOWS

The Summary Statement of Cash Flows shows how we generated and used cash, the overall net increase or decrease represents the change in our cash and cash equivalents arising from operating, investing and financing activities. Our operating activities generate cash inflows, primarily rates and user charges, and where necessary these are supplemented by cash inflows from financing activities in the way of increased borrowings. We use most of the net cash inflows from operating and financing activities to purchase and develop assets around Wellington city.

### SUMMARY STATEMENT OF CASH FLOWS

	COUNCIL		GROUP		
	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Cash flows from operating activities	80,087	79,882	75,032	79,659	75,534
Cash flows from investing activities	(90,994)	(122,617)	(70,321)	(91,911)	(68,236)
Cash flows from financing activities	2,102	42,735	4,518	1,882	4,249
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(8,805)</b>	<b>-</b>	<b>9,229</b>	<b>(10,370)</b>	<b>11,547</b>

Cashflows from investing and financing activities primarily reflect the timing of borrowings to fund capital expenditure.

## EVENTS AFTER BALANCE DATE

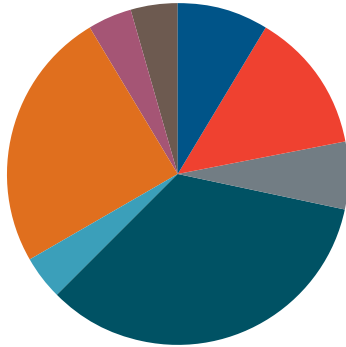
The Deed of Grant between the Wellington City Council, the Crown and Housing New Zealand Corporation that governs the funding of the Housing Upgrade Project was signed on 26th August 2008. The Deed of Grant governs how the \$220 million funding from the Crown will be provided over a 10 year period. A work programme for the next 20 years has been agreed and Council has committed to remain in social housing until 2037. The overarching objective of the project is to upgrade the housing stock to be safe, secure and of a good standard for modern living.



## RUNNING THE CITY – WHAT IT COST PER RESIDENT

Running the city costs money. We work hard to ensure that those costs are managed as effectively as possible. The chart below provides a break down of the cost of services for each of our strategic areas. As our total expenditure is a reflection of the number of residents the Council serves rather than the number of ratepayers within Wellington we have divided our costs by the number of residents (190,500 based on Statistics NZ estimate).

### DELIVERY OF OUTPUTS (OPEX) WHAT DOES IT COST TO RUN THE CITY?



URBAN DEVELOPMENT	\$28.8m	(8.6%)	\$151 PR	\$0.41 PR PER DAY
TRANSPORT	\$44.3m	(13.2%)	\$233 PR	\$0.64 PR PER DAY
ECONOMIC DEVELOPMENT	\$21.7m	(6.5%)	\$114 PR	\$0.31 PR PER DAY
ENVIRONMENT	\$114.0m	(34.1%)	\$599 PR	\$1.64 PR PER DAY
CULTURAL WELL-BEING	\$14.0m	(4.2%)	\$73 PR	\$0.20 PR PER DAY
SOCIAL AND RECREATION	\$82.9m	(24.7%)	\$435 PR	\$1.19 PR PER DAY
GOVERNANCE	\$14.4m	(4.3%)	\$76 PR	\$0.21 PR PER DAY
COUNCIL	\$14.9m	(4.4%)	\$78 PR	\$0.21 PR PER DAY

PR = Per Resident



# Our Performance

Part of our planning process is to identify indicators that will show our progress in important areas. Our Outcome Indicators are things that we can influence but not control, and provide a high level outline of the 'state of the city'. Our Activity Performance Indicators measure things that we have a high degree of control over. Some of this information is gathered internally, such as from residents surveys and our business units, but also from external sources such as Statistics New Zealand. We consider a target to be achieved if our performance is within 5% of the target value, and we consider a trend to be improving or declining if it has varied by  $\pm 5\%$  from the previous year.

Note that only a summary of indicators have been included here, and that the percentage scores are based on all indicators as per the full Annual Report.

## KEY

Improving trend  
Stable  
Declining trend

## URBAN DEVELOPMENT

OUR OUTCOME INDICATORS	ASSESSMENT
Residents' perceptions that Wellington is a great place to live	Stable
Population density – inner-city residential, suburban residential, and along 'Growth Spine' (long-term indicator)	Improving trend (becoming more dense in line with our long term objectives)
Building density – buildings per hectare, central city, inner-city residential, suburban residential (long-term indicator)	Improving trend (becoming more dense in line with our long term objectives)
Proportion of houses within 100m of a public transport stop (long-term indicator)	Stable
Residents' perceptions that heritage items contribute to the city's unique character and to their local community's unique character	Stable
Value of residential and commercial building consents	Improving trend
New Zealanders' perception that Wellington is an attractive destination	Stable
Residents' rating of their sense of pride in the way the city looks and feels	Stable

**ACTIVITY PERFORMANCE:** We achieved 18% of our targets. We face challenges in this area from large and complex building proposals, added complexity from changes to the District Plan and Building Act, and difficulties in recruiting and retaining experienced planners. Our residents' satisfaction indicators in this area are below target but not by much, and we note that our outcome indicators in this area generally have positive trends, particularly those regarding population density (50% of all our outcome indicators in this area are improving, 45% are stable).

## TRANSPORT

OUR OUTCOME INDICATORS	ASSESSMENT
Peak travel times – central city to airport, and suburbs to airport	Improving trend
Road crashes and their social cost	Declining trend (more crashes)
Residents' perceptions of public transport convenience and reliability	Stable
Residents' perceptions that the peak traffic volumes are acceptable	Stable

**ACTIVITY PERFORMANCE:** We achieved 50% of our targets. Our main challenges in this area are issues with resident satisfaction regarding street lighting, traffic signals, public transport and cycleway safety. Over all our outcome indicators in this area, 40% are generally stable and 40% are improving, although we note an increase in road crashes.

## ECONOMIC DEVELOPMENT

OUR OUTCOME INDICATORS	ASSESSMENT
Visitor numbers – international and domestic	International – Stable. Domestic – Declining trend
Iconic and A-level events held in the city, and their economic contribution	Improving trend
Employees by industry	Improving trend
Cargo loaded and unloaded at Wellington Port and Airport	Loaded – Declining trend. Unloaded – Improving trend
Percentage growth in regional economic activity	Improving trend
New Zealand's top 200 companies based in Wellington	Stable
Broadband usage – home access	Improving trend

**ACTIVITY PERFORMANCE:** We achieved 70% of our targets.

## ENVIRONMENT

OUR OUTCOME INDICATORS	ASSESSMENT
Residents' perceptions that the natural environment is appropriately managed and protected	Stable
Residents' actions to reduce waste from homes (including recycling, composting etc)	Stable
Total waste to landfill, per capita	Improving trend (less waste)
Water-use, per capita	Improving trend (less usage, influenced by water restrictions over summer)
Air quality – particulate matter (PM <sub>10</sub> )	Improving trend
Fresh water quality (six key indicators of quality)	Stable
Bird counts – selected bird species	Stable (varies with species)

**ACTIVITY PERFORMANCE:** We achieved 85% of our targets.

## CULTURAL WELL-BEING

OUR OUTCOME INDICATORS	ASSESSMENT
Number of events held at our venues	Stable
New Zealanders' and Wellingtonians' perceptions that 'Wellington is the arts capital of New Zealand'	Stable
New Zealanders' and Wellingtonians' perceptions that 'Wellington has a culturally rich and diverse arts scene'	Stable
Residents' frequency of engagement in cultural and arts activities (as defined by Statistics NZ)	Stable
Number of national arts organisations, professional and amateur theatre groups based in Wellington	Stable
Number of businesses and employees engaged in the arts and cultural sector	Stable

**ACTIVITY PERFORMANCE:** We achieved 67% of our targets. The stability of our outcome indicators indicates our high level of achievement – 94% of our residents agree that Wellington has a culturally rich and diverse arts scene.

## SOCIAL AND RECREATION

OUR OUTCOME INDICATORS	ASSESSMENT
Residents' perceptions that Wellington offers a wide range of recreation activities	Stable
Residents' perceptions of their 'quality of life'	Stable
Residents' perceptions that cultural diversity makes Wellington a better place	Stable
Residents' frequency of physical activity	Declining trend
Number of notification of the most prevalent food and water-borne diseases	Stable
Crime – number and resolution rate	Declining trend (more crimes)
Emergency preparedness – residents with an emergency kit (as defined by WEMO) and home emergency plan	Stable

**ACTIVITY PERFORMANCE:** We achieved 78% of our targets.

## GOVERNANCE/ENGAGEMENT

OUR OUTCOME INDICATOR	ASSESSMENT
Voters' participation in local government elections	Stable
Residents' perceptions of their influence on Council decision-making	Stable
Interviews with both Treaty partners covering a range of issues relating to the Treaty partnership	Stable

**ACTIVITY PERFORMANCE:** We achieved 40% of our targets. This strategy area also has stable outcome indicators. While our achievement of activity performance indicators appears low at 40%, we note that where our indicators don't meet our target, they are generally within 6 or 7% of the target.



# Audit Report

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

## TO THE READERS OF WELLINGTON CITY COUNCIL AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

We have audited the summary annual report.

### UNQUALIFIED OPINION

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 29 August 2008, on:

- the full financial statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

### BASIS OF OPINION

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate New Zealand Auditing Standards.

During the year we undertook an audit of the Clifton Terrace Carpark managed by the City Council on behalf of Transit New Zealand.

Other than the audit, and the audit of the Clifton Terrace Carpark, we have no relationship with or interests in the City Council or any of its subsidiaries.

### RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.

**A P BURNS** AUDIT NEW ZEALAND  
On behalf of the Auditor-General  
Wellington New Zealand  
26 September 2008

Wellington City Council is a public benefit entity for financial reporting purposes. The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice and comply with New Zealand Equivalents to IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements include a Statement of Compliance to this effect.

A summary report cannot be expected to provide as complete an understanding of Council's activities as the full document. Copies of the Annual Report 2007/08 are available at the Council Offices, 101 Wakefield St, Wellington or at [www.wellington.govt.nz](http://www.wellington.govt.nz).