



WELLINGTON IS A CITY OF MANY COMMUNITIES

Our 190,000+ people include those who were born and raised in the city and those who have come from elsewhere to make Wellington their home.

We think of ourselves as New Zealanders, as Wellingtonians, as people of Newtown or Miramar or Thorndon. We speak many languages. We spend our time with families and friends, and in churches, or volunteer groups, or cafes, movies or galleries, or playing football or netball or any of a hundred other pursuits.

We are, in short, a diverse group with a wide and ever-expanding range of interests and aspirations.

As a Council, our job is to respond to those diverse needs and, from them, build a common vision for the city.

That has required us to listen, to create an urban environment that supports Wellingtonians' quality of life, and to be nimble and responsive as new needs and demands arise.

Throughout, the past year we have been working hard to maintain the many essential services that keep the city running – the roads; footpaths; sewers; parks and gardens; water network; libraries; swimming pools and sports fields; and the steps we take to keep people safe like food premise inspections and building consents. We have also been responding to a changing environment.

Whether we are making schools safer by lowering speed limits on surrounding roads, or enhancing the Botanic Garden experience for the sight-impaired, or installing all-weather turf on sports fields, committing to an indoor community sports centre, or supporting volunteers to clear weeds and plant native trees and shrubs alongside the city's streams, we aim to reflect community demand in Council action.

The following pages provide a snapshot of our work over the financial year to 30 June 2009.

We outline some of the highlights of the year, what it cost to provide the city's services and how we feel these represent value for money to ratepayers and residents. A full account of what we achieved is contained in the Annual Report. Copies are available online at www.Wellington.govt.nz or by calling 499 4444.

WHO WE ARE

The Wellington City Council is made up of 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.

They are supported in their governance role by two community boards: Tawa and Makara/Ohariu.

The elected representatives are supported by the Council's chief executive and 1,500+ staff, who provide advice, implement Council decisions, and look after the city's day-to-day operations.

OUR AIMS

The Council's aim is for Wellington to be a vibrant, internationally competitive, and affordable city.

In 2006 we set in place 13 long-term outcomes – the things we want for the city. These are for Wellington to be: more liveable; more compact; more eventful; more inclusive; more actively engaged; and have a stronger sense of place; to be better connected; more sustainable; safer; healthier; more prosperous; more competitive; and more entrepreneurial and innovative.

The first six outcomes can be characterised as seeking a high quality of life. The remaining seven guide management of the city's foundations. Everything that we do contributes to one or more of these outcomes and they act as stepping stones to achieving our aim for the city.

KERRY PRENDERGAST
Mayor
22 September 2009

GARRY POOLE
Chief Executive
22 September 2009

NEIL CHERRY
Chief Financial Officer
22 September 2009

OUR ACTIVITIES AT A GLANCE

We break our work into seven areas.

URBAN DEVELOPMENT

Preserving Wellington as a compact, vibrant, and attractive city.

Our urban development work includes enhancing the waterfront and city and suburban centres, developing public spaces such as urban parks and squares, managing 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

Wellington continues to offer world-class quality of life.

In our 2009 residents' survey, 93% of Wellingtonians said their quality of life was good or very good.

The city has consistently ranked well in national and global quality of life surveys over several years. In fact, we ranked first in New Zealand for quality of life in the 2009 Quality of Life in New Zealand's 12 Biggest Cities Survey.

88% of Wellingtonians are proud of the city's look and feel.

Our new Centres Policy (adopted August 2008) is part of our strategy that seeks to accommodate growth, raise urban design quality, and control 'big box' retail developments outside of existing suburban centres. It complements other policies which aim to improve the quality of infill housing and focus development in high density areas with strong transport infrastructure.

The new policies are reflected in exciting new plans for Adelaide Road, Johnsonville and those being developed for Kilbirnie and other areas of the city. We also continued to enhance protection for heritage buildings.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT ¹	COST PER RESIDENT PER DAY
Building control and facilitation	11,487	\$59.67	\$0.16
Development control and facilitation	5,405	\$28.08	\$0.08
Earthquake risk mitigation	502	\$2.61	\$0.01
Public spaces development	14,206	\$73.80	\$0.20
Urban planning & policy	2,359	\$12.25	\$0.03
Total Urban Development	33,959	\$176.41	\$0.48

These services are funded by user charges and general rates.

¹ Estimated city population to be 192,500 by the most recent Statistics NZ Census

TRANSPORT

Delivering an efficient and safe transport system that connects people and places.

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

Our commitment to public transport has made bus travel more convenient.

In recent years we have established bus lanes throughout the central city, reducing travel times and improving reliability. In June 2009, we set aside funds for a proposal to open Manners Mall to buses and further extend Cuba Mall. The proposal to open Manners Mall is subject to further consultation with community and decisions of Council.

We've also worked alongside other agencies to improve the vital transport corridor from Ngauranga through the city to the airport and have made commitments to enhance the city's network of cycle ways.

75% of residents think the city is easy to get around.

There have been dramatic improvements since 2007 in the number of people who think the city is easy to get around and the number who find peak traffic volumes acceptable.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT	COST PER RESIDENT PER DAY
Car parking	10,559	\$54.85	\$0.15
Transport networks	34,976	\$181.69	\$0.50
Transport planning & policy	499	\$2.59	\$0.01
Total Transport	46,034	\$239.13	\$0.66

These services are funded by user charges, other income and general rates.

ECONOMIC DEVELOPMENT

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

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; 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

We secured the rights to host two Rugby World Cup 2011 quarterfinals.

We will also host pool games as part of this major international event. Another highly popular event, the Montana World of WearableArt Awards, committed to Wellington for another three years.

The city continued to perform well as a visitor destination despite the economic slowdown and the regions economic development agency Grow Wellington continued its support of emerging industries.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT	COST PER RESIDENT PER DAY
Business support	630	\$3.27	\$0.01
City promotions, events and attractions	21,620	\$112.31	\$0.31
Total Economic Development	22,250	\$115.58	\$0.32

These services are funded by user charges, general rates and targeted rates (commercial and downtown).

ENVIRONMENT

Protecting and enhancing Wellington's 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, the Karori Sanctuary, and Otari / Wilton Bush.

We also: supply water, stormwater and sewage disposal systems; provide recycling and waste disposal services; offer grants for environmental initiatives 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

Berhampore Nursery was recognised as New Zealand's premier nursery.

Each year, more than 100,000 eco-sourced plants are grown at the Council's Berhampore Nursery and used by Council staff, community groups and schools for ecological restoration plantings. This year it won the New Zealand Plant Conservation Network's best nursery award.

The former Owhiro Bay quarry entrance became a natural winner.

Since 2000, the Council has been restoring the former quarry site as a reserve, aiming to protect its natural beauty. In June 2008 the Te Kopahou Reserve Interpretation Shelter was opened. It has won three awards: the New Zealand Recreation Association Outstanding Park award, the Wellington Civic Trust Best Environmental Project award, and a Merit award in the Special Purpose category at the Property Council New Zealand Awards.

We opened a Braille walk at the botanic gardens.

Sensation Walk – Braille Trail, opened in May 2009, was developed with the Royal New Zealand Foundation of the Blind to commemorate the 200th anniversary of Louis Braille's birth. It aims to engage a range of senses: plants to touch and smell, birds to listen to, and a range of surfaces underfoot.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT	COST PER RESIDENT PER DAY
Environmental conservation attractions	4,260	\$22.13	\$0.06
Gardens & beaches	12,075	\$62.73	\$0.17
Green open spaces	14,014	\$72.80	\$0.20
Quarry	148	\$0.77	<\$0.00
Waste & energy conservation	8,007	\$41.59	\$0.11
Wastewater & stormwater	49,425	\$256.75	\$0.70
Water Network	32,797	\$170.37	\$0.47
Total Environment	120,726	\$627.14	\$1.71

These services are funded by user charges, general rates and targeted rates (residential and commercial).

CULTURAL WELLBEING

Reflecting and helping shape Wellington's unique cultural identity

We fund the city's popular art galleries and museums, operate Toi Poneke – 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

A major expansion of the City Gallery was started.

Set to re-open in September 2009 the extended gallery will provide new exhibition spaces including one for Maori and Pacific art and an expanded Michael Hirschfeld Gallery for Wellington art.

The Council was honoured with a Te Wiki o Te Reo Maori Award for promoting Maori language.

Our initiatives included promotion of Te Wiki o Te Reo Maori (Maori Language Week), Waitangi Day entertainment and commemorations, promotion of Matariki (Maori new year), and development of a Maori heritage trail.

Cuba carnival celebrated its 10th anniversary as New Zealand's biggest community festival.

More than 150,000 people celebrated at the 21 February carnival, which featured a full day of New Zealand music, food and craft stalls, street performances, and children's entertainment, culminating in the much-loved Meridian Illuminated Night Parade.

The carnival is one of the city's many popular cultural festivals and celebrations. Others include Matariki and Waitangi Day (as above), Chinese New Year, Diwali, Pasifika, and the Southeast Asian night market.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT	COST PER RESIDENT PER DAY
Arts partnerships	2,620	\$13.61	\$0.04
Community arts & cultural support	3,741	\$19.43	\$0.05
Galleries & museum	6,376	\$33.12	\$0.09
Heritage	1,226	\$6.37	\$0.02
Total Cultural Wellbeing	13,963	\$72.53	\$0.20

These services are funded by user charges, other income, general rates and targeted rates (residential and downtown).

SOCIAL AND RECREATION

Sustaining safe, resilient, and healthy communities

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 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, control liquor consumption in public in parts of the city, licensing food and liquor outlets, animal control, regulating other public health risks, providing 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

We've started to weatherproof winter sports.

The installation of artificial turf on the upper field at Nairnville Park has improved conditions for winter sports training and competition and allowed the field to be used in all weather. The Council has committed to install all-weather surfaces elsewhere in the city over time.

We also committed, following extensive consultation and independent reviews, to the construction of an indoor community sport centre in Kilbirnie.

We provided homes for more than 4,000 people. These homes are being upgraded to make them warmer and healthier to live in.

Te Ara Hou flats in Newtown is the first Council housing property to receive a makeover under the Council-Government partnership to upgrade the city's social housing.

A new community centre was opened in Newlands.

Throughout the city, use of community centres and halls increased during 2009, reversing an earlier decline.

People are feeling safer in the city centre.

Wellington is a safe city by national and global standards. About two-thirds of residents feel safe in the central city at night, up 9% from 2008.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT	COST PER RESIDENT PER DAY
Community housing	16,140	\$83.84	\$0.23
Community support	8,515	\$44.23	\$0.12
Libraries	21,543	\$111.91	\$0.31
Public health & safety	11,341	\$58.91	\$0.16
Recreation facilities and programmes	26,349	\$136.88	\$0.38
Total Social and Recreation	83,888	\$435.77	\$1.20

These services are funded by user charges, general rates and residential targeted rates. The full cost of community housing is funded by rental income from tenants.

GOVERNANCE

Delivering trust and confidence in decision-making.

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

We reached new audiences during engagement on our long-term plan.

Over 500 people made formal submissions and many more took part in online discussion groups or phoned our 0800 hotline. Other residents signed e-petitions or took part in online polls or participated in our residents' panel.

These are a few of the new ways residents chose to have a say about the city's future.

The number of residents who feel they can influence the Council is growing.

64% of residents feel the public has some or a large influence on the Council, up 8% over the past two years. Three-quarters of residents find it easy to access Council information.

WHAT IT COST

	TOTAL COST \$000	COST PER RESIDENT	COST PER RESIDENT PER DAY
Information, consultation & decision making	13,304	\$69.11	\$0.19
Maori engagement	116	\$0.60	<\$0.01
Total Governance	13,420	\$69.71	\$0.19

These services are funded by user charges and general rates.



FINANCIAL SUMMARY

‘Sustaining our solid financial performance is a critical part of our aim to make Wellington an affordable and internationally competitive city.’

OVERALL PERFORMANCE – AT A GLANCE

This summary provides an overview of the Council and Group's¹ financial results for the year ended 30 June 2009.

SUMMARY STATEMENT OF COMPREHENSIVE FINANCIAL PERFORMANCE

The Council has recorded a net surplus for the year of \$16.1 million, compared to a budget surplus of \$19.9 million, and total comprehensive income of \$94.3 million.

The Summary Statement of Comprehensive Financial Performance presents the financial performance of the Council and the Group. It includes our income and expenses, plus changes in the fair value of our assets and liabilities.

KEY FACTS AT A GLANCE

People

Number of ratepayers: 72,564

Number of residents: 192,500

Numbers

Total assets: \$6,277.1 million

Total investments: \$390.1 million

Total liabilities \$369.7 million

Total income: \$369.6 million

Total rates income: \$206.3 million

Total expenses: \$353.5 million

Total capital expenditure: \$95.9 million

	COUNCIL			GROUP	
	ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
Total income	369,566	347,984	360,443	379,138	372,014
Total expense (excluding finance expense)	331,238	305,409	313,761	348,925	330,982
Finance expense	22,271	22,656	21,167	22,337	21,259
Total operating surplus	16,057	19,919	25,515	7,876	19,773
Share of equity accounted surplus from associates	-	-	-	8,092	15,093
NET SURPLUS FOR THE YEAR	16,057	19,919	25,515	15,968	34,866
Other comprehensive income					
Revaluations – fair value movement on property, plant and equipment – net	80,427	-	192,083	80,427	192,083
Cash flow hedges	(2,196)	-	(2,411)	(2,196)	(2,411)
Share of other comprehensive income of associates	-	-	-	13,954	2,667
Total other comprehensive income	78,231	-	189,672	92,185	192,339
TOTAL COMPREHENSIVE INCOME	94,288	19,919	215,187	108,153	227,205

¹ The "Council" column includes Wellington City Council, Wellington Waterfront Project and the joint ventures with Porirua City Council. The Group covers the "Council" and its interests in associate and subsidiary entities, including the Wellington International Airport Limited and Council Controlled Organisations such as St James Theatre Trust and Capacity.

The following page will guide you through an explanation of the net surplus.

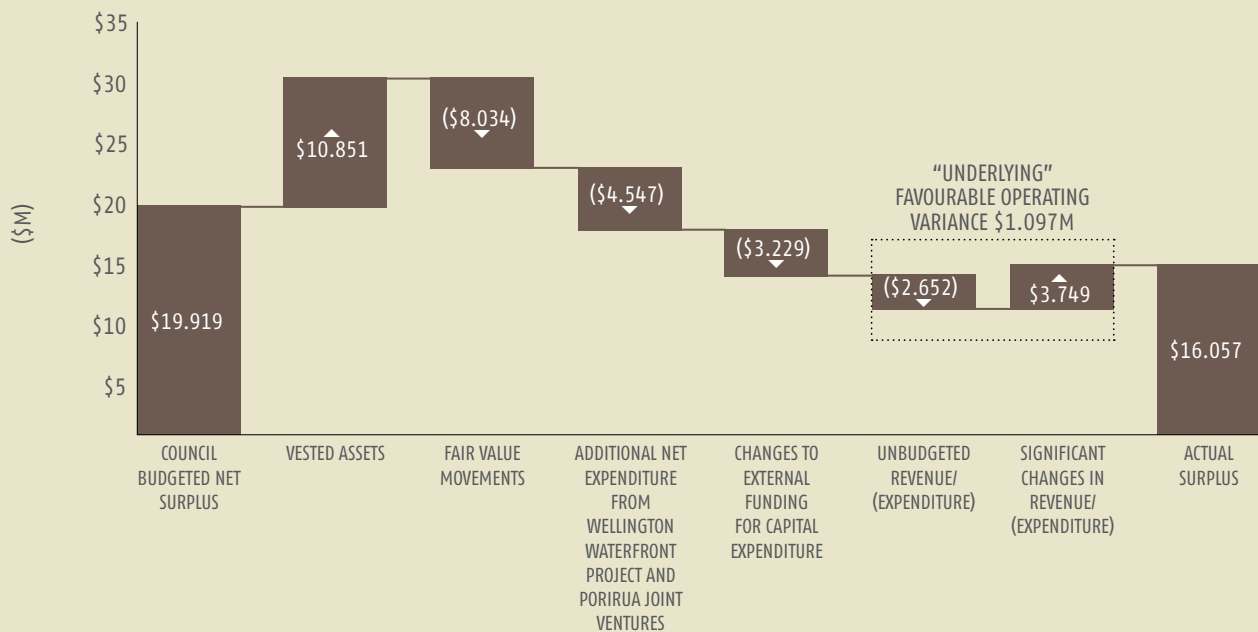
UNDERSTANDING THE COUNCIL'S REPORTED NET SURPLUS FOR THE YEAR ENDED 30 JUNE 2009

The Council budgeted for a surplus of \$19.9 million in 2008/09.

The majority of this budgeted surplus is made up of funding received from third parties for capital projects – such as the NZ Transport Agency who part fund our roading upgrade programme, and from Housing NZ for the upgrade of our community housing portfolio.

This funding is received for specific projects and cannot be used to offset rates.

The variation between budgeted and actual surplus resulted from a number of factors.



The primary factors for the variation from budget are:

- *Vested assets* \$10.851m: we received assets such as roading, drainage, water and wastewater infrastructure that were constructed by developers.
- *Fair value movements* (\$8.034m): this reflects changes in the value of our investment properties, loans to related parties and interest rate swaps. Although these are non-cash in nature we are required to recognise them within income and expenses.
- *Additional net expenditure* (\$4.547m): additional expenditure was recorded for the Wellington Waterfront Project and Porirua Joint Ventures.
- *Changes to external funding for capital expenditure* (\$3.229m): this is primarily due to receiving less funding from Housing NZ than budgeted for the upgrade of our housing stock as a result of project timing.
- *Unbudgeted revenue/expenditure* (\$2.652m): this variance is predominately made up of movements in insurance costs and provisions.
- *Significant changes in revenue/ (expenditure)* \$3.749m: this variance reflects that we recorded net savings on programmes and projects for the year.
- By separating out these components we are able to show the underlying financial performance of the Council – a favourable operating variance of \$1.097m.

UNDERSTANDING THE COUNCIL'S TOTAL COMPREHENSIVE INCOME OF \$94.3M FOR THE YEAR.

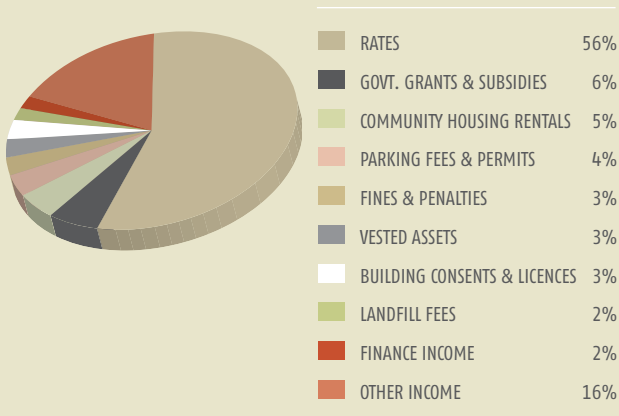
Total comprehensive income includes the net surplus (as identified above), plus "other comprehensive income" which includes other fair value movements in our assets and liabilities not permitted to be recognised as part of the surplus. This does not represent cash income or surplus. The major item of other comprehensive income for the Council was the revaluation of our operational land and buildings during the year of \$80.4 million.

The Group has recorded total comprehensive income of \$108.2 million – this includes the Council's share of fair value movements for Wellington International Airport Limited.

We source our income from a variety of places...

The following graph shows the various sources of the Council's \$369.6 million income during 2008/09. The largest contribution to revenue was provided by rates. While rates continues to be the main source of income, the Council also received income from a number of other sources including from government grants and subsidies and user charges. The breakdown is as follows:

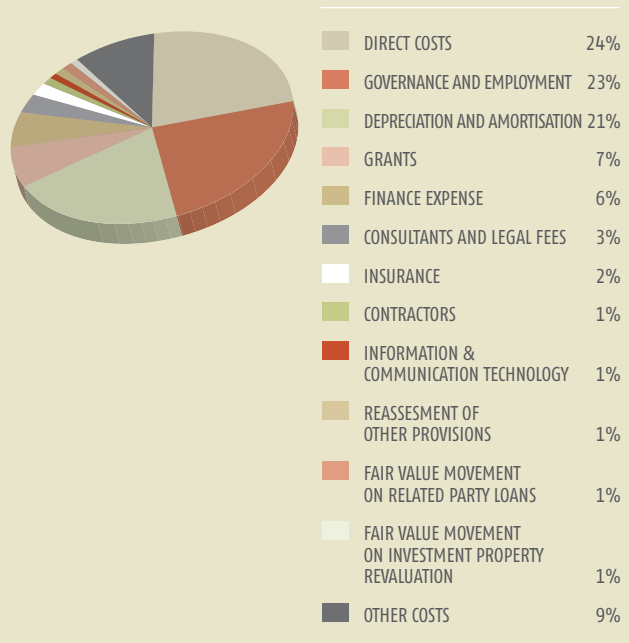
INCOME BY CATEGORY



... and we spend it on services for the city.

The following graph shows the allocation of our \$353.5million of expenditure by 'type'. The Council's expenditure is guided by the priorities identified in our annual plan. The majority of the expenditure in 2008/09 was directly related to providing the necessary infrastructure and utilities needed to run the city. Depreciation, governance and employment costs and direct costs are the most significant contributors, together accounting for 68% of the Council's total expenditure.

EXPENDITURE BY TYPE



SUMMARY STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

We calculate our net worth to be \$5.9 billion.

The Summary Statement of Financial Position shows what we own (our assets), what we owe (our liabilities) and our net worth (represented by net assets).

	COUNCIL			GROUP	
	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2009	2009	2008	2009	2008
	\$000	\$000	\$000	\$000	\$000
Current assets	54,846	35,417	44,408	60,492	49,913
Non-current assets	6,222,247	6,195,650	6,109,655	6,382,552	6,255,812
TOTAL ASSETS	6,277,093	6,231,067	6,154,063	6,443,044	6,305,725
Current liabilities	163,875	162,905	176,759	168,811	180,896
Non-current liabilities	205,870	250,452	164,244	206,659	165,408
TOTAL LIABILITIES	369,745	413,357	341,003	375,470	346,304
TOTAL EQUITY/NET ASSETS	5,907,348	5,817,710	5,813,060	6,067,574	5,959,421

Variances to budget primarily reflect the impact of final asset revaluations and lower borrowings as a result of changes in the timing of the Council's capital expenditure programme.

Further information in respect of key Statement of Financial Position balances is outlined below.

ASSETS – WHAT WE OWN

The major components of our assets include:

Property, Plant and Equipment (including operational assets such as land and buildings and drainage, waste and water assets) – \$5,965.5 million.

Other assets (including investment properties and investments in subsidiaries and associates) – \$311.5 million.

ASSETS – THREE YEAR TREND

	2007	2008	2009
	\$M	\$M	\$M
Assets	5,911	6,154	6,277

The increase in the Council's assets is mainly due to the increase in the value of our operational land and building assets of \$80.4 million following a revaluation. We also spent \$95.9 million purchasing, constructing and developing assets around the city (e.g. parks, stormwater pipes and roads).

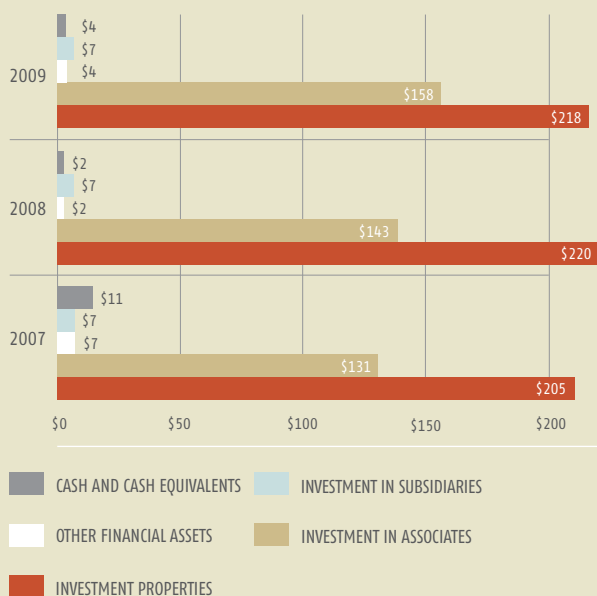
For more information on the work we have completed, see "Our Activities at a Glance".

BREAKDOWN OF OUR INVESTMENTS

The Council's investments have increased by \$15.9 million to \$390.1 million as at 30 June 2009.

Our investments comprise investment properties, investments in associates and subsidiaries, cash and cash equivalents and other financial assets.

INVESTMENT POSITION – THREE YEAR TREND (\$M)



Note that the figures above represent the full value of the Council's investments and so include the Council's share of the associate's equity.

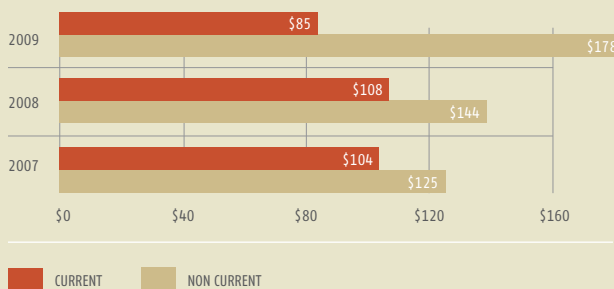
LIABILITIES – WHAT WE OWE

The major components of our liabilities include:

- Borrowings \$262.9 million
- Trade and other payables \$66.2 million
- Other liabilities \$40.6 million.

The increase in the Council's level of borrowings reflects the utilisation of funds to complete the 2008/09 capital expenditure programme. The Council borrows to fund the purchase of new assets that councillors have approved through the Annual Plan process.

BORROWINGS POSITION – THREE YEAR TREND (\$M)

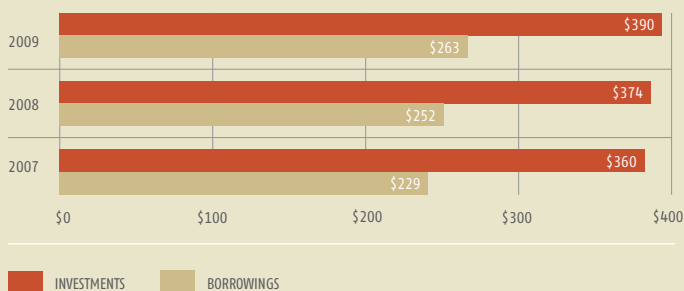


A number of bank facilities were refinanced to longer term facilities during the current year instead of short term bank borrowing.

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

The Council's prudential borrowing limits are based on a gross borrowings, as shown in the annual report. However, this should be considered in the context of the Council's investment portfolio. In the last three years the Council has continued to maintain a strong investment position, with investments increasing in value at a comparable rate to borrowings, resulting in an investments to borrowing ratio at 30 June 2009 of 148%.

INVESTMENTS VS. BORROWINGS – THREE YEAR TREND (\$M)



	2007	2008	2009
Investment to borrowings ratio	1.57	1.48	1.48

SUMMARY STATEMENT OF CASH FLOWS

The Summary Statement of Cash Flows shows how we generated and used cash during the year.

	COUNCIL			GROUP	
	ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
Net cash flows from operating activities	101,225	105,980	80,087	110,244	79,659
Net cash flows from investing activities	(92,600)	(139,603)	(90,994)	(100,409)	(91,911)
Net cash flows from financing activities	(6,987)	33,623	2,102	(7,173)	1,882
Net increase/(decrease) in cash and cash equivalents	1,638	-	(8,805)	2,662	(10,370)

Our operating activities generate cash inflows and the primary source is from rates and user charges. Most of the net cash inflows from these operating activities are used to purchase and develop assets around the City (investing activities).

Our financing activities generated cash outflows and the primary use was the payment of interest on borrowings.

SUMMARY STATEMENT OF CHANGES IN EQUITY

The Summary Statement of Changes in Equity shows what the community owns minus what the community owes.

Equity is represented by the Council's net worth, that is 'what we own' (total assets of \$6.3 billion) minus 'what we owe' (total liabilities of \$0.4 billion). Equity, as at 30 June 2009, was \$5.9 billion – an increase of \$94.3 million since last year. This equates to \$0.03million per resident.

	COUNCIL			GROUP	
	ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
Equity at the beginning of the year	5,813,060	5,797,791	5,597,873	5,959,421	5,732,216
Net surplus for the Year	16,057	19,919	25,515	15,968	34,866
Other comprehensive income	78,231	-	189,672	92,185	192,339
Total comprehensive income for the year	94,288	19,919	215,187	108,153	227,205
Equity at the end of the year	5,907,348	5,817,710	5,813,060	6,067,574	5,959,421
Comprising:					
Accumulated funds and retained earnings	4,769,715	4,748,049	4,750,523	4,855,281	4,835,506
Revaluation reserves	1,118,338	1,042,203	1,038,501	1,194,748	1,096,865
Hedging reserve	861	5,468	3,057	(3,255)	3,033
Restricted funds	18,434	21,990	20,979	20,800	24,017
Equity at the end of the year	5,907,348	5,817,710	5,813,060	6,067,574	5,959,421

SUMMARY PER RESIDENT

This table shows a simple 'per resident' calculation using asset, liability, equity and gross operating costs divided by the total estimated number of Wellington residents.

	2007 \$	2008 \$	2009 \$
Assets	30,706	31,969	32,608
Liabilities	1,626	1,771	1,921
Equity	29,080	30,198	30,688
Operating Costs	1,644	1,740	1,836

LOOKING FORWARD

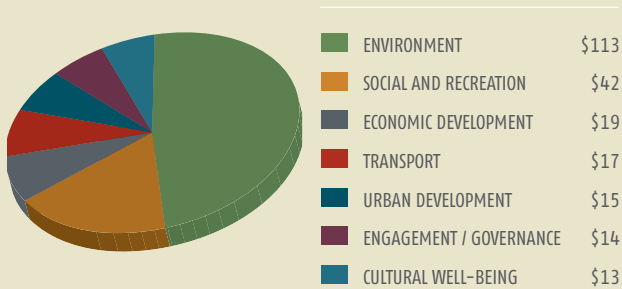
This section outlines what we plan to spend next year.

The Council's financial results for the year ended 30 June 2009 reflect the delivery of high quality, cost-effective services and products to the residents of Wellington.

The Long Term Council Community Plan 2009-19 sets out the Council's planned operating and capital expenditure programmes for 2009/10 (and forecasts for subsequent years). The following graphs highlight the Council's spending plans for the 2009/10 financial year.

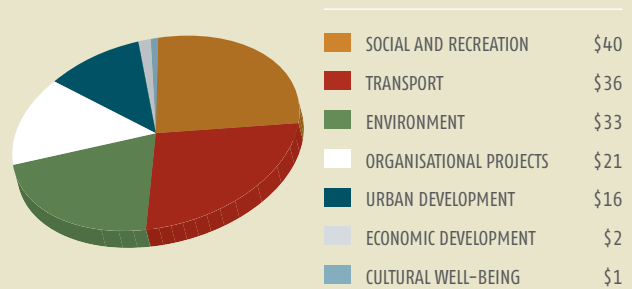
FORECAST NET OPERATING EXPENDITURE BY STRATEGIC AREA 2009/10 – \$MILLION

The total forecast net operating expenditure for 2009/10 is \$232.4 million



FORECAST CAPITAL EXPENDITURE BY STRATEGIC AREA 2009/10 – \$MILLION

The total forecast capital expenditure (including carry forwards) for 2009/10 is \$148.8 million.



GLOSSARY OF FINANCIAL TERMS

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

Depreciation and Amortisation – an expense charged each year which reflects the estimated cost of using our assets over their lives.

Subsidiaries – are entities that the Council owns. The income, expenses, assets and liabilities of the subsidiaries are recorded in the Group financial statements. The subsidiaries, which are all 100% owned, are Positively Wellington Tourism, Positively Wellington Waterfront Limited, St James Theatre, Wellington Cable Car Limited, Wellington Museum's Trust and Wellington Zoo Trust.

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 (15%), 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 3 months.

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

OUR PERFORMANCE

An important part of our planning and reporting process is to identify indicators that show 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, for example the time frames for delivering work.

Some of this information is gathered internally, from residents' surveys and our business units, but also from external sources such as Statistics New Zealand.

We consider our activity performance measure to be achieved if our performance is within 5% of target. Our outcome indicators are assessed on three year trend information. We give a selection of our outcome indicators below, along with percentage totals rating the overall performance of our activities in each strategy.

KEY

Improving trend
Stable
Declining trend

URBAN DEVELOPMENT

Our outcome indicators	Assessment
Residents' perceptions that Wellington is a great place to live	Stable (94%)
Population density – inner-city residential, suburban residential, and along 'Growth Spine' (long-term indicator)	Improving trend (increasing density in line with our long term objectives)
Building density – buildings per hectare, central city, inner-city residential, suburban residential (long-term indicator)	Improving trend (increasing density in line with our long term objectives)
Residents' perceptions that heritage items contribute to the city's unique character and to their local community's unique character	Improving trend (95% city; 83% local area)
Value of residential and commercial building consents	Increasing value (\$203.7m / \$318.7m)
New Zealanders' perception that Wellington is an attractive destination	Improving trend (80%)
Residents' rating of their sense of pride in the way the city looks and feels	Stable (88%)

Activity Performance: We achieved 57% of our targets. We face challenges in this area from large and complex building proposals, and added complexity from changes to the District Plan and Building Act. Overall we improved the speed of delivery from last year, primarily due to our response to changes in legislation which allow more small building projects to be done without requiring building consent.

TRANSPORT

Our outcome indicators	Assessment
Residents using public transport and walking to come into the CBD	Improving trend (33% PT 17% walking)
Road crashes	Declining trend (more crashes: 557 total crashes)
Residents' perceptions that the transport system allows easy movement around the city	Stable (93%)
Residents' perceptions that the peak traffic volumes are acceptable	Improving trend (64%)

Activity Performance: We achieved 63% of our targets. We measure a number of different aspects of our transport network. Some of the positive results we have seen are in the areas of the pedestrian network and road lighting. Our main challenges in this area are issues with residents' satisfaction regarding cycleway safety, public transport and targets around car parking turnover.

ECONOMIC DEVELOPMENT

Our outcome indicators	Assessment
Iconic and A-level events held in the city, and their economic contribution	Improving trend (10 events \$78.6m contribution)
Number of domestic and international visitors entering Wellington Airport	International – Improving (4.64m) Domestic – Improving (611,002)
Number of people undertaking industry training (Wellington City)	Stable (6,108)
Employees engaged in the research and development sector	Improving trend (4,410)
Number of major conferences	Declining trend (795)
Broadband usage – home access	Improving trend (79%)

Activity Performance: We achieved 56% of our targets. The number of events held and occupancy of the Wellington Convention Centre were below target but in line with last years results.

ENVIRONMENT

Our outcome indicators	Assessment
Hours worked by recognised environmental volunteer groups	Improving trend (12,326 hours)
Residents' actions to reduce waste from homes (including recycling, composting etc)	Stable (varies with action)
Residents' usage of the city's open spaces	Stable (Most days, 5%)
Key Wellington natural environment attractions visitor numbers (Wellington Zoo, Karori Wildlife Sanctuary, and Otari-Wilton's bush)	Declining Trend (312,082 a 5% drop on last year)
Air quality – particulate matter (PM10)	Improving trend (Maximum = 46; Mean (annual) = 13)
Fresh water quality (six key indicators of quality)	Stable (Fair quality)
Bird counts – selected bird species	Stable (varies with species)

Activity Performance: We achieved 82% of our targets. While some of our measures of residents' use of the outdoors did not meet our targets they are consistent with last years results and in some cases improving. Challenges in this area include waste deposited to landfill which has increased due to the inclusion of sludge and the decline in the amount of recyclable material diverted from the landfill.

CULTURAL WELLBEING

Our outcome indicators	Assessment
Number of "cornerstone" cultural or arts event is held in the city	Improving trend (75)
New Zealanders' and Wellingtonians' perceptions that 'Wellington is the arts capital of New Zealand'	Improving trend (64% NZ; 80% Wgtn)
New Zealanders' and Wellingtonians' perceptions that 'Wellington has a culturally rich and diverse arts scene'	Improving trend (84% NZ; 94% Wgtn)
Residents' perceptions that Wellington's local identity (sense of place) is appropriately valued and protected	Stable (79%)
Number of national arts organisations, professional and amateur theatre groups based in Wellington	Stable (23,4,5)
Percentage of businesses and employees engaged in the arts and cultural sector	Stable (1.94% businesses; 1.67% employees of total industry)

Activity Performance: We achieved 64% of our targets. While our measures relating to Civic Square events and attendance did not meet target they were improvements on the results of previous years and the number of community festivals and their attendance were above target.

SOCIAL AND RECREATION

Our outcome indicators	Assessment
Residents' perceptions that Wellington offers a wide range of recreation activities	Stable (94%)
Residents' perceptions that they feel a sense of community with others in their local neighbourhood	Improving trend (76%)
Residents' usage of Council community and recreational facilities	Improving trend (varies by facility)
Number of notification of the most prevalent food and water-borne diseases	Declining trend (more notifications – 306)
Crime – number and resolution rate	Declining trend (more crimes – 19,122 (42.5%))
Emergency preparedness – residents with an emergency kit (as defined by WEMO)	Declining trend (48%)

Activity Performance: We achieved 74% of our targets.

ENGAGEMENT & GOVERNANCE

Our outcome indicators	Assessment
Residents' perceptions of their influence on Council decision-making	Improving trend (64%)
Residents' rating of agreement that decisions are made in the best interests of the city.	Stable (59%)

Activity Performance: We achieved 33% of our targets. We measure access to information, influence on decisions and consultation. Our measures of consultation and influence on decisions are generally stable compared to last year, though remain below our targets. The ease of access to information continues its improving trend.

This summary report, which has been extracted from our 2008/09 Annual Report cannot be expected to provide as complete an understanding of Council's activities as the full document. Copies of the Annual Report are available at the Council Offices, 101 Wakefield St, Wellington or at www.Wellington.govt.nz. The Annual Report, which was adopted on 26 August 2009, 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 prepared in accordance with FRS-43 and examined by Audit NZ for consistency with the full Annual Report.

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 (GAAP) 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. The financial statements are denominated in New Zealand Dollars.



AUDIT REPORT

To the readers of Wellington City Council and group's summary annual financial statements, performance information and the other requirements for the year ended 30 June 2009.

We have audited the summary financial statements, performance information and the other requirements as set out in pages 2 to 15.

UNQUALIFIED OPINION

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements 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 26 August 2009, on:

- the full financial statements; and
- the performance information; and
- the Council and group'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 the New Zealand Auditing Standards. During the year we undertook an audit of the Clifton

Terrace Carpark managed by the Council on behalf of the New Zealand Transport Agency. Other than the audit, conducting the audit of the Long Term Council Community Plan and the audit of the Clifton Terrace Carpark we have no relationship with or interests in the 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 those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.

A P Burns
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
22 September 2009