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**ORDINARY MEETING**

**OF**

**WELLINGTON CITY COUNCIL**

**SUPPLEMENTARY AGENDA**

**Time:** 5.30pm  
**Date:** Wednesday, 25 February 2015  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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### **3. General Business**

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## **LOCAL GOVERNMENT COMMISSION PROPOSAL FOR REORGANISATION - WELLINGTON CITY COUNCIL SUBMISSION**

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### **Purpose**

1. This report seeks agreement to a submission to the Local Government Commission as a response to their draft proposal for the reorganisation of Local Government in Wellington.

### **Summary**

2. The local Government Commission has issued a draft proposal to reorganise Local Government in Wellington in December 2014 and is seeking submissions by 2 March 2015.
3. Officers have canvassed the opinion of Councillors in a workshop setting, undertaken an in-depth analysis of the proposal and carried out a survey of community views.
4. The submission (attached as Appendix 1) explores the issues with the proposed model, and suggests solutions and a way forward.

### **Recommendations**

That the Council:

1. Receive the information.
2. Note that the Commission's draft reorganisation proposal has a number of significant limitations, lacks broad community support and would likely fail in any referendum.
3. Agree the submission attached as appendix 1.
4. Agree to delegate responsibility to the Mayor and Chief Executive to approve any changes to the submission arising from Council's consideration of this agenda item.

### **Background**

5. The region has been discussing the possibility of reform of local government in Wellington for a number of years, and in 2012, legislation was passed making the process easier.
6. In December 2014, the Local Government Commission issued its draft proposal for the reorganisation of Local Government in Wellington.
7. This draft proposal was a result of applications for change from Greater Wellington Regional Council and the three Wairarapa Councils being received by the Commission. The Commission also sought alternative applications and several alternative models were considered, one of which was proposed by Wellington City Council.
8. The model proposed by the Commission is a two-tier structure with a 22 member Council covering the entire region, with a second tier of 8 local boards.

9. Submissions are being sought on this proposed model by 2 March 2015 and oral hearings will follow. The Commission will then either:
- issue the draft as a final
  - make amendments to the draft and issue that as a final
  - adopt another draft proposed model for further consultation
  - not issue a final proposal (and the status quo would be retained).

### **Discussion**

10. The attached submission outlines Council's position regarding the proposed model. It is based on community views derived from various surveys and consultation exercises undertaken over the last few years.
11. The position taken in the submission at its simplest is:
- there is a case for change – the community wants to see improvements from councils in the region
  - the proposed model however lacks broad community support in the region
  - the proposed reorganisation scheme has limitations and will require significant changes, or the development of a completely new model to win broader community support
  - the Commission must be satisfied that any final proposal is likely to have demonstrable community support in the district of each affected territorial authority, and research results demonstrate that this is not the case
  - we recommend that either:
    - a. the Commission pause the process to allow for legislative change to occur to provide the Commission with more tools and allow the sector to develop alternative models that could win broader community support.
- Or:
- b. the Commission progresses to issuing a final model but does so on the basis that the reorganisation includes a separate Wairarapa and one (or more) metro councils West of the Rimutakas to ensure it has a greater community support.

### **Next Actions**

12. The submission will be lodged with the Commission on or before 2 March 2015, incorporating changes agreed on as part of these deliberations.

### **Attachments**

Attachment 1. Wellington City Council Submission on LGC Proposal for  
Reorganisation of local government in Wellington

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Author	Baz Kaufman, Manager Strategy
Authoriser	Brian Hannah, Director Strategy and External Relations

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

This submission is based on the results of multiple community surveys and a comprehensive regional consultation exercise.

### **Treaty of Waitangi considerations**

No specific considerations

### **Financial implications**

No specific considerations

### **Policy and legislative implications**

WCC is participating in this process as an entity in an 'affected area', as defined in the Local Government Act.

### **Risks / legal**

No specific risks

### **Climate Change impact and considerations**

Nil

### **Communications Plan**

Not applicable.

# **LGC proposal for Reorganisation of Local Government in Wellington**

**Submission of Wellington City Council**

February 2015.

## Introduction

1. This submission responds to the Commission's request for feedback on the proposed reorganisation of local government in the Wellington region.
2. Thank you for the opportunity to provide comment. We wish to be heard in support of this written submission and contact details can be found at the end of the submission.

### *Overview of public opinion*

3. The submission points in this submission are based on:
  - region wide consultation carried out by the *Joint Working Party* in 2013
  - research carried in 2013 by *Litmus* and *Colmar Brunton*
  - research carried out by *Nielsen* in February 2015 to understand the community's views on the Commission's proposed model. The Nielsen survey was regional (covering the affected areas) and is based on large and robust sample size of 1,000 participants. The overall margin of error is +/- 3.1 percent.
4. Research and consultation results have remained broadly consistent since 2013. The community agrees that the 'drivers for change' are important, but the proposed governance model designed to deliver on them lacks broad support. The 2015 Nielsen survey shows that:
  - support across the region for the Commission's proposal is very weak at just 26 percent
  - support for the Commission's proposal is weakest in the Wairarapa (17 percent) and the Hutt Valley (18 percent)
  - Support for the Commission's proposal is slightly higher in Porirua and Kapiti (29 percent) and Wellington (30 percent).
5. The threshold in a referendum to secure change is 50 percent +1 across all affected areas.

### *Summary of our position*

6. There is a case for change. The community wants to see improvements from councils in the region, but they don't support the model that is being proposed. We believe the lack of broad community support is due to the limitations of the model.
7. The limitations are that it combines a number of separate communities of interest, it is one of the least efficient models that the Commission considered practicable, there are serious questions in relation to how effective the 'shared governance' model actually is,

and with its two tiers structure, the model blurs access to, and accountability of elected members.

8. While we support the use of a referendum to determine change, we believe it would be a waste of resources to hold a referendum on the current proposal because the result will be clearly negative. There are solutions and alternatives available to the Commission, but the model either needs to have significant changes made, or ideally be replaced by a new model that has broader community support.

*The best alternative model to the status quo is not currently in front of the community*

9. Periodically reviewing governance and service delivery arrangements is part of any strong and healthy democracy. The current review process provides a once-in-a-generation opportunity to put into place a structure that meets community aspirations now and in the future, improve service delivery and allows the region to grow and prosper.
10. The 'desire for change' is certainly real – research and consultation results all point towards a broad community desire for the local councils in this region to perform better on a number of fronts, including:<sup>1</sup>
  - Regional leadership
  - Economic development
  - Simplified planning
  - Integrated infrastructure delivery
  - Better service delivery<sup>2</sup>.
11. The Commission has stated that its proposal is designed to deliver on these desired improvements, but research shows that it lacks broad community support. The research shows that if a referendum was held:
  - 26% would support the Commission's proposal
  - 61% would oppose the Commission's proposal
  - 14% are undecided.
12. Considering the community has expressed a clear desire for improvements from the local councils in the Wellington region, yet support for the proposal is low, we have to question whether the best alternative to the status quo has been presented to the community for consultation.

<sup>1</sup> 85% of the region's population believe the drivers for change are important (2013 consultation results on Joint Working Party models)

<sup>2</sup> We note that since 2013, governance of economic development, three waters and IT services have taken strides forward in cooperation across the region. We also note that Wellington's GDP per capita is considerably higher than either Auckland or the national average, and it continues to grow at a similar rate.

13. We believe the proposed model has significant limitations and that this is affecting the level of support the model is receiving in the community. The Commission needs to focus on shaping a model that can deliver the desired improvements and is achievable in the Wellington context, because the current proposal, as presented, is a missed opportunity.
14. The scope of this submission is based around exactly that point. It does not seek to exhaustively comment on all aspects relating to the proposal and focuses simply on the limitations of the proposed model and on identifying a way forward.

### *A way forward*

15. While we acknowledge that the Commission is constrained by legislation in what it can propose we believe the best alternative to the status quo must be based on the following criteria:
  - the model is able to win broad community support
  - the model represents an easily identifiable community of interest that is recognised and accepted by those that are affected
  - the model is demonstrable more efficient and effective than the current model
  - the model provides for the community to have direct access to, and accountability from their decision-makers.
16. We don't believe the proposed model achieves those criteria to any satisfactory level:
  - It hasn't won broad community support
  - it includes a number of separate communities of interest that oppose this form of amalgamation
  - it is one of the least efficient models that the Commission considered
  - there is no certainty that the local decision-making level proposed by the Commission will be endorsed by a future council in the spirit sought by the Commission
  - it blurs accountability of elected members.
17. Our preferred alternative to the status quo is the metropolitan single tier model (previously submitted). We believe it has the ability to achieve the above criteria to a greater degree. It is significantly more efficient, members of the community will know who to approach to raise an issue, accountability of elected members is clear, and the model recognises two clear distinct communities of interest.
18. Our research also shows that an alternative model that provides for a separate Wairarapa and with one or more councils West of the Rimutakas would win significantly more community support than the current proposal out for consultation.
  - 26% would vote in favour of the commission's proposal
  - 50% would vote in favour of the alternative.

19. We note that under legislation that the Commission needs to be satisfied that it has demonstrable support in each affected area before issuing a final proposal, and since it doesn't, we recommend that either:
- a) the Commission pause the process to allow for legislative changes to be made to provide more 'tools' to the Commission, and allow alternative models to be developed by the sector that would receive greater community support and deliver the improvements that are desired
- Or
- b) the Commission progresses to issuing a final model but does so on the basis that the reorganisation includes a separate Wairarapa and one or more metro councils West of the Rimutakas to ensure it has a greater community support.



## **Limitations of the proposed model**

### **LOCAL DEMOCRACY**

#### *Division of responsibility is not set in stone*

20. The Commission's draft proposal sets out a shared governance structure where local boards make local decisions and the council makes regional decisions.
21. The Commission has made a recommendation that local boards have significant responsibility over local matters and discussions over the division of responsibility in terms of decision-making have been suggested as circa 70 percent regional, and 30 percent local<sup>3</sup>.
22. This is only a recommendation though. Ultimately it will be up to the new Council to determine the responsibilities and budgets of local boards.
23. In short, while the Commission has advocated for a strong role by local boards and some guidance is provided in legislation, there is no guarantee that this will eventuate.
24. Regardless of where any new council determines the division of responsibility, local boards are restricted under legislation from holding key governance responsibilities including:
  - making a rate
  - setting bylaws
  - making district plans
  - borrowing money
  - purchasing or disposing of assets.

#### *Local Boards are costly and cumbersome*

25. Having local boards adds cost. The additional costs have been proven in Auckland to be in excess of \$1m per board per year, but the hidden costs are not quantified in that figure, and consequently the figure is expected to be significantly higher.
26. These include the time spent discussing matters between the governing bodies, the additional administration costs to operate local boards, as well as the costs associated with

<sup>3</sup> The Joint Working Party (comprising Wellington City Council, Greater Wellington, Porirua City Council and Kapiti District Council) conducted analysis based on the operations of Auckland and concluded a division of 95 percent regional / 5 percent currently existed there.

negotiating budgets and levels of service between the council and the local boards. Given local board's inability to obtain its funding directly, the negotiations and associated costs will be significant.

27. Local boards will add at least an additional \$8 million to the rates bill, and it is very likely to be significantly more in comparison to the alternative direct access metropolitan model advocated by the Wellington City Council.
28. The Commissions own findings (page 216 of volume 2) demonstrate that the proposed model is the least efficient model of all the practicable options looked at.
29. Considering the purpose of local government legislation clearly requires councils to be as efficient as possible, it is unclear how the proposal best meets the legislative test of delivering services "in a way that is *most* cost effective for households and businesses".

#### *Local Boards do not enhance local democracy*

30. The Commission's proposal of shared governance does not enhance local democracy. Since the final division of responsibility is determined by any future new council, and local boards have to negotiate budgets for their local plans, their powers can be best described as 'powers of petition'.
31. We do not believe that access to elected representatives that have limited influence over decision-making enhances meaningful representation.
32. Shared governance also makes it difficult for the community to determine who they should approach to have a matter resolved, and it also blurs accountability. Any governance structure that allows elected members to obfuscate responsibility for decisions or inaction is flawed.
33. The community has also shown a clear preference for dealing with councillors over local board members. Our research asked participants who they preferred to approach to resolve an issue, and:
  - 49% of respondents prefer to approach a locally elected councillor
  - 18% prefer to approach a member of a local board
  - 17% had no preference.
34. The shared governance arrangements can also result in tension between the two tiers of representation. This was demonstrated recently in Auckland where funding for local board plans was reduced to minimise the rates increase.

35. We believe meaningful access to elected members that have influence at the top table is far more desirable. Research shows that the community agrees. A single tier of representation with small single member wards can achieve this far more effectively.
36. Such a model still allows for community boards to be formed around communities of interest that can demonstrate a desire for them, rather than having local boards being assigned by the Commission.

*Local democracy – recommendations*

- That the Commission give consideration to developing a single tier governance structure to ensure direct access to, and direct accountability of decision-makers.
- That elected members be elected from small single member wards and that each ward has an office and administrative support to enhance local democracy and facilitate elected member engagement with their constituents.

## COMMUNITIES OF INTEREST

37. We know that residents in the Wairarapa strongly support the formation of a single Wairarapa – this view is also supported by the rest of the region.
38. Our research also shows that over two thirds (65 percent) of people in the region see the Wairarapa as separate to the rest of Wellington.
39. But the Commission has determined that a single Council stretching from Makara to Masterton is the most practicable option and best meets the legislative test of ‘good governance’.
40. At its simplest this is based on three main assertions:
- the Wairarapa and the region West of the Rimutakas are interdependent
  - the Wairarapa does not have the resources to effectively deliver all its functions and services by itself, now or into the future
  - some services cross the Rimutakas and it would be too difficult to de-couple them or find alternative shared governance and delivery platforms.
41. We believe the analysis to support these assumptions is limited, raises some questions and avoids alternative solutions that are practical and workable.

### *Wairarapa’s interdependence with the rest of the region is overstated*

42. The Commission’s report outlines a range of interdependencies between the Wairarapa and the rest of the region based on travel movements, spending patterns, local and central government services and economic connections.
43. While there is plenty of analysis on things ‘we have in common’, little analysis is done on differences. The reality is that one area is predominantly urban, and the other rural. That means they have different economies, different issues to resolve and different ways of life.
44. The report also examines interdependencies without using adequate counterfactual scenarios. The Horowhenua district, neighbouring the Wellington region shares many characteristics with the Wairarapa (being a rural hinterland with economic links to Wellington City and the rest of the region), and as such, makes sense to use as a comparator to the Wairarapa, but is only used in one simple metric (journey to work).
45. Most critically, economic interdependency between the Horowhenua and the region are not considered. This analysis would, in our opinion, highlight that the economic interdependencies between the Wairarapa and the rest of the region are not likely to be significantly greater than that of Horowhenua.

46. In this case, using these interdependencies as a justification for including Wairarapa in the defined community of interest is based on incomplete analysis. While this point is somewhat technical in nature, it is critical to the report – the analysis of the Wairarapa as being part of the Regional community of interest shaped the subsequent thinking on the report and the final proposed model.

*Wairarapa's inability to be financially viable on its own is overstated*

47. The Commission has determined that the Wairarapa is not financially viable on its own. This is based on the view that the Wairarapa has some of the highest rates in the region and that the impact of the funding shortfall would negatively impact on rates to a level where it was not sustainable long-term on its own<sup>4</sup>.
48. Several numbers have been generated for the shortfall ranging from \$2m to \$11m pa with the Commission accepting the higher figure. The Joint Working Party supported by professionals with significant sector experience confirmed a figure midway between those two of \$7.9m, and this was confirmed by PWC, and agreed by the Working Party.
49. Firstly, the funding shortfall equates to 0.2 to 1.1% of the region's annual operating expenditure, and we question the appropriateness of using regional reform for what is in the bigger scheme of things a very small financial issue.
50. Secondly, we have serious questions about how the Commission has come to the position that it considers the Wairarapa to have some of the highest rates in the region.
51. The Commission has used a *rates per resident* calculation, and because the Wairarapa has 15 percent absentee landlords (due to holiday houses), this artificially inflates the rates position for that region.
52. The average residential rate is actually very similar in the region, and South Wairarapa in particular, has some of the lowest rates in the region.
53. In short, we question the appropriateness of the Commissions use of the highest possible shortfall (that remains disputed by the Wairarapa) and a *rates per resident* calculation to determine the viability of the Wairarapa as a separate authority.

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<sup>4</sup> The shortfall arises from an existing subsidy that occurs from the way the Regional Council sets its rates.

*Is the principle of cross subsidisation even appropriate?*

54. It has been interesting as part of this process to observe the amount of regional ratepayers money that has been flowing from ratepayers on the West of the Rimutakas to those in the Wairarapa.
55. This is, in effect, cross subsidisation from one community to the next. If we are to structurally entrench this type of 'rural welfare', it sets a precedent that could be repeated elsewhere. The Wairarapa does not seek it, or desire it.
56. Using similar justifications such as economic interdependencies and property ownership, similar arrangements could easily be argued for in areas like Kaipara (with respect to its relationship with Auckland).
57. Indeed, large amounts of provincial New Zealand are experiencing decline and would likely benefit by being amalgamated into an area incorporating a large metropolitan area, but the benefits of this to NZ Inc. and our cities are dubious at best.
58. Local Government New Zealand is forecasting that circa 40 percent of local authorities will experience declining populations by 2031. This is a significant issue and something that requires careful consideration and a full exploration of all the options.
59. Local Government New Zealand is actively undertaking this work with government and it would be prudent to wait for the results of this work rather than entrenching 'rural welfare' in any new structure for the Wellington region.
60. It is important to note that the Wairarapa is not experiencing a population decline overall, and it is clear from their own application to the Commission that they believe they have the necessary resources to be viable as a separate council.
61. We don't believe a reorganisation scheme is the most appropriate way to resolve the Wairarapa shortfall issue. They have a wide range of options to resolve the shortfall including increasing rates, adopting 'right size' approach to their levels of services, adopting strategies to grow the size of their rating base, as well making efficiencies.

*Communities of interest – recommendations*

- We recommend that the Commission give greater consideration to alternative governance arrangements for the region that provides for a separate Wairarapa authority recognising that it is a distinct rural community of interest.
- We note that there already exists a precedent for joint CCOs, the sharing of expertise between councils, and the transfer of responsibility in the region and recommend that these be considered as part of any governance model that provides for two (or more) councils in the region.



## CONCLUSION

62. After considerable discussion in the region on the question of amalgamation – the region is in a situation where there is broad agreement that there is a ‘case for some change’, but the proposed model that has been designed to deliver it, lacks broad appeal and would very likely fail in a referendum. This is a missed opportunity.
63. We strongly believe that this is because the proposed model has significant limitations. In particular, it includes a number of communities of interest that strongly wish to remain independent and the shared governance arrangements of the model have not won broad appeal.
64. We firmly believe the best alternative to the status quo is not currently in front of the community for consideration.
65. Under legislation, the Commission can only issue a final proposal if it is ‘satisfied’ that it has ‘demonstrable’ support in each of the affected areas. Survey results clearly show that demonstrable support is lacking in key areas, and while we are strongly in favour of any reorganisation scheme ultimately being decided by a binding referendum, we question whether holding a referendum on the current proposal is wise considering the result will be clearly negative.

### *Recommendations*

- That the Commission pause the process to allow for legislative changes to be made to provide more ‘tools’ to the Commission, and allow alternative models to be developed by the sector that would receive greater community support and deliver the improvements that are desired
- Or
- the Commission progresses to issuing a final model but does so on the basis that the reorganisation includes a separate Wairarapa and one or more metro councils West of the Rimutakas to ensure it has a greater community support.

Contact details: (to be inserted)



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## 4. Committee Reports

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# REPORT OF THE GOVERNANCE, FINANCE AND PLANNING COMMITTEE MEETING OF 17 FEBRUARY 2015

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**Members:** Mayor Wade-Brown, Councillor Ahipene-Mercer, Councillor Coughlan, Councillor Eagle, Councillor Foster, Councillor Free, Councillor Lee, Councillor Lester (Chair), Councillor Marsh, Councillor Pannett, Councillor Peck, Councillor Ritchie, Councillor Sparrow, Councillor Woolf, Councillor Young.

### The Committee recommends:

#### CIVIC PRECINCT

#### Recommendations

That the Council:

1. Agree to consult the community on the Civic Precinct Proposal.
2. Agree the consultation information set out as Attachment 1, for inclusion in the Long Term Plan consultation document.
3. Adopt the information as outlined in item 2.2 of the Governance, Finance and Planning Committee agenda dated 17 February 2015 for the purposes of s93G of the Local Government Act 2002.
4. Delegates to the Chief Executive and the Mayor authority to confirm the final content of the Civic Precinct Proposal consultation document.

#### 30 YEAR INFRASTRUCTURE STRATEGY

#### Recommendations

That the Council:

1. Agree to adopt the draft Infrastructure Strategy as set out in Attachment 2.
2. Agree to delegate to the Mayor and Chief Executive the authority to make editorial changes to the Infrastructure Strategy that may arise as part of the final audit review process.

*Note: Draft LTP **Part Two: Infrastructure Strategy** – this provides an overview of how we plan to manage our assets over the next 30 years.*

## SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2015-25 FINANCIAL STRATEGY

### Recommendations

That the Council:

1. Agree to the draft Financial Strategy as set out in Attachment 3, subject to any necessary amendments to obtain Audit NZ approval.

*Note: Draft LTP Part One: Financial Strategy – this sets out the rates and borrowing limits of the Council and the approach we take to ensuring our programme is prudent and affordable.*

## STATEMENTS OF SERVICE PROVISION: OUR TEN YEAR PLAN

### Recommendations

That the Council:

1. Agree to the levels of service, performance measures and budgets (attached as Attachment 4) and the projects and programmes budgets (attached as Attachment 5), be included in the 2015-25 draft Long-term plan.

*Note: Draft LTP Part Four: Statements of Service provision – this sets out our activities, associated performance measures, and the budgets for our capital and operating projects and programmes.*

## 2015-25 LONG TERM PLAN OTHER MATTERS

### Recommendations

That the Council:

#### ***Draft Waterfront Development Plan***

1. Agree to the draft Waterfront Development Plan (attached as item 2.6 of the Governance, Finance and Planning Committee agenda dated 17 February 2015) for consultation concurrently with the Draft Long-term Plan, noting that consultation on the Waterfront Development Plan will seek feedback on the re-development of Frank Kitts Park.

#### ***Housing Portfolio Assessment Framework***

2. Delegate to the Community, Sport and Recreation Committee (or such other Committee that may have the form and function of the present Community, Sport and Recreation Committee) the power to make decisions under the City Housing Portfolio Assessment Framework provided that:
  - a. The divestment decision is less than \$2m; and
  - b. The reinvestment of proceeds (from divestment) is in social housing
  - c. The proposal is in accordance with the City Housing Portfolio Assessment Framework (2014), the Deed of Grant for Wellington City Council's Social Housing (2008) and the Council's Significance and Engagement Policy
  - d. And that any matter for decision not meeting the requirements in a-c above, the Committee will have the power of recommendation only and the final decision will be made by Council.
3. Note the inclusion of City Housing Portfolio Assessment Framework (agreed by the Community, Sport and Recreation Committee on 18 September 2014) as a component part of the Long-term Plan 2015-25.

**SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2015-25 LTP  
FINANCIAL AND FUNDING POLICIES**

**Recommendations**

That the Council:

1. Agree to adopt the draft Revenue and Financing Policy (as outlined in item 2.7, attachment 1 of the Governance, Finance and Planning Committee agenda dated 17 February 2015.)
2. Agree to adopt the draft Rates Remission Policy as amended at the Governance, Finance and Planning Committee on 17 February 2015, outlined in Attachment 6 as a supporting document to be consulted alongside the 2015-25 Long-term Plan consultation document.
3. Agree to adopt the draft Rates Postponement Policy (as outlined in item 2.7, attachment 4 of the Governance, Finance and Planning Committee agenda dated 17 February 2015.)
4. Agree to adopt the draft Investment and Liability Management policies (as outlined in item 2.7, attachment 5 of the Governance, Finance and Planning Committee agenda dated 17 February 2015.)
5. Agree to adopt the proposed fees and charges (as outlined in item 2.7, attachment 6 of the Governance, Finance and Planning Committee agenda dated 17 February 2015.)

*Note: Draft LTP **Part Five: Funding and Financial Policies** – these include our:*

- *Revenue and Financing Policy*
- *Rates Remission Policy*
- *Rates Postponement Policy*
- *Investment and Liability Management Policy*
- *Fees and Charges*

**SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2015-25 LTP  
FINANCIAL AND FUNDING STATEMENTS**

**Recommendations**

That the Council:

1. Recommend to Council that it is prudent to forecast a surplus in 2015/16, noting that the Council forecasts a balanced budget and that any surplus primarily results from the inclusion of revenue to fund capital projects.
2. Agree the Indicative Financial Statements and Statement of Significant Accounting Policies (Attachment 7) for consultation.
3. Agree the Funding Impact Statements (Attachment 8) for consultation.
4. Agree the Significant Forecasting Assumptions (included as attachment 3, item 2.8 of the Governance, Finance and Planning Committee agenda dated 17 February 2015.)

*Note: Draft LTP **Part Three: Significant Forecasting Assumptions** – all plans are subject to change. These forecasting assumptions set out our starting point – the key facts and projections that we know today and expect to be important over the ten years of the plan.*

*Note: Draft LTP **Part Six: Funding Impact Statement** – our prospective financial statements.*

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**LONG TERM PLAN 2015-2025: PRELIMINARY CONSULTATION DOCUMENT**

**Recommendations**

That the Council:

1. Agree to the Long-term Plan 2015-2025 Consultation Document as attached in Attachment 9.
2. Delegate to the Mayor and Chief Executive the authority to make editorial changes to the document to reflect decisions made at this meeting or requirements that might arise through audit review process.

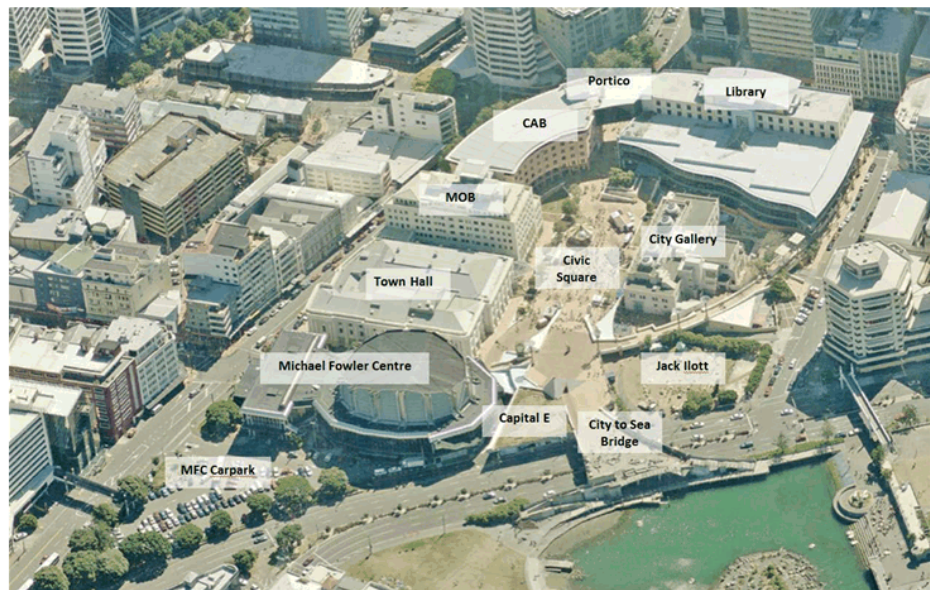
**Attachments**

Attachment 1.	Civic Precinct Proposal Consultation Document	Page 23
Attachment 2.	Draft Infrastructure Strategy Document	Page 35
Attachment 3.	Draft Financial Strategy Document	Page 96
Attachment 4.	Statements of Service Provision	Page 112
Attachment 5.	Projects and Programmes Budgets	Page 175
Attachment 6.	Funding and Financial Policies - Rates Remissions Policy	Page 187
Attachment 7.	Indicative Financial Statements	Page 201
Attachment 8.	Funding Impact Statement	Page 223
Attachment 9.	Long-term Plan 2015-2025 Consultation Document	Page 255

**Attachment 1 – Consultation document excerpt**

**Overview**

- 1 The Council is in the process of reviewing the use and development of the Civic Precinct. It believes that opportunities exist for the Civic Precinct to make a greater contribution to providing Wellington with a dynamic, vibrant and resilient central city.
- 2 The Council's objective is to address the resilience issues faced by the Civic Precinct and how the area can be best utilised to achieve an economically sustainable revitalisation of the overall site. It has approached this issue holistically, dealing with how the necessary strengthening can occur and how the Precinct can better contribute to Wellington's goals in the future.



- 3 To achieve this, the Council is putting forward a package of proposals regarding the Civic Precinct. It is doing this as a package because of the interconnectedness of the proposals and the benefits of considering the future of the area in a holistic manner. The proposals are to:
  - 3.1 Lease the Town Hall to a third party. Subject to securing this lease, the Council will also seismically strengthen the Town Hall;
  - 3.2 Dispose of the following sites to third parties by way of long-term ground leases that control the design and scale of any development on them:
    - 3.2.1 Jack Iltott Green and potentially Capital E;
    - 3.2.2 The Michael Fowler Centre carpark (**MFC carpark**); and
    - 3.2.3 The Municipal Office Building (**MOB**).
  - 3.3 Seismically strengthen the Civic Administration Building (**CAB**) and the Library Building;
  - 3.4 Re-survey the Civic Precinct so that, to the extent possible, its component parts are held on separate certificates of title;
  - 3.5 Provide buildings with individual plant for services (currently all buildings operate from one centralised plant in the basement) to improve the resilience of the key infrastructure for:



- 3.5.1 Michael Fowler Centre;
- 3.5.2 City Gallery;
- 3.5.3 MOB;
- 3.5.4 Library Building; and
- 3.5.5 CAB.

The office space of these buildings will be modernised, with any additional space required to accommodate Council staff being leased from a third party.

Modernisation of the library is to be researched and a concept design established. This will help inform the space requirements of the Library building as a whole. The further design and build of a modernised library is a matter for future decision and is not part of the current proposal.

- 4 The Civic Precinct is currently listed as a strategic asset, and sites within it may only be disposed of if the decision is provided for in the Council's long-term plan (**LTP**). The effect of a LTP is to provide a public statement of the Council's intentions. Subsequent specific decisions are still required to proceed with the matters covered by a LTP. Accordingly, in order for such subsequent decisions to be made over the next three years in relation to the Civic Precinct, they must be proposed by way of the LTP. The purpose of this consultation document is to seek input from the community about the proposals. Because of their special status, this document focuses on those sites that the Council is proposing to dispose of (either through actual disposal or leasing arrangements), i.e.:
  - 4.1 The Town Hall;
  - 4.2 The MOB;
  - 4.3 The MFC carpark;
  - 4.4 Jack Ilott Green and potentially Capital E.
- 5 Each is dealt with in turn below.
- 6 In addition, a table outlining the potential benefits and risks associated with the various options for these sites is annexed to this document. The criteria used by the Council to evaluate these options are:
  - 6.1 Economic development;
  - 6.2 Social benefits;
  - 6.3 Seismic strengthening;
  - 6.4 Council resilience;
  - 6.5 Improved efficiency of Council workplaces; and
  - 6.6 Likely costs.

#### **The Town Hall**

- 7 The Town Hall is listed as a category one building with the Historic Places Trust. It forms one of the main buildings surrounding Civic Square. Accordingly, while the Town Hall is seismically prone, the Council has previously decided to retain it and to focus on strengthening it so as to preserve its significant status.
- 8 Of the options for the Town Hall outlined in the annexure, the Council favours option 4. This would see the Council leasing the Town Hall to a third party. A successful lease would then provide a trigger for the Council to proceed with the seismic

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strengthening work. Strengthening design and cost options will be updated and evaluated in the design-build tender process. Council will approve the design strength and costs of the proposed solution before implementation. The tenant would be responsible for the fit out costs.

- 9 The Council has had preliminary discussions regarding a possible lease with the New Zealand Symphony Orchestra, who would use the Town Hall as a national "home", and Victoria University of Wellington. A lease to a third party such as the NZSO and/or VUW would ensure that the building is occupied and contributing to the life of the Civic Precinct and the city more generally. It would also cover the Town Hall's future operating costs.
- 10 Negotiations with the future tenant of the Town Hall will include provision for public access to the auditorium and Council chambers.
- 11 If the current lease discussions are unsuccessful then a further use and tenant would be sought for the Town Hall before committing to the strengthening project.

#### **The Municipal Office Building**

- 12 The MOB requires seismic strengthening to take it from being a potential earthquake risk to "good" under the National Building Standards. However, this work will be expensive. Additionally, the resulting building will provide the Council with more space than it requires. Currently, the Council operates within the Library Building, the CAB and the MOB. It would be more economically efficient to change this arrangement so that the Council operates within the Library Building and the CAB, and leases any additional space it requires from a third party. Accordingly, the Council proposes to dispose of the MOB through a long-term ground lease that controls the design and scale of any development. The developer would then be responsible for undertaking the seismic strengthening.
- 13 Of the options for the MOB outlined in the annexure, the Council favours option 4. This will find a sustainable use for the MOB and would bring new activity into the Civic Precinct without the Council assuming the role of commercial property developer.

#### **The Michael Fowler Centre carpark**

- 14 The Council believes that from an urban design perspective, the MFC carpark is a poor use of valuable inner-city space. Additionally, its use as a carpark is economically inefficient.
- 15 Of the options for the MFC carpark outlined in the annexure, the Council favours option 3. This option would dispose of the carpark by way of a long-term ground lease that controls the design and scale of any new development. Doing this would assist with the funding required for seismic strengthening work elsewhere in the precinct. It would also help to revitalise the area by intensifying its use and increasing the daytime population close to Civic Square.

#### **Jack Ilott Green**

- 16 Jack Ilott Green is somewhat disconnected from Civic Square and is at the same level as a busy main road – Jervois Quay. It was originally intended for this space to be developed as part of the ring of buildings surrounding Civic Square. At present the site is not heavily used. Additionally, there are a number of alternative open spaces nearby (e.g. Frank Kitts Park, Civic Square).
- 17 Of the options for Jack Ilott Green outlined in the annexure, the Council favours option 2. The Council believes that Jack Ilott Green should be disposed of by way of a long-term ground lease that controls the design and scale of any development. The

resulting development has the potential to revitalise the Civic Precinct and, in particular, to increase the use and enjoyment of Civic Square.

- 18 Capital E is adjacent to Jack Ilott Green, is seismically prone and is to be included in the design brief for the potential development of Jack Ilott Green.
- 19 The proceeds of any lease will assist in the seismic strengthening required elsewhere in the precinct.
- 20 Ground lease terms will be subject to specific negotiation, and are likely to lie within the range of 25 to 125 years.

**Proposals to transfer ownership or control of a strategic asset**

- 21 The accountability and monitoring arrangements for the proposals to dispose of the MFC carpark, MOB and Jack Ilott Green and potentially Capital E include the need for further specific Council decisions regarding each long term lease (including the Council's endorsement of the disposal process) and the Council's intention to control the design and scale of any development on the sites.
- 22 Request for Proposal documents prepared by Council will include a design brief for each site providing guidance to developers on appropriate building envelopes and levels of public interface. All recommended proposals will be approved by Council.
- 23 No conflicts of interest have been identified.

**Financial Summary**

- 24 The financials for the Civic Precinct proposal are indicative numbers based on current assumptions, and advice provided by sector experts. As work on the programme progresses, an increased certainty around assumptions will occur, which may result in changes to our financial expectations.
- 25 Overall the indicative capital programme for the Civic Precinct proposal is \$100m in the 2015 to 2025 Long Term Plan. The table below shows the make-up of this funding:

<b><u>Civic Precinct Capital Programme</u></b>	<b>15/16 to 24/25 (\$m)</b>	<b>Notes</b>
<b><u>Earthquake Strengthening</u></b>		
Town Hall	\$58.5	A
Central Library	\$10.5	
Civic Administration Building (CAB)	\$ 6.3	
<b>Earthquake Strengthening Total</b>	<b>\$75.2</b>	
<b><u>Resilience &amp; Efficiencies</u></b>		
Separation of Services	\$ 3.5	B
Workplace Efficiency	\$10.6	C
<b>Resilience &amp; Efficiencies Total</b>	<b>\$14.1</b>	
<b>Civic Square Public Space Improvements</b>	<b>\$10.7</b>	D
<b>Central Library Modernisation</b>	<b>\$ 0.0</b>	E
<b>Total Capex Requirement</b>	<b>\$100.0</b>	



Notes to the capital table:

- A. The capital amount shown is the current estimate of required spend in the 2015/16 to 2024/25 Long Term Plan period to achieve seismic strengthening to 77% of NBS. It excludes any costs either incurred or expected to be incurred up until the end of 30 June 2015.
- B. Across the Civic Precinct the essential building services such as electrical, telecommunications, emergency power generation, boilers, chillers and water services are integrated within the structures and shared across the buildings. Separating these services will provide a much greater level of resilience and provide for any change in use or occupancy of the buildings as a result of the Civic Precinct project. The overall cost estimate to provide bespoke services to each building is \$3.5m.
- C. To improve workplace efficiency our current plan assumes a reduction in floor space requirements, resulting in the MOB becoming surplus to requirements. The estimated cost of this workplace redesign and modernisation is \$10.6m.
- D. The Civic Square public space improvements have been included at a high level to occur alongside other development projects on the precinct.
- E. While no capital budget has been included in the Civic Precinct programme consideration for the alignment of the modernisation of the Central Library operations, this work along with the earthquake strengthening of the Central Library, must be considered. Therefore it is anticipated that planning works on library modernisation will be completed in 2015/16.

26 Overall the indicative borrowings impact of the Civic Precinct proposal is \$77.6m.  
The table below shows the make-up of this movement in borrowings:

<b><u>Civic Precinct Borrowings Impact</u></b>	<b>15/16 to 24/25</b>	
	<b>(\$m)</b>	<b>Notes</b>
<b>Total Capex Requirement</b>	<b>\$100.0</b>	
<b>Less:</b> Indicative Long Term Lease Sales	\$ 20.6	<b>A</b>
<b>Less:</b> External Capital Funding	\$ 1.8	<b>B</b>
<b>Total Borrowings Impact</b>	<b>\$ 77.6</b>	

Notes to the borrowings table:

- A. The value included for long term leases is based on initial market assessments for the Michael Fowler Centre carpark, the Jack Illot Green and the Municipal Office Building.
- B. External funding relates to secured and potential lotteries funding relating to works to be completed on the Town Hall.

- 27 The proceeds of the long term leases would be used to reduce debt, and as such it has been estimated that this reduces the interest cost to Council across the LTP by \$9.3m. Across 30 years the anticipated interest savings is \$36m.
- 28 Overall the indicative operating cost impact for the Civic Precinct proposal is \$49m in the 2015 to 2025 Long Term Plan. The table below shows the make-up of this funding:

<b>Opex / Rates Impact</b>	<b>15/16 to 24/25</b>	<b>Notes</b>
	<b>(\$m)</b>	
<b>Civic Precinct Project Opex</b>		
Separation of Titles	\$0.1	
Relocation Costs	\$0.5	
Rental Costs	\$3.7	A
<b>Total Civic Precinct Project Opex</b>	<b>\$4.3</b>	
<b><u>Plus: Ongoing Opex Implications</u></b>		
<b>Revenue Impact (overall revenue increase)</b>	<b>-\$0.4</b>	B
<b>Depreciation &amp; Interest</b>	<b>\$47.0</b>	
<b>Rates Transfer (overall reduction in Council cost)</b>	<b>-\$1.8</b>	C
<b>Total Opex Impact</b>	<b>\$49.0</b>	
<b>Less: Growth in Rates Base</b>	<b>-\$12.6</b>	D
<b>Total Additional Impact on Existing Rate Payer Base</b>	<b>\$36.4</b>	

Notes to the operating table:

- A. During the completion of the earthquake strengthening and workplace redesign works, temporary office space will be required. It is estimated that across a two year work programme \$3.7m of rental costs will be required.
- B. Although the lease of part of MFC carpark will result in the loss of parking revenue, the anticipated revenue from the lease of the Town Hall more than offsets the reduction. The timing difference of the two revenue stream changes is anticipated to result in an additional \$0.4m of revenue during the 2015/16 to 2024/25 LTP period.
- C. Council currently pays the rates costs for both the Town Hall and MOB. The change of occupier would result in a reduction in Council's costs by \$1.8m during the LTP period.
- D. While the overall operating cost impact of the Civic Precinct programme results in \$49.0m of rates costs, the potential new developments on the MFC car park and Jack Illot Green have been estimated to grow the rating base, reducing the rating impact on existing rate payers by \$12.6m across the period of the LTP.

Consultation document annexure - Options considered for the Town Hall

Options considered	Economic development	Social benefits	Seismic strength	Council resilience	Improved efficiency of Council workplaces	Likely cost	Other considerations
<b>Option 1</b> – Demolition of the Town Hall with complete removal	Temporary loss of the ability to generate revenue from the building and the site.	Demolishing a heritage building that is central to Wellington's history is likely to create a significant negative public perception.  Wellington would lose a world class auditorium.	Eliminates seismic risk.			Low. Estimated at \$11m.	The Town Hall's heritage status means it is highly unlikely that the required consents would be obtainable.
<b>Option 2</b> – Maintaining the façade only and replacing all internal features	The design costs and economic consequences have not been fully developed as this is an unlikely option for the Council to take.	Risk that the public will see maintaining the façade as merely a token step. Loss of the heritage and acoustic values of other parts of the building such as the organ and the auditorium.	It is likely that strengthening would still be required for the façade.			Would depend on whether this work would be done by the Council or a developer. Likely to be expensive for the Council, and unclear whether a developer would be interested.	
<b>Option 3</b> – Seismic strengthening to the minimum acceptable NBS for the building to be used			Seismic codes are likely to change over time. If this is the case, further strengthening may be required.	Presents greater risks than the alternatives listed below.		Risk of further cost and disruption if additional strengthening is required in the future.	
<b>Option 4</b> – Seismic strengthening to 77% NBS and leasing the Town Hall to a third party	Leasing the Town Hall will generate revenue and assist with its operating costs.	Retains the heritage value of the building. It also protects the auditorium, which has an acoustic rating that places it amongst the top ten internationally.  More generally, a tenant such as the NZSO, and the ability of the Town Hall to act as a concert venue, supports the creative arts and the culture of Wellington.	Ensures the building can be used and decreases the risk presented by a natural disaster.			Projected cost of \$60m.	<b>Risk:</b> negotiations with NZSO and VUW fail  <b>Impact:</b> further delay of the start of strengthening while new use and tenant sought. Increases risk of over-running the deadline of 2019 for strengthening.

Item 4.1 Attachment 1

<b>Option 5</b> – Seismic strengthening to 77% NBS and retaining Council possession	Inability to generate revenue. Likely to be underutilised given the availability of the proposed convention centre as a new venue for events.				Likely to leave the Council with more space than it requires.		
<b>Option 6</b> – Seismic strengthening to 100% NBS (and then either retained or leased)		May be perceived as being the "right" thing to do.	May set a positive precedent for other seismic projects in the city.	Provides greater security for the Council.		Estimated cost of \$63.5m.	

Consultation document annexure - Options considered for the Municipal Office Building

Options considered	Economic development	Social benefits	Seismic strength	Council resilience	Improved efficiency of Council workplaces	Likely cost	Other considerations
<b>Option 1</b> – Leave the building 'as is' and postpone any decision regarding seismic re-strengthening	Inhibits the ability of the Council to generate any revenue from the site.  It would also risk inhibiting economic development and growth for the city more generally.	Prevents the site from contributing to the revitalisation of the Civic Precinct.	Presents a risk in the event of a natural disaster. It also fails to show leadership on seismic issues.		Retains flexibility for the site, including the ability to utilise it in the event of local authority amalgamation.	No cost.	
<b>Option 2</b> – Strengthen the building and then occupy or lease the excess space	Leasing excess space may provide some economic benefits, but this is likely to be significantly less than the strengthening costs. Ultimately this would be a large investment in what is currently a relatively low value building. It would be less expensive for the Council to lease any additional space needed from elsewhere.	Risk of under-utilisation of Civic Square.	Shows leadership on addressing seismic issues. Decreases the risk presented by a natural disaster.	Would ensure the building could be used in the event of a natural disaster.	Retains some flexibility for the site, including in the event of local authority amalgamation.	Strengthening is likely to cost \$12m.	
<b>Option 3</b> – Develop the building as a commercial site	The Council would need to fund the development and assume the risk of being a property developer, which is a role it is not suited to.	May encourage development elsewhere in the precinct, however this could also be achieved through a commercial development.	Shows leadership on addressing seismic issues. Decreases the risk presented by a natural disaster.		The Council retains complete control over how the site is developed, including flexibility to include office space for Council staff.	Strengthening is likely to cost \$12m.	
<b>Option 4</b> – Dispose of the site through a long-term ground lease	Enables the Council to realise money that can be used to fund seismic strengthening work within the Civic Precinct. The MOB has a book value of \$5.44m.	Likely to revitalise the site, which in turn will have an effect on the precinct.	Decreases the risk presented by a natural disaster. Removes the Council's earthquake strengthening liability.		Ensures that the building remains available to the Council during the construction phases for the CAB and the Library Building.	The costs of any development, including seismic strengthening, would be met by a private developer.	The Council would maintain control over the design and scale of any development.



Consultation document annexure - Options considered for the Michael Fowler Centre carpark

Options considered	Economic development	Social benefits	Seismic strength	Council resilience	Improved efficiency of Council workplaces	Likely cost	Other considerations
<b>Option 1</b> – Retain the site as a carpark	Presents a risk that future use of the site will not materialise.	No loss of public parking spaces. However, the site will not contribute to the revitalisation of the Civic Precinct or the life of Civic Square.			Provides flexibility for creating office space for Council staff, but it is unlikely this will ever be economically desirable.	No cost.	
<b>Option 2</b> – Develop as a commercial site	The Council would need to fund the development and assume the risk of being a property developer, which is a role it is not suited to.	May encourage development elsewhere in the precinct, however this could also be achieved through a commercial development.			The Council retains complete control over how the site is developed, including flexibility to include office space for Council staff.	Likely to involve significant costs.	
<b>Option 3</b> – Dispose of the site through a long-term ground lease	Enables the Council to realise money that can be used to fund seismic strengthening work within the Civic Precinct. The potential sale value is estimated to be \$6.5m to \$8.5m	Likely to revitalise the site, which in turn will have an effect on the precinct.				The costs of any development, including seismic strengthening, would be met by a private developer.	The Council would maintain control over the design and scale of any development.

Consultation document annexure - Options considered for Jack Ilott Green

Options considered	Economic development	Social benefits	Seismic strength	Council resilience	Improved efficiency of Council workplaces	Likely cost	Other considerations
<b>Option 1</b> – Keep the site as an open space or develop it further as an open space	Inhibits the ability of the Council to generate any revenue from the site.	While this has always had a level of support, there is already a reasonably significant amount of open space nearby (Frank Kitts Park, Civic Square, the Lagoon and surrounding areas, Waitangi Park).  Additionally, the quality of this area as a public space is questionable given its proximity to Jervois Quay. This is reflected by the fact that it is not currently used to a great extent.			Retains flexibility for the site, including the ability to utilise it in the event of local authority amalgamation.	No cost.	
<b>Option 2</b> – Sell or lease the site for the private development of a building to generate activity	The site is viewed as hugely attractive, as evidenced by the number of proposals that have been put up for it.	The introduction of a new building into the precinct is likely to stimulate greater use of Civic Square and the area more generally.			Revenue generated from any lease would be put towards the seismic strengthening projects in the precinct.	Any costs of a new development would be met by a private developer.	A design guide for the site will provide a good level of assurance that whatever is placed on the site will conform to the design values of the precinct more generally.
<b>Option 3</b> – Develop the site with the Council as a key stakeholder, as in the School of Music proposal	Decreased ability to generate revenue from the site.  The delay associated with this may mean there is the potential for nothing to happen with the site.	Ensures greater use of Civic Square and the area more generally. It may also support Wellington's development as a cultural centre.				Far greater costs for the Council as it would have to contribute to the development of the site.	





*Infrastructure Strategy*

# Our ten year plan

WELLINGTON CITY COUNCIL'S  
DRAFT LONG TERM PLAN 2015-25.

### *Infrastructure Strategy*

*This document is part two of our draft ten year plan. It provides an overview of how we plan to manage our assets over the next 30 years.*

Other components of our draft ten year plan include:

*Part One: **Financial Strategy** – it sets out the rates and borrowing limits of the council and the approach we take to ensure our programme is prudent and affordable.*

*Part Three: **Significant Forecasting Assumptions** – all plans are subject to change. These forecasting assumptions set out our starting point – the key facts and projections that we know today and expect to be important over the ten years of the plan.*

*Part Four: **Statements of Service Provision** – this document sets out our activities, associated performance measures, and the budgets for our capital and operating projects and programmes.*

*Part Five: **Funding and Financial Policies** – these include our:*

- Revenue and Financing Policy*
- Rates Remissions Policy*
- Rates Postponement Policy*
- Investment and Liability Management Policy*
- Fees and Charges.*

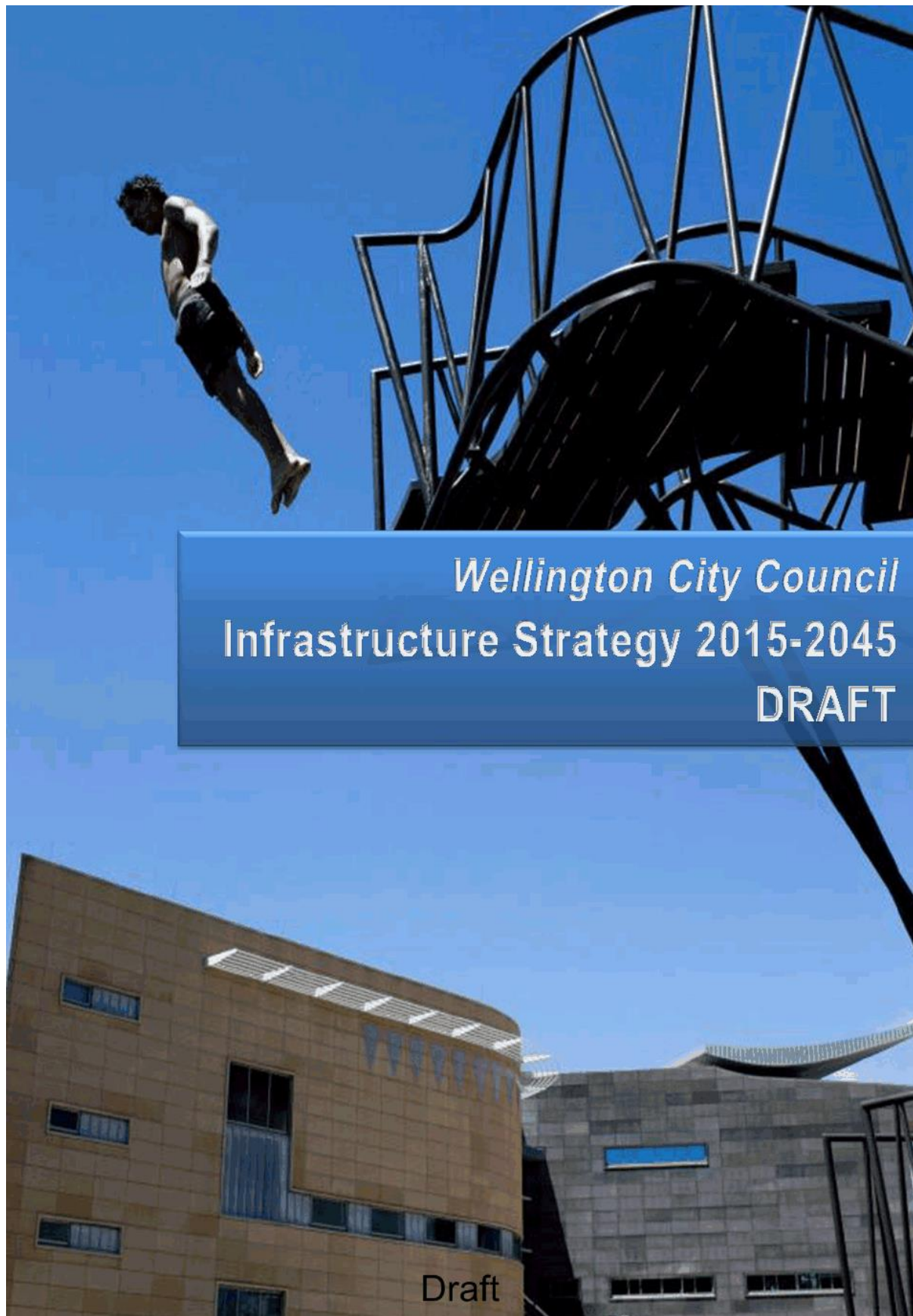
*Part Six: **Funding Impact Statement** – our prospective financial statements.*

Related documents:

***Consultation Document** – this sets out the key matter for consultation.*

***Civic Precinct (Statement of Proposal)** – we are proposing to revitalise Civic Square including the leasing of some sites to, in part, off-set the costs of strengthening the Town Hall and other buildings.*

***Significance and Engagement Policy** – we adopted this last year. It guides our approach to consultation.*



*Wellington City Council*  
**Infrastructure Strategy 2015-2045**  
**DRAFT**

Draft

## Document Map: Infrastructure Strategy

<b>Part 1: Strategy Overview</b>	
Introduction	
Major Issues Influencing Our Strategy	
Overall Approach	
Our Assumptions	
<b>Part 2: Our Infrastructure Networks</b>	
Network Infrastructure:	Transport
	Stormwater
	Water Supply
	Wastewater
Social Infrastructure:	Libraries & Community Services
	Parks & Open Spaces
	Recreation Services
	Community Health Services
	City Housing
	Corporate Property
Strategy Development & Review	

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## Part 1: Strategy Overview

### Strategy Introduction

This strategy explains how we will deliver infrastructure services to meet the needs of current and future generations.

It aims to achieve a balanced investment programme, which keeps existing infrastructure in good condition as well as allowing for investment in new infrastructure to meet expected growth. The strategy covers a period of thirty years and includes an overview of major matters and trends that will have an impact on our infrastructure over this period, how we propose to respond to these, and the risks and costs associated with our investment in infrastructure over that time. All with the primary imperative of providing public value.

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## Strategy Context

This Infrastructure Strategy has been developed in the following context;

Wellington has experienced modest growth over recent years (typically 1% p.a.). The Long Term Plan aims to invest in economic growth projects that will accelerate this growth. The Urban Growth Plan 2014-2043 envisages population growth from the current 200,000 to one of 250,000 within the 30 year period, with the majority of this growth along a defined growth spine. Whereas there will be some changes in the demographics of the City, ageing of the population it will be considerably less than in other parts of the country.

With this in mind, and as our City relies heavily on infrastructure and the services delivered through these assets, the focus of this strategy will be to maximise the benefits and value of investments already made in the past and into the future.

Collectively the City has \$6.5 billion invested in physical assets – everything from water, roads and footpaths (network assets) through to libraries and community halls (social assets) and we spend circa \$94m per year to maintain and renew these assets. Over the first third of this 30 year infrastructure strategy (30IS), we will be investing in additional infrastructure to meet modest demand from growth and fill gaps in our service offering, particularly where these investments support the Council's economic development goals.

This strategy provides a clear 'line of sight' from our vision for the City through to the 2015 Long-Term Plan and the two foundation strategies, infrastructure and financial, that drives that plan.

The strategy will have the following imperatives;

- Continued development of evidenced-based decision-making tools for any infrastructure investment proposal
- A continued programme to improve asset knowledge of condition, utilisation and performance
- A focus on renewals to maintain existing levels of service, within an agreed risk environment – including a focus on increasing the resilience in all networks
- Integration of planning tools to direct new growth where possible to areas with existing surplus capacity
- Incentives to support increasing the use existing community facilities
- Integration of upgrade works with renewals to reduce cost and disruption.

Figure 1



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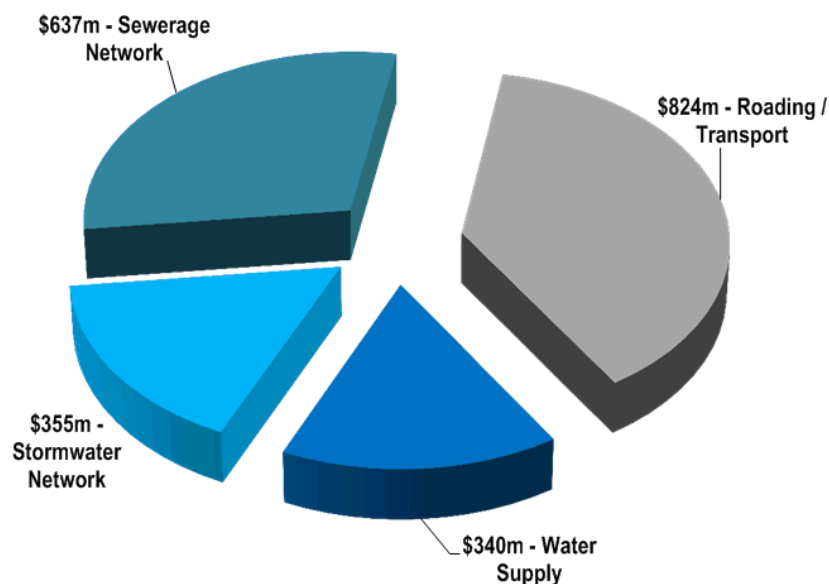
## Strategy Scope

This strategy recognises two groups of assets, network infrastructure and social infrastructure. This strategy focuses on these infrastructure assets. Council also owns additional assets and delivers services that are not reliant on assets; these are not covered in this strategy

Figure 2



### Network Infrastructure Net Book Value as at 30 June 2014



NB: Detailed information of the make-up of individual asset groups are available in relevant Service Plans covering the above Network and Social Infrastructure services above (see the brief appendix at the end of this document for direction to these documents).

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## Major Issues Influencing Our Strategy

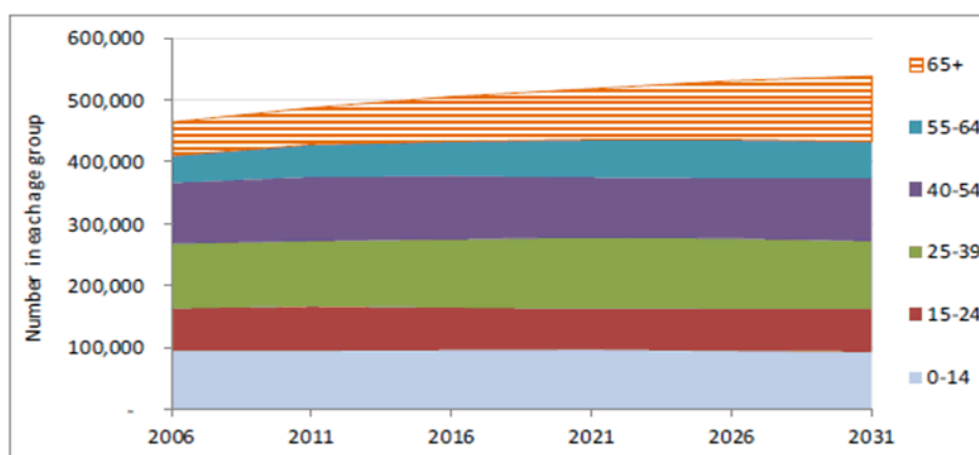
### Population Growth & Demographics

We expect that the city will experience modest population growth over the next 30 years, similar to current and historic trends for the City (see figure 3 below). Beyond this period, population in New Zealand is expected to stabilise, Wellington (both the region and the City) is not expected to be materially different. Planning implications are being considered as part of the longer-term view of our long-life assets as part of any deliberations for investment.

The Council is considering investing in the city to unlock more economic growth. While we do not expect that growth in itself will place unpredictable demand on infrastructure services in the future, any significant population growth in response to a more buoyant local economy will increase demand on services and infrastructure. We will regularly update service levels through annual plans in response to population growth beyond those currently forecast.

Changing demographic profile of the city over time;

Figure 3



Source: Statistics New Zealand, Subnational Population Projections by Age and Sex, 2006(base)-2031 Update

### Resilience & Sustainability

The Council has a responsibility to manage its assets and services in a way that provides resilience and protection for the city. Wellington is particularly exposed to the risk of natural disasters. The main concern is earthquakes; but, we are also at risk of severe weather events (e.g. big storms), as well as the longer-term effects of climate change (for example, sea-level rises).

A number of programmes looking at quantifying and measuring the impact of climate change on our infrastructure are underway, the additional data and information from these studies will inform future iterations of the infrastructure strategy.

These initiatives support an ongoing programme of capital renewals which provide for improved resilience in our networks with a careful selection of material types and engineering design techniques. Critical assets have been treated with priority. This programme has been underway for more than a decade and will continue through the 2015 LTP, the 2015/45 30IS and beyond.

### Community Demand & Affordability

Community expectations of council services are continually increasing, while tolerance for cost increases, disruptions and service failure is decreasing.

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Council will have an ongoing dialogue with the community through the annual and long-term plans about the levels of service it provides. This is to ensure it meets expectations, and any changes to service levels will take into account factors such as cost, the distribution of benefits and who pays.

Alongside current growth and demand considerations, asset capacity and utilisation (discussed below) are being carefully analysed against future demand. One of the key programmes of work is to understand where prior investments in infrastructure are underutilised in the current environment. District Plan planning rules and other key constructs (e.g. urban design) are being considered carefully as part of this analysis. Affordability, current and future, is another.

### **Regulatory Requirements**

Changing statutory requirements and national standards set by central government (e.g. health and safety) can impact on how and to what level, we deliver services. We will work with government on changes to national standards that impact our infrastructure services and implement them in accordance with legislative requirements.

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## Overall Approach

We will take a principled approach to how we manage our infrastructure portfolio. The following principles will guide our decision-making. In the last three years, and as a result of a number of decisions Council resolved in the 2012 LTP, the Council has developed and implemented a vigorous data collection programme across all its infrastructure assets. This has culminated in a specialised strategic asset management framework which uses analytics and evidenced-based decision-making tools to inform short, medium and long term infrastructure investment decisions on behalf of the community. New disciplines (e.g. statisticians, mathematicians and actuaries) have been integrated into the more traditional engineering and financial disciplines to build robust forecasting models to inform the 2015 LTP and the 2015/45 30IS in the 'big data' environments this entails. One of the key considerations has been a refocus on the 'whole of life' costs and benefits of an asset and the services these provide.

Critical to these considerations has been the reconciliation of the depreciation expense (funding) against the forecast renewals (expense) across the whole of life of the Councils assets (although a 30 year timeframe is published in this strategy, the analytics are out to a horizon of 100 years). The financial principles which support this approach are clearly described in the Financial Strategy. There are a number of key general considerations which when combined with this approach have supported this new approach and informed this strategy;

### Fit for Purpose

We will provide quality infrastructure that can deliver services in a manner that meets community expectations now and into the future; we will maintain and renew infrastructure and facilities in accordance with best practice.

### Asset Utilisation

We will improve our understanding of the capacity and utilisation of our assets. Where asset networks are under-utilised, we will develop strategies to increase utilisation to ensure maximum benefit is derived from our investment.

### Strategic Long-term View

We will continually scrutinise our asset performance with an eye on service outcomes and investment value, with a distinct focus on whole-of-life costs and long-term affordability. We will consider the long-term implications of investment in infrastructure and make sure the level of contribution from each generation is set at a fair and reasonable level.

### Improved Knowledge and Data

We will continually increase the level of understanding of our assets to ensure maintenance and renewal programmes are optimally set. Quality information and data will enable us to accurately link the relationships between costs, benefits and risks.

### Coordinated

We will ensure infrastructure decisions are coordinated across Council, its subsidiaries, other agencies and local councils in the region.

### Resilient

We will work to ensure our infrastructure can deal with significant disruption as a result of natural hazards. We have a good understanding of the seismic risk to Council assets from earthquakes. We will continue to utilise technological advances to increase the resilience of assets we renew, and ensure the risk of financial loss resulting from earthquake events is prudently managed and reduced over time. We will increase our understanding of the impact of climate change on our infrastructure networks to improve management of our assets and guide future infrastructure investment.

### Managed Risk

We will comply with all legislation and national standards that apply to infrastructure and service provision.

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## Our Assumptions

Underlying this strategy is a number of key assumptions. These assumptions have a specific and important influence on the picture this strategy builds for Wellington City and how Council addresses any challenges and opportunities it highlights. These assumptions similarly inform the Financial Strategy. This strategy is based on the following assumptions;

### Investment

Investment in civic infrastructure will be set at a level that retains existing levels of service and can meet demand from growth. The funding models which support the longer-term view of our infrastructure replacement and upgrade profiles demonstrate this is affordable over the next 30 years and beyond.

### Population Growth

The population increase through to 2043 is expected to be 246,693 (a movement of 46,273). Should economic growth be achieved above historic norms, population growth is likely to exceed this expected level. Population, if it follows current long-term projections for New Zealand generally, will likely remain static for the next 30-50 years.

### Community Demand

Community demand for improved social infrastructure services will generally only be made where there is a 'gap' in our service offering, or where increasing service levels would retain our competitive advantage in that service; in comparison to other cities.

### National Standards

Although the statutory environment for local government will evolve, the broad requirements for infrastructure will remain static.

### Economic

The city's economic performance (in terms of performance as measured by GDP) will move from just below the national average, to consistently above the average over the period of this strategy.

### Forecasting Assumptions

Over the past three years there has been a substantial data collection programme across all core infrastructure assets (Transport, Water, Wastewater, Stormwater). This information has been used to determine asset value, asset life and the forecast renewal programmes which are captured in the expenditure graphs, illustrated on the following pages. Our forecasting assumptions are based on deterministic modelling on available information on asset quantity, condition, life, value to inform our depreciation and renewal programme.

Earlier years of the LTP this information tells us that our short-term asset renewal requirements are generally lower than we have budgeted for our renewals in the past.

We have maintained a prudent approach in continuing to fully fund depreciation where it is anticipated that Council will be responsible for renewing the asset in the future. We have also mitigated the risk that if there is a need for renewal expenditure above that determined by our model e.g. to respond to urgent / emergency situations.

We have achieved this by additional capital funding capacity in years 2 -10 of our LTP. This amount is equal to the difference between our renewal expenditure and depreciation over the first 3 years of our LTP.

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## Part 2: Our Infrastructure Services

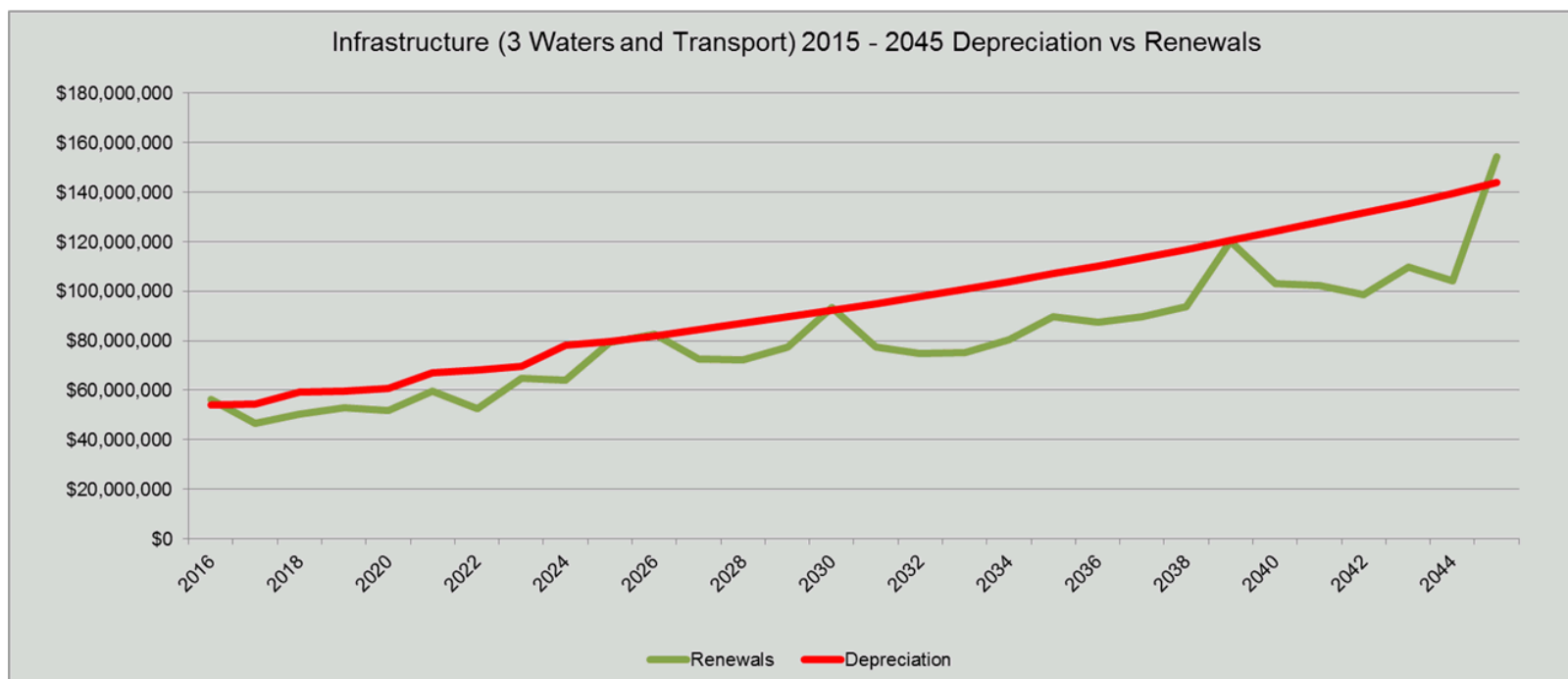
### Network Infrastructure (3 Waters and Transport)

#### Infrastructure (3 Waters and Transport) 2015 – 2045 Financials

Description	2016	2017	2018	2019 - 2025	LTP TOTAL	2026-30	2031-35	2036-40	2041-45	30 Year Financials
Operating expenditure	87,875,918	92,787,379	96,711,719	851,179,248	1,128,554,264	757,459,441	878,103,092	1,017,962,149	1,180,097,128	4,962,176,074
Stewardship [depreciation]	54,231,950	54,592,112	59,087,992	482,555,043	650,467,096	435,481,675	504,842,615	585,250,955	678,466,260	2,854,508,601
Income	(6,689,118)	(7,451,623)	(7,819,127)	(57,264,416)	(79,224,285)	(49,454,826)	(57,331,698)	(66,463,151)	(77,049,008)	(329,522,968)
<b>Total Operating Projects</b>	<b>135,418,749</b>	<b>139,927,868</b>	<b>147,980,584</b>	<b>1,276,469,875</b>	<b>1,699,797,076</b>	<b>1,143,486,289</b>	<b>1,325,614,009</b>	<b>1,536,749,953</b>	<b>1,781,514,380</b>	<b>7,487,161,707</b>
Capital Project Renewals	56,375,245	46,456,462	50,166,001	424,688,831	577,686,539	398,385,498	397,640,525	494,344,420	569,155,911	2,437,212,893
Capital Project Upgrades	17,175,516	18,926,526	20,512,920	286,039,822	342,654,784	-	-	-	-	342,654,784
Capital Projects Growth	2,521,880	926,060	6,383,039	38,819,428	48,650,407	26,604,037	30,841,370	35,753,601	41,448,222	183,297,637
<b>Total Capital Projects</b>	<b>76,072,640</b>	<b>66,309,049</b>	<b>77,061,961</b>	<b>749,548,081</b>	<b>968,991,731</b>	<b>424,989,534</b>	<b>428,481,895</b>	<b>530,098,021</b>	<b>610,604,133</b>	<b>2,963,165,314</b>
	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>211,491,390</b>	<b>206,236,916</b>	<b>225,042,545</b>	<b>2,026,017,956</b>	<b>2,668,788,806</b>	<b>1,568,475,823</b>	<b>1,754,095,904</b>	<b>2,066,847,974</b>	<b>2,392,118,513</b>	<b>10,450,327,021</b>

The above table shows the projected operational and capital expenditure for 30 years for the 3 Waters and Transport activity. This is followed by the projected expenditure in each subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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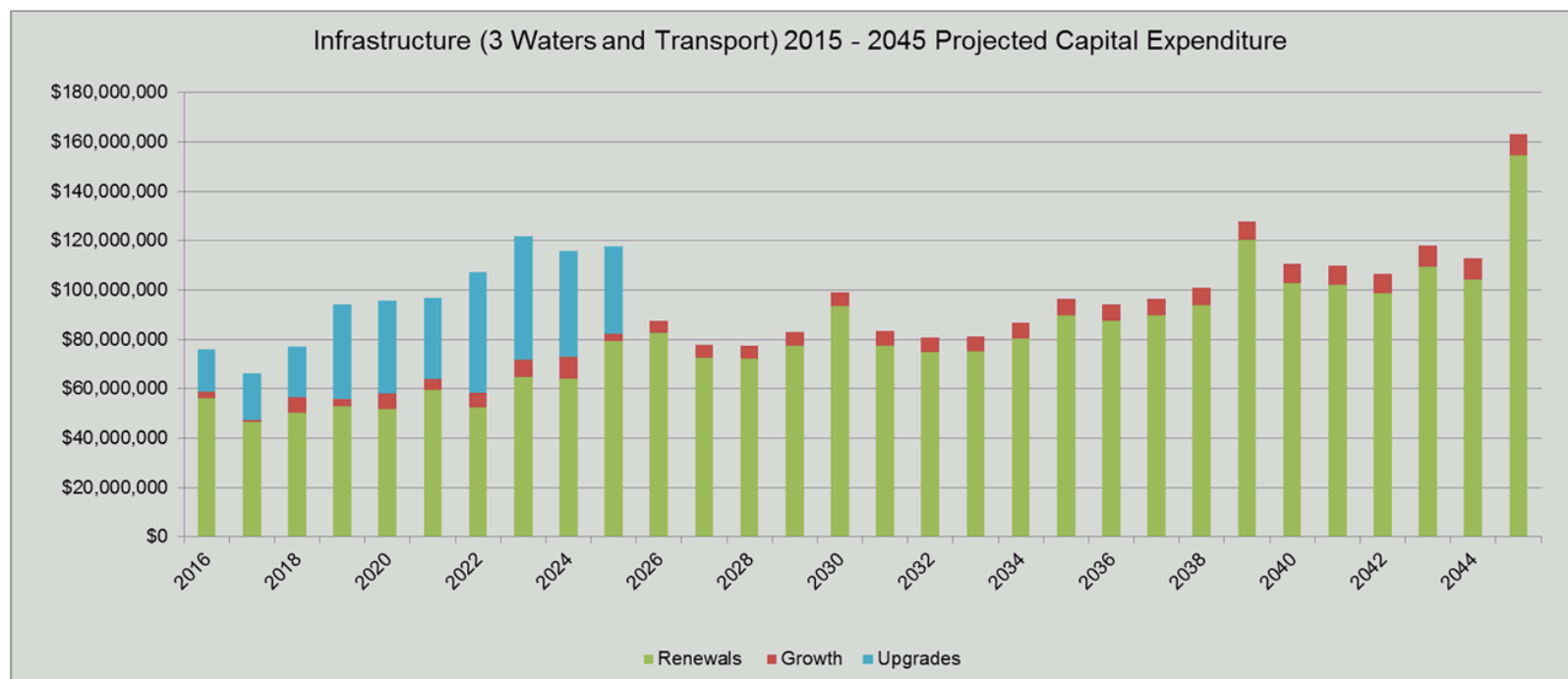
The above graph shows the projected capital renewal expenditure and depreciation funding for 30 years of the 3 Waters and Transport activity. The movement in renewals reflects the age and condition of the asset and its replacement cycle.

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**Item 4.1 Attachment 2**



The above shows the projected capital renewal, growth and upgrade expenditure for the next 30 years. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## TRANSPORT

### Summary

Our transport service is focused on delivering safe, effective and efficient movement of people and goods. This includes carriageways for private travel, public transport and cycling and walking. As with all our core infrastructure services, we have a large inventory of physical assets and therefore a large funding requirement for operation, renewal and development. The City has a sophisticated and complex transport network with a corresponding maturity in its operational and capital management programmes for delivering this network and service.

### Transport Infrastructure Profile and Level of Service

Our transport infrastructure is in good condition, our levels of service are currently meeting the needs of the City and these service levels are sustainable and affordable. Asset condition is assessed annually and whole of life investment decisions are made with regard to the information provided from these surveys. Our current operations and renewal programmes are adequate to sustain this level of service over the short and medium-term (a 10-30 year horizon). Details of Levels of Service can be found within the Transport Service Plan (refer appendix for details). The current levels of service are not expected to materially change. There will however be a focus from time to time on the types of initiatives outlined in that plan to meet shifting priorities and demands in the future as circumstances dictate.

### Growth & Demand

Growth and demand in the transport service is very closely aligned with population and economic growth, which are expected to moderately increase in the future. Demand is affected by behavioural changes (such parents using cars to deliver their children to schools or people choosing to use public transport verses drive a car, walk or cycle). Consequently, there are a number of capacity and utilisation projects underway to improve our understanding of the behaviour and use of the transportation network by its commuters. This includes projects that provide both real-time traffic data and by transport data by 'mode'. This is a key capability, it also forms the substantive backbone for the 'sensing city' initiative that has been adopted by Council. Growth in capital expenditure requirements are primarily in the areas of resilience, network infrastructure improvements identified in existing local and regional transport plans, and network improvements needed to unlock economic growth. This growth is catered for in the current capital development programmes of the service.

### Major Issues & Risks

Issue / Risk	Options to address risk
Increasing congestion around the city, especially at peak times along major routes	Close integration of the council's network with planned investment by NZTA, particularly the Ngauranga to Airport corridor Encourage change in mode choice
Increased public expectations for multi-model transport options	No new investment in PT and active modes One off investment in PT and active modes Continuous investment in PT and active modes
Competing demands for road space by different modes on very constrained road corridors	Prioritisation of some routes for specific transport modes Acquisition of wider road corridor on key routes
Sea level rise impact on coastal roads	Improve understanding of risk and timing
Network resilience to earthquake risk	Continuous network resilience improvements, prioritised on strategic routes

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### **Most Likely Scenario for Service**

Increased service levels are proposed in the continuous investment of improved provision of multi-modal infrastructure, with the inclusion of \$74m of capital investment over the next 10 years. The level of service in roading and streetscapes will be gradually increased with the expenditure of \$112m in urban development over the next 10 years. The operations and renewals programmes in place will adequately deliver this level of service sustainably over the medium and long-term.

### **Significant Future Decisions**

Significant future decisions are subject to the Council's 'Policy on Significance'. This is reviewed every three years with the LTP. Over the period of this strategy the council will consider the following as part of this review;

- The development and maintenance of an increasingly resilient network
- Maintaining sufficient flexibility in the network to be able to respond to changing transport mode choices
- Integrating the Council's network with NZTA investments, particularly the Ngaranga to Airport, Transmission Gully and Petone to Grenada projects

### **Financial Commentary**

The forecasts we have tell us that spending on the network over the next 100 years is relatively predictable and stable, and that forecasted actual costs are less than what is forecast in the current LTP. Most of the capital spending will be on roads, with a relatively high proportion of that spending going towards upgrades.

### **Infrastructure & Financial Profiles**

With the level of detail the Council now has at its disposal to interrogate the performance of its infrastructure assets, we can now have a high degree of confidence around that performance. The charts below clearly demonstrate the expected future financial commitments expected in each asset group.

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**Scenario / Service Cost**  
**Transport 2015 - 2045 Financial Plan**

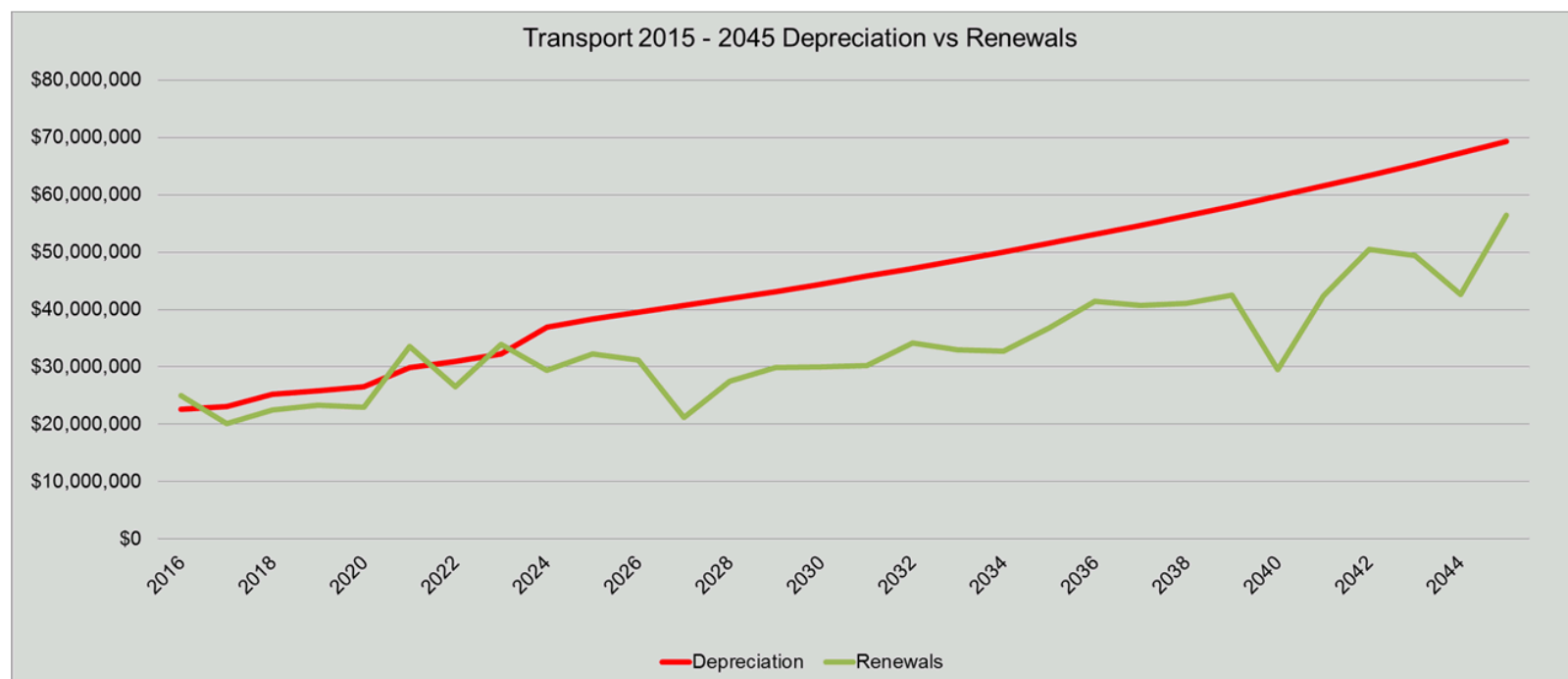
Description	2016	2017	2018	2019 - 2025	LTP TOTAL	2026-30	2031-35	2036-40	2041-45	30 Year Financials
Operating expenditure	23,920,637	24,945,815	25,894,824	220,147,688	294,908,963	192,095,565	222,691,409	258,160,377	299,278,632	1,267,134,945
Stewardship [depreciation]	22,667,480	23,031,009	25,231,318	220,764,317	291,694,124	209,656,194	243,048,990	281,760,393	326,637,519	1,352,797,220
Income	(6,030,018)	(6,780,000)	(7,134,322)	(52,024,569)	(71,968,908)	(45,064,873)	(52,242,539)	(60,563,421)	(70,209,604)	(300,049,346)
<b>Total Operating Projects</b>	<b>40,558,099</b>	<b>41,196,824</b>	<b>43,991,819</b>	<b>388,887,436</b>	<b>514,634,178</b>	<b>356,686,886</b>	<b>413,497,860</b>	<b>479,357,348</b>	<b>555,706,546</b>	<b>2,319,882,819</b>
Capital Project Renewals	24,936,946	20,056,882	22,469,323	202,025,272	269,488,424	139,813,817	166,852,197	195,177,025	241,221,632	1,012,553,094
Capital Project Upgrades	13,172,775	13,373,524	12,632,139	199,036,796	238,215,234					238,215,234
Capital Projects Growth	1,579,516	-	5,260,176	30,037,633	36,877,326	20,166,033	23,377,960	27,101,462	31,418,023	138,940,804
<b>Total Capital Projects</b>	<b>39,689,238</b>	<b>33,430,406</b>	<b>40,361,638</b>	<b>431,099,701</b>	<b>544,580,983</b>	<b>159,979,850</b>	<b>190,230,156</b>	<b>222,278,487</b>	<b>272,639,654</b>	<b>1,389,709,131</b>
				-	-					
<b>Grand Total</b>	<b>80,247,337</b>	<b>74,627,230</b>	<b>84,353,457</b>	<b>819,987,137</b>	<b>1,059,215,162</b>	<b>516,666,737</b>	<b>603,728,016</b>	<b>701,635,836</b>	<b>828,346,201</b>	<b>3,709,591,950</b>

The above table shows the projected operational and capital expenditure for the 30 years of the Transport activity. This is followed by the projected expenditure in subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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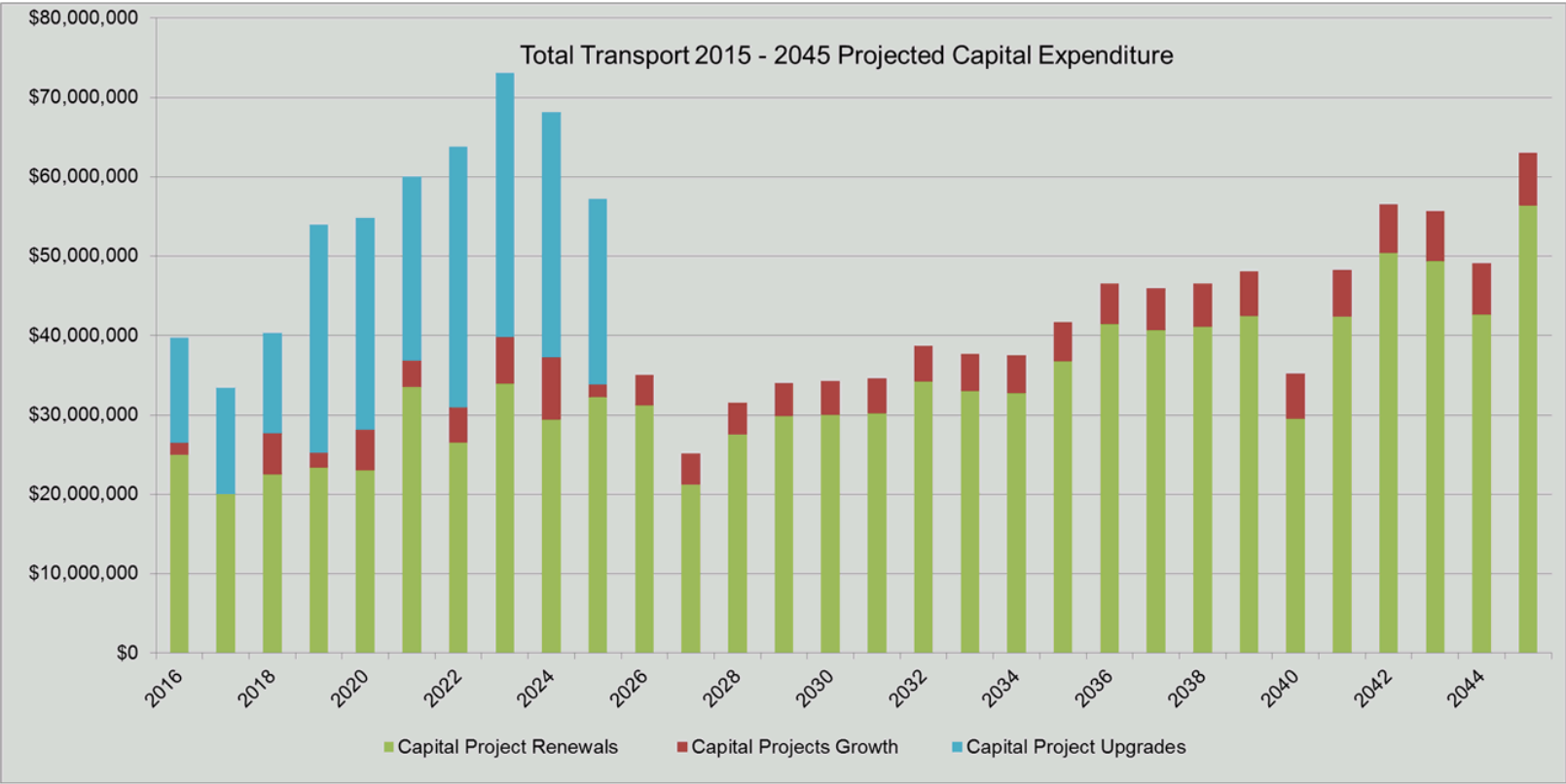
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**Item 4.1 Attachment 2**



The above graph shows the projected capital renewal expenditure and depreciation funding for 30 years of the Transport activity. The movement in renewals reflect the age and condition of the asset and its replacement cycle.

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The above shows the projected capital renewal, growth and upgrade expenditure for 30 years for the Transport activity. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## STORMWATER

### Summary

Our stormwater service provides protection from flooding and weather events, while minimising the adverse effects of stormwater discharges on the harbours, streams and other water bodies of the City. As with all our core infrastructure services, we have a large inventory of physical assets and therefore a large funding requirement for operation, renewal and development.

### Stormwater Infrastructure Profile and Level of Service

While our stormwater infrastructure is in generally good condition we know that there are parts of the network where we are not meeting the current implied policy of providing flood protection to a 1 in 50 year severity event. Meeting this level of flood protection is not practical or financially sustainable. Our challenge over the next few years will be to model the stormwater catchments (hydraulic models), with the ability to drill down to the level of detail where we can make more informed capital investment and planning decisions in the future. In the meantime we will be focussing on determining the location of the at-risk areas where we will need to undertake stormwater improvements. For other parts of the City we will continue to meet the level of service currently provided, generally protection to a 1 in 5 year severity event.

It is likely this work will also highlight the need for some rethinking of the current policy settings in stormwater – and in particular the levels of service the City might likely be able to provide into the future. Our approach will inform future discussions with our community. The stormwater service directly impacts coastal and freshwater quality around the City. While in general water quality standards are currently being met there are instances where this is not the case. A flagship Blue-belt project focusing on water quality is one of a number of important initiatives proposed in the 2015-25 LTP.

### Growth & Demand

Incomplete data currently exists to accurately quantify future demand on the stormwater network. Effects of climate change are expected to lead to increased discharge into waterways and impacts on the network where capacity constraints already exist. Expenditure growth will focus on planning controls and targeted investments to address service shortfalls both in data and network.

### Major Issues & Risks

Issue / Risk	Options to address risk
Data availability and confidence	Comprehensive programme of data collection and data review.
There is a lack of clarity regarding the level of service to be provided for flood protection – currently there is an implied LoS of protecting to a 1 in 50 year severity event but an actual service level provision is generally 1 in 5 year severity event.	Define the levels of service and protection the network is to provide
Lack of understanding of the current level of flood protection provided and where	Develop hydraulic models of the entire network
There may be areas where due to the flood risk exposure that a LoS of protecting to a 1 in 50 year severity event is desirable. However there are affordability issues associated with meeting this LoS	Targeted improvements in network capacity Use of planning controls and minimum floor levels

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Issue / Risk	Options to address risk
We need to understand the risks from climate change impacts on the network and identify adaptation measures	Use new hydraulic models to improve understanding of risk and timing
We need to consider the effects on water quality from our stormwater discharges and the effects on the community.	Engagement with the whaitua committees through the process to set standards for water quality.

### Most Likely Scenario for Service

The most likely scenario, looking forward, will be:

- To maintain the level of service we are currently providing for flood protection ( a 1 in 5 year severity event) – for 70% of the City
- Targeting at-risk areas where flood protection needs to be provided to a 1 in 50 year severity event
- To maintain the level of service we are currently providing for water quality – namely compliance with resource consents and maintaining appropriate standards of water quality and waterway health across Wellington City's coastal and river environments.

In order to achieve this, the Council needs to better understand; the existing capacity of the network, where and to what extent we are providing flood protection to a 1 in 5 year severity event and where the areas exposed to high flood risk are. Our hydraulic modelling projects will address this over the next three years. It is likely that targeted, incremental capital budget increases in years three to ten will be used to improve service levels in high risk locations across the City, however planning controls will play an important, and increasing role in reducing risk.

The water quality impacts of the network are also not well understood. The ongoing integrated catchment management planning work will identify targeted improvement opportunities which will assist in meeting new standards set through the Greater Wellington Regional Council whaitua process.

### Significant Future Decisions

Significant future decisions are subject to the Council's 'Policy on Significance'. This is reviewed every three years with the LTP. Over the period of this strategy the council will consider the following as part of this review;

The funding and consenting impacts of water quality standards in the National Policy Statement on Freshwater Management and set through the Wellington regional plan review and whaitua processes

- The integration of land use and infrastructure development – identifying network upgrades and bringing forward renewals to support Council's growth aspirations
- Identifying and fund those localised flood protection projects required to provide flood protection to a 1 in 50 year severity event in at risk areas.

### Financial Commentary

The charts that follow tell us that actual forecasted renewal costs will be less than budgeted for in the current LTP. In addition, spending fluctuates over the next 100 years with several spending spikes relating to the age and condition of the assets during that time; and most of the renewal and upgrade work is being undertaken around storm flood protection.

### Infrastructure & Financial Profiles

With the level of detail the Council now has at its disposal to interrogate the performance of its infrastructure assets, we can now have a high degree of confidence around that performance. The charts below clearly demonstrate the expected future financial commitments expected in each asset group.

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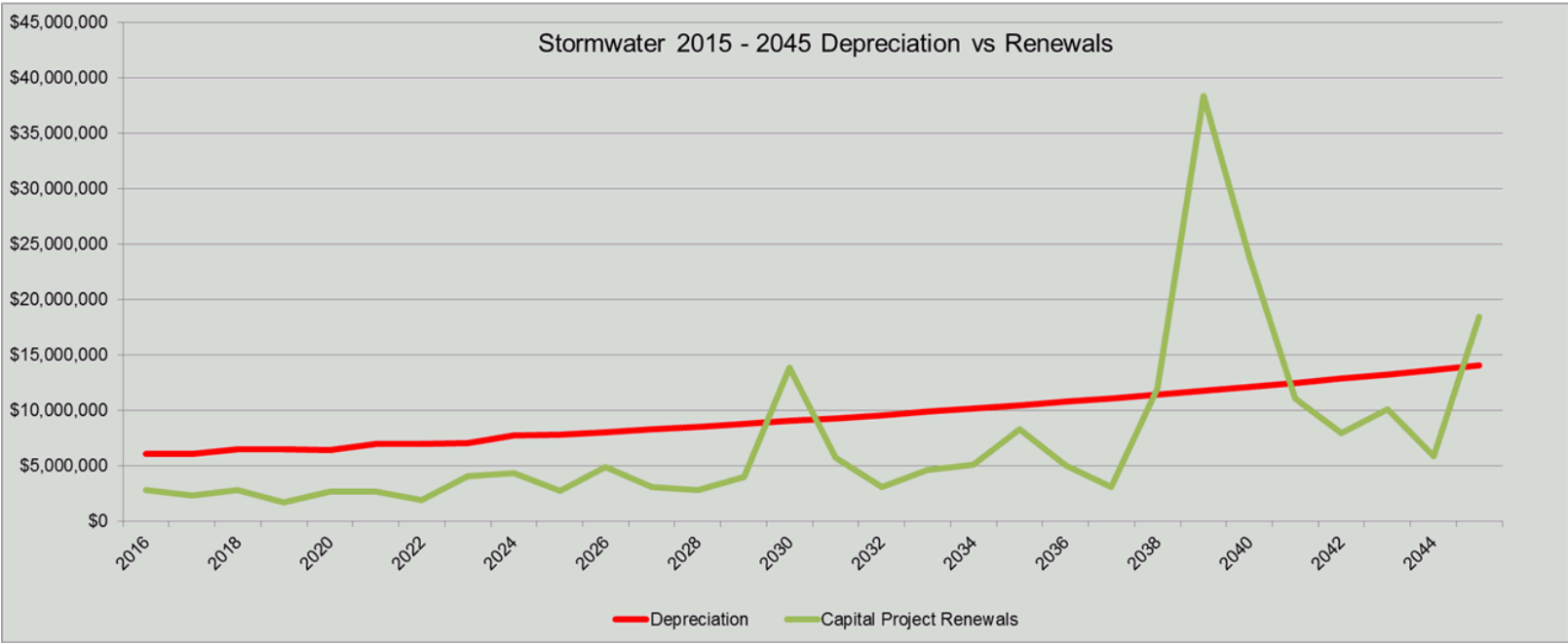
**Scenario / Service Cost**

**Stormwater 2015 - 2045 Financial Plan**

Description	2016	2017	2018	2019 - 2025	LTP TOTAL	2026-30	2031-35	2036-40	2041-45	30 Year Financials
Operating expenditure	9,302,951	9,935,059	10,201,782	90,647,272	120,087,064	80,834,913	93,709,819	108,635,364	125,938,161	529,205,321
Stewardship [depreciation]	6,051,949	6,042,241	6,456,025	49,403,947	67,954,163	42,538,579	49,313,872	57,168,293	66,273,720	283,248,628
Income	(9,500)	(9,681)	(9,871)	(75,525)	(104,576)	(63,275)	(73,353)	(85,036)	(98,580)	(424,821)
<b>Total Operating Projects</b>	<b>15,345,401</b>	<b>15,967,620</b>	<b>16,647,937</b>	<b>139,975,694</b>	<b>187,936,651</b>	<b>123,310,217</b>	<b>142,950,338</b>	<b>165,718,621</b>	<b>192,113,301</b>	<b>812,029,129</b>
Capital Project Renewals	2,821,645	2,281,847	2,799,883	20,012,561	27,915,936	28,560,380	26,795,498	82,028,003	53,386,189	218,686,007
Capital Project Upgrades	909,476	909,560	930,978	24,881,380	27,631,394					27,631,394
Capital Projects Growth	146,588	145,891	149,366	1,558,743	2,000,589	1,094,004	1,268,250	1,470,250	1,704,423	7,537,516
<b>Total Capital Projects</b>	<b>3,877,710</b>	<b>3,337,299</b>	<b>3,880,227</b>	<b>46,452,683</b>	<b>57,547,919</b>	<b>29,654,384</b>	<b>28,063,748</b>	<b>83,498,253</b>	<b>55,090,612</b>	<b>253,854,917</b>
				-	-				-	-
<b>Grand Total</b>	<b>19,223,110</b>	<b>19,304,919</b>	<b>20,528,164</b>	<b>186,428,377</b>	<b>245,484,570</b>	<b>152,964,602</b>	<b>171,014,086</b>	<b>249,216,874</b>	<b>247,203,913</b>	<b>1,065,884,046</b>

The above table shows the projected operational and capital expenditure for the 30 years of the Stormwater activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

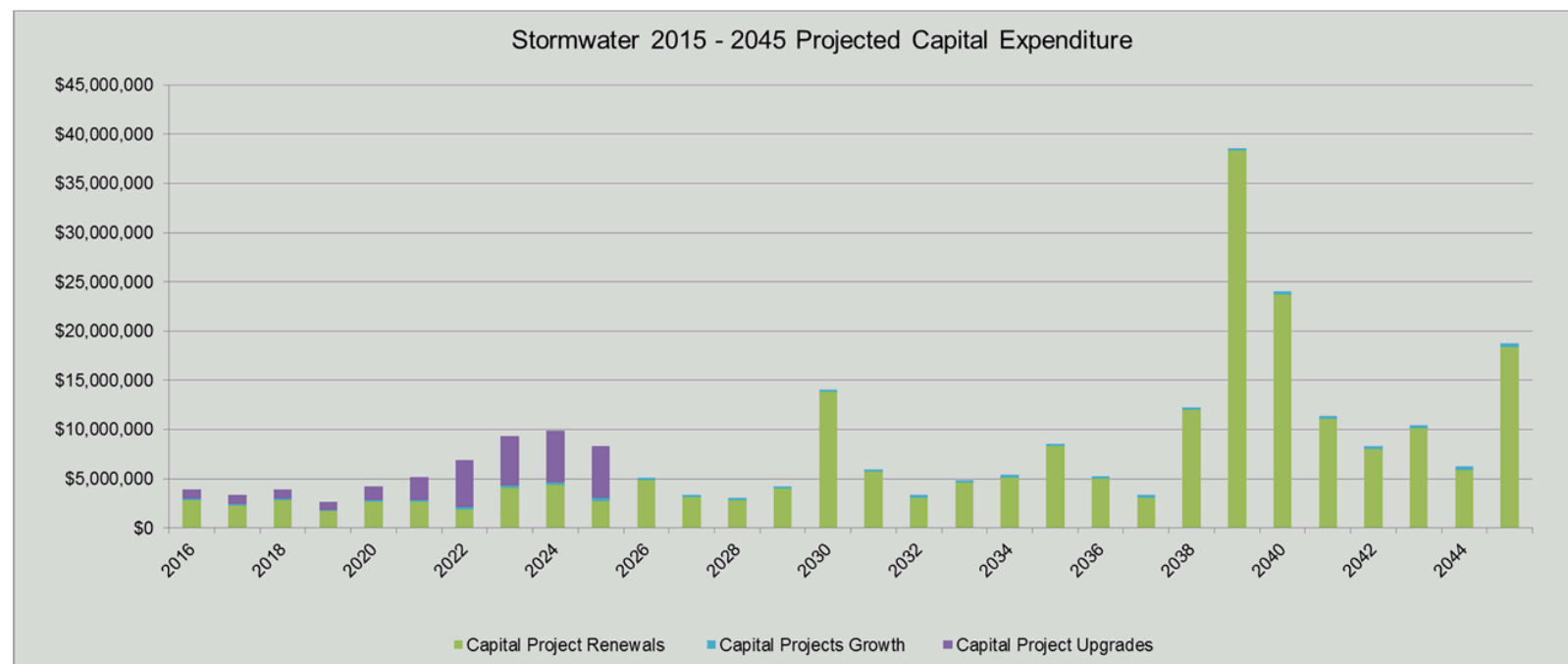
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The above graph shows the projected capital renewal expenditure and depreciation funding for 30 years of the Stormwater activity. The movement in renewals reflects the age and condition of the asset and its replacement cycle.

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**Item 4.1 Attachment 2**



The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Stormwater activity. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## **WATER SUPPLY**

### **Summary**

Our water network provides the City with a cost-effective, safe and secure supply of potable water during normal conditions (on a day-to-day basis); along with supply of water during adverse conditions, such as after an earthquake or other natural disaster. The water supply network is large and complex, delivering 30 billion litres of water a year through the network. As with all our core infrastructure services, we have a large inventory of physical assets that require funding commitments for operation, renewal and development.

The Council is working with other councils in the region to agree on a level of service for the provision of water during and after a major earthquake.

### **Water Supply Infrastructure Profile and Level of Service**

Our water supply infrastructure is in good condition and our levels of service are meeting the needs of the City. These service levels are sustainable and affordable. Our current operations, programmes and financial commitments are adequate to sustain this level of service over the immediate and medium-term (being within a 10-30 year horizon). Where low-risk assets are efficiently used to full capacity, close monitoring will occur.

### **Growth & Demand**

While at a city-wide level we do not have a problem in meeting expected future demands on water supply, we expect to see increased demand in localised parts of the City. This will put pressure on the local network's ability to meet increased demand that will necessitate extra local storage. For example the proposed Hospital Prince of Wales reservoir proposed for construction over the 2018-25 period will cater for intensification of dwellings in the CBD.

A more detailed evaluation of future demand and the development of a strategy to adequately meet this demand are required in the future.

### **Major Issues & Risks**

<b>Issues / Risk</b>	<b>Options to address risk</b>
Data availability and confidence	Comprehensive programme of data collection and data review.
Some areas experience low water pressure	Progressive improvements concurrent with renewals projects
Some areas do not comply with Fire Service Code of Practice	Progressive improvements concurrent with renewals projects
Reduction of water consumption and unaccounted for water	Continued education programmes, coordinated regionally by Wellington Water
Increasing demand from population and economic growth	Continue with water conservation education to free up capacity Additional local storage to respond to localised increases in demand

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Issues / Risk	Options to address risk
Network resilience to earthquake risk	Continue programme of increasing seismic resilience of existing reservoirs and network. Work with Wellington Water to improve bulk network resilience. Work with District Health Board to increase storage for the Hospital Increase treated water storage with construction of the Prince of Wales reservoir
Continuity of supply during and after a seismic event	Work with other councils to agree on a LoS for provision of water during and after a major earthquake. Implement a work programme to achieve this target.

### Most Likely Scenario for Service

The current level of service will be maintained and the operations and renewals programmes in place will adequately deliver this level of service sustainably over the medium and long-term. Reactive maintenance costs will be monitored closely. Efficiencies and economies of scale will be achieved from the Wellington Water merger, along with growth to match capacity and renewals requirements.

### Innovation is likely to reduce renewal costs in the medium term.

Aside from some spending spikes over the next 100 years, a relatively high proportion of the spending on renewing potable water pipes will be during the next 10-30 years (with a focus in the City's northern areas). In addition, forecasted actual costs will be less than what is budgeted for in the LTP.

We will work with other councils in the region to agree on a LoS for the provision of a water supply during and after a seismic event. This will then inform a work programme to achieve this target.

### Significant Future Decisions

Significant future decisions are subject to the Council's 'Policy on Significance'. This is reviewed every three years with the LTP. Over the period of this strategy the council will consider the following as part of this review;

Improvements associated with the development and maintenance of an increasingly resilient network

- The integration of land use and infrastructure development – identifying network upgrades and bringing forward renewals to support Council's growth aspirations.

### Financial Commentary

The diagrams below tell us that, aside from some spending spikes over the next 100 years, a relatively high proportion of the spending on renewing potable water pipes will be during the next 10-20 years (with a focus in the City's northern areas). In addition, forecasted actual costs will be less than what is budgeted for in the LTP.

### Infrastructure & Financial Profiles

With the level of detail the Council now has at its disposal to interrogate the performance of its infrastructure assets, we can now have a high degree of confidence around that performance. The charts below clearly demonstrate the expected future financial commitments expected in each asset group.

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## Scenario / Service Cost

### Water Supply 2015 - 2045 Financial Plan

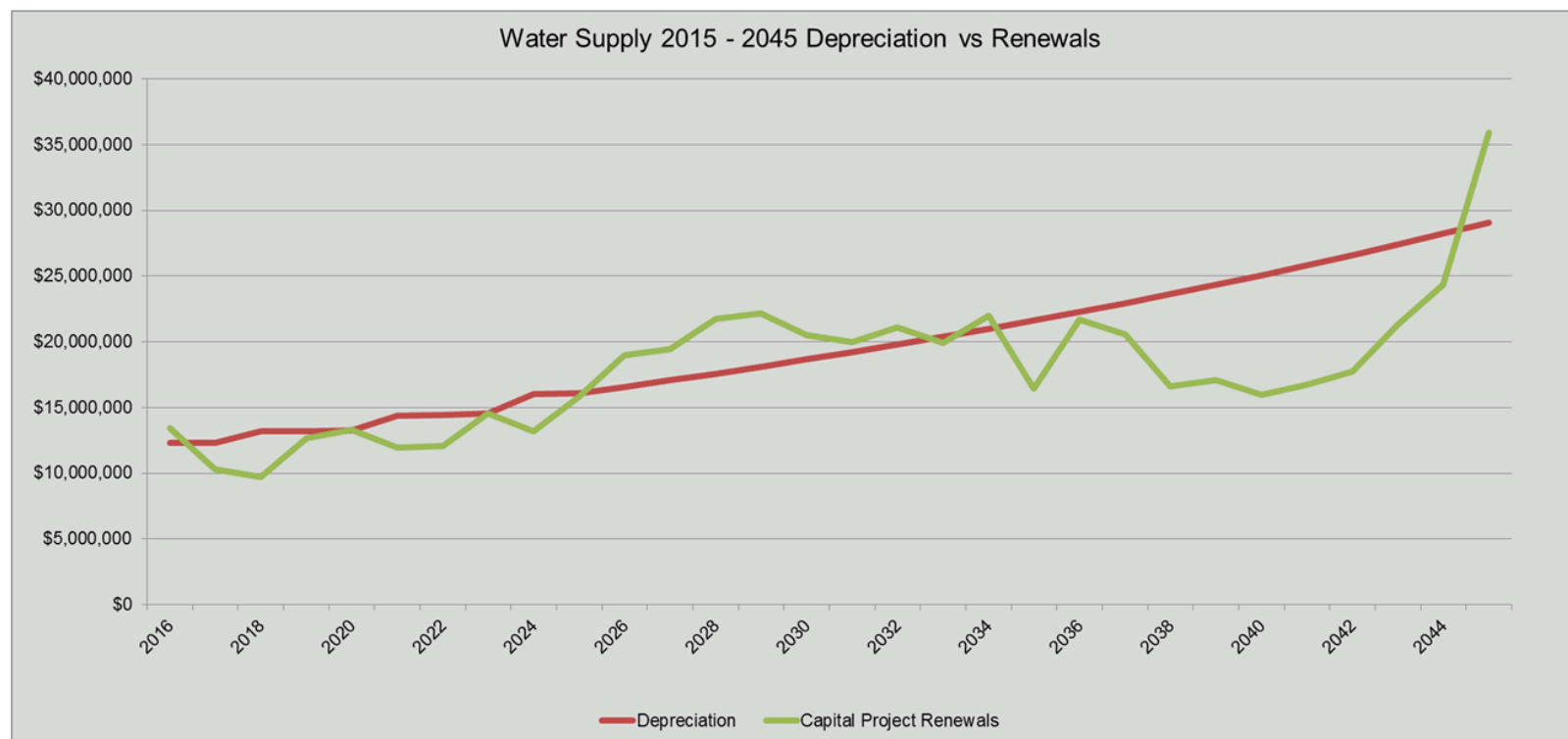
Description	2016	2017	2018	2019 - 2025	LTP TOTAL	2026-30	2031-35	2036-40	2041-45	30 Year Financials
Operating expenditure	25,888,930	27,678,033	29,142,741	272,780,111	355,489,816	246,012,446	285,195,851	330,620,156	383,279,375	1,600,597,645
Stewardship [depreciation]	12,282,211	12,282,832	13,190,274	101,973,204	139,728,522	88,028,110	102,048,706	118,302,419	137,144,927	585,252,684
Income	(34,700)	(35,359)	(36,053)	(275,865)	(381,978)	(231,120)	(267,932)	(310,606)	(360,078)	(1,551,713)
<b>Total Operating Projects</b>	<b>38,136,442</b>	<b>39,925,506</b>	<b>42,296,962</b>	<b>374,477,451</b>	<b>494,836,360</b>	<b>333,809,436</b>	<b>386,976,625</b>	<b>448,611,969</b>	<b>520,064,225</b>	<b>2,184,298,616</b>
Capital Project Renewals	13,425,338	10,316,173	9,696,381	93,655,111	127,093,002	102,834,665	99,384,472	91,884,171	116,112,020	537,308,331
Capital Project Upgrades	3,093,264	4,325,499	5,328,162	57,761,685	70,508,610					70,508,610
Capital Projects Growth	570,980	546,936	651,211	4,600,427	6,369,554	3,483,133	4,037,906	4,681,040	5,426,608	23,998,240
<b>Total Capital Projects</b>	<b>17,089,582</b>	<b>15,188,607</b>	<b>15,675,755</b>	<b>156,017,223</b>	<b>203,971,166</b>	<b>106,317,798</b>	<b>103,422,378</b>	<b>96,565,211</b>	<b>121,538,628</b>	<b>631,815,182</b>
				-	-				-	-
<b>Grand Total</b>	<b>55,226,023</b>	<b>55,114,113</b>	<b>57,972,717</b>	<b>530,494,674</b>	<b>698,807,527</b>	<b>440,127,234</b>	<b>490,399,004</b>	<b>545,177,180</b>	<b>641,602,853</b>	<b>2,816,113,798</b>

The above table shows the projected operational and capital expenditure for 30 years of the Water Supply activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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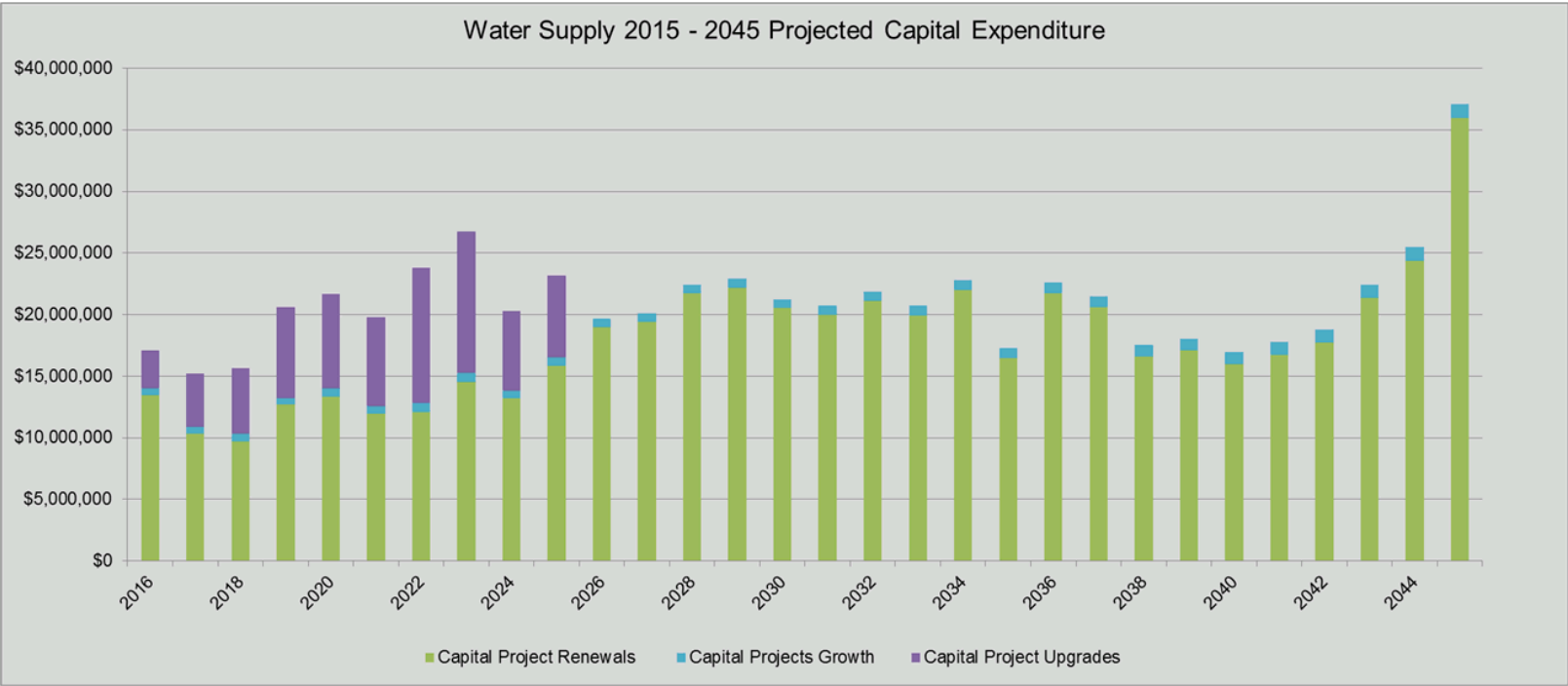
**Item 4.1 Attachment 2**



The above graph shows the projected capital renewal expenditure and depreciation funding for 30 years of the Water supply activity. The movement in renewals reflects the age and condition of the asset and its replacement cycle.

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The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Water Supply activity. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## WASTEWATER

### Summary

Our wastewater service is focused on providing the safe and reliable conveyance and treatment of wastewater. This incorporates the safe, efficient conveyance of wastewater from households and other properties to treatment plants and treatment that meets environmental and health standards. As with all our core infrastructure services, we have a large inventory of physical assets and therefore require funding commitments for operation, renewal and development. The wastewater network primary assets are pipes for conveyance and treatment plants. A flagship Blue-belt project focusing on inflow, infiltration and the real-time monitoring of wastewater flows is one of a number of key initiatives in the 2015-25 LTP.

### Wastewater Infrastructure Profile and Levels of Service

Our wastewater infrastructure is in good condition and our levels of service are meeting the needs of the City. These service levels are sustainable and affordable. Our current operations, programmes and financial commitments are adequate to sustain this level of service over the immediate and medium-term (being within a 10-30 year horizon). Where low-risk assets are efficiently used to full capacity, close monitoring will occur. A high proportion of renewals work will be concentrated on fixing inflow and infiltration problems linked to pipe condition; a relatively high proportion of the money spent will be during the next 10-20 years.

### Growth & Demand

Demand increases are likely to come from northern parts of the City over the medium (10 to 30 years) to long-term (post 30 years) with particular implications for the capacity of the Porirua wastewater treatment plant (of which council owns 27.6%). Renewals requirements will ramp up between 8 and 20 years into the future.

### Major Issues & Risks

Issues / Risk	Options to address risk
Data availability and confidence	Comprehensive programme of data collection and data review.
Stormwater and groundwater ingress into the sewer network causing overflows to stormwater and water quality problems	Use new hydraulic models to target intervention in both public and private networks Install real-time monitoring system throughout network to proactively manage overflows
Effects from hydrogen sulphide on the network	Implementation of a monitoring plan and improvement works as required.
Existing network has capacity limitations	Address stormwater and groundwater ingress Progressive improvements concurrent with renewals projects Use new hydraulic models to identify trunk network deficiencies
New water quality standards and consenting requirements	Introduction of the blue-belt project focusing on inflow, infiltration and the real-time monitoring of wastewater flows to reduce the impact on water quality
Climate change impact on network	Use new hydraulic models to improve understanding of risk and timing

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Increasing demand from population and economic growth – in particular the impact of growth from the northern suburbs on the Porirua wastewater treatment plant	Work with Porirua City to increase JV treatment plant capacity to accommodate growth in northern growth areas
Sludge disposal	Investigations are underway to develop a regional solution to sludge disposal. There is likely to be capital implications which will be included in the 2018-2021 LTP.

### Most Likely Scenario for Service

The current level of service will be maintained and the operations and renewals programmes in place will adequately deliver this level of service sustainably over the medium and long-term.

### Significant Future Decisions

Significant future decisions are subject to the Council's 'Policy on Significance'. This is reviewed every three years with the LTP. Over the period of this strategy the council will consider the following as part of this review;

The funding and consenting impacts of water quality standards in the National Policy Statement on Freshwater Management and set through the Wellington regional plan review and whitua processes

- The integration of land use and infrastructure development – identifying network upgrades and bringing forward renewals to support Council's growth aspirations
- The development and maintenance of an increasingly resilient network
- The delivery model that Council wishes to employ at the end of the current Clearwater Wellington Design/Build/Operate contract in 2020 for the Moa Point and Western (Karori) wastewater treatment plants
- Options for reducing the impact of waste activated sludge on solid waste minimisation initiatives.

### Financial Commentary

The detailed information we know have tell us, firstly, that forecasted actual costs over the next 100 years are very closely aligned with what is budgeted for in the LTP. It also shows that a high proportion of renewals work will be concentrated in the City's northern areas and that a relatively high proportion of the money spent will be during the next 10-20 years. Finally, all growth, upgrade, and renewal work will be focussed on safe transport of wastewater; and that spending on wastewater treatment is expected to be operational only.

### Infrastructure & Financial Profiles

With the level of detail the Council now has at its disposal to interrogate the performance of its infrastructure assets, we can now have a high degree of confidence around that performance. The charts below clearly demonstrate the expected future financial commitments expected in each asset group.

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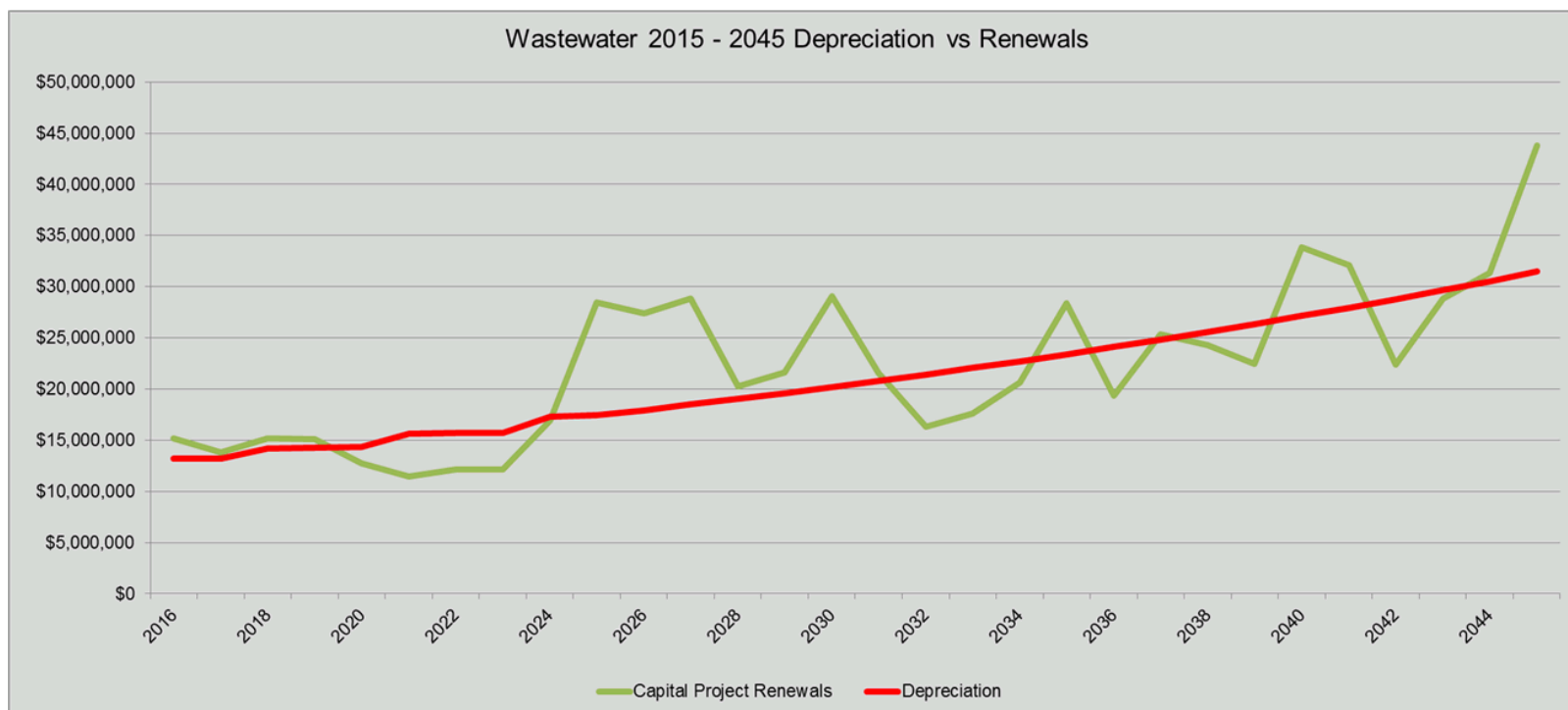
**Scenario / Service Cost**

**Wastewater Supply 2015 - 2045 Financial Plan**

Description	2016	2017	2018	2019 - 2025	LTP TOTAL	2026-30	2031-35	2036-40	2041-45	30 Year Financials
Operating expenditure	28,763,399	30,228,472	31,472,372	267,604,177	358,068,421	238,516,516	276,506,013	320,546,252	371,600,960	1,565,238,163
Stewardship [depreciation]	13,230,309	13,236,029	14,210,375	110,413,575	151,090,287	95,258,791	110,431,047	128,019,850	148,410,093	633,210,069
Income	(614,900)	(626,583)	(638,881)	(4,888,458)	(6,768,823)	(4,095,558)	(4,747,874)	(5,504,087)	(6,380,746)	(27,497,089)
<b>Total Operating Projects</b>	<b>41,378,808</b>	<b>42,837,918</b>	<b>45,043,866</b>	<b>373,129,294</b>	<b>502,389,886</b>	<b>329,679,749</b>	<b>382,189,186</b>	<b>443,062,015</b>	<b>513,630,307</b>	<b>2,170,951,143</b>
Capital Project Renewals	15,191,316	13,801,560	15,200,415	108,995,886	153,189,177	127,176,635	104,608,358	125,255,221	158,436,070	668,665,461
Capital Project Upgrades	0	317,943	1,621,641	4,359,962	6,299,546	-	-	-	-	6,299,546
Capital Projects Growth	224,795	233,234	322,285	2,622,625	3,402,939	1,860,866	2,157,254	2,500,849	2,899,169	12,821,077
<b>Total Capital Projects</b>	<b>15,416,111</b>	<b>14,352,737</b>	<b>17,144,341</b>	<b>115,978,473</b>	<b>162,891,662</b>	<b>129,037,501</b>	<b>106,765,613</b>	<b>127,756,069</b>	<b>161,335,239</b>	<b>687,766,084</b>
				-	-				-	-
<b>Grand Total</b>	<b>56,794,919</b>	<b>57,190,654</b>	<b>62,188,207</b>	<b>489,107,767</b>	<b>665,281,548</b>	<b>458,717,251</b>	<b>488,954,799</b>	<b>570,818,084</b>	<b>674,965,546</b>	<b>2,858,737,227</b>

The above table shows the projected operational and capital expenditure for the 30 years of the Wastewater activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

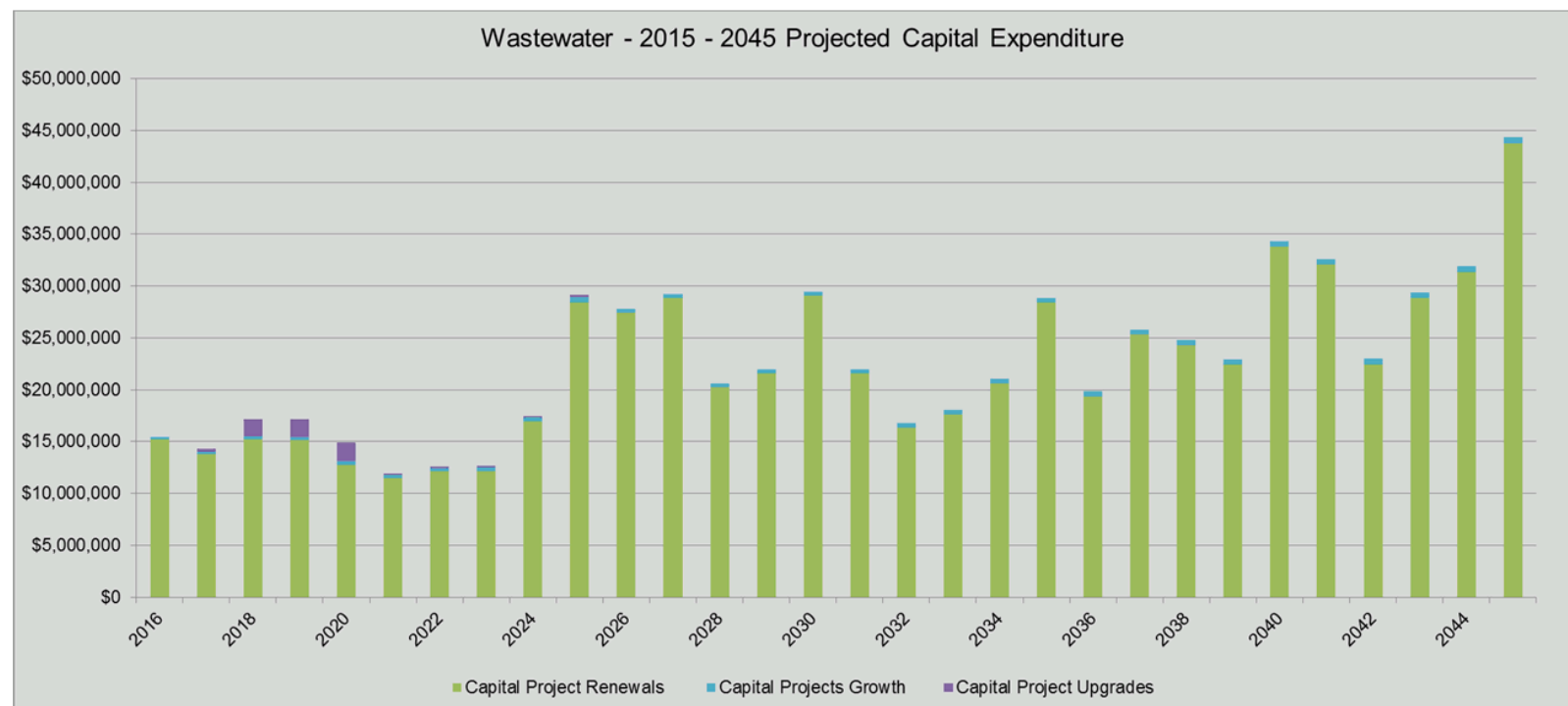
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The above graph shows the projected capital renewal expenditure and depreciation funding for 30 years of the Wastewater activity. The movement in renewals reflects the age and condition of the asset and its replacement cycle.

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**Item 4.1 Attachment 2**



The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Wastewater activity. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## Social Infrastructure

Legislation does not require Council to include its Social Infrastructure in its 30 year Infrastructure Strategy.

However, as part of its broader asset management strategy Council is working towards developing similar asset management information it now holds for its network infrastructure, which it will improve further over time. This will allow Council to develop statistical modelling to inform its long term renewal work programme in its social infrastructure.

The following section summaries Councils planned responses to asset management using a similar approach to that used in the network infrastructure and includes, service profile and level of service, growth and demand assumptions, issues and risks and options to address risk. The social infrastructure included in the following section includes:

- Libraries & Community Services
- Parks and Open Spaces
- Recreation Services
- Community Health Services
- City Housing
- Corporate Property.

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## LIBRARIES & COMMUNITY SERVICES

### Summary, Profile & Level of Service

Libraries and Community services incorporate the facilities and spaces used for library and community activities (including childcare centres and services). These facilities and services help educate, inform and bring people together; they provide a platform to deliver the activities and services that contribute to strong communities and provide for important functions within those communities. In our Community infrastructure there is under-utilisation and in some geographical areas lack of alignment between the level of service. These services are intensive in the use associated with heavy of physical assets (i.e., the properties and buildings). Currently, our levels of service are meeting the needs of the City, though in some cases demand exceeds capacity and in other areas there is under-utilisation of facilities.

### Growth & Demand

Growth in services will be driven predominantly by population growth, mainly in the northern and central areas of the City. Changes in demand will be aligned with changing demographics, community expectations and the adoption of technological solutions for service provision. Aligning services with community expectations will likely determine demand growth, for example, the more technology is adopted, and the greater the demand will be for services.

### Major Issues & Risks

#### Libraries

Issue/Risk	Options to address
Facilities not fit for purpose	<p>Rationalise and transform the network of buildings and develop as 'hubs' to address the changing role of libraries.</p> <p>Work with local communities to transition parts of the current branch network to a more community-driven model for smaller libraries.</p>
Cost of service provision. Current funding model is not sustainable	<p>Review Funding Policy</p> <p>Rationalise and transform the network of buildings and develop as 'hubs' to address the changing role of libraries.</p> <p>Work with local communities to transition parts of the current branch network to a more community-driven model for smaller libraries.</p>
Managing customer expectations for digital services	<p>Continue working with aggregators and other library partners e.g. National Library to expand digital offerings.</p>

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## Community Spaces

Issue/Risk	Options to address
Facilities not fit for purpose	<p>Rationalise/divest</p> <p>Explore options of decoupling service from old and not fit for purpose buildings.</p> <p>Look at opportunity to support further devolvement to community ownership and service delivery</p> <p>Devolve service delivery to community groups - Partner with existing non council community venues and support service delivery through grants</p>
Cost of direct (Council) delivery of service	<p>Continue to devolve service delivery to community groups and support through three contracts for services – from grants</p> <p>Ensure support in place to assist community groups to provide effective outcomes for their local communities</p> <p>This includes use of technology</p>

## Most Likely Scenario for Service

In the short to medium term (5 – 10 years) Libraries' current services will grow as we face the challenge of transitioning to on-line communities while at the same time we maintain our current physical services. Over the longer term of the 30IS, under-utilisation and capacity/demand alignment may drive changes in the delivery and level of the service. In the short to medium term (5 – 10 years) current services from community spaces/assets will transition to partnership arrangements to deliver hyper-local community driven programmes and services, as well as a move to further decoupling of services from Council Owned Assets.

## Significant Future Decisions

Over the period of this strategy the council will need to consider the following:

### Libraries

- The number and location of physical service points
- The funding model for library service

### Community Spaces

- As part of the community facilities review a number of communities have been identified for facilities upgrades.
- Earthquake assessments have identified many buildings are not fit for purpose

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**Scenario / Service Cost**

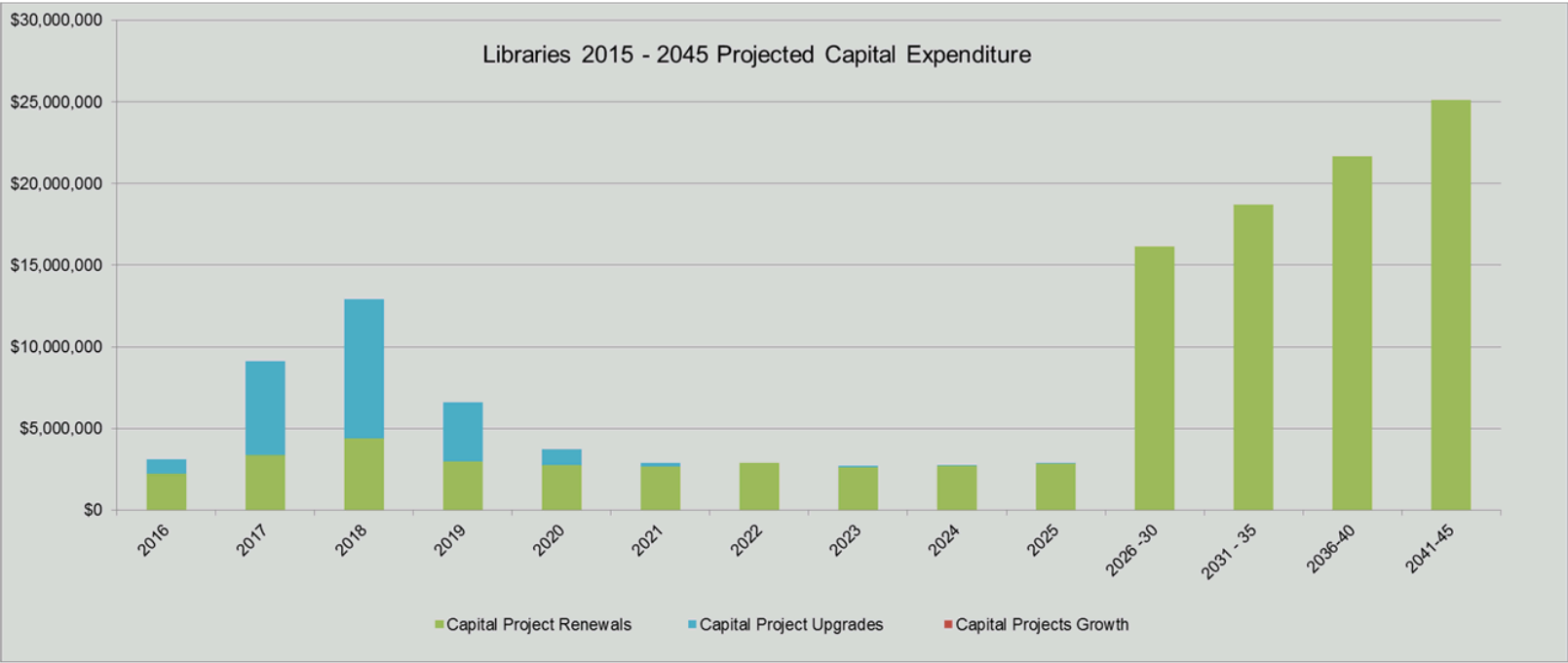
**Libraries & Community Services 2015 - 2045 Financial Plan**

Description	2,016	2,017	2,018	2019 - 2025	LTP TOTAL
Operating Projects	19,298,710	20,338,627	21,397,037	166,355,625	227,390,000
Stewardship (depreciation)	3,694,551	4,480,953	5,008,033	44,430,127	57,613,664
Income	(1,714,966)	(1,611,497)	(1,523,441)	(9,854,732)	(14,704,636)
<b>Total Operating Projects</b>	<b>21,278,296</b>	<b>23,208,083</b>	<b>24,881,629</b>	<b>200,931,020</b>	<b>270,299,027</b>
Capital Project Renewals	2,245,276	3,395,500	4,374,279	19,476,751	29,491,806
Capital Project Upgrades	843,920	5,709,416	8,551,982	4,978,727	20,084,045
Capital Projects Growth	-	-	-	-	-
<b>Total Capital Projects</b>	<b>3,089,196</b>	<b>9,104,916</b>	<b>12,926,261</b>	<b>24,455,478</b>	<b>49,575,851</b>
				-	-
<b>Grand Total</b>	<b>24,367,491</b>	<b>32,312,999</b>	<b>37,807,890</b>	<b>192,359,926</b>	<b>319,874,878</b>

2026 -30	2031 - 35	2036-40	2041-45	30 Year Financials
135,074,955	156,588,893	181,529,444	210,442,378	911,025,669
33,126,322	38,402,486	44,519,007	51,609,731	225,271,210
(7,699,942)	(8,926,343)	(10,348,078)	(11,996,258)	(53,675,256)
<b>160,501,335</b>	<b>186,065,037</b>	<b>215,700,373</b>	<b>250,055,850</b>	<b>1,082,621,623</b>
16,127,328	18,695,993	21,673,780	25,125,852	111,114,759
				20,084,045
				-
<b>16,127,328</b>	<b>18,695,993</b>	<b>21,673,780</b>	<b>25,125,852</b>	<b>131,198,804</b>
				-
<b>176,628,663</b>	<b>204,761,030</b>	<b>237,374,154</b>	<b>275,181,702</b>	<b>1,213,820,427</b>

The above table shows the projected operational and capital expenditure for the 30 years for the Library activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Libraries activity. This is followed by the projected capital expenditure in subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## PARKS & OPEN SPACES

### Summary, Profile & Level of Service

Our parks and open spaces provide year-round opportunities for residents and visitors to access open space, recreation and natural areas. The service comprises open spaces, botanic gardens, outdoor public arts, memorials, and playgrounds. Open spaces are managed in a ways that balance conservation and enhancement with opportunities for enjoyment and recreation.. Playgrounds give families and young people safe, accessible and convenient places to play; whilst our public arts and memorials make a significant contribution to the quality of public space and are often colourful expressions of the City's creativity.

Our Parks and Open Spaces are in good condition and our levels of service are meeting the needs of the city. The provision of open spaces is also supported by a strong network of volunteers, who advocate for and help maintain these areas. While in general levels of service are currently being met there are instances where this is not the case.

### Growth & Demand

Growth in the service is driven by increases in urban development and improvement along with an increase in reserve estate assets through subdivision growth. Growth and also demand, is also influenced by recreational trends, for example dog exercise areas, walking and mountain biking. Changing demographics will also influence how our customers will use the parks and open spaces and how we will respond to those needs, for example providing opportunities for an aging population to access and enjoy the natural areas. Growth and demand, such as increasing public expectations for access, puts pressure on levels of service.

### Major Issues & Risks

Issues / Risk	Options to address risk
Growing asset base due to development	Plan for development areas to ensure levels of service are maintained Reduce levels of service
Intensified use of open space due to urban intensification and population growth	Adapt spaces; prioritise use and service to respond to intensified use.
Climate change and weather events	Improve understanding of risks and timing. Target improvements to key open space land and infrastructure
Changes in recreation trends	Engage with and understand our stakeholders to ensure we plan for current and future trends and patterns

### Most Likely Scenario for Service

Due to development, growth in the use of existing network and our land asset base will mean we need to ensure we manage operational funding levels to maintain the current levels of service. We also need to ensure that we have the ability to respond to effects of climate change, especially in coastal areas and as a result of storm events.

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### Significant Future Decisions

Over the period of this strategy the council will need to consider the following;

- The development and maintenance of an increasingly resilient network
- Continuing investment in maintain and improving biodiversity
- Ensuing the existing resources are managed in response to intensified use and changing demographics
- Flexibility to respond to demographic and recreational changes.

### Financial Commentary

The renewals programme for this service is based on the National Asset Management Steering Group (NAMS) industry standards combined with the Councils specific growth, demand and environmental factors. The operation, maintenance and renewal of this service is relatively predictable and the Council will continue to implement optimised asset lifecycles to meet legislative and level of service requirements. The short to medium term capital investment in the parks and open spaces will be partially funded by the Charles Plimmer Bequest; this includes the Botanic Gardens Children's Garden, the proposed heritage park on Watts Peninsula and various open space upgrades. A corresponding operation and maintenance programme has been funded mid to long term to ensure the future growth of the asset base through new subdivisions and reserves agreements is managed, with provision to support to the increasing parks and open space volunteer base.

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## Scenario / Service Cost

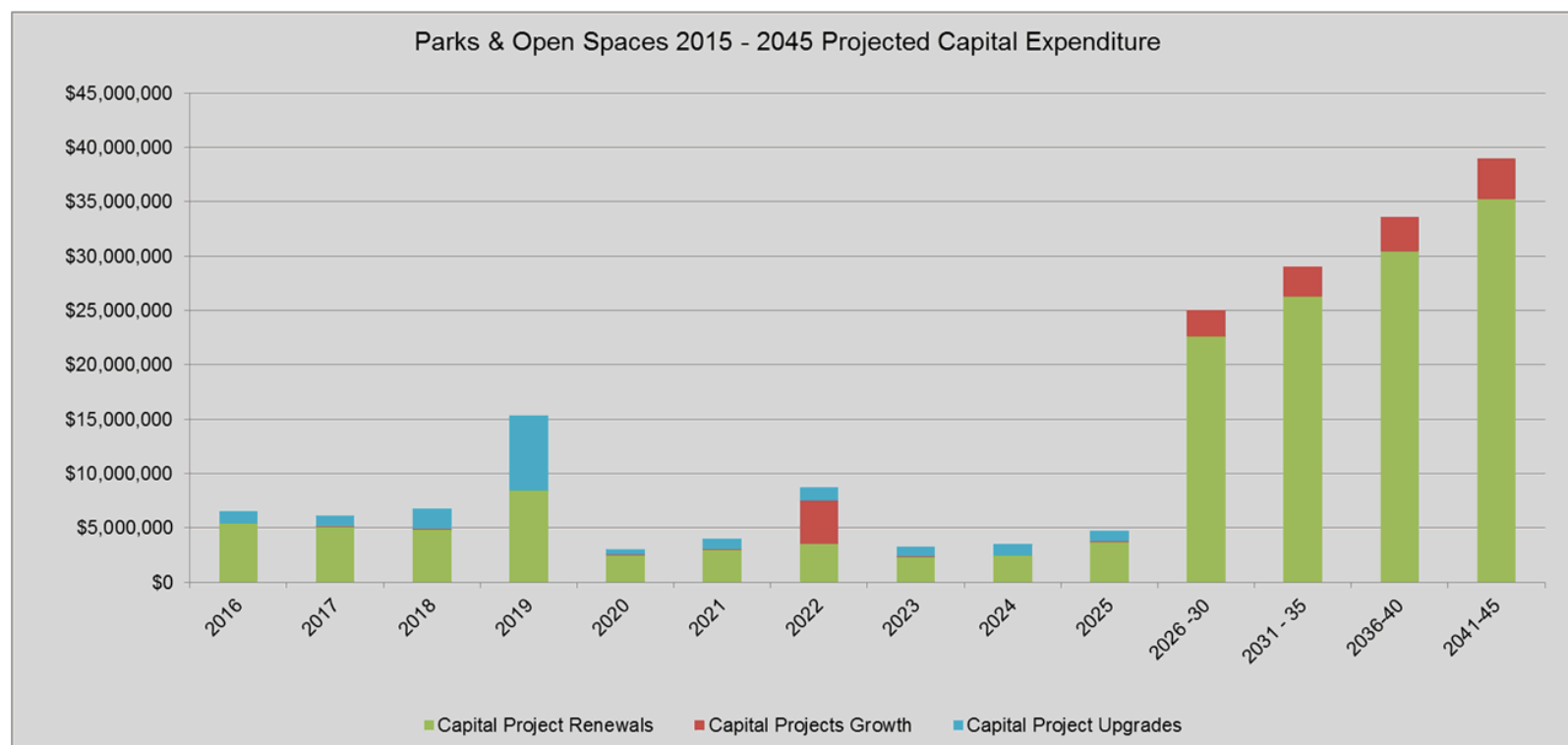
### Parks and Open Spaces 2015 - 2045 Financial Plan

Description	2,016	2,017	2,018	2019 - 2025	LTP TOTAL	2026 - 30	2031 - 35	2036-40	2041-45	30 Year Financials
Operating expenditure	18,487,091	18,861,259	19,571,952	161,054,446	217,974,748	137,905,152	159,869,868	185,332,993	214,851,734	915,934,495
Stewardship (depreciation)	4,213,954	4,205,038	4,270,582	31,083,039	43,772,613	26,383,611	30,585,836	35,457,367	41,104,806	177,304,233
Income	(537,268)	(547,476)	(558,221)	(4,271,281)	(5,914,246)	(3,578,486)	(4,148,446)	(4,809,186)	(5,575,165)	(24,025,529)
<b>Total Operating Projects</b>	<b>22,163,777</b>	<b>22,518,821</b>	<b>23,284,313</b>	<b>187,866,205</b>	<b>255,833,115</b>	<b>160,710,277</b>	<b>186,307,258</b>	<b>215,981,174</b>	<b>250,381,375</b>	<b>1,069,213,198</b>
Capital Project Renewals	5,377,560	5,078,205	4,850,478	25,724,239	41,030,482	22,628,246	26,232,339	30,410,470	35,254,070	155,555,606
Capital Project Upgrades	1,096,445	1,036,539	1,905,342	12,581,271	16,619,597					16,619,597
Capital Projects Growth	34,332	35,178	36,062	4,284,212	4,389,784	2,400,514	2,782,853	3,226,089	3,739,922	16,539,162
<b>Total Capital Projects</b>	<b>6,508,337</b>	<b>6,149,922</b>	<b>6,791,881</b>	<b>42,589,721</b>	<b>62,039,862</b>	<b>25,028,759</b>	<b>29,015,192</b>	<b>33,636,560</b>	<b>38,993,992</b>	<b>188,714,364</b>
				-	-					-
<b>Grand Total</b>	<b>28,672,114</b>	<b>28,668,743</b>	<b>30,076,194</b>	<b>230,455,926</b>	<b>317,872,977</b>	<b>185,739,036</b>	<b>215,322,449</b>	<b>249,617,733</b>	<b>289,375,367</b>	<b>1,257,927,562</b>

The above table shows the projected operational and capital expenditure for the 30 years for the Parks and Open Spaces activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Parks and Open Spaces activity. This is followed by the projected capital expenditure in subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

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## RECREATION SERVICES

### Summary, Profile & Level of Service

Recreation services, comprising swimming pools, recreation centres, sports-fields and marinas, provide a wide variety of accessible recreation opportunities throughout the City to enhance and encourage health, well-being and quality of life. By providing a range of recreation facilities we also attract visitors, raise the City's profile and provide economic benefit by hosting national and international events.

Currently, our levels of service are meeting the needs of the City, though in some cases demand exceeds capacity, such as peak time availability of sportsfields training spaces, and in other areas there is under-utilisation of services, for example day time use of some facilities, such as recreation centres and swimming pools. The physical asset inventory used to provision recreation is generally in good condition, and we will continue to optimise the investment we have made in assets to provide sustainable networks of facilities. This includes ensuring we respond and plan accordingly where operational costs for assets are rising, such as for natural turf sportsfields, and also consider future options for unviable assets.

### Growth & Demand

Service growth will broadly be driven by population growth and demographic changes in areas of the City. Overall service growth is expected to be modest and in-line with moderate changes over time in population and demographics. Demand changes for recreation services can be more challenging to understand as they are driven by changing leisure and recreational trends which can include the demand for casual and informal sporting and recreational activities. Changing demographics will also influence how our customers will use recreation services and how we will respond to those needs, for example providing recreational opportunities for an active aging population. Increasing community and elite sport expectations also puts pressure on levels of service.

### Major Issues & Risks

Issues / Risk	Options to address risk
Impact on the sportsfield network and facilities from NZTA projects e.g. SH1 Ruahine Street Airport Corridor (Kilbirnie Park, Hataitai Park), and Petone/Grenada Link Road (Grenada North Park)	Work with NZTA to continue to provide a sustainable network of sportsfield facilities
Viability and purpose of some facilities and services	Explore and implement long term sustainable options for facilities and services
Increasing and changing demands from customers and stakeholders including increasing expectations from community and elite sports	Work closely with customers and stakeholders and ensure planning is undertaken in a regional context where appropriate
Utilisation and revenue of recreation services	Ensure we maintain utilisation and revenue through the provision of relevant and attractive facilities to customers
Climate change impact on marinas	Target improvements to infrastructure
Built recreation network resilience to earthquake risk	Continuous network resilience improvements, prioritised and aligned with 5 yearly maintenance closures

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### Most Likely Scenario for Service

In general, the short to medium-term current service levels will be maintained, with some longer term decisions around viability of assets and variations to service required. Decisions about utilisation, capacity and requirements for further investment in some services may provide for variations in service levels over the medium to long-term.

### Significant Future Decisions

Over the period of this strategy the council will need to consider the following;

- The development and maintenance of an increasingly resilient network
- Continuing investment in maintain and improving revenue and utilisation
- Ensuing the existing resources are managed in response to changing recreational trends and uses.

### Financial Commentary

The renewals programme for this service is based on the National Asset Management Steering Group (NAMS) industry standards combined with the Councils specific growth, demand and environmental factors. The operation, maintenance and renewal of this service is relatively predictable and the Council will continue to implement optimised asset lifecycles to meet legislative and level of service requirements. The capital investment programme in the sportsfields network will be subject to ongoing regional planning requirements, with a corresponding operation and maintenance programme required to ensure the lifecycle of these capital investments are optimised. Implementing long term sustainable options for facilities providing this service will include exploring other options for use based on growth and demand in leisure and recreational activities.

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**Item 4.1 Attachment 2**

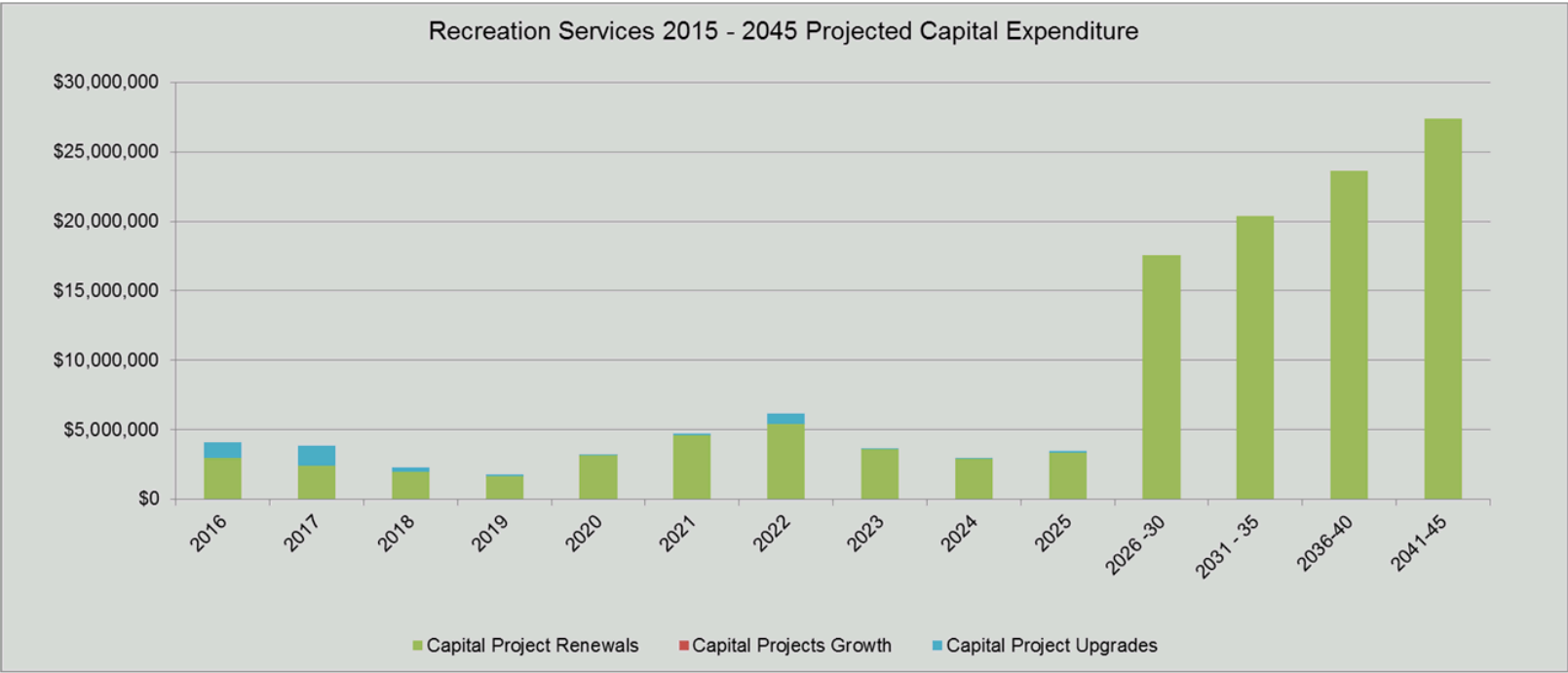
**Scenario / Service Cost**

**Recreation Services 2015 - 2045 Financial Plan**

Description	2,016	2,017	2,018	2019 - 2025	LTP TOTAL	2026 - 30	2031 - 35	2036-40	2041-45	30 Year Financials
Operating expenditure	28,940,826	29,798,242	30,662,180	233,782,442	323,183,690	192,518,404	223,181,594	258,728,636	299,937,400	1,297,549,723
Stewardship [depreciation]	6,865,040	6,899,655	6,359,585	44,143,806	64,268,086	36,779,312	42,637,303	49,428,320	57,300,970	250,413,993
Income	(11,481,303)	(11,780,360)	(11,933,812)	(91,580,590)	(126,776,065)	(77,476,639)	(89,816,659)	(104,122,125)	(120,706,080)	(518,897,568)
<b>Total Operating Projects</b>	<b>24,324,563</b>	<b>24,917,537</b>	<b>25,087,953</b>	<b>186,345,658</b>	<b>260,675,711</b>	<b>151,821,077</b>	<b>176,002,238</b>	<b>204,034,832</b>	<b>236,532,290</b>	<b>1,029,066,148</b>
Capital Project Renewals	2,967,628	2,407,950	1,976,078	24,811,072	32,162,728	17,587,898	20,389,194	23,636,664	27,401,372	121,177,857
Capital Project Upgrades	1,126,203	1,465,862	325,381	1,316,462	4,233,908	-	-	-	-	4,233,908
Capital Projects Growth	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>4,093,832</b>	<b>3,873,812</b>	<b>2,301,459</b>	<b>26,127,534</b>	<b>36,396,637</b>	<b>17,587,898</b>	<b>20,389,194</b>	<b>23,636,664</b>	<b>27,401,372</b>	<b>125,411,765</b>
				-	-					-
<b>Grand Total</b>	<b>28,418,395</b>	<b>28,791,349</b>	<b>27,389,412</b>	<b>212,473,192</b>	<b>297,072,348</b>	<b>169,408,975</b>	<b>196,391,432</b>	<b>227,671,496</b>	<b>263,933,662</b>	<b>1,154,477,913</b>

The above table shows the projected operational and capital expenditure for the 30 years of the Recreation Services activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft



The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Recreation Services activity. This is followed by the projected capital expenditure in subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft

## COMMUNITY HEALTH SERVICES

### Summary, Profile & Level of Service

Community Health services support the health and safety of the City's communities and also provide for dignified bereavement and resting places. The service comprises public toilets and pavilions, cemeteries and crematorium services. By providing these services the Council meets its legislative and policy obligations (e.g. Local Government Act (2002) and the Assessment of Water and Sanitary Services (2005) Policy) and reduces public health and environmental risks.

Our public toilets infrastructure currently provides a level of service that is adequate for the City. To ensure the Council continues to meet its legislative requirements (Burial and Cremation Act 1964 – Part 1; section 4) it will continue to invest in cemetery infrastructure to ensure future development requirements are achievable.

### Growth & Demand

Growth in public toilets, burial and cremation services is closely linked to population, demographic changes and urban growth, it is expected that service growth will closely match these changes. Demand for particular services can be influenced by changes in trends, for example more people choosing to be cremated, with the public toilet network responding to meet the configuration and growth of the city. Growth and demand, such as increasing public expectations for access, puts pressure on levels of service.

### Major Issues & Risks

Issues / Risk	Options to address risk
Cemeteries that will reach capacity in the medium-term of our 30 year horizon	Makara Cemetery will be required to expand into available flat land to continue to meet the demand for burials. Invest in infrastructure upgrades at Makara Cemetery to ensure future development requirements are achievable.
Cremation services infrastructure that has reached the end of its service life	We are undertaking a business case to re-invest in crematorium plant examining the return on investment, impact on our funding policy, and key risks and benefits to retaining this level of service. Private provision of service

### Most Likely Scenario for Service

Current public toilet levels of service will be maintained, though urban growth and intensification will put pressure on maintaining this level of service over the medium-term. Burials and cremations infrastructure requires development and renewal to achieve a level of service that meets legislative requirements and community expectations.

### Significant Future Decisions

Over the period of this strategy the council will need to consider the following;

- The development and maintenance of an increasingly resilient network
- Continuing investment to ensure legislative requirements are met
- Ensuring the existing resources are managed in response to intensified use and changing demographics.

Draft

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### **Financial Commentary**

The renewals programme for this service is based on the National Asset Management Steering Group (NAMS) industry standards combined with the Councils specific growth, demand and environmental factors. The operation, maintenance and renewal of this service is relatively predictable and the Council will continue to implement optimised asset lifecycles to meet legislative and level of service requirements. The capital reinvestment in the crematorium plant is subject to the approval of the business case and the result will be reflected in the LTP. The capital investment required for the future development of Makara Cemetery will be informed by the survey and geotechnical assessments of the undeveloped land prior to the 2018/19 LTP.

Draft

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**Scenario / Service Cost**

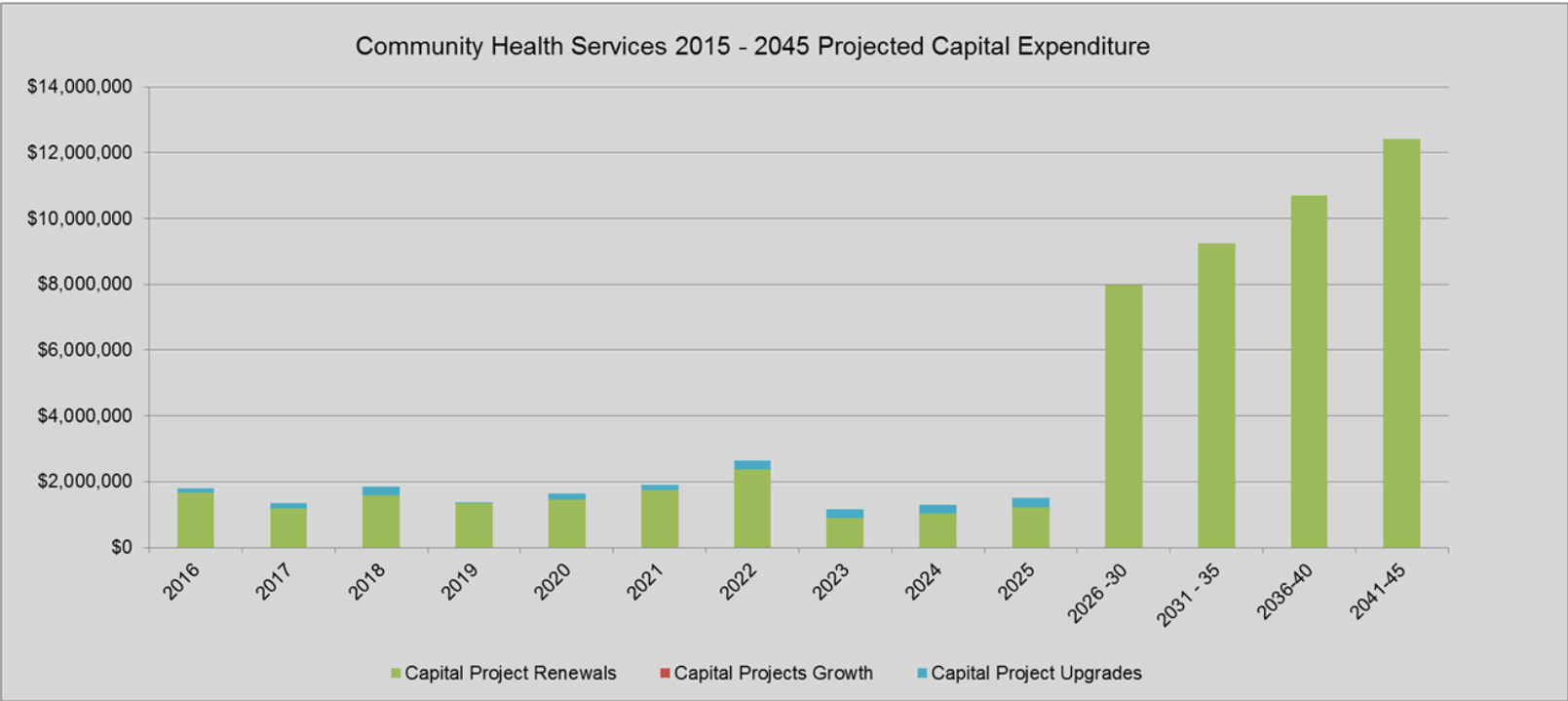
**Community Health Services 2015 - 2045 Financial Plan**

Description	2,016	2,017	2,018	2019 - 2025	LTP TOTAL
Operating expenditure	3,850,124	3,922,509	4,227,185	32,587,538	44,587,356
Stewardship (depreciation)	640,326	710,103	750,051	6,938,689	9,039,169
Income	(800,396)	(855,523)	(872,314)	(6,674,590)	(9,202,824)
<b>Total Operating Projects</b>	<b>3,690,054</b>	<b>3,777,089</b>	<b>4,104,922</b>	<b>32,851,637</b>	<b>44,423,701</b>
Capital Project Renewals	1,677,095	1,190,541	1,589,117	10,116,198	14,572,951
Capital Project Upgrades	110,480	150,991	252,935	1,448,926	1,963,332
Capital Projects Growth	-	-	-	-	-
<b>Total Capital Projects</b>	<b>1,787,575</b>	<b>1,341,532</b>	<b>1,842,052</b>	<b>11,565,125</b>	<b>16,536,284</b>
<b>Grand Total</b>	<b>5,477,629</b>	<b>5,118,621</b>	<b>5,946,974</b>	<b>44,416,761</b>	<b>60,959,985</b>

2026 - 30	2031 - 35	2036-40	2041-45	30 Year Financials
27,795,747	32,222,888	37,355,159	43,304,868	185,266,018
6,780,144	7,860,045	9,111,947	10,563,243	43,354,548
(5,591,983)	(6,482,641)	(7,515,157)	(8,712,127)	(37,504,731)
<b>28,983,908</b>	<b>33,600,293</b>	<b>38,951,949</b>	<b>45,155,984</b>	<b>191,115,835</b>
7,969,087	9,238,356	10,709,787	12,415,578	54,905,759
-	-	-	-	1,963,332
-	-	-	-	-
<b>7,969,087</b>	<b>9,238,356</b>	<b>10,709,787</b>	<b>12,415,578</b>	<b>56,869,092</b>
-	-	-	-	-
<b>36,952,995</b>	<b>42,838,649</b>	<b>49,661,735</b>	<b>57,571,562</b>	<b>247,984,927</b>

The above table shows the projected operational and capital expenditure for the 30 years of the Community Health activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft



The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Community Health Service activity. This is followed by the projected capital expenditure in subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft

## CITY HOUSING

### Summary, Profile & Level of Service

Our social housing serves to ensure that basic housing needs are met for people who face barriers in accessing affordable and appropriate housing; and to enable and empower people, where possible, to make changes in their lives. This is carried out through provision of the housing assets, tenancy management services and community development. At current levels of provision we experience an excess of demand for social housing services over supply.

Approximately 40% of the social housing infrastructure has been upgraded within the last 5 years, another 10% will be completed by 2016 and there are plans for the remainder to be completed by 2027. Maintenance and renewals programmes are keeping the remainder of the portfolio in a reasonable standard of repair although poor condition data means we may be currently under or over investing in these programmes.

### Growth & Demand

Social housing need is driven by population growth, coupled with income levels and access to appropriate and affordable housing by vulnerable households. Demographic changes, along with household composition changes will require modifications to the types of properties offered by the service.

The form and location of Wellington City Council's housing assets is largely based on decisions taken in the 1960s and 1970s. Our stock is therefore predominantly single person accommodation located in high density high-rise apartment blocks. Many units are in areas where Housing New Zealand Corporation also has a significant presence. Having a high density of social housing in a suburb brings social and community development challenges. Future demand for social housing needs to be better understood in order to plan for service changes.

### Major Issues & Risks

Issue / Risk	Options to address risk
Capital tied up in poor performing assets and cash-flow considerations	Implement the housing portfolio assessment framework and reconfigure portfolio to better meet need. Develop and apply property performance data collection tools and systems.
Lack of future capital to fund growth	Work with other HNZN and community housing providers. Undertake review of social housing policy and business model Monitor market and undertake research better understand future housing need Use surpluses to fund housing renewal activity.
Upgraded properties offering a higher level of service than non-upgraded properties	Completion of asset and condition data to enable accurate future projection of maintenance costs Implement the housing portfolio assessment framework to reconfigure the portfolio to better match need Complete the housing upgrade project Review of Business Model to enable sustainable delivery of service
Ability to deliver key community development programmes constrained	Review of Business Model to enable sustainable delivery of service

Draft

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Affordability issues for some service users.	<p>Reviewing options for service user access to government subsidy</p> <p>Regularly review of social housing policy to ensure targeted at those in need</p> <p>Work with HNZC, MSD and other community housing providers to match services with need including affordability.</p>
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### **Most Likely Scenario for Service**

The service suffers from a cash-flow issue which puts the tenancy management and community development service levels and reinvestment in the portfolio at risk. Funding constraints and cost escalations mean that levels of service for the social housing asset will continue to fall short of meeting the needs of the City. The long term sustainability of the social housing service requires a reassessment of the existing business model, which is underway.

### **Significant Future Decisions**

- The impact of changes to the delivery of State housing and to the sector through the Government's Social Housing Reform programme
- The future of the social housing service after the Deed of Grant agreement with the Crown expires in 2037.

Draft

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**Scenario / Service Cost**

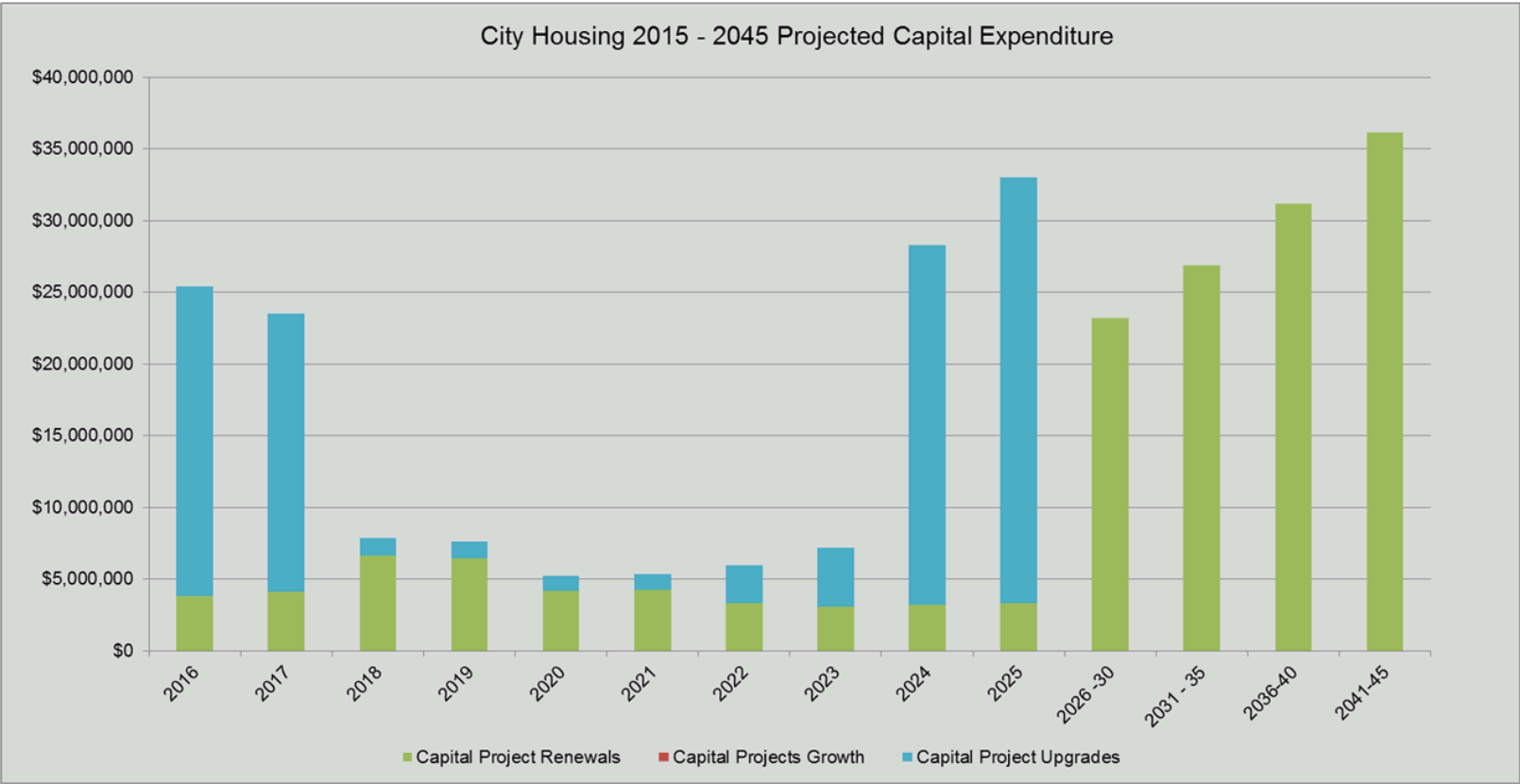
**City Housing 2015 - 2045 Financial Plan**

Description	2,016	2,017	2,018	2019 - 2025	LTP TOTAL
Operating expenditure	13,963,330	13,682,590	14,277,003	110,864,490	152,787,413
Stewardship [depreciation]	11,614,076	11,918,830	12,580,102	94,646,000	130,759,009
Income	(43,271,356)	(41,102,185)	(25,457,979)	(177,669,058)	(287,500,578)
<b>Total Operating Projects</b>	<b>(17,693,950)</b>	<b>(15,500,765)</b>	<b>1,399,127</b>	<b>27,841,431</b>	<b>(3,954,156)</b>
Capital Project Renewals	3,825,841	4,151,085	6,626,141	27,838,533	42,441,600
Capital Project Upgrades / Growth	21,595,276	19,340,971	1,249,751	64,897,864	107,083,861
Capital Projects Growth	-	-	-	-	-
<b>Total Capital Projects</b>	<b>25,421,117</b>	<b>23,492,055</b>	<b>7,875,892</b>	<b>92,736,397</b>	<b>149,525,461</b>
<b>Grand Total</b>	<b>7,727,167</b>	<b>7,991,291</b>	<b>9,275,019</b>	<b>120,577,828</b>	<b>145,571,305</b>

2026 -30	2031 - 35	2036-40	2041-45	30 Year Financials
104,169,330	(44,014,316)	(51,024,655)	(59,151,560)	102,766,212
82,289,632	95,396,237	110,590,384	128,204,565	547,239,827
(143,279,398)	(1,324,972)	(1,536,006)	(1,780,652)	(435,421,605)
43,179,564	50,056,949	58,029,723	67,272,354	214,584,434
23,208,806	26,905,368	31,190,695	36,158,564	159,905,034
0	0	0	0	107,083,861
-	-	-	-	-
23,208,806	26,905,368	31,190,695	36,158,564	266,988,895
66,388,371	76,962,317	89,220,419	103,430,918	481,573,329

The above table shows the projected operational and capital expenditure for the 30 years of the City Housing activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft



The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the City Housing activity. This is followed by the projected capital expenditure in subsequent 5 year period. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft

## PROPERTY AND CORPORATE ASSETS

### Summary, Profile & Level of Service

Providing property management services to ensure Council's civic and commercial buildings are safe, compliant and fit for purpose for occupants and users. This function is delivered by the property management and advisory functions with support from contract management services. Our current levels of service are broadly meeting the needs of users, however this becomes increasingly challenging with aging properties and the changing legislative and compliance requirements.

The corporate assets portfolio includes IT infrastructure systems, fleet, security and a range of other minor capital items.

### Growth & Demand

Growth in Corporate Property services is primarily driven by changes in Council's own strategies and property requirements; this would usually relate to changing accommodation requirements for business units and CCO services. Possible areas of service growth include incorporating Wellington Waterfront assets into the portfolio and any integration of Council functions across the region.

### Major Issues & Risks

Issue / Risk	Options to address risk
Asset condition data collection and analysis needs to improve to support asset management decision making	<p>The Council's new strategic asset management unit will provide increased data assessment and asset management capability for our assets.</p> <p>This will assist Corporate Property to determine how best to utilise and maintain its assets and optimise the delivery of the Corporate Property service.</p>
Current workplace is dated and does not support contemporary working or the Council's need for a flexible, mobile, future-focused working environment	<p>The Workplace Project is part of the wider Civic Precinct Development Project, its key objectives are to:</p> <ul style="list-style-type: none"> <li>- Modernise our workplace to increase flexibility and improve collaboration;</li> <li>- Reduce the total floor space we occupy in the Civic Campus; and</li> <li>- Assess whether there are any consequential development opportunities for the Administration Buildings</li> </ul>
Legislative and compliance changes that will likely have a significant impact on risk profiles and health and safety processes	A full legal and procedures review is required to understand the new requirements and implications of the new Health and Safety in Employment Act.
Earthquake strengthening requirements will impact on funding and our ability to maintain service levels for building occupiers and users	Strengthening options for the Town Hall and other Civic Campus buildings are being considered under the Civic Precinct Development Project.
IT investment priorities to support the changing business environment.	The rationalisation of systems across Council to accommodate the new Core Council Application Platform may impact on the specific Corporate Property data collection and reporting requirements. Ensure property requirements are considered within the wider Council requirements.

Draft

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### **Most Likely Scenario for Service**

Generally our current levels of service will be maintained, however the portfolio's aging profile and earthquake strengthening requirements mean we need to critically review our asset condition data and renewal cycles to ensure we optimise the funding available.

The Civic Precinct Development proposal will have a significant impact on occupants of the Civic Campus. This project seeks to find a solution that addresses the earthquake strengthening requirements across the campus; modernises our workplace; releases sites for development and revitalises the Civic Square public space. Maintaining service levels within the Civic Campus assets will continue to be a challenge until the future state of each of the buildings/sites is resolved.

Investment in IT solutions will enable Council to effectively and efficiently deliver its core services and enabling us to respond to future change.

### **Significant Future Decisions**

Over the period of this strategy the council will need to consider the following:

- Civic Precinct Development proposal
- Capital Investment in our IT infrastructure.

Draft

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**Scenario / Service Cost**

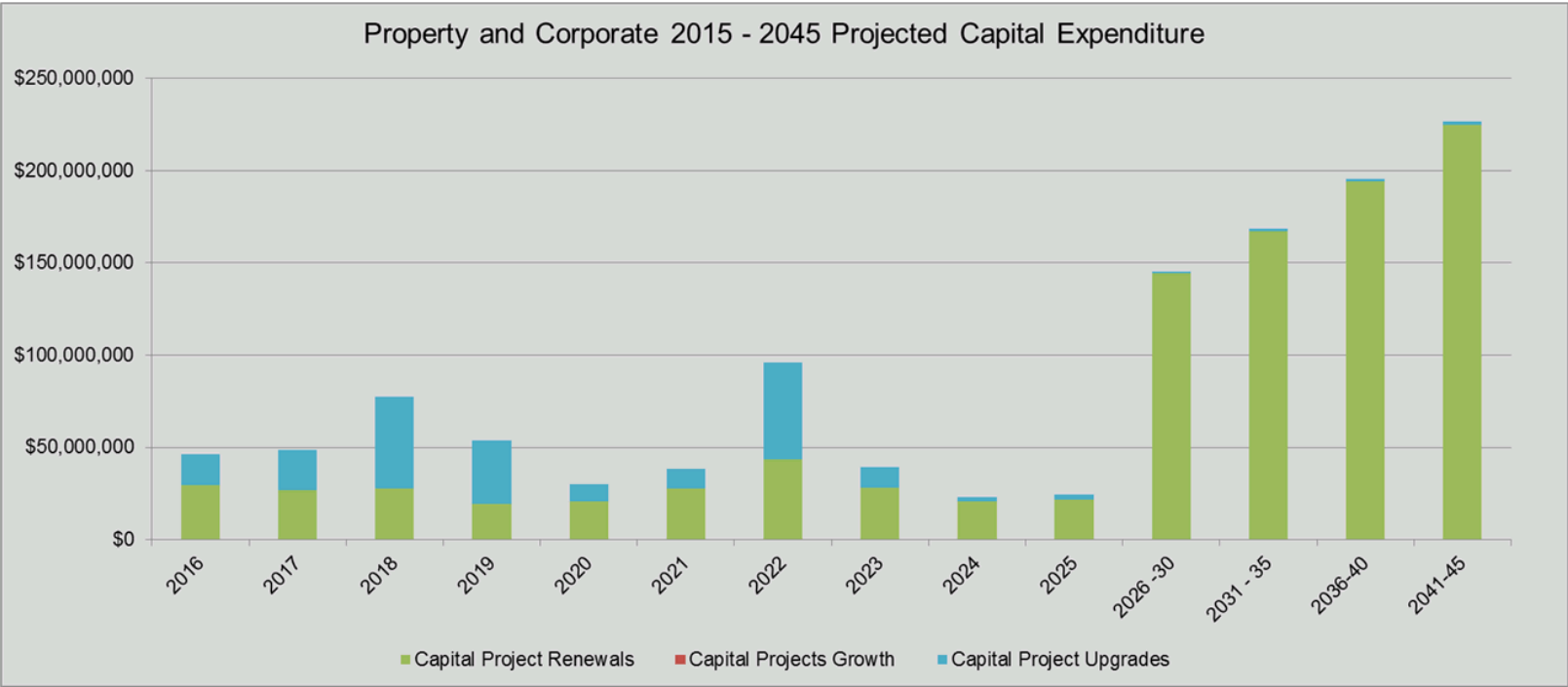
**Property and Corporate 2015 - 2045 Financial Plan**

Description	2,016	2,017	2,018	2019 - 2025	LTP TOTAL	2026 -30	2031 - 35	2036-40	2041-45	30 Year Financials
Operating expenditure	805,096	3,154,630	4,306,221	17,433,967	25,699,914	8,761,552	10,157,040	11,774,793	13,650,213	70,043,512
Stewardship [depreciation]	2,873,601	2,201,832	2,646,724	42,719,106	50,441,263	40,785,651	47,281,748	54,812,505	63,542,716	256,863,882
Income										
<b>Total Operating Projects</b>	<b>3,678,697</b>	<b>5,356,462</b>	<b>6,952,945</b>	<b>60,153,073</b>	<b>76,141,177</b>	<b>49,547,203</b>	<b>57,438,788</b>	<b>66,587,298</b>	<b>77,192,928</b>	<b>326,907,394</b>
Capital Project Renewals	29,390,123	26,810,913	27,629,894	182,107,464	265,938,394	144,368,599	167,362,773	194,019,324	224,921,572	996,610,662
Capital Project Upgrades	17,056,038	21,794,230	50,001,050	122,895,159	211,746,478	1,057,416	1,225,835	1,421,078	1,647,419	217,098,225
Capital Projects Growth										
<b>Total Capital Projects</b>	<b>46,446,161</b>	<b>48,605,143</b>	<b>77,630,944</b>	<b>305,002,623</b>	<b>477,684,871</b>	<b>145,426,014</b>	<b>168,588,608</b>	<b>195,440,402</b>	<b>226,568,992</b>	<b>1,213,708,887</b>
<b>Grand Total</b>	<b>50,124,858</b>	<b>53,961,605</b>	<b>84,583,889</b>	<b>365,155,697</b>	<b>553,826,048</b>	<b>194,973,217</b>	<b>226,027,396</b>	<b>262,027,700</b>	<b>303,761,920</b>	<b>1,540,616,282</b>

The above table shows the projected operational and capital expenditure for the 30 years of the Corporate Property activity. This is followed by the projected expenditure in subsequent 5 year periods. This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft

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The above shows the projected capital renewal, growth and upgrade expenditure for the 30 years of the Property and Corporate activity. This is followed by the projected capital expenditure in subsequent 5 year period This excludes capital upgrades for the remaining twenty years of the thirty year plan. The upgrades from year 11 – 30 are currently unplanned and unbudgeted.

Draft

## Strategy Development & Review

The 30IS will be reviewed in each Long-Term Plan triennium. Our 30IS will evolve and develop as our infrastructure management capability evolves. As the quality of our information and analytics improves the understanding of our assets, levels of service and demand for those services, we will focus our infrastructure strategies, planning and outcomes.

The horizon for our strategy will be held at a 30 year constant for each iteration; as the strategy develops the legacy of changes will be quantified in the document. In theory, there should be continuity across 30IS development cycles and it should be possible to pick-up our 30IS years later and see a clear and concise pathway of its progression. In practice, this would encompass:

- A review of any material changes in principle, direction and focus of the strategy
- A synopsis of the drivers for those changes, both internal and external
- A structure highlighting the continuity of one iteration of the strategy to the next.

Draft

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## Appendices

The suite of service plans covering individual asset groups are available electronically by following the below pathway. (Access to the WCC's document management system 'TROVE' is required), published versions of the below draft plans are not currently available.

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Transport

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Stormwater

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Wastewater

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Water Supply

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Parks & Open Spaces

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Recreations

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Community Health

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Libraries

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Community Services

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\City Housing

Enterprise Connect\Trove\Enterprise\Internal Management\Asset Management Planning\Asset Management Plans\3. Individual Service Plans\2015-18\Development\Corporate Property

Draft

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*Financial Strategy – Investing for Growth*

## Our ten year plan

WELLINGTON CITY COUNCIL'S  
DRAFT LONG TERM PLAN 2015-25.

**DRAFT LONG TERM PLAN 2015-25**

*This document is part one of our draft ten year plan. It sets out the rates and borrowing limits of the council and the approach we take to ensure our programme is prudent and affordable.*

Other components of our draft ten year plan include:

*Part Two: **Infrastructure Strategy** – this provides an overview of how we plan to manage our assets over the next 30 years.*

*Part Three: **Significant Forecasting Assumptions** – all plans are subject to change. These forecasting assumptions set out our starting point – the key facts and projections that we know today and expect to be important over the ten years of the plan.*

*Part Four: **Statements of Service provision** – this document sets out our activities, associated performance measures, and the budgets for our capital and operating projects and programmes.*

*Part Five: **Funding and Financial Policies** – these include our:*

- Revenue and Financing Policy*
- Rates Remissions Policy*
- Rates Postponement Policy*
- Investment and Liability Management Policy*
- Fees and Charges.*

*Part Six: **Funding Impact Statement** – our prospective financial statements.*

Related documents:

***Consultation Document** – this sets out the key matter for consultation.*

***Civic Precinct (Statement of Proposal)** – we are proposing to revitalise Civic Square including the leasing of some sites to, in part, off-set the costs of strengthening the Town Hall and other buildings.*

***Significance and Engagement Policy** – we adopted this last year. It guides our approach to consultation.*



Supporting Information to the 2015-2025 Long-term Plan Consultation Document

## **WELLINGTON CITY COUNCIL**

### **2015-2025 FINANCIAL STRATEGY**

#### **Investing for growth**

Recommendation to Committee only - not Council Policy

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## **A CHANGING FINANCIAL LANDSCAPE**

In 2012 the Council's financial strategy was underpinned by fiscal restraint, recognising that the organisation's big financial challenges, including earthquake strengthening, leaky buildings and rising insurance costs. Confidence in the economy was low and ratepayer expectations were for rates increases in line with inflation. The strategy conformed to current practice and complemented existing financial policies. It set an annual rates increase target for 2012/13 equal to the Local Government Cost Index, lowering to CPI (around 2.5%) in subsequent years and planned for debt ratios significantly lower than all other metropolitan cities in New Zealand. But growth forecasts were low. The strategy was not sustainable and risked service cuts and minimal new offerings unless rates increased above forecasts in the strategy.

We have since reviewed how we deliver our services and consolidated our Council Controlled Organisations, implemented shared services in Water and IT and procurement programmes. These and similar initiatives are expected to deliver savings in excess of \$50m for Wellington ratepayers over the next 10 years – though this is not enough to fund the increasing expectations that we, our residents and businesses have for the city.

Rates increases equal to or less than CPI (household inflation) are not sustainable in the long-term without cutting services. This would not be enough to fund what we provide now and meet ratepayer expectations for improved services.

Rather than risk cuts to services and a stagnating city, our new Financial Strategy provides a platform for the Council to invest and support economic growth, which in turn will create jobs, grow our ratepayer base and increase prosperity. We will achieve this by prioritising proposals for funding and expenditure that:

- Rebalance our spend and investment between key strategy areas
- Identify areas where service levels and performance are already high and increasing the use of existing assets, rather than spending on new investments
- Invest in projects that grow the economy and deliver returns on our investment
- Encourage urban growth in areas where we have existing infrastructure and public transport and in a way that improves environmental performance
- Improve our asset management to better manage risk while also maintaining high levels of service delivery
- Achieve ongoing efficiencies within the organisation, with a focus on shared services and improved customer experiences.

## WORKING FROM A POSITION OF FINANCIAL STRENGTH

Wellington City is in a strong financial position. Our debt to income ratio is currently less than 100%. This compares favourably with other metropolitan Councils whose equivalent ratios range from over 175% to around 275%. The Council also holds investments in Wellington Airport and a substantial ground lease portfolio that are valued at more than our \$384m borrowings. So the Council could theoretically sell these assets and have no debt at all.

In its 2014 review of the Council's credit rating, the independent credit rating agency Standard & Poors judged Wellington City's stand-alone credit profile to be the highest of Local Government in New Zealand, and even higher than the government, but have capped it at the government level. Their assessment that the Council has 'very strong financial management and budgetary flexibility, strong budgetary performance and liquidity and low contingent liabilities' supports our view that our credit strength and institutional framework will allow higher debt burdens as we progress our strategy to invest in projects to grow the capital's economy.

Council uses debt to spread the cost of buying assets and services across those who will benefit from use of the asset over its life. This means we also need to consider the impact of servicing debt on the affordability of rates. In formulating our financial strategy we have ensured that the cost of servicing and repaying borrowing for each asset is catered for with proposed rating limits.

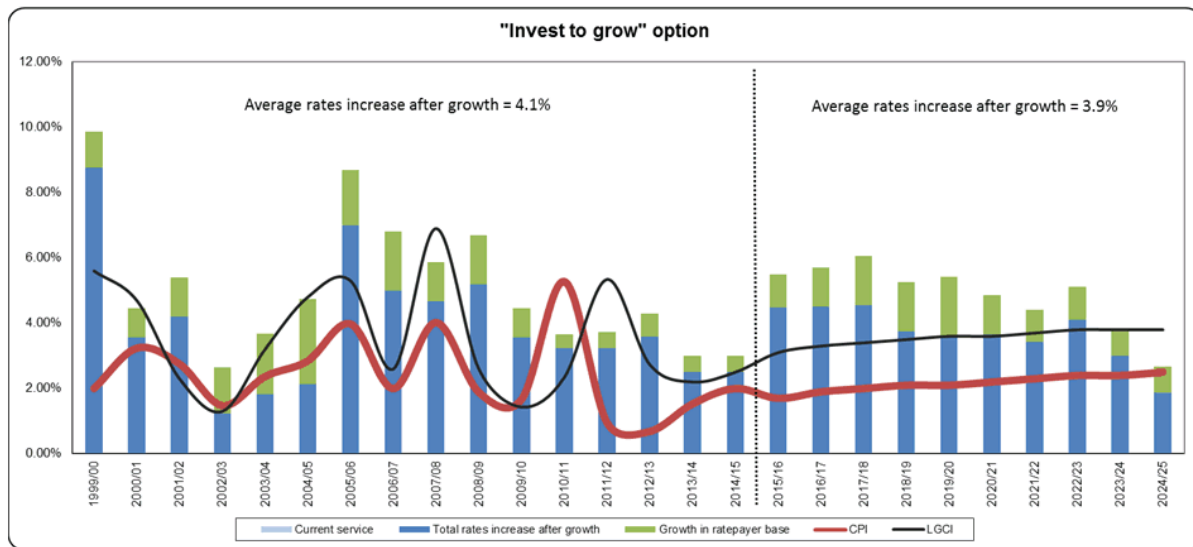
## RATES FORECASTS AND LIMITS

Our 'invest to grow' strategy provides to limit average rate increases at 4.5% over the first three years of the LTP and an average of 3.9% across the 10 years of the plan<sup>1</sup>.



The 3.9% average annual rates increase limit proposed within this strategy compares favourably with the average increase of 4.1% over the last 15 years.

<sup>1</sup> These rates increase limits are after accounting for growth in the ratepayer base and are indexed off the 2014/15 total rates excluding Business Improvement District Rating. They are subject to any inflationary increases in the rate of inflation of the Local Government Cost Index (LGCI) in the 'forecasts of price level change adjustors-2014 update' forecast by Bureau of Economic Research Limited (BERL) in September 2014.



## DEBT FORECASTS AND LIMITS

We are forecasting debt across the period of this LTP to peak at approximately 140% of operating income. The limit to the amount of debt the council will take on over the period of this strategy is 175% of operating income. This limit provides some contingency for Council to respond immediately to an unplanned emergency or natural disaster. The cost of servicing the forecast debt, and the assets we build or buy, is built into our forecast rates increases.

If we keep going  
as we are...

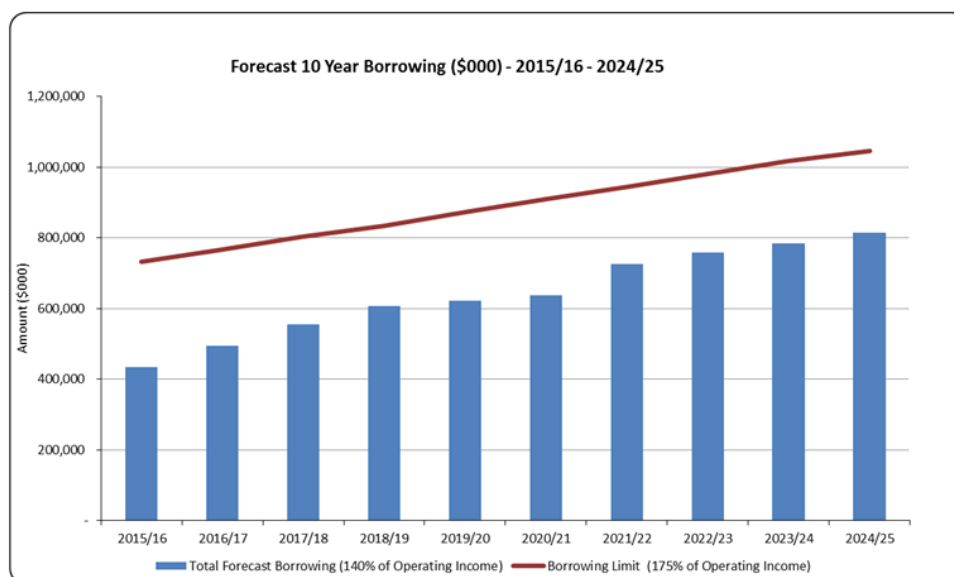
**130% forecast  
150% limit**

Council debt will be capped at a maximum of 150% of annual income – the same as a household earning \$50,000 a year having a mortgage of \$75,000.

If we invest for  
growth

**140% forecast  
175% limit**

Council debt will be capped at a maximum of 175% of annual income – the same as a household earning \$50,000 a year having a mortgage of \$87,500.



## CHALLENGES AND OPPORTUNITIES

In the pages that follow we explain how we propose to manage the financial challenges, opportunities and risks the city faces to enable the Council to deliver on this strategy in a financially prudent manner.

### *Population, land use, and rating base growth*

Since 2010 Wellington City has had slow population growth of 0.7% per year (0.2% below the national average). The 2015 population is estimated at around 203,000 people. It is expected to increase by about 12,000 to around 215,000 by 2024, a modest 0.6% average growth rate per year. Limited changes to land use are forecast, however the northern growth management plan provides for the conversion of open space to residential development. The capital cost to provide for these changes over the ten years are forecast at around \$75m and the associated operating costs \$9m.

In the past five years, the ratepayer base has grown at an average rate of just 0.4%. History shows that Council investments can be a catalyst for economic growth. This was evident in the last significant growth spurt, when our rating base growth peaked at around 2.2% per annum in the early 2000s on the back of game-changing projects like Te Papa, Westpac Stadium and development of the waterfront.

This financial strategy aims to create the capacity to invest in initiatives that act as a catalyst for growth in the economy and the city's rating base. Our LTP includes a number of key investment projects that we expect will accelerate growth in our ratepayer base, which we

conservatively expect to peak at around 1.8%, an average of 1.2% over 10 years. The larger rating base is expected to generate a \$37m boost for existing ratepayers by 2024/25, a cumulative benefit of over \$205m across the 10 years – and this benefit will continue to accumulate in subsequent years.

The financial benefit, or return, that the Council receives from prudent investments can be re-invested in the city. We call this the ‘virtuous circle’.



#### **A strategic approach to asset investment**

This plan is different in direction and approach to the past. The emphasis is strategic and long-term with a focus on short-term delivery.

The first three years of the plan is detailed and reflects a work programme that is realistically deliverable in the timeframe. A rolling three year forecast provides flexibility for the Council to respond to unanticipated changes and to consider new opportunities.

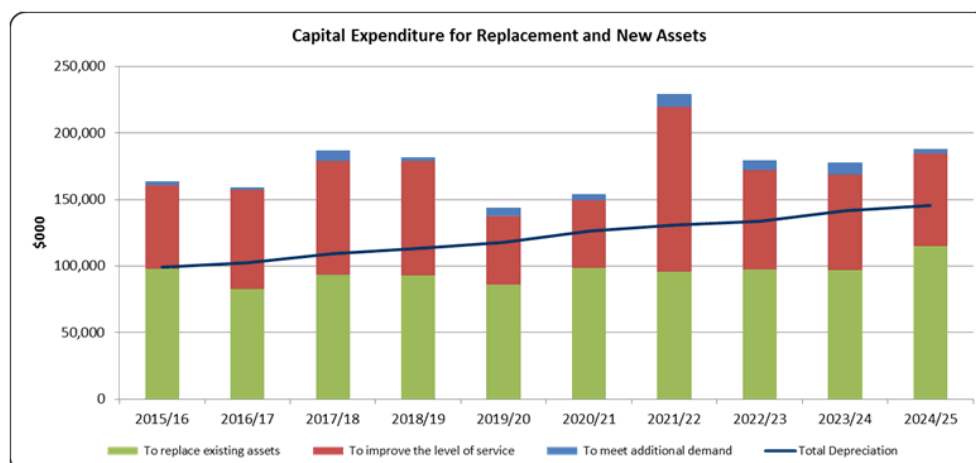
We’ve done a lot of work to better understand the quality of our assets. They are generally in good condition and we have a robust asset renewal programme in place. Continuing to improve the quality of asset information, particularly for our network infrastructure, means we can get more value from our assets without exposing the Council or the community to undue risk. We have used updated information to better plan and make decisions about

Recommendation to Committee only - not Council Policy

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assets that need renewing over the 10 years of the LTP. Our Infrastructure Strategy expands this timeframe out to 30 years and gives us confidence that we have the financial capacity to maintain our existing infrastructure in the longer term.

The expected capital costs for network infrastructure required to maintain existing levels of service and meet additional demands is as follows:

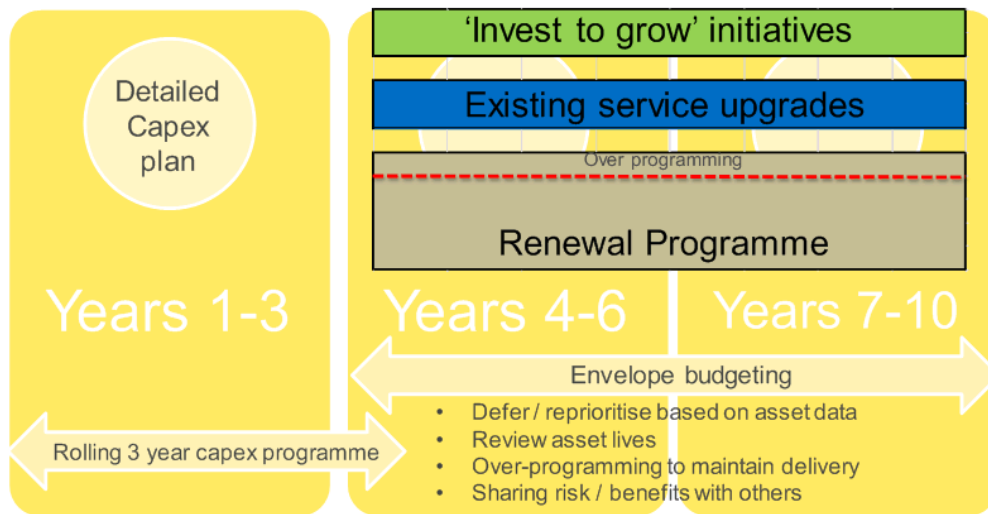


Significant projects to upgrade or improve services include increasing the cycling network, building a new library in Johnsonville and improving the resilience of the city's water supply. We also plan to continue to improve earthquake resilience, including the town hall, central library and civic offices.

There is less certainty, however, around the details, costing and timing for a range of potential new economic growth initiatives. While these initiatives will all be subject to robust business cases and public consultation, it's also important that we demonstrate the Council's capacity to invest in projects such as an international film museum, indoor music arena, extending the airport runway and urban development initiatives.

We have used an envelope budgeting approach to reflect the capacity that Council has within its financial strategy to fund 'invest to grow' economic initiatives in years 4 to 10 of the LTP.



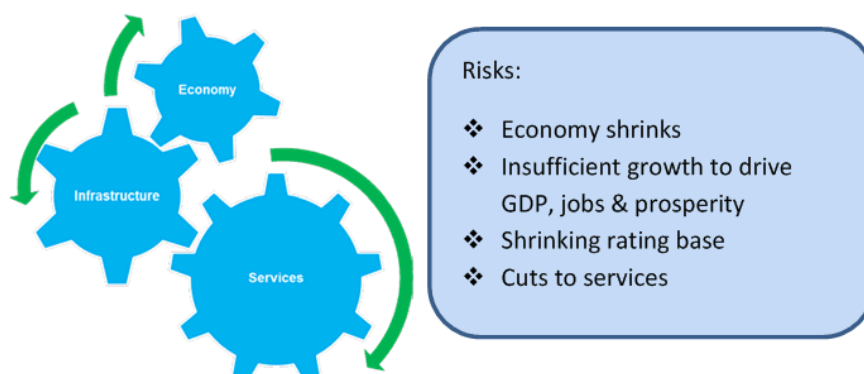


#### ***Managing investment expectations***

Annual surveys and benchmarking data show that service levels for social, recreational and community infrastructure are high in Wellington. However, over the last ten years there has been an expectation in the community that the Council will continue to increase service levels in these areas.

It is also recognised that during this period investment to support the broader Wellington economy and the city's rating base has been low.

This financial strategy recognises the importance of investment in the economy to grow the city and increase the rating base to provide the financial capacity to continue to invest in our infrastructure. In turn, this provides the resources for Council to deliver on recreation, social and cultural services, amenities and events. The risks of not doing so are summarised in the diagram below.



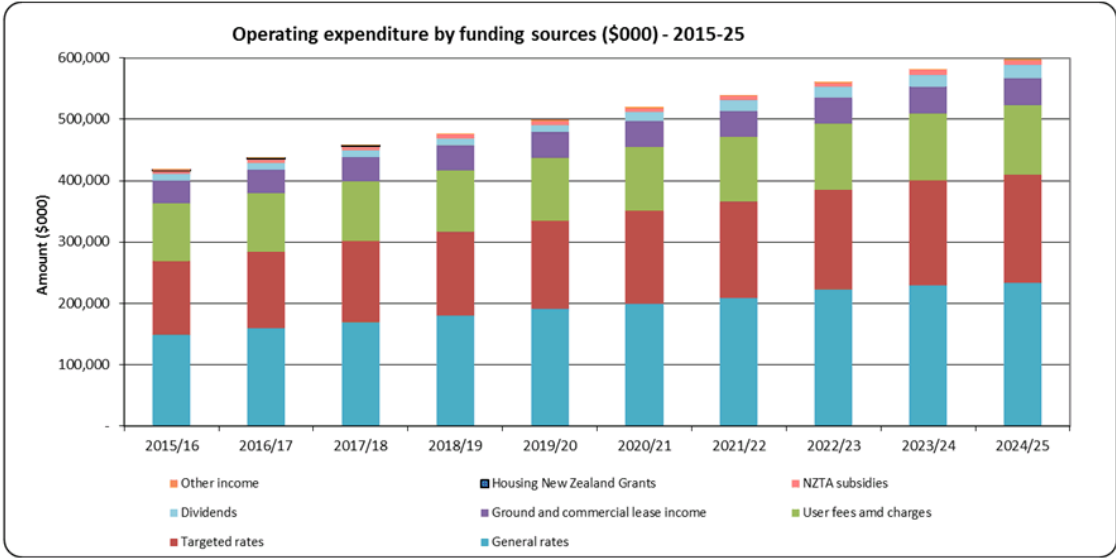
Recommendation to Committee only - not Council Policy

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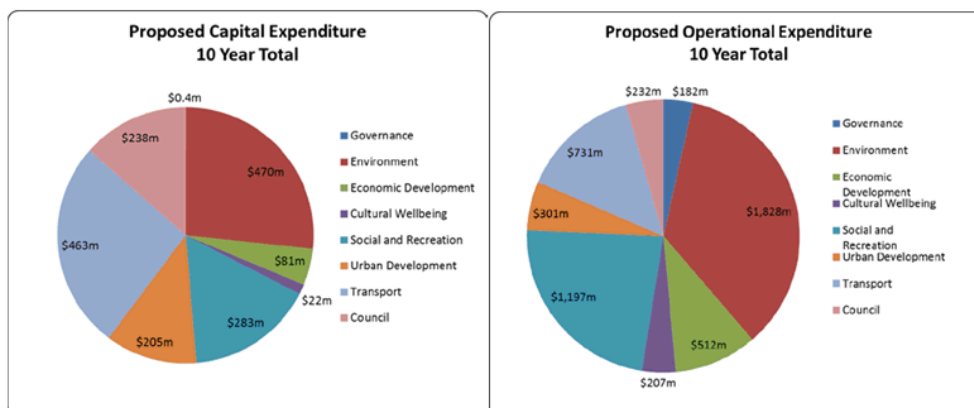
Continuing to do the basics well

There is a risk that in investing to improve the economic resilience of the city that we compromise on delivering core services. We will manage this risk by providing capacity within our rates and debt limits to ensure that we can continue to provide the services we do now. We will increase the emphasis on improving utilisation of the assets and services we currently provide. To ensure we maintain high levels of service delivery we will continuously drive operational efficiencies within the organisation. We will also focus on shared services and improved customer service - for example combining of CCOs to create the Wellington Regional Economic Development Agency, shared IT infrastructure and a range of procurement and contract related initiatives.

Our plan is to continue to deliver the full range of services we currently offer.



The graphs below show that in our proposed LTP financial strategy we will continue to fund and invest in the full range of services we currently provide.



#### **Maintaining an affordable and prudent balance between service, rates and debt**

Our financial strategy sets a framework for investment decision making by:

- Setting maximum limits for rates and debt supported by funding policies that will ensure rates remain affordable.
- Linking to a clear set of funding principals as contained in the Council's Revenue & Financing Policy
- Using quality asset data to drive its infrastructure asset renewal and upgrade
- Requiring the Council to be specific about the costs, delivery timeline and impact on service levels of its investment decisions in the first 3 years of its plan.
- Being transparent about the assumptions used in longer-term (years 4 to 10) initiatives for which full business cases are yet to completed, and providing flexibility for investment intentions to be modified, depending on these cases and other external factors.

There is a risk that in attempting to maintain or increase service levels the council could compromise its funding principles that underpin its robust and prudent financial management. This risk is mitigated by continuing to make provision in our Financial Strategy to:

- Maintain a balanced budget. Council will raise sufficient income each year to fund the costs of providing services consumed by the city that year. No profit is budgeted or rated for. Note that our financial statements will show a surplus because revenue received for capital expenditure is required to be shown as income.

**Item 4.1 Attachment 3**

- Continue to fully fund depreciation on assets that the Council will be responsible for renewing when they reach the end of their useful life. This is needed so we can pay for their replacement in the future.
- Debt fund to maintain intergenerational equity. Debt is used to initially fund assets. This debt is repaid over the life of the asset through depreciation funding. This ensures that ratepayers only pay the cost of a service when they benefit from a service
- Enable asset management planning to inform and complement financial planning. This considers the condition and deterioration of assets to estimate their useful life and the costs of their replacement and repair. It balances risk and the timing of replacement, as well as assessing the capacity required for growth
- Manage investments and equity securities. The primary objective of holding and managing investments and equity securities is to optimise the return on the overall investment portfolio. Investments are also held for the purpose of achieving Council's strategic objectives and to provide diversity to the Council's revenue sources. For non-strategic investments, the target return for investment is to achieve an average return over time greater than Council's long term cost of funds, currently forecast at 6.3% per year. The Council's investment policy sets out the mix of investments, strategies and other policy considerations in greater detail.
- Operate a policy on securities. To be able to borrow money we need to offer security to the lenders. Security is a guarantee which can be redeemed in case of default, like a house as mortgage security. Our borrowings are secured by creating a charge over our rates revenue. This security relates to any borrowing and to the performance of any associated obligations to borrowing. As a shareholder and borrower from the New Zealand Local Government Funding Agency we also use rates revenue as security over all borrowing from the agency.
- Implement our Insurance strategy which balances externally procured insurance, internal 'self-insurance', risk retention and transfer. Our insurance policy aims to achieve an adequate level of insurance with a balance of insurers from NZ and international markets. Our insurance is mainly for material damage and business interruption. Material damage covers catastrophe losses only, with an internal \$10m insurance reserve fund (being increased over time) to cover excesses and day to day working losses. The insurance coverage includes natural disasters to a limit of liability of \$400m material damage (buildings, infrastructural assets and contents) and Business Interruption combined over an asset portfolio of \$4.658bn (2014/15). Our earthquake cover and other natural disasters are informed by Geological and Nuclear Sciences (GNS) on potential losses caused by these events

This strategy also allows for Council to maintain a reasonable balance between services rates and debt. Increases in service levels will be generally restricted to those services that are expected to provide an increase in the rating base, reducing the impact on current ratepayers.

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Where debt funding is required to spread the cost of an investment across a number of years, we will focus on those investments that provide a return to reduce the impost on ratepayers.

#### **Strategic partnering**

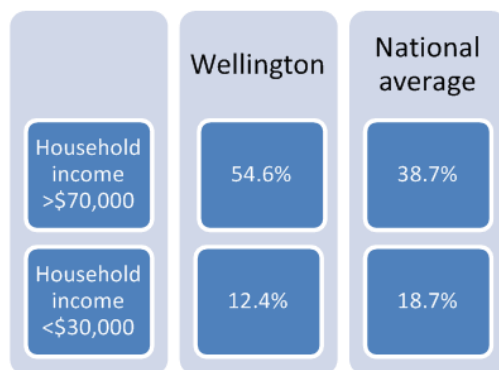
We will develop a more focused and strategic approach to partnering with central government and the private sector. To reflect this we have assumed that in addition to the \$1.7 billion of asset investment proposed in the 2015-2025 LTP, some investments to which we contribute will be undertaken by other organisations. To reflect this we have assumed that as part of our economic growth funding envelope we will provide sufficient grant funding to service \$90 million of investment by an external party, but transfer the capital risk and not hold the associated debt on the Council's balance sheet.

We will also continue to investigate the philosophy of 'earn-back' with central government. When ratepayer funded council investment results in improved economic performance of the city and a higher tax take, we believe the Council should receive a portion of the financial benefit accrued by the government.

#### **Rates affordability**

In developing our financial strategy we have been very conscious that our rates are affordable. Our strategy is underpinned by an assumption that affordability will be maintained.

Wellington residents have significantly higher incomes than the national average.



We know there are small pockets of deprivation in Wellington City. We will continue to manage this factor by providing rates remission and rates postponement policies. The central government-funded rates rebate scheme can also be used in hardship cases that result in difficulty paying rates.

Residents fund approximately 55% of total rates. As Wellington residents have significantly higher average incomes than the national average, our average rates equates to approximately 2.7% of average Wellington household income. Throughout the period of this LTP we intend to keep this below 3.5%, significantly lower than the 5% affordability threshold identified in the 2007 Local Government Rates Enquiry.

Commercial ratepayers fund 45% of total rates. Generally rates are a relatively small proportion of total business income, varying between 0.1% and 0.4%, depending on the sector.

Factors such as increased insurance and earthquake resilience costs are placing additional pressure, particularly on the not-for-profit sector and heritage property owners. While many not-for-profit organisations already receive lower rates under legislation, the Council is cognisant of the pressures earthquake prone status may cause and has initiated a rates remission policy to help.

#### **Earthquake and weather-tightness risk**

The Council's 2012 Financial Strategy highlighted earthquakes, weather-tightness and increasing insurance costs as key risks which warranted a conservative fiscal approach. Council's financial exposure to these risks is now better understood – all are catered for within this strategy and specifically budgeted for within the 2015-2025 LTP. We have made provision to earthquake strengthen the Town Hall, the central library and administration building. We will fully repay the borrowing taken out to cover the Council's contribution to leaky building costs over the period of this LTP and will utilise recent reductions in insurance premiums to replenish our self-insurance reserves.

#### **Delivering on the strategy**

This financial strategy supports and enables an ambitious plan to invest in the city. We have been conservative in our growth assumptions, but there is still a level of risk that the investment projects we propose will not deliver the economic and rating base increases we are forecasting. We will manage this risk by conducting detailed business cases for each investment to assess their cost effectiveness and economic contribution. We will also consult before deciding to proceed. We will also measure and report on our performance against this strategy annually and review the strategy every three years.

Our view is that there is significantly greater risk in not investing to support the city's economy, making it more difficult for us to compete nationally and internationally, a loss of businesses, jobs, cuts in services and higher long-term rates for the ratepayers that are left behind.



<b>'Current service' strategy</b>	<b>'Invest to grow' strategy</b>
No / or very limited new offerings Renewing assets based on a depreciation profile rather than asset quality	New offerings to reinvigorate the city and its economy Greater ability to reprioritise capex renewals & upgrades based on improved asset information
Limited ability to respond to opportunities	Ability to respond to opportunities
'Limited ability to respond to growth, economy and ratepayer expectations	'Envelope' budgeting to provide for economic investment in years 4-10 (\$180m over 10 years)
Minor reprioritisation of capex renewals (only) based on improved asset	Flexibility to adjust 'envelope' in response to growth, economy and ratepayer expectations
No opportunity to grow business and community confidence through investment in the city	Opportunity to significantly grow business and community confidence
Growth in rating base will be low – fluctuating in response to economy – limited ability to influence Potential cuts to services	Elevated growth in rating base support long-term sustainability and vibrancy of the city (\$200m cumulative direct ratepayer benefit over 10 years+ citywide benefit)
Slightly lower rates increases in the short-term (4.1% over 3 years , 3.1% over 10 year)	Slightly higher rates increases in the short/medium term (4.5% over 3 years, 3.9% over 10 years)
Lower investment = lower borrowing levels, but no improvement to ratepayer equity in the city	More investment = higher borrowing levels, but maintain ratepayer equity in the city
Risk of stagnation	Opportunity for city to grow & flourish



*Statements of Service provision*

## Our ten year plan

WELLINGTON CITY COUNCIL'S  
DRAFT LONG TERM PLAN 2015-25.

Draft subject to change

**DRAFT LONG TERM PLAN 2015-25**

*This document is part of our draft ten year plan. It sets out our activities, associated performance measures, and the budgets for our capital and operating projects and programmes.*

Other components of our draft ten year plan include:

*Part One: **Financial Strategy** – this sets out the rates and borrowing limits of the council and the approach we take to ensuring our programme is prudent and affordable.*

*Part Two: **Infrastructure Strategy** – this provides an overview of how we plan to manage our assets over the next 30 years.*

*Part Three: **Significant Forecasting Assumptions** – all plans are subject to change. These forecasting assumptions set out our starting point – the key facts and projections that we know today and expect to be important over the ten years of the plan.*

*Part Four: **Statements of Service provision** – this document.*

*Part Five: **Funding and Financial Policies** – these include our:*

- Revenue and Financing Policy*
- Rates Remissions Policy*
- Rates Postponement Policy*
- Investment and Liability Management Policy*
- Fees and Charges.*

*Part Six: **Funding Impact Statement** – our prospective financial statements.*

Related documents:

***Consultation Document** – this sets out the key matter for consultation.*

***Civic Precinct (Statement of Proposal)** – we are proposing to revitalise Civic Square including the leasing of some sites to, in part, off-set the costs of strengthening the Town Hall and other buildings.*

***Significance and Engagement Policy** – we adopted this last year. It guides our approach to consultation.*

## Contents

### Our goal

This section sets out our community outcomes – the long term goals we seek for the city.

### Our activities

This section outlines the key services that we provide, the associated performance measures, and operating and capital budgets.

#### 1.1 Governance

Overview: activities and negative effects

Performance measures

Activity budgets

#### 1.2 Environment

Overview: activities and negative effects

Performance measures

Activity budgets

#### 1.3 Economic development

Overview: activities and negative effects

Performance measures

Activity budgets

#### 1.4 Cultural wellbeing

Overview: activities and negative effects

Performance measures

Activity budgets

#### 1.5 Social and recreation

Overview: activities and negative effects

Performance measures

Activity budgets

#### 1.6 Urban development

Overview: activities and negative effects

Performance measures

Activity budgets

#### 1.7 Transportation

Overview: activities and negative effects

Performance measures

Activity budgets

### Council Controlled Organisations

### Appendix

Ten year projects and programmes budgets

Housing Portfolio assessment Framework

Statement on Maori and Mana Whenua Partnerships

There are a number of components to the long term plan. **To help navigate**, we group our activities into the seven areas (noted above) and provide a reference number for each activity (ie 1.1.3 City archives). The reference number is used across the performance measures, activity descriptions, budgets and the revenue and financing policy.

## **Our goal**

We've set in place clear goals

The Council has set in place an overarching long term strategic vision for the city *Wellington Towards 2040: Smart Capital*. It aims to grow and sustain the city as 'an inclusive place where talent wants to live'.

The strategic vision is supported by four community outcomes or long term goals:

- **Connected city:** With improved physical and virtual connections, we can unleash the potential of Wellington's people and businesses. Technology reduces the city's physical distance from the world and markets, and the city's compactness allows for relationships to form with ease.
- **People-centred city:** Cities compete more for people – in particular, for the highly skilled, educated people who already make up a large proportion of Wellington's population. It will become increasingly important to draw on these strengths, to ensure the city is open, welcoming, vibrant and embraces diversity.
- **Eco-city:** We can build on current environmental strengths to transition to a low carbon future. As an eco-city Wellington will achieve high standards of environmental performance, coupled with outstanding quality of life and an economy increasingly based on smart innovation.
- **Dynamic central city:** By fostering the central city as a hub of creative enterprise, we can lead the region to the next level in economic transformation. With universities, research organisations and creative businesses all clustered in or near the central city, Wellington can grow, taking the wider region to the next step in prosperity and quality jobs.

These outcomes guide our activities.

## 1.1 Governance

Pārongo ā-tāone

### By the numbers

137,215

Number of registered voters in Wellington city.

56,844

Number who voted in 2013 Wellington City Council elections.

70%

Proportion of Wellington residents, in a February 2014 survey, who said they were satisfied with the way the Council involves them in decision-making. This was an improvement from 63% in the previous year's survey.

'Governance' is about democratic local decision-making on behalf of the people of Wellington. Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views, making decisions in the best interests of the city and its people, and managing partnerships with mana whenua and other groups.

This work is essential for local democracy and for the quality of Council decision-making. Residents have a fundamental right to influence the makeup of the Council through elections, and to be informed about, and influence, Council decision-making. Public input and involvement improves the quality of decision-making, by ensuring that all points of view and all relevant information are considered.

Our partnerships with mana whenua recognise their special place in the city's history and special relationships with its land, waterways and other parts of its environment.

Our overall aim is to build trust and confidence in our decisions and delivery.

In coming years, the Council will keep working to find new and more effective ways to engage with residents, so the community can be kept informed and can influence the Council's decisions.

Quality local decision-making requires us to engage at the right level – whether that is with local neighbourhoods, with particular sectors of the community, with businesses or business sectors, with local or central government, or with the community as a whole.

It requires us to continually strive to find new ways to reach people in ways that work for them.

And it requires us to build and maintain partnerships, recognising that the Council is not always in control of the city's direction.

Effective local decision-making also requires residents to engage too – to take the available opportunities to inform themselves and have their say.

#### **Key projects**

##### **Governing the Wellington region**

The Local Government Commission is considering proposals for local government reorganisation in Wellington. One of the proposals is to create a new Wellington Council, which would replace the region's nine existing local authorities.

The Commission is consulting this year on its preferred option for change. The Commission may then make decisions later in the year.

Regardless of the outcome of that process, Wellington City Council is committed to dealing with regional issues at a regional level.

We acknowledge, for example, that the region has a single economy and therefore needs a single organisation to oversee and guide economic development.

For that reason, Wellington city has worked with Greater Wellington Regional Council other local authorities to establish the Wellington Regional Economic Development Agency (Wreda), a single agency responsible for economic development, events and tourism throughout the region.

This agency will be able to provide a clear direction for economic development across the region, leading to higher growth, more jobs and stronger communities.

Wellington's water comes from the hills of the Hutt Valley and is piped into the city. It is part of a single water network which can only be managed efficiently if it is managed on a regional basis. Water, wastewater and stormwater are therefore managed regionally, through the Council-controlled organisation Wellington Water.

Many transport decisions have implications for neighbouring cities and indeed for the country as a whole – so those decisions are made at regional or national levels.

In coming years, we will continue to work with other local authorities to establish joint decision-making processes and joint services where that is appropriate. We will also work with others to ensure a smooth transition to any new local authority structure that is adopted for the region.

**A partnership approach**

Wellington city has 200,000 residents, nearly 26,000 businesses, and thousands of clubs and community groups.

Government agencies, other local authorities, businesses, community organisations and individuals all make critical decisions affecting Wellington and its people.

Wellington City Council can set a direction for the city, and provide a high quality urban environment. We can act as a catalyst and an enabler. But, ultimately, others influence Wellingtonians' quality of life at least as much as us.

Many of the projects proposed in this document are for partnerships involving local and central government, businesses, and other parts of the community. Examples include the Wellington Convention Centre, the proposed International Film Museum, and the proposals for science and ICT hubs.

Increasingly, our intention is to work with others – influencing and enabling – in order to get the best outcomes for the city.

**Involving residents in decision-making**

In a 2014 survey of six NZ cities, residents were asked how well they understood local decision-making processes, how much confidence they had that decisions were made in their city's best interests, and how much influence the public had over decisions. For all of these questions, Wellington's results were close to the average. We realise that – like other cities – we have to keep working harder to inform Wellingtonians and involve them in decision-making on major matters.

In coming years, we will continue to find new and more effective ways to engage with residents. Increasingly, this means reaching people and receiving feedback online, through computers or smartphones.



**Governance group of activities**

Group of Activities	Rationale	Service Offering	Negative effects
<b>1.1 Governance, information and engagement</b> 1.1.1 City governance and engagement 1.1.2 Civic information 1.1.3 City Archives	Facilitating democratic decision-making.  Providing open access to information.	<ul style="list-style-type: none"> <li>• Providing advice, research and administrative support to elected members and community boards</li> <li>• Hosting local body elections</li> <li>• A call centre and website providing 24/7 access to information and a place to log service faults</li> <li>• Management of archival information in line with legislation</li> <li>• Facilitating engagement on key issues and input from advisory groups</li> <li>• Accountability planning and reporting.</li> </ul>	There are no significant negative effects from these activities.
<b>1.2 Māori and mana whenua partnerships</b> 1.2.1 Māori and mana whenua partnerships	Partnership and recognition of the special place of mana whenua.	<ul style="list-style-type: none"> <li>• Maintaining formal relationships with two mana whenua partners.</li> <li>• Facilitating opportunities to contribute to local decision making.</li> </ul>	There are no significant negative effects from these activities.

### Governance Performance Measures

Governance					
Objectives	<b>Democratic decision-making</b> <b>Open access to information</b> <b>Recognition of Māori</b>				
Outcome indicators	Residents (%) who agree that decisions are made in the best interests of the city Residents (%) who state that they understand how the Council makes decisions Residents (%) who understand how they can have input into Council decision-making Mana whenua partners agree that the use and protection of the city's resources for the future is appropriate Residents (%) who believe they have the opportunity to participate in city life Voter turnout in local elections, referendums and polls				
<b>1.1 Governance, Information and Engagement</b>					
1.1.1 City governance and engagement					
1.1.2 Civic information					
1.1.3 City Archives					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of the public's involvement in Council decision-making	Residents (%) satisfaction with the level of consultation (i.e. The right amount)	55%	55%	55%	55%
	Residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	75%	75%	75%	75%
To measure the quality and timeliness of residents' access to information	Council and committee agendas (%) are made available to the public within statutory timeframes (2 working days prior to the meeting)	100%	100%	100%	100%
	Council and committee agendas (5) that are made available to <i>elected members</i> 5 days prior to the meeting	80%	80%	80%	80%
	Residents (%) who agree that Council information is easy to access (i.e. From web centre, libraries, newspapers, etc)	55%	55%	60%	<i>Increasing trend</i>
	Residents (%) who agree that Council website is easy to navigate and get information from	70%	70%	75%	75%
	Contact Centre response times - calls (%) answered within 30 seconds	80%	80%	80%	80%
	Contact Centre response times - emails (%) responded to within 24 hours	100%	100%	100%	100%

<b>1.2 Maori and Mana Whenua Partnerships</b>					
<b>1.2.1 Māori and mana whenua partnerships</b>					
<b>Purpose of measure</b>	<b>Performance measure</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018-25</b>
To measure the health of our relationship with mana whenua	Mana whenua partner satisfaction with Council relationship (satisfied and very satisfied)	Satisfied	Satisfied	Satisfied	Satisfied
To measure the engagement of the city's Maori residents	Maori residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	75%	75%	75%	75%

### Governance Activity budget

<b>1.1 Governance, information and engagement</b>	<b>Operating expenditure 2015-2016</b>			<b>Capital expenditure 2015-16</b>
	<b>Income (\$000)</b>	<b>Expenditure (\$000)</b>	<b>Net expenditure (\$000)</b>	<b>Total (\$000)</b>
1.1.1 - City governance and engagement	(12)	9,091	9,079	-
1.1.2 - Civic information	(313)	5,410	5,097	-
1.1.3 - City Archives	(182)	1,425	1,243	-
<b>2015-25 LtP 1.1 Total</b>	<b>(507)</b>	<b>15,926</b>	<b>15,419</b>	<b>-</b>
<b>2014/15 AP 1.1 Total</b>	<b>(564)</b>	<b>14,778</b>	<b>14,214</b>	<b>-</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>57</b>	<b>1,148</b>	<b>1,205</b>	<b>-</b>

<b>1.2 Maori and mana whenua partnerships</b>	<b>Operating expenditure 2015-16</b>			<b>Capital expenditure 2015-16</b>
	<b>Income (\$000)</b>	<b>Expenditure (\$000)</b>	<b>Net expenditure (\$000)</b>	<b>Total (\$000)</b>
1.2.1 - Maori and Mana Whenua partnerships	-	281	281	-
<b>2015-25 LtP 1.2 Total</b>	<b>-</b>	<b>281</b>	<b>281</b>	<b>-</b>
<b>2014/15 AP 1.2 Total</b>	<b>-</b>	<b>225</b>	<b>225</b>	<b>-</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>-</b>	<b>56</b>	<b>56</b>	<b>-</b>

## 1.2 Environment

Taiao

### By the numbers

58

Gigajoules of electricity used per person annually in Wellington. This compares with 81 gigajoules for an average European city and 228 gigajoules for an average Australasian city.

206.5

Square metres of green open space for each person living in Wellington city.

340

Kilometres of Council-managed tracks and walkways in the city's open space areas.

50,712

Number of native plants planted by the council during the last financial year.

80,832

Tonnes of waste deposited in Wellington's landfill during the last financial year – a reduction of 6% over the three years to 30 June 2014.

The Council is responsible for vital services such as water supply, waste reduction and disposal, wastewater and drainage services; funding environmental attractions such as Zealandia and Wellington Zoo; and managing open spaces such as the Town Belt and Outer Green Belt, and the city's beaches and coastline.

We fund these services because they are critical to the lives of individual Wellingtonians and to the community as a whole.

They ensure that the city is safe and liveable, and that basic human needs are met.

They minimise harmful effects from human activity.

They provide recreation opportunities, attract visitors, and make the city a beautiful place to live.

The environment is the Council's biggest area of activity, with planned net operational spending of \$2.3 billion over the next 10 years. Of that, the majority is spent on core services such as water, wastewater and drainage.

The quality of Wellington's environment depends on all us - residents, businesses and industries, land users, the Council, regional and central government, and others.

The Council is a regulator, and a funder and provider of services. We provide the basic services on which the city runs.

We invest heavily in environmental assets and services because they matter for all residents of the city.

All of our work involves partnership – with local communities and businesses, with volunteer organisations, with other local

authorities, and with regional and central government. Water, wastewater and drainage networks are managed by Wellington Water, which is jointly owned by the Greater Wellington

Regional Council and Hutt, Porirua, Upper Hutt and Wellington city councils.

Wellington City Council's environmental activities are mainly funded through rates and user charges. Decisions about funding depend on a range of things, including: who benefits; how essential the service is; and the 'polluter pays' principle.

A warming climate is also likely to make severe storms more frequent, bringing risks of property and infrastructure damage.

One of the most important tasks facing the Council is to prepare the city for these impacts. We will have to make decisions, for example, about whether coastal land needs to be protected by sea walls, or changes are needed to the stormwater system or other infrastructure.

The first step is to understand the possible impacts, and the measures that can be taken to reduce or mitigate those impacts. Over the next three years, we will:

- Assess the impact of rising sea levels on the water table, so we can make sensible decisions about land use, building and infrastructure

### **Key projects**

#### **Understanding the impacts of climate change**

During this century, according to scientific modelling, climate change is likely to have an increasingly significant impact on Wellington and other coastal cities.

The sea level is predicted to rise by somewhere between 60cm and 1.1 metres. With it, the water table could rise. Potential impacts include erosion and inundation of low-lying coastal land, damage to infrastructure and building foundations, increased flood risks, and increased risks of liquefaction in the event of an earthquake.

- Review District Plan provisions for areas that might be vulnerable to rising sea levels.

#### **Reducing our contribution to climate change**

By comparison with other cities, Wellington is a relatively low emitter of greenhouse gases.

There are several reasons for this. The city has a relatively compact urban footprint, easy access to public transport, and an economy that relies on services rather than agriculture or heavy industry. It also has access to renewable energy – the two city wind farms together produce enough power for 100,000 average homes.

Wellington City Council is committed to further reduction in the city's contribution to climate change. Our 2020 target is for the city's greenhouse gas emissions to be 30% below 2001 levels. So far, emissions have at least stabilised since 2009/10.

All action on climate change involves partnership. The Council can take some steps, but it's the city's residents, communities, land and building owners, businesses, and researchers who can make the most difference.

Much of the Council's role is in planning decisions. In the next three years, a key focus will be implementing transport initiatives that support increasing numbers of Wellingtonians do get around the city on foot, on bikes, or on buses. Urban growth will be focused along bus priority routes.

We will also:

- Extend our support for Enviroschools
- Continue our award winning smart energy programme
- Finalise our Biodiversity action plan
- Review our Climate Change action plan
- Develop a coastal resilience plan.

#### **Southern Landfill**

The draft plan has been prepared on assumption that Stage 4 of the landfill (which will provide capacity for at least another 40 years), will be required to begin construction in 2016.

The Council is however investigating an alternative option to develop the landfill incrementally as additional capacity is required. The technical feasibility of doing so is currently being peer reviewed. If practicable the final LTP will be adjusted to reflect this alternative methodology.

#### **Understanding key infrastructure**

Wellington city's biggest infrastructure asset is one that is rarely seen. It lies out of sight, underground. There, more than 2700 kilometres of pipes and tunnels, criss-cross the city – carrying water to the city's homes, businesses, schools and hospitals; or carrying sewage to treatment plants, or stormwater to the sea.

Together, this network and associated assets are valued at around \$1.3 billion. Lay all of the pipes end to end and they would reach Sydney.

Managing these assets is one of the biggest areas of Council activity: each year, we spend more than \$50 million to operate the city's water, wastewater and stormwater networks; and invest more than \$25 million in new or upgraded assets.

Through better management of these assets, we anticipate that we can make significant savings over the next few years, without compromising service levels.

We will also be focusing new urban growth in areas where existing water & stormwater networks already have enough capacity to deal with added demand.



#### **Managing harm from stormwater**

Every year, millions of litres of stormwater are discharged into the city's streams, harbour and coastal waters. That stormwater can contain contaminants, such as oils, paints, detergents, litter, animal droppings, and – after heavy rainfall – sewage. The environmental impacts of stormwater runoff are monitored, and generally comply with resource consents and environmental standards.

In the next three years, we will be introducing real-time monitoring of the stormwater network. This will enable us to measure flows of stormwater and pollutants into waterways, and allow us to manage flows when stormwater is causing environmental harm.

#### **An interactive children's garden**

Plans are well advanced for a unique, interactive Children's Garden near the playground in Wellington Botanic Garden. The Children's Garden will be a fun, hands-on place where children can explore and make discoveries about the plants used for food, medicine, clothes and building.

The garden will be part-funded through public donations and the Plimmer Bequest.

[www.childrensgardenwellington.com](http://www.childrensgardenwellington.com)

#### **Miramar Peninsula ecology**

The council will work with others to see the northern point of Miramar peninsula retained primarily as open space, with ecological restoration work such as pest trapping and native planting. This will be part-funded from the Plimmer Bequest.

### **1<sup>st</sup> place**

In a 2012 survey of the environmental performance of Australasian cities, Wellington was a top performer in greenhouse gas emissions, energy consumption, waste generation and recycling, and air quality.

In a 2014 survey of six NZ cities, Wellington residents were more likely than residents of other cities to perceive their natural environment as beautiful, and more likely to say they had easy access to a local park or other green space.

### **5.5 tonnes**

CO<sub>2</sub> emissions per capita, Wellington city.

### **20.4 tonnes**

CO<sub>2</sub> emissions per capita, average for major cities in New Zealand and Australia.



### Environment group of activities

Group of Activities	Rationale	Service Offering	Negative effects
<b>2.1 Gardens, beaches and green open spaces</b> 2.1.1 Local parks and open spaces 2.1.2 Botanical gardens 2.1.3 Roads open spaces 2.1.4 Town belts 2.1.5 Community environmental initiatives 2.1.6 Walkways 2.1.7 Biodiversity	Provide access to green open spaces.  Provide public places to congregate.  Provide access to recreational opportunities.  Enhance biodiversity.	Manage and maintain: <ul style="list-style-type: none"> <li>• 4,000ha of parks, reserves and beaches</li> <li>• 200 buildings for community use</li> <li>• 340km of walking and mountain bike tracks</li> <li>• over 200,000 square metres of amenity bedding and horticultural areas</li> <li>• boat ramps, wharves, seawalls and slipways.</li> </ul>	In our management of the city's green open spaces, we seek to balance recreation needs against environmental protection. While recreational use can have negative effects on the immediate environment, in most cases these are not significant. We do not anticipate any other significant negative effects associated with our management of these services.
<b>2.2 Waste reduction and energy conservation</b>  2.2.1 Waste minimisation, disposal and recycling 2.2.2 Management Closed landfills aftercare 2.2.3 Energy efficiency and conservation	Minimise and manage waste.	Manage and monitor: <ul style="list-style-type: none"> <li>• landfill operations / composting waste at the Southern Landfill</li> <li>• domestic recycling and rubbish collection</li> <li>• the environmental impacts of closed landfills</li> <li>• programmes to educate residents to manage and minimise waste effectively.</li> </ul>	Waste management has the potential to create leachates and gases. The construction and management of the southern landfill is designed to minimise the impact of these. The service is subject to resource consent conditions and is monitored.
<b>2.3 Water</b> 2.3.1 Water network	Security of supply of potable water.	<ul style="list-style-type: none"> <li>• Ensure high quality water is available at all times for drinking and other household and business uses.</li> <li>• Maintain 80 reservoirs, 34 pumping stations, 8,000 hydrants and 1,250km of pipes.</li> </ul>	We do not anticipate any significant negative effects associated with our provision of these services.
<b>2.4 Wastewater</b> 2.4.1 Sewage collection and disposal 2.4.2 Sewage treatment	Clean waterways are essential for public health and to the city's environment.	Provide and monitor: <ul style="list-style-type: none"> <li>• The city's sewage collection, treatment and disposal in line with resource consent conditions.</li> <li>• Introduce a real time network monitoring system.</li> <li>• Monitor the performance of Wellington Water.</li> </ul>	The wastewater network aims to minimise the harm to people that would arise without it. The council has made significant investment in plant and equipment to treat the waste before it is disposed. There is the risk of minor overflows into waterways during storm events. These occurrences are rare and are monitored to reduce public health impacts.

Group of Activities	Rationale	Service Offering	Negative effects
<b>2.5 Stormwater</b> 2.5.1 Stormwater management	Keep people and property safe from flooding.	<ul style="list-style-type: none"> <li>• Maintain, renew and upgrade the stormwater network to protect flooding.</li> <li>• Introduce a hydraulic model.</li> <li>• Monitor the performance of Wellington Water.</li> </ul>	The stormwater network aims to minimise the impact of flooding. The network can carry containments, such as oils from roads or run off from developments, into waterways. We educate residents to change behaviours, such as pouring paint down drains, and monitor our waterways.
<b>2.6 Conservation Attractions</b>	<p>Inform and educate on the importance of conservation &amp; biodiversity.</p> <p>Attract visitors.</p> <p>Protection of flora and fauna.</p>	<ul style="list-style-type: none"> <li>• Provide Wellington Zoo.</li> <li>• Support its expansion with the new Meet the Locals Exhibition.</li> <li>• Part fund Zealandia.</li> <li>• Monitor performance.</li> <li>• Provide a one off \$6m grant for the development of an Ocean Exploration Centre on the south coast (subject to third party funding and a final business case).</li> </ul>	We do not anticipate any significant negative effects associated with our role in these services.

## Environment Performance Measures

Environment					
Objectives	Security of supply Waste reduction Access to green open spaces Biodiversity				
Outcome Indicators	Open space land owned or maintained by WCC - total hectares and sqm per capita Residents' usage of the city's open spaces - local parks and reserves, botanic gardens, beaches and coastal areas, and walkways Residents' perceptions that the natural environment is appropriately managed and protected Hours worked by recognised environmental volunteer groups and botanic garden volunteers Water consumption (commercial and residential combined) Freshwater biological health (macro invertebrates) - Makara, Karori, Kaiwharawhara and Porirua stream Freshwater quality - Makara, Karori, Kaiwharawhara and Porirua streams (note data for Owairo Stream not available) Energy use per capita Number/sqm of 'green star' buildings/space in the city Total kerbside recycling collected per capita Total waste to the landfill per capita Selected indicators from the City Biodiversity Index (specific indicators to be confirmed)				
2.1 Gardens, Beaches and Green Open Spaces					
2.1.1 Local parks and open spaces					
2.1.2 Botanical gardens					
2.1.3 Beaches and coast operations					
2.1.4 Roads open spaces					
2.1.5 Town belts					
2.1.6 Community environmental initiatives					
2.1.7 Biodiversity (pest management)					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of the open spaces we provide	Residents' satisfaction (%) with the quality and maintenance of green open spaces - local parks, playgrounds and reserves; botanic gardens; beaches and coastal areas; and walkways	90%	90%	90%	90%
	Number of visitors to the Botanic Gardens (including Otari-Wiltons Bush)	1,280,000	1,280,000	1,280,000	1,280,000
To measure the quality of street cleaning services	Residents' satisfaction (%) with the quality of street cleaning	85%	85%	85%	85%
	Street cleaning (%) compliance with quality performance standards	98%	98%	98%	98%
To measure the quality and quantity of work	We will plant 2 million trees by 2020	1,389,777 (69%of 2020	1,539,927 (77%of 2020	1,690,127 (85%of 2020	2 million by 2020 (100% of

we undertake to protect biodiversity	High value biodiversity sites (%) covered by integrated animal pest control or weed control	target) 55%	target) 59%	target) 63%	target) 70% by 2020
	Proportion of grant funds successfully allocated (through milestones being met)	95%	95%	95%	95%
<b>2.2 Waste Reduction and Energy Conservation</b>					
2.2.1 Waste minimisation, disposal and recycling management					
2.2.2 Closed landfills aftercare					
2.2.3 Energy efficiency and conservation					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of waste reduction and recycling services	Residents (%) satisfaction with recycling collection services	85%	85%	85%	85%
	Waste diverted from the landfill (tonnes)	at least 16,500 tonnes of recyclable material	at least 16,500 tonnes of recyclable material	at least 16,500 tonnes of recyclable material	at least 16,500 tonnes of recyclable material
	Residents (%) who regularly use recycling (incl weekly, fortnightly or monthly use)	90%	90%	90%	90%
To measure the quality of our waste disposal services	Residents (%) satisfaction with waste collection services	90%	90%	90%	90%
	Energy sourced from the Southern Landfill (GWh)	8 GWh	8 GWh	8 GWh	8 GWh
To measure the amount (quantity) of the Council's energy consumption and emissions	WCC corporate energy use (incl WCC general, pools and recreation centres, and CCOs)	Decrease in energy use from previous year	Decrease in energy use from previous year	Decrease in energy use from previous year	Declining trend
	WCC corporate greenhouse gas emissions	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050
<b>2.3 Water</b>					
2.3.1 Water network					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of water	Compliance with Drinking Water Standards for NZ 2005 (revised	100%	100%	100%	100%

**Item 4.1 Attachment 4**

supplied to residents and the services that ensure security of supply	2008) (Part 4 bacterial compliance)				
	Maintenance of water supply quality gradings from Ministry of Health	<b>Maintain</b>	<b>Maintain</b>	<b>Maintain</b>	<b>Maintain</b>
	Customer satisfaction with water supply	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
	Number of complaints about: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water continuity of supply (e) responsiveness to drinking water complaints per 1000 connections.	<b>Baseline</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
	Median response time for: (a) attendance for urgent call outs	<b>60min</b>	<b>60min</b>	<b>60min</b>	<b>60min</b>
	(b) resolution for urgent call outs	<b>4 hours</b>	<b>4 hours</b>	<b>4 hours</b>	<b>4 hours</b>
	(c) attendance for non-urgent call outs	<b>36 hours</b>	<b>36 hours</b>	<b>36 hours</b>	<b>36 hours</b>
	(d) resolution for non-urgent call outs	<b>15 days</b>	<b>15 days</b>	<b>15 days</b>	<b>15 days</b>
	Percentage of real water loss from networked reticulation system	<b>&lt;14%</b>	<b>&lt;14%</b>	<b>&lt;14%</b>	<b>&lt;14%</b>
	Average drinking water consumption/resident/day	<b>300 litres per day</b>	<b>300 litres per day</b>	<b>300 litres per day</b>	<b>300 litres per day</b>
	Number of unplanned supply cuts per 1000 connections	<b>&lt; 4</b>	<b>&lt; 4</b>	<b>&lt; 4</b>	<b>&lt; 4</b>
<b>2.4 Wastewater</b>					
2.4.1 Sewage collection and disposal network					
2.4.2 Sewage treatment					
<b>Purpose of measure</b>	<b>Performance measure</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018-25</b>
To measure the quality and timeliness of the wastewater service	Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	<b>&lt;=1.2</b>	<b>&lt;=1.2</b>	<b>&lt;=1.2</b>	<b>&lt;=1.2</b>
	Dry weather wastewater overflows/1000 connections	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Customer satisfaction with the wastewater service	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>
	Number of complaints about:	<b>Baseline</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

	(a) wastewater odour (b) wastewater system faults (c) wastewater system blockages (d) responsiveness to wastewater system issues per 1000 connections.  Median response time for wastewater overflows: (a) attendance time (b) resolution time	(a) <= 1 hour (b) <= 6 hours	(a) <= 1 hour (b) <= 6 hours	(a) <= 1 hour (b) <= 6 hours	(a) <= 1 hour (b) <= 6 hours
To measure the impact of wastewater on the environment	Breaches of Resource consents for discharges from wastewater system. Number of: - abatement notices - infringement notices - enforcement orders - convictions for discharges from wastewater system.	0	0	0	0
<b>2.5 Stormwater</b>					
2.5.1 Stormwater management					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality and timeliness of the stormwater service	Number of pipeline blockages per km of pipeline	<= 0.5	<= 0.5	<= 0.5	<= 0.5
	Customer satisfaction with stormwater management	75%	75%	75%	75%
	Number of complaints about stormwater system performance per 1000 connections	Baseline	n/a	n/a	n/a
	Median response time to attend a flooding event	<= 60 minutes	<= 60 minutes	<= 60 minutes	<= 60 minutes
To measure the impact of stormwater on the environment	Breaches of Resource consents for discharges from stormwater system. Number of: - abatement notices - infringement notices - enforcement orders - convictions for discharges from stormwater system.	0	0	0	0
	Number of flooding events	Trend only	n/a	n/a	n/a
	Number of habitable floors per 1000 connected homes per flooding event	Trend only	n/a	n/a	n/a

	Percentage of days during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use.	90%	90%	90%	90%
	Percentage of monitored sites that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	90%	90%	90%	90%
<b>2.6 Conservation Attractions</b>					
2.6.1 Conservation visitor attractions					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the success of our investments in conservation attractions	Zoo - total admissions	234,713	239,407	244,195	Increase 2% each year
	Zealandia - visitors	92,500	93,600	93,600	93,600

### Environment Activity budget

2.1 Gardens, Beaches and Green Open Spaces	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.1.1 - Local parks and open spaces	(414)	8,719	8,305	1,276
2.1.2 - Botanical gardens	(387)	4,749	4,362	433
2.1.3 - Beaches and coast operations	(51)	1,378	1,327	187
2.1.4 - Roads open spaces	(661)	8,140	7,479	-
2.1.5 - Town belts	(250)	4,692	4,442	135
2.1.6 - Community environmental initiatives	-	741	741	-
2.1.7 - Walkways	-	581	581	550
2.1.8 - Biodiversity (pest management)	(38)	1,680	1,642	-
2.1.9 - Waterfront Public Space	(301)	1,734	1,433	-
<b>2015-25 LtP 2.1 Total</b>	<b>(2,102)</b>	<b>32,414</b>	<b>30,312</b>	<b>2,581</b>
<b>2014/15 AP 2.1 Total</b>	<b>(1,985)</b>	<b>30,162</b>	<b>28,177</b>	<b>3,003</b>
<b>Variance 2014/15 AP Yr 1 to LtP 2015-25 LtP</b>	<b>(117)</b>	<b>2,252</b>	<b>2,135</b>	<b>(422)</b>

2.2 Waste reduction and energy conservation	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.2.1 - Waste minimisation, disposal and recycling management	(12,830)	12,826	(4)	4,851
2.2.2 - Closed landfills aftercare	-	522	522	-
2.2.3 - Energy efficiency and conservation	(46)	282	236	-
<b>2015-25 LtP 2.2 Total</b>	<b>(12,876)</b>	<b>13,630</b>	<b>754</b>	<b>4,851</b>
<b>2014/15 AP 2.2 Total</b>	<b>(12,926)</b>	<b>13,206</b>	<b>280</b>	<b>776</b>
<b>Variance 2014/15 AP Yr 1 to LtP 2015-25 LtP</b>	<b>50</b>	<b>424</b>	<b>474</b>	<b>4,075</b>



2.3 Water	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.3.1 - Water network	(35)	23,236	23,201	17,090
2.3.2 - Water collection and treatment	-	14,935	14,935	-
<b>2015-25 LtP 2.3 Total</b>	<b>(35)</b>	<b>38,171</b>	<b>38,136</b>	<b>17,090</b>
<b>2014/15 AP 2.3 Total</b>	<b>(33)</b>	<b>39,912</b>	<b>39,879</b>	<b>12,294</b>
<b>Variance 2014/15 AP Yr 1 to LtP 2015-25 LtP</b>	<b>(2)</b>	<b>(1,741)</b>	<b>(1,743)</b>	<b>4,796</b>

2.4 Wastewater	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.4.1 - Sewage collection and disposal network	(615)	19,460	18,845	10,565
2.4.2 - Sewage treatment	(618)	22,752	22,134	-
<b>2015-25 LtP 2.4 Total</b>	<b>(1,233)</b>	<b>42,212</b>	<b>40,979</b>	<b>10,565</b>
<b>2014/15 AP 2.4 Total</b>	<b>(1,227)</b>	<b>41,604</b>	<b>40,377</b>	<b>7,745</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>(6)</b>	<b>608</b>	<b>602</b>	<b>2,820</b>

2.5 Stormwater	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.5.1 - Stormwater management	(139)	17,996	17,857	3,878
<b>2015-25 LtP 2.5 Total</b>	<b>(139)</b>	<b>17,996</b>	<b>17,857</b>	<b>3,878</b>
<b>2014/15 AP 2.5 Total</b>	<b>(129)</b>	<b>18,777</b>	<b>18,648</b>	<b>4,255</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>(10)</b>	<b>(781)</b>	<b>(791)</b>	<b>(377)</b>

2.6 Conservation attractions	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.6.1 - Conservation visitor attractions	-	12,631	12,631	1,316
<b>2015-25 LtP 2.6 Total</b>	<b>-</b>	<b>12,631</b>	<b>12,631</b>	<b>1,316</b>
<b>2014/15 AP 2.6 Total</b>	<b>-</b>	<b>6,126</b>	<b>6,126</b>	<b>794</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>-</b>	<b>6,505</b>	<b>6,505</b>	<b>522</b>

## 1.3 Economic development / 1.4 Cultural well-being

Whanaketanga ōhanga me / Oranga ahurea

### By the numbers

2.4%

Wellington city average annual GDP growth – 10 years to March 2013. This compared with 2.2% nationwide. Of New Zealand's 66 local authorities, Wellington ranked 25<sup>th</sup> over the decade for GDP growth.

\$30.9m

Contribution to Wellington's economy during 2013/14 from 'A level' events supported by Wellington Council.

21

Number of Wellington businesses ranked among New Zealand's 200 largest

5

Number of Wellington businesses ranked among New Zealand's 10 fastest-growing.

The Council funds events and festivals; supports attractions such as Te Papa, the Carter Observatory, and the city's galleries and museums; markets Wellington to tourists from New Zealand and overseas; operates conference facilities; supports community art and cultural activities; promotes business, education and cultural links through sister city relationships; and provides free weekend parking in the CBD.

We fund these activities because they matter to the lives of individual Wellingtonians and to the community as a whole.

They make Wellington a more vibrant place to live, and they matter to residents' quality of life – their prosperity, their identity, and the opportunities available to them.

Our work in this area is guided by our Economic development strategy, and our Arts and Cultural strategy. See our long term plan consultation document for an overview of our sustainable growth agenda.

In coming years, the Council plans to invest for growth, unlocking Wellington's potential and making the city more vibrant and prosperous.

The strength of Wellington's economy depends on its people – its entrepreneurs, researchers, innovators, businesses, and skilled workers.

The strength of its creative culture also depends on people – on the output of artists, writers, musicians, and dancers; and on the expressiveness of Wellington's communities.

Wellington City Council can only play a small role in these sectors. We can provide an environment in which creativity and innovation flourish, an environment that enables business activity that supports artistic and cultural endeavours, that celebrates the identities of the city's many communities.

We can also act as a catalyst – funding infrastructure, festivals, events and promotional activities that support economic and cultural activity.

The Council's economic and cultural activities are funded through a combination of general rates, targeted rates, user charges and other income.

#### **Key projects**

##### **Investing for Growth**

Though Wellington's economy is growing, it has untapped potential – particularly in industries such as tourism, screen production and ICT. Tapping into that potential would bring more prosperity to the city, make it more vibrant, and provide a wider range of opportunities for residents.

Higher growth would also increase the rates take, allowing more investment in a

stronger environment and higher quality of life.

Many of the proposed new projects in this draft long-term plan are aimed at transforming the economy – making it smarter, more export-focused, faster-growing, and more attractive to visitors, entrepreneurs, investors and skilled workers.

The proposed projects include a 300m runway extension for Wellington International Airport, a new convention centre, film museum, tech hub, screen industry enterprise zone, and 10,000-seat indoor arena.

##### **A joined-up, regional approach**

Wellington city's economy is not separate from the economies of neighbouring cities – the region forms a single economy.

Nor can the various sectors of the economy – such as events, tourism, hospitality, screen production and ICT – be considered separate. The success of one sector inevitably contributes to the success of another, by making the city more prosperous, increasing opportunities available to residents, and attracting visitors, workers, and businesses.

For that reason, Wellington city has been working with Greater Wellington Regional Council and other local authorities to establish the Wellington Regional Economic Development Agency (WREDA), a single agency responsible for economic development, events and tourism throughout the region.

This agency will be able to provide a clear direction for economic development across the region, leading to higher growth, more jobs and stronger communities.

#### **The inclusive city**

Of the 200,000 people who live in Wellington city, 29% were born outside of New Zealand, 24% speak a language other than English, and 29% identified with a non-European ethnic group.

Wellington is a city that celebrates diversity. As a city of government and business, we value the connections that a diverse population has with other parts of the world. As a creative city, we love it when people express themselves – sharing their stories, their sounds, their pictures, their identities.

In an increasingly globalised world, our willingness to embrace diversity is an advantage – one that makes us attractive to visitors, investors, entrepreneurs and skilled people from all parts of the world.

In coming years, the Council will continue to encourage and celebrate diversity, by supporting arts and cultural events ranging from Matariki and Diwali to WOW and the New Zealand International Arts Festival.

Through the Destination Wellington programme, we will also promote Wellington internationally as a place to live and do business.

#### **Increasing the range of visitor attractions**

Wellington is one of New Zealand's fastest-growing tourism markets, with a 39% increase in visitor guest nights over the 10 years to 31 March 2014. Higher visitor numbers means the city can support a wider range of visitor attractions.

In addition, we propose to support:

- an expansion of the Museum of City & Sea, recently named one of the world's top 50 museums, allowing it to show more of its collection and attract more visitors
- development of a world class Ocean Exploration Centre at Maranui Quarry site in Lyall Bay, providing opportunities to discover Wellington's marine life and ocean environment
- development of a Museum of War & Peace adjacent to Memorial Park – this project will be mainly funded by the Ministry of Culture & Heritage.

### **1st place**

In a 2014 survey of six NZ cities, Wellington residents were much more likely than residents of other cities to:

- agree that cultural diversity made their city a better place – Wellingtonians said that cultural diversity made the city a more vibrant and interesting place
- agree that Wellington has a culturally rich and diverse arts scene

Wellington residents were also:

- more likely to be in paid employment than residents of other cities
- more likely to be satisfied with their work-life balance than residents of most other cities.

**Economic Development group of activities**

Group of Activities	Rationale	Service Offering	Negative effects
<b>3.1 City promotions and business support</b> 3.1.1 WREDA 3.1.2 Major projects - economy 3.1.3 WIED fund/Economic Grants 3.1.4 Retail support 3.1.5 International relations	Talent attraction and retention  Grow tourism spend and economic returns from events.  Grow inward investment and exports.  Sustain city vibrancy.	<ul style="list-style-type: none"> <li>Promoting Wellington to visitors</li> <li>Attracting and supporting major events</li> <li>Offering convention concert venues</li> <li>Building regional and international relations</li> <li>Attracting and supporting business activity</li> <li>Exploring major economic development initiatives such as the:               <ul style="list-style-type: none"> <li>Runway Extension and airline attraction</li> <li>Tech Hub</li> <li>International Film Museum</li> <li>Convention Centre</li> <li>Indoor Arena</li> </ul> </li> </ul>	We do not anticipate any significant negative effects associated with our role in these services.
<b>4.1 Arts and cultural activities</b> 4.1.1 City Galleries and Museums 4.1.2 Visitor attractions (Te Papa/Carter Observatory) 4.1.3 Arts and cultural festivals 4.1.4 Cultural grants 4.1.5 Access and support for community arts 4.1.6 Arts partnerships 4.1.7 Regional amenities fund	The arts contribute to a vibrant CBD and provide opportunities for cultural expression.  Build a sense of place and identity.  Grow visitation and exposure to creativity and innovation.	<ul style="list-style-type: none"> <li>Funding to Te Papa, Wellington Museum of City &amp; Sea, City Gallery, Capital E, the Cable Car Museum, Carter Observatory and Nairn Street Historic Cottage.</li> <li>Support major events and festivals that generate economic returns</li> <li>Provide fund grants to arts organisations.</li> <li>Manage the Toi Pōneke Arts Centre, the City Art Collection.</li> <li>Te Aro o Nga Tupuna Heritage Trail &amp; Te Motu Kairangi Plan</li> </ul>	We do not anticipate any significant negative effects associated with our role in these services.

### Economic Performance Measures

Economic Development					
Objectives	Tourism spend Investment attraction / digital exports City vibrancy				
Outcome Indicators	Number of domestic and international visitors (guest nights) Average length of stay - international and domestic Number of major conferences Number of A-level events held in Wellington and their economic contribution New Zealand's top 200 companies based in Wellington Business enterprises - births and growths (net growth in business) Domestic and international airline passengers entering Wellington airport Free wifi usage (logons/day) - waterfront and central city Pedestrian counts - average of various Lambton Quay sites Businesses and employees in research and development sector Secondary (international) and Tertiary (international and domestic) students enrolled per 1,000 residents Events/activities held with international cities (in Wellington and overseas)				
3.1 City Promotions and Business Support					
3.1.1 WREDA					
3.1.2 Major projects - economy					
3.1.3 WIED fund/Economic Grants					
3.1.4 Retail support					
3.1.5 International relations					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of our investments in promoting the city	WREDA - Positively Wellington Tourism partnership funding	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income
To measure the usage of WCC supported events	Estimated attendance at WCC supported events	500,000	500,000	500,000	500,000
To measure the quality of our investments in economic development	Events Development fund - ratio of direct spend to economic impact	20:1	20:1	20:1	20:1
	The proportion of grant funds successfully allocated (through milestones being met)	95%	95%	95%	95%



## Cultural Wellbeing Performance Measures

Cultural Wellbeing					
Objectives	Sense of place and identity Diversity and openness Visitation Exposure to creativity and innovation				
Outcome Indicators	Residents frequency of engagement in cultural and arts activities New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts scene' Resident perceptions that Wellington's local identity (sense of place) is appropriately valued and protected Events held at key city venues New Zealanders' and residents' perceptions that "Wellington is the arts capital of New Zealand" New Zealanders' and residents' perceptions that "Wellington is the events capital of New Zealand" Residents' (%) agreement with the statement that "Wellington is an easy place to get involved in the arts" Te Papa visitors - total visitors, overseas visitors and NZ visitors from outside the region Customer (%) satisfaction with the NZ Festival Total tickets sold (#) to the NZ Festival and the proportion sold to customers outside the region Total visits to museums and galleries (including Carter Observatory)				
4.1 Arts and Culture Activities					
4.1.1 City Galleries and Museums					
4.1.2 Visitor attractions (Te Papa/Carter Observatory)					
4.1.3 Arts and cultural festivals					
4.1.4 Cultural grants					
4.1.5 Access and support for community arts					
4.1.6 Arts partnerships					
4.1.7 Regional amenities fund					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality and usage of our arts and culture support activities	Attendee satisfaction with Council supported arts and cultural festivals	90%	90%	90%	90%
	User (%) satisfaction with Toi Pōneke facilities and services	90%	90%	90%	90%
	Economic contribution (\$) the NZ Festival makes to the city's economy (direct new spend)	40m	-	40m	40m (every 2 <sup>nd</sup> year)
	The proportion of grants funds successfully allocated (through milestones being met)	95%	95%	95%	95%
	Proportion of outcomes delivered (previous projects - weighted by \$ value)	90%	90%	90%	90%
	Venues Subsidy - Total number of performers and attendees at supported events	Increase on previous	Increase on previous	Increase on previous	Increase on previous year



		year	year	year	
	Cultural grants - % first time applicants who are successful	50%	50%	50%	50%

### Economic activity budget

3.1 City promotions and business support	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
3.1.1 - WREDA	(14,365)	31,943	17,578	-
3.1.2 - Wellington Convention Centre	-	-	-	1,964
3.1.3 - Retail support (free weekend parking)	-	1,356	1,356	-
3.1.4 - Major Economic Projects	-	4,545	4,545	-
3.1.5 - WEID, Economic Growth & Economic Grants	-	-	-	-
3.1.6 - Regional and external relations	-	569	569	-
3.1.7 - Business Improvement Districts	-	114	114	-
<b>2015-25 LtP 3.1 Total</b>	<b>(14,365)</b>	<b>38,527</b>	<b>24,162</b>	<b>1,964</b>
<b>2014/15 AP 3.1 Total</b>	<b>(14,035)</b>	<b>37,808</b>	<b>23,773</b>	<b>1,341</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>(330)</b>	<b>719</b>	<b>389</b>	<b>623</b>
This now includes City innovation project costs, that were previously allocated across Council.				

4.1 Arts and culture activities	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
4.1.1 - Galleries and museums (WMT)	-	9,305	9,305	11,050
4.1.2 - Visitor attractions (Te Papa/Carter Observatory)	-	2,840	2,840	180
4.1.3 - Arts and cultural festivals	(410)	2,683	2,273	-
4.1.4 - Cultural grants	-	1,048	1,048	100
4.1.5 - Access and support for community arts	(62)	657	595	26
4.1.6 - Arts partnerships	(515)	1,848	1,333	-
4.1.7 - Regional Amenities Fund	-	609	609	-
<b>2015-25 LtP 4.1 Total</b>	<b>(987)</b>	<b>18,990</b>	<b>18,003</b>	<b>11,356</b>
<b>2014/15 AP 4.1 Total</b>	<b>(1,013)</b>	<b>18,203</b>	<b>17,190</b>	<b>26</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LtP</b>	<b>26</b>	<b>787</b>	<b>813</b>	<b>11,330</b>

## 1.5 Social and recreation

### Pāpori me te Hākinakina

#### By the numbers

4,000

Number of people who live in Council housing. These tenants would otherwise not have access to quality housing.

120,000

Number of visitors who received discounted access to pools and other facilities through the Leisure Card programme – which aims to help people for whom price might otherwise be a barrier.

230,000

Number of people who visited one of the city's recreation centres.

1.2m

Number of swims residents took in the city's pools.

2.3m

Number of visitors to libraries (online and through the door).

2.9m

Number of books and other items residents took out from libraries.

(Source 2013/14 Annual Report)

The Council's social and recreation work includes providing housing for people in need, funding city safety initiatives, regulating food and liquor outlets, preparing to deal with earthquakes and other emergencies, providing community centres and halls, providing public toilets and cemeteries, supporting community groups and events, and providing sport & recreation facilities and neighbourhood playgrounds.

We fund these services because they matter to the lives of individual Wellingtonians and to the community as a whole.

They help to protect the most vulnerable people.

They keep people safe and healthy.

They strengthen communities.

And they provide opportunities for people to live healthy lifestyles, to reach their potential, and to enjoy themselves.

In the next 10 years, the Council proposes to spend more than \$1.0 billion (net) on services to promote stronger, safer, healthier communities.

The strength of Wellington's communities depends on its people.

The Council is a funder, a facilitator, and sometimes a regulator. We provide an environment in which people can be safe, can get together with others, and can choose to live healthy lives.

We invest heavily in social and recreation services because they matter to the city.

But we don't try to do everything. We don't get in the way by doing what clubs, volunteer organisations, businesses and individuals can do for themselves.

Decisions about funding for social & recreation services depend on a range of things, including: who benefits; how essential the service is; and who has the ability to pay.

**\$9.97**

Average ratepayer contribution for each visit to a swimming pool (as at the end of the last financial year)

**\$6.77**

Average ratepayer contribution for each item borrowed from a library (as at the end of the last financial year)

#### **Key projects**

##### **Social housing**

We are five years into a 20-year, \$400 million programme – in partnership with

Housing New Zealand – to upgrade our housing complexes.

This project is making tenants' homes warmer, safer, healthier and more energy efficient. It also involves landscaping and other improvements to create shared community and recreation spaces.

It is the largest social housing redevelopment project ever undertaken in New Zealand.

Upgrade work has already been completed for six housing complexes, while another three are under way. Our priority for the next three years is to make further progress on this major programme and continue to improve the quality of our housing stock.

With Central Government looking to exit their state housing stock across New Zealand, we are exploring what this might mean for the City and options to not only deliver on the City's social and affordable housing demand but a range of housing needs for the 22,000 extra homes required in the city to meet our expected population growth over the next 30 years.

(See also the City Housing Portfolio Assessment Framework at the end of this document.)

##### **Homelessness**

Wellington is an affluent city, and should not have people living on streets or in cars, or relying for extended periods on temporary or emergency accommodation.

In April 2014, the Council endorsed *Te Mahana: A Strategy to End Homelessness in Wellington*. The strategy's overall goals are to stop homelessness, deal with it quickly

when it does happen, and – once a person finds a home – stop them from becoming homeless again.

The strategy focuses on better coordinated, more effective, and more culturally appropriate ways of delivering services from the Council, and government and non-government agencies.

#### **Recreation services**

Use of some Council-funded sport & recreation facilities has declined a little in the last few years – partly due to facilities being closed for maintenance or upgrades, and partly due to residents' individual choices.

Nonetheless, peak-time demand remains high at pools, recreation centres and sports fields. Also, the range of sports that use these facilities is growing.

In the last decade, we have invested heavily in sport and recreation facilities.

Key projects in the last decade have included construction of the ASB Sports Centre; new pools and water play areas at Karori, Kilbirnie, Johnsonville; and installation of synthetic turf at several of the city's sports fields, allowing them to be used in all weather and for longer hours.

In coming years, the challenge will be to manage peak-time demand without over-investing in facilities that will remain idle during off peak hours. Key projects will include: installation of synthetic turf at the National Hockey Stadium; and a refresh of the Basin Reserve.

We also propose setting aside \$500k per annum from 2018 to support the development of sports hubs.

The 'sportsville' concept involves user groups either sharing one facility or rationalising/sharing services and/or

buildings in an area. This can include sporting, social, cultural and recreational interests. 'Sportsville' brings economies of scale by providing shared facilities and services for numerous clubs and codes, eg changing rooms, fields, administration, IT services, social areas etc. It enables clubs to focus on developing and improving services for existing and potential members.

#### **Letting the dogs out**

We propose to construct fences around three dog exercise areas over the next three years. This will cost \$200k in capital expenditure.

These areas make it possible to have dogs off their leash to run free and keep them out of traffic and away from pedestrians and small children.

The parks earmarked for this upgrade are: Ian Galloway, the Houghton Bay Park and Taylor Park.

#### **Removing graffiti**

In our Residents Monitoring Survey, 98% of Wellingtonians perceive their city to be safe, and we would like to keep it that way.

While only 40% of our residents voiced concerns over graffiti, the overall perception is that graffiti contributes to people feeling unsafe when walking in town.

We propose to increase our budget to by a further \$180k per annum to remove graffiti from our streets.

#### **A child-friendly city**

Of the 200,000 people living in Wellington, roughly 40,000 are aged 17 or under. Of those, more than 10,000 are pre-schoolers.

So it's important for Wellington to cater for young people and their families. For the Council, this means providing safe,

accessible and enjoyable places for recreation and play; and offering community events and activities that are suitable for children.

As well as sport & recreation facilities (above), the Council provides 13 libraries and more than 100 neighbourhood playgrounds throughout the city; and funds events such as the Artsplash annual arts festival for children, and Neighbours Day events.

In the next three years, as well as the sport & recreation projects mentioned above, key projects will include:

- upgrading the children's playground at Wellington Botanic Garden
- creating a new, \$18.5 million library and community hub in Johnsonville

## 1<sup>st</sup> place

In a 2014 survey of six NZ cities, Wellington residents ranked first for happiness, health, life satisfaction, and overall quality of life.

Wellingtonians were also much more likely to feel safe than residents of any other city, and much more likely to value cultural diversity.

## WHO safe community

Wellington is the only capital city in the world to be accredited as a Safe Community under the World Health Organisation's International Safe Communities programme.

Over the next three years, one of our key priorities to retain that safe city status.

### Social and Recreation group of activities

Group of Activities	Rationale	Service Offering	Negative effects
<b>5.1 Recreation promotion and support</b> 5.1.1 Swimming pools 5.1.2 Sportsfields 5.1.3 Sportsfields (synthetic) 5.1.4 Recreation Centres 5.1.5 Recreation partnerships 5.1.6 Playgrounds 5.1.7 Marinas 5.1.8 Golf course 5.1.9 Recreation programmes	<p>Encouraging active &amp; healthy lifestyles.</p> <p>Enabling participation in sporting &amp; other group activities.</p> <p>Social cohesion.</p> <p>Greater participation with encouragement of greater use of existing facilities.</p>	<ul style="list-style-type: none"> <li>Seven swimming pools for people to learn to swim, exercise, participate in aquatic sports or have fun</li> <li>Four multi-purpose recreation centres plus the ASB Sports Centre</li> <li>44 natural and nine artificial sports turfs (two in partnership with schools), eight croquet lawns, Berhampore Golf Course, Newtown Park running track, a velodrome, tennis / netball courts</li> <li>The Evans Bay Marina &amp; Clyde Quay Boat Harbour</li> <li>Funding towards the Basin Reserve Master Plan Upgrade</li> </ul>	<p>There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste (solid, liquid), direct energy use to operate the building, indirect energy use from people using transport to access them. Our operations are managed so that waste is minimised or recycled and energy and water is conserved. We also encourage the use of public transport, walking and cycling as a means of getting around the city.</p> <p>Our swimming pools pose the additional risks of drowning. We manage this through a number of steps, most notably through the continuous presence of trained lifeguards. We also offer learn to swim programmes.</p>
<b>5.2 Community support</b> 5.2.1 Libraries 5.2.2 Access support 5.2.3 Community advocacy 5.2.4 Grants (Social and Recreation) 5.2.5 Housing 5.2.6 Community centres and halls	<p>Fostering diverse and inclusive communities.</p> <p>Enabling people to connect with information &amp; each other.</p>	<ul style="list-style-type: none"> <li>12 libraries plus an online branch providing access to over a wide array of books, magazines, DVD, e-books and e-audio, online journals, e-music tracks.</li> <li>Community outreach &amp; children's literacy programmes</li> <li>Supported community service providers &amp; programmes to meet the needs of our diverse communities &amp; most vulnerable residents</li> <li>Housing approximately 4,000 people in 2,200 units.</li> <li>18 community centres &amp; halls providing services, programmes, spaces for hire, childcare &amp;</li> </ul>	<p>We undertake these activities to enhance the quality of life of the city's residents and mitigate social harm. While there are negative effects from owning and managing buildings and other assets through which the majority of these services are provided – we seek to minimise these negative effects by ensuring our operations are managed effectively and that waste is minimised or recycled and energy and water is conserved.</p>



Group of Activities	Rationale	Service Offering	Negative effects
		education services.	
<b>5.3 Public health and safety</b> 5.3.1 Burials and cremations 5.3.2 Public toilets 5.3.3 Public health regulations 5.3.4 City safety 5.3.5 WREMO	<ul style="list-style-type: none"> <li>Maintaining health standards</li> <li>Activities that make people feel safe</li> <li>Safety (and child friendly)</li> </ul>	<ul style="list-style-type: none"> <li>Cemeteries at Karori and Makara with a crematorium at Karori Cemetery</li> <li>70 public toilets, beach and sportsfields changing rooms/pavilions</li> <li>Regulating food &amp; liquor outlets, animal, trade waste &amp; managing environmental noise issues</li> <li>Provide a 'city hosts' service, managing graffiti &amp; supporting community initiatives</li> </ul>	<p>These activities exist to mitigate and manage significant risks – from natural disasters, personal safety in the city, to unhealthy food preparation practices.</p> <p>These activities are necessary to ensure negative effects from other people's activities or from a natural disaster are controlled and managed.</p>

### Social and Recreation Performance Measures

Social & Recreation	
<b>Objectives</b>	<b>Social cohesion</b> <b>Participation in city life</b> <b>Greater use of existing facilities</b> <b>Safety (and child friendly)</b>
<b>Outcome Indicators</b>	Residents' usage of City Council community and recreation facilities Residents' perceptions that Wellington offers a wide range of recreation activities Residents' frequency of physical activity Residents' perceptions that there are barriers to participating in recreation activities Residents' importance of sense of community in local neighbourhood Residents' usage of libraries and frequency of use Residents' engaging in neighbourly actions Housing Services tenants who report positive social contact Residents' perceptions - city and community safety issues of most concern Recorded crime and resolution rates - by categories Number of notifications of the most prevalent food and water-borne diseases Residents' life expectancy Food premises - number of cleaning notices and closures per year Percentage of food premises with an inspection rating of excellent or very good that maintain or improve their inspection rating Number of uses of Leisure Card Dog control - complaints received (% of registered dogs)
<b>5.1 Recreation Promotion and Support</b> 5.1.1 Swimming pools 5.1.2 Sportsfields 5.1.3 Sportsfields (synthetic) 5.1.4 Recreation Centres 5.1.5 Recreation partnerships 5.1.6 Playgrounds 5.1.7 Marinas 5.1.8 Golf course	



5.1.9 Recreation programmes					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality and usage (quantity) of the recreation facilities we provide	User (%) satisfaction - swimming pools	90%	90%	90%	90%
	User (%) satisfaction - recreation centres and ASB centre	90%	90%	90%	90%
	User (%) satisfaction - sports fields (including artificial sports fields)	85%	85%	85%	85%
	Visits to facilities - swimming pools	1.248 m	1.260m	1.277m	Increasing trend
	Visits to facilities - recreation centres and ASB Centre	1.05m	1.06m	1.07m	1.08m
	ASB Centre courts utilisation (%)	45%	45%	46%	46%
	Sportsfields - % of scheduled sports games and training that take place	Winter 80% Summer 90%	Winter 80% Summer 90%	Winter 80% Summer 90%	Winter 80% Summer 90%
	Marinas occupancy	96%	96%	96%	96%
	Artificial sports fields % utilisation - peak and off peak (summer and winter)	Peak Winter 80% Peak Summer 40% Off peak winter 25% Off peak summer 20%	Peak Winter 80% Peak Summer 40% Off peak winter 25% Off peak summer 20%	Peak Winter 80% Peak Summer 40% Off peak winter 25% Off peak summer 20%	Peak Winter 80% Peak Summer 40% Off peak winter 25% Off peak summer 20%
<b>5.2 Community Support</b> 5.2.1 Libraries 5.2.2 Access support 5.2.3 Community advocacy 5.2.4 Grants (Social and Recreation) 5.2.5 Housing 5.2.6 Community centres and halls					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality and usage (quantity) of the housing services we provide	Tenant satisfaction (%) with services and facilities	90%	90%	90%	90%
	Tenant rating (%) of the overall condition of their house/apartment (good and very good)	90%	90%	90%	90%

**Item 4.1 Attachment 4**

	Tenant (%) sense of safety in their complex at night	75%	75%	75%	75%
	Occupancy rate of available housing facilities	90%	90%	90%	90%
	All tenants (existing and new) housed with policy	98%	98%	98%	98%
To measure the progress of the Housing Upgrade Project	Agreed milestones, design standards and budgets are met in accordance with the agreed works programme and Deed of Grant between the Crown and the Council	To achieve	To achieve	To achieve	To achieve
To measure the quality and usage (quantity) of our community and recreation support services (including libraries)	Libraries - user (%) satisfaction with services and facilities	90%	90%	90%	90%
	E-library users satisfaction (%) with the online library collection	75%	75%	75%	75%
	Accessible Wellington Action Plan initiatives planned for next year	90%	90%	90%	90%
	The proportion of grants fund successfully allocated (through milestones being met)	95%	95%	95%	95%
	Proportion of outcomes delivered (previous projects) - weighted by \$ value	90%	90%	90%	90%
	Libraries - residents (%) who are registered members	75%	75%	75%	75%
	Libraries - physical visits	2.4m	2.4m	2.4m	2.4m
	Libraries - website visits	2.5m	2.5m	2.5m	2.5m
	Library items issued	3m	3m	3m	3m
	Occupancy rates (%) of Wellington City Council Community Centres and Halls	45%	45%	45%	45%
<b>5.3 Public Health and Safety</b> 5.3.1 Burials and cremations 5.3.2 Public toilets 5.3.3 Public health regulations 5.3.4 City safety 5.3.5 WREMO					
<b>Purpose of measure</b>	<b>Performance measure</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018-25</b>
To measure the quality of our public health and	Dog control - urgent requests responded to within one hour and non-urgent within 24 hours	<b>Urgent 100% Non</b>	<b>Urgent 100% Non</b>	<b>Urgent 100% Non</b>	<b>Urgent 100% Non urgent 99%</b>

safety services and programmes and our timeliness in responding to service requests	WCC public toilets - urgent requests responded to within four hours and non-urgent within three days	urgent 99% Urgent 100% Non urgent 95%	urgent 99% Urgent 100% Non urgent 95%	urgent 99% Urgent 100% Non urgent 95%	Urgent 100% Non urgent 95%
	WCC public toilets (%) that meet required cleanliness and maintenance performance standards	95%	95%	95%	95%
	Percentage of medium, high and very high risk premises that are inspected annually	100%	100%	100%	100%
	Percentage of inspections of medium, high and very high risk premises that are carried out during peak trading hours	25%	25%	25%	25%
	Graffiti removal - response timeframes met	80%	80%	80%	80%

**Social and Recreation activity budget**

5.1 Recreation promotion and support	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
5.1.1 - Swimming Pools	(7,587)	20,423	12,836	2,417
5.1.2 - Sportsfields	(295)	3,397	3,102	650
5.1.3 - Sportsfields (Synthetic)	(524)	1,354	830	210
5.1.4 - Recreation Centres	(2,657)	9,682	7,025	260
5.1.5 - Recreation partnerships	-	1,089	1,089	3,468
5.1.6 - Playgrounds	-	736	736	414
5.1.7 - Marinas	(592)	602	10	558
5.1.8 - Golf Course	(77)	269	192	-
5.1.9 - Recreation programmes	(15)	281	266	-
<b>2015-25 LTP 5.1 Total</b>	<b>(11,747)</b>	<b>37,833</b>	<b>26,086</b>	<b>7,977</b>
<b>2014/15 AP 5.1 Total</b>	<b>(11,879)</b>	<b>37,007</b>	<b>25,128</b>	<b>3,021</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>132</b>	<b>826</b>	<b>958</b>	<b>4,956</b>

5.2 - Community support	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
5.2.1 - Libraries	(1,590)	20,696	19,106	5,625
5.2.2 - Access support (Leisure Card)	-	104	104	-
5.2.3 - Community advocacy	-	1,272	1,272	-
5.2.4 - Grants (Social and Recreation)	-	3,336	3,336	-
5.2.5 - Housing	(43,271)	25,577	(17,694)	25,421
5.2.6 - Community centres and halls	(230)	3,130	2,900	154
<b>2015-25 LTP 5.2 Total</b>	<b>(45,091)</b>	<b>54,115</b>	<b>9,024</b>	<b>31,200</b>
<b>2014/15 AP 5.2 Total</b>	<b>(56,047)</b>	<b>53,453</b>	<b>(2,594)</b>	<b>39,199</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>10,956</b>	<b>662</b>	<b>11,618</b>	<b>(7,999)</b>

5.3 Public health and safety	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
5.3.1 - Burials and cremations	(803)	1,645	842	636
5.3.2 - Public toilets	-	2,705	2,705	1,152
5.3.3 - Public health regulations	(3,211)	5,247	2,036	-
5.3.4 - City safety	-	2,662	2,662	-
5.3.5 - WREMO	(43)	1,335	1,292	52
<b>2015-25 LTP 5.3 Total</b>	<b>(4,057)</b>	<b>13,594</b>	<b>9,537</b>	<b>1,840</b>
<b>2014/15 AP 5.3 Total</b>	<b>(4,039)</b>	<b>12,320</b>	<b>8,281</b>	<b>1,310</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>(18)</b>	<b>1,274</b>	<b>1,256</b>	<b>530</b>

## 1.6 Urban development / 1.7 Transport

Tāone tupu ora me / Waka

### By the numbers

**46,300**

Projected Wellington city population increase 2014-2043. This is an increase of 23%.

**21,400**

Projected increase in the number of dwellings in Wellington city 2013-2043. This is an increase of 27.4%.

**75%**

Proportion of Wellington city residents who will live within 1km of a high-frequency bus route following implementation of bus rapid transit proposals

**94%**

Increase in number of people cycling to and from work – 2001-2013

**25%**

Increase in number of people using buses to get to and from work – 2001-2013

The Council's urban development work includes urban planning, controlling building activity and land use, assessing risks from earthquake-prone buildings, and developing and enhancing public spaces.

Our transport work includes transport planning; managing the city's network of roads, cycleways and walkways; managing parking in the city; and promoting safety.

We fund these services because they matter to the lives of individual Wellingtonians and to the community as a whole.

Our work helps to make Wellington a compact, vibrant, attractive city in which it is easy to get from place to place.

This is important for connections between people, for their ability to interact with each other, and for their enjoyment of the city and what it has to offer.

It is important for the economy – for the ability of businesses to reach their markets, and to collaborate and innovate.

It is important for the environment – because a city with a smaller footprint produces fewer emissions and consumes fewer resources.

It is important for people's health and safety, in the buildings they live and work in, and in the roads, walkways and public spaces they use.

In the next 10 years, the Council plans to spend more than \$1.2 billion (net) on transport and urban development.

We aim to manage development so the city remains compact, vibrant, attractive, safe and resilient, in which it's easy for people to connect with each other and to move from place to place.

The Council is one player among many in the city's built environment. Urban development and transport decisions also involve central and regional government, businesses, local communities, and individuals.

The Council's key roles are to provide public spaces and infrastructure, and to plan and control development so the city can support a strong economy and a high quality of life in an environment that is both attractive and sustainable.

All of our work involves partnerships – with home owners who want to build or extend, with commuters who want to get to and from work or school, with businesses taking goods to market, with everyone who lives, works and plays in the city.

Most urban development & transport services are publicly funded by local authorities and central government – they are core activities from which all residents benefit. Some services have a private component, in which case users are charged to cover at least part of the cost of providing the service.

#### **Key projects**

##### **Better transport options**

Wellington's transport network plays an important role in the region's economy – helping people to connect with each other, and bringing goods to market.

An efficient transport network is also important for health & wellbeing, for connections between people, and for the environment.

Though parts of Wellington's transport network perform well, others are struggling. There is congestion – particularly at peak times – on northern routes into and out of the city centre, and on the route from the city to the airport.

The network is also potentially vulnerable in the event of an earthquake or other major emergency, due to the limited number of routes into and out of the city.

It also provides limited choice – currently supporting vehicle transport more effectively than other modes such as buses or bikes.

Addressing these issues will require a balanced approach – with stronger public transport and cycle options alongside vehicle network improvements.



The Council is committed to work with others to see land transport network improvements implemented, so that residents can enjoy safer, more convenient journeys, and the region's economic potential can be unlocked.

We are proposing to invest heavily in coming years to improve the city's network of cycleways. At this stage we have set aside \$44m over the ten years. We'll finalise our approach once we have set in place our network plan.

Another key priority will be implementation of the Wellington Regional Transport Plan, under which a high-frequency, low emission Bus Rapid Transit service will be introduced on key routes linking the central city to the Basin Reserve, Newtown and Kilbirnie.

#### **Affordable buses**

We are also proposing the introduction of subsidies to drive greater bus use.

We provide the network for buses but the service itself is the responsibility of the Greater Wellington Regional Council.

There has been low growth in the use of the service in recent years. Reliability, frequency and cost are key factors in uptake.

We are keen to trial a lower cost service and propose to introduce a capped fare at weekends in the lead up to the Christmas period. We have allocated \$200k towards this programme.

We also propose to part-fund a discount scheme for tertiary student bus fares. The project aims to enable more tertiary students to travel by bus. We've set aside \$75k for the service and expect to see contributions from the regional council and support from the universities.

#### **Vehicle network**

Improvements are also needed to the vehicle network. We support NZTA's programme for Wellington, which aims to unlock the city's economic potential by improving transport routes into the city, and from the city to the airport. One of our top priorities will be to find a solution to Basin Reserve traffic congestion in a way that supports increased traffic flow while meeting community aspirations. The programme also includes double-tunneling the Mount Victoria and Terrace tunnels.

Land transport initiatives are funded by Greater Wellington Regional Council, New Zealand Transport Agency, Wellington City Council, and users.

Other priorities include:

- Improving vehicle access to the Port of Wellington.
- Installing high-efficiency LED street lighting throughout the city, to reduce energy use and ongoing costs.
- Installing parking sensors, following a trial, to provide better parking information to support possible policy changes including flexible pricing.

#### **Urban regeneration**

Though Wellington has a vibrant CBD, parts of the inner city remain underdeveloped. Fragmented ownership and a shortage of capital combine to slow development that could otherwise unlock economic potential and bring social and environmental benefits.

Of particular significance is the 'growth spine', linking northern suburbs to the central city, the Basin Reserve, Newtown and Kilbirnie. By focusing future development along this spine, we can significantly increase housing supply and create vibrant, new, mixed-use city and suburban areas.



Focusing growth is also better for the environment, as it ensures that land is used efficiently, and reduces dependence on private cars.

In coming years, key projects will include:

- transforming upper Victoria Street into exciting, pedestrian-friendly inner-city neighbourhood with new parks, wider footpaths, more trees, new apartments, and a new higher education campus
- redeveloping the south end of Adelaide Road into a vibrant, mixed-use neighbourhood with high quality public spaces, rapid bus links, and new developments housing apartments, workplaces, shops and cafes
- redeveloping Kent and Cambridge Terraces, with planting and streetscape improvements to give the CBD a 'green edge', to improve connections between the waterfront, CBD and memorial Park, and to provide for more apartment and retail/commercial development.

To act as a catalyst for inner city regeneration, the Council exploring opportunities to establish an urban development corporation – similar to Wellington Waterfront Ltd, which manages waterfront development. This corporation would play an active role in regenerating the city.

Urban development corporations have proved successful internationally at driving urban regeneration. The success of Wellington's waterfront also shows the benefits of having a single organisation coordinating city development while working in partnership with other investors.

Establishing such an organisation could allow us to:

- speed up inner city regeneration

- focus growth in targeted areas with strong transport links and other infrastructure
- ensure that development aligns with other social, economic and environmental priorities
- protect heritage through targeted investment and strengthening of earthquake-prone buildings

Other urban development initiatives include:

- upgrading inner city walkways to make them safer, more vibrant and attractive
- establishing a \$400,000 'tactical urbanism' fund to support small-scale urban regeneration projects such as pop-up parks and outdoor performance spaces.

These projects will build on the considerable work done in the last 10 years to upgrade the city's public spaces. These have included major projects such as the creation of Waitangi Park and National War Memorial Park, transformation of other waterfront spaces, the creation of several new inner city parks, and upgrades of Kilbirnie, Miramar and other town centres.

#### **Strengthening heritage buildings**

Heritage buildings make an important contribution to the city's character – but many require strengthening to make them safe in earthquakes. We support building owners by providing grants for earthquake strengthening. For the next three years, we are proposing to increase the total funding pool to \$1 million a year, in order to increase the number of buildings that are being strengthened.

#### **City Resilience**

Our work to improve the resilience of the city (and region) will continue over the period of this long term plan. Many actions

are now largely 'business-as-usual' including on-going upgrades of key infrastructure, assessment of earthquake prone buildings, planning for emergency response and restoration of key life-lines, and planning for hazards and climate change. A new focus area will be the development of a comprehensive resilience strategy for the City's infrastructure and communities, including a particular focus on ensure the City's economic resilience.

We also intend to strengthen the Wellington Town Hall (see the Civic Square precinct statement of proposal).

## 1<sup>st</sup> place

In a 2014 survey of six NZ cities, Wellington residents were much more likely than residents of other cities to:

- perceive their city & local area as great places to live
- be proud of the look and feel of their city & local area
- to be positive about their city's urban design, including the quality of buildings and public spaces.

Wellingtonians use public transport more often, and private cars less often, than residents of other cities.

**Transport and Urban Development group of activities**

Group of Activities	Rationale	Service Offering	Negative effects
<b>6.1 Urban planning, heritage and public spaces development (including Waterfront development)</b> 6.1.1 Urban planning and policy development 6.1.2 Waterfront development 6.1.3 Public spaces and centres development 6.1.4 Built heritage development	<ul style="list-style-type: none"> <li>Smart growth/urban containment</li> <li>Resilience</li> <li>Character protection</li> </ul>	<ul style="list-style-type: none"> <li>Guiding where &amp; how the city grows through the District Plan</li> <li>Maintaining Wellington's sense of place &amp; pride by preserving the city's heritage &amp; developing public spaces including the Waterfront</li> <li>Key projects include:               <ul style="list-style-type: none"> <li>Frank Kitts Park upgrade</li> <li>Adelaide Road regeneration</li> <li>Kent and Cambridge Terraces urban regeneration project</li> </ul> </li> </ul>	<p>Population growth and urban development, if not well managed, can have negative effects on a city's environment and on social well-being. Left unchecked, growth can result in a reduction of open and green spaces with consequences for recreational opportunities, amenity and even some ecosystems.</p> <p>Development in the wrong areas, or the wrong types of development, can place strain on infrastructure and reduce people's ability to access services and enjoy the opportunities the city offers. Poorly-planned growth and poor development and construction of individual buildings can reduce the attractiveness of the city and the 'sense of place' that people identify with and it can have a direct impact on people's safety. As explained above, we aim to avoid or mitigate these negative effects by guiding future development into areas where the benefits are greatest and the negative effects least.</p> <p>The tools we use include planning, working with landowners, direct investment in development of public spaces, and using our regulatory powers under legislation such as the Building Act and Resource Management Act.</p>
<b>6.2 Building and development control</b> 6.2.1 Building control and facilitation 6.2.2 Development control and facilitation 6.2.3 Earthquake risk mitigation – built		<ul style="list-style-type: none"> <li>Ensuring building are safe in accordance with the Building Act</li> <li>Ensuring natural resources are used sustainably in line with the Resource Management Act</li> </ul>	<p>These activities exist to mitigate and manage risks from development, construction, weather-tight homes issues and from earthquakes.</p> <p>Development and construction, if not well</p>

Group of Activities	Rationale	Service Offering	Negative effects
environment			<p>managed, can have negative effects on a city's environment and on social well-being, and on the safety of individuals.</p> <p>Development in the wrong areas, or the wrong types of development, can place strain on infrastructure and reduce people's ability to access services and enjoy the opportunities the city offers.</p> <p>Poorly-planned growth, and poor development and construction of individual buildings, can reduce the attractiveness of the city and the 'sense of place' that people identify with and it can have a direct impact on people's safety.</p> <p>Our quake-prone building assessment programme is focused on ensuring quake-prone buildings are strengthened to required standards to ensure the safety of those that occupy the building and its surrounds</p>
<b>7.1 Transport</b> 7.1.1 Transport planning 7.1.2 Vehicle network 7.1.3 Cycle network 7.1.4 Passenger transport network 7.1.5 Pedestrian network 7.1.6 Network-wide control and management 7.1.7 Road safety	<ul style="list-style-type: none"> <li>Increased active mode share</li> <li>Road safety</li> <li>Reliable transport routes</li> <li>Reduced emissions</li> </ul>	<ul style="list-style-type: none"> <li>54 road bridges (road and pedestrian) &amp; 5 tunnels</li> <li>2,397 walls, 450 bus shelters &amp; 18,000 street lights</li> <li>24.3km of cycle ways</li> <li>858km of pedestrian paths 680km of road pavements</li> <li>132km of handrails, guardrails and sight rails</li> <li>1500 hectares of road corridor land</li> <li>21,499 signs &amp; traffic signals</li> <li>Lincolnshire Farm link roads</li> <li>Cycleways</li> </ul>	<p>With any transport system, the potential negative effects are significant. In particular, there are environmental costs, ranging from air and noise pollution to surface water runoff from roads that may carry contaminants (by-products of tyres, brakes and engines and deposition from exhaust gases) into the stormwater system. This environmental impact is linked to the number of vehicles on the road, however the dominant impact is the surrounding land uses, which direct stormwater run-off to the road. There are also potential negative effects from individual projects: for example, construction of any new road has effects on neighbours and neighbourhoods.</p> <p>Dealing with these effects is</p>

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Group of Activities	Rationale	Service Offering	Negative effects
			<p>complex. Some issues, such as vehicle emission standards, are properly dealt with at a national level. Others, such as air and water quality, are regional issues. Of those issues that can be dealt with at a local level, we seek to reduce the cause of the negative effects where possible. At present there are few statutory requirements for road controlling authorities to mitigate contaminants in road runoff before it is discharged to the receiving environment.</p> <p>This Council does monitor the effects of stormwater runoff on aquatic receiving environments to ensure that adverse effects are avoided, remedied or mitigated.</p> <p>Other potentially significant negative effects we must consider include:</p> <ul style="list-style-type: none"> <li>• The timing of road works and other improvements. These can impact on local businesses but may also affect growth opportunities. Our transport planning is designed to minimise the impact and focus our work in growth areas.</li> <li>• Safety. The transport network brings pedestrians, cyclists and vehicles together. This presents hazards to users. We've developed road safety programmes and design solutions to reduce the likelihood and severity of accidents.</li> </ul>
<b>7.2 Parking</b> 7.2.1 Parking	<ul style="list-style-type: none"> <li>• Enabling people to shop, work and access recreation activities</li> </ul>	<ul style="list-style-type: none"> <li>• 12,000 on-street parking spaces, 3,400 of which are in the CBD</li> <li>• Street spaces for taxis, couriers, people with disabilities, bus stops &amp; diplomatic services</li> </ul>	

Group of Activities	Rationale	Service Offering	Negative effects
		<ul style="list-style-type: none"> <li>Managing off-street parking at Clifton Terrace, the Michael Fowler Centre, &amp; beneath Civic Square</li> </ul>	

### Urban Development Performance Measures

Urban Development					
Objectives	Smart growth / urban containment Resilience Character protection				
Outcome Indicators	Residents' perceptions that Wellington is a great place to live, work and play Value of residential and commercial building consents Population - growth and density (central city, growth spine) Residents' perceptions of the city centre as an easy place to get to, use and enjoy Residents' perceptions of urban design/urban form safety issues (i.e. Graffiti, vandalism, Poorly lit public spaces, etc.) Building density throughout the city Proportion of houses within 100m of a public transport stop Residents' perceptions that heritage items contribute to the city and local communities' unique character New Zealanders' perceptions that Wellington is an attractive destination				
6.1 Urban Planning, Heritage and Public Spaces Development (including Waterfront Development)					
6.1.1 Urban planning and policy development					
6.1.2 Waterfront development					
6.1.3 Public spaces and centres development					
6.1.4 Built heritage development					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of our urban planning, heritage protection and development work	Residents (%) who agree the city is developing in a way that maintains high quality design	Baseline	Increase from previous year	Increase from previous year	increasing trend
	District Plan listed items that are removed or demolished	Nil	Nil	Nil	Nil
	Residents (%) who agree the central city is lively and attractive	87%	87%	87%	87%
	Residents (%) who agree their local suburban centre is lively and attractive	60%	60%	60%	60%
	Residents (%) who rate their waterfront experience as good or very good	90%	90%	90%	90%
	The proportion of grants funds successfully allocated	95%	95%	95%	95%

	(through milestones being met)				
	Residents (%) who agree heritage items are appropriately valued and protected	65%	65%	65%	65%
<b>6.2 Building and Development Control</b>					
6.2.1 Building control and facilitation					
6.2.2 Development control and facilitation					
6.2.3 Earthquake risk mitigation - built environment					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the timeliness of our building and development control services	Building consents issued within 20 working days	100%	100%	100%	100%
	Code of Compliance Certificates issued within 20 working days	100%	100%	100%	100%
	Land Information Memorandums (LIMs) issued within 10 working days	100%	100%	100%	100%
	Resource consents (non-notified) issued within statutory timeframes	100%	100%	100%	100%
	Resource consents that are monitored within 3 months of project commencement	90%	90%	90%	90%
	Subdivision certificates - Section 223 certificates issued within statutory timeframes	100%	100%	100%	100%
	Noise control (excessive noise) complaints investigated within one hour	90%	90%	90%	90%
	Environmental complaints investigated within 48 hours	98%	98%	98%	98%
To measure the quality of our building and development control services	Customers (%) who rate building control services as good or very good	70%	70%	70%	70%
	Building Consent authority (BCA) accreditation retention (2-yearly)	To retain	n/a	To retain	n/a
To measure our progress on earthquake risk mitigation	Earthquake prone building notifications (section 124) (%) that are issued without successful challenge	95%	95%	95%	95%



**Transport Performance Measures**

Transport					
Objectives	Increased active mode share Road safety Reliable transport routes Reduced emissions				
Outcome Indicators	Residents' perceptions that peak traffic volumes are acceptable Residents' perceptions that the transport system allows easy access to the city Residents' perceptions of quality and affordability of public transport services Air quality monitoring (i.e. Nitrogen dioxide, carbon monoxide, and particulate matter peaks) Change from previous year in the number of road crashes resulting in fatalities and serious injury.* Social cost of crashes Residents perceptions of transport related safety issues (i.e. Issues of most concern) Number of cyclists and pedestrians entering the CBD (weekdays) Residents (%) who agree the transport system allows easy movement around the city - vehicle users and pedestrians				
7.1 Transport					
7.1.1 Transport planning					
7.1.2 Vehicle network					
7.1.3 Cycle network					
7.1.4 Passenger transport network					
7.1.5 Pedestrian network					
7.1.6 Network-wide control and management					
7.1.7 Road safety					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality and timeliness of the transport infrastructure and service	Residents condition (%) rating of the network - roads and footpaths (good or very good)	R: 75% F: 75%	R: 75% F: 75%	R: 75% F: 75%	R: 75% F: 75%
	Requests for service response rate - urgent (within 2 hours) and non-urgent (within 15 days)*	Urgent: 100% non-urgent: 100%	Urgent: 100% non-urgent: 100%	Urgent: 100% non-urgent: 100%	Urgent: 100% non-urgent: 100%
	Roads (%) which meet smooth roads standards (smooth roads - measured by Smooth Travel Exposure based on NAASRA counts)*	70%	70%	70%	70%
	Footpath (%) condition rating (measured against WCC condition standards)*	97%	97%	97%	97%
	Street lighting (%) for major roads (arterial, principal and collector roads) meets national standards)	100%	100%	100%	100%
	Residents' satisfaction (%) with street lighting in the	Central: 85% Suburbs:75%	Central: 85% Suburbs:75%	Central: 85% Suburbs:75%	Central: 85% Suburbs:75%

**Item 4.1 Attachment 4**

	central city and suburban areas	90%	90%	90%	90%
	Sea wall and retaining wall condition rating - walls (%) rated 3 or better (1 very good, 5 very bad)	10%	10%	10%	10%
	Percentage of the sealed local road network that is resurfaced*				
	*DIA Mandatory measure				
<b>7.2 Parking</b>					
7.2.1 Parking					
Purpose of measure	Performance measure	2015/16	2016/17	2017/18	2018-25
To measure the quality of our parking provision	On-street car park turn-over rates - weekdays and weekends	Week: 6.8 Weekend:5.2	Week: 6.8 Weekend:5.2	Week: 6.8 Weekend:5.2	Week: 6.8 Weekend:5.2
	On-street car park average occupancy	75%	75%	75%	75%
	On-street car park compliance - time restrictions and payment	Time: 95% Payment: 90%	Time: 95% Payment: 90%	Time: 95% Payment: 90%	Time: 95% Payment: 90%
	Residents' perceptions (%) that parking enforcement is fair	Increase from previous year	Increase from previous year	Increase from previous year	Increase from previous year

### Urban Development activity budget

6.1 Urban planning, heritage and public spaces development	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$'000)	Expenditure (\$'000)	Net expenditure (\$'000)	Total (\$'000)
6.1.1 - Urban planning and policy	(20)	1,916	1,896	-
6.1.2 - Waterfront development	-	969	969	6,843
6.1.3 - Public spaces and centres development	-	1,984	1,984	2,230
6.1.4 - Built heritage development	-	1,744	1,744	-
<b>2015-25 LTP 6.1 Total</b>	<b>(20)</b>	<b>6,613</b>	<b>6,593</b>	<b>9,073</b>
<b>2014/15 AP 6.1 Total</b>	<b>(3,883)</b>	<b>15,834</b>	<b>11,951</b>	<b>4,696</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>3,863</b>	<b>(9,221)</b>	<b>(5,358)</b>	<b>4,377</b>

6.2 Building and development control	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$'000)	Expenditure (\$'000)	Net expenditure (\$'000)	Total (\$'000)
6.2.1 - Building control and facilitation	(9,152)	13,730	4,578	-
6.2.2 - Development control and facilitation	(2,899)	5,937	3,038	-
6.2.3 - Earthquake risk mitigation - built environment	-	1,701	1,701	2,940
<b>2015-25 LTP 6.2 Total</b>	<b>(12,051)</b>	<b>21,368</b>	<b>9,317</b>	<b>2,940</b>
<b>2014/15 AP 6.2 Total</b>	<b>(12,679)</b>	<b>19,998</b>	<b>7,319</b>	<b>17,651</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>628</b>	<b>1,370</b>	<b>1,998</b>	<b>(14,711)</b>

### Transport Activity Budget

7.1 Transport	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$'000)	Expenditure (\$'000)	Net expenditure (\$'000)	Total (\$'000)
7.1.1 - Transport planning	(82)	940	858	-
7.1.2 - Vehicle network	(1,257)	22,936	21,679	21,917
7.1.3 - Cycle network	(34)	966	932	4,411
7.1.4 - Passenger transport network	(950)	1,724	774	145
7.1.5 - Pedestrian network	(39)	6,615	6,576	4,383
7.1.6 - Network-wide control and management	(1,997)	6,793	4,796	2,804
7.1.7 - Road safety	(1,540)	5,906	4,366	2,352
<b>2015-25 LTP 7.1 Total</b>	<b>(5,899)</b>	<b>45,880</b>	<b>39,981</b>	<b>36,012</b>
<b>2014/15 AP 7.1 Total</b>	<b>(6,269)</b>	<b>45,383</b>	<b>39,114</b>	<b>37,713</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>370</b>	<b>497</b>	<b>867</b>	<b>(1,701)</b>

7.2 Parking	Operating expenditure 2015-16			Capital expenditure 2015-16
	Income (\$'000)	Expenditure (\$'000)	Net expenditure (\$'000)	Total (\$'000)
7.2.1 - Parking	(27,455)	13,374	(14,081)	1,449
<b>2015-25 LTP 7.2 Total</b>	<b>(27,455)</b>	<b>13,374</b>	<b>(14,081)</b>	<b>1,449</b>
<b>2014/15 AP 7.2 Total</b>	<b>(26,022)</b>	<b>11,936</b>	<b>(14,086)</b>	<b>180</b>
<b>Variance 2014/15 AP Yr 1 to 2015-25 LTP</b>	<b>(1,433)</b>	<b>1,438</b>	<b>5</b>	<b>1,269</b>

**Focusing growth:** Future growth will be focused along a 'spine' running from Johnsonville through the central city to the Basin Reserve, Newtown and Kilbirnie.

The areas along this spine will be earmarked for 'mixed use' development combining housing, offices, retail, restaurants & cafes, and public spaces. Areas along the growth spine will be linked by high frequency bus services, as well as walkways and cycleways, allowing people to move around easily.

Draft subject to change

## Council Controlled Organisations

### WELLINGTON REGIONAL STADIUM TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC).</p> <p>As at <b>1 January 2015</b>, they are John Shewan (Chair), Councillor Nigel Wilson (GWRC), Liz Dawson, Susan Elliott, Steven Fyfe, Mark McGuinness, Rachel Taulelei and Councillor Simon Marsh (WCC).</p> <p>The Chief Executive is Shane Harmon.</p>	<p>The Wellington Regional Stadium Trust owns, operates and maintains the Stadium as a high-quality multi-purpose sporting and cultural venue. It provides facilities to be used for rugby, cricket and other sports codes, musical and cultural events, and other users including sponsors and event and fixture organisers.</p>	<p>Operates the Stadium.</p> <p>Manages the event programme and seeks opportunities to provide regular quality events.</p> <p>Ensures the Stadium is provided to the community for appropriate usage.</p> <p>Administers the Trust assets and the Stadium on a prudent commercial basis.</p>	<p>Number of events</p> <p>Total revenue</p> <p>Event revenue</p> <p>Net surplus</p>

Note: the Wellington Regional Stadium Trust is not formally defined as a Council Controlled Organisation. This plan for their activities is presented to recognise the interest that Wellington city ratepayers have in the Trust and its activities.

**WELLINGTON REGION ECONOMIC DEVELOPMENT AGENCY**

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>WREDA is the new regional economic development agency for the lower North Island, combining the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.</p> <p>The Wellington City Council is an 80% shareholder, and the Greater Wellington Regional Council is a 20% shareholder</p> <p>As at <b>1 January 2015</b>, the board members are Peter Biggs (Chair), Helen Anderson, Matt Clarke, Sarah Gibbs, Prof. Grant Guilford, Richard Laverty, Paul Mersi, Thomas Pippas and Lorraine Witten.</p> <p>The Chief Executive is to be appointed by 1 July 2015.</p>	<p>WREDA is a new economic development agency that brings together the region's economic development agency (Grow Wellington) with existing city tourism (Positively Wellington Tourism) and venues (Positively Wellington Venues) agencies, and the Wellington City Council's major events activities.</p> <p>The benefits to the region of a single agency include: one voice, clearer focus, better use of resources, and improved scale and capacity.</p>	<p>To Be Confirmed</p>	<p>To Be Confirmed</p>

**WELLINGTON MUSEUMS TRUST**

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>All trustees are appointed by the Council.</p> <p>As at <b>1 January 2015</b>, they are Quentin Hay (Chair), Councillor Nicola Young, Jackie Lloyd, Rachel Farrant, and Jill Wilson.</p> <p>The Chief Executive is Pat Stuart.</p>	<p>The Wellington Museums Trust (WMT) was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City &amp; Sea, the Colonial Cottage, Capital E, the Wellington Cable Car Museum, and the Carter Observatory.</p> <p>WMT manages its facilities, establishes exhibition programmes and education policies for its facilities, and develops acquisition, deaccession and collection development policies for its collections and artefacts.</p>	<ul style="list-style-type: none"> <li>• Deliver high quality experiences, events and exhibitions at its facilities.</li> <li>• Manage conservation and care for the objects of its collections, and conduct research and development to enhance visitors' experiences.</li> <li>• Offer quality education experiences to children and young people.</li> <li>• Promote and protect the heritage of venues.</li> </ul> <p>Work with national and international artists and collectors.</p>	<p>Attendance:</p> <ul style="list-style-type: none"> <li>• City Gallery</li> <li>• Capital E</li> <li>• Museum of Wellington</li> <li>• Cable Car Museum</li> <li>• Carter Observatory</li> <li>• Subsidy per visitor</li> <li>• Revenue per visitor</li> <li>• Total ownership cost to Council</li> <li>• Percentage of visitors who rate the quality of their experience as good or very good</li> <li>• Percentage of visitors that are repeat visitors</li> </ul>



#### WELLINGTON CABLE CAR LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at <b>1 January 2015</b>, they are Anthony Wilson and Andy Matthews.</p> <p>The Chief Executive is Simon Fleisher.</p>	<p>Wellington Cable Car Limited owns and operates the Cable Car.</p> <p>It also owns and maintains the overhead wiring system for the trolley bus passenger network which services the city.</p>	<ul style="list-style-type: none"> <li>• Maintain the cable cars and associated track, plant, tunnels, bridges and buildings in accordance with best engineering practice, and to meet the certification requirements of the New Zealand Transport Agency.</li> <li>• Market and manage the cable car passenger service operation.</li> <li>• Manage the contract for the inspection, maintenance and repair of the trolley bus overhead wiring system.</li> </ul>	<ul style="list-style-type: none"> <li>• Cable car passenger numbers</li> <li>• Cable car service reliability</li> <li>• Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good</li> </ul>

**WELLINGTON WATER LIMITED**

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>Wellington Water was established in September 2014 and was formed by the merger of Greater Wellington Regional Council's water supply group with Capacity Infrastructure Services, which was owned by Hutt, Porirua, Upper Hutt and Wellington city councils. The five local authorities are joint and equal owners of Wellington Water.</p> <p>Each council owns its respective water, storm water and waste water assets and determines the level and standard of services to be provided to its customers and ratepayers.</p> <p>As at <b>1 January 2015</b>, the four independent Directors are John Strahl (Chair), Nicki Crauford, Ian Hutchings and Raveen Jaduram.</p> <p>The Chief Executive is Colin Crampton.</p>	<p>To manage the provision of water services (water supply, storm water and wastewater) to the residents and businesses in the areas served by its customers.</p> <p>Wellington Water's customers are Wellington City Council, Hutt City Council, Porirua City Council and Upper Hutt City Council.</p>	<p>Provide high quality, safe and environmentally sustainable services to shareholding councils and other customers with a focus on contracted service delivery for the operation, maintenance and on-going development of drinking water, storm water and waste water assets and services, and asset management planning.</p>	<ul style="list-style-type: none"> <li>• Provide a reliable water supply, wastewater and storm water management service.</li> <li>• Deliver budgeted capital expenditure projects for its shareholding councils.</li> <li>• Deliver budgeted operating and maintenance activities for its shareholding councils.</li> <li>• Comply with relevant standards, legislation and resource consents.</li> </ul>

### WELLINGTON ZOO TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council.</p> <p>As at 1 January 2015, they are Ross Martin (Chair), Frances Russell, Linda Meade, Raewyn Bleakley, Craig Ellison, and Councillor Sarah Free.</p> <p>The Chief Executive is Karen Fifield.</p>	<p>The Wellington Zoo Trust manages the assets and operations of Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. It promotes species conservation, educates the community by building an awareness of plant and animal species, and supports the conservation and educational activities of other organisations.</p>	<ul style="list-style-type: none"> <li>• Cares for resident animals and manages the animal collection.</li> <li>• Provides a high-quality visitor experience</li> <li>• Participates in captive management breeding and breed-for-release programmes.</li> <li>• Develops and maintains high quality animal exhibits.</li> <li>• Delivers educational material and learning experiences.</li> <li>• Contributes to zoological, conservation and facilities management research projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of visitors</li> <li>• Conservation Programme Managed Species (% of total collection)</li> <li>• Average WCC subsidy per visitor</li> <li>• Total ownership cost to Council</li> <li>• Average income per visitor</li> <li>• Ratio of generated Trust income as % of WCC grant</li> </ul>

**BASIN RESERVE TRUST**

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington.</p> <p>As at <b>1 January 2015</b>, the two trustees appointed by the Council are Councillor Paul Eagle and Sir John Anderson (Chair). The two trustees appointed by Cricket Wellington are Don Neely and John Greenwood.</p> <p>The Chief Executive is Peter Clinton.</p>	<p>The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.</p>	<ul style="list-style-type: none"> <li>• Manages the Basin Reserve for recreational activities and the playing of cricket for the residents of Wellington.</li> <li>• Contributes to the events programme for Wellington.</li> <li>• Operates as a successful not-for-profit undertaking.</li> <li>• Preserves and enhances the heritage value of the Basin Reserve.</li> </ul>	<p>Number of events</p> <ul style="list-style-type: none"> <li>• Cricket</li> <li>• Other sports</li> <li>• Community</li> </ul> <p>Number of event days</p> <ul style="list-style-type: none"> <li>• Cricket</li> <li>• Other sports</li> <li>• Community</li> </ul> <p>Attendance figures</p>

## STATEMENT OF CITY HOUSING PORTFOLIO ASSESSMENT FRAMEWORK

The Council is undertaking a significant upgrade of its social housing stock. This will require administrative decisions from time to time in relation to the disposal and reinvestment back into the housing portfolio.

The Council manages its City Housing Portfolio using the 'City Housing Portfolio Assessment Framework' (2014). The Council is committed by the 2008 Deed of Grant with the Crown to remain in social housing at approximately the same levels until June 2038 and ring-fence all income from its social housing activity for reinvestment back into the asset. All proceeds from the sale of social housing assets must be reinvested in the social housing portfolio.

The City Housing Portfolio Assessment Framework allows Council to objectively assess and compare properties in the Council's present and potential future portfolio, in order to meet Council's strategic objectives. The Framework is based on a number of asset related principles:

- Location – Housing should be well located i.e. close to public transportation routes and essential services
- Design – Housing should be maintained and renewed to contemporary, functional design standards in terms of access, aspect, security, use of space, health and safety, energy efficiency and use of materials
- Stock matched to demand – City Housing should be able to respond to demand from different sized and type of households
- Adaptability – Housing should be capable of responding to the needs of people with different cultural backgrounds, different physical abilities etc
- Value retention – The Council's investment in housing should retain value over time.

The Community, Sport and Recreation Committee (or such other Committee that may have the form and function of the present Community, Sport and Recreation Committee) has been delegated the power to make decisions under the City Housing Portfolio Assessment Framework provided that:

- a. The divestment decision is less than \$2M; and
- b. The reinvestment of proceeds (from divestment) is in social housing
- c. The proposal is in accordance with the City Housing Portfolio Assessment Framework (2014), the Deed of Grant for Wellington City Council's Social Housing (2008) and the Council's Significance and Engagement Policy
- d. For any matter not meeting the requirements in a-c above, the Committee will have the power of recommendation only and the final decision will be made by Council.

## STATEMENT ON OUR MĀORI AND MANA WHENUA PARTNERSHIPS

### Whai wāhitanga Māori (tae noa ki te mana whenua)

We have an obligation to ensure the views of mana whenua and Māori community are realised.

#### Our Treaty obligation

In Wellington city the signing of the Treaty of Waitangi occurred on 29 April 1840 on board Henry Williams' schooner *Ariel* in the harbour. 175 years later, Treaty of Waitangi historic claims for both iwi groupings within the city, Ngāti Toa Rangatira and Taranaki Whānui ki te Upoko o te Ika a Māui have been settled.

It is important that the special position of mana whenua be acknowledged and reflected in the way we make decisions about the city and its resources.

Engagement with the wider Māori community recognises the special provisions for Māori within our legislative framework and their unique Tangata Whenua position.

#### What we'll provide – our level of service

We work with the city's two mandated mana whenua organisations, the Port Nicholson Block Settlement Trust (representing Taranaki Whānui) and Te Rūnanga o Toa Rangatira Incorporated, to ensure their views are represented in decisions about the city, and to ensure their contribution to Wellington's heritage is fully and publicly recognised. Our responsibilities to these organisations are outlined in memoranda of understanding.

A capacity funding agreement outlines how they participate in decisions on policy, protocol, and regulatory and service delivery issues. Both entities have non-voting membership on the Council's committees. These obligations place administrative and time demands on the organisations. We provide each a grant to reflect their input.

We will provide opportunities for Māori to engage in dialogue with the Council to ensure their perspective is reflected in Council decisions and actions affecting economic, environmental, social, and cultural well-being.

#### How we will provide opportunities for Māori to contribute to our decision-making processes

In addition to fostering partnerships with mana whenua, we will engage with and build relationships with the wider Māori community. Here is how we will do it:

Mana whenua partnerships:

- *Te Raukura*, the wharewaka and the three waka, *Te Hononga*, *Te Rerenga Kōtare* and *Poutū*, are now prominent fixtures on our waterfront realising the aspiration of Taranaki Whānui to bring waka Māori back into our harbour. Along with the nearby Te Aro Pā visitor centre in the heart of the city, we will provide a grant to contribute to their upkeep.
- *We will sponsor a carved artwork in recognition of the recent historic Treaty settlement for Ngāti Toa Rangatira. This artwork will complement the existing pou whenua heritage trail and other public art marking sites of significance to Taranaki Whānui.*

- *We will meet regularly with mandated mana whenua organisations to include their aims and aspirations for the city and across many areas of Council activity*

Māori community engagement:

- *Our 'Māori Community' webpage allows the community to register to receive email pānui (notices) and our e-Newsletter Nōna te Ao.*
- *Our website also provides access to other publications of interest including Land Perspectives for Tangata Whenua - from our District Plan (currently being updated); the Māori community Population Profile compiled from Census 2013 data; brochures about Te Ara o Ngā Tūpuna – the Māori Heritage Trail, Ngā Waka o Pōneke – the carved waka, Te Raukura – the Wharewaka o Pōneke and Te Aro Pā visitor site. You can also find the information guide for Ngā Iwi o te Motu Urupā – the Māori burial area within Makara cemetery.*
- *Our community grants will assist Māori groups to undertake their own projects. Like all grant programmes, these projects must contribute to Council's high level priorities.*
- *We will promote and celebrate Māori culture through significant dates in the Māori calendar such as Waitangi Day, Matariki and Māori Language Week, other community events, ceremonies and hui, public art and heritage protection.*

The visible recognition of such projects and the inclusion of a Māori perspective across Council activities will contribute to our city vitality and improve the experience of the city for us all. Inside Council, we aim to build our capacity to be more effective for Māori in the work that we do and how Council can contribute to strengthening Māori communities.



Council 25 February 2015  
Refer Item 2.5: Attachment 2 tabled at the Governance, Finance and Planning meeting on 17 February 2015  
Draft Projects and Programmes - Operating Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of Total	
1	Governance	1.1	Governance, information and engagement	1.1.1	City governance and engagement	C530	Annual Planning	Expense	1,103,585	1,126,030	1,149,191	1,170,038	1,215,266	1,246,077	1,276,564	1,301,638	1,325,220	1,361,427	12,275,036	
						C532	Policy	Expense	1,467,211	1,510,528	1,539,117	1,563,225	1,639,057	1,684,593	1,726,472	1,755,382	1,772,619	1,822,535	16,480,738	
						C534	Committee & Council Process	Expense	5,971,064	6,727,608	5,929,335	6,089,613	7,318,354	6,518,590	6,809,234	7,884,209	6,748,444	7,000,354	66,996,805	
								Income	(12,360)	(384,530)	(12,842)	(13,114)	(408,681)	(13,683)	(14,004)	(437,738)	(14,684)	(15,054)	(1,326,689)	
						C590	Tawa Comm Brd - Discretionary	Expense	10,677	10,944	11,222	11,532	11,863	12,204	12,599	13,005	13,464	13,945	121,455	
					C616	Smart Capital - Marketing	Expense	538,793	552,262	566,271	581,896	598,599	615,840	635,775	656,249	679,418	703,663	6,128,767		
					City governance and engagement Total				9,078,970	9,542,843	9,182,293	9,403,190	10,374,458	10,063,622	10,446,641	11,172,746	10,524,480	10,886,868	100,676,112	
					1.1.2	Civic information	C334	WCC City Service Centre	Expense	975,856	1,007,983	1,018,589	1,019,393	1,097,262	1,126,961	1,160,841	1,182,295	1,200,223	1,242,917	11,032,320
									Income	(117,225)	(119,452)	(121,797)	(124,376)	(126,955)	(129,768)	(132,816)	(135,981)	(139,263)	(142,780)	(1,290,413)
							C338	Call Centre SLA	Expense	2,235,932	2,309,269	2,347,317	2,373,881	2,510,345	2,580,876	2,644,870	2,682,805	2,697,592	2,774,350	25,157,237
								Income	(12,000)	(12,228)	(12,468)	(12,732)	(12,996)	(13,284)	(13,596)	(13,920)	(14,256)	(14,616)	(132,096)	
				1.1.3	City Archives	C340	Valuation Services Contract	Expense	680,088	697,090	714,772	734,495	755,578	777,341	802,504	828,347	857,591	888,195	7,736,001	
								Income	(183,928)	(187,422)	(191,101)	(195,147)	(199,194)	(203,608)	(208,390)	(213,356)	(218,506)	(224,024)	(2,024,677)	
						C355	Lands Information	Expense	1,517,809	1,557,848	1,582,069	1,597,508	1,692,483	1,738,345	1,783,073	1,810,389	1,824,677	1,878,860	16,983,061	
						Civic information Total				5,096,533	5,253,088	5,337,382	5,393,022	5,716,523	5,876,863	6,036,485	6,140,578	6,208,057	6,402,901	57,461,434
				City Archives Total				1,425,304	1,475,799	1,498,910	1,511,613	1,604,580	1,647,298	1,688,190	1,723,428	1,744,333	1,802,467	16,121,921		
				City Archives Total				1,242,983	1,290,013	1,309,477	1,318,170	1,407,125	1,445,467	1,481,619	1,511,935	1,527,734	1,580,398	14,114,921		
Governance, information and engagement Total									15,418,486	16,085,943	15,829,152	16,114,382	17,498,106	17,385,953	17,964,745	18,825,259	18,260,272	18,870,168	172,252,466	
1.2	Maori and Mana Whenua partnerships	1.2.1	Maori and Mana Whenua partnerships	C529	Funding agreements – Maori	Expense	202,867	207,968	213,233	219,175	224,427	230,830	237,514	244,758	253,362	262,367	2,296,501			
				C683	Maori Engagement	Expense	78,528	80,491	82,532	84,810	87,244	89,757	92,662	95,647	99,023	102,557	893,251			
		Maori and Mana Whenua partnerships Total				281,395	288,458	295,765	303,985	311,671	320,587	330,177	340,404	352,385	364,923	3,189,751				
		Maori and Mana Whenua partnerships Total									281,395	288,458	295,765	303,985	311,671	320,587	330,177	340,404	352,385	364,923
Governance Total									15,699,880	16,374,402	16,124,917	16,418,367	17,809,778	17,706,540	18,294,921	19,165,664	18,612,657	19,235,091	175,442,218	
2	Environment	2.1	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	A004	Parks and Reserves Planning	Expense	612,987	625,630	638,429	650,182	691,804	708,984	728,375	749,281	764,147	785,726	6,955,544	
								Reserves Unplanned Maintenance	Expense	170,745	174,883	179,530	184,224	205,079	210,047	217,512	230,158	237,657	245,769	2,055,604
						C515	Turf Management	Expense	1,179,609	1,205,651	1,232,721	1,257,832	1,308,550	1,327,628	1,358,806	1,390,705	1,415,637	1,453,423	13,130,561	
								Income	(7,774)	(7,922)	(8,077)	(8,248)	(8,419)	(8,606)	(8,808)	(9,018)	(9,236)	(9,469)	(85,576)	
						C517	Park Furniture Maintenance	Expense	1,640,456	1,625,989	1,665,858	1,694,014	1,770,884	1,774,958	1,667,412	1,778,621	1,834,423	1,883,009	17,335,624	
						C518	Maint- Park/Build/Infrastruct	Expense	1,810,669	1,869,769	2,001,103	1,892,658	2,010,285	1,943,126	2,029,270	2,067,657	2,061,708	2,141,395	19,827,639	
								Income	(198,772)	(202,549)	(206,524)	(210,897)	(215,270)	(220,041)	(225,209)	(230,576)	(236,141)	(242,104)	(2,188,082)	
						C563	Horticultural Operations	Expense	1,892,762	1,922,699	1,957,524	2,002,197	2,087,948	2,135,784	2,189,197	2,250,859	2,303,748	2,366,751	21,109,470	
								Income	(29,967)	(30,536)	(31,136)	(31,795)	(32,454)	(33,173)	(33,953)	(34,762)	(35,601)	(36,500)	(329,877)	
						C564	Arboricultural Operations	Expense	1,411,644	1,420,163	1,468,098	1,465,895	1,520,114	1,530,500	1,542,709	1,579,522	1,583,255	1,621,829	15,143,729	
								Income	(177,696)	(181,072)	(184,626)	(188,535)	(192,445)	(196,709)	(201,330)	(206,127)	(211,103)	(216,434)	(1,956,078)	
				Local parks and open spaces Total				8,304,662	8,422,705	8,712,900	8,707,525	9,146,076	9,172,498	9,263,983	9,566,321	9,708,494	9,993,395	90,998,559		
				2.1.2	Botanical gardens	C560	Botanic Gardens Services	Expense	4,748,726	4,935,704	5,066,806	5,223,862	5,475,605	5,676,380	5,770,075	6,029,736	6,155,241	6,360,960	55,443,095	
									Income	(386,567)	(393,912)	(401,643)	(410,148)	(418,652)	(427,930)	(437,980)	(448,418)	(459,242)	(470,839)	(4,255,330)
				Botanical gardens Total				4,362,159	4,541,792	4,665,163	4,813,715	5,056,953	5,248,450	5,332,095	5,581,319	5,695,999	5,890,121	51,187,765		
				2.1.3	Beaches and coast operations	C298	Coastal Operations	Expense	1,378,103	1,058,596	1,078,434	1,111,345	1,149,069	1,178,293	1,199,105	1,239,324	1,269,070	1,306,709	11,968,047	
									Income	(51,000)	(51,969)	(52,989)	(54,111)	(55,233)	(56,457)	(57,783)	(59,160)	(60,588)	(62,118)	(561,408)
				Beaches and coast operations Total				1,327,103	1,006,627	1,025,445	1,057,234	1,093,836	1,121,836	1,141,322	1,180,164	1,208,482	1,244,591	11,406,639		
				2.1.4	Roads open spaces	C006	Open Space Vegetation Mgmt	Expense	-	-	-	-	-	-	-	-	-	-	-	
							C006A	Road Corridor Growth Control	Expense	1,291,089	1,321,984	1,353,513	1,386,895	1,431,594	1,471,614	1,516,086	1,559,425	1,606,582	1,660,447	14,599,229
									Income	(390,669)	(457,934)	(485,780)	(458,632)	(507,428)	(400,646)	(500,962)	(485,351)	(521,834)	(551,653)	(4,760,890)
							C289	Street Cleaning	Expense	6,848,943	7,104,815	7,372,230	7,662,788	7,971,468	8,298,554	8,671,622	8,938,378	9,235,779	9,557,468	81,662,045
									Income	(270,214)	(320,862)	(344,835)	(329,860)	(368,670)	(294,782)	(373,573)	(361,931)	(389,137)	(411,374)	(3,465,237)
				Roads open spaces Total				7,479,148	7,648,003	7,895,128	8,261,191	8,526,964	9,074,740	9,313,174	9,650,521	9,931,391	10,254,888	88,035,147		
				2.1.5	Town belts	A008	Hazardous Trees Removal	Expense	445,190	454,728	465,517	476,820	491,283	504,546	518,625	531,985	546,172	563,008	4,997,874	
									Income	(5,800)	(5,910)	(6,026)	(6,154)	(6,281)	(6,421)	(6,571)	(6,728)	(6,890)	(7,064)	(63,846)
							C514	Town Belts Planting	Expense	705,651	717,676	728,081	735,144	748,515	767,748	791,592	822,884	844,026	870,142	7,731,458
							C524	Townbelts/Reserves Management	Expense	3,541,408	3,832,343	4,040,276	4,445,989	4,983,568	5,152,776	5,294,746	6,043,366	6,294,250	6,473,139	50,101,861
									Income	(244,099)	(248,737)	(253,619)	(258,989)	(264,359)	(270,218)	(276,564)	(283,155)	(289,990)	(297,313)	(2,687,042)
				Town belts Total				4,442,349	4,750,100	4,974,229	5,392,810	5,952,725	6,148,433	6,321,827	7,108,352	7,387,568	7,601,912	60,080,305		
2.1.6	Community environmental initiatives	C513	Community greening initiatives	Expense	620,374	634,159	648,279	662,581	716,119	734,162	756,309	784,861	802,661	826,476	7,185,982					
		C652	Environmental Grants Pool	Expense	120,305	120,617	100,935	101,259	101,589	101,927	102,270	102,621	102,979	103,344	1,057,846					
		Community environmental initiatives Total				740,680	754,776	749,214	763,840	817,709	836,088	858,580	887,482	905,640	929,820	8,243,828				
2.1.7	Walkways	C561	Walkway Maintenance	Expense	581,052	601,367	640,374	676,046	724,999	749,005	774,428	822,166	847,197	869,592	7,286,226					
			Walkways Total				581,052	601,367	640,374	676,046	724,999	749,005	774,428	822,166	847,197	869,592	7,286,226			

Council 25 February 2015  
Item 2.5: Attachment 2 tabled at the meeting

Draft Projects and Programmes - Operating Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of Total				
				2.1.8	Biodiversity (pest management)	C509	Weeds & Hazardous Trees Monit	Expense	1,361,557	1,372,451	1,386,379	1,368,590	1,426,335	1,457,566	1,494,896	1,538,180	1,573,165	1,615,410	14,594,530				
						C510	Animal Pest Management	Expense	318,087	325,643	333,421	341,771	383,348	392,754	406,843	429,695	442,507	457,151	3,831,221				
					Biodiversity (pest management) Total				1,641,244	1,658,965	1,679,903	1,669,619	1,768,096	1,807,812	1,858,232	1,923,331	1,970,053	2,025,790	18,003,044				
				2.1.9	Waterfront Public Space	C701	Waterfront Public Space Management	Expense	1,733,547	1,725,790	1,769,624	2,088,392	2,153,010	1,817,008	1,873,058	1,806,658	1,734,272	1,789,015	18,490,373				
							Income	(301,000)	(306,719)	(312,739)	(319,361)	(325,983)	(333,207)	(341,033)	(349,160)	(357,588)	(366,618)	(3,313,408)					
					Waterfront Public Space Total				1,432,547	1,419,071	1,456,885	1,769,031	1,827,027	1,483,801	1,532,025	1,457,498	1,376,684	1,422,397	15,176,965				
				Gardens, beaches and green open spaces Total				30,310,943	30,803,405	31,799,241	33,111,010	34,914,384	35,642,662	36,395,665	38,177,155	39,031,507	40,232,505	350,418,478					
				2.2	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	C076	Landfill Operations & Maint	Expense	3,395,013	3,615,448	3,780,215	3,766,741	4,176,424	4,298,572	4,410,944	4,575,211	4,701,929	4,903,980	41,624,477		
								C078A	Suburban Refuse Collection	Expense	2,854,940	2,926,317	3,000,141	3,084,830	3,177,669	3,272,527	3,376,694	3,482,553	3,599,897	3,726,043	32,501,611		
								C079	Domestic Recycling	Expense	4,673,183	4,790,098	4,908,711	5,034,681	5,184,539	5,337,007	5,504,923	5,674,541	5,860,787	6,064,028	53,032,499		
			C391				Waste Minimisation Info	Expense	1,811,732	1,833,668	1,873,405	1,894,697	1,921,900	1,969,290	1,997,736	2,016,386	2,061,934	2,121,871	19,502,620				
			C558				Litter Enforcement	Expense	91,041	93,975	94,691	94,221	102,258	104,912	108,028	109,768	111,162	115,124	1,025,179				
		Waste minimisation, disposal and recycling management Total					(3,922)	33,058	54,749	103,569	180,731	226,183	715,968	1,439,853	1,569,068	1,791,509	6,110,765						
		2.2.2	Closed landfills aftercare			C077	Closed Landfill Gas Migr Monit	Expense	522,425	413,867	321,527	254,131	229,878	203,083	309,220	283,676	252,163	183,995	2,973,965				
			Closed landfills aftercare Total				522,425	413,867	321,527	254,131	229,878	203,083	309,220	283,676	252,163	183,995	2,973,965						
		2.2.3	Energy efficiency and conservation			C662	Smart Energy	Expense	282,000	282,800	133,632	134,560	135,552	136,576	137,760	138,976	140,352	141,792	1,664,000				
			Energy efficiency and conservation Total				(46,000)	(46,874)	-	-	-	-	-	-	-	-	(92,874)						
		Waste reduction and energy conservation Total				236,000	235,926	133,632	134,560	135,552	136,576	137,760	138,976	140,352	141,792	1,571,126							
		2.3	Water	2.3.1	Water network	C112	Water - Meter Reading	Expense	136,628	139,562	142,956	146,593	150,846	154,957	159,470	163,919	168,843	174,257	1,538,030				
						C113	Water - Network Maintenance	Expense	3,426,166	3,506,765	3,594,219	3,716,958	3,824,453	3,932,017	4,053,867	4,177,267	4,315,664	4,463,240	39,010,617				
						C412	Water - Water Connections	Expense	5	5	5	5	6	6	6	6	6	7	57				
								Income	(34,700)	(35,359)	(36,053)	(36,817)	(37,580)	(38,413)	(39,315)	(40,252)	(41,224)	(42,265)	(381,978)				
						C462	Water - Pump Stations Maintenance / Ops	Expense	968,365	996,450	1,026,869	1,058,867	1,094,510	1,131,503	1,172,008	1,214,872	1,262,498	1,313,449	11,239,393				
						C463	Water - Asset Stewardship	Expense	17,418,772	17,793,904	18,952,061	19,373,618	19,878,867	21,181,436	21,440,026	22,105,323	23,757,501	23,917,066	205,818,575				
						C536	Water - Reservoir / Dam Maintenance	Expense	107,009	108,978	139,183	114,120	117,512	120,538	123,700	158,707	129,894	133,632	1,253,272				
						C547	Water - Monitoring & Investigation	Expense	537,923	565,157	594,493	626,512	662,687	700,503	743,030	765,308	790,225	816,926	6,802,764				
						C671	Water - Asset Management	Expense	641,523	666,736	659,720	675,387	695,360	713,461	732,536	750,682	770,480	793,216	7,099,101				
						Water network Total				23,201,691	23,742,198	25,073,453	25,675,243	26,386,660	27,896,009	28,385,328	29,295,832	31,153,888	31,569,528	272,379,830			
				2.3.2	Water collection and treatment	C115	Water - Bulk Water Purchase	Expense	14,934,750	16,183,308	17,223,509	19,113,611	21,221,675	23,801,941	25,756,056	26,667,209	28,080,763	29,473,708	222,456,531				
					Water collection and treatment Total				14,934,750	16,183,308	17,223,509	19,113,611	21,221,675	23,801,941	25,756,056	26,667,209	28,080,763	29,473,708	222,456,531				
				Water Total				38,136,442	39,925,506	42,296,962	44,788,854	47,608,335	51,697,950	54,141,384	55,963,041	59,234,650	61,043,236	494,836,360					
						2.4	Wastewater	2.4.1	Sewage collection and disposal network	A041	Wastewater - Asset Stewardship	Expense	13,952,277	14,335,591	15,219,358	15,708,736	16,261,614	17,300,471	17,619,252	18,299,127	19,577,216	19,858,188	168,131,829
												Income	(614,900)	(626,583)	(638,881)	(652,409)	(665,937)	(680,695)	(696,682)	(713,284)	(730,502)	(748,949)	(6,768,823)
										C084	Wastewater - Trade Waste Monitoring & Investigation	Expense	237,340	240,959	246,424	251,696	259,427	265,777	271,871	277,375	282,946	290,144	2,623,960
										C086A	Wastewater - Network Maintenance	Expense	2,248,368	2,298,665	2,355,124	2,421,326	2,491,957	2,560,610	2,636,666	2,712,419	2,796,271	2,887,948	25,409,355
										C497	Wastewater - Asset Management	Expense	582,022	601,507	621,724	600,101	649,071	672,561	650,817	667,000	684,483	704,623	6,433,908
C501	Wastewater - Monitoring & Investigation	Expense	1,320,991							1,368,344	1,365,246	1,373,411	1,401,779	1,438,169	1,449,439	1,484,503	1,521,864	1,565,874	14,289,619				
C502	Wastewater - Pump Station Maintenance / Ops	Expense	1,118,979							1,149,088	1,181,438	1,238,500	1,278,377	1,319,568	1,365,248	1,413,118	1,466,412	1,523,313	13,054,039				
Sewage collection and disposal network Total										18,845,077	19,367,570	20,350,432	20,941,360	21,676,287	22,876,461	23,296,611	24,140,257	25,598,691	26,081,141	223,173,887			
2.4.2	Sewage treatment	C087	Wastewater - Treatment Plants					Expense	20,875,512	21,770,674	22,950,646	23,872,685	25,036,315	26,464,587	27,680,706	28,919,008	30,742,362	32,041,273	260,353,769				
	C347	Sewerage Disposal	Expense					1,876,716	1,919,563	1,975,764	2,024,899	2,077,403	2,138,667	2,174,912	2,234,789	2,323,137	2,395,814	21,141,664					
Sewage treatment Total								(617,600)	(629,334)	(641,686)	(655,274)	(668,861)	(683,683)	(699,741)	(716,416)	(733,709)	(752,237)	(6,798,541)					
Wastewater Total								22,134,628	23,060,903	24,284,724	25,242,310	26,444,857	27,919,571	29,155,877	30,437,381	32,331,789	33,684,850	274,696,892					
								40,979,706	42,428,473	44,635,156	46,183,670	48,121,144	50,796,032	52,452,489	54,577,638	57,930,480	59,765,991	497,870,779					

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Council 25 February 2015  
Item 2.5: Attachment 2 tabled at the meeting

Draft Projects and Programmes - Operating Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of Total							
				4.1.3	Arts and cultural festivals	C130E	Community Events Programme	Expense	2,660,779	2,726,182	2,779,730	2,815,665	2,939,720	3,018,395	3,105,080	3,181,216	3,249,703	3,360,774	29,837,245							
						C587	Citizen's Day - Mayoral Day	Expense	21,876	22,423	22,992	23,626	24,305	25,005	25,814	26,645	27,586	28,570	248,843							
					Arts and cultural festivals Total								2,273,017	2,331,184	2,377,108	2,404,665	2,520,386	2,589,930	2,666,774	2,732,681	2,790,639	2,890,405	25,576,789			
					4.1.4	Cultural grants	C661	Cultural Grants Pool	Expense	1,047,678	1,063,392	1,079,420	1,095,768	1,112,444	1,129,453	1,146,802	1,164,498	1,182,548	1,200,958	11,222,960						
						Cultural grants Total								1,047,678	1,063,392	1,079,420	1,095,768	1,112,444	1,129,453	1,146,802	1,164,498	1,182,548	1,200,958	11,222,960		
					4.1.5	Access and support for community arts	C101A	Wgtn Conv Cntr Comm Subsidy	Expense	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000						
							C130K	Community Arts Programme	Expense	457,017	519,429	528,968	390,089	405,615	417,542	428,601	437,351	443,521	456,638	4,484,770						
										Income	(62,000)	(63,178)	(64,418)	(65,782)	(67,146)	(68,634)	(70,246)	(71,920)	(73,656)	(75,516)	(682,496)					
					Access and support for community arts Total								595,017	656,251	664,550	524,307	538,469	548,908	558,355	565,431	569,865	581,122	5,802,274			
					4.1.6	Arts partnerships	C422	NZSO Subsidy	Expense	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	2,160,000						
							C605	Toi Poneke Arts Centre	Expense	1,239,867	1,274,049	1,302,817	1,333,018	1,376,233	1,413,294	1,444,828	1,479,484	1,508,545	1,553,040	13,925,176						
									Income	(515,390)	(525,183)	(535,491)	(546,829)	(558,168)	(570,537)	(583,937)	(597,853)	(612,284)	(627,745)	(5,673,417)						
										C670	Public Art Fund	Expense	391,639	398,258	402,920	407,408	417,133	424,015	430,182	434,723	437,405	444,673	4,188,355			
					Arts partnerships Total								1,332,115	1,363,124	1,386,246	1,409,597	1,451,198	1,482,772	1,507,073	1,532,355	1,549,666	1,585,968	14,600,114			
					4.1.7	Regional Amenities Fund	C691	Regional Amenities Fund	Expense	609,425	609,431	609,436	609,443	609,450	609,457	609,465	609,474	609,484	609,494	6,094,558						
						Regional Amenities Fund Total								609,425	609,431	609,436	609,443	609,450	609,457	609,465	609,474	609,484	609,494	6,094,558		
													18,003,032	18,714,773	19,008,579	19,303,405	19,239,008	19,552,548	19,936,321	20,314,406	20,680,741	21,146,622	195,899,435			
					Cultural Wellbeing Total								18,003,032	18,714,773	19,008,579	19,303,405	19,239,008	19,552,548	19,936,321	20,314,406	20,680,741	21,146,622	195,899,435			
					5	Social and Recreation	5.1	Recreation promotion and support	5.1.1	Swimming Pools	C034	Swimming Pools Operations	Expense	20,423,174	20,954,596	20,987,607	21,269,135	21,620,826	22,335,785	23,316,193	23,491,631	23,906,810	24,579,131	222,884,886		
													Income	(7,586,857)	(7,798,672)	(7,828,259)	(8,090,105)	(8,318,272)	(8,131,766)	(8,472,868)	(8,739,923)	(9,058,478)	(9,355,176)	(83,380,376)		
Swimming Pools Total												12,836,317	13,155,924	13,159,348	13,179,029	13,302,554	14,204,019	14,843,325	14,751,707	14,848,331	15,223,955	139,504,510				
5.1.2	Sportsfields	C562	Sportsfields Operations	Expense					3,396,964	3,475,341	3,493,571	3,570,824	3,633,854	3,692,442	3,775,381	3,818,950	3,856,192	3,972,925	36,686,444							
				Income					(295,206)	(300,815)	(306,719)	(313,213)	(319,708)	(326,793)	(334,468)	(342,439)	(350,705)	(359,561)	(3,249,626)							
Sportsfields Total												3,101,758	3,174,527	3,186,852	3,257,610	3,314,146	3,365,649	3,440,913	3,476,511	3,505,488	3,613,364	33,436,818				
5.1.3	Sportsfields (Synthetic)	C682	Synthetic Turf Sport Operations	Expense					1,353,633	1,324,670	1,534,834	1,525,218	1,441,138	1,368,174	1,165,299	1,296,831	1,381,947	1,376,664	13,768,409							
				Income					(524,126)	(534,084)	(571,581)	(583,684)	(595,786)	(608,989)	(623,293)	(638,146)	(653,550)	(670,053)	(6,003,293)							
Sportsfields (Synthetic) Total												829,507	790,586	963,253	941,535	845,352	759,185	542,006	658,685	728,397	706,611	7,765,116				
5.1.4	Recreation Centres	C037	Recreation Centres	Expense					2,712,890	2,781,014	2,835,000	2,886,124	3,019,280	3,042,085	3,119,672	3,165,847	3,152,349	3,235,789	29,950,050							
			C669	ASB Sports Centre					Expense	6,969,347	7,139,002	7,120,793	7,208,502	7,334,822	7,333,002	7,423,024	7,466,295	7,447,795	7,623,304	73,065,888						
				Income					(1,903,713)	(1,939,884)	(1,977,958)	(2,019,839)	(2,061,721)	(2,107,410)	(2,156,907)	(2,208,307)	(2,261,611)	(2,318,722)	(20,956,073)							
Recreation Centres Total												7,025,424	7,212,723	7,195,365	7,275,748	7,476,774	7,433,995	7,532,527	7,550,239	7,443,851	7,623,095	73,769,740				
5.1.5	Recreation partnerships	C008	Basin Reserve Trust	Expense					1,044,006	1,173,310	1,293,261	1,445,998	1,825,946	1,868,965	1,988,047	2,032,054	2,063,314	2,204,220	16,939,120							
			C384	Recreational NZ Academy Sport					Expense	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	450,000							
Recreation partnerships Total												1,089,006	1,218,310	1,338,261	1,490,998	1,870,946	1,913,965	2,033,047	2,077,054	2,108,314	2,249,220	17,389,120				
5.1.6	Playgrounds	C559	PlayGnd & Skate Facility Mtrnc	Expense					736,402	747,971	776,707	797,714	834,020	842,305	830,610	776,588	785,598	779,449	7,907,363							
	Playgrounds Total												736,402	747,971	776,707	797,714	834,020	842,305	830,610	776,588	785,598	779,449	7,907,363			
5.1.7	Marinas	C418	Marina Operations	Expense					602,255	670,223	690,585	715,483	752,765	659,437	774,267	818,334	849,754	882,997	7,416,100							
				Income					(592,000)	(603,248)	(615,088)	(628,112)	(641,136)	(655,344)	(670,736)	(686,720)	(703,296)	(721,056)	(6,516,736)							
Marinas Total												10,255	66,975	75,497	87,371	111,629	4,093	103,531	131,614	146,458	161,941	899,364				
5.1.8	Golf Course	C688	Municipal Golf Course	Expense					269,072	272,409	276,689	277,754	280,342	272,854	275,587	279,529	283,646	287,470	2,775,353							
				Income					(77,000)	(91,710)	(112,212)	(114,588)	(116,964)	(119,556)	(122,364)	(125,280)	(128,304)	(131,544)	(1,139,520)							
Golf Course Total												192,073	180,699	164,477	163,166	163,378	153,298	153,223	154,250	155,342	155,926	1,635,833				
5.1.9	Recreation programmes	C130D	Recreation Programmes	Expense					281,085	286,926	293,115	299,116	309,169	317,207	325,219	331,849	338,224	347,607	3,129,517							
				Income					(15,000)	(15,285)	(15,585)	(15,915)	(16,245)	(16,605)	(16,995)	(17,400)	(17,820)	(18,270)	(165,120)							
Recreation programmes Total												266,085	271,641	277,530	283,201	292,924	300,602	308,224	314,449	320,404	329,337	2,964,397				
Recreation promotion and support Total												26,086,827	26,819,356	27,137,290	27,476,373	28,211,722	28,977,110	29,787,404	29,891,097	30,042,184	30,842,898	285,272,261				
		5.2	Community support	5.2.1					Libraries	C050	Library Network - Wide Operation	Expense	14,748,548	16,057,659	16,881,455	17,475,629	17,357,879	18,166,617	18,730,307	19,848,590	20,022,967	18,388,895	177,678,546			
											C467	Branch Libraries	Expense	5,947,840	6,313,924	7,024,637	7,785,730	8,084,641	8,270,425	8,517,116	8,634,582	8,654,406	8,860,494	78,093,794		
										Income	(607,643)	(614,771)	(626,228)	(623,653)	(636,011)	(649,549)	(664,264)	(679,568)	(695,459)	(713,021)	(6,510,168)					
				Libraries Total									19,106,627	20,887,669	22,512,739	23,906,345	24,162,776	25,159,520	26,013,641	27,249,920	27,436,623	25,989,487	242,425,349			
				5.2.2					Access support (Leisure Card)	C419	Passport to Leisure Programme	Expense	104,101	106,277	108,368	110,363	114,573	117,597	120,343	122,049	123,495	126,536	1,153,702			
									Access support (Leisure Card) Total								104,101	106,277	108,368	110,363	114,573	117,597	120,343	122,049	123,495	126,536
				5.2.3					Community advocacy	C130G	Community Advice & Information	Expense	1,272,224	1,291,356	1,318,574	1,347,730	1,390,607	1,428,474	1,462,093	1,489,934	1,510,974	1,550,020	14,061,986			
									Community advocacy Total								1,272,224	1,291,356	1,318,574	1,347,730	1,390,607	1,428,474	1,462,093	1,489,934	1,510,974	1,550,020
				5.2.4					Grants (Social and Recreation)	C130A	Community Grants	Expense	214,078	216,093	218,245	220,424	223,551	226,202	228,661	230,758	232,559	235,437	2,246,006			
										C637	Support for Wgtn Homeless	Expense	141,822	144,658	147,551	150,502	153,512	156,583	159,714	162,909	166,167	169,490	1,552,909			
							C678	Social & Recreational Grant Pool	Expense	2,980,422	3,378,044	3,422,248	3,366,968	3,412,582	3,459,109	3,506,566	3,554,972	3,604,346	3,654,708	34,339,965						
										Income	-	-	-	-	-	-	-	-	-	-	-	368				
Grants (Social and Recreation) Total								3,336,322	3,739,163																	



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Draft Projects and Programmes - Operating Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of Total								
				5.2.5	Housing	C125	Housing Operations and Mice	Expense	23,792,694	23,940,386	25,337,214	26,307,523	26,174,423	26,083,229	26,873,793	26,637,206	28,004,522	31,616,841	264,767,830								
								Income	(21,634,802)	(22,390,647)	(24,321,571)	(24,836,561)	(25,835,507)	(25,913,358)	(24,372,793)	(24,953,810)	(25,555,939)	(26,201,291)	(246,016,078)								
								C680	Housing Upgrade Project	Expense	1,784,713	1,661,034	1,519,891	1,466,007	1,614,192	1,722,645	2,044,810	2,101,107	2,383,559	2,480,633	18,778,591						
										Income	(21,636,554)	(18,711,538)	(1,136,408)	-	-	-	-	-	-	-	(41,484,500)						
								Housing Total			(17,693,950)	(15,500,765)	1,399,127	2,936,969	1,953,108	1,892,516	4,545,810	3,784,702	4,832,142	7,896,183	(3,954,156)						
				5.2.6	Community centres and halls	A468	Cmty Props Programmed Maint	Expense	498,037	695,028	695,299	609,349	673,705	701,480	589,091	582,184	678,034	662,316	6,384,523								
								Income	(3,552)	(3,620)	(3,691)	(3,769)	(3,847)	(3,932)	(4,025)	(4,121)	(4,220)	(4,327)	(39,105)								
								C068	Community Halls Ops and Maint.	Expense	189,435	186,890	234,979	263,457	388,495	477,067	465,167	481,402	500,027	536,396	3,723,315						
										Income	(38,108)	(38,832)	(39,595)	(40,433)	(41,271)	(42,186)	(43,177)	(44,206)	(45,273)	(46,416)	(419,497)						
						C130B	Community Prop & Facility Ops	Expense	2,208,683	2,364,276	2,369,190	2,507,635	2,625,332	2,703,136	2,838,036	2,949,045	2,960,921	3,096,249	26,622,503								
								Income	(188,341)	(191,919)	(195,686)	(199,830)	(203,973)	(204,563)	(209,368)	(214,357)	(219,531)	(225,075)	(2,052,643)								
						C130I	Accommodation Assistance Fund	Expense	234,033	234,033	234,033	234,033	234,033	234,033	234,033	234,033	234,033	234,033	234,033	2,340,330							
								Income	-	-	-	-	-	-	-	-	-	-	-	-	-						
						Community centres and halls Total			2,900,186	3,245,855	3,294,530	3,370,443	3,672,473	3,865,033	3,869,758	3,983,980	4,103,992	4,253,176	36,559,426								
				Community support Total			9,025,511	13,769,555	32,421,384	35,409,745	35,083,183	36,305,033	39,906,586	40,579,224	42,010,298	43,875,037	328,385,555										
				5.3	Public health and safety	5.3.1	Burials and cremations	C007	Burial & Cremation Operations	Expense	1,644,960	1,726,978	1,797,856	1,862,837	1,954,595	1,994,347	2,017,239	2,101,787	2,159,419	2,247,795	19,507,813						
										Income	(802,684)	(857,854)	(874,692)	(893,212)	(911,733)	(931,938)	(953,826)	(976,557)	(1,000,129)	(1,025,384)	(9,228,010)						
										Burials and cremations Total			842,276	869,124	923,164	969,624	1,042,862	1,062,409	1,063,413	1,125,230	1,159,290	1,222,411	10,279,803				
										5.3.2	Public toilets	C072	Contracts - Public Conveniences	Expense	2,705,271	2,763,202	3,033,798	3,060,467	3,201,663	3,287,274	3,305,936	3,585,549	3,687,915	3,930,781	32,561,856		
														Income	(2,705,271)	(2,763,202)	(3,033,798)	(3,060,467)	(3,201,663)	(3,287,274)	(3,305,936)	(3,585,549)	(3,687,915)	(3,930,781)	(32,561,856)		
						5.3.3	Public health regulations	C478	Public Health	Expense	4,620,669	4,625,865	4,706,469	4,768,518	5,028,467	5,154,483	5,295,364	5,400,344	5,489,074	5,660,625	50,749,878						
										Income	(3,210,999)	(3,272,008)	(3,336,228)	(3,364,430)	(3,434,192)	(3,510,296)	(3,592,742)	(3,678,359)	(3,767,147)	(3,862,277)	(35,028,677)						
										C675	Noise Monitoring	Expense	625,877	661,485	696,386	733,468	829,509	835,964	889,354	912,367	935,446	966,133	8,085,988				
												Income	-	-	-	-	-	-	-	-	-	-	-	-			
										Public health regulations Total			2,035,547	2,015,342	2,066,628	2,137,556	2,423,784	2,480,151	2,591,976	2,634,352	2,657,373	2,764,481	23,807,189				
						5.3.4	City safety	C673	Anti-Graffiti Flying Squad	Expense	634,705	647,350	660,655	674,934	692,493	709,029	727,303	745,313	764,984	787,051	7,043,818						
										P169	Safe City Project Operations	Expense	2,027,435	2,071,341	2,117,427	2,162,741	2,223,313	2,275,508	2,327,729	2,370,125	2,404,241	2,465,428	22,445,289				
										City safety Total			2,662,140	2,718,691	2,778,082	2,837,675	2,915,806	2,984,537	3,055,033	3,115,439	3,169,225	3,252,479	29,489,107				
						5.3.5	WREMO	C540	Emergency Mgmt Plan & Train	Expense	1,087,377	1,118,950	1,187,102	1,228,353	1,272,861	1,299,461	1,332,312	1,375,944	1,371,752	1,415,669	12,689,782						
										Income	(14,000)	(14,266)	(14,546)	(14,854)	(15,162)	-	-	-	-	-	-	(72,828)					
										C543	Emrgncy Mgmt Rural Fire Mgmt	Expense	247,446	253,580	265,052	265,846	282,319	289,215	291,142	299,609	310,036	321,015	2,825,261				
												Income	(29,022)	(29,573)	(30,154)	(30,792)	(31,431)	(32,127)	(32,882)	(33,666)	(34,478)	(35,349)	(319,474)				
										WREMO Total			1,291,802	1,328,691	1,407,454	1,448,552	1,508,588	1,556,549	1,590,573	1,641,887	1,647,310	1,701,335	15,122,741				
						Public health and safety Total			9,537,036	9,695,049	10,209,126	10,453,875	11,092,703	11,370,920	11,606,930	12,102,456	12,321,112	12,871,487	111,260,696								
						Social and Recreation Total			44,649,373	50,283,961	69,767,800	73,339,992	74,387,608	76,653,063	81,300,921	82,572,777	84,373,594	87,589,422	724,918,511								
						6	Urban Development	6.1	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	C533	District Plan	Expense	1,666,890	1,708,511	1,748,937	1,790,622	1,848,170	1,898,952	1,942,695	1,977,803	2,001,559	2,052,041	18,636,181		
														Income	(20,000)	(20,380)	(20,780)	(21,220)	(21,660)	(22,140)	(22,660)	(23,200)	(23,760)	(24,360)	(220,160)		
														C650	Growth Spine Centres	Expense	248,617	253,306	258,736	264,166	273,852	280,895	287,627	293,123	298,040	305,979	2,764,342
																Income	-	-	-	-	-	-	-	-	-	-	-
				Urban planning and policy Total										1,895,507	1,941,437	1,986,892	2,033,569	2,100,362	2,157,708	2,207,663	2,247,725	2,275,839	2,333,660	21,180,362			
				6.1.2	Waterfront development					C711	City Shaper Developments	Expense	969,112	991,174	1,015,173	1,148,615	1,127,388	1,101,181	1,131,495	1,160,239	1,189,571	1,225,722	11,059,671				
												Waterfront development Total			969,112	991,174	1,015,173	1,148,615	1,127,388	1,101,181	1,131,495	1,160,239	1,189,571	1,225,722	11,059,671		
				6.1.3	Public spaces and centres development					C350	Maintenance of City Art Works	Expense	319,982	329,474	338,778	349,148	362,816	373,144	380,648	388,882	400,389	413,690	3,656,952				
												C370	Public Space/Centre Devl. Plan	Expense	1,663,793	1,820,866	1,859,129	1,897,650	1,747,005	1,791,004	1,831,493	1,862,444	1,887,408	1,934,853	18,295,645		
														Income	-	-	-	-	-	-	-	-	-	-	-		
												Public spaces and centres development Total			1,983,775	2,150,340	2,197,907	2,246,799	2,109,821	2,164,147	2,212,141	2,251,327	2,287,798	2,348,543	21,952,598		
				6.1.4	Built heritage development					P055	City Heritage Development	Expense	1,744,261	1,757,396	1,772,050	1,025,698	1,047,475	1,062,641	1,076,777	1,087,908	1,097,273	1,113,887	12,785,366				
												Built heritage development Total			1,744,261	1,757,396	1,772,050	1,025,698	1,047,475	1,062,641	1,076,777	1,087,908	1,097,273	1,113,887	12,785,366		
												Urban planning, heritage and public spaces development Total			6,592,655	6,840,348	6,972,022	6,454,679	6,385,047	6,485,677	6,628,076	6,747,200	6,850,481	7,021,812	66,977,997		
				6.2	Building and development control					6.2.1	Building control and facilitation	C480	Building Control/Facilitation	Expense	13,031,536	13,373,689	12,992,013	13,155,086	13,752,575	14,115,056	14,469,120	14,695,469	14,793,287	15,222,773	139,600,604		
														Income	(9,152,385)	(9,230,165)	(8,920,944)	(9,109,838)	(9,298,732)	(9,504,798)	(9,728,036)	(9,959,860)	(10,200,271)	(10,457,853)	(95,562,881)		
														C685	Weathertight Homes	Expense	698,003	717,544	727,541	742,470	769,377	789,749	807,143	820,069	828,208	848,281	7,748,384
																Income	-	-	-	-	-	-	-	-	-	-	-
Building control and facilitation Total			4,577,153											4,861,068	4,798,610	4,787,718	5,223,220	5,400,007	5,548,227	5,555,678	5,421,224	5,613,201	51,786,107				
6.2.2	Development control and facilitation	C479	Development Cntrl/Facilitation							Expense	5,936,787	6,123,393	6,234,084	6,322,946	6,647,024	6,830,656	7,004,461	7,122,484	7,190,764	7,399,546	66,812,145						
										Income	(2,898,669)	(2,953,743)	(3,011,717)	(3,075,487)	(3,139,258)	(3,208,826)	(3,284,191)	(3,362,455)	(3,443,618)	(3,530,578)	(31,908,543)						
										Development control and facilitation Total			3,038,118	3,169,650	3,222,367	3,247,459	3,507,766	3,621,830	3,720,269	3,760,029	3,747,146	3,868,968	34,903,602				
6.2.3	Earthquake risk mitigation - built environment	P057	Earthquake Risk Building Proj							Expense	1,701,203	1,600,117	1,963,785	1,991,067	2,082,050	2,020,356	2,071,655	2,111,213	2,147,296	2,209,617	19,898,359						
										Earthquake risk mitigation - built environment Total			1,701,203	1,600,117	1,963,785	1,991,067	2,082,050	2,020,356	2,071,655	2,111,213	2,147,296	2,209,617	19,898,359				
									-	-	-	-	-	-	-	-	-	-	-	-							



Council 25 February 2015  
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Draft Projects and Programmes - Operating Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of Total
			Building and development control Total						9,316,475	9,630,835	9,984,762	10,026,245	10,813,037	11,042,193	11,340,151	11,426,920	11,315,666	11,691,786	106,588,068
			Urban Development Total						15,909,130	16,471,183	16,956,784	16,480,924	17,198,084	17,527,870	17,968,227	18,174,120	18,166,147	18,713,598	173,566,065
7	Transport	7.1	Transport	7.1.1	Transport planning	C681	Ngaurunga to Airport Corridor	Expense	491,047	154,073	-	-	-	-	-	-	-	-	645,119
						P249	Network Planning	Expense	449,126	458,214	505,372	513,052	535,153	548,494	560,706	569,424	575,970	590,326	5,305,837
								Income	(82,094)	(96,229)	(110,875)	(104,678)	(115,816)	(91,444)	(114,340)	(110,777)	(119,104)	(125,910)	(1,071,266)
					Transport planning Total				858,079	516,057	394,498	408,374	419,338	457,050	446,366	458,647	456,866	464,416	4,879,691
				7.1.2	Vehicle network	C304	Road Maintenance&Storm Cleanup	Expense	1,646,046	1,683,433	1,728,597	1,771,261	1,833,635	1,877,225	1,940,972	1,989,402	2,056,800	2,120,876	18,648,248
						C312	Mic Tawa Shared Driveways	Expense	(653,071)	(764,859)	(813,036)	(767,598)	(851,007)	(669,974)	(839,882)	(811,622)	(874,874)	(923,285)	(7,969,207)
						C441	Walls, Bridges & Tunnel Mntnce	Expense	36,408	37,246	38,059	38,921	40,309	41,400	42,578	43,648	44,781	46,198	409,549
								Income	281,521	290,208	296,699	303,192	314,023	322,562	331,524	339,669	347,882	358,650	3,185,929
								Income	(96,552)	(113,855)	(120,688)	(114,117)	(126,061)	(100,079)	(124,593)	(120,845)	(129,801)	(137,136)	(1,183,728)
						C444	Drains & Walls Asset Stewardship	Expense	6,601,534	6,761,494	7,243,185	7,424,458	7,653,935	8,164,234	8,257,561	8,542,326	9,169,928	9,208,605	79,027,260
								Income	(15,346)	(17,988)	(19,082)	(18,016)	(19,933)	(15,738)	(19,679)	(19,065)	(20,499)	(21,670)	(187,016)
						C445	Kerb & Channel Maintenance	Expense	721,988	800,513	819,573	839,787	866,890	891,142	918,082	944,287	972,822	1,005,460	8,780,544
								Income	(298,461)	(381,797)	(405,014)	(382,379)	(423,062)	(334,034)	(417,672)	(404,656)	(435,074)	(459,935)	(3,942,085)
						C453	Vehicle Network Asst Stewardship	Expense	13,552,659	14,357,426	15,689,252	16,654,792	17,907,681	19,938,370	21,029,824	22,719,315	25,151,586	26,104,192	193,105,099
								Income	(193,854)	(227,231)	(248,278)	(227,577)	(251,791)	(204,767)	(248,582)	(240,836)	(258,939)	(273,736)	(2,375,591)
						C656	Port and Ferry Access	Expense	95,417	102,906	110,694	113,198	117,108	120,341	123,794	127,082	130,508	134,715	1,175,763
					Vehicle network Total				21,678,287	22,527,496	24,319,961	25,635,922	27,061,728	30,030,662	30,993,928	33,108,704	36,155,122	37,162,933	288,674,764
				7.1.3	Cycle network	C493	Cycleways Maintenance	Expense	86,922	93,117	99,320	105,464	109,078	112,100	115,337	118,423	121,662	125,600	1,087,023
								Income	(33,959)	(41,985)	(46,729)	(46,044)	(50,943)	(40,223)	(50,294)	(48,727)	(52,390)	(55,383)	(466,678)
						C577	Cycleway Asset Stewardship	Expense	366,843	519,129	740,494	928,872	1,118,745	1,409,274	1,611,862	1,816,309	2,208,553	2,429,094	13,148,974
						C694	Cycleways Planning	Expense	511,777	472,646	482,409	491,341	511,159	524,681	538,459	550,032	561,000	577,546	5,221,050
					Cycle network Total				931,582	1,042,907	1,275,493	1,479,632	1,688,039	2,005,832	2,215,163	2,436,038	2,838,826	3,076,857	18,990,370
				7.1.4	Passenger transport network	C072A	Passenger Transport Facilities	Expense	658,001	678,764	698,806	722,715	750,897	774,207	801,123	835,004	864,648	896,121	7,680,286
								Income	(486,000)	(495,234)	(504,954)	(515,646)	(526,338)	(538,002)	(550,638)	(563,760)	(577,368)	(591,948)	(5,349,888)
						C550	Bus Shelter Contract Income	Expense	5,413	5,528	5,636	5,720	5,972	6,121	6,263	6,337	6,418	6,583	59,991
								Income	(464,395)	(473,218)	(482,506)	(492,723)	(502,940)	(514,085)	(526,159)	(538,698)	(551,701)	(565,633)	(5,112,059)
						C712	Public Transport Trials	Expense	275,000	-	-	-	-	-	-	-	-	-	275,000
								Income	-	-	-	-	-	-	-	-	-	-	-
						C576	Passenger Transport Asset Stew	Expense	676,789	747,683	835,741	890,818	1,014,761	1,106,163	1,205,621	1,297,932	1,396,019	1,404,314	10,575,843
						C655	Bus Priority Plan	Expense	108,460	110,923	113,385	115,826	119,978	123,228	126,661	129,764	132,927	137,040	1,218,191
						C708	Cable Car	Expense	-	2,500,000	-	-	-	-	-	-	-	-	2,500,000
					Passenger transport network Total				773,269	3,074,445	666,108	726,710	862,331	957,632	1,062,871	1,166,578	1,270,943	1,286,477	11,847,364
				7.1.5	Pedestrian network	C307	Street Furniture Maintenance	Expense	359,232	367,877	376,579	385,718	398,349	409,439	421,611	433,373	445,934	460,657	4,058,769
								Income	(6,153)	(6,270)	(6,393)	(6,529)	(6,664)	(6,812)	(6,972)	(7,138)	(7,310)	(7,495)	(67,735)
						C377	Footpaths Asset Stewardship	Expense	5,244,727	5,296,921	5,703,801	5,798,477	5,963,648	6,450,568	6,515,274	7,030,570	8,184,345	8,660,559	64,848,890
						C448	Pedestrian Network Maintenance	Expense	840,615	860,766	881,285	903,011	929,941	958,192	984,859	1,015,429	1,043,727	1,081,218	9,499,043
								Income	(32,888)	(33,513)	(34,170)	(34,894)	(35,618)	(36,407)	(37,262)	(38,150)	(39,071)	(40,057)	(362,030)
						C492	Ped Network Structures Maint	Expense	170,752	176,045	180,206	184,600	190,640	195,932	201,818	207,496	213,640	220,749	1,941,878
					Pedestrian network Total				6,576,285	6,661,827	7,101,307	7,230,383	7,440,296	7,970,913	8,079,328	8,641,580	9,841,265	10,375,630	79,918,815
				7.1.6	Network-wide control and management	A026	Traffic Signals System Maintenance	Expense	1,278,117	1,285,785	1,332,305	1,380,198	1,442,678	1,497,543	1,556,281	1,605,403	1,650,760	1,706,605	14,735,676
								Income	(522,979)	(594,013)	(636,880)	(613,140)	(680,900)	(554,331)	(688,447)	(672,319)	(720,173)	(759,609)	(6,442,791)
						A153A	Traffic Control Asset Stewards	Expense	2,513,792	2,507,909	2,686,641	2,680,836	2,686,997	2,893,768	2,882,114	2,893,022	3,143,245	3,106,193	27,994,518
								Income	(31,360)	(36,759)	(43,221)	(36,815)	(40,732)	(35,646)	(40,213)	(38,960)	(41,888)	(44,282)	(389,877)
						C026C	Road Marking Maintenance	Expense	946,287	1,001,496	1,024,837	1,049,070	1,084,250	1,114,267	1,147,155	1,178,537	1,212,113	1,251,894	11,009,906
								Income	(381,670)	(464,571)	(492,821)	(465,279)	(514,782)	(406,453)	(508,223)	(492,386)	(529,397)	(559,649)	(4,815,230)
						C452	Traffic Signs Maintenance	Expense	557,404	570,092	582,613	594,900	616,745	633,398	650,986	666,845	683,015	704,222	6,260,221
								Income	(187,375)	(219,637)	(232,993)	(219,972)	(243,375)	(192,160)	(240,274)	(232,787)	(250,285)	(264,587)	(2,283,445)
						C481	Network Activity Management	Expense	1,497,769	1,528,106	1,555,897	1,577,407	1,649,642	1,690,827	1,729,153	1,756,042	1,776,340	1,821,834	16,583,018
								Income	(874,101)	(890,709)	(908,191)	(927,421)	(946,651)	(967,630)	(990,356)	(1,013,957)	(1,038,432)	(1,064,655)	(9,622,104)
					Network-wide control and management Total				4,795,884	4,687,699	4,868,188	5,019,784	5,053,872	5,673,584	5,498,176	5,649,441	5,885,298	5,897,967	53,029,893
				7.1.7	Road safety	C026B	Street Lighting Maintenance	Expense	2,861,811	2,925,768	3,025,875	3,168,955	3,261,992	3,431,516	3,571,909	3,724,396	3,890,276	4,072,424	33,934,923
								Income	(1,208,450)	(1,382,097)	(1,461,292)	(1,405,682)	(1,526,991)	(1,251,568)	(1,533,459)	(1,493,491)	(1,598,326)	(1,684,906)	(14,546,261)
						C450	Transport Education & Promotion	Expense	628,481	736,083	751,369	765,728	794,914	815,617	836,848	855,102	872,881	898,384	7,955,406
								Income	(228,533)	(267,968)	(278,804)	(290,401)	(296,423)	(302,992)	(310,108)	(317,498)	(325,162)	(333,373)	(2,951,263)
						C494	Fences & Guardrails Maint	Expense	393,873	403,341	413,029	423,319	436,827	449,109	462,767	476,170	490,780	507,378	4,456,593
								Income	(103,130)	(120,098)	(127,185)	(120,489)	(132,840)	(106,183)	(131,476)	(127,700)	(136,994)	(144,627)	(1,250,722)
						C575	Safety Asset Stewardship	Expense	2,022,189	2,036,104	2,172,398	2,193,871	2,218,305	2,368,342	2,366,894	2,389,647	2,572,802	2,554,833	22,895,386
					Road safety Total				4,366,240	4,331,133	4,495,391	4,755,785	5,403,840	5,263,375	5,506,626	5,766,258	5,870,113	50,494,062	
					Transport Total				39,979,627	42,841,564	43,120,946	45,236,106	47,281,388	52,499,534	53,559,207	56,967,615	62,214,578	64,134,393	507,834,958
	7.2	Parking	7.2.1	Parking	C290	Parking Services & Enforcement	Expense	12,353,278	12,091,202	12,181,728	12,507,858	12,969,421	13,349,757	13,720,135	14,169,342	14,677,034	15,228,796	133,248,549	
								Income	(26,151,161)	(27,243,129)	(27,854,098)	(28,581,816)	(29,174,464)	(29,820,990)	(30,521,393)	(31,248,734)	(32,003,014)	(32,811,170)	(295,409,969)
						C378	Waterfront Parking Services	Expense	1,020,933	1,272,761	1,478,833	1,591,668	1,700,354	1,991,519	2,296,938	2,612,349	2,928,523	3,248,9	

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Draft Projects and Programmes - Operating Expenditure

Strateg	Stategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of Total
			Parking Total						(14,080,753)	(15,050,191)	(15,400,459)	(15,652,848)	(15,622,852)	(15,622,655)	(15,674,106)	(15,664,705)	(15,624,027)	(15,590,939)	(153,983,536)
			Transport Total						25,898,873	27,791,374	27,720,486	29,583,258	31,658,536	36,876,879	37,885,101	41,302,910	46,590,550	48,543,454	353,851,422
10	Council	10.1	Organisational Projects	10.1.1	Organisational	A312	Waterfront Commercial Property Services	Expense Income	6,606,977 (2,599,746)	6,584,523 (2,670,370)	6,838,180 (2,722,782)	7,113,044 (2,780,434)	7,212,152 (2,838,087)	7,524,920 (2,900,981)	7,914,687 (2,969,116)	8,031,289 (3,039,872)	8,399,355 (3,113,248)	8,742,012 (2,908,071)	74,967,141 (28,542,706)
						C332	Commercial Property Man & Serv	Expense Income	3,966,414 (2,855,414)	4,050,552 (2,909,667)	4,353,438 (2,966,775)	4,567,095 (3,029,595)	5,313,747 (3,092,414)	5,125,223 (3,160,944)	5,354,138 (3,235,184)	5,867,581 (3,312,281)	6,431,556 (3,392,232)	6,295,476 (3,477,895)	51,325,221 (31,432,400)
						C333	Civic Centre Facilities Managt	Expense Income	467,329 (212,249)	1,737,501 (216,281)	3,162,749 (220,526)	3,885,933 (490,446)	4,382,043 (771,365)	4,481,817 (788,459)	4,487,467 (806,978)	4,444,077 (826,209)	4,223,458 (846,151)	4,004,265 (867,519)	35,276,640 (6,046,184)
						C388	NZTA Income on Capex Work	Income	(13,967,536)	(13,339,215)	(13,967,176)	(15,073,777)	(15,105,750)	(16,964,080)	(16,334,498)	(16,964,212)	(16,950,754)	(17,704,289)	(156,371,287)
						C374	Information Services SLA	Expense Income	70,770 (70,770)	72,115 (72,115)	73,530 (73,530)	75,087 (75,087)	76,644 (76,644)	78,342 (78,342)	80,182 (80,182)	82,093 (82,093)	84,075 (84,075)	86,198 (86,198)	779,036 (779,036)
						C700	Waterfront Utilities Management	Expense Income	439,706 (415,582)	450,935 (423,478)	462,974 (431,789)	475,853 (440,932)	490,053 (450,075)	505,037 (460,049)	520,865 (470,854)	537,331 (482,075)	554,422 (493,711)	574,268 (506,179)	5,011,446 (4,574,724)
						ORG	Rates and Unallocated Organisational Costs	Expense Income	6,669,234 (283,897,594)	5,481,480 (286,058,524)	5,180,187 (296,814,958)	5,383,330 (293,781,046)	5,555,162 (284,865,007)	6,819,868 (286,154,428)	7,046,240 (288,292,214)	7,253,704 (288,339,746)	7,582,160 (290,997,841)	7,787,322 (292,370,983)	64,758,687 (2,891,572,340)
							Organisational Total		(285,798,459)	(287,312,544)	(297,126,477)	(294,170,974)	(284,169,539)	(285,972,075)	(286,785,447)	(286,830,411)	(288,602,986)	(290,431,593)	(2,887,200,507)
			Organisational Projects Total						(285,798,459)	(287,312,544)	(297,126,477)	(294,170,974)	(284,169,539)	(285,972,075)	(286,785,447)	(286,830,411)	(288,602,986)	(290,431,593)	(2,887,200,507)
			Council Total						(806,877)	11,099,405	26,470,972	42,087,808	67,392,386	83,466,887	100,983,986	118,302,607	133,500,440	145,732,249	728,229,863
			Grand Total																

Opex



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Draft Projects and Programmes - Capital Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25
1	Governance	1.1	Governance, information and engagement	1.1.1	City governance and engagement	CX420	Committee & Council Processes	-	115,923	-	-	125,649	-	-	137,750	-	-	379,321
					City governance and engagement Total			-	115,923	-	-	125,649	-	-	137,750	-	-	379,321
			Governance, information and engagement Total					-	115,923	-	-	125,649	-	-	137,750	-	-	379,321
	Governance Total							-	115,923	-	-	125,649	-	-	137,750	-	-	379,321
2	Environment	2.1	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	CX033	Property Purchases - Reserves	-	-	-	-	-	-	2,202,800	-	-	-	2,202,800
						CX284	Park Structures - upgrades & renewals	471,373	399,952	415,280	345,514	355,106	365,235	376,703	388,615	401,757	415,865	3,935,399
						CX436	Parks Infrastructure	154,556	352,315	669,535	523,140	649,852	761,504	980,084	329,953	280,259	912,644	5,613,842
						CX510	Plimmer Bequest Project	650,000	-	52,523	647,460	166,434	578,680	597,188	616,226	637,730	660,248	4,606,489
					Local parks and open spaces Total			1,275,929	752,267	1,137,338	1,516,114	1,171,393	1,705,419	4,156,774	1,334,793	1,319,745	1,988,757	16,358,529
				2.1.2	Botanical gardens	CX348	Botanic Garden	433,462	527,947	704,484	791,650	490,144	973,114	1,348,372	516,984	664,660	1,228,501	7,679,318
					Botanical gardens Total			433,462	527,947	704,484	791,650	490,144	973,114	1,348,372	516,984	664,660	1,228,501	7,679,318
				2.1.3	Beaches and coast operations	CX290	Coastal - upgrades	51,166	52,433	53,755	55,225	56,797	58,421	60,295	62,222	64,400	66,680	581,393
					Beaches and coast operations	CX349	Coastal	136,107	123,785	126,900	130,361	134,064	137,888	142,301	146,839	151,966	157,335	1,387,546
					Beaches and coast operations Total			187,273	176,218	180,655	185,586	190,862	196,309	202,596	209,061	216,366	224,014	1,968,940
				2.1.5	Town belts	CX437	Town Belt & Reserves	135,290	211,676	200,983	221,874	205,314	211,175	1,378,873	224,896	232,755	240,984	3,263,820
					Town belts Total			135,290	211,676	200,983	221,874	205,314	211,175	1,378,873	224,896	232,755	240,984	3,263,820
				2.1.7	Walkways	CX435	Walkways renewals	550,257	1,013,587	1,252,687	501,220	515,475	530,193	1,174,329	564,650	584,388	605,055	7,291,841
					Walkways Total			550,257	1,013,587	1,252,687	501,220	515,475	530,193	1,174,329	564,650	584,388	605,055	7,291,841
			Gardens, beaches and green open spaces Total					2,582,211	2,681,695	3,476,146	3,216,445	2,573,187	3,616,211	8,260,943	2,850,383	3,017,914	4,287,312	36,562,448
		2.2	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	CX084	Southern Landfill Improvement	4,851,197	2,871,351	3,669,726	5,224,063	1,120,508	1,094,100	1,948,492	611,484	3,233,346	3,347,927	27,972,196
					Waste minimisation, disposal and recycling management Total			4,851,197	2,871,351	3,669,726	5,224,063	1,120,508	1,094,100	1,948,492	611,484	3,233,346	3,347,927	27,972,196
			Waste reduction and energy conservation Total					4,851,197	2,871,351	3,669,726	5,224,063	1,120,508	1,094,100	1,948,492	611,484	3,233,346	3,347,927	27,972,196
		2.3	Water	2.3.1	Water network	CX126	Water - Network renewals	12,542,380	9,999,126	9,902,172	6,495,286	13,293,327	12,250,840	12,679,067	12,869,457	13,376,012	15,810,623	119,218,289
						CX127	Water - Pump Station renewals	326,438	682,875	537,016	87,908	125,671	146,497	69,842	287,707	89,217	313,074	2,666,246
						CX296	Water - Water Meter upgrades	-	492,597	504,579	517,791	419,196	430,543	443,486	456,909	471,929	487,705	4,224,737
						CX326	Water - Network upgrades	1,490,328	1,434,119	1,653,260	3,538,650	2,632,978	1,262,360	1,021,061	1,050,390	1,082,873	1,117,120	16,283,136
						CX430	Water - Network renewals	543,079	518,791	501,925	631,190	631,577	569,786	540,134	664,962	767,124	780,077	6,148,645
						CX512	Water - Reservoir renewals	1,987,692	1,693,597	2,151,748	8,703,498	2,675,707	1,980,884	2,130,823	4,235,321	2,399,314	2,481,322	30,439,905
						CX513	Water - Reservoir upgrades	199,664	367,664	425,317	610,563	1,863,112	3,148,039	6,932,218	7,154,803	2,111,044	2,185,672	24,998,096
						CX518	Water - Water Meter renewals	-	(161)	(263)	(438)	(613)	(788)	(1,029)	(1,248)	(1,532)	(1,817)	(7,888)
					Water network Total			17,089,582	15,188,607	15,675,755	20,584,447	21,640,957	19,788,161	23,815,602	26,718,301	20,295,980	23,173,776	203,971,166
			Water Total					17,089,582	15,188,607	15,675,755	20,584,447	21,640,957	19,788,161	23,815,602	26,718,301	20,295,980	23,173,776	203,971,166
		2.4	Wastewater	2.4.1	Sewage collection and disposal network	CX334	Wastewater - Network renewals	9,689,443	10,126,959	10,227,460	8,489,016	10,246,777	9,638,463	9,402,984	10,787,851	12,921,133	24,405,695	115,935,781
						CX381	Wastewater - Network upgrades	-	458,131	2,336,659	2,515,280	2,587,376	221,021	228,040	235,267	243,420	251,961	9,077,156
						CX517	Wastewater - Pump Station renewals	875,471	896,295	910,497	950,580	968,606	995,467	1,026,271	1,058,095	1,093,864	1,131,384	9,906,529
					Sewage collection and disposal network Total			10,564,914	11,481,385	13,474,615	11,954,876	13,802,759	10,854,951	10,657,295	12,081,213	14,258,417	25,789,039	134,919,466
			Wastewater Total					10,564,914	11,481,385	13,474,615	11,954,876	13,802,759	10,854,951	10,657,295	12,081,213	14,258,417	25,789,039	134,919,466
		2.5	Stormwater	2.5.1	Stormwater management	CX031	Stormwater - Network upgrades	331,593	334,473	342,341	351,238	853,047	1,759,836	4,294,117	4,431,582	4,586,973	4,749,649	22,034,849
						CX151	Stormwater - Network renewals	3,546,117	3,002,826	3,537,886	2,291,469	3,348,674	3,380,300	2,609,358	4,934,801	5,270,205	3,591,434	35,513,070
					Stormwater management Total			3,877,710	3,337,299	3,880,227	2,642,708	4,201,722	5,140,135	6,903,474	9,366,383	9,857,178	8,341,083	57,547,919
			Stormwater Total					3,877,710	3,337,299	3,880,227	2,642,708	4,201,722	5,140,135	6,903,474	9,366,383	9,857,178	8,341,083	57,547,919
		2.6	Conservation attractions	2.6.1	Conservation visitor attractions	CX125	Zoo renewals	799,597	817,487	842,743	853,983	888,469	922,492	939,807	970,379	1,001,629	1,036,887	9,073,473
						CX340	Zoo upgrades	516,000	-	-	-	-	-	-	-	-	-	516,000
					Conservation visitor attractions Total			1,315,597	817,487	842,743	853,983	888,469	922,492	939,807	970,379	1,001,629	1,036,887	9,589,473
			Conservation attractions Total					1,315,597	817,487	842,743	853,983	888,469	922,492	939,807	970,379	1,001,629	1,036,887	9,589,473
	Environment Total							40,281,211	36,377,825	41,019,212	44,476,522	44,227,602	41,416,050	52,525,613	52,598,144	51,664,465	65,976,024	470,562,669

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Draft Projects and Programmes - Capital Expenditure

Strategic	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25				
3	Economic Development	3.1	City promotions and business support	3.1.2	Wellington Convention Centre	CX275	Wellington Venues renewals	1,963,784	2,099,192	1,369,930	523,231	1,258,076	2,362,058	1,959,501	1,850,358	698,251	2,012,051	16,096,432				
					Wellington Convention Centre Total		1,963,784	2,099,192	1,369,930	523,231	1,258,076	2,362,058	1,959,501	1,850,358	698,251	2,012,051	16,096,432					
				3.1.5	Major Economic Projects	CX526	Indoor Arena	-	-	-	-	-	8,330,184	47,701,500	8,876,784	-	-	64,908,468				
					Major Economic Projects Total		-	-	-	-	-	8,330,184	47,701,500	8,876,784	-	-	64,908,468					
		City promotions and business support Total				1,963,784	2,099,192	1,369,930	523,231	1,258,076	10,692,242	49,661,001	10,727,142	698,251	2,012,051	81,004,900						
Economic Development Total								1,963,784	2,099,192	1,369,930	523,231	1,258,076	10,692,242	49,661,001	10,727,142	698,251	2,012,051	81,004,900				
4	Cultural Wellbeing	4.1	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	CX500	Gallery & Museum Upgrades	1,050,000	717,500	5,780,500	2,106,000	2,110,900	-	-	-	-	-	11,764,900				
					Galleries and museums (WMT) Total		11,050,000	717,500	5,780,500	2,106,000	2,110,900	-	-	-	-	-	21,764,900					
				4.1.2	Visitor attractions (Te Papa/Carter Observatory)	CX496	Cable Car Precinct	180,000	-	-	-	-	-	-	-	-	-	180,000				
					Visitor attractions (Te Papa/Carter Observatory) Total		180,000	-	-	-	-	-	-	-	-	-	180,000					
				4.1.4	Cultural grants	CX497	Te ara o nga tupuna - Maori heritage trails	100,000	-	7,809	121,766	-	-	-	-	-	-	229,575				
					Cultural grants Total		100,000	-	7,809	121,766	-	-	-	-	-	-	229,575					
				4.1.5	Access and support for community arts	CX458	Arts Installation	26,445	27,106	27,794	28,561	29,380	30,227	31,205	32,210	33,347	34,537	300,812				
					Access and support for community arts Total		26,445	27,106	27,794	28,561	29,380	30,227	31,205	32,210	33,347	34,537	300,812					
				Arts and Cultural Activities Total				11,356,445	744,606	5,816,103	2,256,326	2,140,280	30,227	31,205	32,210	33,347	34,537	22,475,287				
				Cultural Wellbeing Total								11,356,445	744,606	5,816,103	2,256,326	2,140,280	30,227	31,205	32,210	33,347	34,537	22,475,287
				5	Social and Recreation	5.1	Recreation promotion and support	5.1.1	Swimming Pools	CX055	Aquatic Facility upgrades	627,000	-	-	-	-	-	-	-	-	-	627,000
									Swimming Pools Total		2,416,710	1,852,521	1,258,212	991,249	1,805,058	1,701,060	2,013,587	2,077,520	2,149,166	2,224,808	17,862,891	
		5.1.2	Sportsfields					CX345	Sportsfields upgrades	649,677	404,841	491,899	439,831	452,237	465,050	479,815	495,016	512,168	530,135	4,920,668		
Sportsfields Total			649,677					404,841	491,899	439,831	452,237	465,050	479,815	495,016	512,168	530,135	4,920,668					
5.1.3	Sportsfields (Synthetic)	CX506	Synthetic Turf Sportsfields renewals					-	-	-	34,626	704,016	723,995	2,127,730	731,749	-	-	4,322,115				
	Sportsfields (Synthetic) Total		210,000					1,398,670	-	-	-	-	-	-	-	-	-	1,608,670				
5.1.4	Recreation Centres	CX059	Recreation Centre Renewal					226,856	15,078	322,147	57,126	27,953	61,740	343,061	21,290	16,458	296,093	1,387,801				
	Recreation Centres Total		32,800					61,977	24,770	33,195	125,188	327,789	132,916	174,584	180,709	187,121	1,281,047					
5.1.5	Recreation partnerships	CX503	Basin Reserve					3,467,531	3,085,250	3,058,410	11,480,400	66,660	68,580	70,800	73,080	75,660	78,360	21,524,731				
	Recreation partnerships Total		3,467,531					3,085,250	3,058,410	11,480,400	66,660	68,580	70,800	73,080	75,660	78,360	21,524,731					
5.1.6	Playgrounds	CX181	Playgrounds renewals & upgrades					413,595	454,727	328,341	479,961	346,879	356,773	368,190	379,932	393,198	407,088	3,928,682				
	Playgrounds Total		413,595					454,727	328,341	479,961	346,879	356,773	368,190	379,932	393,198	407,088	407,088	3,928,682				
5.1.7	Marinas	CX341	Marina renewals					491,808	86,745	54,650	118,038	66,042	810,229	315,850	137,083	79,331	151,377	2,311,152				
	Marinas		65,981					53,981	149,780	116,323	76,342	618,717	137,660	69,954	66,407	81,686	1,436,832					
	Marinas Total		557,790					140,726	204,430	234,361	142,385	1,428,945	453,510	207,036	145,738	233,063	3,747,984					
Recreation promotion and support Total								7,974,958	7,413,789	5,688,210	13,750,749	3,670,376	5,133,932	5,989,609	4,160,207	3,473,095	3,956,667	61,211,590				
5.2	Community support	5.2.1	Libraries					CX077	Upgrade Library Materials	2,022,128	2,072,682	2,125,257	2,183,899	2,246,585	2,311,293	2,386,112	2,462,952	2,549,904	2,640,900	23,001,711		
			Libraries					CX269	Upgrade Computer Replacement	2,689,827	-	-	-	-	-	2,583,996	-	-	5,273,822			
			Libraries					CX338	Central Library upgrades	16,104	16,507	16,926	17,393	17,892	18,407	19,003	19,615	20,308	21,032	183,187		
			Libraries			CX358	Branch Library upgrades	843,920	6,531,915	9,506,799	-	-	-	-	-	-	16,882,634					
			Libraries			CX359	Branch Libraries renewals	53,207	222,299	228,297	156,003	352,307	322,791	248,947	65,032	6,763	77,783	1,733,430				
			Libraries Total			5,625,187	8,843,403	11,877,279	2,357,294	2,616,783	2,652,492	5,238,058	2,547,599	2,576,975	2,739,715	47,074,785						
		5.2.5	Housing			CX370	Housing upgrades	21,596,276	19,340,971	1,249,751	1,140,318	1,019,665	1,121,056	2,615,282	4,135,211	25,132,235	29,734,097	107,083,861				
			Housing			CX371	Housing renewals	3,825,841	4,151,085	6,626,141	6,462,043	4,207,138	4,256,566	3,347,943	3,072,661	3,190,061	3,302,123	42,441,600				
		Housing Total				25,421,117	23,492,055	7,875,892	7,602,361	5,226,802	5,377,622	5,963,225	7,207,872	28,322,296	33,036,220	149,525,461						
		5.2.6	Community centres and halls			CX467	Community Halls - upgrades & renewals	153,836	261,513	1,048,982	4,232,102	1,122,318	243,520	221,571	143,307	190,899	156,841	7,774,888				
			Community centres and halls Total			153,836	261,513	1,048,982	4,232,102	1,122,318	243,520	221,571	143,307	190,899	156,841	7,774,888						
		Community support Total				31,200,139	32,596,971	20,802,153	14,191,757	8,965,903	8,273,634	11,422,854	9,898,778	31,090,170	35,932,776	204,375,134						
5.3	Public health and safety	5.3.1	Burials and cremations			CX369	Burial & Cremations	635,684	315,191	384,367	259,667	367,384	440,977	527,092	300,955	317,456	484,986	4,033,759				
			Burials and cremations Total			635,684	315,191	384,367	259,667	367,384	440,977	527,092	300,955	317,456	484,986	4,033,759						
		5.3.2	Public toilets			CX366	Public Convenience and pavilions	1,151,891	1,026,342	1,457,685	1,125,266	1,274,673	1,460,488	2,757,909	872,708	987,395	1,026,628	13,140,984				
			Public toilets Total			1,151,891	1,026,342	1,457,685	1,125,266	1,274,673	1,460,488	2,757,909	872,708	987,395	1,026,628	13,140,984						

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Draft Projects and Programmes - Capital Expenditure

Strategy	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25
				5.3.5	WREMO	CX372	Emergency Management renewals	51,600	-	278,750	13,375	13,759	7,077	-	-	-	-	364,561
					WREMO Total			51,600	-	278,750	13,375	13,759	7,077	-	-	-	-	364,561
					Public health and safety Total			1,839,175	1,341,532	2,120,802	1,398,308	1,655,816	1,908,543	3,285,002	1,173,663	1,304,850	1,511,614	17,539,305
					Social and Recreation Total			41,014,272	41,352,293	28,611,165	29,340,813	14,292,095	15,316,109	20,697,464	15,232,647	35,868,115	41,401,057	283,126,029
6	Urban Development	6.1	Urban planning, heritage and public spaces development	6.1.2	Waterfront development	CX131	Wgtn Waterfront Development	4,277,195	6,125,384	2,496,305	403,827	414,102	4,711,005	17,989,262	8,214,073	463,239	477,909	45,572,301
						CX523	Waterfront Renewals	2,565,671	979,376	1,687,241	351,192	858,802	3,320,222	206,039	533,999	282,705	299,043	11,084,290
					Waterfront development Total			6,842,866	7,104,761	4,183,546	755,018	1,272,904	8,031,227	18,195,300	8,748,073	745,944	776,952	56,656,591
				6.1.3	Public spaces and centres development	CX406	Central City Framework	2,130,000	409,720	419,920	2,331,200	443,280	455,760	470,120	484,920	501,600	519,080	8,165,600
						CX446	Suburban Centres upgrades	-	-	-	1,000,000	1,000,000	-	-	-	-	-	2,000,000
						CX522	Minor CBD Enhancements	100,000	102,500	105,100	108,000	111,100	114,300	118,000	121,800	126,100	130,600	1,137,500
						CX527	Urban Regeneration Projects	-	406,050	403,061	12,089,302	10,391,240	6,393,262	15,095,452	15,000,000	12,400,000	-	72,178,367
					Public spaces and centres development Total			2,230,000	918,270	928,081	15,528,502	11,945,620	6,963,322	15,683,572	15,606,720	13,027,700	649,680	83,481,467
					Urban planning, heritage and public spaces development Total			9,072,866	8,023,031	5,111,627	16,283,520	13,218,524	14,994,549	33,878,873	24,354,793	13,773,644	1,426,632	140,138,058
		6.2	Building and development control	6.2.3	Earthquake risk mitigation - built environment	CX505	Earthquake Risk Mitigation	2,940,438	3,632,206	26,108,003	25,082,884	5,668,261	278,144	303,501	294,030	284,070	253,739	64,845,275
					Earthquake risk mitigation - built environment Total			2,940,438	3,632,206	26,108,003	25,082,884	5,668,261	278,144	303,501	294,030	284,070	253,739	64,845,275
					Building and development control Total			2,940,438	3,632,206	26,108,003	25,082,884	5,668,261	278,144	303,501	294,030	284,070	253,739	64,845,275
					Urban Development Total			12,013,304	11,655,236	31,219,630	41,366,404	18,886,785	15,272,693	34,182,374	24,648,822	14,057,714	1,680,371	204,983,333
7	Transport	7.1	Transport	7.1.2	Vehicle network	CX086	Wall, Bridge & Tunnel renewals	1,410,008	1,461,571	1,468,425	1,910,239	1,490,533	10,836,663	2,831,864	1,573,780	1,836,590	1,684,222	26,503,895
						CX088	Thin Asphalt Road Surface renewals	1,741,140	1,632,844	1,661,130	1,897,167	1,760,238	1,846,628	1,896,702	2,136,053	2,088,345	2,074,387	18,734,634
						CX089	Reseals renewals	2,477,283	2,120,358	2,121,040	2,748,156	2,263,372	2,475,261	2,519,218	3,361,473	2,771,088	2,697,162	25,554,411
						CX090	Preseal Preparation renewals	3,360,183	2,568,205	2,562,939	3,391,221	2,738,540	3,016,422	3,064,405	4,215,421	3,383,446	3,266,644	31,567,426
						CX092	Shape & Camber Correction	4,276,393	3,978,462	3,845,813	4,664,676	4,178,211	4,793,477	4,858,586	5,257,443	5,359,490	5,085,956	46,298,506
						CX093	Sumps Flood Mitigation Upgrade	8,829	221,796	227,369	233,559	240,863	247,712	254,908	263,024	272,913	282,524	2,253,497
						CX098	Road corridor new walls	1,450,583	2,204,307	1,521,406	2,322,064	2,387,592	2,456,705	2,533,267	2,616,564	2,704,170	2,800,664	22,997,321
						CX101	Service Lane Improvements	-	50,722	52,008	53,443	54,977	56,561	58,392	60,272	62,400	64,627	513,402
						CX165	Tunnel and bridge improvements	1,787,670	909,426	1,876,582	985,681	1,012,008	1,042,048	1,073,565	1,109,001	1,145,775	1,187,456	12,129,212
						CX253	Kerb & Channel renewals	2,208,262	1,842,400	1,755,523	1,966,362	2,071,866	2,022,503	2,132,538	3,078,363	3,499,642	3,694,803	24,272,259
						CX311	Vehicle Network New Roads	-	-	5,260,176	545,281	4,449,395	2,291,515	2,955,644	1,467,384	3,158,433	-	20,127,829
						CX350	Road Risk Mitigation	897,655	727,011	1,140,911	1,172,188	1,205,638	1,240,173	835,917	862,611	892,773	924,355	9,899,232
						CX377	Road Capacity Projects	1,579,516	-	-	-	-	-	-	2,980,275	3,084,565	3,193,756	10,838,112
						CX383	Area Wide Road Maintenance	719,094	736,880	755,440	776,075	796,199	818,948	845,208	872,210	902,722	934,668	8,157,443
						CX493	Port and Ferry Access	-	-	-	2,234,401	1,151,947	1,774,879	2,441,164	2,519,736	2,608,637	2,701,677	15,432,442
					Vehicle network Total			21,916,616	18,453,982	24,248,762	24,900,513	25,801,379	34,919,494	28,301,376	32,373,610	33,770,991	30,592,898	275,279,621
				7.1.3	Cycle network	CX112	Cycling Improvements	4,410,615	4,423,940	4,439,262	4,454,782	4,468,294	4,484,965	4,503,107	4,522,580	4,543,524	4,565,834	44,816,904
					Cycle network Total			4,410,615	4,423,940	4,439,262	4,454,782	4,468,294	4,484,965	4,503,107	4,522,580	4,543,524	4,565,834	44,816,904
				7.1.4	Passenger transport network	CX492	Bus Priority Planning	144,830	902,377	1,140,250	1,910,470	3,246,116	2,710,854	2,885,940	2,936,618	2,893,884	4,087,899	22,859,239
					Passenger transport network Total			144,830	902,377	1,140,250	1,910,470	3,246,116	2,710,854	2,885,940	2,936,618	2,893,884	4,087,899	22,859,239
				7.1.5	Pedestrian network	CX091	Pedestrian Network Structures	118,294	121,015	239,117	233,202	129,688	259,331	137,202	141,355	285,156	150,883	1,815,242
						CX094	Pedestrian Network Footpath renewals	3,859,441	2,930,886	4,190,495	2,229,878	4,968,402	4,214,334	4,207,982	8,773,165	5,329,591	8,496,008	49,200,181
						CX099	Walking Improvements	-	203,821	221,790	235,378	267,358	293,891	311,362	321,389	332,735	344,609	2,532,333
						CX108	Street Furniture renewals	160,371	167,900	168,091	191,231	177,103	329,002	187,443	193,155	199,554	208,606	1,982,456
						CX109	Pedestrian Network Accessways	244,428	222,011	239,027	276,816	196,805	226,205	271,078	439,151	288,317	421,780	2,825,619
					Pedestrian network Total			4,382,534	3,645,634	5,058,522	3,166,504	5,739,355	5,322,762	5,115,067	9,868,214	6,435,353	9,621,886	58,355,831
				7.1.6	Network-wide control and management	CX095	Traffic & St Signs renewals	1,569,862	287,851	472,419	601,212	535,235	964,600	658,324	879,524	393,798	347,344	6,710,168
						CX353	Traffic Signal renewals	1,234,162	942,108	802,978	824,603	847,759	871,679	899,216	927,586	959,573	993,090	9,302,755
					Network-wide control and management Total			2,804,024	1,229,959	1,275,397	1,425,815	1,382,994	1,836,279	1,557,539	1,807,110	1,353,371	1,340,435	16,012,923
				7.1.7	Road safety	CX096	Safety Street Lighting renewals	765,990	614,724	629,713	646,749	664,749	683,090	704,454	726,770	751,307	777,319	6,964,865
						CX097	Rural road improvements	100,000	102,500	105,100	108,000	111,100	114,300	118,000	121,800	126,100	130,600	1,137,500
						CX171	Minor safety projects	886,681	937,577	980,270	1,028,635	1,082,441	1,141,014	1,205,926	1,243,683	1,286,193	1,330,758	11,123,179
						CX352	Fences & Guardrails renewals	598,947	613,587	628,920	645,908	664,093	682,877	704,512	726,795	751,928	778,260	6,795,826
						CX445	Safer Roads Project	-	1,091,983	629,087	172,757	579,009	1,099,736	1,744,216	1,800,386	1,863,946	1,930,463	10,911,581
					Road safety Total			2,351,619	3,360,371	2,973,090	2,602,049	3,101,391	3,721,017	4,477,109	4,619,433	4,779,474	4,947,399	36,932,952
					Transport Total			36,010,238	32,016,262	39,135,283	38,460,134	43,739,529	52,995,371	46,840,138	56,127,565	53,776,599	55,156,352	454,257,470

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Council 25 February 2015  
Item 2.5: Attachment 2 tabled at the meeting

Draft Projects and Programmes - Capital Expenditure

Strateg	Strategy Name	Activity	Activity Name	Activity	Act. Component Name	AP Project	Project name	Income/Exp	Sum of 2015/16	Sum of 2016/17	Sum of 2017/18	Sum of 2018/19	Sum of 2019/20	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	
		7.2	Parking	7.2.1	Parking	CX102	Parking Asset renewals	-	-	184,387	862,112	58,474	-	1,138,606	1,175,273	1,216,764	1,260,186	5,895,802	
						CX319	Roadside Parking Improvements	1,449,000	495,875	113,886	117,029	120,388	112,060	127,865	131,982	136,642	141,518	2,946,245	
								1,449,000	495,875	298,274	979,141	178,862	112,060	1,266,470	1,307,255	1,353,406	1,401,704	8,842,046	
							Parking Total	1,449,000	495,875	298,274	979,141	178,862	112,060	1,266,470	1,307,255	1,353,406	1,401,704	8,842,046	
Transport Total								37,459,238	32,512,136	39,433,556	39,439,275	43,918,391	53,107,431	48,106,608	57,434,820	55,130,005	56,558,055	463,099,516	
10	Council	10.1	Organisational Projects	10.1.1	Organisational	CX010	Enterprise Applications	7,462,087	-	-	-	-	-	-	-	-	-	-	7,462,087
						CX245	Capital Replacement Fund	4,389,600	4,468,896	4,604,991	4,754,143	4,890,604	5,030,245	5,152,638	5,318,570	5,506,336	5,702,835	49,818,857	
						CX258	Disaster Recovery Assets	672,653	1,127,458	4,136,428	701,453	520,996	819,322	470,647	485,548	589,810	924,652	10,448,967	
						CX260	Technology Infrastructure Assets	1,057,429	2,360,839	4,672,850	3,297,279	4,081,373	2,191,632	5,166,661	4,396,052	4,823,609	2,315,289	34,363,013	
						CX299	PeopleSoft Version Upgrade	-	1,025,000	1,051,000	1,080,000	1,111,000	1,143,000	1,180,000	1,218,000	1,261,000	1,306,000	10,375,000	
						CX305	Health & Safety - Legislation Compliance	309,600	317,340	325,390	334,368	343,966	353,873	365,328	377,093	390,406	404,338	3,521,700	
						CX426	Civic Property renewals	2,557,647	4,134,023	2,946,033	3,768,667	2,589,361	2,478,049	3,544,853	1,392,923	2,163,524	3,391,663	28,966,743	
						CX501	Commercial Properties renewals	530,076	356,615	348,951	221,339	447,432	864,145	373,130	173,572	378,762	593,622	4,287,645	
						CX502	Community & Childcare Facility renewals	262,956	600,029	512,008	568,175	507,242	645,738	1,062,098	287,710	299,592	334,445	5,079,992	
						CX524	Legislative changes	100,000	307,500	315,300	324,000	333,300	342,900	354,000	365,400	378,300	391,800	3,212,500	
						CX525	Support for Business Unit Initiatives	270,000	738,918	757,418	777,931	799,886	822,563	848,694	875,598	905,956	937,756	7,734,721	
						CX528	Office Resilience and Efficiency	950,000	14,195,225	-	-	-	-	-	-	-	-	15,145,225	
						CX529	Civic Campus Resilience and Improvements	975,000	1,537,500	16,357,449	5,400,000	-	228,600	2,124,000	-	-	-	26,622,549	
						CX300	Unscheduled Infrastructure Renewals	-	3,053,589	3,131,046	3,217,440	3,309,792	3,405,124	3,515,351	3,628,557	3,756,659	3,890,719	30,908,278	
							Organisational Total	19,537,048	34,222,932	39,158,863	24,444,795	18,934,953	18,325,190	24,157,400	18,519,022	20,453,954	20,193,117	237,947,277	
							Organisational Projects Total	19,537,048	34,222,932	39,158,863	24,444,795	18,934,953	18,325,190	24,157,400	18,519,022	20,453,954	20,193,117	237,947,277	
						Council Total								19,537,048	34,222,932	39,158,863	24,444,795	18,934,953	18,325,190
Grand Total								163,625,302	159,080,143	186,628,461	181,847,367	143,783,832	154,159,942	229,361,665	179,330,558	177,905,851	187,855,212	1,763,578,333	

Capex



*Funding and Financial Policies*

## Our ten year plan

WELLINGTON CITY COUNCIL'S  
DRAFT LONG TERM PLAN 2015-25.



### ***Funding and Financial Policies***

*This document is part five of our draft ten year plan. It includes our:*

- *Revenue and Financing Policy*
- *Rates Remissions Policy*
- *Rates Postponement Policy*
- *Investment and Liability Management Policy*
- *Fees and Charges.*

Other components of our draft ten year plan include:

*Part One: **Financial Strategy** – it sets out the rates and borrowing limits of the council and the approach we take to ensure our programme is prudent and affordable.*

*Part Two: **Infrastructure Strategy** - it provides an overview of how we plan to manage our assets over the next 30 years.*

*Part Three: **Significant Forecasting Assumptions** - all plans are subject to change. These forecasting assumptions set out our starting point – the key facts and projections that we know today and expect to be important over the ten years of the plan.*

*Part Four: **Statements of Service Provision** - this document sets out our activities, associated performance measures, and the budgets for our capital and operating projects and programmes.*

*Part Six: **Funding Impact Statement** – our prospective financial statements.*

Related documents:

***Consultation Document*** – this sets out the key matter for consultation.

***Civic Precinct (Statement of Proposal)*** – we are proposing to revitalise Civic Square including the leasing of some sites to, in part, off-set the costs of strengthening the Town Hall and other buildings.

***Significance and Engagement Policy*** – we adopted this last year. It guides our approach to consultation.

## **2015-25 LTP DRAFT RATES REMISSION POLICY**

### **1. INTRODUCTION**

In accordance with Section 85 of the Local Government (Rating) Act, 2002:

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  - a. the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002, and
  - b. the local authority is satisfied that the conditions and criteria in the policy are met.
- ii. The local authority must give notice to the ratepayer identifying the remitted rates.

Where there is more than one remission applicable to the same rating unit, the same rates that would normally be applicable will not be remitted more than once in the same rating year.

### **2. CIRCUMSTANCES WHERE A REMISSION MAY APPLY**

#### **2.1. RURAL OPEN SPACE REMISSION**

##### **REMISSION STATEMENT**

The Council may grant a 50 percent remission on land classified as rural under the District Plan where the rating unit is rated under the Base differential and used principally for farming or conservation purposes.

##### **POLICY OBJECTIVE**

To provide rates relief for rural, farmland and open spaces.

##### **CONDITIONS AND CRITERIA**

Land used principally for farming or conservation purposes

A rates remission of 50 percent of the Base general rate will be granted to rating units that are classified as rural under the District Plan and used principally for farming or conservation purposes. Under this policy 'principally for farming or conservation purposes' is defined as where:

- i. The rating unit (or property) exceeds 30 hectares in area, and
- ii. 50 percent or more of the rateable capital value of the property is made up of the land value, and

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- iii. the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

## **2.2. REMISSIONS ON LAND USED PRINCIPALLY FOR GAMES OR SPORT**

### **REMISSION STATEMENT**

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of general rates where the rating unit:

- i. has a club licence under the Sale of Liquor Act 1989, and
- ii. would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act, and
- iii. the property is rated at the Base differential.

### **POLICY OBJECTIVE**

To reduce the adverse financial impact of the Local Government (Rating) Act 2002 on land used principally for games or sports, occupied by clubs that hold a club liquor licence and no longer qualify as 50 percent non-rateable.

### **CONDITIONS AND CRITERIA**

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. A remission under this policy will apply for one year only. Applicants must reapply annually. The application for a rate remission must be made prior to the commencement of the rating year (1 July). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated. For the avoidance of doubt, this policy specifically excludes chartered clubs and clubs holding permanent charters.

## **2.3. REMISSION OF TARGETED RATES ON PROPERTY UNDER DEVELOPMENT OR EARTHQUAKE STRENGTHENING**

### **REMISSION STATEMENT**

The Council may remit part or all of the commercial sector targeted rate and downtown targeted rates on land classified under the Council's *commercial, industrial and business differential* as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to the property being under development or due to the existing building being earthquake strengthened.

The Council may remit part or all of the Base sector targeted rate on land classified under the Council's *Base differential* (including residential) as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to earthquake strengthening.

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#### **POLICY OBJECTIVE**

To provide rates relief for property temporarily not fit for purpose due to the property undergoing development or earthquake strengthening and therefore not receiving the benefits derived by contributing to the commercial, residential or downtown targeted rates.

#### **CONDITIONS AND CRITERIA**

To enable the remission statement above, 'not fit for purpose' is defined in this policy as where:

- i. the property (rating unit) will not hold sufficient consents to permit occupation and,
- ii. the property (rating unit) will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works and
- iii. the property (rating unit) will not generate any revenue stream

The above criteria apply to, and must be met by, an entire rating unit as identified in the Council's rating information database (RID) and apply only for the period the building is not 'fit for purpose'.

## **2.4. REMISSION OF METERED WATER RATES**

#### **REMISSION STATEMENT**

The Council may grant a remission on a metered water rate where excess water consumption has occurred due to a leak beyond the point of supply on the ratepayer's property. The excess water consumption may only be remitted to the level of the current Greater Wellington Regional Council bulk water rate.

#### **POLICY OBJECTIVE**

The objective of this remission policy is to provide a measure of rates relief where a water leak has been detected on the ratepayer's property with a water meter, and prompt remedial action to repair the leak has been undertaken. However the ratepayer is responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Services Bylaw.

#### **CONDITIONS AND CRITERIA**

A remission of the metered water rate may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last four readings prior to the leak. The full water rate will be charged on the average daily usage over the last four readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. Where sufficient information is not available on

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historic readings, excess water consumption will be calculated as the difference between the latest reading prior to the fault being remedied, and the average daily metered usage over the last three monthly readings after the fault is remedied. This remission should only be applied for if:

- i. the leak occurred on a metered water property; and
- ii. excess water consumption has occurred through a broken or leaking pipe; and
- iii. evidence is provided that the fault has been remedied within a reasonable time period and prior to the application for a remission;

In the advent of a recurrence of a water leak, Council would require the property owner to get a condition assessment of the pipes on the property prior to any decisions to remit a subsequent remission.

## **2.5. SPECIAL CIRCUMSTANCES REMISSION**

### **REMISSION STATEMENT**

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the rates assessed for a rating unit (or property) on the condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

### **POLICY OBJECTIVE**

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

### **CONDITIONS AND CRITERIA**

The Council may remit part of the general rate assessed in relation to particular rating unit where:

- i. the rates on that rating unit are disproportionate to those assessed in respect of comparable rating units, or
- ii. the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.

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## **2.6. REMISSION OF RATES FOR BUILDINGS REMOVED FROM THE EARTHQUAKE PRONE BUILDINGS LIST**

### **REMISSION STATEMENT**

The Council may grant a remission on a property's rates where the property was on the Council's Earthquake Prone Building List and the owner has taken action to remove that building from the list (either by strengthening that building to above 33 percent of the New Building Standard (NBS) or by removing the building from the site).

The building owner (ratepayer) may qualify for this remission for a period of rating years after the removal of the building from the Earthquake Prone Building list<sup>1</sup>, or up until the building is sold (whichever is the sooner).

The terms of remission that apply are as follows:

- a. A remission period of 3 years for all buildings (not applicable to the heritage remissions below) that are removed from the earthquake prone list, or
- b. A remission period of 5 years for all buildings removed from the earthquake prone list that are listed on the Wellington City District Plan Heritage List, or
- c. A remission period of 10 years for all buildings as per (b) and are identified by Heritage New Zealand as Category I on the New Zealand Heritage list, or
- d. A remission period of 8 years for all buildings as per (b) and are identified by Heritage New Zealand as Category II on the New Zealand Heritage list.

The building owner must apply for this remission within 12 months of the removal of the building from the earthquake prone building list (by issuance of a code of compliance for work performed).

For earthquake-prone buildings that have been seismically strengthened to > 33 percent NBS the following will apply:

- a. the remission application will be accepted after the code of compliance has been issued for the seismic strengthening project
- b. the remission shall equate to the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable due to any rating valuation uplift<sup>2</sup> that may arise from seismic strengthening works
- c. if there has been no rating valuation uplift on the property as a result of seismic strengthening work then no remission will apply

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<sup>1</sup> As maintained by Wellington City Council

<sup>2</sup> Rating valuation adjustments will occur either as part of the Council's three-yearly city wide revaluation cycle, or through adjustments that occur in between cycles where improvement works have taken place resulting in a measurable value change. Building owners will be notified of any valuation change in both circumstances. Under both circumstances rates are not impacted until the next rating year commencing 1 July. Officers reserve the right to use their discretion in determining valuation changes that may arise from, and relate to, seismic strengthening under this policy.

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The valuation uplift from seismic strengthening works will be calculated as:

$$\begin{array}{ccccc} \text{Final} & & \text{Initial} & & \text{Initial floor} \\ \text{Improvement} & & \text{Improvement} & & \text{area of} \\ \text{Value \$ per m2} & - & \text{Value \$ per m2} & \times & \text{earthquake} \\ \text{(A)} & & \text{(B)} & & \text{prone building} \\ & & & & \text{(C)} \end{array}$$

A = This is the total improvement value portion of the revaluation of the whole rating unit (after issuance of the code of compliance and after removal of building from the Earthquake Prone Building List) divided by the floor area at the time of code of compliance, after removal of the building from the Earthquake Prone Building List

B = This is the total improvement value portion of the rateable value of the earthquake prone building at the time the building consent for earthquake strengthening work is approved, divided by the floor area of the earthquake prone building at the time the building consent for earthquake strengthening work is approved.

C = This is the floor area of the earthquake prone building at the time the building consent for earthquake strengthening work is approved.

The valuation uplift amount that has been calculated using the above methodology will be used to calculate the rates remission for the duration of the remission. The valuation uplift amount will not be re-calculated to take into account any future changes to the building's valuation post the first valuation assessment carried out after removal from the Earthquake Prone Building List (by issuance of a code of compliance). For clarity, changes in land value are excluded from the above calculations and any remission calculation.

For earthquake prone buildings that have been removed from the site the following will apply:

- a. the remission application will be accepted after evidence of the building removal has been provided to Council and the building has been removed from the earthquake prone building list
- b. the remission will be calculated as 10 percent of the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable on the property, on the valuation post removal of the earthquake-prone building from the site, for each of the three years following the acceptance of the remission application

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#### **POLICY OBJECTIVE**

The objective of this remission policy is to minimise the rates impact of valuation increases arising for property owners who have taken positive action to address the structural safety of their earthquake-prone buildings, or remove their unsafe buildings.

#### **CONDITIONS AND CRITERIA**

A remission of rates may apply under the following conditions and criteria:

- i. the building must have been on the Earthquake Prone Buildings list<sup>3</sup>
- ii. the building owner must have taken action to remove their building from this list either through seismic strengthening or building removal
- iii. the remission must be applied for within 12 months of the building being removed from the Earthquake Prone Buildings list and will relate to the following specified number of rating years only (the property owner does not need to re-apply in subsequent years). The terms of remission that apply are as follows:
  - a. For all buildings (not applicable to the heritage remissions below) that are removed from the earthquake prone list, the building owner may apply for this remission for a total period of 3 years,  
or
  - b. For all buildings removed from the earthquake prone list that are listed on the Wellington City District Plan Heritage List, the building owner may apply for this remission for a total period of 5 years after the removal of the building from the earthquake prone building list,  
or
  - c. For all buildings as per (b) and are identified by Heritage New Zealand as Category I on the New Zealand Heritage list, the building owner may apply for this remission for a total period of 10 years after the removal of the building from the earthquake prone building list,  
or
  - d. For all buildings as per (b) and are identified by Heritage New Zealand as Category II on the New Zealand Heritage list, the building owner may apply for this remission for a total period of 8 years after the removal of the building from the earthquake prone building.
- iv. the remission will not be available retrospectively for buildings already removed from the list prior to this policy being implemented
- v. the remission is only available to the property owner who has taken action to remedy their building. It will not be available to a third-party purchaser of the building even if a sale took place within the remission period applicable to that building being removed from the Earthquake Prone Buildings list
- vi. For earthquake prone buildings that have been removed from the site, evidence must be provided to Council of the building removal and the building must have been removed from the earthquake prone building list

<sup>3</sup> As maintained by Wellington City Council

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#### **Valuation changes**

Wellington City Council is currently on a three-yearly valuation cycle for all properties in the city. The next city-wide valuation will occur as at 1 September 2015 and will be used to calculate rates for the next three rating years commencing 1 July 2016.

Rating valuations are also subject to adjustments at any time between the valuation cycles when there has been a measurable value change, usually triggered by consented improvement works.

Building owners will be notified when the capital value of their property has changed. Rates will be calculated using the new capital value from the next rating year commencing 1 July.

#### **Application**

This remission may be applied for at any time during the year. If approved by Council officers the remission will take effect either from the next rating year (1 July), or will be backdated to take effect from the start of the current rating year at the nomination of the property owner and agreement of Council officers. [The remission will cease after the specified number of years from the agreed effective start date, or up until the building is sold \(whichever is the sooner\).](#)

## **2.7. REMISSION FOR NATURAL DISASTERS AND EMERGENCIES**

### **REMISSION STATEMENT**

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so. Individual events causing a disaster or emergency are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time. Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

### **POLICY OBJECTIVE**

The objective of this remission policy is to provide a measure of rates relief where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

### **CONDITIONS AND CRITERIA**

Council may remit all or part of any rate or charge assessed in relation to a particular rating unit where:

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- i. a natural disaster or other type of emergency has affected its capacity to be inhabited, used or otherwise occupied for an extended period of time
- ii. Council considers it fair to do so and has identified the individual event causing a disaster or emergency through Council resolution
- iii. it meets the criteria for remission that is set by Council for the particular event, depending on the nature and severity of the event and available funding at the time

## **2.8. REMISSION FOR NEW RESIDENTIAL GREENFIELD DEVELOPMENTS**

### **REMISSION STATEMENT**

The Council may grant a remission on a new residential greenfield development of 30 or more allotments (or dwellings where it is proposed that the dwellings will be unit-titled) in the Lower Stebbings and Lincolnshire-Woodridge Special Housing Areas.

The property owner may qualify for this remission for a period of 2 years after a section 224(c) certificate and new titles are issued, or until the allotment or title is sold (whichever is the sooner).

The remission shall equate to the approximate increase in rates (general rate, base sector targeted rates, and stormwater network rates) payable due to the increase in land value that may arise from a residential greenfield subdivision.

The remission may be applied for once a section 224(c) certificate and new titles have been issued, and only within the duration of the Housing Accord which ends on 30 June 2019. The remission will apply for two rating years and the property owner does not need to reapply in year two.

The remission will be calculated on the uplift in rates from subdividing greenfield land into residential lots. The amount is calculated as the land value of each allotment (after title is issued) less the equivalent land value for the allotment before subdivision. The 'equivalent' value before subdivision is calculated as \$20 per m2 multiplied by the allotment area.

### **POLICY OBJECTIVE**

The objective of this remission policy is to minimise the rates impact of valuation increases arising for developers from new residential greenfield developments in the Special Housing Areas, to promote the supply of land for housing.

### **CONDITIONS AND CRITERIA**

A remission of rates may apply under the following conditions and criteria:

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- i. the new residential development must be within the Lower Stebbings and Lincolnshire-Woodridge Special Housing Areas<sup>4</sup>
- ii. the development must be of 30 or more allotments (or dwellings where it is proposed that the dwellings will be unit titled)
- iii. the remission must be applied for within the duration of the Housing Accord. No application will be eligible for this remission after 30 June 2019
- iv. the remission will apply to the general rate, base sector targeted rate, and stormwater network rates
- v. the remission will not be available retrospectively for residential greenfield developments that are already completed
- vi. the remission will apply for a maximum of two years; commencing when the new allotment titles are issued and ending two years later, or when the new allotment or title is sold (whichever is the sooner)

### 3. APPLYING FOR A RATES REMISSION

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year, [except the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List and the Remission for New Greenfield Developments](#) which may apply to multiple rating years.

Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the following remission applications which may be received after the start of a rating year:

- i. the Special Circumstances Remission,
- ii. the Metered Water Rates Remission,
- iii. the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List, and
- iv. [the Remission for New Greenfield Developments](#).

No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July), [with the exception of the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List and the Remission for New Greenfield Developments](#).

The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

<sup>4</sup> As defined by the legislative instrument 'Housing Accords and Special Housing Areas (Wellington) Order 2014'

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Applications made for a remission will be considered on their own merits and any previous decisions of the Council will not be regarded as creating a precedent or expectations.

#### **4. DELEGATION**

Decisions relating to the remission of rates are delegated to the Chief Executive, the Chief Financial Officer, the Manager Financial Accounting, and the Rates Team Leader.

#### **5. RATES PENALTY REMISSION**

##### **POLICY OBJECTIVE**

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

##### **CONDITIONS AND CRITERIA**

Upon receipt of an application from the ratepayer, or as identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- i. This is the first time a penalty is applied during a prior three year period and either:
  - a) the payment of the full amount of rates due within 14 days of due date, or
  - b) the ratepayer entering into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- ii. There was an extraordinary event leading to the late payment of the instalment and either:
  - a) the payment of the full amount of rates due within 14 days of due date, or
  - b) the ratepayer entering into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- iii. The ratepayer has agreed to pay future rates by direct debit

The Council reserves the right to impose conditions on the remission of penalties.

##### **APPLYING FOR A RATES PENALTY REMISSION**

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email ([rates@wcc.govt.nz](mailto:rates@wcc.govt.nz)).

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#### **DELEGATION FOR A RATES PENALTY REMISSION**

Decisions relating to the remission of penalties on rates are delegated to the Chief Executive, the Chief Financial Officer, the Manager Financial Accounting, [and the Rates Team Leader](#).

#### **6. NON - RATEABLE LAND**

In addition to rates remissions, some types of property are not rateable or are partly non-rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non rateable property uses refer to this legislation or the Council's website.

#### **7. REMISSION OF RATES ON MAORI FREEHOLD LAND**

The Council's objectives in relation to rates remission and postponement apply equally to Maori Freehold land. Therefore the rates remission and postponement policies applicable to Maori Freehold land are identical to those that apply to non-Maori Freehold land.

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## **Indicative Financial Statements and Statement of Significant Accounting Policies**

The following indicative financial statements show the 2015/16 financial year's income and expenditure, and financial position.

### **Balanced Budget**

The Council operates a 'balanced budget'. This means that rates only fund what is required to pay for the services delivered each year.

Note that the prospective statement of comprehensive financial performance shows a surplus, mainly because revenue received for capital expenditure is required to be shown as income (operating).

So although there is a net surplus because of the accounting treatment, the council does not budget or rate to make an operating profit.

The capital funding that is the primary cause of the 'surplus' mainly comes from 3<sup>rd</sup> parties like the New Zealand Transport Agency (NZTA) for roads, and Housing New Zealand to partially fund the social housing upgrade programme.

The Capital expenditure that this pays for, is shown as changes in assets/equity and in the statement of financial position

The Funding and Financial Statements attached are based on the project and programmes outlined and are informed by the Financial Strategy and significant forecasting assumptions.

**INDICATIVE STATEMENT OF COMPREHENSIVE  
FINANCIAL PERFORMANCE**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>INCOME</b>													
Revenue from rates (excluding metered water)	241,387	256,197	14,810		270,571	286,913	302,326	318,498	333,259	347,845	365,873	379,286	389,313
Revenue from water by metered	13,879	13,546	(333)		14,181	15,024	15,909	16,910	18,363	19,230	19,878	21,040	21,682
Revenue from development contributions	2,000	2,000	-		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Revenue from grants, subsidies and reimbursements	51,090	42,118	(8,972)		38,485	22,388	25,124	23,264	23,114	23,671	24,145	24,581	25,706
Revenue from operating activities	119,913	121,287	1,374		124,809	127,841	130,756	134,823	136,546	137,260	140,376	143,416	146,810
Investments	20,215	20,135	(80)		20,135	20,235	19,635	20,635	24,053	26,693	26,637	29,182	30,429
Fair value movement on investment property revaluation	-	3,665	3,665		4,324	4,821	5,143	5,482	6,057	6,449	6,865	7,543	8,027
Other revenue	1,100	1,050	(50)		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Finance revenue	603	637	34		650	663	719	693	731	776	827	886	952
<b>TOTAL INCOME</b>	<b>450,187</b>	<b>460,635</b>	<b>10,448</b>		<b>476,205</b>	<b>480,935</b>	<b>502,662</b>	<b>523,355</b>	<b>545,173</b>	<b>564,974</b>	<b>587,651</b>	<b>608,984</b>	<b>625,969</b>
<b>EXPENSE</b>													
Finance expense	23,041	23,726	685		28,520	32,006	35,105	38,898	39,884	43,298	50,506	52,480	54,326
Expenditure on operating activities	298,596	318,706	20,110		325,780	327,981	335,611	348,456	360,252	373,854	384,669	395,741	408,139
Depreciation and amortisation	102,165	99,278	(2,887)		102,214	109,048	113,441	117,790	126,110	130,569	133,450	141,684	145,500
<b>TOTAL EXPENSE</b>	<b>423,802</b>	<b>441,710</b>	<b>17,908</b>		<b>456,514</b>	<b>469,035</b>	<b>484,157</b>	<b>505,144</b>	<b>526,246</b>	<b>547,721</b>	<b>568,625</b>	<b>589,905</b>	<b>607,965</b>
<b>NET SURPLUS FOR THE YEAR</b>	<b>26,385</b>	<b>18,925</b>	<b>(7,460)</b>		<b>19,691</b>	<b>11,900</b>	<b>18,505</b>	<b>18,211</b>	<b>18,927</b>	<b>17,253</b>	<b>19,026</b>	<b>19,079</b>	<b>18,004</b>
<b>OTHER COMPREHENSIVE INCOME</b>													
Fair value movement - property, plant and equipment - net	57,073	-	(57,073)		223,243	73,306	-	238,867	104,157	-	332,176	141,845	-
Share of equity accounted surplus from associates	-	-	-		-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>57,073</b>	<b>-</b>	<b>(57,073)</b>		<b>223,243</b>	<b>73,306</b>	<b>-</b>	<b>238,867</b>	<b>104,157</b>	<b>-</b>	<b>332,176</b>	<b>141,845</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>83,458</b>	<b>18,925</b>	<b>(64,533)</b>		<b>242,934</b>	<b>85,206</b>	<b>18,505</b>	<b>257,078</b>	<b>123,084</b>	<b>17,253</b>	<b>351,202</b>	<b>160,924</b>	<b>18,004</b>

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**INDICATIVE STATEMENT OF FINANCIAL  
POSITION**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>ASSETS</b>													
<b>Current assets</b>													
Cash and cash equivalents	2,389	1,249	(1,140)		1,306	1,366	1,194	982	823	902	1,405	1,380	1,248
Derivative financial assets	409	-	(409)		-	-	-	-	-	-	-	-	-
Receivables from exchange transactions	39,556	42,302	2,746		43,808	45,293	46,727	48,504	49,725	50,563	52,087	53,542	54,872
Prepayments	15,048	12,268	(2,780)		12,598	12,652	12,970	13,549	14,064	14,633	15,078	15,521	16,032
Inventories	875	888	13		908	922	941	958	974	1,002	1,025	1,051	1,076
Non-current assets classified as held for sale	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>58,277</b>	<b>56,707</b>	<b>(6,457)</b>		<b>58,618</b>	<b>60,233</b>	<b>61,832</b>	<b>63,993</b>	<b>65,586</b>	<b>67,100</b>	<b>69,595</b>	<b>71,494</b>	<b>73,228</b>
<b>Non-current assets</b>													
Derivative financial assets	3,280	-	(3,280)		-	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	-		-	-	-	-	-	-	-	-	-
Other financial assets	8,928	10,473	1,545		11,110	11,760	12,466	13,146	13,864	14,627	15,441	16,314	17,253
Intangibles	16,743	24,453	7,710		24,793	27,873	27,041	26,829	26,713	29,163	29,751	32,752	36,420
Investment properties	205,951	196,566	(9,385)		200,890	205,711	210,854	216,336	222,393	228,842	235,707	243,250	251,277
Property, plant & equipment	6,974,749	6,885,303	(289,446)		6,958,499	7,093,118	7,154,655	7,414,681	7,548,919	7,656,632	8,025,568	8,199,364	8,238,347
Investment in subsidiaries	3,809	3,809	-		3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809
Investment in associates	19,519	19,504	(15)		19,504	19,504	19,504	19,504	19,504	19,504	19,504	19,504	19,504
<b>Total non-current assets</b>	<b>7,232,979</b>	<b>6,940,108</b>	<b>(1,006)</b>		<b>7,218,605</b>	<b>7,361,775</b>	<b>7,428,329</b>	<b>7,694,305</b>	<b>7,835,202</b>	<b>7,952,577</b>	<b>8,329,780</b>	<b>8,514,993</b>	<b>8,566,610</b>
<b>TOTAL ASSETS</b>	<b>7,291,256</b>	<b>6,996,815</b>	<b>(7,463)</b>		<b>7,277,223</b>	<b>7,422,008</b>	<b>7,490,161</b>	<b>7,758,298</b>	<b>7,900,788</b>	<b>8,019,677</b>	<b>8,399,375</b>	<b>8,586,487</b>	<b>8,639,838</b>
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Derivative financial liabilities	404	-	(404)		-	-	-	-	-	-	-	-	-
Trade and other payables	57,945	60,340	2,395		60,733	65,105	65,440	61,612	64,703	77,458	71,526	72,673	75,642
Revenue in advance	11,405	30,551	19,146		12,151	11,295	11,553	11,912	12,065	12,128	12,403	12,672	12,971
Borrowings	155,562	229,275	73,713		261,050	292,985	319,947	327,970	336,485	383,111	400,856	413,614	430,257
Employee benefit liabilities and provisions	5,698	6,783	1,085		6,853	6,943	7,072	7,226	7,392	7,620	7,809	8,022	8,238
Provision for other liabilities	17,486	8,790	(8,696)		8,548	6,089	4,819	4,168	3,903	3,892	3,892	3,952	4,001
<b>Total current liabilities</b>	<b>248,480</b>	<b>335,739</b>	<b>248,324</b>		<b>349,335</b>	<b>382,417</b>	<b>408,831</b>	<b>412,888</b>	<b>424,548</b>	<b>484,195</b>	<b>496,486</b>	<b>510,933</b>	<b>531,109</b>
<b>Non-current liabilities</b>													
Derivative financial liabilities	12,831	-	(12,831)		-	-	-	-	-	-	-	-	-
Trade and other payables	-	630	630		630	630	630	630	630	630	630	630	630
Borrowings	248,601	204,953	(43,648)		233,357	261,905	266,007	293,178	300,790	342,470	358,332	369,738	384,615
Employee benefit liabilities	1,474	1,693	219		1,710	1,732	1,764	1,803	1,845	1,901	1,949	2,002	2,056
Provisions for other liabilities	43,687	23,945	(19,742)		19,402	17,329	16,429	16,221	16,313	16,566	16,861	17,143	17,383
<b>Total non-current liabilities</b>	<b>306,593</b>	<b>231,221</b>	<b>(52,493)</b>		<b>255,099</b>	<b>281,596</b>	<b>304,830</b>	<b>311,832</b>	<b>319,578</b>	<b>361,567</b>	<b>377,772</b>	<b>389,513</b>	<b>404,684</b>
<b>TOTAL LIABILITIES</b>	<b>555,072</b>	<b>566,959</b>	<b>195,830</b>		<b>604,433</b>	<b>664,012</b>	<b>713,660</b>	<b>724,719</b>	<b>744,125</b>	<b>845,761</b>	<b>874,257</b>	<b>900,445</b>	<b>935,792</b>
<b>EQUITY</b>													
Accumulated funds and retained earnings	4,992,265	4,989,690	(2,575)		5,008,810	5,020,116	5,038,009	5,055,583	5,073,849	5,090,412	5,108,721	5,127,050	5,144,273
Revaluation reserves	1,743,064	1,429,106	(313,958)		1,652,349	1,725,655	1,725,655	1,964,522	2,068,679	2,068,679	2,400,855	2,542,700	2,542,700
Hedging reserve	(9,955)	137	10,092		137	137	137	137	137	137	137	137	137
Fair value through other comprehensive income resen	93	63	(30)		63	63	63	63	63	63	63	63	63
Restricted funds	10,716	10,859	143		11,430	12,025	12,637	13,273	13,935	14,625	15,341	16,091	16,873
<b>TOTAL EQUITY</b>	<b>6,736,183</b>	<b>6,429,855</b>	<b>(306,328)</b>		<b>6,672,789</b>	<b>6,757,995</b>	<b>6,776,500</b>	<b>7,033,578</b>	<b>7,156,662</b>	<b>7,173,915</b>	<b>7,525,117</b>	<b>7,686,041</b>	<b>7,704,045</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,291,255</b>	<b>6,996,814</b>	<b>6,931,883</b>		<b>7,277,222</b>	<b>7,422,007</b>	<b>7,490,160</b>	<b>7,758,297</b>	<b>7,900,787</b>	<b>8,019,676</b>	<b>8,399,374</b>	<b>8,586,486</b>	<b>8,639,837</b>

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**INDICATIVE STATEMENT OF CHANGES IN EQUITY**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>EQUITY - OPENING BALANCES</b>													
Accumulated funds and retained earnings	4,965,881	4,971,304	5,423	These notes will be updated and tabled at the Council meeting - 25 February 2015	4,989,690	5,008,810	5,020,116	5,038,009	5,055,583	5,073,849	5,090,412	5,108,721	5,127,050
Revaluation reserves	1,685,991	1,429,106	(256,885)		1,429,106	1,652,349	1,725,655	1,725,655	1,964,522	2,068,679	2,068,679	2,400,855	2,542,700
Hedging reserve	(9,955)	137	10,092		137	137	137	137	137	137	137	137	137
Fair value through other comprehensive income reserve	93	63	(30)		63	63	63	63	63	63	63	63	63
Restricted funds	10,715	10,320	(395)		10,859	11,430	12,025	12,637	13,273	13,935	14,625	15,341	16,091
<b>TOTAL EQUITY - Opening balance</b>	<b>6,652,725</b>	<b>6,410,930</b>	<b>(241,795)</b>		<b>6,429,855</b>	<b>6,672,789</b>	<b>6,757,995</b>	<b>6,776,500</b>	<b>7,033,578</b>	<b>7,156,662</b>	<b>7,173,915</b>	<b>7,525,117</b>	<b>7,686,041</b>
<b>CHANGES IN EQUITY</b>													
<b>Retained earnings</b>													
Net surplus for the year	26,385	18,925	(7,460)		19,691	11,900	18,505	18,211	18,927	17,253	19,026	19,079	18,004
Transfer to restricted funds	(3,766)	(4,518)	(752)		(4,630)	(4,751)	(4,877)	(5,018)	(5,163)	(5,330)	(5,499)	(5,694)	(5,894)
Transfer from restricted funds	3,765	3,979	214		4,059	4,157	4,265	4,382	4,502	4,640	4,783	4,944	5,113
<b>Hedging reserve</b>													
Share of other comprehensive income	57,073	-	(57,073)		223,243	73,306	-	238,867	104,157	-	332,176	141,845	-
<b>Restricted Funds</b>													
Transfer to retained earnings	(3,765)	(3,979)	(214)		(4,059)	(4,157)	(4,265)	(4,382)	(4,502)	(4,640)	(4,783)	(4,944)	(5,113)
Transfer from retained earnings	3,766	4,518	752		4,630	4,751	4,877	5,018	5,163	5,330	5,499	5,694	5,894
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>63,458</b>	<b>18,925</b>	<b>(64,533)</b>		<b>242,934</b>	<b>85,206</b>	<b>18,505</b>	<b>257,078</b>	<b>123,084</b>	<b>17,253</b>	<b>351,202</b>	<b>160,924</b>	<b>18,004</b>
<b>EQUITY - CLOSING BALANCES</b>													
Accumulated funds and retained earnings	4,992,265	4,989,690	(2,575)		5,008,810	5,020,116	5,038,009	5,055,583	5,073,849	5,090,412	5,108,721	5,127,050	5,144,273
Revaluation reserves	1,743,064	1,429,106	(313,958)		1,652,349	1,725,655	1,725,655	1,964,522	2,068,679	2,068,679	2,400,855	2,542,700	2,542,700
Fair value through other comprehensive revenue and expense	(9,955)	137	10,092		137	137	137	137	137	137	137	137	137
Restricted funds	93	63	(30)		63	63	63	63	63	63	63	63	63
Hedging reserve	10,716	10,859	143		11,430	12,025	12,637	13,273	13,935	14,625	15,341	16,091	16,873
<b>TOTAL EQUITY - Closing balance</b>	<b>6,736,183</b>	<b>6,429,855</b>	<b>(306,328)</b>		<b>6,672,789</b>	<b>6,757,995</b>	<b>6,776,500</b>	<b>7,033,578</b>	<b>7,156,662</b>	<b>7,173,915</b>	<b>7,525,117</b>	<b>7,686,041</b>	<b>7,704,045</b>

Notes:

**INDICATIVE STATEMENT OF CASH FLOWS**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>													
Receipts from rates - Council (excluding metered water)	241,387	247,788	6,401	These notes will be updated and tabled at the Council meeting - 25 February 2015	270,099	286,377	301,820	317,967	332,775	347,366	365,281	378,846	388,984
Receipts from water rates by meter	13,879	10,807	(3,072)		14,052	14,854	15,730	16,708	18,069	19,054	19,747	20,805	21,553
Receipts from rates - Greater Wellington Regional Council	50,341	52,769	2,428		55,741	59,120	62,307	65,651	68,704	71,720	75,447	78,221	80,294
Receipts from activities and other income	123,013	137,545	14,532		108,554	129,256	133,315	137,188	139,306	140,190	142,900	145,955	149,287
Receipts from grants and subsidies - operating	7,715	35,251	27,536		30,739	14,259	16,204	15,725	16,734	16,080	16,691	16,660	17,392
Receipts from grants and subsidies - capital	43,375	6,867	(36,508)		7,748	8,129	8,920	7,539	6,380	7,591	7,454	7,921	8,314
Receipts from investment property lease rentals	9,215	9,135	(80)		9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135
Cash paid to suppliers and employees	(286,780)	(281,668)	5,112		(287,232)	(296,835)	(301,850)	(310,314)	(317,952)	(328,469)	(338,952)	(349,497)	(361,277)
Rates paid to Greater Wellington Regional Council	(50,341)	(52,769)	(2,428)		(55,741)	(59,120)	(62,307)	(65,651)	(68,704)	(71,720)	(75,447)	(78,221)	(80,294)
Grants paid	(28,719)	(41,276)	(12,557)		(43,247)	(35,900)	(35,454)	(37,997)	(41,560)	(44,154)	(44,603)	(45,103)	(45,625)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>123,085</b>	<b>124,449</b>	<b>1,364</b>		<b>109,846</b>	<b>129,275</b>	<b>147,820</b>	<b>155,951</b>	<b>162,997</b>	<b>166,793</b>	<b>177,653</b>	<b>184,722</b>	<b>187,763</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>													
Dividends received	11,000	11,000	-		11,000	11,100	10,500	11,500	14,918	17,558	17,502	20,047	21,294
Interest received	44	637	593		650	663	719	693	731	776	827	886	952
Proceeds from sale of property, plant and equipment	4,050	4,017	(33)		(4,600)	5,250	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Purchase of Intangibles	(8,777)	(11,195)	(2,418)		(6,368)	(9,391)	(6,101)	(6,201)	(6,533)	(8,953)	(6,711)	(6,892)	(7,451)
Purchase of property, plant and equipment	(155,724)	(155,862)	(138)		(142,206)	(165,256)	(170,747)	(140,124)	(150,019)	(222,737)	(173,433)	(171,953)	(181,239)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(149,407)</b>	<b>(151,403)</b>	<b>(1,996)</b>		<b>(141,524)</b>	<b>(157,634)</b>	<b>(163,629)</b>	<b>(132,132)</b>	<b>(138,903)</b>	<b>(211,356)</b>	<b>(159,815)</b>	<b>(155,912)</b>	<b>(164,444)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>													
New borrowings	203,964	50,360	(153,604)		60,179	60,483	51,064	15,194	16,127	88,306	33,607	24,164	31,520
Repayment of borrowings	(155,562)	-	155,562		-	-	-	-	-	-	-	-	-
Interest paid on borrowings	(22,080)	(23,528)	(1,448)		(28,444)	(32,064)	(35,427)	(39,225)	(40,280)	(43,664)	(50,942)	(52,999)	(54,971)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>26,322</b>	<b>26,832</b>	<b>510</b>		<b>31,735</b>	<b>28,419</b>	<b>15,637</b>	<b>(24,031)</b>	<b>(24,153)</b>	<b>44,642</b>	<b>(17,335)</b>	<b>(28,835)</b>	<b>(23,451)</b>
Net increase/(decrease) in cash and cash equivalents	-	(122)	(122)		57	60	(172)	(212)	(159)	79	503	(25)	(132)
Cash and cash equivalents at beginning of year	2,389	1,371	(1,018)		1,249	1,306	1,366	1,194	982	823	902	1,405	1,380
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>2,389</b>	<b>1,249</b>	<b>(1,140)</b>		<b>1,306</b>	<b>1,366</b>	<b>1,194</b>	<b>982</b>	<b>823</b>	<b>902</b>	<b>1,405</b>	<b>1,380</b>	<b>1,248</b>

Notes:



# INDICATIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS

	OPENING BALANCE 2014/15 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE 2024/25 \$000	Purpose
<b>SPECIAL RESERVES AND FUNDS</b>					
Reserve purchase and development fund	287	-	-	287	Used to purchase and develop reserve areas within the city.
Economic initiatives development fund	-	34,125	(34,125)	-	
Insurance reserve	9,609	17,065	(10,533)	16,142	Allows the Council to meet the uninsured portion of insurance claims
<b>Total special reserves and funds</b>	<b>9,896</b>	<b>51,190</b>	<b>(44,658)</b>	<b>16,429</b>	
<b>TRUSTS AND BEQUESTS</b>					
A Graham Trust	3	1	-	4	For the upkeep of a specific area of Karori Cemetery
A W Newton request	315	160	(150)	325	For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	6	-	-	6	For the benefit of the public library
E Pengelly Bequest	13	5	-	18	For the purchase of children's books
F L Irvine Smith Memorial	7	2	-	9	For the purchase of books for the Khandallah Library
Greek NZ Memorial Association	5	2	-	7	For the maintenance and upgrade of the memorial
Kidsarus 2 Donation	3	1	-	4	For the purchase of children's books
Kirkaldie and Stains Donation	17	-	-	17	For the beautification of the BNZ site
QEII memorial Book Fund	19	10	-	29	For the purchase of books on the Commonwealth
Schola Cantorum Trust	6	3	-	9	For the purchase of musical scores
Stanley Banks Trust	6	-	-	6	To be available for bursaries for children of World War II servicemen
Terawhiti Grant	10	-	-	10	To be used on library book purchases
Wellington Beautifying Society Request	14	-	(14)	-	Used towards "the Greening of Taranaki Street" project
<b>Total trusts and bequests</b>	<b>424</b>	<b>184</b>	<b>(164)</b>	<b>444</b>	
<b>Total restricted funds</b>	<b>10,320</b>	<b>51,374</b>	<b>(44,822)</b>	<b>16,873</b>	

In addition to the above, the Council is proposing to establish a Forest Carbon Reserve Fund on the basis that it will reinvest a share of revenue from the sale of forestry emission units under the New Zealand Emissions Trading Scheme or Permanent Forest Sink Initiative to protect or enhance the Council's forest carbon stocks. Other revenues generated from the sale of emission units or from costs recovered by way of fees and charges in regard to the New Zealand Emissions Trading Scheme will be treated as other revenues received by the Council. We are not anticipating any revenue for this fund in the 2014/15 year.

## Summary of Significant Accounting Policies

### Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, for the purposes of financial reporting, the Council is audited by the Auditor General, and is classed as a Public Sector Public Benefit Entity.

These draft prospective financial statements are for Wellington City Council (the Council) as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities (subsidiaries), joint ventures and associates have not been prepared.

### Basis of preparation

#### Statement of compliance

The draft prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The draft prospective financial statements have been prepared to comply with Public Benefit Entity Accounting Standards (PBE Standards) for a Tier 1 entity. A Tier 1 entity is defined as being either publicly accountable or large (ie. expenses over \$30m).

The reporting period for these prospective financial statements is the 10 year period ending 30 June 2025. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

#### Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used

and the discount rate for forecast the long-term cost of borrowing are as per the “planning assumptions” which are disclosed on pages XX.

### **Judgements and estimations**

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates and these variations may be material.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

### **Revenue**

Revenue comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

#### **Revenue from exchange transactions**

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange).

#### **Revenue from non-exchange transactions**

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction

#### **Approximately equal value**

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Some goods or services that Council provides (eg the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by Council operate on a

full user pays, cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

Most of the services that Council provides for a fee are subsidised by rates and therefore do not constitute an approximately equal exchange. Accordingly most of Council's revenue is categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below:

#### **Rates**

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and are therefore defined as non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

#### **Operating activities**

The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

##### *Grants, subsidies and reimbursements*

Grants and subsidies are recognised as revenue immediately except to the extent a liability is also recognised in respect of the same grant or subsidy. A liability is recognised when the grant or subsidy received are subject to a condition such that the Council has the obligation to return those funds received in the event that the conditions attached to them are breached. As the Council satisfies the conditions, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.

Reimbursements are recognised upon entitlement, which is when conditions relating to the eligible expenditure have been fulfilled.

##### *Development contributions*

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. In the event that the Council is unable to provide the service immediately, or the development contribution is refundable, the Council will recognise an asset and a liability and only recognise revenue when the Council has met the obligation for which the development contribution was charged.

##### *Rendering of services*

Revenue considered to be from exchange transactions is recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised.

*Fines and penalties*

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

*Sale of goods*

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

**Investment revenues**

*Dividends*

Dividends from equity investments, other than those accounted for using equity accounting, are classified as exchange revenue and are recognised when the Council's right to receive payment has been established.

*Investment property lease rentals*

Lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

**Other revenue**

*Donated, subsidised or vested assets*

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

*Gains*

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

**Finance revenue**

*Interest*

Interest revenue is exchange revenue and recognised using the effective interest rate method.

**Donated services**

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (eg beach cleaning and Otari-Wilton's Bush guiding and planting). Due to



the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

## **Expenses**

Specific accounting policies for major categories of expenditure are outlined below:

### **Operating activities**

#### *Grants and sponsorships*

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

### **Finance expense**

#### *Interest*

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

### **Depreciation and amortisation**

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

## **Taxation**

Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council controlled trading organisations and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.



### Goods and Services Tax (GST)

All items in the prospective financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

### Financial instruments

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

#### Financial assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

*Loans and receivables* comprise cash and cash equivalents, trade and other receivables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of three months or less.

Trade and other receivables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable.

Loans and deposits include loans to other entities (including subsidiaries and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of these receivables.

*Financial assets at fair value through other comprehensive revenue and expense* relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

### **Financial liabilities**

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

### **Derivatives**

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit. Where a derivative is used to hedge variability in the fair value of the Council's fixed rate borrowings (fair value hedge), the gain or loss is recognised within surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

### **Inventories**

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Inventories held for resale (such as rubbish bags), are recorded at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business.

Inventories held for distribution at no or nominal cost, are recorded at the lower of cost and current replacement cost.

### **Investment properties**

Investment properties are properties which are held primarily to earn rental revenue or for capital growth or both. These include the Council's ground leases, and certain land and buildings.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing

assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

### **Non-current assets classified as held for sale**

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.
- A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

### **Property, plant and equipment**

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Centre complex, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (eg infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these financial statements to the extent their value can be reliably measured.

### **Recognition**

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

### **Measurement**

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

#### *Operational assets*

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets*, published by the Treasury Accounting Team, November 2002.

Land and buildings are valued at fair value on a three-year cycle by independent registered valuers.

#### *Restricted assets*

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

#### *Infrastructure assets*

Infrastructure assets (roading network, water, waste and drainage reticulation assets) are valued at optimised depreciated replacement cost on a three-year cycle by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.



The service concession asset class consists of the Moa Point, Western (Karori) and Carey's Gulley waste water treatment plants which are owned by the Council but operated by Veolia Water under agreement. The assets are valued consistently with waste infrastructure network assets.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

#### **Revaluations**

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

#### **Impairment**

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

#### **Disposal**

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

### Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

### Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. The estimated useful lives and depreciation rate ranges of the major classes of property, plant and equipment are as follows:

Asset Category	Useful Life (years)	Depreciation Rate
Land	unlimited	not depreciated
Buildings	1 ~ 75	1.33 ~ 100%
Civic Centre Complex	10 ~ 78	1.28 ~ 10%
Plant and equipment	3 ~ 100	1 ~ 33.3%
Library collection	3 ~ 11	9.1 ~ 33.3%
Restricted assets (excluding buildings)	unlimited	not depreciated
Infrastructure assets:		
Land (including land under roads)	unlimited	not depreciated
Roading:		
Formation / earthworks	unlimited	not depreciated
Pavement	13 ~ 40	2.5 ~ 7.7%
Traffic islands	80	1.25%
Bridges and tunnels	3 ~ 175	0.57 ~ 33.3%
Drainage	60 ~ 130	0.8% ~ 130%
Retaining walls	30 ~ 75	1.33 ~ 3.33%
Pedestrian walkways	10 ~ 50	2 ~ 10%
Pedestrian furniture	10 ~ 25	4 ~ 10%
Barriers (handrails, guardrails)	25	4%
Lighting	3 ~ 50	2 ~ 33.3%
Cycleway network	25	4%
Parking equipment	8 ~ 10	10 ~ 12.5%
Passenger transport facilities	25	4%
Traffic infrastructure	5 ~ 40	2.5 ~ 20%
Drainage, waste and water:		
Pipework	50 ~ 130	0.77 ~ 2%
Fittings	25 ~ 110	0.91 ~ 4%
Water pump stations	20 ~ 100	1 ~ 5%
Water reservoirs	25 ~ 100	1 ~ 4%
Equipment	20	5%
Sewer pump stations	20 ~ 80	1.25 ~ 5%
Tunnels	3 ~ 175	0.57 ~ 33.3%
Treatment plants	3 ~ 100	1 ~ 33.3%



The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

### **Intangible assets**

Intangible assets predominantly comprise computer software and carbon credits. They are recorded at cost less any subsequent amortisation and impairment losses.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives and depreciation rate range of these assets are as follows:

Computer software	1 to 7 years	14.29% to 100%
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Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits are recognised at cost at the date of allocation or purchase.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

### **Research and Development**

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

### **Leases**

#### **Operating leases as lessee**

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

#### **Operating leases as lessor**

The Group leases investment properties and a portion of land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

#### **Finance leases**

Finance leases transfer to the Group (as lessee) substantially all the risks and rewards of ownership of the leased asset. Initial recognition of a finance lease results in an asset and

liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments.

The finance charge is released to surplus or deficit over the lease period and the capitalised values are amortised over the shorter of the lease term and the useful life of the leased item.

### **Employee benefit liabilities**

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

#### **Holiday leave**

Holiday leave includes: annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

#### **Retirement gratuities**

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

#### **Other contractual entitlements**

Other contractual entitlements include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

### **Provisions**

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

#### **Landfill post-closure costs**

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control

features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council has a 21.5% joint venture interest in the Spicer Valley landfill. The Council's provision for landfill post-closure costs includes the Council's proportionate share of the Spicer Valley landfill provision for post-closure costs.

#### **ACC partnership programme**

The Council is an Accredited Employer under the ACC Partnership Programme. As such the Council accepts the management and financial responsibility of our employee work-related injuries. From 1 April 2009 the Council changed its agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, the Council is responsible for managing work related injury claims for a two-year period only and transfer ongoing claims to ACC at the end of the two-year claim management period with no further liability. Under the ACC Partnership Programme the Council is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to work-related injuries occurring up to the end of the reporting period for which the Council has responsibility under the terms of the Partnership Programme.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Council measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Council's best estimate of the obligation or the amount initially recognised less any amortisation.

#### **Net Assets/Equity**

Net assets or equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Net assets or equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of net assets or equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

### **Prospective Statement of Cash Flows**

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The prospective statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and the Group and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

### **Related parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include members of the Group and key management personnel. Key management personnel include the Mayor and Councillors as Directors, the Chief Executive and all members of the Executive Leadership Team being key advisors to the Directors and Chief Executive.

The Mayor and Councillors are considered Directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

### **Cost allocation**

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

### **Comparatives**

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.



### **Public Benefit Entity Financial Reporting Standard 42 *Prospective Financial Statements* (PBE FRS 42)**

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

*(i) Description of the nature of the entity's current operation and its principal activities*

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Long-term Plan.

*(ii) Purpose for which the prospective financial statements are prepared*

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Long-term Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

*(iii) Bases for assumptions, risks and uncertainties*

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Long-term Plan.

*(iv) Cautionary Note*

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

*(iv) Other Disclosures*

These draft prospective financial statements were adopted as part of the assumptions that form the 2015-2025 Long-term Plan consultative documents for issue on XX XXXX 2015 by Wellington City Council. The Council is responsible for the draft prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Long-term Plan is prospective and as such contains no actual operating results.

*Funding Impact Statement*

## Our ten year plan

WELLINGTON CITY COUNCIL'S  
DRAFT LONG TERM PLAN 2015-25.



### ***Funding Impact Statement***

*This document is part six of our draft ten year plan. It sets out our prospective financial statements.*

Other components of our draft ten year plan include:

*Part One: **Financial Strategy** – it sets out the rates and borrowing limits of the council and the approach we take to ensure our programme is prudent and affordable.*

*Part Two: **Infrastructure Strategy** - it provides an overview of how we plan to manage our assets over the next 30 years.*

*Part Three: **Significant Forecasting Assumptions** - all plans are subject to change. These forecasting assumptions set out our starting point – the key facts and projections that we know today and expect to be important over the ten years of the plan.*

*Part Four: **Statements of Service Provision** - this document sets out our activities, associated performance measures, and the budgets for our capital and operating projects and programmes.*

*Part five: **Funding and Financial Policies** - these include our:*

- *Revenue and Financing Policy*
- *Rates Remissions Policy*
- *Rates Postponement Policy*
- *Investment and Liability Management Policy*
- *Fees and Charges.*

Related documents:

***Consultation Document** – this sets out the key matter for consultation.*

***Civic Precinct** (Statement of Proposal) – we are proposing to revitalise Civic Square including the leasing of some sites to, in part, off-set the costs of strengthening the Town Hall and other buildings.*

***Significance and Engagement Policy** – we adopted this last year. It guides our approach to consultation.*

**FUNDING IMPACT STATEMENT  
FOR WHOLE OF COUNCIL**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	134,936	149,670	14,734		159,967	170,289	180,755	191,533	200,521	210,294	223,307	229,776	234,699
Targeted rates (other than a targeted rate for water supply)	106,451	106,527	76		110,584	116,624	121,571	126,965	132,738	137,551	142,566	149,510	154,614
Subsidies and grants for operating purposes	7,714	6,868	(846)		7,745	8,129	6,931	7,539	6,379	7,591	7,453	7,923	8,313
Fees, charges, and targeted rates for water supply *	134,566	135,764	1,198		139,654	143,371	147,022	151,939	154,944	156,337	159,904	163,900	167,692
Interest and dividends from investments	11,044	11,013	(31)		11,013	11,113	10,513	11,513	14,931	17,571	17,515	20,060	21,307
Local authorities fuel tax, fines, infringement fees, and other receipts	9,541	9,255	(286)		9,517	9,679	9,827	9,980	10,149	10,336	10,533	10,741	10,984
<b>Total operating funding (A)</b>	<b>404,252</b>	<b>419,097</b>	<b>14,845</b>		<b>438,500</b>	<b>459,205</b>	<b>476,619</b>	<b>499,469</b>	<b>519,662</b>	<b>539,680</b>	<b>561,278</b>	<b>581,910</b>	<b>597,609</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	269,637	277,163	7,526		282,241	291,774	299,841	310,133	318,366	329,372	339,729	350,290	362,154
Finance costs	23,041	23,726	685		28,520	32,006	35,105	38,898	39,884	43,298	50,506	52,480	54,326
Internal charges and overheads applied	-	-	-		-	-	-	-	-	-	-	-	-
Other operating funding applications	28,958	41,544	12,586		43,534	36,207	35,769	38,324	41,884	44,480	44,938	45,452	45,984
<b>Total applications of operating funding (B)</b>	<b>321,636</b>	<b>342,433</b>	<b>20,797</b>		<b>354,295</b>	<b>359,987</b>	<b>370,715</b>	<b>387,355</b>	<b>400,134</b>	<b>417,150</b>	<b>435,173</b>	<b>448,222</b>	<b>462,464</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>82,616</b>	<b>76,664</b>	<b>(5,952)</b>		<b>84,205</b>	<b>99,218</b>	<b>105,904</b>	<b>112,114</b>	<b>119,528</b>	<b>122,530</b>	<b>126,105</b>	<b>133,688</b>	<b>135,145</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	43,375	35,250	(8,125)		33,739	27,359	25,693	15,725	16,734	16,080	16,692	16,659	17,393
Development and financial contributions	2,000	2,000	-		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Increase (decrease) in debt	34,964	50,358	15,393		60,178	60,482	51,065	15,194	16,123	88,308	33,606	24,167	31,519
Gross proceeds from sales of assets	4,050	2,650	(1,400)		4,600	5,250	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>84,389</b>	<b>90,258</b>	<b>5,868</b>		<b>100,517</b>	<b>95,091</b>	<b>80,758</b>	<b>34,919</b>	<b>36,857</b>	<b>108,388</b>	<b>54,298</b>	<b>44,826</b>	<b>52,912</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	2,558	2,593	35		1,830	7,739	2,845	6,353	4,512	9,744	7,369	9,163	3,118
- to improve the level of service	69,965	63,289	(6,676)		74,565	85,313	86,245	51,317	50,975	123,672	74,731	72,198	69,618
- to replace existing assets	79,480	97,744	18,264		82,683	93,577	92,757	86,113	98,669	95,947	97,228	96,544	115,119
Increase (decrease) in reserves	15,002	3,296	(11,707)		25,644	7,680	4,815	3,250	2,229	1,555	1,075	609	202
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>167,005</b>	<b>166,922</b>	<b>(84)</b>		<b>184,722</b>	<b>194,309</b>	<b>186,662</b>	<b>147,033</b>	<b>156,385</b>	<b>230,918</b>	<b>180,403</b>	<b>178,514</b>	<b>188,057</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(82,616)</b>	<b>(76,664)</b>	<b>5,952</b>		<b>(84,205)</b>	<b>(99,218)</b>	<b>(105,904)</b>	<b>(112,114)</b>	<b>(119,528)</b>	<b>(122,530)</b>	<b>(126,105)</b>	<b>(133,688)</b>	<b>(135,145)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>(0)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>102,165</b>	<b>99,278</b>	<b>1,027</b>		<b>102,214</b>	<b>109,048</b>	<b>113,441</b>	<b>117,790</b>	<b>126,110</b>	<b>130,569</b>	<b>133,450</b>	<b>141,684</b>	<b>145,500</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR GOVERNANCE, INFORMATION AND  
ENGAGEMENT**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	14,214	15,419	1,205		16,085	15,830	16,115	17,499	17,385	17,964	18,825	18,259	18,870
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	565	508	(57)		889	528	539	945	562	575	1,012	603	619
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>14,779</b>	<b>15,927</b>	<b>1,148</b>		<b>16,974</b>	<b>16,358</b>	<b>16,654</b>	<b>18,444</b>	<b>17,947</b>	<b>18,539</b>	<b>19,837</b>	<b>18,862</b>	<b>19,489</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	7,820	9,059	1,239		9,841	9,163	9,475	10,568	9,851	10,229	11,431	10,720	11,073
Finance costs	15	16	1		19	21	24	28	29	31	37	39	41
Internal charges and overheads applied	6,570	6,794	224		7,065	7,109	7,091	7,793	8,002	8,228	8,320	8,055	8,327
Other operating funding applications	313	10	(303)		10	10	10	10	10	10	10	10	10
<b>Total applications of operating funding (B)</b>	<b>14,718</b>	<b>15,879</b>	<b>1,161</b>		<b>16,935</b>	<b>16,303</b>	<b>16,600</b>	<b>18,399</b>	<b>17,892</b>	<b>18,498</b>	<b>19,798</b>	<b>18,824</b>	<b>19,451</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>61</b>	<b>48</b>	<b>(13)</b>		<b>39</b>	<b>55</b>	<b>54</b>	<b>45</b>	<b>55</b>	<b>41</b>	<b>39</b>	<b>38</b>	<b>38</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(48)	(48)		77	(55)	(54)	81	(55)	(41)	99	(38)	(38)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>(48)</b>	<b>(48)</b>		<b>77</b>	<b>(55)</b>	<b>(54)</b>	<b>81</b>	<b>(55)</b>	<b>(41)</b>	<b>99</b>	<b>(38)</b>	<b>(38)</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-		-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-		116	-	-	126	-	-	138	-	-
Increase (decrease) in reserves	61	-	(61)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>61</b>	<b>-</b>	<b>(61)</b>		<b>116</b>	<b>-</b>	<b>-</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(61)</b>	<b>(48)</b>	<b>13</b>		<b>(39)</b>	<b>(55)</b>	<b>(54)</b>	<b>(45)</b>	<b>(55)</b>	<b>(41)</b>	<b>(39)</b>	<b>(38)</b>	<b>(38)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Expenses for this activity grouping include the following depreciation/amortisation charge	61	48	6		39	55	54	45	55	41	39	38	38

\* Only the Water activity includes metered water rates

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT**

**FOR MAORI AND MANA WHENUA PARTNERSHIPS**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	225	281	56		288	296	304	312	321	330	340	352	365
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	-	-	-		-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>225</b>	<b>281</b>	<b>56</b>		<b>288</b>	<b>296</b>	<b>304</b>	<b>312</b>	<b>321</b>	<b>330</b>	<b>340</b>	<b>352</b>	<b>365</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	214	267	53		274	281	289	298	306	316	326	337	350
Finance costs	1	1	-		1	1	1	-	-	-	-	-	-
Internal charges and overheads applied	8	11	3		11	12	12	12	13	13	13	14	14
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>223</b>	<b>279</b>	<b>56</b>		<b>286</b>	<b>294</b>	<b>302</b>	<b>310</b>	<b>319</b>	<b>329</b>	<b>339</b>	<b>351</b>	<b>364</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2</b>	<b>2</b>	<b>-</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(2)	(2)		(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>		<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-		-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	2	-	(2)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2</b>	<b>-</b>	<b>(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>		<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>2</b>	<b>2</b>	<b>2</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015

FUNDING IMPACT STATEMENT  
FOR GARDENS, BEACHES AND GREEN OPEN  
SPACES

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	27,267	30,313	3,046		30,804	31,799	33,111	34,916	35,643	36,393	38,177	39,029	40,234
Targeted rates (other than a targeted rate for water supply)	632	-	(632)		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	671	664	(7)		782	834	792	880	699	879	851	915	967
Fees, charges, and targeted rates for water supply *	1,314	1,437	123		1,465	1,494	1,525	1,557	1,591	1,629	1,667	1,708	1,751
Internal charges and overheads recovered	5,101	5,111	10		5,203	5,311	5,418	5,536	5,658	5,791	5,934	6,088	6,251
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>34,985</b>	<b>37,525</b>	<b>2,540</b>		<b>38,254</b>	<b>39,438</b>	<b>40,846</b>	<b>42,889</b>	<b>43,591</b>	<b>44,692</b>	<b>46,629</b>	<b>47,740</b>	<b>49,203</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	17,767	19,225	1,458		19,387	20,018	20,777	21,738	22,033	22,720	23,361	24,041	24,855
Finance costs	1,834	2,037	203		2,383	2,626	3,041	3,539	3,701	3,940	4,640	4,872	5,059
Internal charges and overheads applied	11,520	12,212	692		12,445	12,733	12,999	13,483	13,756	13,942	14,367	14,565	14,866
Other operating funding applications	100	120	20		121	101	101	102	102	102	103	103	103
<b>Total applications of operating funding (B)</b>	<b>31,221</b>	<b>33,594</b>	<b>2,373</b>		<b>34,336</b>	<b>35,478</b>	<b>36,918</b>	<b>38,862</b>	<b>39,592</b>	<b>40,704</b>	<b>42,471</b>	<b>43,581</b>	<b>44,883</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,764</b>	<b>3,931</b>	<b>167</b>		<b>3,918</b>	<b>3,960</b>	<b>3,928</b>	<b>4,027</b>	<b>3,999</b>	<b>3,988</b>	<b>4,158</b>	<b>4,159</b>	<b>4,320</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	620	650	30		-	50	600	150	507	507	507	507	507
Development and financial contributions	183	183	-		183	183	183	183	183	183	183	183	183
Increase (decrease) in debt	411	(2,182)	(2,593)		(1,419)	(717)	(1,495)	(1,787)	(1,073)	3,583	(1,997)	(1,832)	(723)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,214</b>	<b>(1,349)</b>	<b>(2,563)</b>		<b>(1,236)</b>	<b>(484)</b>	<b>(712)</b>	<b>(1,454)</b>	<b>(383)</b>	<b>4,273</b>	<b>(1,307)</b>	<b>(1,142)</b>	<b>(33)</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	34	70	36		82	87	37	38	39	4,040	42	43	45
- to improve the level of service	1,180	1,081	(99)		842	888	1,209	452	995	1,154	929	961	995
- to replace existing assets	1,791	1,431	(360)		1,758	2,501	1,970	2,083	2,582	3,067	1,880	2,013	3,247
Increase (decrease) in reserves	1,973	-	(1,973)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,978</b>	<b>2,582</b>	<b>(2,396)</b>		<b>2,682</b>	<b>3,476</b>	<b>3,216</b>	<b>2,573</b>	<b>3,616</b>	<b>8,261</b>	<b>2,851</b>	<b>3,017</b>	<b>4,287</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,764)</b>	<b>(3,931)</b>	<b>(167)</b>		<b>(3,918)</b>	<b>(3,960)</b>	<b>(3,928)</b>	<b>(4,027)</b>	<b>(3,999)</b>	<b>(3,988)</b>	<b>(4,158)</b>	<b>(4,159)</b>	<b>(4,320)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>4,042</b>	<b>3,931</b>	<b>(414)</b>		<b>3,918</b>	<b>3,960</b>	<b>3,928</b>	<b>4,027</b>	<b>3,999</b>	<b>3,988</b>	<b>4,158</b>	<b>4,159</b>	<b>4,320</b>
* Only the Water activity includes metered water rates													
Notes:													

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR WASTE REDUCTION AND ENERGY  
CONSERVATION**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	404	758	354		684	511	492	547	566	1,163	1,862	1,961	2,117
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	12,926	12,876	(50)		13,273	13,602	13,772	14,382	14,756	14,682	14,419	14,767	15,140
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>13,330</b>	<b>13,634</b>	<b>304</b>		<b>13,957</b>	<b>14,113</b>	<b>14,264</b>	<b>14,929</b>	<b>15,322</b>	<b>15,845</b>	<b>16,281</b>	<b>16,728</b>	<b>17,257</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	11,873	12,127	254		12,423	12,732	13,074	13,442	13,820	14,256	14,707	15,213	15,745
Finance costs	1,005	878	(127)		777	661	463	442	414	494	490	471	414
Internal charges and overheads applied	(112)	44	156		43	42	47	83	100	90	65	21	4
Other operating funding applications	5	255	250		255	105	105	105	105	105	105	105	105
<b>Total applications of operating funding (B)</b>	<b>12,771</b>	<b>13,304</b>	<b>533</b>		<b>13,498</b>	<b>13,540</b>	<b>13,689</b>	<b>14,072</b>	<b>14,439</b>	<b>14,945</b>	<b>15,367</b>	<b>15,810</b>	<b>16,268</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>559</b>	<b>330</b>	<b>(229)</b>		<b>459</b>	<b>573</b>	<b>575</b>	<b>857</b>	<b>883</b>	<b>900</b>	<b>914</b>	<b>918</b>	<b>989</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	67	4,521	4,454		2,412	3,097	4,649	264	211	1,048	(303)	2,315	2,359
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>67</b>	<b>4,521</b>	<b>4,454</b>		<b>2,412</b>	<b>3,097</b>	<b>4,649</b>	<b>264</b>	<b>211</b>	<b>1,048</b>	<b>(303)</b>	<b>2,315</b>	<b>2,359</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	67	-	(67)		-	-	-	-	-	-	-	-	-
- to replace existing assets	709	4,851	4,142		2,871	3,670	5,224	1,121	1,094	1,948	611	3,233	3,348
Increase (decrease) in reserves	(150)	-	150		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>626</b>	<b>4,851</b>	<b>4,225</b>		<b>2,871</b>	<b>3,670</b>	<b>5,224</b>	<b>1,121</b>	<b>1,094</b>	<b>1,948</b>	<b>611</b>	<b>3,233</b>	<b>3,348</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(559)</b>	<b>(330)</b>	<b>229</b>		<b>(459)</b>	<b>(573)</b>	<b>(575)</b>	<b>(857)</b>	<b>(883)</b>	<b>(900)</b>	<b>(914)</b>	<b>(918)</b>	<b>(989)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>435</b>	<b>326</b>	<b>(383)</b>		<b>459</b>	<b>573</b>	<b>575</b>	<b>857</b>	<b>883</b>	<b>900</b>	<b>914</b>	<b>918</b>	<b>989</b>

\* Only the Water activity includes metered water rates

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015



**Item 4.1 Attachment 8**

**FOR WATER**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	-	-	-		-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	25,408	24,590	(818)		25,745	27,274	28,880	30,698	33,335	34,912	36,085	38,195	39,362
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	13,912	13,581	(331)		14,216	15,060	15,946	16,948	18,401	19,269	19,918	21,081	21,724
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>39,320</b>	<b>38,171</b>	<b>(1,149)</b>		<b>39,961</b>	<b>42,334</b>	<b>44,826</b>	<b>47,646</b>	<b>51,736</b>	<b>54,181</b>	<b>56,003</b>	<b>59,276</b>	<b>61,086</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	21,547	22,210	663		23,672	24,930	27,050	29,406	32,248	34,499	35,730	37,433	39,167
Finance costs	2,104	2,147	43		2,447	2,621	2,951	3,332	3,374	3,471	3,938	3,972	3,951
Internal charges and overheads applied	1,522	1,532	10		1,559	1,593	1,626	1,676	1,716	1,756	1,790	1,824	1,870
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>25,173</b>	<b>25,889</b>	<b>716</b>		<b>27,678</b>	<b>29,144</b>	<b>31,627</b>	<b>34,414</b>	<b>37,338</b>	<b>39,726</b>	<b>41,458</b>	<b>43,229</b>	<b>44,988</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>14,147</b>	<b>12,282</b>	<b>(1,865)</b>		<b>12,283</b>	<b>13,190</b>	<b>13,199</b>	<b>13,232</b>	<b>14,398</b>	<b>14,455</b>	<b>14,545</b>	<b>16,047</b>	<b>16,098</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	671	671	-		671	671	671	671	671	671	671	671	671
Increase (decrease) in debt	2,520	4,136	1,616		2,234	1,814	6,715	7,738	4,719	8,690	11,503	3,578	6,404
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,191</b>	<b>4,807</b>	<b>1,616</b>		<b>2,905</b>	<b>2,485</b>	<b>7,386</b>	<b>8,409</b>	<b>5,390</b>	<b>9,361</b>	<b>12,174</b>	<b>4,249</b>	<b>7,075</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	358	571	213		547	651	502	665	630	735	756	647	666
- to improve the level of service	2,833	3,093	260		4,325	5,328	7,390	7,635	7,222	10,977	11,420	6,452	6,666
- to replace existing assets	9,104	13,425	4,321		10,316	9,696	12,693	13,341	11,936	12,104	14,543	13,197	15,841
Increase (decrease) in reserves	5,043	-	(5,043)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>17,338</b>	<b>17,089</b>	<b>(249)</b>		<b>15,188</b>	<b>15,675</b>	<b>20,585</b>	<b>21,641</b>	<b>19,788</b>	<b>23,816</b>	<b>26,719</b>	<b>20,296</b>	<b>23,173</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(14,147)</b>	<b>(12,282)</b>	<b>1,865</b>		<b>(12,283)</b>	<b>(13,190)</b>	<b>(13,199)</b>	<b>(13,232)</b>	<b>(14,398)</b>	<b>(14,455)</b>	<b>(14,545)</b>	<b>(16,047)</b>	<b>(16,098)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>14,739</b>	<b>12,282</b>	<b>(69)</b>		<b>12,283</b>	<b>13,190</b>	<b>13,199</b>	<b>13,232</b>	<b>14,398</b>	<b>14,455</b>	<b>14,545</b>	<b>16,047</b>	<b>16,098</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR WASTEWATER**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	-	-	-		-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	36,257	37,826	1,569		39,275	41,250	42,801	44,737	47,133	48,814	50,945	53,947	55,784
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	1,227	1,233	6		1,256	1,281	1,308	1,335	1,364	1,396	1,430	1,464	1,501
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>37,484</b>	<b>39,059</b>	<b>1,575</b>		<b>40,531</b>	<b>42,531</b>	<b>44,109</b>	<b>46,072</b>	<b>48,497</b>	<b>50,210</b>	<b>52,375</b>	<b>55,411</b>	<b>57,285</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	21,070	21,355	285		22,379	23,405	24,557	25,916	27,188	28,660	30,176	31,810	33,495
Finance costs	3,577	3,783	206		4,157	4,290	4,570	4,995	5,020	5,099	5,597	5,631	5,616
Internal charges and overheads applied	3,541	3,646	105		3,714	3,799	3,885	4,003	4,104	4,208	4,303	4,403	4,525
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>28,188</b>	<b>28,784</b>	<b>596</b>		<b>30,250</b>	<b>31,494</b>	<b>33,012</b>	<b>34,914</b>	<b>36,312</b>	<b>37,967</b>	<b>40,076</b>	<b>41,844</b>	<b>43,636</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>9,296</b>	<b>10,275</b>	<b>979</b>		<b>10,281</b>	<b>11,037</b>	<b>11,097</b>	<b>11,158</b>	<b>12,185</b>	<b>12,243</b>	<b>12,299</b>	<b>13,567</b>	<b>13,649</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	549	549	-		549	549	549	549	549	549	549	549	549
Increase (decrease) in debt	(377)	(259)	118		651	1,889	309	2,096	(1,879)	(2,135)	(767)	142	11,591
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>172</b>	<b>290</b>	<b>118</b>		<b>1,200</b>	<b>2,438</b>	<b>858</b>	<b>2,645</b>	<b>(1,330)</b>	<b>(1,586)</b>	<b>(218)</b>	<b>691</b>	<b>12,140</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	172	225	53		233	322	319	368	319	325	358	400	533
- to improve the level of service	-	-	-		318	1,622	1,746	1,796	153	158	163	169	175
- to replace existing assets	7,573	10,340	2,767		10,930	11,531	9,890	11,639	10,383	10,174	11,560	13,689	25,081
Increase (decrease) in reserves	1,723	-	(1,723)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>9,468</b>	<b>10,565</b>	<b>1,097</b>		<b>11,481</b>	<b>13,475</b>	<b>11,955</b>	<b>13,803</b>	<b>10,855</b>	<b>10,657</b>	<b>12,081</b>	<b>14,258</b>	<b>25,789</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(9,296)</b>	<b>(10,275)</b>	<b>(979)</b>		<b>(10,281)</b>	<b>(11,037)</b>	<b>(11,097)</b>	<b>(11,158)</b>	<b>(12,185)</b>	<b>(12,243)</b>	<b>(12,299)</b>	<b>(13,567)</b>	<b>(13,649)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>													
* Only the Water activity includes metered water rates	13,416	13,428	(740)		13,434	14,421	14,481	14,542	15,847	15,881	15,933	17,549	17,631

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR STORMWATER**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	-	-	-		-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	18,648	17,856	(792)		18,522	19,262	20,019	20,997	22,030	22,779	23,892	25,209	25,807
Subsidies and grants for operating purposes	120	130	10		152	161	152	168	133	166	161	173	183
Fees, charges, and targeted rates for water supply *	9	10	1		10	10	10	10	11	11	11	11	12
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>18,777</b>	<b>17,996</b>	<b>(781)</b>		<b>18,684</b>	<b>19,433</b>	<b>20,181</b>	<b>21,175</b>	<b>22,174</b>	<b>22,956</b>	<b>24,064</b>	<b>25,393</b>	<b>26,002</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	7,432	7,401	(31)		7,581	7,546	7,676	7,930	8,138	8,563	8,660	8,957	9,274
Finance costs	2,875	2,968	93		3,461	3,797	4,384	5,082	5,292	5,606	6,561	6,840	7,049
Internal charges and overheads applied	1,473	1,575	102		1,600	1,634	1,666	1,720	1,760	1,797	1,828	1,857	1,900
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>11,780</b>	<b>11,944</b>	<b>164</b>		<b>12,642</b>	<b>12,977</b>	<b>13,726</b>	<b>14,732</b>	<b>15,190</b>	<b>15,966</b>	<b>17,049</b>	<b>17,654</b>	<b>18,223</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,997</b>	<b>6,052</b>	<b>(945)</b>		<b>6,042</b>	<b>6,456</b>	<b>6,455</b>	<b>6,443</b>	<b>6,984</b>	<b>6,990</b>	<b>7,015</b>	<b>7,739</b>	<b>7,779</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	58	58	-		58	58	58	58	58	58	58	58	58
Increase (decrease) in debt	499	(2,232)	(2,731)		(2,762)	(2,634)	(3,870)	(2,300)	(1,902)	(145)	2,293	2,060	504
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>557</b>	<b>(2,174)</b>	<b>(2,731)</b>		<b>(2,704)</b>	<b>(2,576)</b>	<b>(3,812)</b>	<b>(2,242)</b>	<b>(1,844)</b>	<b>(87)</b>	<b>2,351</b>	<b>2,118</b>	<b>562</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	106	147	41		146	149	123	153	185	248	279	291	280
- to improve the level of service	451	909	458		910	931	825	1,391	2,313	4,782	5,033	5,219	5,317
- to replace existing assets	3,697	2,822	(875)		2,282	2,800	1,695	2,657	2,642	1,873	4,054	4,347	2,744
Increase (decrease) in reserves	3,300	-	(3,300)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>7,554</b>	<b>3,878</b>	<b>(3,676)</b>		<b>3,338</b>	<b>3,880</b>	<b>2,643</b>	<b>4,201</b>	<b>5,140</b>	<b>6,903</b>	<b>9,366</b>	<b>9,857</b>	<b>8,341</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,997)</b>	<b>(6,052)</b>	<b>945</b>		<b>(6,042)</b>	<b>(6,456)</b>	<b>(6,455)</b>	<b>(6,443)</b>	<b>(6,984)</b>	<b>(6,990)</b>	<b>(7,015)</b>	<b>(7,739)</b>	<b>(7,779)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>6,997</b>	<b>6,052</b>	<b>(9)</b>		<b>6,042</b>	<b>6,456</b>	<b>6,455</b>	<b>6,443</b>	<b>6,984</b>	<b>6,990</b>	<b>7,015</b>	<b>7,739</b>	<b>7,779</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR CONSERVATION ATTRACTIONS**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	6,126	6,631	505		7,862	7,916	7,960	8,079	8,136	8,210	8,229	8,246	8,274
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	-	-	-		-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>6,126</b>	<b>6,631</b>	<b>505</b>		<b>7,862</b>	<b>7,916</b>	<b>7,960</b>	<b>8,079</b>	<b>8,136</b>	<b>8,210</b>	<b>8,229</b>	<b>8,246</b>	<b>8,274</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	138	216	78		221	225	230	236	242	249	256	264	274
Finance costs	755	919	164		1,158	1,137	1,126	1,159	1,120	1,083	1,094	1,046	992
Internal charges and overheads applied	264	285	21		288	289	288	292	294	295	295	293	294
Other operating funding applications	3,632	9,689	6,057		3,759	3,832	3,914	4,001	4,091	4,195	4,302	4,423	4,549
<b>Total applications of operating funding (B)</b>	<b>4,789</b>	<b>11,109</b>	<b>6,320</b>		<b>5,426</b>	<b>5,483</b>	<b>5,558</b>	<b>5,688</b>	<b>5,747</b>	<b>5,822</b>	<b>5,947</b>	<b>6,026</b>	<b>6,109</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,337</b>	<b>(4,478)</b>	<b>(5,815)</b>		<b>2,436</b>	<b>2,433</b>	<b>2,402</b>	<b>2,391</b>	<b>2,389</b>	<b>2,388</b>	<b>2,282</b>	<b>2,220</b>	<b>2,165</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	129	126	(3)		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	387	5,668	5,281		(1,619)	(1,590)	(1,548)	(1,503)	(1,467)	(1,448)	(1,312)	(1,218)	(1,128)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>516</b>	<b>5,794</b>	<b>5,278</b>		<b>(1,619)</b>	<b>(1,590)</b>	<b>(1,548)</b>	<b>(1,503)</b>	<b>(1,467)</b>	<b>(1,448)</b>	<b>(1,312)</b>	<b>(1,218)</b>	<b>(1,128)</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	516	516	-		-	-	-	-	-	-	-	-	-
- to replace existing assets	278	800	522		817	843	854	888	922	940	970	1,002	1,037
Increase (decrease) in reserves	1,059	-	(1,059)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,853</b>	<b>1,316</b>	<b>(537)</b>		<b>817</b>	<b>843</b>	<b>854</b>	<b>888</b>	<b>922</b>	<b>940</b>	<b>970</b>	<b>1,002</b>	<b>1,037</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,337)</b>	<b>4,478</b>	<b>5,815</b>		<b>(2,436)</b>	<b>(2,433)</b>	<b>(2,402)</b>	<b>(2,391)</b>	<b>(2,389)</b>	<b>(2,388)</b>	<b>(2,282)</b>	<b>(2,220)</b>	<b>(2,165)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>													
* Only the Water activity includes metered water rates	1,337	1,522	206		1,553	1,550	1,519	1,508	1,506	1,505	1,399	1,337	1,282

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

FUNDING IMPACT STATEMENT

FOR CITY PROMOTIONS AND BUSINESS SUPPORT

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	5,207	5,530	323		6,096	8,620	11,942	14,384	16,248	20,688	24,023	24,940	25,503
Targeted rates (other than a targeted rate for water supply)	15,012	15,632	620		15,762	17,289	17,944	17,927	17,311	17,864	18,185	18,436	19,501
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	14,035	14,365	330		14,638	14,925	15,241	15,557	17,320	18,333	18,765	19,212	19,690
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>34,254</b>	<b>35,527</b>	<b>1,273</b>		<b>36,496</b>	<b>40,834</b>	<b>45,127</b>	<b>47,868</b>	<b>50,879</b>	<b>56,885</b>	<b>60,973</b>	<b>62,588</b>	<b>64,694</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	26,079	22,164	(3,915)		22,595	26,932	28,229	28,677	29,121	30,631	31,530	32,205	34,133
Finance costs	710	745	35		816	840	894	978	1,331	3,439	5,862	6,272	6,181
Internal charges and overheads applied	1,848	1,275	(573)		1,307	1,315	1,305	1,427	1,462	1,500	1,512	1,765	1,811
Other operating funding applications	7,553	12,548	4,995		17,548	12,548	12,548	14,715	16,882	19,048	19,048	19,048	19,048
<b>Total applications of operating funding (B)</b>	<b>36,190</b>	<b>36,732</b>	<b>542</b>		<b>42,266</b>	<b>41,635</b>	<b>42,976</b>	<b>45,797</b>	<b>48,796</b>	<b>54,618</b>	<b>57,952</b>	<b>59,290</b>	<b>61,173</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(1,936)</b>	<b>(1,205)</b>	<b>731</b>		<b>(5,770)</b>	<b>(801)</b>	<b>2,151</b>	<b>2,071</b>	<b>2,083</b>	<b>2,267</b>	<b>3,021</b>	<b>3,298</b>	<b>3,521</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	3,169	3,169		7,869	2,171	(1,628)	(813)	8,609	47,395	7,706	(2,600)	(1,509)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>3,169</b>	<b>3,169</b>		<b>7,869</b>	<b>2,171</b>	<b>(1,628)</b>	<b>(813)</b>	<b>8,609</b>	<b>47,395</b>	<b>7,706</b>	<b>(2,600)</b>	<b>(1,509)</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-		-	-	-	-	8,330	47,702	8,877	-	-
- to replace existing assets	1,341	1,964	623		2,099	1,370	523	1,258	2,362	1,960	1,850	698	2,012
Increase (decrease) in reserves	(3,277)	-	3,277		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(1,936)</b>	<b>1,964</b>	<b>3,900</b>		<b>2,099</b>	<b>1,370</b>	<b>523</b>	<b>1,258</b>	<b>10,692</b>	<b>49,662</b>	<b>10,727</b>	<b>698</b>	<b>2,012</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>1,936</b>	<b>1,205</b>	<b>(731)</b>		<b>5,770</b>	<b>801</b>	<b>(2,151)</b>	<b>(2,071)</b>	<b>(2,083)</b>	<b>(2,267)</b>	<b>(3,021)</b>	<b>(3,298)</b>	<b>(3,521)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>1,618</b>	<b>1,795</b>	<b>(746)</b>		<b>1,805</b>	<b>1,774</b>	<b>1,726</b>	<b>1,646</b>	<b>1,658</b>	<b>1,842</b>	<b>2,596</b>	<b>2,873</b>	<b>3,096</b>

\* Only the Water activity includes metered water rates

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR ARTS AND CULTURE ACTIVITIES**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	11,947	12,641	694		13,188	13,412	13,584	13,567	13,829	14,120	14,405	14,681	15,038
Targeted rates (other than a targeted rate for water supply)	5,243	5,362	119		5,525	5,597	5,718	5,671	5,722	5,817	5,908	6,000	6,108
Subsidies and grants for operating purposes	430	410	(20)		417	426	435	444	453	464	475	487	499
Fees, charges, and targeted rates for water supply *	583	577	(6)		588	600	613	625	639	654	670	686	703
Internal charges and overheads recovered	72	-	(72)		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>18,275</b>	<b>18,990</b>	<b>715</b>		<b>19,718</b>	<b>20,035</b>	<b>20,350</b>	<b>20,307</b>	<b>20,643</b>	<b>21,055</b>	<b>21,458</b>	<b>21,854</b>	<b>22,348</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	3,510	3,972	462		4,062	4,163	4,222	3,780	3,881	4,000	4,120	4,256	4,398
Finance costs	211	475	264		798	788	779	808	795	783	799	786	770
Internal charges and overheads applied	1,049	1,007	(42)		1,061	1,076	1,082	1,179	1,221	1,254	1,262	1,244	1,282
Other operating funding applications	12,680	12,866	186		13,105	13,292	13,398	13,618	13,845	14,105	14,371	14,671	14,985
<b>Total applications of operating funding (B)</b>	<b>17,450</b>	<b>18,320</b>	<b>870</b>		<b>19,026</b>	<b>19,319</b>	<b>19,481</b>	<b>19,385</b>	<b>19,742</b>	<b>20,142</b>	<b>20,552</b>	<b>20,957</b>	<b>21,435</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>825</b>	<b>670</b>	<b>(155)</b>		<b>692</b>	<b>716</b>	<b>869</b>	<b>922</b>	<b>901</b>	<b>913</b>	<b>906</b>	<b>897</b>	<b>913</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	450	450		306	727	1,220	1,191	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	26	10,237	10,211		(254)	4,373	168	27	(871)	(882)	(874)	(863)	(878)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>26</b>	<b>10,687</b>	<b>10,661</b>		<b>52</b>	<b>5,100</b>	<b>1,388</b>	<b>1,218</b>	<b>(871)</b>	<b>(882)</b>	<b>(874)</b>	<b>(863)</b>	<b>(878)</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	26	11,255	11,229		742	5,805	2,234	2,135	24	24	24	25	26
- to replace existing assets	1	102	101		2	11	23	5	6	7	8	9	9
Increase (decrease) in reserves	824	-	(824)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>851</b>	<b>11,357</b>	<b>10,506</b>		<b>744</b>	<b>5,816</b>	<b>2,257</b>	<b>2,140</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>34</b>	<b>35</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(825)</b>	<b>(670)</b>	<b>155</b>		<b>(692)</b>	<b>(716)</b>	<b>(869)</b>	<b>(922)</b>	<b>(901)</b>	<b>(913)</b>	<b>(906)</b>	<b>(897)</b>	<b>(913)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>825</b>	<b>670</b>	<b>20</b>		<b>692</b>	<b>716</b>	<b>869</b>	<b>922</b>	<b>901</b>	<b>913</b>	<b>906</b>	<b>897</b>	<b>913</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015



**FUNDING IMPACT STATEMENT  
FOR RECREATION PROMOTION AND SUPPORT**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	24,001	24,998	997		25,601	25,800	25,985	26,341	27,061	27,755	27,816	27,934	28,593
Targeted rates (other than a targeted rate for water supply)	1,039	1,089	50		1,218	1,338	1,491	1,871	1,914	2,033	2,077	2,108	2,249
Subsidies and grants for operating purposes	398	200	(198)		204	208	212	217	221	227	232	238	244
Fees, charges, and targeted rates for water supply *	11,483	11,547	64		11,847	12,002	12,352	12,669	12,579	13,024	13,400	13,831	14,248
Internal charges and overheads recovered	1,051	1,116	65		1,136	1,160	1,183	1,209	1,236	1,265	1,296	1,329	1,365
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>37,972</b>	<b>38,950</b>	<b>978</b>		<b>40,006</b>	<b>40,508</b>	<b>41,223</b>	<b>42,307</b>	<b>43,011</b>	<b>44,304</b>	<b>44,821</b>	<b>45,440</b>	<b>46,699</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	16,950	17,961	1,011		18,467	19,066	19,510	19,912	20,632	21,502	21,841	22,461	23,036
Finance costs	3,725	3,628	(97)		3,830	3,791	3,742	3,854	3,718	3,606	3,683	3,578	3,457
Internal charges and overheads applied	9,411	9,109	(302)		9,301	9,651	9,875	10,177	10,365	10,496	10,755	10,853	11,048
Other operating funding applications	650	663	13		678	694	712	731	751	774	797	824	851
<b>Total applications of operating funding (B)</b>	<b>30,736</b>	<b>31,361</b>	<b>625</b>		<b>32,276</b>	<b>33,202</b>	<b>33,839</b>	<b>34,674</b>	<b>35,466</b>	<b>36,378</b>	<b>37,076</b>	<b>37,716</b>	<b>38,392</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>7,236</b>	<b>7,589</b>	<b>353</b>		<b>7,730</b>	<b>7,306</b>	<b>7,384</b>	<b>7,633</b>	<b>7,545</b>	<b>7,926</b>	<b>7,745</b>	<b>7,724</b>	<b>8,307</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	457	386	(71)		(316)	(1,617)	6,367	(3,962)	(2,412)	(1,937)	(3,585)	(4,251)	(4,350)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>457</b>	<b>386</b>	<b>(71)</b>		<b>(316)</b>	<b>(1,617)</b>	<b>6,367</b>	<b>(3,962)</b>	<b>(2,412)</b>	<b>(1,937)</b>	<b>(3,585)</b>	<b>(4,251)</b>	<b>(4,350)</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	123	-	(123)		-	-	-	-	-	-	-	-	-
- to improve the level of service	334	1,126	792		1,651	1,335	5,627	91	93	96	99	103	107
- to replace existing assets	2,564	6,849	4,285		5,763	4,354	8,124	3,580	5,040	5,893	4,061	3,370	3,850
Increase (decrease) in reserves	4,672	-	(4,672)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>7,693</b>	<b>7,975</b>	<b>282</b>		<b>7,414</b>	<b>5,689</b>	<b>13,751</b>	<b>3,671</b>	<b>5,133</b>	<b>5,989</b>	<b>4,160</b>	<b>3,473</b>	<b>3,957</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(7,236)</b>	<b>(7,589)</b>	<b>(353)</b>		<b>(7,730)</b>	<b>(7,306)</b>	<b>(7,384)</b>	<b>(7,633)</b>	<b>(7,545)</b>	<b>(7,926)</b>	<b>(7,745)</b>	<b>(7,724)</b>	<b>(8,307)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>7,324</b>	<b>7,589</b>	<b>(31)</b>		<b>7,730</b>	<b>7,306</b>	<b>7,384</b>	<b>7,633</b>	<b>7,545</b>	<b>7,926</b>	<b>7,745</b>	<b>7,724</b>	<b>8,307</b>

\* Only the Water activity includes metered water rates

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR COMMUNITY SUPPORT**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	21,755	22,226	471		24,134	25,895	27,851	28,175	29,237	30,155	31,455	31,708	30,332
Targeted rates (other than a targeted rate for water supply)	4,179	4,172	(7)		4,537	4,614	4,718	5,064	5,293	5,332	5,474	5,615	5,803
Subsidies and grants for operating purposes	1,296	969	(327)		934	937	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	22,057	22,869	812		23,557	25,428	25,932	26,882	26,976	25,413	26,013	26,641	27,302
Internal charges and overheads recovered	1,287	1,171	(116)		820	600	496	496	579	1,149	1,166	1,181	1,207
Local authorities fuel tax, fines, infringement fees, and other receipts	659	586	(73)		551	526	503	483	465	450	436	425	435
<b>Total operating funding (A)</b>	<b>51,233</b>	<b>51,993</b>	<b>760</b>		<b>54,533</b>	<b>58,000</b>	<b>59,500</b>	<b>61,100</b>	<b>62,550</b>	<b>62,499</b>	<b>64,544</b>	<b>65,570</b>	<b>65,079</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	26,166	26,545	379		26,379	26,999	27,436	28,204	29,048	30,442	31,296	32,600	33,530
Finance costs	(725)	(1,620)	(895)		(1,526)	(1,106)	(1,182)	(1,457)	(1,822)	(2,081)	(2,225)	(1,638)	(1,148)
Internal charges and overheads applied	10,410	11,332	922		12,016	12,430	12,718	13,500	14,051	14,425	14,452	13,529	13,843
Other operating funding applications	3,160	3,713	553		4,131	4,196	4,151	4,210	4,263	4,304	4,363	4,425	4,488
<b>Total applications of operating funding (B)</b>	<b>39,011</b>	<b>39,970</b>	<b>959</b>		<b>41,000</b>	<b>42,519</b>	<b>43,123</b>	<b>44,457</b>	<b>45,540</b>	<b>47,090</b>	<b>47,886</b>	<b>48,916</b>	<b>51,713</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>12,222</b>	<b>12,023</b>	<b>(199)</b>		<b>13,533</b>	<b>15,481</b>	<b>16,377</b>	<b>16,643</b>	<b>17,010</b>	<b>15,409</b>	<b>16,658</b>	<b>16,654</b>	<b>13,366</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	32,036	20,668	(11,368)		17,777	200	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	250	(7,323)	(7,573)		19,063	5,322	(2,185)	(7,677)	(8,737)	(3,986)	(6,760)	14,436	22,566
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>32,286</b>	<b>13,345</b>	<b>(18,941)</b>		<b>36,840</b>	<b>5,522</b>	<b>(2,185)</b>	<b>(7,677)</b>	<b>(8,737)</b>	<b>(3,986)</b>	<b>(6,760)</b>	<b>14,436</b>	<b>22,566</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		822	1,270	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		25,050	9,802	4,738	1,996	1,340	2,615	4,189	25,204	29,793
- to improve the level of service	32,284	22,439	(9,845)		6,724	9,731	9,454	6,970	6,933	8,808	5,709	5,886	6,139
- to replace existing assets	6,915	8,761	1,846		17,777	200	-	-	-	-	-	-	-
Increase (decrease) in reserves	5,309	(5,832)	(11,141)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>44,508</b>	<b>25,368</b>	<b>(19,140)</b>		<b>50,373</b>	<b>21,003</b>	<b>14,192</b>	<b>8,966</b>	<b>8,273</b>	<b>11,423</b>	<b>9,898</b>	<b>31,090</b>	<b>35,932</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(12,222)</b>	<b>(12,023)</b>	<b>199</b>		<b>(13,533)</b>	<b>(15,481)</b>	<b>(16,377)</b>	<b>(16,643)</b>	<b>(17,010)</b>	<b>(15,409)</b>	<b>(16,658)</b>	<b>(16,654)</b>	<b>(13,366)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following</b>													
depreciation/amortisation charge	15,730	15,318	2,556		16,409	17,594	19,218	18,490	18,787	19,829	20,307	21,340	21,106
* Only the Water activity includes metered water rates													

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR PUBLIC HEALTH AND SAFETY**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	8,266	9,538	1,272		9,695	10,210	10,454	11,095	11,371	11,606	12,103	12,322	12,872
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	25	25	-		25	26	27	27	28	28	29	30	30
Fees, charges, and targeted rates for water supply *	3,962	3,993	31		4,109	4,189	4,236	4,324	4,404	4,507	4,615	4,726	4,845
Internal charges and overheads recovered	676	664	(12)		676	690	704	719	735	753	771	791	812
Local authorities fuel tax, fines, infringement fees, and other receipts	52	39	(13)		39	40	41	42	43	44	45	46	47
<b>Total operating funding (A)</b>	<b>12,981</b>	<b>14,259</b>	<b>1,278</b>		<b>14,544</b>	<b>15,155</b>	<b>15,462</b>	<b>16,207</b>	<b>16,581</b>	<b>16,938</b>	<b>17,563</b>	<b>17,915</b>	<b>18,606</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	8,284	9,056	772		9,097	9,576	9,678	10,080	10,291	10,467	10,818	11,149	11,587
Finance costs	76	93	17		106	114	129	147	149	155	179	183	185
Internal charges and overheads applied	3,980	4,338	358		4,490	4,563	4,627	4,899	5,026	5,106	5,240	5,251	5,388
Other operating funding applications	129	129	-		130	131	131	132	133	134	135	137	138
<b>Total applications of operating funding (B)</b>	<b>12,469</b>	<b>13,616</b>	<b>1,147</b>		<b>13,823</b>	<b>14,384</b>	<b>14,565</b>	<b>15,258</b>	<b>15,599</b>	<b>15,862</b>	<b>16,372</b>	<b>16,720</b>	<b>17,298</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>512</b>	<b>643</b>	<b>131</b>		<b>721</b>	<b>771</b>	<b>897</b>	<b>949</b>	<b>982</b>	<b>1,076</b>	<b>1,191</b>	<b>1,195</b>	<b>1,308</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	206	1,196	990		621	1,350	501	707	926	2,209	(18)	109	204
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>206</b>	<b>1,196</b>	<b>990</b>		<b>621</b>	<b>1,350</b>	<b>501</b>	<b>707</b>	<b>926</b>	<b>2,209</b>	<b>(18)</b>	<b>109</b>	<b>204</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	206	110	(96)		151	253	47	175	158	893	262	271	281
- to replace existing assets	1,104	1,729	625		1,191	1,868	1,351	1,481	1,750	2,392	911	1,033	1,231
Increase (decrease) in reserves	(592)	-	592		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>718</b>	<b>1,839</b>	<b>1,121</b>		<b>1,342</b>	<b>2,121</b>	<b>1,398</b>	<b>1,656</b>	<b>1,908</b>	<b>3,285</b>	<b>1,173</b>	<b>1,304</b>	<b>1,512</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(512)</b>	<b>(643)</b>	<b>(131)</b>		<b>(721)</b>	<b>(771)</b>	<b>(897)</b>	<b>(949)</b>	<b>(982)</b>	<b>(1,076)</b>	<b>(1,191)</b>	<b>(1,195)</b>	<b>(1,308)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Expenses for this activity grouping include the following depreciation/amortisation charge	527	643	(153)		721	771	897	949	982	1,076	1,191	1,195	1,308
* Only the Water activity includes metered water rates													

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR URBAN PLANNING, HERITAGE AND PUBLIC  
SPACES DEVELOPMENT**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	7,098	6,593	(505)		6,840	6,972	6,456	6,384	6,486	6,627	6,747	6,851	7,023
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	3,922	20	(3,902)		20	21	21	22	22	23	23	24	24
Internal charges and overheads recovered	310	-	(310)		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>11,330</b>	<b>6,613</b>	<b>(4,717)</b>		<b>6,860</b>	<b>6,993</b>	<b>6,477</b>	<b>6,406</b>	<b>6,508</b>	<b>6,650</b>	<b>6,770</b>	<b>6,875</b>	<b>7,047</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	7,775	2,332	(5,443)		2,382	2,439	2,501	2,288	2,291	2,355	2,425	2,502	2,582
Finance costs	573	15	(558)		18	19	23	26	28	30	35	37	39
Internal charges and overheads applied	3,040	3,205	165		3,399	3,474	3,492	3,632	3,729	3,808	3,860	3,886	3,976
Other operating funding applications	490	1,050	560		1,050	1,050	450	450	450	450	450	450	450
<b>Total applications of operating funding (B)</b>	<b>11,878</b>	<b>6,602</b>	<b>(5,276)</b>		<b>6,849</b>	<b>6,982</b>	<b>6,466</b>	<b>6,396</b>	<b>6,498</b>	<b>6,643</b>	<b>6,770</b>	<b>6,875</b>	<b>7,047</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(548)</b>	<b>11</b>	<b>559</b>		<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,429	8,412	6,983		5,412	1,850	16,272	13,209	14,984	33,872	24,355	13,774	1,427
Gross proceeds from sales of assets	2,050	650	(1,400)		2,600	3,250	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,479</b>	<b>9,062</b>	<b>5,583</b>		<b>8,012</b>	<b>5,100</b>	<b>16,272</b>	<b>13,209</b>	<b>14,984</b>	<b>33,872</b>	<b>24,355</b>	<b>13,774</b>	<b>1,427</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	1,429	6,507	5,078		7,044	3,424	15,932	12,360	11,674	33,673	23,821	13,491	1,128
- to replace existing assets	3,267	2,566	(701)		979	1,687	351	859	3,320	206	534	283	299
Increase (decrease) in reserves	(1,765)	-	1,765		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,931</b>	<b>9,073</b>	<b>6,142</b>		<b>8,023</b>	<b>5,111</b>	<b>16,283</b>	<b>13,219</b>	<b>14,994</b>	<b>33,879</b>	<b>24,355</b>	<b>13,774</b>	<b>1,427</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>548</b>	<b>(11)</b>	<b>(559)</b>		<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>(10)</b>	<b>(10)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following</b>													
depreciation/amortisation charge	4,305	11	4,304		11	11	11	10	10	7	-	-	-

\* Only the Water activity includes metered water rates

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR BUILDING AND DEVELOPMENT CONTROL**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	7,319	9,317	1,998		9,630	9,985	10,027	10,813	11,042	11,340	11,427	11,315	11,692
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	12,655	12,027	(628)		12,159	11,908	12,160	12,412	12,687	12,985	13,294	13,615	13,959
Internal charges and overheads recovered	224	224	-		228	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	24	24	-		24	25	25	26	27	27	28	29	29
<b>Total operating funding (A)</b>	<b>20,222</b>	<b>21,592</b>	<b>1,370</b>		<b>22,041</b>	<b>21,918</b>	<b>22,212</b>	<b>23,251</b>	<b>23,756</b>	<b>24,352</b>	<b>24,749</b>	<b>24,959</b>	<b>25,680</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	12,991	12,655	(336)		12,700	12,537	12,808	13,101	13,292	13,624	13,979	14,362	14,772
Finance costs	-	3	3		3	2	1	-	-	-	-	-	-
Internal charges and overheads applied	6,971	8,629	1,658		9,031	9,072	9,111	9,968	10,318	10,586	10,627	10,452	10,762
Other operating funding applications	135	135	-		136	137	138	139	141	142	143	145	146
<b>Total applications of operating funding (B)</b>	<b>20,097</b>	<b>21,422</b>	<b>1,325</b>		<b>21,870</b>	<b>21,748</b>	<b>22,058</b>	<b>23,208</b>	<b>23,751</b>	<b>24,352</b>	<b>24,749</b>	<b>24,959</b>	<b>25,680</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>125</b>	<b>170</b>	<b>45</b>		<b>171</b>	<b>170</b>	<b>154</b>	<b>43</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	17,651	2,770	(14,881)		3,461	25,938	24,929	5,625	273	304	294	284	254
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>17,651</b>	<b>2,770</b>	<b>(14,881)</b>		<b>3,461</b>	<b>25,938</b>	<b>24,929</b>	<b>5,625</b>	<b>273</b>	<b>304</b>	<b>294</b>	<b>284</b>	<b>254</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	17,651	2,940	(14,711)		3,632	26,108	25,083	5,668	278	304	294	284	254
- to replace existing assets	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	125	-	(125)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>17,776</b>	<b>2,940</b>	<b>(14,836)</b>		<b>3,632</b>	<b>26,108</b>	<b>25,083</b>	<b>5,668</b>	<b>278</b>	<b>304</b>	<b>294</b>	<b>284</b>	<b>254</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(125)</b>	<b>(170)</b>	<b>(45)</b>		<b>(171)</b>	<b>(170)</b>	<b>(154)</b>	<b>(43)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>125</b>	<b>170</b>	<b>101</b>		<b>171</b>	<b>170</b>	<b>154</b>	<b>43</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Only the Water activity includes metered water rates

Notes:

These notes will be updated and tabled at the Council meeting - 25 February 2015

**FUNDING IMPACT STATEMENT  
FOR TRANSPORT**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	29,503	30,497	994		31,735	34,381	36,205	38,656	42,814	44,639	47,681	53,184	55,248
Targeted rates (other than a targeted rate for water supply)	33	-	(33)		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	4,774	4,470	(304)		5,231	5,537	5,313	5,803	4,845	5,827	5,705	6,080	6,390
Fees, charges, and targeted rates for water supply *	2,100	2,042	(58)		2,080	2,121	2,166	2,211	2,260	2,313	2,368	2,425	2,487
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>36,410</b>	<b>37,009</b>	<b>599</b>		<b>39,046</b>	<b>42,039</b>	<b>43,684</b>	<b>46,670</b>	<b>49,919</b>	<b>52,779</b>	<b>55,754</b>	<b>61,689</b>	<b>64,125</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	12,530	11,619	(911)		11,564	11,852	12,239	12,601	13,087	13,527	14,013	14,555	15,123
Finance costs	4,774	5,277	503		6,093	6,639	7,536	8,657	8,944	9,393	10,799	11,145	11,277
Internal charges and overheads applied	5,785	6,054	269		6,271	6,361	6,453	6,745	6,908	7,069	7,174	7,260	7,442
Other operating funding applications	10	265	255		2,510	10	10	10	10	10	10	10	10
<b>Total applications of operating funding (B)</b>	<b>23,099</b>	<b>23,215</b>	<b>116</b>		<b>26,438</b>	<b>24,862</b>	<b>26,238</b>	<b>28,013</b>	<b>28,949</b>	<b>29,999</b>	<b>31,996</b>	<b>32,970</b>	<b>33,852</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>13,311</b>	<b>13,794</b>	<b>483</b>		<b>12,608</b>	<b>17,177</b>	<b>17,446</b>	<b>18,657</b>	<b>20,970</b>	<b>22,780</b>	<b>23,758</b>	<b>28,719</b>	<b>30,273</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	10,590	13,356	2,766		12,656	13,282	14,384	14,384	16,227	15,573	16,185	16,152	16,886
Development and financial contributions	539	539	-		539	539	539	539	539	539	539	539	539
Increase (decrease) in debt	9,418	8,322	(1,096)		6,213	8,137	6,091	10,159	15,260	7,948	15,645	8,367	7,458
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>20,547</b>	<b>22,217</b>	<b>1,670</b>		<b>19,408</b>	<b>21,958</b>	<b>21,014</b>	<b>25,082</b>	<b>32,026</b>	<b>24,060</b>	<b>32,369</b>	<b>25,058</b>	<b>24,883</b>
<b>Applications of capital funding</b>													
Capital expenditure													
- to meet additional demand	1,765	1,580	(185)		-	5,260	1,864	5,129	3,339	4,396	5,934	7,782	1,594
- to improve the level of service	10,968	9,494	(1,474)		11,959	11,590	14,094	15,643	16,146	17,072	17,455	17,778	22,555
- to replace existing assets	24,979	24,937	(42)		20,057	22,285	22,502	22,967	33,511	25,372	32,738	28,217	31,007
Increase (decrease) in reserves	(3,854)	-	3,854		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>33,858</b>	<b>36,011</b>	<b>2,153</b>		<b>32,016</b>	<b>39,135</b>	<b>38,460</b>	<b>43,739</b>	<b>52,996</b>	<b>46,840</b>	<b>56,127</b>	<b>53,777</b>	<b>55,156</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(13,311)</b>	<b>(13,794)</b>	<b>(483)</b>		<b>(12,608)</b>	<b>(17,177)</b>	<b>(17,446)</b>	<b>(18,657)</b>	<b>(20,970)</b>	<b>(22,780)</b>	<b>(23,758)</b>	<b>(28,719)</b>	<b>(30,273)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>22,285</b>	<b>22,667</b>	<b>(654)</b>		<b>23,031</b>	<b>25,231</b>	<b>25,788</b>	<b>26,562</b>	<b>29,920</b>	<b>30,939</b>	<b>32,264</b>	<b>36,952</b>	<b>38,340</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015



**Item 4.1 Attachment 8**

**FUNDING IMPACT STATEMENT  
FOR PARKING**

	2014/15 AP \$000	2015/16 LTP \$000	Variance to LTP \$000	Notes	2016/17 LTP \$000	2017/18 LTP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000
<b>Sources of operating funding</b>													
General rates, uniform annual general charges, rates penalties	(14,086)	(14,081)	5		(15,050)	(15,400)	(15,652)	(15,623)	(15,623)	(15,674)	(15,664)	(15,624)	(15,591)
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	18,316	19,899	1,583		20,561	21,023	21,544	21,914	22,400	22,926	23,472	24,039	24,646
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7,706	7,556	(150)		7,853	8,038	8,208	8,379	8,564	8,765	8,974	9,191	9,423
<b>Total operating funding (A)</b>	<b>11,936</b>	<b>13,374</b>	<b>1,438</b>		<b>13,364</b>	<b>13,661</b>	<b>14,100</b>	<b>14,670</b>	<b>15,341</b>	<b>16,017</b>	<b>16,782</b>	<b>17,606</b>	<b>18,478</b>
<b>Applications of operating funding</b>													
Payments to staff and suppliers	9,850	10,348	498		10,590	10,778	11,069	11,347	11,652	11,999	12,360	12,782	13,205
Finance costs	17	479	462		582	770	865	953	1,222	1,505	1,798	2,090	2,383
Internal charges and overheads applied	1,593	1,955	362		2,007	2,053	2,090	2,214	2,283	2,329	2,338	2,314	2,362
Other operating funding applications	1	1	-		1	1	1	1	1	1	1	1	1
<b>Total applications of operating funding (B)</b>	<b>11,461</b>	<b>12,783</b>	<b>1,322</b>		<b>13,180</b>	<b>13,602</b>	<b>14,025</b>	<b>14,515</b>	<b>15,158</b>	<b>15,834</b>	<b>16,497</b>	<b>17,187</b>	<b>17,951</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>475</b>	<b>591</b>	<b>116</b>		<b>184</b>	<b>59</b>	<b>75</b>	<b>155</b>	<b>183</b>	<b>183</b>	<b>285</b>	<b>419</b>	<b>527</b>
<b>Sources of capital funding</b>													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	30	858	828		312	239	904	23	(71)	1,084	1,022	935	875
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>30</b>	<b>858</b>	<b>828</b>		<b>312</b>	<b>239</b>	<b>904</b>	<b>23</b>	<b>(71)</b>	<b>1,084</b>	<b>1,022</b>	<b>935</b>	<b>875</b>
<b>Applications of capital funding</b>													
Capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	30	1,449	1,419		496	114	117	120	112	128	132	137	142
- to replace existing assets	150	-	(150)		-	184	862	58	-	1,139	1,175	1,217	1,260
Increase (decrease) in reserves	325	-	(325)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>505</b>	<b>1,449</b>	<b>944</b>		<b>496</b>	<b>298</b>	<b>979</b>	<b>178</b>	<b>112</b>	<b>1,267</b>	<b>1,307</b>	<b>1,354</b>	<b>1,402</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(475)</b>	<b>(591)</b>	<b>(116)</b>		<b>(184)</b>	<b>(59)</b>	<b>(75)</b>	<b>(155)</b>	<b>(183)</b>	<b>(183)</b>	<b>(285)</b>	<b>(419)</b>	<b>(527)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>475</b>	<b>591</b>	<b>40</b>		<b>184</b>	<b>59</b>	<b>75</b>	<b>155</b>	<b>183</b>	<b>183</b>	<b>285</b>	<b>419</b>	<b>527</b>
* Only the Water activity includes metered water rates													
<b>Notes:</b>													

These notes will be updated and tabled at the Council meeting - 25 February 2015

## **DRAFT 2015-25 LTP FUNDING IMPACT STATEMENT — PROPOSED RATING MECHANISMS**

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### **RATES**

Rates are a property tax to fund local government activities. Rates are assessed under the Local Government (Rating) Act 2002 (the Act) on rating units in the Rating Information Database. Where rates requirements are allocated based on property value, the capital value of the property as assessed by the Council's valuation services provider will apply. The latest city-wide revaluation was carried out as at 1 September 2012. This revaluation remains effective for the 2015/16 rating year, except where subsequent maintenance valuations have been required under valuation rules or the Council's rating policies.

City-wide revaluations are performed every three years. The next city-wide revaluation will be carried out as at 1 September 2015 and will be effective for the 2016/17 rating year and the two consecutive rating years (subject again to subsequent maintenance valuations).

Policy objective:

- To provide the Council with adequate income to carry out its mission and objectives.
- To support the Council's achievement of its strategic objectives.
- To be simply administered, easily understood, allow for consistent application and generate minimal compliance costs.
- To spread the incidence of rates as equitably as possible by balancing the level of service provided by the Council with ability to pay and the incidence of costs in relation to benefits received.
- To be neutral in that it does not encourage people to redirect activity in order to avoid its impact.
- To reflect the decisions of the Council's policies and rating reviews.

### **GENERAL RATES**

General rates are set under section 13 of the Act on all rateable rating units in the City of Wellington.

The Council proposes to set a general rate based on the capital value of each rating unit within the city.

The general rate will be set on a differential basis, based on land use. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following rating differentials.

### **DIFFERENTIAL RATING CATEGORIES**

#### **Base Differential**

This includes:

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- a. Separately rateable land used solely for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged
- b. Vacant land zoned residential
- c. Rural land (including farmland and lifestyle blocks) under the District Plan that is administered by the Council, but excluding any rating unit that is used for rural industrial purposes
- d. Separately-rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation or community purposes and that does not generate any private pecuniary profit.

This category has a general rate differential rating factor of 1.0.

#### **Commercial, Industrial and Business Differential**

This includes:

- a. Separately-rateable land used for a commercial or industrial purpose
- b. Vacant land zoned commercial, industrial or rural industrial under the District Plan administered by the Council
- c. Land used for offices, administrative and/or associated functions
- d. Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay (28 days or less) accommodation
- e. Business-related premises used principally for private pecuniary benefit
- f. Utility networks
- g. Any property not otherwise categorised within the Base Differential.

This category has a general rate differential rating factor of 2.8.

#### **Differential Rating Category Conditions**

Differential rating 2.8:1 Commercial:Base

- The differential apportionment for the commercial, industrial and business sector is 2.8 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential. No changes are proposed to the differential apportionment in 2015/16.
- The separated parts of a rating unit will be differentially rated where a part of the property is non-rateable or the property fits under one or more rating differential and either:
  - a) The total capital value of the rating unit is above \$800,000 or
  - b) Minority use(s) account for more than 30 percent of the total capital value of the rating unit.

In any other case, the General rate differential is determined by principal use.

- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:

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- a) The time at which the Council gives final approval of the completed works, or
  - b) The property is deemed (by the Council) to be available for its intended use.
- 
- In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.
  - The rating differential classification of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential classification during a rating year will apply from 1 July of the following rating year.
  - Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate General rate differential classifications and the non-rateability applied to that rate.

#### **Uniform Annual General Charge**

The Council does not assess a uniform annual general charge.

#### **NON-RATEABLE LAND**

##### **Non-Rateable**

Includes any land referred to in Part 1, Schedule 1 of the Act. This land is non-rateable with the exception of targeted rates solely for sewerage and water where the service is provided.

##### **50 Percent Non-Rateable**

Includes all land referred to in Part 2, Schedule 1 of the Act. This land is 50 percent non-rateable in respect of the rates that apply, with the exception of targeted rates for sewerage and water for which the land is fully rateable if the service is provided.

#### **TARGETED RATES**

Targeted rates are set under section 16 of the Act.

The Council has not adopted any lump sum contribution schemes under part 4A of the Act in respect of its targeted rates, and will not accept lump sum contributions in respect of any targeted rate.

##### **Sewerage Rate**

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy. This rate pays for the cost of the provision of the sewerage treatment facilities for the city.

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For the purposes of these rates the sewerage collection and disposal service is treated as being provided if the rating unit is connected to a public sewerage drain (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Act.

The targeted Sewerage rate is calculated as follows:

*For rating units incorporated in the Commercial, Industrial and Business differential:*

A rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 40 percent of the required rates funding, after having deducted the total dollar amount budgeted to be collected through Trade Waste Charges (excluding consent fees).

*For rating units incorporated in the Base differential:*

A fixed amount per annum per rating unit for administration, plus a rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 60 percent of the required rate funding.

#### **Water Rate**

A targeted rate for water is to be apportioned with the aim of achieving a 60 percent:40 percent split between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate pays for water collection and treatment facilities, the water distribution network and water conservation for the city.

This rate is set on all rating units serviced by a water connection.

For the purposes of these rates, the water service is treated as being provided if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatorily non-rateable or 50 percent non-rateable under Schedule 1 or 2 of the Act.

The targeted Water rate is calculated as follows:

*For rating units incorporated in the Commercial, Industrial and Business differential, either:*

- a) A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit for administration.

Or

- b) A rate per dollar of capital value on all rating units connected to the public water supply, without a water meter installed.

*For rating units rated incorporated in the Base differential, either:*

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- a) A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit for administration.

Or

- b) A fixed amount per annum per rating unit for administration, plus a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed, to collect the required Base differential contribution.

#### **Stormwater Network Rate**

A targeted stormwater rate is to be apportioned 77.5 percent to the non-rural rating units incorporated under the Base differential and 22.5 percent to the non-rural rating units incorporated under the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate pays for the cost of the provision of the stormwater collection/disposal network for the city.

Properties classified as rural under the Council's District Plan are excluded from the liability of this rate.

The targeted Stormwater network rate is calculated as follows:

*For non-rural rating units incorporated in the Commercial, Industrial and Business differential:*

A rate per dollar of capital value to collect 22.5 percent of the required rates funding.

*For non-rural rating units incorporated in the Base differential:*

A rate per dollar of capital value to collect 77.5 percent of the required rates funding.

#### **Commercial, Industrial and Business Sector Targeted Rate**

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to the commercial, industrial and business sector and where the activity is not incorporated in other service related targeted rates. This incorporates the following:

- 30 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues. This is the equivalent of 100 percent funding of the events attraction and support activity within WREDA.

This rate is assessed on all properties incorporated in the commercial, industrial and business sector and is calculated on a rate per dollar of rateable capital value.

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**Base Sector Targeted Rate**

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category (incorporating residential ratepayers). This incorporates the following activities:

- 100 percent of the facilitation of community environmental initiatives, cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 95 percent of the provision of community centres and halls activities.
- 60 percent of the provision of the water network, collection and treatment, and the sewage collection, treatment and disposal network activities
- 77.5 percent of the stormwater management activity.

This rate is assessed on all properties incorporated under the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

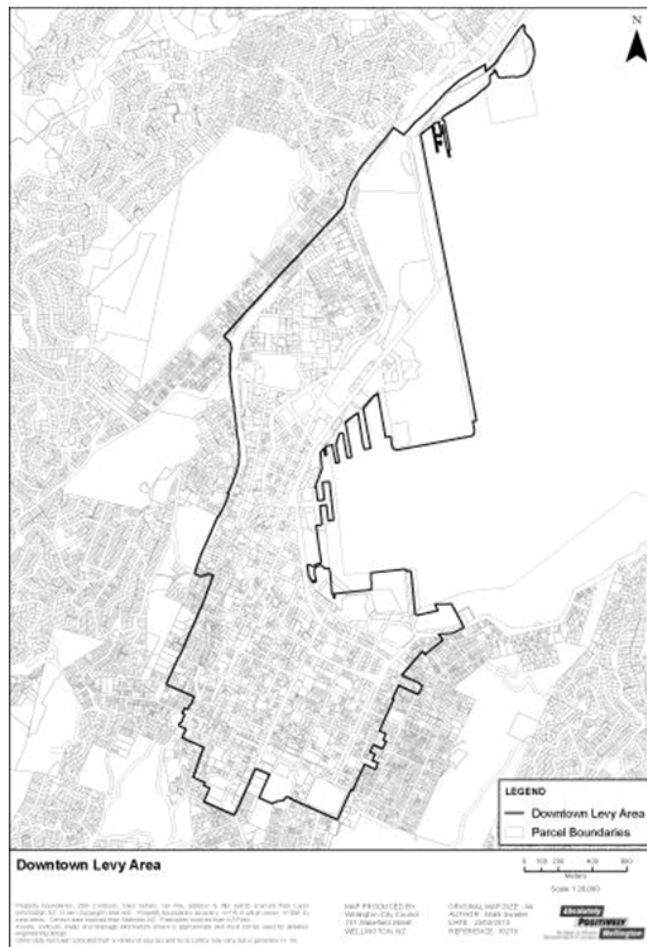
**Downtown Targeted Rate**

This rate pays for tourism promotion and retail support (free weekend parking). It also pays for:

- 50 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues activities
- 40 percent of the cost of the Wellington Convention Centre activity
- 100 percent of retail support (free weekend parking) activity
- 70 percent of the visitor attractions activity
- 25 percent of galleries and museums activity.

This rate is assessed on all commercial, industrial and business properties in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purposes of this rate, the downtown area refers to the area as described by the Downtown Area map as follows:

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#### **Tawa Driveways Targeted Rate**

This rate pays for the maintenance of a specified group of residential access driveways in the suburb of Tawa, overseen by the Council. This rate is assessed on a specific group of rating units that have shared access driveway that are maintained by Council in the former Tawa Borough at a fixed amount per annum per rating unit.

#### **Marsden Village Targeted Rate**

This rate is collected by the Council on behalf of the Marsden Village Association on all commercial, industrial and business properties in the Marsden shopping village (see map below) and is calculated on a rate per dollar of capital value to fund the maintenance of the area.

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**Item 4.1 Attachment 8**



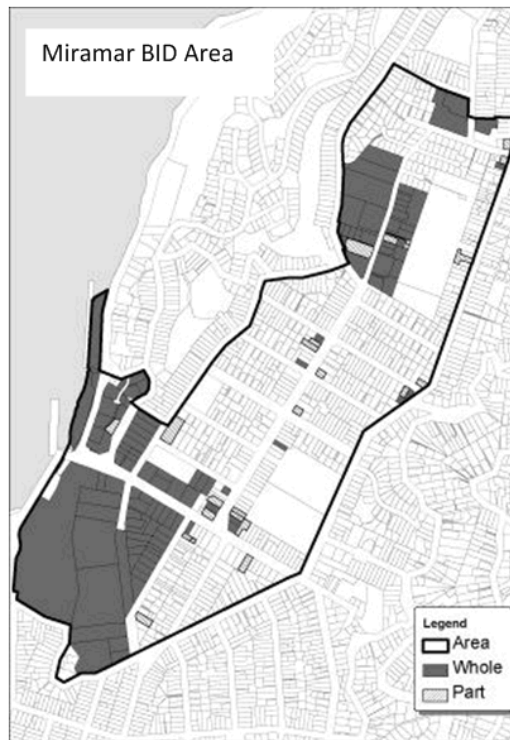
**Miramar Business Improvement District Targeted Rate**

This rate is set by Council to fund the Business Improvement District activities of Enterprise Miramar Peninsula Incorporated.

The category of land for which this rate is set is on all rating units within the Miramar Business Improvement District (see map) which are subject to the “commercial, industrial and business” differential, but excluding any rating unit that is a substation or used by local or central government for a non-business purpose.

Liability for this rate is calculated as a fixed amount per rating unit, plus a rate per dollar of capital value for any capital value over \$1 million per rating unit.

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#### **Khandallah Business Improvement District Targeted Rate**

This rate is set by Council to fund the Business Improvement District activities of the Khandallah Village Business Association.

The category of land for which this rate is set is on all rating units within the Khandallah Business Improvement District (see map) which are subject to the “commercial, industrial and business” differential, but excluding any rating unit that is a substation.

Liability for this rate is calculated as a rate per dollar of rateable capital value.

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**Item 4.1 Attachment 8**



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#### INDICATIVE RATES

The following table shows the indicative residential and commercial property rates inclusive of GST for a selection of billing categories, based on the draft 2015-16 budget. These are subject to change based on Council decisions made during the adoption of the 2015-25 Long-term Plan and changes in property valuations:

Indicative residential property rates (for properties without a water meter)		
Capital Values \$	2015/16 Proposed Rates \$	Increase over 2014/15 %
200,000	1,118	3.82%
300,000	1,537	4.18%
400,000	1,956	4.39%
500,000	2,375	4.53%
600,000	2,794	4.62%
700,000	3,212	4.69%
800,000	3,631	4.75%
900,000	4,050	4.79%
1,000,000	4,469	4.82%
1,100,000	4,887	4.85%
1,200,000	5,306	4.88%
1,300,000	5,725	4.90%
1,400,000	6,144	4.92%
1,500,000	6,562	4.93%
1,600,000	6,981	4.95%
1,700,000	7,400	4.96%
1,800,000	7,819	4.97%

Indicative suburban commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values \$	2015/16 Proposed Rates \$	Increase over 2014/15 %
1,000,000	9,924	5.91%
1,250,000	12,373	5.93%
1,500,000	14,822	5.94%
1,750,000	17,270	5.95%
2,000,000	19,719	5.95%
2,250,000	22,168	5.96%
2,500,000	24,617	5.96%
2,750,000	27,066	5.96%
3,000,000	29,515	5.97%
3,250,000	31,963	5.97%
3,500,000	34,412	5.97%
3,750,000	36,861	5.97%
4,000,000	39,310	5.97%
4,250,000	41,759	5.97%
4,500,000	44,208	5.98%
4,750,000	46,656	5.98%
5,000,000	49,105	5.98%

Indicative downtown commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values \$	2015/16 Proposed Rates \$	Increase over 2014/15 %
1,000,000	12,146	4.93%
1,250,000	15,150	4.94%
1,500,000	18,155	4.95%
1,750,000	21,159	4.95%
2,000,000	24,163	4.96%
2,250,000	27,168	4.96%
2,500,000	30,172	4.96%
2,750,000	33,176	4.97%
3,000,000	36,181	4.97%
3,250,000	39,185	4.97%
3,500,000	42,189	4.97%
3,750,000	45,194	4.97%
4,000,000	48,198	4.97%
4,250,000	51,202	4.97%
4,500,000	54,207	4.97%
4,750,000	57,211	4.97%
5,000,000	60,215	4.97%

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**Item 4.1 Attachment 8**

**RATES REMISSION AND POSTPONEMENT POLICIES**

Refer to the Council Rates Remission and Postponement Policies. Changes to the rates remission policy are described on page xx.

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*Consultation document*

## Our ten year plan

WELLINGTON CITY COUNCIL'S  
DRAFT LONG TERM PLAN 2015-25.

Draft subject to change

He pai te tirohanga ki nga mahara mo nga raa  
pahemo engari ka puta te maaramatanga i runga i  
te titiro whakamua.

It's fine to have recollections of the past but wisdom comes from being able to  
prepare opportunities for the future.

Draft subject to change

## Mayoral Overview

It's true you can't live here by chance,  
you have to do and be, not simply watch  
or even describe. This is the city of action,  
the world headquarters of the verb - - Lauris Edmond

This is a bold plan – one that lives up to Lauris Edmond's view of Wellington. It's a plan that builds on our strengths as a city: our stunning natural environment and quirky built heritage, our welcoming attitudes, our creativity and business savvy, our delight in those that are successful, and support for our most vulnerable citizens.

This is an ambitious plan. It doesn't waste rhetoric on trade-offs or service cuts. We are *not* here to manage decline. This plan invests in growth. It invests in our communities' ongoing prosperity.

Wellington sits at the edge of the world. We're the southern-most capital. The world starts *here*.

*We are* the place of the possible.

This plan reflects that fact – it sets out actions to shape the future of our city.

It's a plan for all Wellingtonians.

Celia Wade-Brown  
Mayor of Wellington

## This is Wellington's plan for sustainable growth.

### It offers a simple choice.

Do we invest now to unlock Wellington's economic potential? Or do we continue along a 'business as usual' path, in which other cities grow faster and attract more people than Wellington does?

Do we commit fully to transforming our economy – making it smarter, more sustainable, and more creative? Or do we wait and hope?

Do we choose a future in which Wellington offers jobs and business opportunities that match its amazing environment and extraordinary quality of life? Or do we rely on government jobs, and leave the economy to others?

This long-term plan asks Wellingtonians to make that choice.

It provides for a 'business as usual' programme in which core Council services are maintained in line with current levels.

Under that programme, Wellington may continue to be a great place to live – but centre stage will be elsewhere.

The better option – the one we propose – is to 'invest for growth'. For a small and manageable increase in debt and rates, the Council will support new initiatives to unlock the city's growth potential.

Imagine Wellington with an international film museum, an indoor music arena, an extended airport runway able to bring in more visitors, students and business opportunities from Asia and North America.

Imagine the jobs that could be created by a convention centre, a tech hub, and a screen industry enterprise zone.

Imagine Adelaide Road and other parts of the inner city transformed into vibrant, mixed use areas with shops, offices, cafes and apartments.

The up-front investment is modest. The long-term benefit is potentially huge. We have the opportunity to make a difference.

Business as usual? Or invest for growth?

The choice is yours.

**89%**

Percentage of Wellington residents who rated their quality of life as 'good' or 'extremely good' in a February 2014 survey. This compares with 80% for both Auckland and Christchurch.

In national and international 'quality of life' surveys, Wellington consistently rates at or near the top.

In the 2014 Mercer International Quality of Living Survey, Wellington ranked 12<sup>th</sup> out of more than 200 cities globally.

**58**

Gigajoules of electricity used per person annually in Wellington. This compares with 81 gigajoules for an average European city and 228 gigajoules for an average Australasian city.

By any standard, Wellington is a low emission city. It is compact, its people are New Zealand's highest users of public transport, and it has significant areas of bush which offset carbon emissions.

But the main reason Wellington's carbon emissions are low is that its electricity comes from renewable sources: two wind farms west of the city together produce enough electricity for more than all the residential homes in the city.

In a 2012 survey of the environmental performance of Australasian cities, Wellington was a top performer in greenhouse gas emissions, energy consumption, waste reduction and recycling, and air quality.

**1<sup>st</sup> place**

In a 2014 survey of six NZ cities, Wellington residents were much more likely than residents of other cities to:

- say they were happy
- say they were healthy
- say they were satisfied with their lives
- rate their overall quality of life as good or very good
- be in paid employment
- be satisfied with their work-life balance
- use public transport
- feel safe in their city and neighbourhood
- value cultural diversity
- perceive their city and local area as great places to live
- be proud of the look and feel of their city and local area
- be positive about their city's urban design, including the quality of buildings and public spaces.
- perceive their natural environment as beautiful
- say they had easy access to a local park or other green space.

**19%**

Wellington city GDP growth –10 years to March 2014. This compared with 23% for Auckland, 27% for Tauranga, and 20.4% nationally.

Other New Zealand cities are also experiencing faster population growth, faster job growth, and faster retail and business growth than Wellington.



Although Wellington's economy hasn't reached its potential, the city does have huge strengths.

We are one of New Zealand's fastest growing tourism destinations.

We have competitive advantage in 'smart' industries such as screen production, science, education, and ICT.

We are New Zealand's most highly educated population.

Our culture values knowledge, creativity and new thinking.

Our city is compact – which makes it easy for people to get together and collaborate.

We are the Capital – and can connect with the diplomatic community, our public sector, and expertise from national institutions such as Te Papa, NIWA, GNS, the NZSO, NZ Ballet and more.

All of these factors will be increasingly important in the smart, clean economy of the future.

**5**

Number of Wellington tech companies in the TIN100 'EY Ten Companies to Watch' list 2013 – based on the 10 New Zealand tech companies with highest annual dollar value growth.

**14**

Number of Wellington companies in the Deloitte Technology Fast 500 Asia-Pacific index 2014 – which ranks the 500 fastest-growing tech companies in the region. Auckland had 24 companies on the list, the Central North Island had 8 and Canterbury had 5.

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## A stronger economy means jobs, prosperity, and more opportunities for all Wellington residents.

Economic growth isn't only about business profits – though they are important. It is about providing opportunities for everybody.

Though Wellington offers outstanding quality of life, its economy has considerable untapped potential. Growing the city's economy is about:

- Making all residents more prosperous, so they can reach their potential and live enjoyable and fulfilling lives.
- Providing a wider range of opportunities – so residents have a choice of jobs, or creative or business opportunities – so they earn a living doing something they are passionate about.
- Making the city more vibrant – providing more entertainment and leisure opportunities, and a wider range of attractions.
- Improving Wellington's connections to the rest of the world – for the sake of business, tourism, education, and individual enjoyment.
- Releasing capital to invest in higher quality of life for all and a stronger environment.
- Increasing the city's value. After all, a bigger rating base means the costs of rates are spread across more people, making them more affordable.

## Our plan focuses on essential services, with an additional fund to sustain growth.

In the last 10 years, the Council has invested in capital works, and funded billions on its services for the community.

While the key spending priority has been infrastructure, there have been big increases in spending on community sport and recreation facilities, on tourism promotion, and on events.

In coming years, we will continue to focus on strong, resilient infrastructure; and we don't aim to reduce services.

We also propose to invest for economic growth – by establishing a programme of major projects and working in partnership with the private sector, the government and others in the region.

By focusing investment in this way, we can achieve real transformation of Wellington's economy, creating opportunities for future investment in quality of life.

### Current services

Our plan aims to in the first instance to maintain essential services such as water supply, drainage, waste, parks and gardens, libraries, pools, sports fields recreation and centres, streets, social housing and so on.

One important area of focus will be on making infrastructure more resilient – better able to cope with environmental shocks such as earthquakes and climate change.

We'll continue to work to end homelessness and to include the most vulnerable citizens in city life.

We will keep working with others to make the city's transport system more efficient – by prioritising public transport, investing in new cycleways and walkways, and reducing bottlenecks on the road network.

We will continue to focus on reducing resource use, waste and pollution.

We will maintain existing levels of service for pools, recreation centres, sportsfields and other Council-funded facilities. Our focus will be on accommodating demand within existing facilities. We want to make use of the capacity in the community facilities we have already invested before we face the expense of adding more.

### Invest for growth

The proposal provides capacity for us to invest with others in a range of initiatives to stimulate economic growth in the city:

- A 300 metre extension to the Wellington International Airport runway, bringing extra visitors students and economic benefits.
- A new international film museum, to showcase talent and attract and encourage visitors to stay in the city for longer.
- A tech hub, supporting ICT start-ups to get established, collaborate with other businesses, and become successful exporters.
- Exploring a screen industry precinct, supporting the city's screen sector to create more film & TV productions.
- A large scale performance arena to fill a gap in our current offering and draw in more large concerts and more visitors.

In addition we aim to stimulate economic growth through:

- An urban development agency, to support the creation of vibrant, mixed use inner city neighbourhoods.
- Major urban regeneration projects to stimulate the supply of housing. The northern part of Adelaide Rd and the blocks along Kent and Cambridge Tce in Te Aro are priorities.
- An expansion of our arts and events programme including the New Zealand Festival.
- A contribution to the WW1 commemorative exhibition and capital provision for a permanent museum.

The *invest for growth* programme also has provision for a number of discretionary projects:

- Expansion of the City to Sea Museum adding to its appeal as one of the Top 50 museums in the world.
- Upgrade of Frank Kitts park with the inclusion of Chinese Garden and renewed playground.
- Funding for the creation of Ocean Exploration Centre on the south coast subject to matching funding from third parties.
- An urban activation fund that will see pop-up events making use of the existing open spaces around the city.
- A brand new library in Johnsonville to serve the growing northern area.
- A hydraulic model of the city to guide our future investment decisions around climate change adaptation.
- A real time stormwater modelling system to improve the performance of the network and quality of our waterways.
- A new hockey turf at the National Stadium and rejuvenation of the Basin Reserve.
- Exploring the uptake of new LED lights to lower energy use and costs of lights and signals.
- A \$1m annual heritage building strengthening fund for three years.
- Provision for a living wage-rate for the Zoo and Museums trust and \$1.4m increase to social and recreation grants over the ten years.
- A development scheme to strengthen the Town Hall and Civic Square and create a prime NZ music hub.

## The Council's strong financial position means we can afford to invest in growth.

Wellington City Council has an AA credit rating – the same as the New Zealand Government.

We have far less debt than most local authorities. All up, our debt levels are currently less than 100% of our annual income; that's the equivalent of a household earning \$50,000 a year and having a mortgage of less than \$50,000.

Our strong financial position means we can afford to invest in projects that will support economic growth. In the short term, this will require modest increases in debt and rates. In the long term, rates increases should become lower due to growth in business activity, business numbers, and overall population.

If we keep going  
as we are,

If we invest for  
growth

<p><b>3.1%</b></p> <p>Rates would increase by 3.1% on average annually over the next 10 years. And could be limited to 4.1% annually, on average, over the next 3 years.</p>	<p><b>3.9%</b></p> <p>Rates increases will be limited to 3.9% on average after growth annually over the next 10 years. And by 4.5% annually, on average, over the next 3 years</p>
<p><b>150%</b></p> <p>Council debt will be capped at a maximum of 150% of annual income – the same as a household earning \$50,000 a year having a mortgage of \$75,000.</p>	<p><b>175%</b></p> <p>Council debt will be capped at a maximum of 175% of annual income – the same as a household earning \$50,000 a year having a mortgage of \$87,500.</p>
<p>The price of labour, materials and general inflation all mean that providing 'business as usual' will cost more year on year. Adding nothing new to the city's offering would see us fall behind other places.</p>	<p>The alternative is to continue current services <i>and</i> support a small increase in rates and debt, in order to fund the major new projects that bring and economic return. These in turn grow the value of the city – meaning the costs of rates are spread across a wider pool – getting more at affordable levels.</p>

## We've sharpened our financial approach

We've created headroom to allow us to deliver the programme within prudential limits. The key steps to ensure a sustainable financial approach include:

- an increase in rates funding over the 10 years (c.\$175 million)
- lifting our borrowing limits – to a maximum of 175% of income. Note that our forecast peak borrowing for the 10 year programme is 140% (c. \$150m). This provides around \$230m of capacity to respond to emergencies or other requirements not currently planned for.
- improved asset management practices and associated cost decreases (c.\$90 million)
- annual target of 1% savings from shared services and efficiencies (c.\$50 million)
- growth in the rates base – average increase of 1.2% a year (c.\$220 million).

### Funding and rates over the next ten years

Wellington's economy has been flat for the last six years. This plan aims to kick start it. We have been prudent in recent years and are now in a strong financial position. The time is right to invest in game-changing projects – as the city did in the 1990s with Te Papa, the waterfront and the stadium – to grow the economy.

A growing economy means more businesses and a larger rating base, which in turns means we can spread the costs further and it will allow us to reinvest in the things that make Wellington great and different. We are conservatively forecasting an average growth in the rating base of 1.2% over the next 10 years.

### Rate levels will be kept at affordable levels

Council's 'invest for growth' approach will also ensure rate increases are kept at affordable levels. In fact, as outlined in the graph below, forecast average rates for the next ten years will be lower than our average rates historically.

We also use household average income as a threshold to measure rates affordability. The proposal will ensure that average rates do not rise above 3.5% of average Wellington household income. This is significantly lower than the 5% affordability threshold identified in the 2007 Local Government Rates Enquiry as appropriate.

### We have set tough parameters for any rates increases in the next ten years

Our Financial Strategy guides sets out our proposed rates limits including:

- for the next three years, the average rates increase will be kept below 4.5% (after accounting for growth)
- for the next ten years, the average rates increase will be kept below 3.9% (after accounting for growth)

The proposed option to 'invest for growth' is below this limit with rates increases over the next ten years of 3.7%.



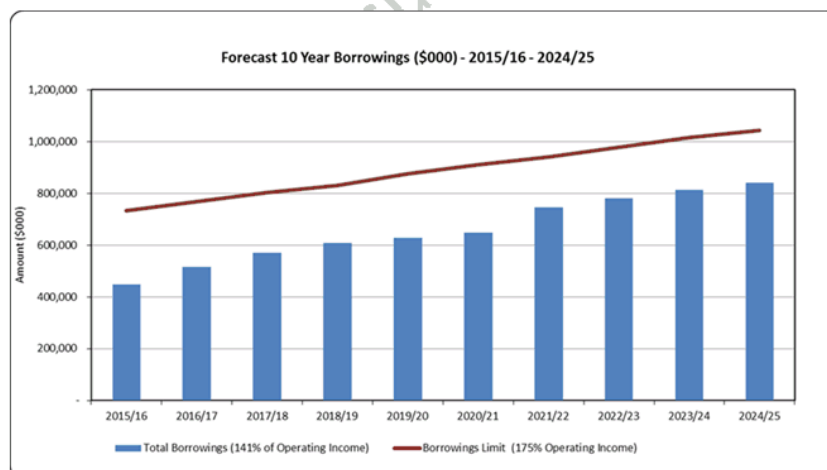
### Indicative rates for the first year of the plan

The following table shows the indicative residential and commercial property rates (inclusive of GST) for 2015/16.

Indicative residential property rates (for properties without a water meter)			Indicative suburban commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.			Indicative downtown commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values	2015/16 Proposed Rates	Increase over 2014/15	Capital Values	2015/16 Proposed Rates	Increase over 2014/15	Capital Values	2015/16 Proposed Rates	Increase over 2014/15
\$	\$	%	\$	\$	%	\$	\$	%
200,000	1,118	3.82%	1,000,000	9,924	5.91%	1,000,000	12,146	4.93%
300,000	1,537	4.18%	1,250,000	12,373	5.93%	1,250,000	15,150	4.94%
400,000	1,956	4.39%	1,500,000	14,822	5.94%	1,500,000	18,155	4.95%
500,000	2,375	4.53%	1,750,000	17,270	5.95%	1,750,000	21,159	4.95%
600,000	2,794	4.62%	2,000,000	19,719	5.95%	2,000,000	24,163	4.96%
700,000	3,212	4.69%	2,250,000	22,168	5.96%	2,250,000	27,168	4.96%
800,000	3,631	4.75%	2,500,000	24,617	5.96%	2,500,000	30,172	4.96%
900,000	4,050	4.79%	2,750,000	27,066	5.96%	2,750,000	33,176	4.97%
1,000,000	4,469	4.82%	3,000,000	29,515	5.97%	3,000,000	36,181	4.97%
1,100,000	4,887	4.85%	3,250,000	31,963	5.97%	3,250,000	39,185	4.97%
1,200,000	5,306	4.88%	3,500,000	34,412	5.97%	3,500,000	42,189	4.97%
1,300,000	5,725	4.90%	3,750,000	36,861	5.97%	3,750,000	45,194	4.97%
1,400,000	6,144	4.92%	4,000,000	39,310	5.97%	4,000,000	48,198	4.97%
1,500,000	6,562	4.93%	4,250,000	41,759	5.97%	4,250,000	51,202	4.97%
1,600,000	6,981	4.95%	4,500,000	44,208	5.98%	4,500,000	54,207	4.97%
1,700,000	7,400	4.96%	4,750,000	46,656	5.98%	4,750,000	57,211	4.97%
1,800,000	7,819	4.97%	5,000,000	49,105	5.98%	5,000,000	60,215	4.97%

### Borrowing over the next ten years

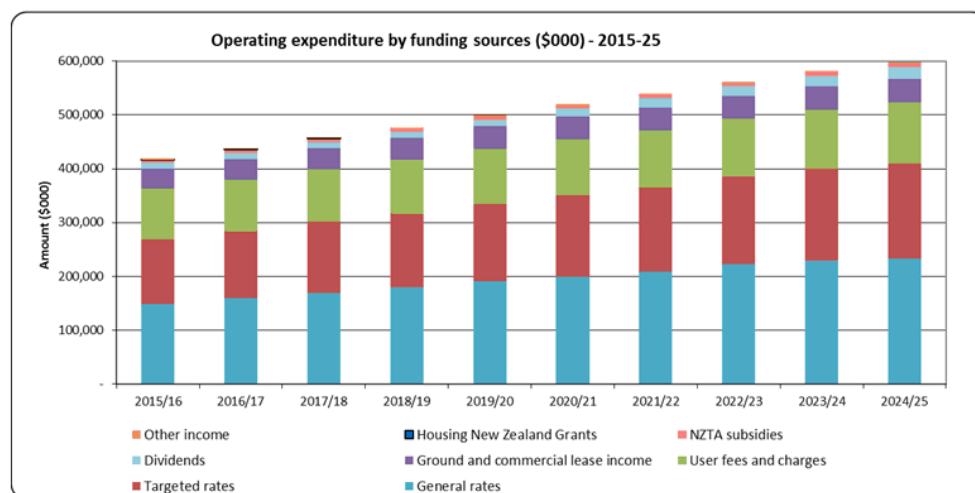
Our approach keeps borrowing levels well within the 175% debt to income limit set out in our Financial Strategy. Borrowing is forecast to increase from \$435 million (around 105% of income) in 2015/16 to \$815 million (around 140% of income) in 2024/25.



## Operating expenditure

### Where the money comes from

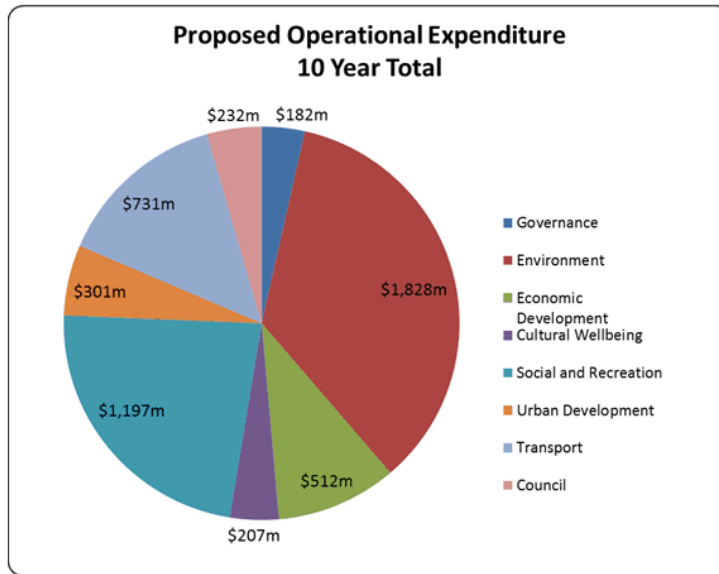
In addition to rates the Council plans to receive revenue from a number of other funding sources. The proposed funding sources for our operating expenditure are summarised in the graph below.



### Where the money gets spent

In total we plan to spend \$5.1 billion of operational expenditure across the 10 years of this plan. This is spread across a range of activities with the major spending areas being: the environment, social and recreation, and transport, with the biggest increase being in the economic development area.

**Item 4.1 Attachment 9**



## We're managing our assets smarter

We own \$6.5 billion of assets. This includes such things as streets, pipes, libraries, swimming pools, retaining walls, signs, crematoria and much more. Our *Infrastructure Strategy* sets out how we intend manage these over the next 30 years. The key aspects of this are:

- overall, maintain assets in line with the current service offering
- continue to improve the information about our assets to guide future investment decisions
- make full use of an assets life and make use of technology to improve the performance of assets
- make use of the capacity in our existing facilities and assets before investing in new ones
- focus investments into areas of growth (our programme includes urban regeneration, bus priority and cycling investment, amongst others. See *Our sustainable growth agenda*)

### How we look after our assets

Our Infrastructure Strategy indicates that we will need to spend approximately \$1 billion renewing the city's network and social infrastructure over the next 10 years. We have made provision for this within our financial strategy and long-term plan.

Our financial strategy provides capacity for the Council to invest approximately \$720m upgrading and funding new assets.. Major areas of spend include:

- |                          |        |
|--------------------------|--------|
| • Social housing:        | \$107m |
| • Water reservoirs       | \$43m  |
| • Cycleways              | \$45m  |
| • Stormwater upgrades    | \$21m  |
| • Johnsonville library   | \$17m  |
| • Water network upgrades | \$13m  |
| • Walkways               | \$8m   |

We also plan to continue our investment in making our infrastructure and public assets more resilient to earthquake risk and climate change. Investment to achieve that includes

- |  |       |
|--|-------|
| • Road corridor walls                    | \$23m |
| • Tunnel & bridge improvements           | \$10m |
| • Road safety projects                   | \$11m |
| • Strengthening Town Hall                | \$63m |
| • Strengthening Civic Campus             | \$13m |
| • Stormwater & sewer hydraulic modelling | \$9m  |

### Funding allocation to support our 'invest for growth' approach

The projects outlined in this ten year plan are at different stages of development. Some are in preliminary stages, others require resource consents before they progress to the next stage, others will aim to attract third party funding commitments.

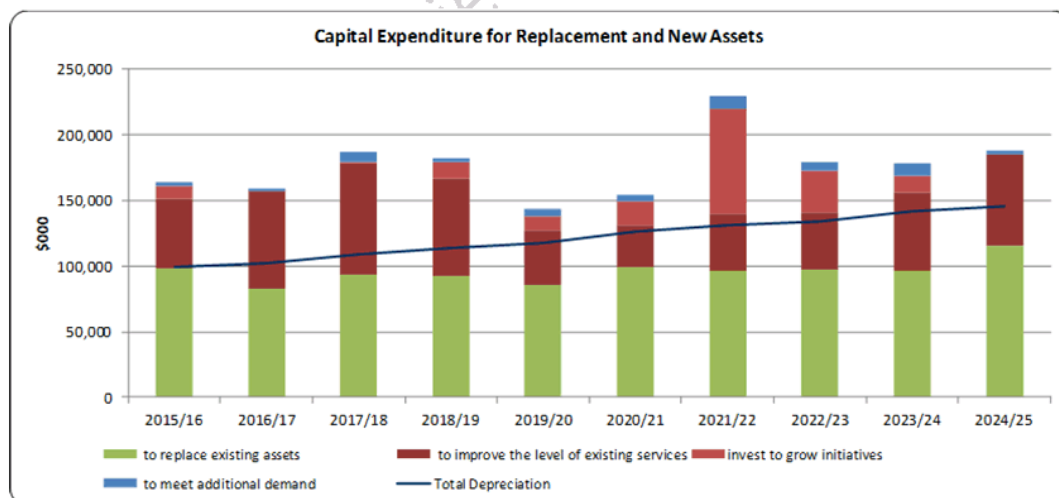
It is our intention to deliver all of these and that is why we have set aside the funding and developed a budget that is affordable over the ten years. We want to be transparent about the likely costs.

That said, it is a plan and like all plans is subject to change, particularly in the outer years. We've assigned preliminary budgets to each of these major projects such as an international film museum, indoor music arena, urban development initiatives, and the airport extension.

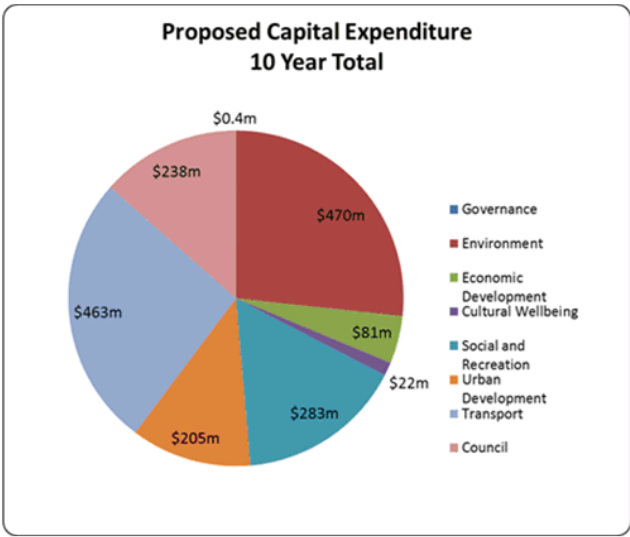
Detailed business cases will be developed for each and these will set out the full costs and funding options. At this stage we have set aside a funding envelope of \$267m. \$90m of that has been signalled for investment in the extension of the Wellington airport runway. This is treated as grant funding and is not included within capital expenditure.

### How we plan to spend capital expenditure

The graph below illustrates the make-up of the \$1.7 billion of proposed capital expenditure investment over the 10 years of this Long-term Plan.

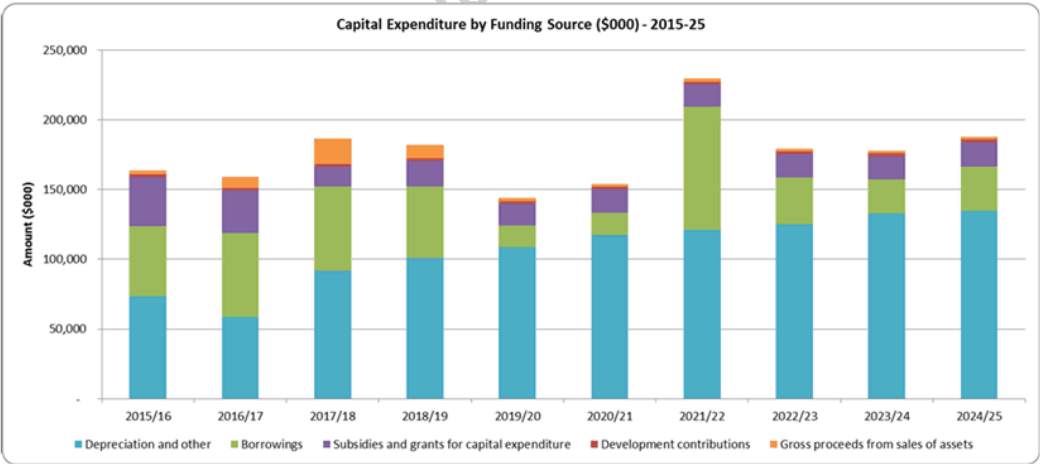


Despite 'invest to grow' strategy, over half of the proposed \$1.7 billion dollars of capital expenditure will be invested on delivering business-as-usual services in the Environment (which includes water, wastewater and stormwater) and Transport areas. This reflects the focus that Council will continue to have on maintaining the quality of its infrastructure.



Where the capital funding comes from

capital expenditure will be funded through a variety of funding sources. The funding to renew assets will come from rates funded depreciation. The balance is sourced from borrowings, external grants, development contributions and asset sale proceeds.





## Did you know...

### 6 dollars

Wellington City Council's total spending will amount to just over \$450 million this year. That's about \$6 per resident per day, which is less than the combined cost of a loaf of bread and a 2l bottle of milk. For your \$6 a day, you get water, drainage, recycling, streets, footpaths, parks and gardens, libraries, pools, museums and much much more.

### 55%

Rates provide just over half of the Council's income. Just under 30% comes from operating activities. This includes user charges, development contributions, transport subsidies and grants. We also receive income from investments.

### 21%

Commercial ratepayers own 21% of Wellington's property (measured according to dollar value) but pay 46% of the rates. If this difference was evened out, homeowners would pay about \$30 million more every year. This ratio (the rates differential) has been reduced in recent years and it is not proposed to be changed as part of this plan.

### <3%

The average percentage of household income spent on rates nationwide.

### >25%

The average percentage of household income spent on tax nationwide.

### 4.0%

The average percentage increase in Wellington City rates over the past 15 years.

### 8.69%

The total rates take increase Wellington City in 2005/06.

### -0.1%

The average value of the commercial rating base in Wellington over the past 5 years.

“The city is humanity’s laboratory, where people flock to dream, create, build, and rebuild.” – Edward L. Glaeser

## More people today, than at any other time in history have a choice about where they live.

That’s why we need to invest.

Cities are in competition to secure a share of those choices: to attract people, jobs, trade and investment. Without investment, cities and towns *do* decline.

Successful cities recognise that:

- **Connections matter:** that’s why we’re proposing new infrastructure for air connections and mode choices.
- **The environment matters:** that’s why the plan includes over \$1.8 billion on access to green spaces and nature attractions, biodiversity, management of water and wastewater, our award winning smart energy initiatives, and better information to guide our adaption to climate change.
- **People and social cohesion matter:** that’s why we’re moving to the next phase our upgrade of 2,300 social housing units, building a new library in Johnsonville, continuing to provide free and subsidised entry to our extensive network of libraries, swimming pools, and recreational facilities, as will offering our community grants , safety and resilience programmes.
- **Economic prosperity matters:** that’s why the plan is focussed on growth and why we are investing in the tech and creative sectors.
- **A sense of place matters:** that’s why the proposal is to increase funding in events and museums. And that’s why we’re investing in urban regeneration initiatives to stimulate housing supply and choice and vibrant mixed use in inner city neighbourhoods. We’ve also extended our grants for heritage strengthening so that they can be appreciated by future generations.
- **Partnerships matter:** that’s why we’ll be taking a fresh approach to our relationship with government. We’ll develop the Wellington Deal. A prospectus, drawing on many of the major projects noted in this plan. It will take a city-region based approach to economic development. The aim is to build certainty in a coherent investment plan for local and central government and private investors.

This plan aims to ensure Wellington is competitive on all of these fronts. It builds towards the city's goal of a *Smart Capital*<sup>1</sup>. The plan adds to the city so that people can choose this as here place to be.

Draft subject to change

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<sup>1</sup> See Wellington Towards 2040: Smart Capital for a full outline of the Council's outcomes.

Things can change in ten years. We'll adapt to make sure the plan is successful.

Our decisions will be open to scrutiny.

The projects outlined in the long term plan are at different stages of development. Our 'business as usual' programmes are well established and, while we have no plans to reduce the level of service, we'll monitor and report on their effectiveness on an annual basis.

The proposed growth projects will be subject to business case development. The aim *is* to deliver them but other projects may emerge that provide even better returns or conditions beyond our control may make them less viable.

Before we decide to commit the funds we'll give consideration to things like: the economic returns to the city; the likely effects and the extent to which the project stimulates growth in other parts of the economy; partner's support; achievability; and the management of negative effects and risks.

Success will mean...

GDP growth **above** historical averages.

**Faster** population growth.

Value **uplift** in the city.

More business activity and jobs. **more**

**Sustained** high quality of life rankings.

**Lower** emissions.

Partnership **funding** secured.

Kāhore taku toa i te toa takitahi, he toa takitini

We cannot succeed without the support of those around us.

## Our sustainable growth agenda

By choosing the option to *invest for growth* the following projects can be advanced:

1. **A longer airport runway:** bringing in more international visitors, and enhancing business and education connections.
2. **Screen & tech industries:** supporting smart and sustainable economic growth
3. **Inner city regeneration:** promoting housing and a vibrant inner city
4. **Revitalise the Civic Square precinct:** a national music hub, more activity, and a strengthened Town Hall
5. **Reigniting our sense of place** through creative events and public space improvements
6. **Strengthening town centres:** creating liveable communities and accommodating growth
7. **New and improved venues** for music, sport, and conventions
8. **New visitor attractions:** celebrating Wellington's culture and environment
9. **Improved management of key infrastructure:** for greater efficiency, and better environmental and social outcomes
10. **Use smart technology** to reduce energy use, make streets safer, and make parking easier
11. **Real transport choices** for an efficient, sustainable and safe transport network

1.

## A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

Wellington's economic prosperity depends on the strength of its connections with the rest of the world.

Tourism is a fast-growing sector of the region's economy, supporting 16,000 jobs. Yet the industry's potential for future growth is limited, because Wellington International Airport isn't built for long-haul international flights.

The lack of long-distance direct air connections also reduces the region's ability to attract international students and make business connections.

Wellington International Airport is proposing to increase the length of its runway by about 300 metres, allowing it to support direct flights to and from Asia and North America.

The runway extension is estimated to require an investment of up to \$300 million. The Council has contributed to the funding of an application for resource consent application along with the Airport. This is expected this year.

Independent economic analysis to date has found that, over 40 years, the extension has potential economic benefits to the Wellington region of between \$389 million and \$684 million in today's dollars; and potential economic benefits to New Zealand

of between \$714 million and \$1.75 billion in today's dollars.<sup>2</sup>

These benefits would principally arise from growth in international tourism – estimated to be worth up to \$1.3 billion nationally. Experience in other cities has shown that adding long-haul air services stimulates increases in inbound tourism by 50-100% or more within a very short timeframe.

Independent analysis commissioned by the airport has also concluded that the runway extension would support an increase in international student numbers. It is likely to reduce business travel times by about 33% on routes to and from Asia and North America, and reduce freight transport times.

A number of intangible benefits would arise from improved business-to-business connectivity – including improved knowledge-sharing opportunities, and better access to customers, suppliers, investors, and skilled labour.

### BENEFITS

- Growth in international visitor numbers and spend
- Growth in international student numbers

<sup>2</sup> Ernst & Young, September 2014, Wellington International Airport Limited: Economic impact of the proposed runway extension (measured in today's dollars)



- More jobs and more freight movements
- Stronger international business connections.

**ASSUMPTIONS**

- We have provisionally budgeted \$90m as our contribution towards a longer runway.
- The total costs and funding options will be considered as part of the business case.
- A decision to proceed will be made at that point and in light of resource consent process.

- It is anticipated that funding will be drawn from those that benefit – potentially the Airport, residents, businesses in the city and across the wider region, and the government in light of potential economic benefits to New Zealand.
- Spreading this investment over 40 years would result in an annual cost of around \$6.5million commencing in 2019/20

Should the Council explore an infrastructure project that has the potential to bring up to \$680 million of investment into Wellington?

Draft subject to change

## 2.

# Film & tech industries: supporting smart and sustainable economic growth

### A central city tech hub

ICT is Wellington's fastest growing business sector, contributing more than \$2.4 billion in GDP to the region annually and supporting more than 15,000 jobs.

One of the critical conditions for success in high-tech industries is opportunities for people to connect with each other, sharing knowledge, ideas, innovation, investment, and pathways to national and international markets.

Wellington's compact central city naturally encourages these connections. The area already has many ICT companies, ranging from start-ups to successful, high-growth international businesses. The region also has several universities and training institutions. But more can be done to support the sector, and in particular to help small start-ups to become growing businesses.

A central city tech precinct offers opportunities to foster growth in high-tech companies, and to encourage connections between start-ups, established businesses, training providers and others in the sector, bringing innovation, skills, jobs and prosperity.

Wellington City Council proposes to establish a 'tech hub' to help high-tech start-ups connect with funders, investors and international speakers. The hub would comprise an inner-city premises or precinct where tech start-ups could co-locate. The hub may also support development programmes and space to showcase businesses' products and services.

While the CBD as a whole is a collective of digital and tech companies, a hub to bring activities together and enable connections has considerable sector support.

The hub may complement and work closely with educational providers, research organisations, and established ICT businesses.

#### BENEFITS

- Encourage innovation
- Clearer pathways from start-up to commercial success
- More jobs and commercial opportunities for ICT graduates
- Higher profile for Wellington's ICT sector
- Increase talent and technology available to established ICT companies.

#### ASSUMPTIONS

- We have budgeted \$500,000 per year from 2015/16 as catalyst funding to support the establishment of a tech hub.

#### Screen industry enterprise zone

Wellington's screen production sector thrills, inspires and amazes people here and around the world. It is a vital and growing part of Wellington's economy, employing about 2000 people and contributing about \$400m in annual economic output. It also attracts tourists and contributes to regional identity.

However, the industry is also heavily dependent on one-off productions. A challenge is to create a growing and more continuous flow of projects.

The City Council proposes to explore with the industry the introduction of an enterprise zone. Key aspects of this could include:

- simpler planning and rates processes
- support for an international higher education facility to support the industry's demand for skills.

▪

#### BENEFITS

- More jobs
- Higher economic output
- More stable and sustainable workflows
- Greater contribution to NZ's international profile.

#### ASSUMPTIONS

- The idea is in its early stages but gives an indication of the Council's openness to supporting growth industries. Such a zone could be located in Miramar close to the airport or as part of a new town centre as part of the proposed East West link rd.
- Initial funding will come from Council's \$3 million economic initiatives fund.

#### A joined-up approach to smart growth

Wellington city's economy is not separate from the economies of neighbouring cities – the region forms a single economy.

Nor can the various sectors of the economy – such as events, tourism, hospitality, screen production and ICT – be considered separate from each other. The success of one sector inevitably contributes to the success of another, by making the city more prosperous, increasing opportunities available to residents, and attracting visitors, workers, and businesses.

For that reason, the City Council has worked with Greater Wellington Regional Council and other local authorities to establish the Wellington Regional Economic Development Agency (WREDA), a single agency responsible for economic development, events and tourism throughout the region.

The agency will provide a clear direction for economic development across the region, leading to higher growth, more jobs and stronger communities.

#### BENEFITS

- 'Joined up' approach to economic development

- Greater ability to promote the region nationally and globally
- More efficient use of resources.

**ASSUMPTIONS**

- This plan includes Wellington City Council's annual contribution of \$17.5m to WREDA to fund PWT, Events, Wellington venues, Destination Wellington, and city innovation projects.

Wellington city's future prosperity is dependent upon:

- a. primary industry?
- b. heavy manufacturing?
- c. mining and other extractive industries?
- d. the services, digital and creative sectors?

The choice is obvious – d: so, how do we best provide the conditions to make these growth industries continue to flourish?

Draft subject to change

### 3.

## Inner city regeneration: promoting housing choice and a vibrant inner city

### Revitalising the inner city

Though Wellington has a vibrant CBD, parts of the inner city remain underdeveloped. Fragmented ownership and a shortage of capital combine to slow development that could otherwise unlock economic potential and bring social and environmental benefits.

Of particular significance is the 'growth spine', linking northern suburbs to the central city, the Basin Reserve, Newtown and Kilbirnie. By focusing future development along this spine, we can significantly increase housing supply and create vibrant, new mixed use city and suburban areas.

Targeting growth is also better for the environment, as it ensures that land is used efficiently, and reduces dependence on private cars.

Key projects will include:

#### Transforming Victoria Street.

Upper Victoria Street is being transformed into exciting, pedestrian-friendly inner-city neighbourhood. The upgrade that is underway will include street trees, new lighting, wider footpaths, and bus and cycle lanes, and will support proposed developments expected to provide a new higher education campus and up to 1100 new apartments.

### Redeveloping the city end of Adelaide Road

The city end of Adelaide Road will be redeveloped into a vibrant, mixed-use neighbourhood with high quality public spaces, rapid bus links, improved pedestrian and cycle links, and stimulate new developments housing apartments, workplaces, shops and cafes. The redevelopment will include road widening and reconfiguration, and will support the development of up to 2500 new dwellings and 51,000 square metres of commercial space.

### Redeveloping Kent and Cambridge Terraces

Kent and Cambridge Terraces will be redeveloped to:

- Strengthen transport connections for buses, cycles, pedestrians, and private cars
- Use planting and streetscape improvements to give the city a 'green edge' and strengthen connections with the waterfront, CBD and Memorial Park
- Support more apartment and commercial/retail development, ultimately providing for up to 2100 new dwellings and 180,000 square metres of commercial and office space.

### BENEFITS

- Improve transport connections between the CBD and southern and eastern suburbs

- Catalyse commercial and housing development, creating vibrant, mixed use inner city suburbs
- Improve access to affordable, convenient housing.

#### ASSUMPTIONS

- Funding for completion of the Victoria Street project has been provided for within the 2014/15 budget.
- Our plan includes approximately \$72 million of capital expenditure funding for projects like Adelaide Road and Kent/Cambridge redevelopment, starting in 2017/18.

### Establishing an urban development agency

To act as a catalyst for inner city regeneration, the Council is considering the establishment of an urban development agency. This agency would likely have authority to buy (at market rates) and develop land and buildings.

Urban development corporations have proved successful internationally at driving urban regeneration. The success of Wellington's waterfront also shows the benefits of having a single organisation coordinating city development while working in partnership with other investors.

#### BENEFITS

Establishing such an organisation could allow us to:

- speed up inner city regeneration
- focus growth in targeted areas with strong transport links and other infrastructure.
- ensure that development aligns with other social, economic and environmental priorities

- protect heritage through targeted investment and strengthening of earthquake-prone buildings

#### ASSUMPTIONS

- The Council will fund the early stage of this project from its internal labour budgets.
- There are different ways to construct such an agency and different limits that can be placed over them. The council will consider the best options in the coming year.

### Strengthening heritage buildings

Heritage buildings make an important contribution to the city's character – but many require strengthening to make them safe in earthquakes. The Council provides support to building owners by providing grants for earthquake strengthening and waivers on some resource consents. For the next three years, we are proposing to increase the total funding pool to \$1 million a year, in order to increase the number of buildings that are being strengthened.

#### BENEFITS

- Retain heritage buildings, contributing to character of inner city
- Strengthen heritage buildings to protect from earthquakes.

#### ASSUMPTIONS

- We will also be reviewing our regulatory environment to see what, if any, changes can be made to enable building owners to alter aspects of the buildings to make them more economically viable.
- We have increased our Build Heritage Incentive Fund by \$400k per year to \$1million.
- This plan also includes an increase in the rates remission provisions for category 1 and 2 heritage buildings.



**Item 4.1 Attachment 9**

How should the Council work with developers to stimulate more and a greater mix of housing being built in the inner city?

Should ratepayers support private building owners to protect local heritage?

Draft subject to change

## 4.

# Revitalise the Civic Square precinct: a national music hub, more activity, and a strengthened Town Hall

Civic Square is an important centre of Wellington's civic and cultural life. It provides a gateway from the CBD to the waterfront, houses several important cultural institutions, such as the central library, City Gallery and Town Hall.

Since its creation in 1992, building standards have increased. Several of the square's buildings now require strengthening to bring them close to modern earthquake standards.

This creates an opportunity to refurbish and revitalise the square, opening it up to a wider range of uses and improving links with surrounding buildings and streets to make the square more lively and attractive.

The Town Hall is currently closed pending a decision on how best to fund its strengthening. An aim of the proposal is to offset some of the costs that would otherwise fall to ratepayers.

Key aspects of the proposal include:

- Earthquake strengthening the Wellington Town Hall, the Wellington City Library, the office buildings currently occupied by the Council, and possibly the Capital E space.
- The potential to establish a national music hub in the Wellington Town Hall and Michael Fowler Centre. A

partnership is being explored between the Council, Victoria University and the NZ Symphony Orchestra that would allow the refurbished town hall to be used as a performance and recording venue.

- Upgrading the square and improving links with surrounding streets.
- Possible 'opening up' of building ground floors so that cafes and shops can open on to the square, and people can more easily see into the square from surrounding streets.
- Leasing Jack Ilott green and the Michael Fowler Centre car park to allow construction of new buildings – with income used to offset earthquake strengthening costs.
- Making the Municipal Office Building.
- Making more efficient use of council office space – reducing space to current benchmarks.

### BENEFITS

- Strengthening of the Town Hall and other significant buildings
- Enhance Wellington's reputation as a centre of music performance and recording
- Revitalise public spaces, making them more attractive, and bringing in more people and a wider variety of uses.

**ASSUMPTIONS**

- The net costs of the whole proposal is budgeted at \$77.6m
- As this proposal includes the lease of land and involves the Civic Square, a strategic asset, it is required to have its own statement of proposal. In short, if you want to know more see the separate appendix to this plan.

- The long term ground lease income and external funding are budgeted to contribute \$22.4m to the project
- The cost of the Town Hall Strengthening is budgeted at \$58.4m. Other costs include \$16.8m for earthquake strengthening the library and office building, Civic square public space improvements \$10.6m and \$14.1m for service separation costs and conversion of the remaining office building to an efficient workplace.

Should the Council invest in strengthening the Town Hall and other earthquake prone buildings? Should we lease out land and office space help to offset the costs?

Draft subject to change

## 5.

# Reigniting our sense of place through events and public space improvements

### Increased funding for major events

Wellington is New Zealand's events and creative capital. From film premieres to major sports events to arts & culture festivals, there's always something to do in the city. Major events such as the World of Wearable Art Awards and ensure that the city is a lively and enjoyable place to live.

Wellington faces increasing competition from other Australasian cities for the right to host major events. To maintain our economic and cultural edge, we will need to invest. The Council is proposing to increase the funding available to attract and support major events, ensuring that the city is able to bring in new attractions and retain those it currently has.

Our major events fund targets a 1:20 economic return on the investment that is made.

#### BENEFITS

- More vibrant and lively central city
- Stronger economy, with more jobs
- Strengthen Wellington's reputation as an events capital

Wider range of entertainment & cultural opportunities

#### ASSUMPTIONS

- We propose increasing our Events Development Fund (implemented through WREDA) to \$5m per year. In addition, we will continue our community festival grants funding.

### The NZ Festival

The festival is New Zealand's premier arts and cultural event. It's currently held every two years, and attracts world class line-ups of performers. They bring many thousands of visitors to the city and expose locals to compelling, graceful, witty, fresh and challenging performances, artists and literary giants.

It's a centrepiece of the city's status as a cultural and arts capital. The 'off year' leaves a gap in the city's events calendar and means we are missing out on the economic and cultural returns from the quality events that the festival can attract.

We want to plug this gap and propose increasing our grant to the festival to secure 'off-year' events or shows in the city.

#### BENEFITS

- Greater access to world class performances
- Strengthen Wellington's identity and culture as one of creativity

#### ASSUMPTIONS

- The proposal is to provide an additional annual grant of \$500,000. This complements the NZ Festival's own success at raising the majority of its funding from ticket sales and other sources.

### Cheering up the streets and laneways

Streets make up around 80% of the open space in the inner city. They get us from A-B but they can also be spaces where we spend time, congregate and have fun.

Lanes provide short-cuts for pedestrians through large urban blocks and – if lined with shops, cafes or other public uses – can make a vital contribution to the liveliness of the city, as well as making it easier to move around. The success of Melbourne's laneways – transformed since the late 1990s from service lanes to vibrant shopping and entertainment streets – provides a strong precedent.

Wellington has a number of lanes which are under-utilised, unattractive or unsafe.

We propose to work with others to increase levels of economic activity and pedestrian movement along inner city lanes and streets.

The works will include physical improvements such as lighting in key locations. More importantly it will introduce a rolling programme of low-cost, pop-up activities at changing locations across the city.

The recent changes to Bond St is an example of how these popular events can add a *sense of place* to an otherwise forgotten street.

#### BENEFITS

- New economic activity
- Makes the city safer, easier and more enjoyable to walk in

- Offers points of distinction and a sense of renewal to the city.

#### ASSUMPTIONS

- \$4.5k capital expenditure

### Redeveloping Frank Kitts Park

Frank Kitts Park plays an important role in the city as a gathering place and as a site for waterfront events. The park was completed in the 1980s, with a design aimed at allowing spectators to safely watch the annual waterfront street car race that ran in the city at the time.

The Council is proposing to redevelop the park, re-orienting its focus towards the harbour and integrating a long-planned Chinese Garden. The park will retain large areas of open lawn, along with a much improved children's play area.

The redeveloped park will support a variety of uses, from events to walking and relaxing, to play, while also creating a more diverse and attractive harbourfront space.

#### BENEFITS

- More attractive, user-friendly waterfront space oriented to the harbour

#### ASSUMPTIONS

- \$5.5 million has been set aside for the park's redevelopment.
- We also plan to support another feature of the city's Waterfront: the Circa Theatre. We propose a grant of \$250k over three years.

The city provides the stage for you to play and engage. Should we invest more in the city's lanes and events?

Draft subject to change



## 6.

### Strengthening town centres: creating liveable communities and accommodating growth

Over the next 30 years, Wellington city's population is projected to grow by more than 44,000, taking the total population to about 246,000. To house these people, an additional 20,000 homes will be needed.

While some of this growth will occur in the central city, a significant proportion will also occur through intensification of existing town centres such as Johnsonville and through greenfields developments such as Lincolnshire Farm.

The Council is planning to facilitate growth by strengthening infrastructure in areas where growth is expected.

#### Johnsonville

In Johnsonville, transport improvements, new community facilities, greater housing choice, improved urban design and public spaces, and a greater range of shops are all part of a master plan for the Johnsonville town centre.

Major roading improvements – aimed at reducing congestion and improving access to the shopping areas – are already well under way. So, too, is redevelopment of the Keith Spry Pool, with new children's and learn-to-swim pools.

The next steps in the suburb's redevelopment are the completion of major

redevelopments of Alex Moore Park and Johnsonville Library.

The first stage of the park's redevelopment occurred in 2014, with construction of a car park and perimeter walkway, and installation of artificial turf on the northern sports field.

We propose to complete stage 2 in 2018. It will involve joint funding of a new pavilion and sports centre on Bannister Avenue. The Council's contribution is \$1.45 million, while clubs in the area have combined to fund raise for the remainder.

We propose to build a new, larger library in Johnsonville, to cater for increasing demand as the area's population grows.

The new library will be located between Keith Spry Pool and the Johnsonville Community Centre, allowing the three facilities to operate as an integrated community hub. It is likely to include a café and possibly other community space as well as library facilities.

Design work for the new library will be undertaken during 2015, with the aim of having the building open in 2018.

#### BENEFITS

- Community facilities keep up with demand from growth

- Improved quality and service
- Better integration of community facilities.

**ASSUMPTIONS**

- Alex Moore Park: \$1.5m grant to be funded over 10 years.
- Johnsonville Library: \$17m Capital Expenditure is proposed which will impact Council operational spending by \$4.8m

**Karori and Tawa**

Wellington's suburban housing stock is dominated by detached family homes. As the city's population ages and smaller households become more prevalent, we need to facilitate the development of a wider range of housing types.

Medium density residential areas support the development of houses on smaller lots, terraced housing, and low-rise apartments close to town centres, in areas of high accessibility to public transport, shops and facilities. Medium density housing provides opportunities for residents to age in their communities without the burden of maintaining a family house, and may provide a more affordable alternative to a traditional house.

The Council has already created medium density residential zones in Johnsonville (see above) and Kilbirnie. We now plan to consult with residents in Karori and Tawa, in the first instance, to determine the extent to which medium density housing may be suitable for those communities.

We will also work with the local communities to identify aspects of the town centres which could be improved to better accommodate an increased population.

**BENEFITS**

- Increases housing supply, choice and affordability
- Supports the use of public transport, walking and cycling
- Helps keep our city compact by reducing the need for greenfield development
- Optimises the use of existing infrastructure and facilities.

**ASSUMPTIONS**

- The Council proposes to set aside \$1m for each of the two suburbs to support upgrades to town centres.
- Investigations will occur in 2015 and will be followed by community consultation. Any District Plan change arising from this work will follow the normal regulatory process and timeline.
- Other suburbs likely to be studied include Newlands, Crofton Downs, and Miramar.

Should the Council prioritise its investment to target suburbs where growth and change is occurring?

## 7.

# New and improved venues for music, sport, and conventions

## An indoor arena

Live music performance is part of Wellington's DNA, and the region has a wide range of venues. But it has no indoor venue capable of seating more than 5000 people. As a result, the region misses out on international artists who play in other cities such as Auckland and Christchurch.

This comes as an economic cost to the city, because we are missing out on rock concerts and other music events that can attract large numbers of people to the city. It also has social and cultural costs – the city is less lively and vibrant than it otherwise might be, and its reputation as a centre for arts and culture is compromised.

Wellington City Council is progressing work to scope the possibility of developing a 8,000 – 12,000 seat indoor arena in the central city.

This would be a large investment, with significant payback for the region – allowing the region to attract many more live music, comedy and other performances, bringing in visitors and boosting the economy, as well as increasing entertainment options available to residents.

The project would likely be developed in partnership.

### BENEFITS

- More international music, comedy and other acts

- More visitors to Wellington – bringing jobs and growth
- A more vibrant city.

### ASSUMPTIONS

- At this stage the Council is exploring the feasibility of this project and undertaking a review of venues across the city. If a decision is made to proceed further, a business case will be developed, and partnership funding options explored.
- Funding of the Council's contribution to this initiative is proposed that this be split between; the Downtown Targeted Rate 40%; and general ratepayers 60%.
- Budgeted Construction cost of \$65m.
- Construction from 2020/21 to 2022/23

## Wellington Convention Centre

Conventions bring people to the city from throughout New Zealand and overseas to discuss ideas, and make connections.

The Council has consulted on and received strong support for a new convention centre for Wellington. We are currently re-assessing options for the delivery of a facility with capacity to host conferences of up to 1200 delegates and banquets of 1,150.

Though Wellington is already New Zealand's second largest convention destination, we do not have a purpose-built conference venue. With Auckland, Christchurch and Queenstown all planning new convention centres, competition is getting tougher.

The Wellington Convention Centre will allow the city to maintain and increase its

market share in the lucrative conference market, creating jobs and bringing up to \$21.4 million a year into the Wellington economy.

Increasing the number of conferences held in Wellington will also attract events, increase Wellington's international profile, and encourage Wellington businesses and research organisations to strengthen connections with their counterparts overseas.

Without a dedicated convention centre, it is expected that Wellington will lose a share of the convention business to other cities.

#### **BENEFITS**

- Increase international visitor numbers
- Create more than 200 new jobs
- Boost growth in hospitality, tourism, retail and other sectors
- Protect and create new expenditure of \$40 million per annum in the city
- Increase international profile and strengthen international connections,

#### **ASSUMPTIONS**

- Funding of the Council's contribution to this initiative is proposed that this be split between; the Downtown Targeted rate 40%; and general ratepayers 60%.
- The budgeted cost is an operational grant of \$4m p.a. from 2016/17

### **Basin Reserve redevelopment**

The Basin Reserve is ranked as one of the world's top ten cricket venues, and known as one of New Zealand's most picturesque and historic cricket grounds. But its future is far from assured, with competition from an increasing number of grounds around the country.

The Basin Reserve Trust has developed a Masterplan to present a 25-year vision for the future of the ground. The key features of the vision are to retain the premiere test status of the stadium and to enhance the

Basin Reserve as a local recreation space for the community.

Redevelopment would include the integration of more usable public space to enhance the 'Village Green' feel of the grounds, the installation of flood lights, and developing flexibility in capacity through the use of temporary seating to accommodate a range of sporting and cultural events.

A question remains on the future of the earthquake prone 1924 pavilion and whether to strengthen the stand or to replace the structure with a tiered embankment that would include public space facilities such as a playground, trees and park seating. Event seating at the ground will be maintained at 9,000, but could be increased to 15,000 for major events through the use of temporary seating above the embankment when additional capacity is required.

The Masterplan will be brought to Council for approval later in the year.

#### **BENEFITS**

- Protecting and enhancing the Basin Reserve as a local recreation reserve
- Retaining the Basin Reserve as the premiere Test cricket venue in New Zealand
- Opening up the Basin Reserve more to the people of Wellington and enhancing community activity within it

#### **ASSUMPTIONS**

- \$21 million has been budgeted for the upgrade starting in 2015/16.

### **National Hockey Stadium**

The Council is considering a proposal for installation of a third artificial turf sports field at the National Hockey Stadium in Berhampore, to accommodate growing

demand and improve the stadium's capacity to host hockey tournaments and events.

Participation in hockey has grown significantly in the last decade, to a point where the stadium is now operating at capacity with 95% winter utilisation rate. Wellington players frequently have to travel out of town for games.

Wellington Hockey Association is also proposing an upgrade of the existing stadium.

#### BENEFITS

- Improved access to sport/recreation opportunities, reflecting increased demand
- Enhanced capacity to host major hockey events.

#### ASSUMPTIONS

- \$1.4 million of capital expenditure has been budgeted for the upgrade.

What returns would you expect to see from a \$21 million redevelopment of the Basin Reserve? Should the Council invest in attracting bigger and more international acts by investing in an indoor arena? Is capacity and demand the right measure for prioritising investment into sport facilities? Is the balance of funding for the Convention Centre right?



8.

## New visitor attractions: celebrating Wellington's culture and environment

### International film museum

Wellington is one of the country's fastest growing tourism markets, with rapid growth in visitor nights in the last 10 years. But there is still considerable untapped potential in the market. Not only can we attract more visitors, we can also encourage them to stay longer and spend more.

To do this, the region needs more high-quality tourist attractions – ones that can keep visitors here for an extra day or two.

Wellington City Council is working with private sector partners to establish an international film museum in central Wellington. The museum has potential to be a significant attraction.

The museum would likely require a purpose-built building in a central city location. Wellington City Council anticipates that this would be funded through a partnership, able to leverage both public and private investment.

Together with other initiatives that the Council, is working towards, this proposal has potential to significantly enhance Wellington's offering to domestic and international visitors.

#### BENEFITS

- Increase domestic and international visitor numbers
- Increase length of stay and visitor spend

- Raise Wellington's profile internationally
- Recognise and celebrate the role of film in Wellington and national identity.

#### ASSUMPTIONS

- The preferred site for the attraction is to be finalised but it is expected to be in the central city. The Council has provisionally budgeted \$30. The costs, returns and funding will be determined as part of the development of the business case.

### Museum of City and Sea expansion

The Council proposes to part fund an expansion of the Museum of City & Sea, recently named one of the world's top 50 museums, allowing it to show more of its collection and attract more visitors.

The proposal would see the museum's exhibition area expanded by about 30%, by opening up the attic space in its premises in the historic Bond Store.

The expansion is expected to attract additional visitors and complements the City Gallery, Carter Observatory, Cable Car Museum and other offerings of the Wellington Museum's Trust.

#### BENEFITS

- Improved visitor experience
- Greater access to museum collections and the heritage building
- Strengthen the museum's contribution to the Wellington's identity and culture.



#### ASSUMPTIONS

- The City Council will contribute a \$11 million capital grant towards the expansion. The Trust will also secure funding from other sources.

### World War 1 commemorations

The years 2014-2019 mark the centenary of the First World War. More than 100,000 New Zealanders were directly involved in that conflict, from a population of just over a million.

Wellington City Council is working in partnership with the Government and others to commemorate New Zealand's involvement in the war.

Pukeahu National War Memorial Park is the Government's major project to acknowledge the centenary, and to commemorate New Zealanders who participated and died in World War 1. The City Council contributed \$5m towards the parks creation.

The Ministry for Culture and Heritage is also developing an interpretation, exhibition & education centre, offering visitors opportunities to learn about New Zealand's involvement in military campaigns, and the impact of these campaigns on the country.

The City Council is supporting this exhibition and will work with the government on the concept of establishing a permanent facility.

This would add to the areas significance as a place of national commemoration and reflection.

#### BENEFITS

- Strengthen culture, identity and understanding of Wellington and national history

- Commemorate New Zealanders' involvement in World War 1

#### ASSUMPTIONS

- In a joint project with Parliament, the Council is currently redeveloping the Cenotaph site on the northern end of Lambton Quay. This will provide more public space for Anzac Day commemorations and provides an edge to the parliamentary precinct.
- A provisional Peace and Conflict museum contribution from Council is budgeted at \$10m capital investment in 2015/16

### Ocean Exploration Centre

The Council is considering a proposal to support the establishment of an Ocean Exploration Centre at the former Maranui Quarry site in Lyall Bay, providing opportunities to discover Wellington's marine life and ocean environment.

The centre aims to be a significant visitor attraction, providing people with opportunities to discover and appreciate New Zealand's marine environments, with a particular focus on the Cook Strait's unique sea life. The centre also aims to play a role in promoting the long-term health of New Zealand's marine ecosystems.

The Centre would be built and operated by the Marine Education Trust. The Council would contribute a third of the \$18m capital costs. The Trust aims to attract the remaining two thirds from Social Investors and the government.

#### BENEFITS

- New nature-based visitor attraction
- Strengthens Wellington's identity as a city that celebrates nature
- Increased awareness of and advocacy for the marine environment.

#### ASSUMPTIONS

- The operating costs of the Ocean Exploration Centre would be met by the Marine Education Trust. They have assessed that 180,000 visitors per annum would be required to make the centre

viable. Initial estimates show projected visitation in excess of 200,000. This is similar to the number of people that visit the Wellington Zoo each year. The Council's contribution is conditional on the funding being secured from other parties and review of the final business case

- The budget contains an operational grant of \$6m in 2015/16.

These additions (and the events and festival funding) aim to showcase the best of Wellington: the arts, film, nature, our 'capital' city status, and our very own stories. Have we got the mix right?

Draft subject to change

9.

Improved management of key infrastructure: for greater efficiency, and better environmental and social outcomes

Understanding key infrastructure

Wellington city's biggest infrastructure asset is one that is rarely seen. It lies out of sight, underground. There, more than 2700 kilometres of pipes and tunnels criss-crossing the city – carrying water to the city's homes, businesses, schools and hospital; or carrying sewage to treatment plants; or stormwater to the sea.

Together, this network and associated assets is valued at around \$1.3 billion. Lay all of the pipes end to end and they would reach Sydney.

Managing these assets – and the environmental impacts associated with their use – is one of the biggest areas of Council activity: each year, we spend more than \$50 million to operate the city's water, wastewater and stormwater networks; and invest more than \$25 million in new or upgraded assets.

Through better management of these assets, we anticipate that we can make savings on previous forecasts, without compromising service levels.

We will also be focusing new urban growth in areas where existing water & stormwater networks already have enough capacity to deal with added demand.

BENEFITS

- More efficient and better targeted use of resources
- Improved environmental outcomes
- Savings that can be reinvested into the city.

ASSUMPTIONS

- The network is managed and maintained by Wellington Water – a company established by five councils across the metropolitan region.
- \$101m reduction on infrastructure renewals (compared to previous forecasts) over 2015/16 – 2024/25.

Real-time stormwater monitoring

Every year, millions of litres of stormwater is discharged into the city's streams, harbour and coastal waters. That stormwater can contain contaminants, such as oils, paints, detergents, litter, animal droppings, and – after heavy rainfall – sewage. The environmental impacts of stormwater runoff are monitored, and generally comply with resource consents and environmental standards.

In the next three years, we will be introducing real-time monitoring of the stormwater network. This will enable us to measure flows of stormwater and pollutants into waterways, and allow us to

better manage pollutants when stormwater is causing environmental harm.

#### BENEFITS

- Better understanding of the networks performance
- Better understanding of environmental impacts from stormwater, and greater ability to control those impacts.

#### Understanding the impacts of climate change

During this century, according to scientific modelling, climate change is likely to have an increasingly significant impact on Wellington and other coastal cities.

The sea level is predicted to rise by somewhere between 60cm and 1.1 metres. With it, the water table could rise. Potential impacts include erosion and inundation of low-lying coastal land, damage to infrastructure and building foundations, increased flood risks, and increased risks of liquefaction in the event of an earthquake.

A warming climate is also likely to make severe storms more frequent, bringing risks of property and infrastructure damage.

Initial modelling suggests that a 60cm-1.1m sea level rise would mainly affect a small number of coastal areas. Nonetheless, the impact could be significant.

One of the most important tasks facing the Council is to prepare the city for these impacts. We will have to make decisions, for example, about whether coastal land needs to be protected by sea walls, or changes are needed to the stormwater system or other infrastructure.

The first step is to understand the possible impacts, and the measures that can be taken to reduce or mitigate those impacts. Over the next three years, we will:

- Develop a hydraulic model to assess the impact of increased storm intensity and rising sea levels on the stormwater network, so we can make sensible decisions about land use, building and infrastructure
- Review District Plan provisions for areas that might be vulnerable to rising sea levels.

#### BENEFITS

- Protect people and property from adverse effects
- Better understanding of potential impacts from climate change, allowing better decisions

#### ASSUMPTIONS

- The city is making progress towards mitigating its contribution to carbon. Examples include: the highest use of public transport per head of population in Australasia; low energy usage and secure renewable energy sources, with wind farms in the city's boundaries that generate sufficient power for 100% of residential needs; an expansion of the Town Belt by more than 700 hectares over the past two decades; and planning rules that aim to reduce the costs and impacts associated with sprawl.
- More can be done. We propose to extend our contribution to Enviro-schools and our award winning Smart Energy Challenge. We will also review our Climate Change Action Plan and secure independent accreditation from CEMARS to benchmark our work.

#### Supporting our natural capital

Wellington is literally set in nature. The environment is part of the city's infrastructure. It's the foundations on which the city is built.

Wellington is rare among cities. The ease with which people can connect with the natural world is a point of difference. Significant sites like the marine reserve on the South Coast, Otari Wilton's bush and Zealandia are complemented by a broader programme that aims to protect and enhance the biodiversity in the city.

To find out more about what we do and are proposing  
see our Biodiversity Action Plan.

Have we got the balance right?

Draft subject to change

## 10.

### Use smart technology to reduce energy use, make streets safer, and make parking easier

Our services represent value for money. But we are always striving to find new, better and more efficient ways to deliver our services.

#### Installation of wireless car park sensors

We are trialling the use of smart technology aimed at making it easier for people to find car parks.

Wireless sensors fitted into the road surface can provide information on whether a car park is occupied. This information can be used to tell drivers (either through signs or online apps) where car parks are available, as well as the applicable price.

The sensors can be incorporated with online payment systems, making it easy for drivers to both find and pay for their parking, and ensuring they only pay for the time they use.

'Dynamic pricing' – in which the price falls as more parks become available – can also be introduced alongside the sensors. Where this system has been used overseas, it has resulted in reduced average parking prices and greater parking availability.

Of course, sensors can also help with parking enforcement, by ensuring that drivers comply with time limits, and don't park without paying or park in areas they

are permitted to (such as disability parks or loading zones).

The Council is proposing to including funding in its long-term plan for installation of parking sensors in the central city. A final decision on implementation will be made after the results of the trial are known.

Implementation will require some changes to our policies, including the introduction of flexible pricing.

#### BENEFITS

- More convenient – with easier access to parking and easier payment options
- More efficient
- Better compliance, increasing availability of parks.

#### ASSUMPTIONS

- The costs of implementation are \$1.5m. It is expected that there would be savings of \$8m over the 10 years. The costs cover installation of wireless sensors, signs showing park availability, and integration with websites/apps showing parking availability and supporting online payment.
- Increased revenue from parking sensors \$1m pa 2016/17 – 2024/25.



### Installation of LED street lighting

The Council is exploring the option to reduce energy use by installing high efficiency LED streetlighting throughout the city.

Currently, the Council spends more than \$2.3 million a year lighting the city's streets. Street lights use some 7.33 megawatts of electricity – enough energy to power several thousand homes.

Installation of LED lighting has potential to reduce energy use – and costs – by at least 50%, and probably much more.

LED technology also brings numerous other benefits. It offers better visibility and therefore safety than conventional street lighting. Light pollution is reduced. And LED lighting can be controlled – allowing lights to be dimmed when they are not needed, or lighting levels to be increased in areas of high demand. LED lights also last much longer than conventional lights, are easier to maintain, and are less harmful to the environment.

The introduction of new LED streetlights may also provide an opportunity for a city Wi-Fi 'mesh' suitable as the backbone for other 'sensing city' initiatives

LED lighting has already been successfully trialled on Courtenay Place. The Council now proposes to roll out LED lighting in stages across the city. There is an up-front cost because LED lamps are more expensive than conventional ones. However, this will be offset by lower energy and maintenance costs.

#### BENEFITS

- Safer
- Better environmental outcomes through reduced energy use and fewer toxins
- Reduced long-term costs.

#### ASSUMPTIONS

- No specific budget has yet been allocated within the LTP for this project, pending further assessment. However the cost is expected to be offset through reduced energy use.

Should the Council invest in LED street lights, with the up-front costs offset by ongoing savings on energy and maintenance?

Should we install wireless car park sensors in the central city, along with more flexible pricing and real-time information about car park availability?

Draft subject to change

## 11.

# Real transport choices for an efficient, sustainable and safe transport network

Wellington's transport network plays an important role in the region's economy – helping people to connect with each other, and bringing goods to market.

An efficient transport network is also important for health and wellbeing, for connections between people, and for the environment.

Though parts of Wellington's transport network perform well, others are struggling. There is congestion – particularly at peak times – on northern routes into and out of the city centre, and on the route from the city to the airport.

The network is also potentially vulnerable in the event of an earthquake or other major emergency, due to the limited number of routes into and out of the city.

It also provides limited choice – currently supporting private vehicle transport more effectively than other modes such as buses or bikes.

Addressing these issues will require a balanced approach – with stronger public transport and cycle options alongside vehicle network improvements.

Wellington City Council is committed to working with others to see land transport network improvements implemented, so that residents can enjoy safer, more convenient journeys, and the region's economic potential can be unlocked.

### A cycling network

Like other well-connected cities, we plan to encourage a greater uptake of cycling.

The car can provide flexibility for many journeys but can also be inefficient, requiring parking space and creating congestion, especially at peak times.

The implementation of a cycling network would increase the carrying capacity of our roads while improving our health and environment. By encouraging people to use active modes such as cycling, we reduce the congestion for other road users.

Implementing cycleways in Wellington has its challenges because we are retrofitting them into established streets. The city's narrow and winding streets mean that some road and/or footpath space must be reallocated. This may ultimately mean prioritising cycle lanes or cycle parking over on-street car parking in some areas.

The network will span the city with routes connecting suburbs to the CBD and is currently planned to be rolled out over the next decade.

### Bus priority and vehicle network.

Another key priority will be implementation of the Wellington Regional Transport Plan, under which a high-frequency, low emission bus service will be introduced on key routes linking the central city to the Basin Reserve, Newtown and Kilbirnie.

Improvements are also needed to the vehicle network. We support NZTA's programme to improve the state highway network in Wellington, which aims to unlock the city's economic potential by improving transport routes into the city, and from the city to the airport. One of our top priorities will be to find a solution to Basin Reserve traffic congestion in a way that supports smoother traffic flow while meeting community aspirations. The programme also includes double-tunneling the Mount Victoria and Terrace tunnels.

**BENEFITS**

- Safer, healthier, more environmentally friendly transport options

- Unlock economic potential with a more efficient transport network
- Reduced congestion and travel times.

**ASSUMPTIONS**

- Cycleways: \$45m proposed over 10 years.
- Public transport: \$10m set aside for bus priority measures in addition to the improvements to key routes such as Kent and Cambridge Tces and Adelaide Rd. The public transport service is funded by the Greater Wellington Regional Council. Wellington City Council provides the roading and pedestrian networks on which buses rely.
- Vehicle network: \$433m is proposed to be spent on maintaining and renewing the network over the decade. State highway improvements are funded and delivered by the New Zealand Transport Agency.

Draft subject to change

## Audit report

[To be inserted]

Draft subject to change

## Making a submission

There are three main ways you can have a say:

- online – make a submission or post your thoughts [www.Wellington.govt.nz](http://www.Wellington.govt.nz).
- make a written submission – write a letter or use the form in this document and post to Long-term Plan, Wellington City Council, PO Box 2199, Wellington
- come to a meeting to discuss our plans (see below).

Submissions are open between 13 March and 17 April 2015.

### Then what happens?

We appreciate the submissions we get, and we do take them seriously.

The Mayor and councillors are given copies of all submissions. We also prepare reports on the submissions, so that councillors know things like how many there are, and what issues are coming up often. Hearings will be held from 5-8 May for those that have submitted and want to be speak directly to councillors. A committee will then consider the submissions and recommend any changes to the Council. The final plan is schedule to be adopted on 24 June 2015.

### To find out more:

Visit our website to find out more information, including our:

- Financial Strategy
- Infrastructure Strategy
- Urban Growth Plan
- Statement of proposal in relation to Civic Square
- Housing Portfolio Assessment Framework
- Draft Statements of Service Performance.

### Come and discuss the plan

A number of public meetings have been scheduled for March and April. Council will host a ward forum in each of the 5 wards fronted by the local Councillors. The dates for these fora are as follow. See our website for locations and times:

Lambton Ward: 19 March 2015 Eastern Ward: 24 March 2015 Western Ward: 26 March 2015

Southern Ward: 31 March 2014 Northern Ward: 07 April 2015.