

WELLINGTON CITY COUNCIL'S

DRAFT ANNUAL PLAN 2010/11

This is Wellington City Council's DRAFT ANNUAL PLAN 2010/11.

It explains **what** we're planning to do in the coming year, **why** we plan to do it, **how much** it will cost, and how we will pay.

It's a consultation document. **Your views and ideas will influence us.** Every year, hundreds of people comment on our plans, and those comments lead to changes.

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A MESSAGE FROM MAYOR KERRY PRENDERGAST

Sustaining our quality of life and ensuring we maximise the opportunities offered by Rugby World Cup 2011 are the aims of this year's Draft Annual Plan.

In Wellington we enjoy an extraordinary quality of life in an outstanding urban environment. In our parks and gardens, the Waterfront and Golden Mile, libraries, pools, theatres and so much more, we have high-quality amenities at a cost which represents excellent value for money.

In this plan, we are proposing a balanced programme which continues to support high-quality services, while investing in our city's future.

We are responding to the fantastic opportunities provided by Rugby World Cup 2011 to showcase the city and create an atmosphere that will benefit both residents and the economy for years to come.

We are taking steps to deal with the challenges presented by climate change, by reducing greenhouse gas emissions and preparing to deal with the impact of changing weather and tidal patterns.

And we are proposing new approaches to Council investment in community facilities in the city and suburbs. As a first step, we are proposing improvements to several of the city's swimming pools.

Aside from these key investments, we are essentially proposing 'business as usual'. We are seeking to continue with the broad range of high-quality services that make Wellington such a great place to live and do business. We are not proposing major new projects that would add to the burden on ratepayers in challenging times, nor are we proposing to reduce services on which residents rely.

Overall, the proposed average real rates increase for 2010/11 is 2.85% — significantly below that forecast in our 2009-19 long-term plan.

Councillors have debated this plan – now we look forward to your feedback before the final decisions are made in June. Over to you.

[signature]

KERRY PRENDERGAST

A MESSAGE FROM CHIEF EXECUTIVE GARRY POOLE

This 2010/11 draft annual plan sees the Council continuing to respond to a demanding environment.

Councillors are presenting a programme that supports Wellington's high quality of life, preserves and enhances our unique urban environment, and continues to provide excellent services.

At all times, we have a responsibility to manage the city's finances with care — to ensure that the funding we seek from ratepayers is used wisely to the benefit of the city as a whole.

That requires the elected Council to balance the various wishes and needs of the city's many communities, and to balance present needs against those of the future. It also requires staff, in implementing the Council's programme, to manage resources as effectively, efficiently and safely as possible.

In this draft annual plan, the Council is consulting on a programme that will see total rates rise by 2.85% taking into account growth in the rating base. The amount for individual properties will vary depending on shifts in valuations and the impact of a change in the share of rates that the commercial sector has to pay (see 'rates' in the panel below).

As the Mayor has noted the rates increase is substantially below the level forecast in the Council's 2009-19 long-term plan. That saving has been achieved through reduced interest and inflation and through our ongoing drive to find efficiencies in the way we deliver services for Wellingtonians.

Some changes to fees and charges have also been proposed (see the appendix).

While much of the programme is about a continuation of existing, high quality services, the Council is also proposing strategic investments in a few key areas. Some of these, such as the Rugby World Cup, will bring significant benefits to the city in the near future; others are about positioning us for the long term.

On all of these proposals, your feedback is important. Each year, hundreds of people make their views heard. Those views are considered in detail by Council staff and by elected councillors.

This plan is an opportunity for you to influence the future direction of your city — to have a say, for example, on what services and facilities are provided, and where. I urge you to take that opportunity.

[signature]

GARRY POOLE

KEY PROPOSALS

Spending

We are proposing an operational spending programme totalling \$351 million in 2010/11. Of that, \$125.5m is proposed for environmental activities, \$89.3m for social and recreation activities, and \$50.2m on transport.

Rates

We are proposing an average real rates increase of 2.85% for 2010/11. The impact on individual ratepayers will depend on changes in property values and a change in the rating differential. Commercial ratepayers currently pay 3.45 times more rates than residential ratepayers for properties of equal value. The Council has been reducing this amount – the differential – over time. This year the differential reduces to 3.1. The effect of this is that residential rates increases will be higher than the commercial sector (but commercial ratepayers will continue to pay proportionally more rates).

Future of community facilities

What are the city's priorities for libraries, pools and recreation centres, and community centres and halls? What are your community's needs? How are they likely to change in the future? When should the Council provide these facilities and when should they be a community responsibility? How should we balance the needs of one suburb against another?

Libraries, pools and other community facilities are well used and make significant contributions to residents' lives — but also require major support from ratepayers. We are seeking views on a draft policy that sets out the types of facilities that should be provided in each area of the city. *For information, see page XX.*

Pool and facility upgrades

As a first step towards implementing our draft policy on community facilities (above) we are proposing upgrades to pools in Johnsonville, Karori, Kilbirnie, and Thorndon. We are also exploring opportunities to partner with schools to manage current demand on pool space. We also propose to relocate and expand the Johnsonville Library as part of a 'hub' of community facilities in the area. *For information, see page XX.*

Responding to climate change

In future, as the climate changes, Wellington faces increased risks of harm from storms, heavy rainfall, and coastal erosion. We are proposing a series of initiatives to reduce Wellington's contribution to climate change (by reducing greenhouse gas emissions) and to prepare for the potential impacts of climate change in order to safeguard the city and its people. *For information, see page XX.*

Future of the central city

How will Wellington's CBD change over the next 30 years? And how should the Council use its urban design role to shape the area? We are developing a long-term strategic framework to guide development. *For*

information, see page XX.

Rugby World Cup 2011

Rugby World Cup 2011 provides a wonderful opportunity to showcase Wellington to the world, and to create an exciting event for residents. As one of several Rugby World Cup initiatives, we are proposing to turn the waterfront 'party central' with a Rugby World Cup Village including an information centre and huge outdoor screen showing live games. *For information, see page XX.*

OUR ROLE

Our job is to look after Wellington, now and into the future.

Under the Local Government Act, we have two key roles. 1. To promote the well-being of Wellington and its people. 2. To facilitate democratic local decision-making.

The Wellington City Council is 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. A key part of their role is to listen and take the pulse of the community before making decisions.

The mayor and councillors are supported in their role by the Tawa and Makara/Ohariu community boards.

The elected representatives are assisted by the Council's chief executive and 1,450+ staff, who provide advice, implement Council decisions, and look after the city's day to day operations.

PLANNING FOR WELLINGTON'S FUTURE

This draft annual plan is part of a longer-term process of planning and asking for community views.

The Local Government Act requires us to plan in three-year cycles. Every three years, we consult the community on a draft long-term plan. This sets out our intentions for the decade ahead — what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we'll provide, and how we'll measure the quality and effectiveness of our work. Our last long-term plan was in 2009; our next will be in 2012.

The long-term plan is prepared in line with community aspirations.

Our long-term plan is guided by 13 long-term goals (or "outcomes"). They are that Wellington will become more liveable, develop a stronger sense of place, and become more compact, eventful, inclusive, actively engaged, sustainable, safer, healthier, better connected, prosperous, competitive, entrepreneurial and innovative.

The projects we fund and our ongoing work programme — explained in the *2010/11 Activity Programme* section of this plan — aim to fulfil these community expectations.

In-between these long-term plans, we take a fresh look each year at our work programme and consider whether any changes are needed. Change may be needed due to revisions to our budgets or new projects to help deal with issues or challenges facing the city. We publish a draft annual plan (this document) and listen to your feedback before publishing an annual plan.

We'll make ourselves accountable by reporting on how we do for the year.

Every year, we also publish an annual report. This sets out how we performed against the long-term plan or annual plan for the year. Did we do all we said we'd do? Did we meet our budgets? Did we do as good a job as we should have? Did we contribute to improvements in the overall well-being of Wellington and its residents? The report is made available on our website and through libraries and service centres, and a summary is sent to all Wellington households.

OUR WORK

Council services touch the lives of all Wellingtonians — at home, work, and play.

GOVERNANCE

Our governance work includes running local **elections**, holding **meetings of the Council** and its committees, producing policies and strategies to guide our work, **seeking feedback** on our proposals from members of the public, producing annual plans and annual reports to make ourselves **accountable to residents**, engaging with **Maori and stakeholder groups**, and **providing information** about our services and activities.

The key challenges we face are to increase participation levels and to build trust and confidence in civic decision-making.

In 2010/11 we will run the local body elections in October 2010, connect with the community more than 2.5 million times through our contact centre and website, continue to explore new ways of engaging with the community, and respond to any legislative changes.

Proposed 2010/11 operational cost: \$79 per resident¹.

ENVIRONMENT

We look after the city's 34+ square kilometres of **reserve land**, as well as **beaches**, coastline, and **botanical gardens**. We fund **the Zoo** and the **Karori Sanctuary**, and work to develop other world-class nature-based visitor attractions. Our work in this area is supported by the commitments of a large number of volunteers and groups.

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

The environment is by far our biggest area of spending.

Though Wellington enjoys a stunning natural environment, we also face some significant challenges. Like other cities, we need to find ways of becoming more sustainable and address broad issues such as climate change — by producing fewer greenhouse gas emissions, dumping less waste, using resources such as water and energy more efficiently, and protecting biodiversity and ecosystems.

Priorities for 2010/11 include reduction of greenhouse gas emissions and preparation for the impacts of climate change (see page XX).

Proposed 2010/11 operational cost: \$650 per resident.

¹ Based on a resident population estimate of 192,800

ECONOMIC DEVELOPMENT

While this plan in entirety can be seen as a commitment to the local economy there are specific steps we are taking to support local businesses and employers. We advocate for the city's interests to central and regional government. We maintain links with other markets through sister city relations. Our initiatives complement the regional economic development programme provided by the regional development agency Grow Wellington.

We also work to attract **major events** that bring new spending to the city such as Rugby World Cup matches, the World of WearableArt Awards and major concerts. And we fund **tourism promotions**, and support attractions such as **Te Papa** and conference venues such as the **Wellington Convention Centre**.

Key economic development challenges are to make the city more internationally competitive, foster innovation and entrepreneurship, and lift Wellington's sustainable economic growth.

Priorities for 2010/11 include:

- preparing for Rugby World Cup 2011 to maximise benefits to the city from hosting Cup matches
- building relationships with local business and employers to better understand what they see as the drivers of our economy and employment in the future.

Proposed 2010/11 operational cost: \$136 per resident.

CULTURAL WELL-BEING

We fund the city's popular **art galleries and museums**, operate Toi Poneke — the **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**.

Wellington's arts and culture scene is thriving. Our key goal is to maintain this strength, and to ensure that all Wellingtonians can participate in the city's cultural life.

Priorities for 2010/11 include: maintaining Wellington's inclusive culture. In a practical sense this will include continuing to provide a wide range cultural based festivals and supporting an environment for artistic and cultural expression.

Proposed 2010/11 operational cost: \$77 per resident.

SOCIAL AND RECREATION

We provide **homes** 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**.

We also work to protect **public health and safety** through projects such as monitoring the city centre, deciding whether or not to ban liquor consumption in public parts of the city, **licensing food and liquor outlets, animal control**, regulating other public health risks, providing **toilets and cemeteries**, and preparing the city to deal with emergencies such as **earthquakes**.

Our recreation work includes: providing **libraries, playgrounds, swimming pools, recreation centres**, sports **fields** and **marinas**; running recreation programmes; and reducing the costs of using sport and recreation facilities for people who have community services cards.

Key challenges include providing for a population that is growing in size and diversity, and catering for a growing range of recreation activities.

Priorities for 2010/11 include: reviewing the mix of libraries and other community services across the city to reflect Wellington's changing needs (see page XX); building a 12-court indoor community sports centre; continuing our 20-year upgrade of Council housing stock; carrying out routine upgrades and renewals to some of our other facilities.

Proposed 2010/11 operational cost: \$463 per resident.

Urban development

Our urban development 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** development.

The significant growth expected in Wellington over the next 20 years creates some challenges. We're aiming to respond to those challenges in ways that are sustainable and preserve the city's special character.

A key priority is to improve land use and transport by focusing development along a 'growth spine' stretching from Johnsonville in the north, to the central city, and Kilbirnie in the south. Other priorities include developing a 30 year framework for the central city and eastern suburbs.

Proposed 2010/11 operational cost: \$133 per resident.

TRANSPORT

We look after 670km of **streets and roads**, as well as footpaths, cycle lanes, traffic signals, car parks and the like.

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 **traffic safety**; and plan to ensure the city's transport network meets future needs.

Our transport system is generally performing well — Wellington's streets are safe by national standards, we're relatively high users of public transport, and most residents believe the city is easy to get around.

However, we do face challenges such as ensuring the transport network can keep up with growing demand, and reducing harmful environmental effects such as noise, carbon

Draft for Council adoption

emissions, and air pollution.

Priorities include: managing demand on the transport network, further developing our bus priority measures and improving access to the port and ferry terminals.

Proposed 2010/11 operational cost: \$261 per resident.

NEW PROPOSAL: RUGBY WORLD CUP

The 2011 Rugby World Cup provides a unique opportunity to showcase Wellington to a global audience.

The Cup will bring thousands of visitors to Wellington from New Zealand and overseas, and provide worldwide media exposure. The city is hosting seven matches featuring among others France, Australia, South Africa, the United States, and the All Blacks.

Preparing for the Cup is a major undertaking, involving Cup organisers, volunteers, local authorities, transport and accommodation providers, other businesses, and the wider community. Key Council initiatives recently completed or already under way include improvements to the Courtenay Place precinct, development of the indoor community sports centre, and installation of artificial turf on RWC training grounds. The region has also launched a website www.Wellingtonnz2011.com.

These new initiatives aim to ensure that visitors enjoy the best the city has to offer, we take advantage of the huge opportunity to showcase our city to an international audience, and the benefits of hosting Cup events are maximised for residents and businesses alike.

Rugby World Cup Village

As part of our bid to host matches for the Rugby World Cup 2011, Wellington made a commitment to construct a Rugby World Cup Village on the waterfront. The village is to be the focal point for RWC 2011 activities — the place to soak up the atmosphere of the event, meet the players, meet friends, purchase memorabilia and find out what to do or where to go, and at the same time provide a uniquely New Zealand experience.

Funding is proposed to develop the village around the Wharewaka, which is currently under construction on the waterfront. The combination of Rugby World Cup festival activity and the Wharewaka's outstanding cultural dimension would provide a strong point of difference for Wellington.

Budget: \$100,000 operational expenditure in 2010/11 and an additional \$50,000 in 2011/12.

Rugby World Cup Sculpture

WETA Workshop – Wellington's iconic and award winning special effects company – embodies everything that is great about Wellington. That's why we propose to work with them in the production of a sculpture as a centrepiece of the city's association with the Rugby World Cup 2011. The sculpture is planned to be placed on Wellington's waterfront during the festival. It would be a popular drawcard for visitors and has the potential to provide an enduring legacy for the event.

Budget: Funding of \$350,000 capital expenditure and \$11,000 operational expenditure is proposed.

Maori Heritage Trail

The Maori Heritage trail — Te Ara o Nga Tupuna (the pathway of our ancestors) highlights sites that are important to Wellington's history and Maori culture. We are proposing to

enhance the trail by providing interpretation panels at existing sites where pou whenua and waharoa have been installed. The enhanced trail will educate Wellingtonians and international visitors about tribal stories and legends that make Wellington unique.

Budget: \$37,000 of additional capital expenditure.

CBD Street Cleaning

As more people live and use the CBD, the demand for street cleaning is exceeding our current cleaning capacity. We are proposing to spend \$225,000 in 2010/11 (increasing to \$450,000 per annum in future years) to meet this increased demand.

We are also proposing to invest an additional \$350,000 to meet the peak demand that will be experienced during Rugby World Cup 2011 events (2011/12).

Budget: An additional \$225,000 of operational expenditure in 2010/11 with an extra \$450,000 per annum thereafter. An extra one-off \$350,000 variation during 2011/12 for RWC2011.

Newtown Park sports field upgrade

Newtown Park has been identified as a training venue for Rugby World Cup 2011. To comply with host obligations concerning size and use of training venues the Newtown Park sports field requires additional work, including installation of rugby posts and extending the length of the playing field. This work is in addition to our existing commitment to create an artificial training surface adjacent to Rugby League Park in Mt Cook.

Budget: \$37,000 of operational expenditure in 2011/12.

Courtenay Place toilets upgrade

The current facilities in Courtenay Place are not coping with the amount of use they are receiving, particularly during the evening. As a result they are sometimes unhygienic despite regular cleaning. The amount of vandalism and abuse they sustain means that they are also not standing up to expected standards so need to be upgraded.

As Courtenay Place will be used by thousands of visitors during RWC 2011, appropriate facilities will need to be in place.

Budget: \$500,000 capital expenditure in 2010/11.

Transport parking initiatives

It is proposed that electronic signs be installed on key transport routes to inform drivers about availability of vacant parking spaces in public car parks. This would help drivers to head directly to the most convenient park with available spaces, reducing the congestion, and emissions that would otherwise result from drivers looking around for parks.

The Council proposes to proceed if it can share costs with owners of private car parks.

Budget: \$300,000 capital expenditure (subject to gaining external funding).

Waterloo Quay roading improvements

Waterloo Quay is an important gateway to our city welcoming the large number of cruise

ships entering our harbour. We have previously outlined our plans to improve Waterloo Quay and budgeted to do this work over three years. This work is part of a wider plan to develop and implement improvements for traffic and freight access to CentrePort and the ferry terminal whilst addressing future traffic growth on the Quays route.

With an increase in cruise ships and visitor numbers expected to come to Wellington for the Rugby World Cup 2011 we propose bringing the roading improvements programme/budget forward to ensure the work is advanced in time for that event.

What's your view on these proposals? Comment online www.wellington.govt.nz, email annual.plan@wcc.govt.nz, or send your views to Draft Annual Plan, Wellington City Council, PO Box 2199, Wellington.

NEW PROPOSAL: CLIMATE CHANGE

We're working to reduce greenhouse gas emissions, and prepare the city for the potential impact of climate change.

In a coastal city, the potential effects of climate change may be significant. Scientists have predicted that Wellington in future is likely to face more frequent storms, stronger westerly winds, heavier rainfall, and increased coastal erosion — all of which could mean increased risks of property damage, as well as increased risk of surface flooding and landslips.

We have committed to a vision of becoming a carbon neutral city, and are working to reduce the city's carbon footprint.

The Draft Action Plan sets out a range of initiatives aimed at encouraging energy efficiency, reducing waste, supporting more efficient transport options, and storing carbon dioxide in carbon sinks. These proposed actions build on existing Council activities such as:

- promoting more sustainable urban development (through the Growth Spine framework)
- supporting more energy efficient transport options (through bus priority measures, and the Cycling and Walking Plans)
- reducing landfill greenhouse gas emissions by using landfill methane for electricity generation
- providing a planning environment that supports sustainable energy generation
- upgrading Council housing with improved insulation
- providing grants for households installing sustainable energy solutions
- improving energy use in Council buildings and facilities.

Most of the initiatives proposed in the Climate Change Action Plan can be delivered within existing budgets. However, additional funding is needed if the Council is to implement the following initiatives — which are aimed at better understanding the potential impacts of climate change on the city, and at reducing the city's carbon emissions.

Assessing Wellington's vulnerability to climate change

This initiative aims to gather information about the potential impacts of climate change on Wellington, so we can take a strategic approach to preparing for and responding to those impacts. The initiative includes:

- a regional coastal study, led by the Greater Wellington Regional Council, to identify areas most vulnerable to rising sea levels, and
- a detailed 'city vulnerability assessment' to determine the potential impacts of rising sea levels on infrastructure in various areas of the city including the CBD, eastern suburbs, Hutt Road, and southern and western suburbs.

Budget: \$30,000 of operational expenditure in 2010/11 with an additional \$100,000 in 2011/12.

Electric Vehicle Pilot

Wellington's compact urban form, growing number of inner city residents, and short commute times means the city is well placed to be an early adopter of electric vehicles.

We propose to invest \$50,000 to work with private/state-owned enterprise partners on a pilot programme aimed at facilitating uptake of electric vehicles, particularly by business vehicle fleets. The pilot would gather information about the benefits and risks of using electric vehicles, provide that information to businesses and other potential adopters, and work towards providing an environment that supports use of electric vehicles.

Budget: \$50,000 of capital expenditure.

Council energy efficiency initiatives

We spend around \$6 million on electricity and natural gas each year, resulting in greenhouse gas emissions of more than 15,000 tonnes of CO₂-equivalent. Reducing energy consumption in our operations will reduce emissions and save ratepayers money.

We have already saved around \$50,000 annually through energy efficiency measures since 2007. We propose investing to fund further initiatives that include:

- committing to the Energy Management Programme out to 2011/12 (currently capital expenditure was budgeted to end after 2010/11)
- increasing the scale of the programme, focusing on facilities to be used in the Rugby World Cup.

Budget: \$25,000 operational expenditure in 2010/11 with a further \$25,000 in 2011/12 plus \$50,000 capital expenditure in 2010/11 with further \$150,000 in 2011/12.

Business Energy Saver Programme

Commercial and industrial buildings are responsible for around 20% of Wellington's total greenhouse gas emissions. Energy efficiency opportunities in these buildings have been shown to provide high return on investment.

We propose to provide \$25,000 in each of the next two years to support *eMission* — a programme that helps small- to medium-sized Wellington businesses reduce energy and water use, and waste. The *eMission* programme is managed by the Greater Wellington Regional Council with support from other Wellington local authorities, the Ministry of Economic Development and the Energy Efficient and Conservation Authority.

Budget: \$25,000 operational expenditure in 2010/11 with an additional \$25,000 in 2011/12.

Home Energy Saver Programme

International studies show that the easiest and most cost-effective way to reduce greenhouse gas emissions is through building energy efficiency projects. We are proposing spending \$50,000 on establishing a programme that would provide incentives to households for low-cost energy retrofits targeting energy efficient lighting, low flow shower heads, and hot water cylinder wraps. All of these technologies are low-cost and pay for themselves over time through reduced energy use.

This initiative will complement others including the Government's Warm Up New Zealand programme which provides funding for homeowners installing insulation and energy efficient heating.

Budget: \$50,000 of operational expenditure in 2010/11 with an additional \$100,000 in 2011/12.

Enviroschools

The Enviroschools programme aims to engage young people to create sustainable schools and communities. Students and teachers work with an Enviroschools facilitator as they plan and take action to move towards sustainability. Examples of the types of projects undertaken by Enviroschools students include planting/restoration projects, waste and energy audits, and inquiry learning programmes.

Enviroschools is a nationwide programme with more than 600 schools taking part. Our support complements that of other local authorities in the region and our programmes that aim to raise awareness of conservation and sustainable practices.

Budget: \$10,000 of operational expenditure in 2010/11.

What's your view on these proposals? Comment online www.wellington.govt.nz, email annual.plan@wcc.govt.nz, or send your views to Draft Annual Plan, Wellington City Council, PO Box 2199, Wellington.

NEW PROPOSAL: STRENGTHENING FACILITIES AND INFRASTRUCTURE

We're proposing several projects to maintain facilities and infrastructure in good condition.

The Council owns and manages about \$6 billion of assets on behalf of the people of Wellington. These assets have to be maintained in good condition, both to protect health and safety and to maintain a high quality urban environment. We have well established asset management practices to ensure this and that associated budgets are in place. Despite this new needs arise from time to time. The following variances have emerged for the coming year.

Fences and Guardrails

The city's topography means that access to a significant number of properties is through inclined footpaths and steps. We own 117km of handrails protecting these accesses. We recently clarified an approach to the maintenance of public and joint ownership access ways which has meant the demand for reactive maintenance/repairs to damaged rails has increased. This proposed funding allows us to meet obligations as a responsible property owner.

Budget: \$115,000 of operational expenditure is required each year.

St James Theatre Charitable Trust

The St James Trust manages and promotes the St James Theatre and the Opera House as venues for cultural and artistic events. It has a responsibility to maintain both venues in good condition. The Trust's income has been sufficient to cover operating expenses but not depreciation, raising concern over its ability to fund asset maintenance and renewals. The Trust has carried out an asset condition survey and, based on that survey, is developing an asset management plan for both venues. Funding is proposed for work identified in the survey as being necessary during 2010/11.

Budget: \$217,000 of operational expenditure for 2010/11.

Bus shelters

Across the city there are 1,300 bus stops, of which 450 have shelters. Our long term target is to install bus shelters on all high use bus stops on city-bound routes. Currently, only 300 city-bound stops have shelters.

Towards this target we propose to install shelters at 50 of the highest priority sites in the next two years. After that, over the next decade we propose to keep installing new shelters in conjunction with bus priority measures on key routes (on average 10 per year).

Budget: \$250,000 of additional capital expenditure for 2010/11.

Basin Reserve Trust

The Basin Reserve is New Zealand's premier test cricket venue. To maintain that status, the Basin Reserve Trust needs to maintain the ground and its buildings to international standards. The Council owns most of the Basin Reserve buildings and funds depreciation, but has not allocated any budget for capital works over the next decade.

The Trust has carried out an asset condition survey and is completing an asset management plan. Funding is proposed for capital works identified by the survey as being necessary during 2010/11.

Budget: \$112,000 of capital expenditure.

Strengthening the City to Sea Bridge

A recent structural assessment of the iconic City to Sea Bridge, which links the Civic Square to the waterfront, identified the need for remedial work and earthquake strengthening to meet current standards.

Budget: \$250,000 of capital expenditure in 2010/11.

Repiling of Aro Valley Community Centre

The Aro Valley Community Centre's foundations have settled unevenly, causing damage to the floor structure. Over time, this will get worse over and eventually undermine the structure of the building. Funding is proposed to repile the building and add floor bracing.

Budget: \$100,000 capital expenditure in 2010/11.

New signage for dog areas

During 2009 Council's Dog Policy was reviewed. As a consequence new signage needs to be erected to inform dog owners of the locations of dog exercise areas, areas where dogs are prohibited, and places where dogs are permitted off the leash or allowed at specific times.

Budget: \$40,000 capital expenditure for 2010/11.

What's your view on these proposals? Comment online www.wellington.govt.nz, email annual.plan@wcc.govt.nz, or send your views to Draft Annual Plan, Wellington City Council, PO Box 2199, Wellington.

NEW PROPOSAL: LOOKING AHEAD

How should Wellington's CBD develop over the next 30 years? And what facilities — pools, libraries, halls and so on — will the city need?

One of our roles is to think ahead: to anticipate and prepare for changes in the city's population, and the economic, social and technological forces that will influence residents' quality of life into the future.

This long-term approach allows us to guide the city's development, and make decisions about what facilities and infrastructure will be needed in coming years and decades.

In the coming year, we are seeking feedback on the future of the city centre and on community facilities such as pools, libraries and meeting places.

THE FUTURE OF THE CITY CENTRE

Wellington 2040 Central City Framework

We are developing a strategic framework for the growth and enhancement of Wellington's city centre for the next 30 years. The aim is to develop a vision of what type of central city Wellingtonians want, and guide investment and development to achieve that vision.

The framework will cover the role of the central city relationship with the waterfront, including the built environment, and issues to do with transport and infrastructure. It will also deal with how the central city can work as a place to work, live, do business and hold events.

Initial public feedback was sought during 2009 and further work is continuing during 2010/11.

To support this project, funding is proposed for two new initiatives:

- development of a Spatial Structure Plan to guide future decisions on the design and form of buildings, public spaces and public infrastructure. *Budget: An additional \$55,000 of operational spending.*
- development of a computerised model to analyse possible future central city infrastructure changes and their likely impact on vehicle and pedestrian movement; the model would cover all streets and pedestrian connections in the central city and 3km beyond, and would inform future infrastructure decisions with the aim of demonstrating that they contribute to economic development and quality of life. *Budget: \$180,000 of capital spending.*

THE FUTURE OF WELLINGTON'S COMMUNITY FACILITIES

The Council's pools, libraries, recreation centres, community centres and halls receive many hundreds of thousands of visits each every year, providing places for people to meet, play, exercise, and share information and interests. These facilities bring people together and make significant contributions to residents' well-being.

They are also a major area of investment for the Council. Libraries, for example, account for over \$20 million of operating expenditure each year — about 5% of all Council spending. Pools

and recreation centres together also account for \$20m, while community centres and halls account for just over \$3m.

Though we are the city's main provider of community facilities, many other organisations — such as churches, schools, community groups and sports clubs — also contribute to the huge number of facilities available to residents.

During the past year we have reviewed our Community Facilities Policy, which guides investment in pools and recreation centres, libraries, and community centres and halls.

We are now seeking feedback on a proposed new policy defining the facilities that should be available for city and suburban residents. The policy is explained in brief here and in more detail in the draft policy that is available on the Council website www.Wellington.govt.nz.

Under the policy, facilities will be located in and around existing town and suburban centres, with the size, type and design of facilities reflecting the area's population and urban form. Specific proposals are that:

- the city centre, and sub-regional centres Johnsonville and Kilbirnie should have a pool, a large city or suburban library, and venues for meetings and active and passive recreation
- town centres with populations of 11-30,000 people — Karori, Miramar, Newtown and Tawa — should have a large suburban library, venues for meetings and active and passive recreation, and a pool if the nearest sub-regional centre is more than 3km away
- district centres with populations of 5-10,000 should have access to a library and venues for meetings and active and passive recreation
- neighbourhood centres with populations of up to 6,000 should have access to flexible, multi-use community spaces.

Where possible the Council will partner with other organisations to deliver facilities.

The review is intended to provide greater clarity to communities where they may anticipate the Council to provide or support community facilities and the level of service the Council will provide.

The review identified the following strategic priorities for Council investment in community facilities:

- aquatics — making the most of the existing pool space, improving opportunities for aquatic education, and providing facilities to meet demand and growth in aquatic sports
- libraries — increasing community access to digital information, integrating library and community services, and strengthening delivery in high-growth areas of the city
- community spaces — develop partnerships to manage demand for additional community space, and ensure existing buildings are accessible and comply with regulatory requirements.

The following proposals support implementation of the proposed policy. The Council's partnership approach is reflected through an extension of the existing grants framework to enable Council to partner with other organisation to increase community access to existing facilities.

Pool upgrades

As part of this review we are proposing to bring forward several already-budgeted pool upgrades. The proposal would see the following upgrades take place in the coming year:

- development of a teaching pool at Karori Pool
- development of a hydrotherapy pool at the Wellington Regional Aquatic Centre
- planning for the redevelopment of the Keith Spry pool in Johnsonville to incorporate a new teaching pool, a leisure and water play area, and plans to develop a joint administration area with the proposed new library (see below)
- investment in partnerships with schools (\$2.065m over two years from 2011/12) to upgrade existing school pools.

This programme would also see the Tawa Pool roof replaced in 2011/12 and installation of a retractable roof (in 2013/14) at Thorndon Pool so it can be used for 9-10 months of the year. The total budget for this programme is \$12.585m.

An alternative programme that the Council considered but has not recommended focused on the construction of a new 10 lane 25 metre pool at the Wellington Regional Aquatic Centre. The total cost of this package was estimated at \$17.5m. The funding of this was made up of: savings generated from constructing this additional pool at the same time as the hydrotherapy pool; use of the schools partnership fund; and the deferral of the Thorndon Pool roof. The remaining unbudgeted elements — over \$5m — would need to be sourced from external funds through sponsorship or other means.

The uncertainty of achieving the external funding and the ability of the recommended programme to free up existing pool space in response to increase demands were factors in the Council's decision.

Johnsonville Library extension and relocation

Johnsonville library is currently undersized for its population. We are proposing to relocate the library to a site adjacent to the Johnsonville Community Centre and Keith Spry Pool to develop a community facility hub. The redeveloped library will be considerably larger than the existing one and will cater to the areas growing population.

Budget: \$50,000 of operational expenditure and \$330,000 of capital expenditure in the coming year.

Community Centre funding

The Council supports community centres by providing funding through three-yearly contracts. The amount of funding provided to each centre is typically based on historical arrangements, and this has resulted in some disparity between centres. We are proposing a fairer funding allocation in which each centre receives a 'base' level of funding, along with additional funding calculated according to the facilities it offers, and the size and level of social deprivation of the population it serves. *Budget: \$203,000 operational expenditure per year.*

Grants

The Council also supports community facilities through partnerships with schools, community groups and other organisations. We propose to increase our annual social grants funding pool by \$55,000 in 2010/11 to support partnerships that increase public access to community spaces.

Budget: \$55,000 operational expenditure per year.

What's your view on these proposals? What are the future priorities for community facilities such as pools, libraries, community centres and halls? For more detail about the Council's proposed Community Facilities Policy, including objectives and principles that will guide future decisions on investment in community facilities visit www.Wellington.govt.nz.

To comment on the proposals email annual.plan@wcc.govt.nz, or send your views to Draft Annual Plan, Wellington City Council, PO Box 2199, Wellington.

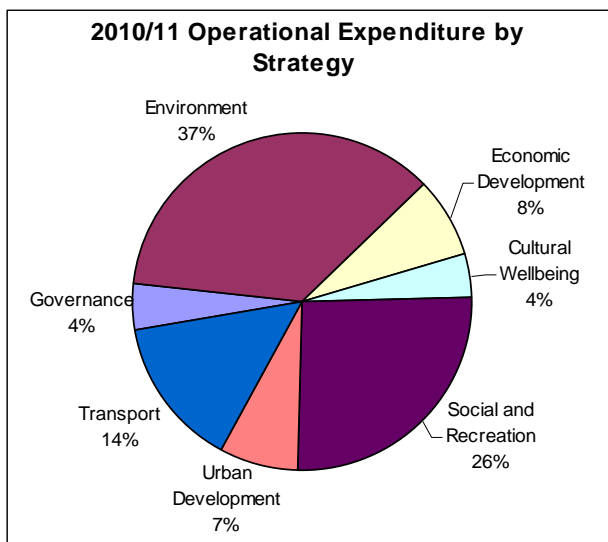
RATES, CHARGES AND SPENDING

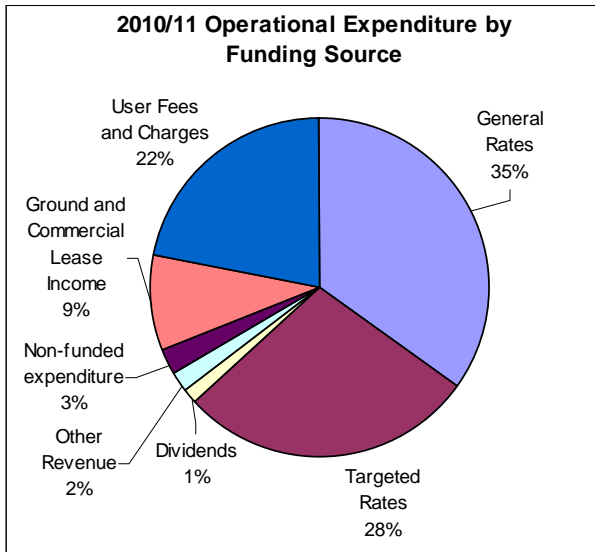
OPERATIONAL EXPENDITURE

The Council plans to spend \$351 million on operational expenditure across our seven strategy areas during 2010/11.

Operational expenditure pays for the Council's day-to-day operations and services, from collecting rubbish and maintaining our roads to issuing building consents, running our recreational facilities and maintaining our parks and gardens.

The Council funds operational expenditure from a combination of general rates (paid on all properties), targeted rates, user charges, ground and commercial lease income, dividends and other revenue (such as grants/subsidies).





RATES

We are proposing a 2.85% real increase in Council rates for 2010/11.

Sixty three percent of our funding for operational expenditure comes from our rates revenue. Our rates revenue is split between targeted rates and general rates. Detailed information on rating mechanisms is included on page xx.

In accordance with the Council's Revenue and Financing Policy, targeted rates are used to fund activities where the Council is able to clearly identify a specific group of ratepayers who receive the benefit of the activity, and where it is appropriate that this group be targeted to pay. Targeted rates include base sector targeted rates, commercial sector targeted rates, water rates, sewerage rates, stormwater rates, and the Marsden Village, downtown and Tawa driveways rates.

There are two categories of general rates: the base general rate, and the commercial sector general rate. General rates are charged at different levels depending on the type of property. In 2009/10, the commercial sector general rate per dollar of capital value was 3.45 times higher than the base rate for a residential property of the same value. We propose to reduce the differential between our commercial and residential sectors to 3.1 in 2010/11 and, to 2.8 by 2011/12.

Our total rates are proposed to increase by 3.35 percent in 2010/11. After allowing for growth in the rate payer base, our total rates are proposed to increase by 2.85 percent in 2010/11.

The proposed rates increase for 2010/11 is lower than we had previously forecast.

In our 2009-19 long term plan, we had forecast a rates increase of 5.88% before growth (5.38% after growth) for 2010/11. The change in our proposed rates increase reflects our efforts to manage the city's finances efficiently and prudently. While we are proposing new projects, we've also sought operational efficiencies and rescheduled some of our work programme to keep the rates increase below previously forecast levels.

Water Rates

This year we are proposing to increase the water rating mechanisms in the following four areas:

- An increase to the fixed charge for base (residential) sector properties without a water meter from \$125 to \$127.50 (including GST at 12.5%).
- An increase to the annual administrative charge for properties with a water meter from \$107.00 to \$108.00 (including GST at 12.5%).
- An increase to the water consumption charge for those properties with a water meter installed from \$1.78 per cubic metre to \$1.82 per cubic metre (including GST at 12.5%).
- A proportionate increase of 1% is also proposed for the base (residential) water rate levied via a rate per dollar of capital value.

These increases are to ensure the costs of the water activity are appropriately recovered through our rating mechanisms.

PROPERTY VALUATIONS AND RATES DISTRIBUTION

The actual rates changes affect each household or property differently, depending on changes in capital value relative to the change in capital value for the entire city.

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this draft annual plan. For the majority of its rates the Council then uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in Wellington.

In 2008 the Council changed its revaluation cycle from an annual cycle to a 3-yearly cycle to be more in line with other cities in New Zealand. The 2010/11 year is a revaluation year therefore the rates changes affecting each property will reflect both the change in the total rates required to fund expenditure, and the change in capital value of the property.

Over the last year the average residential property capital value has decreased by 3.2%, from \$532,000 in 2009/10 to \$515,000 in 2010/11. After allowing for the change in the differential, rates on an average residential property before the growth factor is taken into account are proposed to

increase by 5.9% to \$2,037 in 2010/11 (on an average property value of \$515,000) from \$1,923 in 2009/10 (on an average property value of \$532,000). An average rates increase of around 0.2% is proposed for commercial properties before growth.

It is important to note that the average rates bill does not automatically reduce as property values fall. The Council calculates the total rates requirement for the year and then uses property values as the basis to distribute this total. Therefore, a change in your property's value will only impact on your rates bill to the extent that the change is higher or lower than the average change in value for the city.

The final rates increase for an individual property will depend on:

- the overall increase in the Council's rateable budget
- any changes in the rates differential or uniform rates applying to that property
- the growth in the number of rateable properties in the city (e.g. due to construction of new houses, apartments or business premises)
- the change in a particular property's capital value compared to the average change in the capital value for other properties.

Indicative residential property rates inclusive of GST at 12.5% (for properties without a water meter)

2010/11 Capital Values \$	2010/11 Proposed Rates \$
200,000	940
300,000	1,289
400,000	1,639
500,000	1,989
600,000	2,339
700,000	2,688
800,000	3,038
900,000	3,388

USER CHARGES

For 2010/11 we are proposing to increase user charges in a number of areas. The majority of these increases are minor and reflect cost pressures on the underlying service provided by the Council. Increasing fees by a little each year ensures that ratepayers are not over-subsidising services the Council provides and helps to avoid larger catch up increases in future. Our fees are set in accordance with our Revenue and Financing Policy, and depend of a range of factors including who benefits from the activity (see below). Areas where we are proposing to increase fees include:

- waste minimisation, disposal and recycling management
- swimming pools
- sports fields
- synthetic turf sports fields
- recreation centres
- marinas
- burials and cremations
- public health regulations (food/dogs)
- urban Planning and Policy Development
- building control and facilitation
- development control and facilitation

A full list of changes to fees and charges is outlined in greater detail in the appendices of this plan.

GOODS AND SERVICES TAX (GST) PROPOSED CHANGES

The rate of GST used throughout this plan is 12.5%. Therefore all our proposed fees and user charges and all rating charges are proposed on this basis. These are therefore subject to change should the rate of GST be changed during the 2010/11 year.

FUNDING OUR ACTIVITIES

When we're deciding how to fund an activity, we consider a wide range of factors including:

- who benefits (individuals, an identifiable part of the community)
- can the beneficiary be easily identified
- can the beneficiary be easily excluded from using the service for non-payment
- intergenerational equity (i.e. do the benefits accrue to future generations as well as present ones)
- the 'polluter pays' principle (i.e. people should pay for negative effects they cause)
- fairness/equity of excluding people who cannot afford to pay
- transparency/accountability of a particular funding method
- overall impact on social, economic, cultural and environmental well-being.

Our Revenue and Financing Policy outlines how we are funding our activities. In 2010/11 we are proposing that the following activities are funded as detailed in the below table, which is a variance to the Revenue and Financing Policy:

Activity	Change
7.2.5 Cycle network	Decrease other income from 15% to 10%
2.2.1 Road open spaces	Decrease other income from 10% to 5%
2.5.2 Waste minimisation, disposal and recycling management	Split the activity (10:90 User Rates Funded) into 2, 100% User Funded Recycling, Waste Minimisation and disposal, and 100% rates funded Closed Landfill aftercare
6.2.1 Building control and facilitation	Reduce the user funding from 65% to 60% due to cost and revenue implications from the current legislative compliance environment

These variances would be formalised in the next Long Term Council Community Plan (LTCCP).

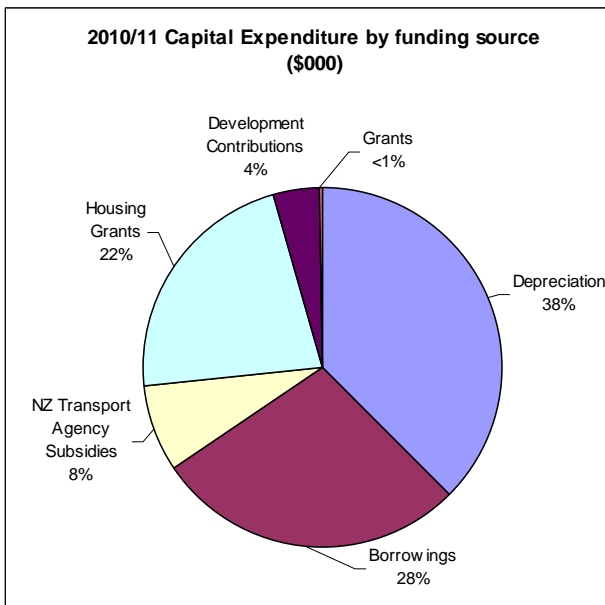
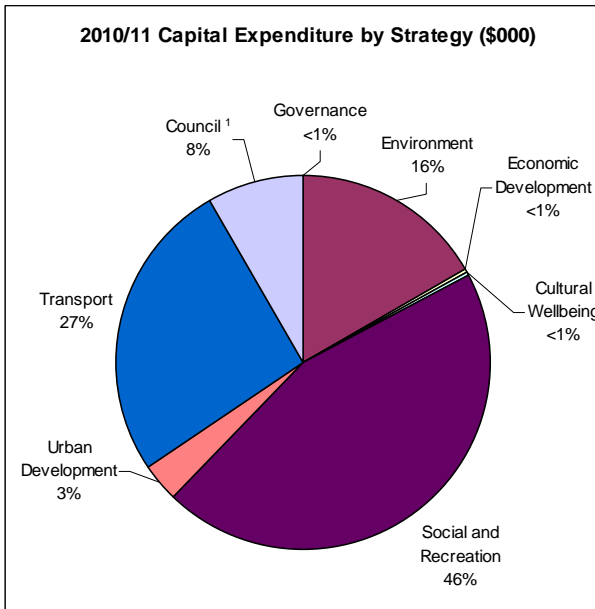
UNDERSTANDING THE COUNCIL'S BUDGETED SURPLUS

The Council is forecasting a net operating surplus of \$49.2 million in 2010/11. The majority of the Council's budgeted net surplus arises from cash funding received for capital purposes (Housing New Zealand grants, development contributions, New Zealand Transport Authority (NZTA) subsidies and bequests). This income flows through to the net operating surplus to be available to fund capital expenditure. Offsetting this are some depreciation costs on assets which we have resolved not to fund.

CAPITAL EXPENDITURE

We're continuing to invest in our city's infrastructure.

Capital expenditure pays for purchasing, building or developing the Council's assets (e.g. bridges, pipes, libraries, swimming pools). Our capital expenditure (excluding carry forwards and loans to other organisations) is forecast to be \$168 million in 2010/11. This includes \$37 million on upgrading our social housing which is fully funded by a Housing New Zealand Grant, and \$25 million for the construction of the new Indoor Community Sports Centre which is funded by borrowings. Both projects are shown within the Social and Recreation Strategy in the graph below.



¹ Council Projects predominately relate to capital expenditure on our technology infrastructure, replacement of vehicles and equipment and meeting health and safety requirements.

We fund capital expenditure from depreciation, borrowings, New Zealand Transport Agency subsidies, grants and development contributions. For asset renewals, the main funding source is depreciation. For new assets and upgrades, the main funding sources are borrowings, subsidies

and grants.

BORROWINGS

Total borrowings are forecast to be \$362 million at the end of 2010/11. Our asset base is forecast to total \$6.6 billion at the same period. We manage our borrowings within the following prudential borrowing limits:

Net borrowing as a percentage of equity	<10%
Net borrowing as a percentage of income	<150%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (term borrowing + committed loan facilities to 12 month peak net borrowing forecast)	>110%

VARIANCES FROM THE LONG-TERM PLAN

Each year we review the underlying assumptions and costs that make up each activity. For each activity we consider the impact of a number of factors including:

- changes in direct costs
- updated forecasting assumptions (including changes to the forecast timing of projects)
- the allocation of indirect and organisational costs/efficiencies
- the appropriateness of forecast inflation and CPI adjustments
- changes affecting our opening position (e.g. updated borrowings forecasts).

This means that the proposed costs for each activity may differ from those we had originally forecast in the 2009/19 long term plan for 2010/11.

Further information is provided in the "Our Activities in Detail" chapter.

CONSULTATION

What do you think of our proposals?

You can make comments online or write to us.

Comments can be made online at www.Wellington.govt.nz. Or you can write a submission, send a letter or email, or use the comments form in this annual plan or our *Absolutely Positively Wellington* newspaper.

Send comments to:

- Annual Plan, Wellington City Council, PO Box 2199, Wellington
- Annual.Plan@wcc.govt.nz

You also have the opportunity to present your submission in person to a subcommittee of councillors.

We need to hear your views before 5pm on 10 May.

Come to a meeting.

You can find out more about our proposals and the thinking behind them by coming to a meeting. We have the following public meeting scheduled:

- Wednesday 14 April at 6:30pm
- Friday 16 April at 12 noon
- Tuesday 20 April at 6:00pm.

The meetings will be held in Committee Room One in the Council buildings at 101 Wakefield Street.

We're also happy to attend a meeting of your group or organisation to discuss the plan and your ideas (see contact details below).

Your views do matter.

Every year, we change our plans in response to public input. We appreciate the submissions we get, and we do take them seriously.

The mayor and councillors will get copies of every submission. A subcommittee will listen to oral submission in mid May and they'll report to our Strategy and Policy Committee in June. The committee will discuss your views and start finalising the work programme for the year. Then, on 25 June, the full Council will meet to finalise the programme.

If you've made a submission, we'll write to you and let you know what was decided. Our annual plan will be published in July.

COPIES OF THIS PLAN

You can get extra copies of this annual plan from libraries, service centres, or Council offices. If you phone (04) 499-4444 we'll send you a copy. You can also download copies from www.Wellington.govt.nz.

