

The draft prospective financial statements for the Council only 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 forecasting 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 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. However, as the water rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction.

### **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 is 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 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.

### **Goods and Services Tax (GST)**

All items in the prospective financial statements are exclusive of GST, with the exception of receivables, recoverables 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 Council 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 Council 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 Council's control and there is sufficient evidence the Council 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 (the roading network, water, waste and drainage reticulation networks and service concession arrangement assets) are valued at optimised depreciated replacement cost on a three-year cycle by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

**Revaluations**

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive 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:

| <b>Asset Category</b>                   | <b>Useful Life (years)</b> | <b>Depreciation Rate</b> |
|---|----------------------------|--------------------------|
| 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:

| Asset Category    | Useful Life (years) | Depreciation Rate |
|-------------------|---------------------|-------------------|
| Computer software | 1 to 7 years        | 14.29% to 100%    |

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.

## 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 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.

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 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 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.

## **FINANCIAL PRUDENCE**

The government has introduced the new Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages. These measures further highlight the financial performance of Council in a way that is consistent and standardised.

These measures allow for comparison of financial performance with other Councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Councils' results with other Councils due to their size, location and provision of services.

The Council considers there are three key financial areas that demonstrate whether a Council is being managed in a prudent manner; they are in broad terms the level of rate increases, level of borrowings and the balancing of the budget. A Council sets what it believes to be prudent levels for each of these areas when it adopts its Long-term Plan.

### **Rates Increase**

The Financial Strategy outlines the Councils strategy on rate increases and how to maintain the ratepayers willingness to pay rates as they perceive the value of the services provided by Council. There are two measures that indicate Councils adherence to its strategy:

1. Percentage limit on rate increases averaged over the first three years of the 2015-25 Long-term Plan before growth (in the rating base) is 4.5%.

The percentage rate increase for 2015/16 is 4.9%

2. Dollar limit on rate increases for rates revenue not to exceed is set at \$301.5 million for 2015/16.

The Council has committed to adhering to limits as set out in Long Term Financial Strategy as set out elsewhere in this 2015-25 Long-term Plan.

### **Borrowing levels**

The Financial Strategy outlines its guiding principles on the level of borrowing the Council may undertake, and in broad terms:

- a) Debt cannot be used to fund operations, and
- b) The current level of debt will not restrict a future Councils ability to fund new assets through debt.

The Council has met all of its borrowing measures set out in the following pages, as the Council continues to be prudent in carefully managing its debt levels and ensuring that future generations are not impeded in their ability to borrow to fund future capital expenditure.

### **Balanced Budget**

This measure is designed to highlight whether a Council has achieved a balanced budget as discussed in the financial overview. The Council's aim is to be as close to the 100% as possible, as large variances would indicate that ratepayers are either paying too much or too little rates that could lead to intergenerational issues in later years.



## 2015-2025 Long-term Plan disclosure statement

### What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

### Rates affordability benchmark

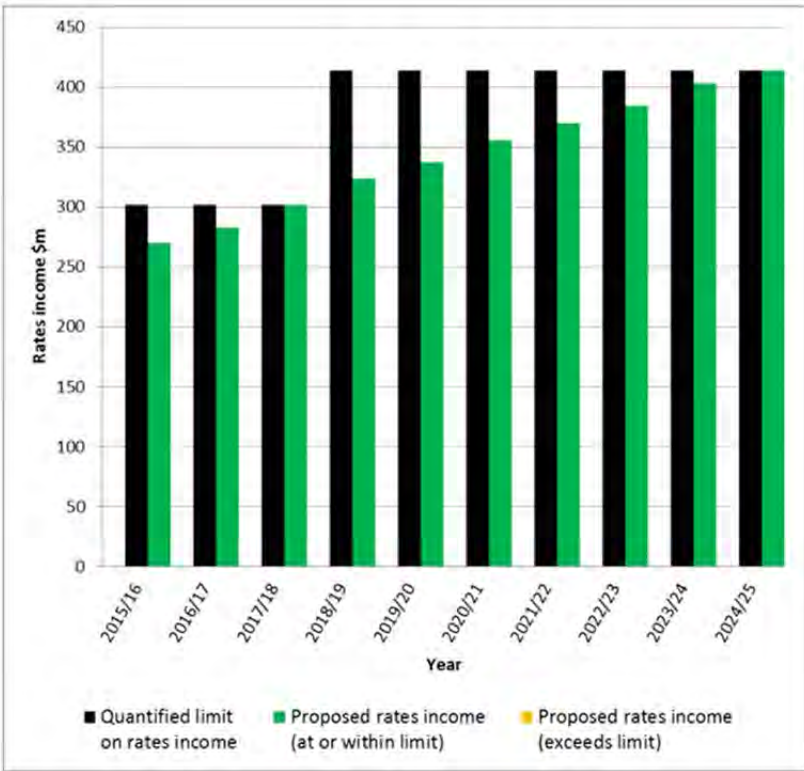
The council meets the rates affordability benchmark if—

- its proposed rates income equals or is less than each quantified limit on rates; and
- its proposed rates increases equal or are less than each quantified limit on rates increases.

These limits are based on the Local Government Cost Index and the limits are set each year during the Annual Plan process. This will cause some limits to be different than those disclosed in the 2015-2025 Long-term Plan. Where this occurs both the Annual Plan and Long-term Plan limits will be disclosed.

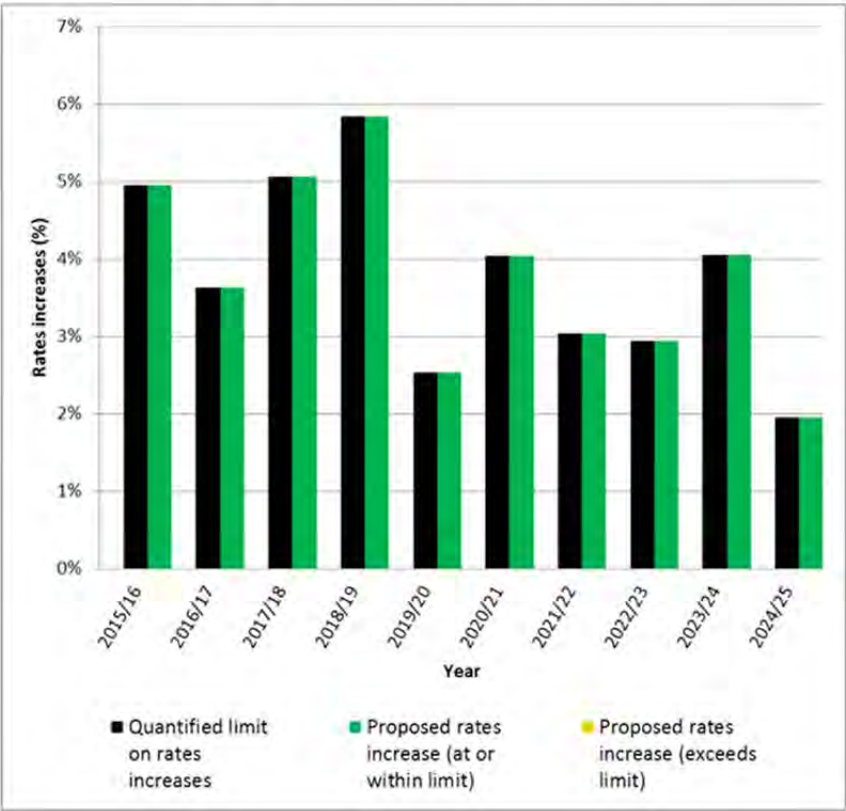
### Rates (income) affordability

The following graph compares the council's actual rates increases with a quantified dollar limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is \$301,552,000 (quantified limit for the 2014/15 Annual Plan was \$249,671,000).



Rates (increases) affordability

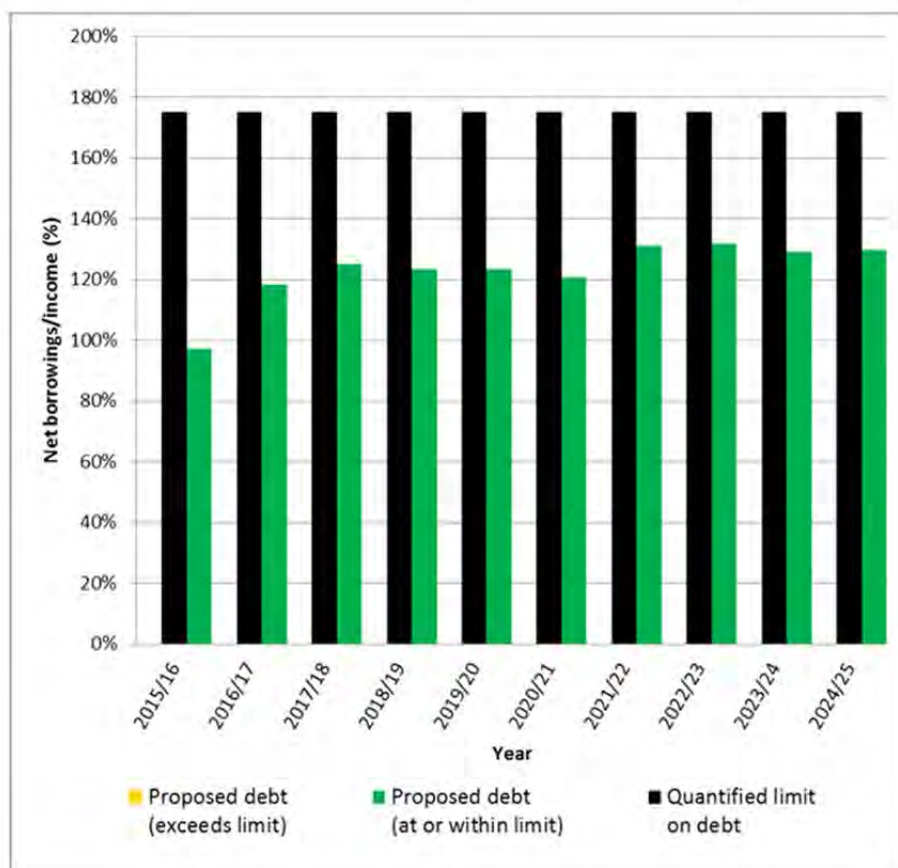
The following graph compares the council's proposed rates increases with a quantified limit on rates increases included in the financial strategy included in this council long-term plan. The quantified limit is a 4.5% increase after growth (quantified limit for the 2014/15 annual plan was a 3.96% increase).



Debt affordability benchmark

Net borrowing as a percentage of income

The following graph compares the council's proposed borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 175% of income. For this measure income is defined as total revenue less vested assets and development contribution income.

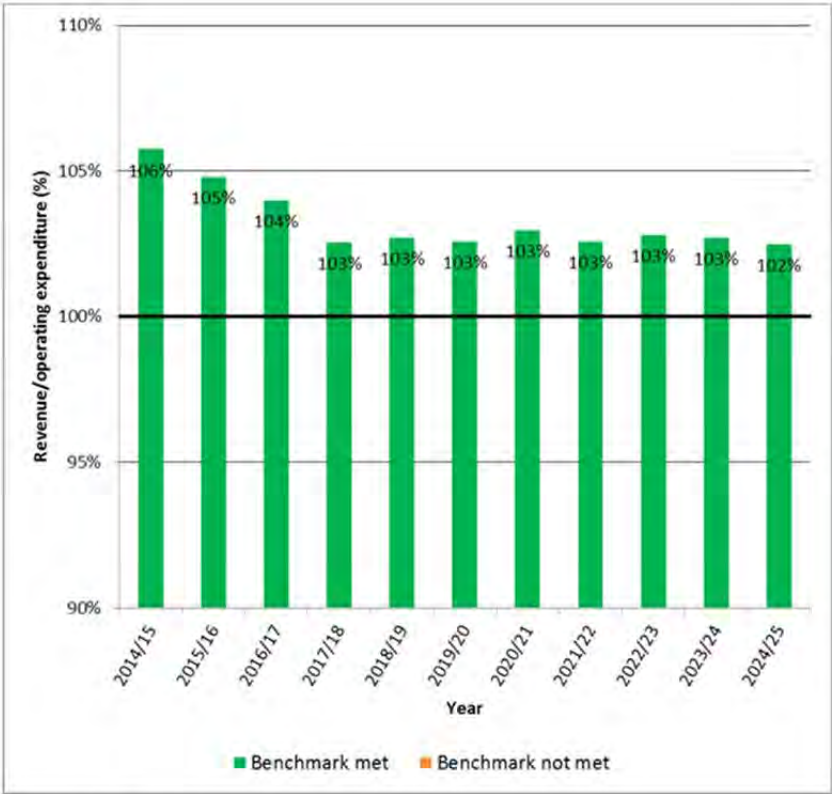


### Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

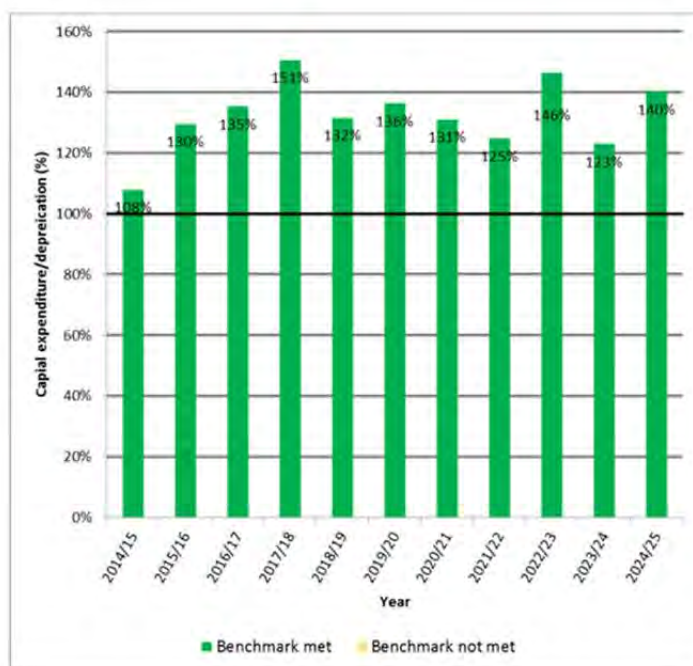
The council meets this benchmark if its revenue equals or is greater than its operating expenses.





Essential services benchmark

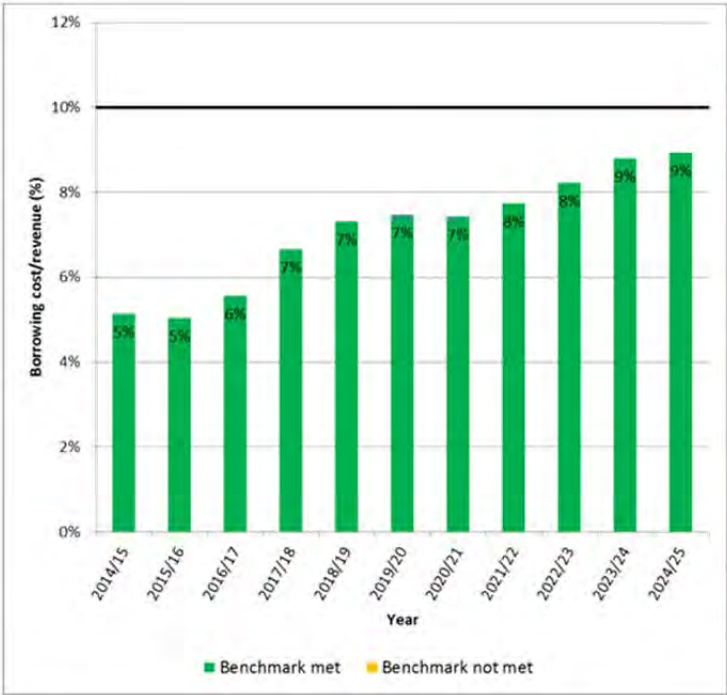
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services over the ten years of the long-term plan. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The capital expenditure included in this measure includes the renewal of assets (\$550.2 million), assets that increase capacity (\$48.6 million) and assets that increase the level of service (\$276.4 million) provided as part of the network services.



### Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.





## Fees and user charges

Our Revenue and Financing Policy guides our decisions on how to fund Council services. In the policy, we take into account who benefits from a service (individuals, parts of the community, or the community as a whole) to help us determine how the service should be funded. The policy set targets for each Council activity, determining what proportion should be funded from each of user charges, general rates, targeted rates and other sources of income.

In line with this policy, we have made some changes to fees and charges in the following areas:

- City Archives
- Trade Waste
- Development control and facilitation
- Swimming Pools
- Marinas
- Public Health Regulations
- Recycling
- Sports fields

New fees will be implemented as of 1 July 2015 and are inclusive of GST. For more information see [www.Wellington.co.nz](http://www.Wellington.co.nz)

### Development control and facilitation

We are increasing our fees for development control and facilitation work, including fees for consents, compliance monitoring and enforcement.

| <b>Resource Consent Fees</b>  | <b>2014/15<br/>Deposit /<br/>Fee</b> | <b>2015/16<br/>Deposit /<br/>Fee</b> |
|---|--------------------------------------|--------------------------------------|
| <i>Service</i>  |                                      |                                      |
| Pre-application meetings: planner / expert / compliance officer (charge per hour)   | \$150.00                             | \$155.00                             |
| Non-notified Resource Consent: land use   | \$1,500.00                           | \$1,650.00                           |
| Non-notified Resource Consent: subdivision  | N / A                                | \$2,000.00                           |
| Non-notified Resource Consent: land-use and subdivision   | N / A                                | \$2,700.00                           |
| Limited notified Resource Consent: subdivision and / or land use  | \$8,000.00                           | \$8,400.00                           |
| Fully notified Resource Consent: subdivision and / or land use (includes \$1,500.00 towards the cost of the public notices) | \$15,000.00                          | \$16,000.00                          |
| <i>Additional Charges</i>   |                                      |                                      |
| Additional hours (per hour):  |                                      |                                      |
| - All consents: additional processing hours (per hour) – planner / advisor / compliance officer                             | \$150.00                             | \$155.00                             |
| - All consents: additional processing hours (per hour) – administrative officer   | \$85.00                              | \$90.00                              |

| <b>Resource Consent Fees</b>   | <b>2014/15<br/>Deposit /<br/>Fee</b> | <b>2015/16<br/>Deposit /<br/>Fee</b> |
|--|--------------------------------------|--------------------------------------|
| <i>Compliance Monitoring</i>   |                                      |                                      |
| Monitoring Administration of Resource Consents:<br>subdivision or land use – minimum of one hour then<br>based on actual time after that                               | \$150.00                             | \$155.00                             |
| Additional hours (per hour):   |                                      |                                      |
| - planner / expert / compliance officer  | \$150.00                             | \$155.00                             |
| - administrative officer   | \$85.00                              | \$90.00                              |
| <i>Subdivision Certification</i>   |                                      |                                      |
| Below are minimum fees. Charges will be based on<br>actual time if over and above that   |                                      |                                      |
| Stage certification: each stage for s223, s224(f), s226 etc  | \$300.00                             | \$310.00                             |
| Combination of two or more Stage certificates: s223,<br>s224(f), s226 etc  | \$600.00                             | \$900.00                             |
| Certification s224(c)  | \$600.00                             | \$900.00                             |
| All other RMA, Building Act, Unit Titles Act and LGA<br>certificates, legal documents etc (disbursements charged<br>separately)<br>- up to 2 hrs                       | \$300.00                             | \$310.00                             |
| Bonds: each stage of preparation or release  | \$300.00                             | \$310.00                             |
| <i>Vehicle Access</i>  |                                      |                                      |
| Plan check linked to a building consent or resource<br>consent   | \$300.00                             | \$310.00                             |
| Initial inspection fee   | \$150.00                             | \$155.00                             |
| Vehicle crossing inspection fee over 1 hour  | \$150.00                             | \$155.00                             |
| <i>District Plan Check Fee</i>   |                                      |                                      |
| All applications (except minor works)  |                                      |                                      |
| Building consents with a project value of less than<br>\$20,000 (initial charge for 30 mins, then additional<br>charges apply per hour of processing time above this)  | \$75.00                              | \$80.00                              |
| Building consents with a project value of \$20,001 or over<br>(initial charge for first hour, then additional charges apply<br>per hour of processing time above this) | \$150.00                             | \$155.00                             |
| Additional hours – per hour  | \$150.00                             | \$155.00                             |
| Outline Plan Waiver  | \$300.00                             | Removed                              |
| <i>Planning Policy</i>   |                                      |                                      |
| Additional planner / advisor's time (per hour)   | \$135.00                             | \$155.00                             |
| Additional administrative officer's time (per hour)  | \$70.00                              | \$90.00                              |
|  |                                      |                                      |
|  |                                      |                                      |

### Trade Waste

We are increasing our fees for trade waste.

| Conveyance and Transport of Trade Waste                    | 2014/15 Fee           | 2015/16 Fee           |
|--|-----------------------|-----------------------|
| <b>Volume</b>  |                       |                       |
| Up to 100m <sup>3</sup> /day                               | \$0.27/m <sup>3</sup> | \$0.28/m <sup>3</sup> |
| Between 100m <sup>3</sup> /day and 7000m <sup>3</sup> /day | \$0.13/m <sup>3</sup> | \$0.13/m <sup>3</sup> |
| Above 7000m <sup>3</sup> /day                              | \$0.85/m <sup>3</sup> | \$0.89/m <sup>3</sup> |
| <b>B.O.D</b>   |                       |                       |
| Up to 3150kg/day   | \$0.29/m <sup>3</sup> | \$0.30/m <sup>3</sup> |
| Above 3150kg/day   | \$0.64/m <sup>3</sup> | \$0.68/m <sup>3</sup> |
| <b>Suspended Solids</b>                                    |                       |                       |
| Up to 1575kg/day   | \$0.28/m <sup>3</sup> | \$0.29/m <sup>3</sup> |
| Above 1575kg/day   | \$0.52/m <sup>3</sup> | \$0.55/m <sup>3</sup> |

### Recycling

We are increasing our fees for the recycling levy component of the landfill levy.

| Landfill Fees                 | 2014/15 Fee | 2015/16 Fee |
|-------------------------------|-------------|-------------|
| Landfill Levy (per tonne)     | \$118.20    | \$121.80    |
| Kai to Compost (per bin lift) | \$7.50      | \$10.00     |

### Marinas

We are increasing our fees for Marinas.

| Marinas                             | 2014/15 Fee | 2015/16 Fee |
|-------------------------------------|-------------|-------------|
| <b>Evans Bay Marina:</b>            |             |             |
| Berth (12m to 20m)                  | \$2,580.00  | \$2,632.00  |
| Berth ( Sea Rescue Jetty)           | \$1,520.00  | \$1,548.00  |
| Boat Shed (8 to 11)                 | \$1,016.00  | \$1,036.00  |
| Boat Shed (1 to 7, 12 to 32)        | \$2,032.00  | \$2,072.00  |
| Boat Shed (33 to 46)                | \$3,048.00  | \$3,108.00  |
| Dinghy Locker                       | \$304.00    | \$310.00    |
| Live-Abroad                         | \$532.00    | \$542.00    |
| <b>Clyde Quay Boat Harbour:</b>     |             |             |
| Mooring                             | \$1,020.00  | \$1,044.00  |
| Boat Shed (2 to 13)                 | \$2,144.00  | \$2,196.00  |
| Boat Shed (14 to 27)                | \$1,928.00  | \$1,976.00  |
| Boat Shed (38B)                     | \$1,548.00  | \$1,586.00  |
| Boat Shed (38A to 42B, 48A and 48B) | \$2,224.00  | \$2,280.00  |
| Boat Shed (43A to 47B)              | \$2,572.00  | \$2,636.00  |
| Dinghy Racks                        | \$180.00    | \$184.00    |



## Swimming Pools

We are increasing some of our fees for swimming pools.

| <b>Pool Fees</b>           | <b>2014/15 Fee</b> | <b>2015/16 Fee</b> |
|----------------------------|--------------------|--------------------|
| Adult Spa (Community Pool) | \$4.80             | \$5.00             |
| Adult Spa (WRAC)           | \$5.70             | \$6.00             |

## Public Health Regulations

We are increasing our fees for Public Health Regulations.

| <b>Public Health Regulation Fees</b>                    | <b>2014/15 Fee</b>    | <b>2015/16 Fee</b>    |
|---|-----------------------|-----------------------|
| <i>Health Licensing and Inspection</i>                  |                       |                       |
| New food premises (first year set up)                   | \$495.00              | \$515.00              |
| New non-food premises (first year set up)               | \$250.00              | \$260.00              |
| Change of occupiers base fee – min one hour             | \$190.00              | \$200.00              |
| Change of occupiers base fee – additional per hour      | \$130.00              | \$135.00              |
| Inspections (per hour) for legal action                 | \$130.00              | \$135.00              |
| <i>Annual licence for register food premises</i>        |                       |                       |
| *Excellent grade  | \$185.00 – \$615.00   | \$195.00 – \$645.00   |
| *Very good grade  | \$310.00 – \$865.00   | \$325.00 – \$900.00   |
| *Ungraded   | \$370.00 – \$1,110.00 | \$385.00 – \$1,160.00 |
| *Ungraded – high risk                                   | \$495.00 – \$1,900.00 | \$515.00 – \$1,985.00 |
| *VIP registration and verification                      | \$485.00 – \$1,850.00 | \$505.00 – \$1,935.00 |
| Additional inspections (over 3 hours) per hour          | \$130.00              | \$135.00              |
| Re-grading of premises (per hour)                       | \$130.00              | \$135.00              |
| <i>Health licence</i>                                   |                       |                       |
| *Sports clubs (minimal food preparation)                | \$155.00              | \$160.00              |
| *Unregistered eating houses                             | \$215.00              | \$225.00              |
| <i>Temporary licence</i>                                |                       |                       |
| *Temporary/mobile food stalls base fee – min one hour   | \$185.00              | \$195.00              |
| *Temporary/mobile food stalls – additional one hour     | \$130.00              | \$135.00              |
| Public notice under Sale and Supply of Alcohol Act 2013 | n/a                   | \$150.00              |

## City Archives

We are changing our fees for City Archives.

| <b>City Archive Property Plan Fees</b>  | <b>2014/15 Fee</b> | <b>2015/16 Fee</b> |
|---|--------------------|--------------------|
| <i>New Single-charge Search and copy fees</i>                                   |                    |                    |
| Residential building single property search and copy fee                        | n/a                | \$55.00            |
| Commercial building single property search and copy fee                         | n/a                | \$125.00           |
| Registered student single property search and copy fee                          | n/a                | \$30.00            |
| Fee for search and copy of a single permit or consent                           | n/a                | \$25.00            |
| Fee for search and copy of a single permit or consent; student                  | n/a                | \$10.00            |
| <i>Existing search costs</i>  |                    |                    |
| First permit/consent residential building plan search fee                       | \$27.50            | Removed            |
| Subsequent permit/consent residential building plan search fee                  | \$5.50             | Removed            |
| First permit/consent commercial building plan search fee                        | \$38.50            | Removed            |
| Subsequent permit/consent commercial building plan search fee                   | \$7.70             | Removed            |
| First building plan search fee for students with ID for registered courses      | \$7.00             | Removed            |
| Subsequent building plan search fee for students with ID for registered courses | \$3.00             | Removed            |
| <i>Miscellaneous or one-off charges for smaller jobs</i>                        |                    |                    |
| Archives research (per ½ hour)  | \$27.50            | \$30.00            |
| Photocopy A0  | \$8.50             | \$9.00             |
| Photocopy A1  | \$4.50             | \$5.00             |
| Photocopy A2  | \$4.50             | \$5.00             |
| Photocopy A3  | \$0.80             | \$1.00             |
| Photocopy A4  | \$0.50             | \$0.50             |
| High res photographic reproduction (digital)                                    | \$37.50            | \$40.00            |
| Standard res photographic reproduction (digital)                                | \$18.50            | \$20.00            |
| Digital copy of a plan (since 2011-12)  | \$2.00             | \$2.00             |

## Sportsfields

We are increasing some of our fees for sportsfields.

| <b>Sportsfield Fees</b>           | <b>2014/15 Fee</b> | <b>2015/16 Fee</b> |
|-----------------------------------|--------------------|--------------------|
| <i>Cricket</i>                    |                    |                    |
| <b>Casual</b>                     |                    |                    |
| Level 1                           | \$379.00           | \$386.50           |
| Level 2                           | \$251.00           | \$256.00           |
| Artificial pitch on concrete base | \$162.00           | \$165.00           |
| Artificial pitch on grass base    | \$162.00           | \$165.00           |
| <b>Seasonal</b>                   |                    |                    |
| Level 1                           | \$2,862.00         | \$2,917.00         |
| Level 2                           | \$2,388.00         | \$2,433.00         |
| Level 3                           | \$1,392.00         | \$1,417.00         |

|  |                    |                    |
|--|--------------------|--------------------|
| <i>Rugby, League, Soccer, Aussie Rules</i>             |                    |                    |
| <b>Casual</b>  |                    |                    |
| Level 1  | \$139.00           | \$142.00           |
| <b>Sportsfield Fees</b>                                | <b>2014/15 Fee</b> | <b>2015/16 Fee</b> |
| Level 2  | \$105.00           | \$107.00           |
| Level 3  | \$81.00            | \$82.50            |
| <b>Seasonal</b>  |                    |                    |
| Level 1  | \$1,971.00         | \$2,350.00         |
| Level 2  | \$1,505.00         | \$1,535.00         |
| Level 3  | \$1,274.00         | \$1,299.00         |
| <i>Softball</i>  |                    |                    |
| <b>Casual</b>  |                    |                    |
| Level 1  | \$173.00           | \$176.00           |
| Level 2  | \$122.00           | \$124.00           |
| <b>Seasonal</b>  |                    |                    |
| Level 1  | \$725.00           | \$739.50           |
| Level 2  | \$487.00           | \$497.00           |
| <i>Touch, 5-a-side, Ultimate Flying Disk, Gridiron</i> |                    |                    |
| <b>Casual</b>  |                    |                    |
| Level 1  | \$182.00           | \$185.50           |
| Level 2  | \$146.00           | \$149.00           |
| <b>Seasonal</b>  |                    |                    |
| Level 1  | \$1,505.00         | \$1,535.00         |
| Level 2  | \$1,163.00         | \$1,186.00         |
| <i>Netball – per court</i>                             |                    |                    |
| Court per season                                       | \$139.00           | \$142.00           |
| Off-season or organized                                | \$11.00            | \$11.00            |
| Casual   | \$42.00            | \$43.00            |
| <i>Tennis</i>  |                    |                    |
| Court per season                                       | \$189.00           | \$193.00           |
| Off-season or organized                                | \$18.00            | \$18.00            |
| Casual   | \$42.00            | \$43.00            |
| <i>Cycling</i>   |                    |                    |
| Casual   | \$170.00           | \$173.00           |
| Seasonal   | \$1,713.00         | \$1,747.00         |
| <i>Athletics</i>                                       |                    |                    |
| Casual   | \$621.00           | \$633.50           |
| WRFU speed trials                                      | \$138.00           | \$141.00           |
| Seasonal   | \$10,360.00        | \$10,568.00        |
| <i>Croquet – one lawn</i>                              |                    |                    |
| Casual   | \$168.00           | \$171.00           |
| Seasonal   | \$787.00           | \$803.00           |
| <i>Training</i>  |                    |                    |
| <b>Ground Only</b>                                     |                    |                    |
| 1 night  | \$105.00           | \$107.00           |
| 1 night (season)                                       | \$376.00           | \$384.00           |
| 2 nights (season)                                      | \$753.00           | \$768.00           |
| 3 nights (season)                                      | \$1,128.00         | \$1,150.50         |
| 4 nights (season)                                      | \$1,505.00         | \$1,535.00         |
| 5 nights (season)                                      | \$1,880.00         | \$1,917.50         |
| <b>Ground and Changing Rooms</b>                       |                    |                    |



Item 3.1 Attachment 1

|  |                    |                    |
|--|--------------------|--------------------|
| 1 night                                    | \$189.00           | \$193.00           |
| 1 night (season)                           | \$792.00           | \$808.00           |
| 2 nights (season)                          | \$1,582.00         | \$1,613.00         |
| 3 nights (season)                          | \$2,373.00         | \$2,420.00         |
| <b>Sportsfield Fees</b>                    | <b>2014/15 Fee</b> | <b>2015/16 Fee</b> |
| 4 nights (season)                          | \$3,164.00         | \$3,227.00         |
| 5 nights (season)                          | \$3,955.00         | \$4,035.00         |
| <i>Elite Parks</i>                         |                    |                    |
| Rugby League Park                          | \$627.00           | \$639.50           |
| Newtown Park                               | \$627.00           | \$639.50           |
| <b>Picnics</b>                             | \$57.00            | \$58.00            |
| <i>Marquees</i>                            |                    |                    |
| Booking fee (non-refundable)               | \$84.00            | \$86.00            |
| Marquee up to 50m2                         | \$502.00           | \$512.00           |
| Marquee up to 100m2                        | \$835.00           | \$851.50           |
| Marquee > 100m2                            | \$1,330.00         | \$1,356.50         |
| <i>Add-ons</i>                             |                    |                    |
| Groundsman – hourly rate (minimum 2 hours) | \$35.00            | \$36.00            |
| Toilets open                               | \$35.00            | \$36.00            |
| Toilets and changing rooms open            | \$84.00            | \$86.00            |

## 2015-2025 LTP – Significant Forecasting Assumptions

### Budget and Forecasting Assumptions and Risk Assessment

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the ten year Long-term Plan (LTP). Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

The Council has made a number of significant assumptions in the preparation of the financial forecasts in this LTP. These assumptions are necessary as the LTP covers a 10 year period and to ensure that there is a consistent and justifiable basis for the preparation of the financial forecasts. The significant forecasting assumptions used in developing the financial forecasts in the LTP are detailed in the table below.

| Forecasting Assumptions   | Risk   | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|---|--|----------------------|--|
| <b>General Assumptions:</b>   |  |                      |  |
| <b>Strategic Direction</b><br>The strategic direction set out in the <i>Wellington 2040: Smart Capital</i> strategy will influence the way the Council delivers services and infrastructure to Wellington's residents.<br><br>Achieving the strategic directions will ensure Wellington thrives and prospers and is resilient against threats, both natural and economic.<br><br>The strategy is supported by Wellington's residents.<br><br>Our four strategic goals are our community outcomes: <ul style="list-style-type: none"> <li>• People City</li> <li>• Eco City</li> <li>• Connected City</li> <li>• Dynamic Central City</li> </ul> | That the strategic directions will not lead to Wellington prospering and thriving. | Low                  | The <i>Wellington 2040: Smart Capital</i> strategy is based on a significant body of research predicting six major global trends which will impact on the city between now and 2040. Thorough and comprehensive engagement with Wellington's residents show the vision and goals in the strategy are widely supported.<br><br>The Strategy builds on strengths and mitigates against threats.<br><br>The strategy's overarching vision and goals guide the development of the Long-term Plan, specific strategies to achieve outcomes, how the Council's activities can best align to a smart green future, and the setting of meaningful long-term targets to measure progress. |

Item 3.1 Attachment 1

| Forecasting Assumptions  | Risk   | Level of Uncertainty       | Reasons and Financial Effect of Uncertainty   |  |  |  |   |     |  |
|--|--|----------------------------|---|--|--|--|---|-----|--|
| <p>Projected growth in the Wellington City economy:</p> <ul style="list-style-type: none"><li>GDP Growth 2015-25 (Aspirational Scenario): 3.1% per annum</li><li>Employment Growth 2015-25 (Aspirational Scenario): 1.7% per annum</li></ul> <p>Economic growth assumptions inform the Council’s Financial Strategy and aids decision-making for the LTP. This year our assumptions are informed by BERL Economics based on growth scenarios for the Wellington region and councils to 2041. The modelling considers four alternative futures for the Wellington Region – Business as Usual, IT, Infrastructure and Aspirational. The alternative futures (scenarios) consider the impact of various strategies on employment and GDP.</p> | <p>That economic growth is lower than forecasted due to:</p> <ul style="list-style-type: none"><li>Local infrastructure not aligned to key regional infrastructure projects to ensure scale and needs are met by businesses and residents</li><li>Strategies not developed to attract and retain skilled workers</li><li>Land use planning and zoning not keeping pace with substantial population and employment growth</li><li>Council not investing in key projects to achieve economic development at forecasted levels.</li><li>Counter-cyclic trends in underlying economic growth despite Council’s efforts to stimulate economic activity.</li></ul> | Moderate                   | <p>Economic growth impacts on affordability of Council rates and the utilisation of services with a user charge funding component as discretionary income is impacted. This in turn may drive changes to both operational and capital expenditure. The economic outlook also affects local businesses, level of employment and the rate of development which means it is closely correlated to the level of growth in the ratepayer base.</p> <p>It is noted that the aspirational scenario forecast is based on estimated impact of economic development activities under the Wellington Regional Strategy (WRS), rather than economic development projects specific to Wellington City Council.</p> |  |  |  |   |     |  |
| <p><i>Projected growth change factors:</i></p> <table><tr><td><i>Year</i></td><td><i>Population forecast</i></td><td><i>Households forecast</i></td></tr><tr><td></td><td></td><td></td></tr></table>  | <i>Year</i>  | <i>Population forecast</i> | <i>Households forecast</i>  |  |  |  | <p>That growth is higher or lower than forecast thereby either putting pressure on Council to provide additional infrastructure and services or putting council at risk of over-investing infrastructure to cater for growth that does not eventuate.</p> | Low | <p>Low to Moderate growth can be accommodated within the present level of Council infrastructure. Where higher growth requires additional infrastructure, Council will collect development contributions to meet a portion of the costs of new or upgraded investment. Capital costs over this amount would result in additional Council expenditure funded through new borrowings which would in turn result in increased rates. On average a \$1million increase in borrowing funded capex will result in a \$140,000 increase in rates.</p> |
| <i>Year</i>  | <i>Population forecast</i>   | <i>Households forecast</i> |   |  |  |  |   |     |  |
|  |  |                            |   |  |  |  |   |     |  |



| Forecasting Assumptions  |         |        |  | Risk   | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|--|---------|--------|--|--|----------------------|--|
| 2015   | 202,669 | 76,145 |  |  |                      |  |
| 2016   | 203,933 | 76,807 |  |  |                      |  |
| 2017   | 205,199 | 77,495 |  |  |                      |  |
| 2018   | 206,665 | 78,201 |  |  |                      |  |
| 2019   | 208,056 | 78,914 |  |  |                      |  |
| 2020   | 209,473 | 79,607 |  |  |                      |  |
| 2021   | 210,826 | 80,272 |  |  |                      |  |
| 2022   | 212,083 | 80,947 |  |  |                      |  |
| 2023   | 213,615 | 81,635 |  |  |                      |  |
| 2024   | 214,854 | 82,308 |  |  |                      |  |
| 2025   | 216,289 | 82,984 |  |  |                      |  |
| Annual average   | 0.65%   | 0.86%  |  |  |                      |  |
| <p>City growth assumptions underpin the Council's Asset Management Plans, capital expenditure budgets, and level of services in the LTP.</p> <p>This year our assumptions are informed by Forecast.id for Wellington City modelling land development, housing markets and the role of suburbs. It is based on Statistics NZ data from the 2006 and 20013 censuses, converting usual resident data to estimated resident population for each neighbourhood. It is also mindful of larger economic and migration trends which are likely to effect the region. It provides a realistic projection based on current policy settings and how they are playing out.</p> <p>See our website <a href="http://www.wellington.govt.nz">www.wellington.govt.nz</a> for the population forecast for the city as a whole and for each neighbourhood together with a list of assumptions that have been incorporated in the forecast.</p> |         |        |  |  |                      |  |
| <p><b>Growth in ratepayer base:</b><br/>Council plans to invest in a range of initiatives that it will provide an economic catalyst for the city which we forecast will provide ratepayer growth of:</p> <p>2015/16 1.2%<br/>2016/17 1.2%<br/>2017/18 1.5%<br/>2018/19 1.5%<br/>2019/20 1.8%<br/>2020/21 1.2%<br/>2021/22 1.0%<br/>2022/23 1.0%</p>  |         |        |  | <p>The growth in the ratepayer base is higher or lower than projected.</p> |                      | <p>Low – Moderate</p> <p>The Council has used current property information from its valuation service provider (Quotable Value Ltd), forward looking consenting, and historic trends to assess the level of growth in rating units, together with longer term projections from the Forecast.id modelling used in the LTP. We are also utilising modelling prepared by Price Waterhouse Coopers to assess the potential impact each of the Council's economic investment projects will have on growth in the ratepayer base. The projected growth for 2015/16 to 2017/18 is considered robust, with a higher level of estimation for out-years. Accordingly we have been conservative with our growth estimates in years 4 -10 of</p> |

Item 3.1 Attachment 1

| Forecasting Assumptions  | Risk  | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|--|---|----------------------|--|
| 2023/24 0.8%<br>2024/25 0.8%   |   |                      | the LTP.<br><br>If growth is higher than forecasted, average rates funding increase will be reduced by an equivalent amount as there are a greater number of ratepayers across which the rates funding requirement will be allocated. If growth is lower than forecasted, the average rates increase for the ratepayer will be higher. The annual impact of a 1% of variance in growth in the ratepayer base is equivalent to approximately \$2.5m of rates.<br><br>We plan to manage this risk by conducting detailed business cases for each investment to assess their cost effectiveness and economic contribution. We will also measure and report on growth in the rating base and review the projections and underlying strategy on a three yearly basis. |
| <b>Forecast cost savings and efficiencies</b><br>The council is targeting savings of 1% of funded operating expenditure from shared services initiatives and a range of procurement related programmes each year of the LTP, equating to approximately \$50m.<br><br>This ongoing review will focus on:<br>i. A review of the options, impacts and potential risks of reducing the renewals budget<br>ii. The future need for assets and their ongoing strategic alignment.<br>iii. The future capital programme, service levels, alternative service models, increased asset utilisation, holdings and potential income-generating opportunities.<br>iv. Organisational alignment and increased use of inter council shared service alignment | That council does not achieve the forecast level of savings.<br><br>Note that in making any decisions the Council will:<br><ul style="list-style-type: none"> <li>consider the need to appropriately maintain assets so that an unsustainable future financial liability does not result</li> <li>comply with legislation</li> <li>ensure the potential adverse impacts on the health and safety of staff and the public are adequately mitigated</li> <li>outline levels of service impacts and any associated monitoring framework to ensure that changes are sustainable and do</li> </ul> | Low – Moderate       | The general rates requirement would increase or decrease by the difference between the actual and projected general rates reductions from savings. This would require the council to adjust rates, debt, fees and charges, and/or expenditure requirements where savings differ from those forecasted. The council has achieved additional savings targets in each of the past three years of between \$4m and \$8m. This provides confidence that further cost savings can be made, although the actual timing and impact will subject to a number of factors.  |

| Forecasting Assumptions   | Risk  | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|---|---|----------------------|--|
|   | not cause unacceptable impacts or disruption to the services that the assets support.   |                      |  |
| <b>Levels of Service</b><br>Demand for Council services and customer expectations regarding business as usual levels of service will not significantly change and therefore there will be no significant effect on asset requirements or operating expenditure beyond those specifically planned and identified within the LTP.   | That there are significant changes in customer expectations regarding demand for services or levels of service from those planned in the LTP. | Low                  | The Council has well defined service levels for its planned activities which have been reviewed as part of the LTP process.<br><br>Customer satisfaction surveys and other engagement strategies generally support the key assumptions made within the LTP and therefore there are currently no known additional areas of the Council's service that require significant modification.   |
| <b>Funding for major economic growth initiatives</b><br>The 2015-2025 LTP identifies a number of projects that we forecast will provide a catalyst for economic and rating base growth in the city. These projects which include funding for urban development initiatives that provide a catalyst for growth and potential investment in extension of the airport runway, a film museum, indoor arena, film and tech hubs and targeted events. These projects are at different stages of development. Specific costs and timing will be clearer as we work through the project phases. Despite this uncertainty it is important that we show through the financial strategy and LTP the capacity the Council has to invest in these projects over the 10 year period of the LTP. To cater for these uncertainties we have used an envelope budgeting approach in years 4 to 10, incorporating \$200m of capital expenditure funding for economic catalyst projects and an additional \$76m for urban development projects. In addition we have assumed that \$100m of the total \$1.9 billion of asset investment planned across the 10 years of the LTP will be | That the funding allocated will be insufficient to fund all of the projects identified.   | Moderate             | Each of the major economic projects identified within the plan will undergo a robust business case to assess their cost effectiveness and anticipated contribution to the city economy. We cannot yet be certain that all these projects will proceed. Given the lead time it is also likely that a significant proportion of the investment will not be incurred in the first three years of the LTP. This will provide an opportunity to review the envelope funding allocation as part of the subsequent LTP in 2018. |



Item 3.1 Attachment 1

| Forecasting Assumptions  | Risk  | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|--|---|----------------------|--|
| funded by an external party. We will continue to budget for the associated debt servicing costs but transfer the capital risk and debt from the Council's balance sheet.   |   |                      |  |
| <b>Resource consents</b><br>Conditions for existing resource consents held by Council will not be significantly altered. Any resource consents due for renewal during the 10 year period will be renewed accordingly.  | Conditions of resource consents are altered significantly.<br>Council is unable to renew existing resource consents upon expiry.  | Low                  | The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance. Generally, the Council considers that it is fully compliant with existing Resource Consents and does not contemplate any material departure from these requirements over the next 10 years.   |
| <b>Development Contributions</b><br>Significant assumptions in relation to development contributions are included within the Development Contributions Policy.   | If growth is higher or lower than forecast, the level of development contributions collected could be insufficient to cover the costs of additional infrastructure required to meet the needs of Wellington's future population.  | Moderate             | The growth assumptions within the Development Contributions Policy are considered robust as they are based on the Forecast.id modelling on population, assumptions used across the LTP. The policy is adopted by Council after a robust process including the Special Consultative Procedure and external audit.   |
| <b>Civil Defence and Emergency Preparedness</b><br>The LTP is prepared on the basis that the city is continually improving its emergency preparedness, and whilst the impact of a major natural disaster cannot be accurately predicted (and therefore the response required), increased community preparedness and regional consistency are cornerstones of our approach.<br><br>In line with the rest of NZ, we follow the "4Rs": <ul style="list-style-type: none"> <li>Reduction of risk</li> <li>Readiness for an event</li> <li>Response when it occurs; and</li> <li>Recovery, post-event.</li> </ul> | That a significant event occurs (e.g. a major earthquake) and: <ul style="list-style-type: none"> <li>insufficient risk reduction measures are in place to prevent large numbers of casualties, or</li> <li>the city is unable to recover sufficiently or quickly enough in order to prevent long-term adverse effects on population or local economy.</li> </ul> | Low                  | Although the probability of a major earthquake or other natural disaster within the lifespan of the LTP is low, we take Emergency Preparedness very seriously with the aim to be as prepared as possible. We believe that preparedness activities are never finished and therefore aim for continuous improvement. Although we do consider ourselves capable of dealing with a large event, we will never know how adequate our plans are until the day they are tested for real. Regardless of preparedness levels, in a major event it will always be likely that regional, national and international assistance will be required.<br><br>Similarly, the financial impact of such an event is unknown until such an event occurs. However, it is likely to have a |

| Forecasting Assumptions  | Risk  | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|--|---|----------------------|--|
| <p>The focus areas for disaster preparedness within our plan are:</p> <ul style="list-style-type: none"> <li>▪ Earthquake prone buildings</li> <li>▪ Water</li> <li>▪ Wastewater</li> <li>▪ Transportation</li> <li>▪ Electricity</li> <li>▪ Gas</li> <li>▪ Telecoms</li> <li>▪ Welfare</li> <li>▪ Community preparedness</li> </ul> <p>Most hazards we prepare for have an expected probability. For example, maximum size tsunami once every 2,500 years; major quake on the Wellington fault, 10% chance in the next 100 years.</p>   |   |                      | significant impact to the current planned expenditure within the LTP.  |
| <p><b>Government Policy</b></p> <p>Most of the local government reforms are in place. No major changes to the Local Government Act are foreseen and assumed over the period of the LTP. That the Government policy framework will continue to provide a stable working and statutory framework. Changes to the Resource Management Act (RMA) is expected.</p>  | That Government policy framework shifts, resulting in new or amended legislation  | Moderate             | The nature and significance of new or amended legislation will determine the level of response required, cost to implement and administer by Council, or result in a change to the services delivered by the Council. RMA changes might be significant but will not happen overnight.  |
| <p><b>Regional Governance Review</b></p> <p>The LTP assumes continuation of the current local authority structure within the Wellington Region. The Wellington local authorities will continue to work with the public toward a common view of regional governance. This will strengthen the opportunities for authorities to propose and drive any reform agreed with or by Central Government. In December 2014 the Local Government Commission announced a draft proposal for a single two tiered Council for the entire Wellington. Consultation on this proposal will close in 2015. At this stage there is</p> | That councils in the region fail to lead a public discussion and reach a united and acceptable position on the issue of governance reform leading to inappropriate and/or rushed change is imposed by central government. | Moderate             | <p>Any change in governance arrangements for the city and region could impact on levels of service and their costs, and alter the LTP forecast.</p> <p>The Regional Governance Review was initiated by the Wellington Regional Mayoral Forum in 2010. The external environment has changed since that review was initiated – including central government announcing an intention to examine reform of the sector. The Council will need to ensure its public is informed on any subsequent proposals or debate.</p> |

Item 3.1 Attachment 1

| Forecasting Assumptions  |             |             |             | Risk  |             |             |             | Level of Uncertainty   | Reasons and Financial Effect of Uncertainty  |              |
|--|-------------|-------------|-------------|---|-------------|-------------|-------------|--|--|--------------|
| insufficient certainty that the proposal will succeed to consider the impact of this structure within the Council’s 2015-2025 LTP.<br><br>Council’s plan does reflect the impact of other decisions made collectively by the Councils in the region, including the formation of the Wellington Regional Economic Development Agency and the expansion of Wellington Water to serve the entire metropolitan area. |             |             |             |   |             |             |             |  | Should change be supported – and pass a community poll – any impact in terms of structure, services and costs would likely only impact on the out-years of the long-term plan (years 4-10.)  |              |
| Significant Financial Assumptions:   |             |             |             |   |             |             |             |  |  |              |
| <b>Inflation</b><br>The Council has adjusted base financial projections to reflect the estimated impact of inflation.  |             |             |             | That actual inflation will be significantly different from the assumed inflation. |             |             |             | Low - Moderate Years (1-3)<br><br>Moderate - High Years (4-10)<br><br>High Years (11-30) | Inflation is affected by external economic factors, most of which are outside of the Council’s control and influence.<br><br>Council’s costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made. |              |
| <b>Inflation Rates Applied:</b><br>Inflation rates have been estimated using the BERL “Forecasts of Price level Change Adjustors to 2025.” The applicable rates are (shown cumulative):  |             |             |             |   |             |             |             |  | While individual indices will at times vary from what has been included in this LTP, the Council has relied on the assumption that the Reserve Bank will use of monetary controls to keep CPI within the 1.5 to 3% range.  |              |
| <b>Index Forecast</b>  | <b>Yr 1</b> | <b>Yr 2</b> | <b>Yr 3</b> | <b>Yr 4</b>   | <b>Yr 5</b> | <b>Yr 6</b> | <b>Yr 7</b> | <b>Yr 8</b>  | <b>Yr 9</b>  | <b>Yr 10</b> |
| Roading  | 1.000       | 1.014       | 1.036       | 1.061   | 1.088       | 1.117       | 1.149       | 1.183  | 1.220  | 1.260        |
| Property   | 1.000       | 1.024       | 1.050       | 1.078   | 1.107       | 1.139       | 1.174       | 1.211  | 1.250  | 1.294        |
| Water  | 1.000       | 1.038       | 1.069       | 1.104   | 1.140       | 1.180       | 1.223       | 1.271  | 1.321  | 1.376        |



| Forecasting Assumptions   |       |       |       | Risk   |       |       |       | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |       |
|---|-------|-------|-------|--|-------|-------|-------|----------------------|--|-------|
| Energy  | 1.000 | 1.038 | 1.078 | 1.122  | 1.170 | 1.223 | 1.279 | 1.342                | 1.411  | 1.485 |
| Staff   | 1.000 | 1.018 | 1.039 | 1.060  | 1.083 | 1.107 | 1.133 | 1.161                | 1.191  | 1.223 |
| Other expense   | 1.000 | 1.025 | 1.051 | 1.080  | 1.111 | 1.143 | 1.180 | 1.218                | 1.261  | 1.306 |
| Other income  | 1.000 | 1.019 | 1.039 | 1.061  | 1.083 | 1.107 | 1.133 | 1.160                | 1.188  | 1.218 |
| <b>Application of the Inflation Rates:</b><br>The inflation rates above have been applied across all items within the financial statements with the exception of:   |       |       |       |  |       |       |       | Low                  |  |       |
| <b>Revenue from investment properties</b> – not inflated as most ground leases are subject to fixed rentals across the period.  |       |       |       | That the revenue streams identified are influenced by changes in prices or the rate of inflation.                                      |       |       |       | Low – Moderate       | The assumption is considered reasonable in these cases due to the specific circumstances noted.  |       |
| <b>Petrol tax</b> – forecast to remain constant. Revenue from petrol tax is driven by tax rates and volumes – both of which are expected to remain constant over the 10 year period.  |       |       |       | That the revenue streams identified fluctuate annually as a result of external factors outside the control of the Council.             |       |       |       | Moderate             | Although the revenue streams may vary annually due to factors outside the control of the Council (eg, petrol consumption may vary and therefore affect the revenue received from Petrol Tax) it is not considered that annual variances will have a material effect on the financial forecasts in the LTP. |       |
| <b>Interest revenue and expenditure</b> – Interest rates do not increase annually in line with rates of inflation. Interest rates have been forecast to remain constant. Refer section below.   |       |       |       | N/A  |       |       |       |                      |  |       |
| <b>Grants</b> - Our grant schemes and grants to other organisations do not increase with inflation and remain constant until Council make a decision to change the level of the grants. Therefore our assumption is there will be no change to the value of our grants over the 10 year period. |       |       |       | That cost pressures experienced by organisations receiving grants is such that Council are inclined to increase grant funds available. |       |       |       | Moderate             | While no inflation is applied to grant funding the actual level of funding proposed is reconsidered on an annual basis taking these factors into account.  |       |

Item 3.1 Attachment 1

| Forecasting Assumptions  | Risk   | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|--|--|----------------------|--|
| <b>Dividends</b> – Although rates of inflation will affect the revenues and expenditures of those entities distributing dividends to the Council it is not anticipated that the level of dividend will be influenced by rates of inflation in the future.  | N/A  |                      |  |
| <p>Expected interest rates on borrowings<br/>Interest is calculated using the following interest rates:</p> <p>2015/16 5.60% per annum<br/>2016/17 5.60% per annum<br/>2017/18 5.90% per annum<br/>2018/19 6.00% per annum<br/>2019/20 6.00% per annum<br/>2020/21 6.10% per annum<br/>2021/22 6.10% per annum<br/>2022/23 6.20% per annum<br/>2023/24 6.70% per annum<br/>2024/25 6.80% per annum</p> | That prevailing interest rates will differ significantly from those estimated. | Moderate             | Interest rates are largely driven by factors external to the NZ economy. Council manages its exposure to adverse changes in interest rates through the use of interest rate swaps. At any time Council policy is to have a minimum level of interest rate hedging equivalent to 50% of core borrowings. Based on the minimum hedging profile, a 0.1% movement in interest rates will increase/decrease annual interest expense by between \$200,000 and \$550,000 per annum across the ten years of the LTP. |
| <p><b>Expected return on investments:</b><br/>Council has forecast the following returns for significant investments:</p>  |  |                      |  |
| <b>Wellington International Airport Limited shareholding</b> – it is assumed that the Council will retain its existing investment in WIAL of 34% and that a regular flow of revenue will be received by way of dividend. The forecast annual dividend from Wellington International Airport Limited is \$11 million for 2015/16.   | That Council will not achieve the forecast level of dividends                  | Moderate             | The level of dividend is dependent on the financial performance of the company. If the actual returns are significantly less than forecast, the council will need to look for alternative funding through rates or borrowings. If the actual returns are significantly more than forecast, the Council may be able to reduce rates or forecast borrowings.   |
| <b>Wellington Cable Car Limited</b> – it is assumed that the Council will retain its existing investment at current levels with the exception of a \$2.5 million investment in 2016/17 to fund replacement of the electric drive for the   | That actual levels of dividends differ from those forecasted in the plan.      | Low                  | The level of dividend is dependent on the financial performance of the company. If the actual returns are significantly less than forecast, the council will need to look for alternative funding through rates or borrowings. If the  |

| Forecasting Assumptions   | Risk  | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|---|---|----------------------|--|
| <p>Cable Car. No dividends are assumed across the 10 year period</p> <p>The Greater Wellington Regional Council has signalled that the Wellington trolley-bus network will be decommissioned in 2017. WCC has written down the carrying value of its overhead wires &amp; pole network accordingly, but has assumed that GWRC will meet any costs of dismantled the network.</p>              | The WCC incurs some cost in decommissioning the network.  | Moderate             | <p>actual returns are significantly more than forecast, the Council may be able to reduce rates or forecast borrowings.</p> <p>WCCL is currently undertaking an assessment of the cost of decommissioning. Until this is know the cost implications for GWRC and WCC are unknown.</p>  |
| <p><b>Wellington Regional Stadium Trust loan</b> – in accordance with the terms of the loan, no interest has been forecasted across the 10 year period.</p> <p>The loan is due to be repaid once the Trust has repaid all of its other liabilities and borrowings. The Trust may return part of its annual operating surplus to the Council to repay all or part of the outstanding loan.</p> | That the loan will not be repaid  | Low                  | As the Trust is currently servicing its other loan obligations to commercial lenders, the Council considers that it is unlikely that the Trust will make an annual repayment of the outstanding loan. Once these commercial loans have been repaid the Council expects that the Trust will be in a position to repay the loan advanced by the Council. There is currently no information / reason to suggest that the Trust will not be in a position to repay the Council's loan. |
| <p><b>Convention Centre</b></p> <p>It is assumed that the operating costs of the proposed Wellington Convention Centre will be offset by dividends of \$1.4m in 2021/22, increasing to \$2.2m in 2024/25.</p>   | That operating profits and the dividend returned to Council are lower than forecast   | Moderate             | Profit and dividend forecasts assume a mid-case scenario based on a business case with robust and sound assumptions. A range of industry experts (including Price Waterhouse Coopers, BERL Economics, Howarth HTL Ltd, and Covec Ltd) were engaged in preparing market analysis, economic projections, property advice and assessment, and reviewing the draft business case. It is also prepared in full knowledge of the planned developments in other regions.                  |
| <p><b>New Zealand Transport Authority (NZTA) funding</b></p> <p>Council has made assumptions on the level of subsidies it expects to receive from central government through the NZTA over the period of the LTP. The NZTA Funding Assistance Rates Review was finalised in October 2014. The agreed funding assistance rates for both the 2015-18</p>  | NZTA make further changes to the subsidy rate, the funding cap or the criteria for inclusion in the subsidised works programme. | Low                  | Variations in the subsidy rates of approx 1% would not impact the Council's funding income stream due to current eligible expenditure being in excess of the current funding cap.  |

Item 3.1 Attachment 1

| Forecasting Assumptions  | Risk  | Level of Uncertainty   | Reasons and Financial Effect of Uncertainty  |
|--|---|--|--|
| National Land Transport Programme (NLTP) period and at the end of the transition are as below:<br>2015/16 48%<br>2016/17 49%<br>2017/18 50%<br>2023/24 51% (end of transition)   |   |  |  |
| <b>Vested assets</b><br>No vesting of assets is forecast across the 10 year period.  | That Council will have assets vested thereby increasing the depreciation expense in subsequent years. | High   | The level of vested assets fluctuates considerably from year to year and is unpredictable. Historical levels have not been material. The recognition of vested assets in the income statement is non-cash in nature and will have no effect on rates.<br>The financial effect of the uncertainty is expected to be low.  |
| <b>Sale of Assets</b><br>We have assumed asset sales of \$52m will be realised to repay borrowings across the 10 year period.  | That the sale of assets do not occur at forecasted levels   | Moderate   | If the level of asset sales is less than forecasted, either our level of debt will increase by the relevant amount or Council may consider revising its level of asset investment. The interest cost of servicing this debt will be lower or higher depending on the level of asset sales.                               |
| <b>Sources of funds for the future replacement of significant assets</b><br>Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy (refer page xx)   | That sources of funds are not achieved  | Low  | User charges have been set at previously achieved levels. Depreciation is funded through rates. The Council is able to access borrowings at levels forecast within the LTP.  |
| <b>Useful lives of significant assets</b><br>The useful lives of significant assets is shown in the Statement of Accounting Policies (refer page xx).<br><br>It is assumed that there will be no reassessment of useful lives throughout the 10 year period. | That assets wear out earlier or later than estimated.   | Low - Asset lives are based upon estimates made by engineers and registered valuers. | The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.<br><br>However, these impacts could be mitigated as capital projects could be reprioritised in the event of early expiration of assets. |



| Forecasting Assumptions   | Risk   | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|---|--|----------------------|--|
| It is assumed that assets will be replaced at the end of their useful life.   | That Council activities change, resulting in decisions not to replace existing assets.   | Low                  | Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.   |
| Planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.  | That Council replaces assets before the end of useful life.<br>That more detailed analysis of planned capital projects may alter the useful life and therefore the depreciation expense. | Low                  | Asset capacity and condition is monitored, with replacement works being planned accordingly. Depreciation is calculated in accordance with accounting and asset management requirements.   |
| <b>Revaluation of property, plant and equipment</b> These forecasts include a three yearly estimate to reflect the change in asset valuations for property, plant and equipment in accordance with the Council's accounting policies (refer page xx).<br>The following assumptions have been applied to projected asset revaluations: <ul style="list-style-type: none"> <li>Revaluation movements shall equate the inflation rates applied for all depreciable property, plant and equipment (refer section "Inflation")</li> <li>The depreciation impact of inflation shall be in the year following revaluation.</li> <li>The value of non-depreciable assets (e.g. land) is forecast to remain constant.</li> </ul> | That actual revaluation movements will be significantly different from those forecast  | Low                  | The majority of Council's depreciable property, plant and equipment assets is valued on a depreciated replacement cost basis. Therefore, using the projected inflation rate as a proxy for revaluation movements is appropriate and consistent with the treatment of price changes generally within the LTP.<br>For land assets valued at market value (based on sales evidence), values have been assumed to remain constant. This reflects the wide disparity in views on the sustainability of current residential market prices. |
| <b>Revaluation of investment properties</b><br>It is assumed that the value of investment properties accounted for at fair/market value will remain constant across the 10 year plan.   | That actual revaluation movements will be significantly different from those forecast  | Moderate             | For assets valued at market value (based on sales evidence), values have been assumed to remain constant. This assumption has no impact on depreciation as these assets are not depreciated.   |
| <b>LGFA Guarantee</b><br>Each of the shareholders of the LGFA is a party to a deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and the guarantee obligations  | In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount  | Low                  | The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is low. The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority   |

Item 3.1 Attachment 1

| Forecasting Assumptions   | Risk   | Level of Uncertainty | Reasons and Financial Effect of Uncertainty  |
|---|--|----------------------|--|
| of other participating local authorities to the LGFA, in the event of default.  | owing. The proportion to be paid by each respective guarantor is set in relation to each guarantors relative rates income. |                      | from the LGFA are secured by a rates charge.   |
| <b>Renewal of External Funding</b><br>It is assumed that Council will be able to renew existing borrowings on equivalent terms.   | That new borrowings cannot be accessed to fund future capital requirements   | Low                  | The Council minimises its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Investment and Liability Management Policy.<br><br>In accordance with the Liability Management Policy the Council must maintain its borrowing facilities at a level that exceeds 110% of peak borrowing levels over the next 12 months. |
| <b>Weathertight Homes</b><br>The Council will continue to spread the cost incurred by Council in settling weathertight homes claims by funding claims from borrowings and spreading the rates funded repayment across a number of years. The LTP assumes that the Council's weathertight homes liability will be fully settled and the associated borrowing repaid over the 10 years of this LTP. | That the level of the claims and settlements is higher than provided for within the LTP.                                   | Low                  | The weathertight homes liability is an actuarial calculation based on the best information currently available. The liability provided for within the Council's financial statements is \$50m, a 1% change in this figure would equate to \$0.5m.  |
| <b>General Rates Differential</b><br>It is assumed that the general rates differential will remain at 2.8:1 Commercial:Base/Residential over the period of the LTP.   | That Council makes the decision to change the general rates differential from forecast.                                    | Low                  | If for any reason Council were compelled to make a decision to change the general rate differential, the maximum it could be expected to move would be from 2.8:1 to 1:1 Commercial:Base/Residential. This could potentially transfer the rates impost from Commercial ratepayers back to Base/Residential ratepayers of approximately \$35m-\$57m per annum.      |

**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity<br>Component Name                      | Project | Project name                      | Income/<br>Expense | 2015/16<br>(\$000s) | 2016/17<br>(\$000s) | 2017/18<br>(\$000s) | 2018/19<br>(\$000s) | 2019/20<br>(\$000s) | 2020/21<br>(\$000s) | 2021/22<br>(\$000s) | 2022/23<br>(\$000s) | 2023/24<br>(\$000s) | 2024/25<br>(\$000s) | Total<br>(\$000s) |
|---|---------|-----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| City governance and<br>engagement               | C530    | Annual Planning                   | Expense            | 1,109               | 1,125               | 1,142               | 1,201               | 1,237               | 1,269               | 1,298               | 1,323               | 1,351               | 1,389               | 12,444            |
|   | C532    | Policy                            | Expense            | 1,478               | 1,508               | 1,534               | 1,615               | 1,667               | 1,711               | 1,749               | 1,776               | 1,800               | 1,853               | 16,691            |
|   | C534    | Committee & Council<br>Process    | Expense<br>Income  | 5,810<br>(12)       | 6,718<br>(385)      | 5,911<br>(13)       | 6,327<br>(13)       | 7,444<br>(409)      | 6,656<br>(14)       | 6,928<br>(14)       | 8,006<br>(438)      | 6,892<br>(15)       | 7,155<br>(15)       | 67,848<br>(1,327) |
|   | C582    | Strategic Planning                | Expense            | 954                 | 967                 | 977                 | 1,022               | 1,070               | 1,100               | 1,128               | 1,152               | 1,185               | 1,231               | 10,786            |
|   | C590    | Tawa Comm Brd -<br>Discretionary  | Expense            | 11                  | 11                  | 11                  | 12                  | 12                  | 12                  | 13                  | 13                  | 13                  | 14                  | 121               |
|   | C616    | Smart Capital - Marketing         | Expense            | 539                 | 552                 | 566                 | 582                 | 599                 | 616                 | 636                 | 656                 | 679                 | 704                 | 6,129             |
| City governance and<br>engagement Total         |         |                                   |                    | 9,888               | 10,497              | 10,129              | 10,745              | 11,621              | 11,350              | 11,737              | 12,488              | 11,907              | 12,330              | 112,692           |
| Civic information                               | C334    | WCC City Service Centre           | Expense<br>Income  | 983<br>(117)        | 1,005<br>(119)      | 1,021<br>(122)      | 1,069<br>(124)      | 1,116<br>(127)      | 1,147<br>(130)      | 1,175<br>(133)      | 1,195<br>(136)      | 1,217<br>(139)      | 1,261<br>(143)      | 11,189<br>(1,290) |
|   | C338    | Call Centre SLA                   | Expense<br>Income  | 2,255<br>(12)       | 2,304<br>(12)       | 2,343<br>(12)       | 2,471<br>(13)       | 2,559<br>(13)       | 2,626<br>(13)       | 2,681<br>(14)       | 2,716<br>(14)       | 2,742<br>(14)       | 2,823<br>(15)       | 25,521<br>(132)   |
|   | C340    | Valuation Services<br>Contract    | Expense<br>Income  | 680<br>(184)        | 697<br>(187)        | 715<br>(191)        | 734<br>(195)        | 756<br>(199)        | 777<br>(204)        | 803<br>(208)        | 828<br>(213)        | 858<br>(219)        | 888<br>(224)        | 7,736<br>(2,025)  |
|   | C355    | Lands Information                 | Expense            | 1,517               | 1,534               | 1,559               | 1,642               | 1,700               | 1,745               | 1,782               | 1,807               | 1,830               | 1,885               | 17,001            |
| Civic information Total                         |         |                                   |                    | 5,122               | 5,221               | 5,312               | 5,585               | 5,791               | 5,949               | 6,086               | 6,183               | 6,275               | 6,476               | 58,000            |
| City Archives                                   | C373    | Archives                          | Expense<br>Income  | 1,758<br>(182)      | 1,886<br>(186)      | 1,924<br>(189)      | 2,015<br>(193)      | 2,085<br>(197)      | 2,140<br>(202)      | 2,186<br>(207)      | 2,226<br>(211)      | 2,267<br>(217)      | 2,344<br>(222)      | 20,830<br>(2,007) |
| City Archives Total                             |         |                                   |                    | 1,575               | 1,700               | 1,735               | 1,821               | 1,888               | 1,938               | 1,979               | 2,014               | 2,050               | 2,122               | 18,823            |
| Governance, information and<br>engagement Total |         |                                   |                    | 16,586              | 17,418              | 17,175              | 18,152              | 19,300              | 19,238              | 19,802              | 20,686              | 20,232              | 20,928              | 189,516           |
| Maori and Mana Whenua<br>partnerships           | C529    | Funding agreements –<br>Maori     | Expense            | 203                 | 208                 | 213                 | 219                 | 224                 | 231                 | 238                 | 245                 | 253                 | 262                 | 2,297             |
|   | C683    | Maori Engagement                  | Expense            | 79                  | 80                  | 83                  | 85                  | 87                  | 90                  | 93                  | 96                  | 99                  | 103                 | 893               |
| Maori and Mana Whenua<br>partnerships Total     |         |                                   |                    | 281                 | 288                 | 296                 | 304                 | 312                 | 321                 | 330                 | 340                 | 352                 | 365                 | 3,190             |
| Governance, information and<br>engagement Total |         |                                   |                    | 281                 | 288                 | 296                 | 304                 | 312                 | 321                 | 330                 | 340                 | 352                 | 365                 | 3,190             |
| Governance Total                                |         |                                   |                    | 16,867              | 17,706              | 17,471              | 18,456              | 19,612              | 19,558              | 20,132              | 21,026              | 20,584              | 21,293              | 192,706           |
| Local parks and open spaces                     | A004    | Parks and Reserves<br>Planning    | Expense            | 646                 | 656                 | 635                 | 668                 | 704                 | 722                 | 740                 | 761                 | 778                 | 801                 | 7,110             |
|   | A011    | Reserves Unplanned<br>Maintenance | Expense            | 171                 | 175                 | 179                 | 185                 | 206                 | 211                 | 218                 | 231                 | 238                 | 247                 | 2,060             |
|   | C515    | Turf Management                   | Expense<br>Income  | 1,184<br>(8)        | 1,205<br>(8)        | 1,224<br>(8)        | 1,282<br>(8)        | 1,328<br>(8)        | 1,348<br>(9)        | 1,379<br>(9)        | 1,412<br>(9)        | 1,440<br>(9)        | 1,480<br>(9)        | 13,284<br>(86)    |
|   | C517    | Park Furniture<br>Maintenance     | Expense            | 1,637               | 1,618               | 1,659               | 1,744               | 1,821               | 1,826               | 1,718               | 1,825               | 1,887               | 1,937               | 17,671            |
|   | C518    | Maint-<br>Park/Build/Infrastruct  | Expense<br>Income  | 1,800<br>(199)      | 1,817<br>(203)      | 1,876<br>(207)      | 1,870<br>(211)      | 1,910<br>(215)      | 1,894<br>(220)      | 1,989<br>(225)      | 2,011<br>(231)      | 2,015<br>(236)      | 2,098<br>(242)      | 19,280<br>(2,188) |
|   | C563    | Horticultural Operations          | Expense            | 1,900               | 1,922               | 1,944               | 2,036               | 2,114               | 2,162               | 2,214               | 2,275               | 2,332               | 2,397               | 21,295            |



**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity Component Name                   | Project | Project name                       | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|---|---------|------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|   |         |                                    | Income         | (30)             | (31)             | (31)             | (32)             | (32)             | (33)             | (34)             | (35)             | (36)             | (36)             | (330)          |
|   | C564    | Arboricultural Operations          | Expense        | 1,417            | 1,419            | 1,459            | 1,494            | 1,543            | 1,554            | 1,566            | 1,603            | 1,612            | 1,653            | 15,321         |
|   |         |                                    | Income         | (178)            | (181)            | (185)            | (189)            | (192)            | (197)            | (201)            | (206)            | (211)            | (216)            | (1,956)        |
| Local parks and open spaces Total         |         |                                    |                | 8,341            | 8,390            | 8,547            | 8,839            | 9,177            | 9,259            | 9,355            | 9,636            | 9,811            | 10,107           | 91,462         |
| Botanical gardens                         | C560    | Botanic Gardens Services           | Expense        | 4,752            | 4,921            | 5,050            | 5,352            | 5,547            | 5,729            | 5,839            | 6,069            | 6,248            | 6,465            | 55,971         |
|   |         |                                    | Income         | (387)            | (394)            | (402)            | (410)            | (419)            | (428)            | (438)            | (448)            | (459)            | (471)            | (4,255)        |
| Botanical gardens Total                   |         |                                    |                | 4,365            | 4,527            | 4,648            | 4,942            | 5,128            | 5,301            | 5,401            | 5,621            | 5,789            | 5,994            | 51,716         |
| Beaches and coast operations              | C298    | Coastal Operations                 | Expense        | 1,409            | 1,445            | 1,112            | 1,163            | 1,192            | 1,225            | 1,245            | 1,275            | 1,323            | 1,365            | 12,753         |
|   |         |                                    | Income         | (51)             | (52)             | (53)             | (54)             | (55)             | (56)             | (58)             | (59)             | (61)             | (62)             | (561)          |
| Beaches and coast operations Total        |         |                                    |                | 1,358            | 1,393            | 1,059            | 1,109            | 1,137            | 1,168            | 1,188            | 1,216            | 1,262            | 1,303            | 12,191         |
| Roads open spaces                         | C006    | Open Space Vegetation Mgmt         | Expense        | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0              |
|   | C006A   | Road Corridor Growth Control       | Expense        | 1,293            | 1,322            | 1,351            | 1,398            | 1,439            | 1,479            | 1,523            | 1,566            | 1,615            | 1,669            | 14,654         |
|   |         |                                    | Income         | (411)            | (428)            | (445)            | (463)            | (473)            | (483)            | (495)            | (507)            | (519)            | (532)            | (4,755)        |
|   | C289    | Street Cleaning                    | Expense        | 6,854            | 7,104            | 7,368            | 7,688            | 7,988            | 8,315            | 8,687            | 8,954            | 9,254            | 9,578            | 81,789         |
|   |         |                                    | Income         | (284)            | (300)            | (316)            | (333)            | (344)            | (356)            | (369)            | (378)            | (387)            | (397)            | (3,463)        |
| Roads open spaces Total                   |         |                                    |                | 7,451            | 7,699            | 7,958            | 8,289            | 8,610            | 8,955            | 9,346            | 9,635            | 9,963            | 10,318           | 88,225         |
| Town belts                                | A008    | Hazardous Trees Removal            | Expense        | 446              | 455              | 464              | 482              | 496              | 509              | 523              | 537              | 552              | 569              | 5,032          |
|   |         |                                    | Income         | (6)              | (6)              | (6)              | (6)              | (6)              | (6)              | (7)              | (7)              | (7)              | (7)              | (64)           |
|   | C514    | Town Belts Planting                | Expense        | 707              | 718              | 726              | 744              | 755              | 775              | 798              | 829              | 852              | 879              | 7,783          |
|   | C524    | Townbelt/Reserves Management       | Expense        | 3,511            | 3,819            | 4,149            | 4,686            | 5,052            | 5,278            | 5,394            | 5,842            | 6,488            | 6,736            | 50,955         |
|   |         |                                    | Income         | (244)            | (249)            | (254)            | (259)            | (264)            | (270)            | (277)            | (283)            | (290)            | (297)            | (2,687)        |
| Town belts Total                          |         |                                    |                | 4,415            | 4,736            | 5,079            | 5,648            | 6,032            | 6,285            | 6,432            | 6,918            | 7,595            | 7,879            | 61,019         |
| Community environmental initiatives       | C513    | Community greening initiatives     | Expense        | 623              | 670              | 666              | 750              | 802              | 806              | 829              | 878              | 882              | 909              | 7,816          |
|   | C652    | Environmental Grants Pool          | Expense        | 120              | 121              | 101              | 101              | 102              | 102              | 102              | 103              | 103              | 103              | 1,058          |
| Community environmental initiatives Total |         |                                    |                | 743              | 790              | 767              | 851              | 904              | 908              | 932              | 981              | 985              | 1,012            | 8,874          |
| Walkways                                  | C561    | Walkway Maintenance                | Expense        | 582              | 600              | 639              | 686              | 731              | 756              | 781              | 827              | 856              | 879              | 7,337          |
| Walkways Total                            |         |                                    |                | 582              | 600              | 639              | 686              | 731              | 756              | 781              | 827              | 856              | 879              | 7,337          |
| Biodiversity (pest management)            | C509    | Weeds & Hazardous Trees Monit      | Expense        | 1,366            | 1,395            | 1,403            | 1,413            | 1,467            | 1,499            | 1,537            | 1,581            | 1,621            | 1,665            | 14,947         |
|   |         |                                    | Income         | (38)             | (39)             | (40)             | (41)             | (42)             | (43)             | (44)             | (45)             | (46)             | (47)             | (423)          |
|   | C510    | Animal Pest Management             | Expense        | 339              | 505              | 574              | 550              | 563              | 578              | 598              | 627              | 647              | 669              | 5,648          |
| Biodiversity (pest management) Total      |         |                                    |                | 1,666            | 1,860            | 1,938            | 1,922            | 1,989            | 2,034            | 2,091            | 2,163            | 2,222            | 2,287            | 20,172         |
| Waterfront Public Space                   | C701    | Waterfront Public Space Management | Expense        | 1,737            | 1,726            | 1,765            | 2,103            | 2,164            | 1,828            | 1,884            | 1,818            | 1,748            | 1,804            | 18,576         |



**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity Component Name                                     | Project | Project name                            | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|---|---------|---|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|   |         |   | Income         | (301)            | (307)            | (313)            | (319)            | (326)            | (333)            | (341)            | (349)            | (358)            | (367)            | (3,313)        |
| Waterfront Public Space                                     |         |   |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                |
| Total   |         |   |                | 1,436            | 1,419            | 1,452            | 1,783            | 1,838            | 1,495            | 1,543            | 1,469            | 1,390            | 1,437            | 15,263         |
| Governance, information and engagement Total                |         |   |                | 30,357           | 31,415           | 32,086           | 34,069           | 35,546           | 36,161           | 37,069           | 38,466           | 39,873           | 41,217           | 356,259        |
| Waste minimisation, disposal and recycling management       | C076    | Landfill Operations & Maint             | Expense        | 3,396            | 3,692            | 3,778            | 3,787            | 3,879            | 4,004            | 4,117            | 4,244            | 4,391            | 4,535            | 39,823         |
|   |         |   | Income         | (5,151)          | (5,249)          | (5,319)          | (5,961)          | (6,072)          | (6,260)          | (5,985)          | (6,474)          | (6,626)          | (6,872)          | (59,970)       |
|   | C078A   | Suburban Refuse Collection              | Expense        | 2,856            | 2,926            | 2,999            | 3,089            | 3,181            | 3,275            | 3,379            | 3,485            | 3,603            | 3,730            | 32,523         |
|   |         |   | Income         | (3,362)          | (3,426)          | (3,493)          | (3,567)          | (3,641)          | (3,721)          | (3,809)          | (3,900)          | (3,994)          | (4,095)          | (37,005)       |
|   | C079    | Domestic Recycling                      | Expense        | 4,676            | 4,790            | 4,906            | 5,045            | 5,192            | 5,344            | 5,511            | 5,680            | 5,869            | 6,073            | 53,085         |
|   |         |   | Income         | (3,304)          | (3,600)          | (3,735)          | (3,164)          | (3,230)          | (3,302)          | (3,379)          | (3,460)          | (3,543)          | (3,633)          | (34,350)       |
|   | C391    | Waste Minimisation Info                 | Expense        | 1,817            | 1,833            | 1,864            | 1,922            | 1,944            | 1,992            | 2,020            | 2,039            | 2,089            | 2,152            | 19,673         |
|   |         |   | Income         | (1,013)          | (1,032)          | (1,053)          | (1,075)          | (1,097)          | (1,121)          | (1,148)          | (1,175)          | (1,203)          | (1,234)          | (11,151)       |
|   | C558    | Litter Enforcement                      | Expense        | 92               | 94               | 95               | 100              | 104              | 107              | 110              | 111              | 113              | 117              | 1,044          |
| Waste minimisation, disposal and recycling management Total |         |   |                | 7                | 28               | 44               | 174              | 260              | 318              | 817              | 551              | 699              | 772              | 3,671          |
| Closed landfills aftercare                                  | C077    | Closed Landfill Gas Migr Monit          | Expense        | 522              | 414              | 322              | 254              | 230              | 203              | 309              | 284              | 252              | 184              | 2,975          |
| Closed landfills aftercare Total                            |         |   |                | 522              | 414              | 322              | 254              | 230              | 203              | 309              | 284              | 252              | 184              | 2,975          |
| Energy efficiency and conservation                          | C662    | Smart Energy                            | Expense        | 282              | 334              | 134              | 135              | 136              | 137              | 197              | 139              | 140              | 142              | 1,774          |
|   |         |   | Income         | (46)             | (47)             |                  |                  |                  |                  |                  |                  |                  |                  | (93)           |
| Energy efficiency and conservation Total                    |         |   |                | 236              | 287              | 134              | 135              | 136              | 137              | 197              | 139              | 140              | 142              | 1,681          |
| Governance, information and engagement Total                |         |   |                | 765              | 729              | 499              | 563              | 626              | 658              | 1,323            | 974              | 1,091            | 1,098            | 8,327          |
| Water network   | C112    | Water - Meter Reading                   | Expense        | 134              | 134              | 137              | 141              | 145              | 149              | 154              | 158              | 163              | 168              | 1,483          |
|   | C113    | Water - Network Maintenance             | Expense        | 3,894            | 3,958            | 4,054            | 4,203            | 4,321            | 4,443            | 4,582            | 4,724            | 4,884            | 5,053            | 44,116         |
|   | C412    | Water - Water Connections               | Expense        | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0              |
|   |         |   | Income         | (35)             | (35)             | (36)             | (37)             | (38)             | (38)             | (39)             | (40)             | (41)             | (42)             | (382)          |
|   | C462    | Water - Pump Stations Maintenance / Ops | Expense        | 960              | 981              | 1,010            | 1,045            | 1,080            | 1,116            | 1,156            | 1,199            | 1,247            | 1,297            | 11,091         |
|   | C463    | Water - Asset Stewardship               | Expense        | 17,155           | 17,442           | 18,790           | 19,264           | 19,531           | 20,865           | 21,048           | 21,344           | 23,333           | 23,496           | 202,268        |
|   | C536    | Water - Reservoir / Dam Maintenance     | Expense        | 103              | 100              | 130              | 107              | 109              | 112              | 115              | 150              | 121              | 125              | 1,172          |
|   | C547    | Water - Monitoring & Investigation      | Expense        | 531              | 551              | 579              | 614              | 649              | 687              | 729              | 751              | 776              | 802              | 6,668          |
|   | C671    | Water - Asset Management                | Expense        | 618              | 621              | 611              | 635              | 652              | 669              | 687              | 704              | 724              | 746              | 6,668          |
| Water network Total   |         |   |                | 23,360           | 23,752           | 25,274           | 25,973           | 26,450           | 28,003           | 28,431           | 28,989           | 31,206           | 31,646           | 273,084        |

Item 3.1 Attachment 1

2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

| Activity Component Name                      | Project | Project name  | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|---|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Water collection and treatment               | C115    | Water - Bulk Water Purchase                         | Expense        | 14,932           | 16,179           | 17,219           | 19,110           | 21,217           | 23,798           | 25,752           | 26,663           | 28,076           | 29,469           | 222,414        |
| Water collection and treatment Total         |         |   |                | 14,932           | 16,179           | 17,219           | 19,110           | 21,217           | 23,798           | 25,752           | 26,663           | 28,076           | 29,469           | 222,414        |
| Governance, information and engagement Total |         |   |                | 38,292           | 39,931           | 42,493           | 45,083           | 47,667           | 51,800           | 54,183           | 55,652           | 59,282           | 61,115           | 495,498        |
| Sewage collection and disposal network       | A041    | Wastewater - Asset Stewardship                      | Expense        | 13,748           | 14,043           | 15,139           | 15,730           | 16,069           | 17,136           | 17,387           | 17,721           | 19,323           | 19,618           | 165,914        |
|  |         |   | Income         | (615)            | (627)            | (639)            | (652)            | (666)            | (681)            | (697)            | (713)            | (731)            | (749)            | (6,769)        |
|  | C084    | Wastewater - Trade Waste Monitoring & Investigation | Expense        | 222              | 212              | 215              | 226              | 231              | 237              | 242              | 247              | 253              | 260              | 2,346          |
|  | C086A   | Wastewater - Network Maintenance                    | Expense        | 2,226            | 2,254            | 2,304            | 2,388            | 2,454            | 2,522            | 2,597            | 2,672            | 2,757            | 2,849            | 25,025         |
|  | C497    | Wastewater - Asset Management                       | Expense        | 561              | 561              | 578              | 564              | 610              | 632              | 610              | 625              | 643              | 662              | 6,045          |
|  | CS01    | Wastewater - Monitoring & Investigation             | Expense        | 1,289            | 1,304            | 1,294            | 1,324            | 1,346            | 1,381            | 1,391            | 1,425            | 1,464            | 1,507            | 13,724         |
|  | CS02    | Wastewater - Pump Station Maintenance / Ops         | Expense        | 1,111            | 1,134            | 1,165            | 1,225            | 1,264            | 1,305            | 1,350            | 1,398            | 1,451            | 1,508            | 12,910         |
| Sewage collection and disposal network Total |         |   |                | 18,542           | 18,881           | 20,056           | 20,805           | 21,308           | 22,533           | 22,880           | 23,375           | 25,160           | 25,655           | 219,195        |
| Sewage treatment                             | C087    | Wastewater - Treatment Plants                       | Expense        | 20,779           | 21,656           | 22,831           | 23,761           | 24,919           | 26,344           | 27,556           | 28,791           | 30,611           | 31,907           | 259,155        |
|  | C347    | Sewerage Disposal                                   | Expense        | 1,875            | 1,939            | 1,997            | 2,048            | 2,100            | 2,162            | 2,199            | 2,258            | 2,349            | 2,423            | 21,350         |
|  |         |   | Income         | (618)            | (629)            | (642)            | (655)            | (669)            | (684)            | (700)            | (716)            | (734)            | (752)            | (6,799)        |
| Sewage treatment Total                       |         |   |                | 22,036           | 22,966           | 24,186           | 25,153           | 26,350           | 27,822           | 29,055           | 30,333           | 32,227           | 33,577           | 273,706        |
| Governance, information and engagement Total |         |   |                | 40,578           | 41,847           | 44,242           | 45,958           | 47,658           | 50,355           | 51,936           | 53,708           | 57,387           | 59,232           | 492,901        |
| Stormwater management                        | A041A   | Stormwater - Asset Stewardship                      | Expense        | 12,984           | 13,418           | 14,602           | 15,491           | 15,988           | 16,957           | 17,356           | 17,918           | 19,698           | 20,189           | 164,600        |
|  | C086C   | Stormwater - Network Maintenance                    | Expense        | 1,966            | 1,989            | 2,033            | 2,104            | 2,162            | 2,221            | 2,287            | 2,353            | 2,427            | 2,507            | 22,049         |
|  | C090    | Stormwater - Monitoring & Investigation             | Expense        | 721              | 811              | 673              | 700              | 720              | 738              | 931              | 779              | 802              | 827              | 7,702          |
|  |         |   | Income         | (10)             | (10)             | (10)             | (10)             | (10)             | (11)             | (11)             | (11)             | (11)             | (12)             | (105)          |
|  | C498    | Stormwater - Asset Management                       | Expense        | 894              | 790              | 731              | 688              | 742              | 742              | 753              | 771              | 791              | 813              | 7,716          |
|  | C677    | Drainage Maintenance                                | Expense        | 984              | 1,007            | 1,031            | 1,063            | 1,094            | 1,125            | 1,160            | 1,195            | 1,235            | 1,278            | 11,173         |
|  |         |   | Income         | (136)            | (142)            | (148)            | (154)            | (157)            | (160)            | (164)            | (168)            | (172)            | (177)            | (1,578)        |
|  | C689    | Stormwater - Pump Station Maintenance / Ops         | Expense        | 38               | 39               | 40               | 41               | 42               | 43               | 45               | 46               | 47               | 49               | 430            |
| Stormwater management Total                  |         |   |                | 17,442           | 17,902           | 18,953           | 19,923           | 20,580           | 21,655           | 22,356           | 22,883           | 24,817           | 25,476           | 211,986        |



2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

| Activity<br>Component Name                    | Project | Project name                    | Income/<br>Expense | 2015/16<br>(\$000s) | 2016/17<br>(\$000s) | 2017/18<br>(\$000s) | 2018/19<br>(\$000s) | 2019/20<br>(\$000s) | 2020/21<br>(\$000s) | 2021/22<br>(\$000s) | 2022/23<br>(\$000s) | 2023/24<br>(\$000s) | 2024/25<br>(\$000s) | Total<br>(\$000s) |
|---|---------|---------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Governance, information and engagement Total  |         |                                 |                    | 17,442              | 17,902              | 18,953              | 19,923              | 20,580              | 21,655              | 22,356              | 22,883              | 24,817              | 25,476              | 211,986           |
| Conservation visitor attractions              | A288    | Karori Sanctuary                | Expense            | 1,490               | 1,532               | 1,532               | 1,532               | 1,564               | 1,564               | 1,565               | 1,586               | 1,586               | 1,587               | 15,538            |
|   | C046    | Wellington Zoo Trust            | Expense            | 4,969               | 5,093               | 5,200               | 5,289               | 5,384               | 5,484               | 5,597               | 5,612               | 5,707               | 5,790               | 54,126            |
|   | C426    | Marine Conservation Centre      | Expense            | 0                   | 0                   | 6,167               | 291                 | 268                 | 229                 | 188                 | 149                 | 101                 | 50                  | 7,441             |
| Conservation visitor attractions Total        |         |                                 |                    | 6,459               | 6,625               | 12,899              | 7,112               | 7,215               | 7,277               | 7,349               | 7,347               | 7,394               | 7,427               | 77,105            |
| Governance, information and engagement Total  |         |                                 |                    | 6,459               | 6,625               | 12,899              | 7,112               | 7,215               | 7,277               | 7,349               | 7,347               | 7,394               | 7,427               | 77,105            |
| Environment Total                             |         |                                 |                    | 133,893             | 138,449             | 151,172             | 152,708             | 159,292             | 167,907             | 174,216             | 179,029             | 189,844             | 195,565             | 1,642,077         |
| WREDA   | C105    | Positively Wellington Tourism   | Expense            | 5,630               | 5,630               | 5,630               | 5,630               | 5,630               | 5,630               | 5,630               | 5,630               | 5,630               | 5,630               | 56,300            |
|   | C581    | Events Fund                     | Expense            | 4,723               | 4,523               | 4,773               | 5,023               | 5,023               | 5,023               | 5,023               | 5,023               | 5,023               | 5,023               | 49,181            |
|   | C686    | Wellington Venues               | Expense            | 18,596              | 18,941              | 19,071              | 20,192              | 20,362              | 20,469              | 21,634              | 22,215              | 22,859              | 24,463              | 208,803           |
|   |         |                                 | Income             | (14,365)            | (14,638)            | (14,925)            | (15,241)            | (15,557)            | (15,902)            | (16,275)            | (16,663)            | (17,065)            | (17,496)            | (158,128)         |
|   | C690    | Destination Wellington          | Expense            | 1,775               | 1,775               | 1,775               | 1,775               | 1,775               | 1,775               | 1,775               | 1,775               | 1,775               | 1,775               | 17,750            |
|   | C695    | City Innovation                 | Expense            | 836                 | 849                 | 863                 | 800                 | 823                 | 844                 | 862                 | 875                 | 889                 | 912                 | 8,553             |
| WREDA Total                                   |         |                                 |                    | 17,195              | 17,080              | 17,187              | 18,180              | 18,056              | 17,839              | 18,648              | 18,856              | 19,111              | 20,307              | 182,459           |
| Wellington Convention Centre                  | C703    | Wellington Convention Centre    | Expense            |                     |                     | 2,046               | 4,231               | 4,375               | 4,524               | 4,679               | 4,838               | 5,003               | 5,174               | 34,871            |
|   |         |                                 | Income             |                     |                     |                     |                     |                     | (709)               | (2,058)             | (2,102)             | (2,147)             | (2,194)             | (9,211)           |
| Wellington Convention Centre Total            |         |                                 |                    |                     |                     | 2,046               | 4,231               | 4,375               | 3,815               | 2,620               | 2,736               | 2,856               | 2,980               | 25,660            |
| Retail support (free weekend parking)         | C105B   | CBD Weekend Parking             | Expense            | 1,356               | 1,391               | 1,427               | 1,467               | 1,511               | 1,555               | 1,607               | 1,659               | 1,719               | 1,781               | 15,473            |
| Retail support (free weekend parking) Total   |         |                                 |                    | 1,356               | 1,391               | 1,427               | 1,467               | 1,511               | 1,555               | 1,607               | 1,659               | 1,719               | 1,781               | 15,473            |
| WEID, Economic Growth & Economic Grants       | C647    | Economic Development Grant Pool | Expense            | 50                  | 50                  | 50                  | 50                  | 50                  | 50                  | 50                  | 50                  | 50                  | 50                  | 500               |
|   | C693    | Economic Growth Strategy        | Expense            | 549                 | 555                 | 562                 | 591                 | 612                 | 628                 | 642                 | 655                 | 672                 | 693                 | 6,159             |
|   | C696    | Economic Development Fund       | Expense            | 3,000               | 3,075               | 3,153               | 3,240               | 3,333               | 3,429               | 3,540               | 3,654               | 3,783               | 3,918               | 34,125            |
| WEID, Economic Growth & Economic Grants Total |         |                                 |                    | 3,599               | 3,680               | 3,765               | 3,881               | 3,995               | 4,107               | 4,232               | 4,359               | 4,505               | 4,661               | 40,784            |
| Major Economic Projects                       | C704    | Airport Runway Extension        | Expense            |                     |                     |                     |                     | 2,167               | 4,334               | 6,500               | 6,500               | 6,500               | 6,500               | 32,501            |
|   | C705    | Indoor Arena                    | Expense            | 0                   | 0                   | 0                   | 0                   | 0                   | 230                 | 1,861               | 4,199               | 4,639               | 4,710               | 15,639            |
|   | C707    | Film Museum                     | Expense            | 0                   | 0                   | 0                   | 0                   | 0                   | 118                 | 705                 | 1,418               | 1,609               | 1,576               | 5,426             |
|   | C709    | Westpac Stadium                 | Expense            |                     | 5,000               |                     |                     |                     |                     |                     |                     |                     |                     | 5,000             |
| Major Economic Projects Total                 |         |                                 |                    | 0                   | 5,000               | 0                   | 0                   | 2,167               | 4,681               | 9,066               | 12,117              | 12,748              | 12,786              | 58,565            |
| Regional and external relations               | C145    | International Relations         | Expense            | 572                 | 583                 | 593                 | 620                 | 635                 | 650                 | 662                 | 671                 | 678                 | 694                 | 6,358             |
| Regional and external relations Total         |         |                                 |                    | 572                 | 583                 | 593                 | 620                 | 635                 | 650                 | 662                 | 671                 | 678                 | 694                 | 6,358             |

**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity Component Name                                | Project | Project name                | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|-----------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Business Improvement Districts                         | C645    | Marsden Village             | Expense        | 14               | 14               | 15               | 15               | 16               | 16               | 17               | 17               | 18               | 18               | 159            |
|  | C698    | Miramar BID                 | Expense        | 100              | 103              | 105              | 108              | 111              | 114              | 118              | 122              | 126              | 131              | 1,138          |
| Business Improvement Districts Total                   |         |                             |                | 114              | 117              | 120              | 123              | 127              | 130              | 135              | 139              | 144              | 149              | 1,297          |
| Governance, information and engagement Total           |         |                             |                | 22,836           | 27,851           | 25,138           | 28,503           | 30,866           | 32,777           | 36,970           | 40,538           | 41,760           | 43,357           | 330,597        |
| Economic Development Total                             |         |                             |                | 22,836           | 27,851           | 25,138           | 28,503           | 30,866           | 32,777           | 36,970           | 40,538           | 41,760           | 43,357           | 330,597        |
| Galleries and museums (WMT)                            | C102    | Wellington Museums Trust    | Expense        | 8,708            | 8,933            | 9,088            | 9,248            | 9,423            | 9,569            | 9,783            | 10,005           | 10,256           | 10,521           | 95,535         |
|  | C702    | Museum of Conflict          | Expense        | 500              | 513              | 826              | 1,140            | 630              | 630              | 630              | 650              | 650              | 650              | 6,818          |
| Galleries and museums (WMT) Total                      |         |                             |                | 9,208            | 9,445            | 9,914            | 10,388           | 10,053           | 10,199           | 10,413           | 10,655           | 10,906           | 11,171           | 102,353        |
| Visitor attractions (Te Papa/Carter Observatory)       | C440    | Te Papa Funding             | Expense        | 2,250            | 2,250            | 2,250            | 2,250            | 2,250            | 2,250            | 2,250            | 2,250            | 2,250            | 2,250            | 22,500         |
|  | C659    | Carter Observatory          | Expense        | 590              | 614              | 628              | 656              | 655              | 628              | 657              | 672              | 690              | 723              | 6,513          |
| Visitor attractions (Te Papa/Carter Observatory) Total |         |                             |                | 2,840            | 2,864            | 2,878            | 2,906            | 2,905            | 2,878            | 2,907            | 2,922            | 2,940            | 2,973            | 29,013         |
| Arts and cultural festivals                            | C130E   | Community Events Programme  | Expense        | 2,670            | 2,723            | 2,782            | 2,866            | 2,960            | 3,037            | 3,117            | 3,191            | 3,265            | 3,378            | 29,988         |
|  |         |                             | Income         | (410)            | (417)            | (426)            | (435)            | (444)            | (453)            | (464)            | (475)            | (487)            | (499)            | (4,509)        |
|  | CS87    | Citizen's Day - Mayoral Day | Expense        | 22               | 22               | 23               | 24               | 24               | 25               | 26               | 27               | 28               | 29               | 249            |
| Arts and cultural festivals Total                      |         |                             |                | 2,283            | 2,328            | 2,379            | 2,455            | 2,540            | 2,608            | 2,679            | 2,743            | 2,806            | 2,907            | 25,728         |
| Cultural grants  | C661    | Cultural Grants Pool        | Expense        | 858              | 969              | 981              | 1,196            | 1,212            | 1,229            | 1,247            | 1,264            | 1,283            | 1,301            | 11,540         |
| Cultural grants Total                                  |         |                             |                | 858              | 969              | 981              | 1,196            | 1,212            | 1,229            | 1,247            | 1,264            | 1,283            | 1,301            | 11,540         |
| Access and support for community arts                  | C101A   | Wgtn Conv Cntr Comm Subsidy | Expense        | 200              | 200              | 200              | 200              | 200              | 200              | 200              | 200              | 200              | 200              | 2,000          |
|  | C130K   | Community Arts Programme    | Expense        | 459              | 519              | 528              | 398              | 410              | 421              | 432              | 440              | 447              | 461              | 4,516          |
|  |         |                             | Income         | (62)             | (63)             | (64)             | (66)             | (67)             | (69)             | (70)             | (72)             | (74)             | (76)             | (682)          |
| Access and support for community arts Total            |         |                             |                | 597              | 656              | 664              | 532              | 543              | 553              | 561              | 568              | 574              | 585              | 5,833          |
| Arts partnerships                                      | C422    | NZSO Subsidy                | Expense        | 216              | 216              | 216              | 216              | 216              | 216              | 216              | 216              | 216              | 216              | 2,160          |
|  | C605    | Toi Pōneke Arts Centre      | Expense        | 1,243            | 1,272            | 1,300            | 1,348            | 1,383            | 1,419            | 1,449            | 1,484            | 1,514            | 1,559            | 13,970         |
|  |         |                             | Income         | (515)            | (525)            | (535)            | (547)            | (558)            | (571)            | (584)            | (598)            | (612)            | (628)            | (5,673)        |
|  | C670    | Public Art Fund             | Expense        | 393              | 398              | 402              | 413              | 420              | 427              | 433              | 437              | 440              | 448              | 4,212          |
|  | C710    | New Zealand Ballet          | Expense        | 153              | 154              | 155              | 100              | 100              | 100              | 100              | 100              | 100              | 100              | 1,162          |
|  | C713    | Orchestra Wellington        | Expense        | 272              | 275              | 279              |                  |                  |                  |                  |                  |                  |                  | 826            |
| Arts partnerships Total                                |         |                             |                | 1,761            | 1,790            | 1,817            | 1,530            | 1,561            | 1,591            | 1,614            | 1,639            | 1,658            | 1,695            | 16,657         |
| Regional Amenities Fund                                | C691    | Regional Amenities Fund     | Expense        | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 6,095          |
| Regional Amenities Fund Total                          |         |                             |                | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 609              | 6,095          |
| Arts and Cultural Activities Total                     |         |                             |                | 18,155           | 18,662           | 19,242           | 19,617           | 19,425           | 19,667           | 20,031           | 20,401           | 20,776           | 21,242           | 197,218        |



**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity<br>Component Name             | Project | Project name                     | Income/<br>Expense | 2015/16<br>(\$000s) | 2016/17<br>(\$000s) | 2017/18<br>(\$000s) | 2018/19<br>(\$000s) | 2019/20<br>(\$000s) | 2020/21<br>(\$000s) | 2021/22<br>(\$000s) | 2022/23<br>(\$000s) | 2023/24<br>(\$000s) | 2024/25<br>(\$000s) | Total<br>(\$000s)   |
|--|---------|----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Cultural Wellbeing Total               |         |                                  |                    | 18,155              | 18,662              | 19,242              | 19,617              | 19,425              | 19,667              | 20,031              | 20,401              | 20,776              | 21,242              | 197,218             |
| Swimming Pools                         | C034    | Swimming Pools Operations        | Expense<br>Income  | 20,476<br>(7,587)   | 20,919<br>(7,799)   | 20,874<br>(7,828)   | 21,637<br>(8,090)   | 21,892<br>(8,318)   | 22,625<br>(8,132)   | 23,597<br>(8,473)   | 23,727<br>(8,740)   | 24,259<br>(9,058)   | 24,966<br>(9,355)   | 224,972<br>(83,380) |
| Swimming Pools Total                   |         |                                  |                    | 12,889              | 13,120              | 13,046              | 13,547              | 13,574              | 14,493              | 15,125              | 14,987              | 15,200              | 15,611              | 141,592             |
| Sportsfields                           | C562    | Sportsfields Operations          | Expense<br>Income  | 3,405<br>(295)      | 3,472<br>(301)      | 3,482<br>(307)      | 3,616<br>(313)      | 3,667<br>(320)      | 3,727<br>(327)      | 3,808<br>(334)      | 3,848<br>(342)      | 3,897<br>(351)      | 4,017<br>(360)      | 36,938<br>(3,250)   |
| Sportsfields Total                     |         |                                  |                    | 3,110               | 3,171               | 3,175               | 3,303               | 3,347               | 3,400               | 3,473               | 3,506               | 3,546               | 3,657               | 33,688              |
| Sportsfields (Synthetic)               | C682    | Synthetic Turf Sport Operations  | Expense<br>Income  | 1,354<br>(524)      | 1,345<br>(534)      | 1,562<br>(572)      | 1,566<br>(584)      | 1,474<br>(596)      | 1,402<br>(609)      | 1,197<br>(623)      | 1,325<br>(638)      | 1,420<br>(654)      | 1,416<br>(670)      | 14,062<br>(6,003)   |
| Sportsfields (Synthetic) Total         |         |                                  |                    | 830                 | 811                 | 990                 | 982                 | 878                 | 793                 | 574                 | 687                 | 766                 | 746                 | 8,058               |
| Recreation Centres                     | C037    | Recreation Centres               | Expense<br>Income  | 2,722<br>(753)      | 2,777<br>(767)      | 2,812<br>(782)      | 2,945<br>(799)      | 3,052<br>(816)      | 3,089<br>(834)      | 3,164<br>(853)      | 3,206<br>(874)      | 3,208<br>(895)      | 3,297<br>(917)      | 30,271<br>(8,290)   |
|  | C669    | ASB Sports Centre                | Expense<br>Income  | 6,980<br>(1,904)    | 7,137<br>(1,940)    | 7,106<br>(1,978)    | 7,256<br>(2,020)    | 7,374<br>(2,062)    | 7,370<br>(2,107)    | 7,461<br>(2,157)    | 7,502<br>(2,208)    | 7,494<br>(2,262)    | 7,673<br>(2,319)    | 73,353<br>(20,956)  |
| Recreation Centres Total               |         |                                  |                    | 7,046               | 7,208               | 7,158               | 7,381               | 7,548               | 7,518               | 7,614               | 7,626               | 7,546               | 7,734               | 74,378              |
| Recreation partnerships                | C008    | Basin Reserve Trust              | Expense            | 1,043               | 1,169               | 1,296               | 1,453               | 1,826               | 1,871               | 1,989               | 2,022               | 2,067               | 2,210               | 16,946              |
|  | C384    | Recreational NZ Academy Sport    | Expense            | 45                  | 45                  | 45                  | 45                  | 45                  | 45                  | 45                  | 45                  | 45                  | 45                  | 450                 |
| Recreation partnerships Total          |         |                                  |                    | 1,088               | 1,214               | 1,341               | 1,498               | 1,871               | 1,916               | 2,034               | 2,067               | 2,112               | 2,255               | 17,396              |
| Playgrounds                            | C559    | PlayGnd & Skate Facility Mtn     | Expense            | 737                 | 747                 | 776                 | 804                 | 836                 | 840                 | 827                 | 773                 | 783                 | 777                 | 7,900               |
| Playgrounds Total                      |         |                                  |                    | 737                 | 747                 | 776                 | 804                 | 836                 | 840                 | 827                 | 773                 | 783                 | 777                 | 7,900               |
| Marinas                                | C418    | Marina Operations                | Expense<br>Income  | 602<br>(592)        | 669<br>(603)        | 688<br>(615)        | 720<br>(628)        | 756<br>(641)        | 661<br>(655)        | 777<br>(671)        | 822<br>(687)        | 854<br>(703)        | 888<br>(721)        | 7,437<br>(6,517)    |
| Marinas Total                          |         |                                  |                    | 10                  | 66                  | 73                  | 92                  | 115                 | 6                   | 106                 | 135                 | 151                 | 166                 | 920                 |
| Golf Course                            | C688    | Municipal Golf Course            | Expense<br>Income  | 270<br>(77)         | 272<br>(92)         | 275<br>(112)        | 282<br>(115)        | 285<br>(117)        | 281<br>(120)        | 279<br>(122)        | 283<br>(125)        | 288<br>(128)        | 295<br>(132)        | 2,813<br>(1,140)    |
| Golf Course Total                      |         |                                  |                    | 193                 | 181                 | 163                 | 168                 | 168                 | 162                 | 157                 | 158                 | 160                 | 164                 | 1,673               |
| Recreation programmes                  | C130D   | Recreation Programmes            | Expense<br>Income  | 282<br>(15)         | 287<br>(15)         | 291<br>(16)         | 306<br>(16)         | 314<br>(16)         | 322<br>(17)         | 330<br>(17)         | 336<br>(17)         | 344<br>(18)         | 354<br>(18)         | 3,166<br>(165)      |
| Recreation programmes Total            |         |                                  |                    | 267                 | 271                 | 276                 | 290                 | 298                 | 305                 | 313                 | 319                 | 326                 | 335                 | 3,001               |
| Recreation promotion and support Total |         |                                  |                    | 26,169              | 26,789              | 26,998              | 28,065              | 28,634              | 29,433              | 30,224              | 30,258              | 30,590              | 31,446              | 288,606             |
| Libraries                              | C050    | Library Network - Wide Operation | Expense<br>Income  | 14,840<br>(982)     | 16,025<br>(869)     | 16,865<br>(767)     | 17,729<br>(731)     | 17,494<br>(644)     | 18,238<br>(628)     | 18,778<br>(570)     | 19,834<br>(554)     | 20,098<br>(545)     | 18,482<br>(547)     | 178,383<br>(6,837)  |
|  | C467    | Branch Libraries                 | Expense<br>Income  | 6,003<br>(608)      | 6,298<br>(615)      | 7,019<br>(626)      | 7,930<br>(624)      | 8,144<br>(636)      | 8,299<br>(650)      | 8,530<br>(664)      | 8,606<br>(680)      | 8,676<br>(695)      | 8,891<br>(713)      | 78,395<br>(6,510)   |
| Libraries Total                        |         |                                  |                    | 19,253              | 20,839              | 22,491              | 24,304              | 24,358              | 25,259              | 26,074              | 27,207              | 27,533              | 26,114              | 243,432             |
| Access support (Leisure Card)          | C419    | Passport to Leisure Programme    | Expense            | 105                 | 106                 | 108                 | 114                 | 117                 | 120                 | 123                 | 124                 | 126                 | 130                 | 1,172               |
| Access support (Leisure Card) Total    |         |                                  |                    | 105                 | 106                 | 108                 | 114                 | 117                 | 120                 | 123                 | 124                 | 126                 | 130                 | 1,172               |

**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity Component Name                | Project | Project name                     | Income/Expense | 2015/16 (\$000s)   | 2016/17 (\$000s)   | 2017/18 (\$000s)   | 2018/19 (\$000s)   | 2019/20 (\$000s)   | 2020/21 (\$000s)   | 2021/22 (\$000s)   | 2022/23 (\$000s)   | 2023/24 (\$000s)   | 2024/25 (\$000s)   | Total (\$000s)       |
|--|---------|----------------------------------|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Community advocacy                     | C130G   | Community Advice & Information   | Expense        | 1,279              | 1,291              | 1,310              | 1,376              | 1,412              | 1,449              | 1,482              | 1,509              | 1,535              | 1,576              | 14,218               |
| Community advocacy Total               |         |                                  |                | 1,279              | 1,291              | 1,310              | 1,376              | 1,412              | 1,449              | 1,482              | 1,509              | 1,535              | 1,576              | 14,218               |
| Grants (Social and Recreation)         | C130A   | Community Grants                 | Expense        | 215                | 266                | 1,088              | 222                | 225                | 228                | 230                | 232                | 234                | 237                | 3,178                |
|  | C637    | Support for Wgtn Homeless        | Expense        | 142                | 145                | 148                | 151                | 154                | 157                | 160                | 163                | 166                | 169                | 1,553                |
|  | C678    | Social & Recreational Grant Pool | Expense Income | 3,287              | 3,573<br>0         | 3,122              | 3,367              | 3,413              | 3,459              | 3,507              | 3,555              | 3,604              | 3,655              | 34,541<br>0          |
| Grants (Social and Recreation) Total   |         |                                  |                | 3,643              | 3,984              | 4,357              | 3,740              | 3,791              | 3,843              | 3,896              | 3,950              | 4,005              | 4,062              | 39,273               |
| Housing                                | C125    | Housing Operations and Mtce      | Expense Income | 23,741<br>(21,635) | 23,857<br>(22,391) | 25,251<br>(24,322) | 26,374<br>(24,837) | 26,161<br>(25,836) | 26,072<br>(25,913) | 26,844<br>(24,373) | 26,605<br>(24,954) | 27,982<br>(25,556) | 31,596<br>(26,201) | 264,484<br>(246,016) |
|  | C680    | Housing Upgrade Project          | Expense Income | 1,799<br>(21,637)  | 1,654<br>(18,712)  | 1,536<br>(1,136)   | 1,543              | 1,630              | 1,738              | 2,053              | 2,105              | 2,401              | 2,500              | 18,960<br>(41,485)   |
| Housing Total                          |         |                                  |                | (17,731)           | (15,590)           | 1,330              | 3,081              | 1,955              | 1,896              | 4,524              | 3,757              | 4,827              | 7,895              | (4,057)              |
| Community centres and halls            | A468    | Cmty Props Programmed Maint      | Expense Income | 498<br>(4)         | 693<br>(4)         | 690<br>(4)         | 608<br>(4)         | 671<br>(4)         | 700<br>(4)         | 585<br>(4)         | 579<br>(4)         | 674<br>(4)         | 659<br>(4)         | 6,356<br>(39)        |
|  | C068    | Community Halls Ops and Maint.   | Expense Income | 189<br>(38)        | 187<br>(39)        | 237<br>(40)        | 266<br>(40)        | 389<br>(41)        | 479<br>(42)        | 468<br>(43)        | 480<br>(44)        | 502<br>(45)        | 539<br>(46)        | 3,736<br>(419)       |
|  | C130B   | Community Prop & Facility Ops    | Expense Income | 2,279<br>(188)     | 2,348<br>(192)     | 2,375<br>(196)     | 2,556<br>(200)     | 2,641<br>(204)     | 2,719<br>(205)     | 2,849<br>(209)     | 2,918<br>(214)     | 2,984<br>(220)     | 3,129<br>(225)     | 26,800<br>(2,053)    |
|  | C130I   | Accommodation Assistance Fund    | Expense        | 234                | 234                | 234                | 234                | 234                | 234                | 234                | 234                | 234                | 234                | 2,340                |
| Community centres and halls Total      |         |                                  |                | 2,971              | 3,228              | 3,296              | 3,420              | 3,687              | 3,882              | 3,879              | 3,949              | 4,126              | 4,285              | 36,721               |
| Recreation promotion and support Total |         |                                  |                | 9,519              | 13,857             | 32,892             | 36,034             | 35,320             | 36,450             | 39,977             | 40,496             | 42,152             | 44,060             | 330,759              |
| Burials and cremations                 | C007    | Burial & Cremation Operations    | Expense Income | 1,648<br>(803)     | 1,724<br>(858)     | 1,786<br>(875)     | 1,893<br>(893)     | 1,969<br>(912)     | 2,017<br>(932)     | 2,036<br>(954)     | 2,120<br>(977)     | 2,186<br>(1,000)   | 2,283<br>(1,025)   | 19,664<br>(9,228)    |
| Burials and cremations Total           |         |                                  |                | 845                | 867                | 912                | 1,000              | 1,057              | 1,086              | 1,082              | 1,143              | 1,186              | 1,258              | 10,436               |
| Public toilets                         | C072    | Contracts - Public Conveniences  | Expense        | 2,661              | 2,756              | 2,901              | 3,050              | 3,167              | 3,274              | 3,312              | 3,568              | 3,689              | 3,910              | 32,288               |
| Public toilets Total                   |         |                                  |                | 2,661              | 2,756              | 2,901              | 3,050              | 3,167              | 3,274              | 3,312              | 3,568              | 3,689              | 3,910              | 32,288               |
| Public health regulations              | C478    | Public Health                    | Expense Income | 4,648<br>(3,211)   | 4,618<br>(3,272)   | 4,699<br>(3,336)   | 4,922<br>(3,364)   | 5,104<br>(3,434)   | 5,231<br>(3,510)   | 5,357<br>(3,593)   | 5,459<br>(3,678)   | 5,564<br>(3,767)   | 5,742<br>(3,862)   | 51,344<br>(35,029)   |
|  | C675    | Noise Monitoring                 | Expense        | 628                | 661                | 695                | 745                | 836                | 842                | 895                | 917                | 942                | 973                | 8,134                |
| Public health regulations Total        |         |                                  |                | 2,065              | 2,007              | 2,058              | 2,302              | 2,505              | 2,563              | 2,659              | 2,698              | 2,739              | 2,853              | 24,449               |



**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity<br>Component Name                  | Project | Project name                   | Income/<br>Expense | 2015/16<br>(\$000s) | 2016/17<br>(\$000s) | 2017/18<br>(\$000s) | 2018/19<br>(\$000s) | 2019/20<br>(\$000s) | 2020/21<br>(\$000s) | 2021/22<br>(\$000s) | 2022/23<br>(\$000s) | 2023/24<br>(\$000s) | 2024/25<br>(\$000s) | Total<br>(\$000s)   |
|---|---------|--------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| City safety                                 | C673    | Anti-Graffiti Flying Squad     | Expense            | 635                 | 647                 | 660                 | 679                 | 695                 | 712                 | 730                 | 748                 | 768                 | 791                 | 7,066               |
|   | P169    | Safe City Project Operations   | Expense            | 2,039               | 2,070               | 2,103               | 2,214               | 2,262               | 2,314               | 2,364               | 2,406               | 2,449               | 2,514               | 22,734              |
| City safety Total                           |         |                                |                    | 2,674               | 2,717               | 2,763               | 2,893               | 2,957               | 3,026               | 3,095               | 3,154               | 3,217               | 3,304               | 29,800              |
| WREMO                                       | C540    | Emergency Mgmt Plan & Train    | Expense<br>Income  | 1,090<br>(14)       | 1,118<br>(14)       | 1,191<br>(15)       | 1,231<br>(15)       | 1,277<br>(15)       | 1,301               | 1,336               | 1,372               | 1,377               | 1,422               | 12,714<br>(73)      |
|   | C543    | Emgncy Mgmt Rural Fire Mgmt    | Expense<br>Income  | 247<br>(29)         | 254<br>(30)         | 265<br>(30)         | 266<br>(31)         | 283<br>(31)         | 289<br>(32)         | 291<br>(33)         | 300<br>(34)         | 310<br>(34)         | 321<br>(35)         | 2,828<br>(319)      |
| WREMO Total                                 |         |                                |                    | 1,294               | 1,328               | 1,411               | 1,452               | 1,513               | 1,558               | 1,594               | 1,638               | 1,653               | 1,708               | 15,149              |
| Recreation promotion and support Total      |         |                                |                    | 9,540               | 9,675               | 10,045              | 10,697              | 11,200              | 11,506              | 11,741              | 12,202              | 12,484              | 13,033              | 112,122             |
| Social and Recreation Total                 |         |                                |                    | 45,229              | 50,321              | 69,935              | 74,795              | 75,154              | 77,389              | 81,942              | 82,956              | 85,226              | 88,540              | 731,487             |
| Urban planning and policy                   | C533    | District Plan                  | Expense<br>Income  | 2,027<br>(20)       | 1,964<br>(20)       | 1,738<br>(21)       | 1,829<br>(21)       | 1,878<br>(22)       | 1,926<br>(22)       | 1,969<br>(23)       | 2,003<br>(23)       | 2,034<br>(24)       | 2,087<br>(24)       | 19,454<br>(220)     |
|   | C650    | Growth Spine Centres           | Expense            | 250                 | 253                 | 257                 | 271                 | 279                 | 286                 | 292                 | 298                 | 304                 | 312                 | 2,802               |
| Urban planning and policy Total             |         |                                |                    | 2,257               | 2,196               | 1,974               | 2,079               | 2,135               | 2,190               | 2,239               | 2,277               | 2,314               | 2,375               | 22,035              |
| Waterfront development                      | C711    | City Shaper Developments       | Expense            | 972                 | 991                 | 1,011               | 1,160               | 1,137               | 1,111               | 1,141               | 1,170               | 1,201               | 1,238               | 11,131              |
| Waterfront development Total                |         |                                |                    | 972                 | 991                 | 1,011               | 1,160               | 1,137               | 1,111               | 1,141               | 1,170               | 1,201               | 1,238               | 11,131              |
| Public spaces and centres development       | C350    | Maintenance of City Art Works  | Expense            | 320                 | 328                 | 339                 | 354                 | 365                 | 376                 | 383                 | 389                 | 404                 | 418                 | 3,677               |
|   | C370    | Public Space/Centre Devl. Plan | Expense            | 1,849               | 1,820               | 1,847               | 1,949               | 1,783               | 1,828               | 1,867               | 1,897               | 1,930               | 1,981               | 18,750              |
| Public spaces and centres development Total |         |                                |                    | 2,169               | 2,148               | 2,185               | 2,303               | 2,148               | 2,204               | 2,250               | 2,286               | 2,334               | 2,399               | 22,427              |
| Built heritage development                  | P065    | City Heritage Development      | Expense            | 1,498               | 2,007               | 1,767               | 1,042               | 1,059               | 1,075               | 1,088               | 1,099               | 1,111               | 1,129               | 12,875              |
| Built heritage development Total            |         |                                |                    | 1,498               | 2,007               | 1,767               | 1,042               | 1,059               | 1,075               | 1,088               | 1,099               | 1,111               | 1,129               | 12,875              |
| Recreation promotion and support Total      |         |                                |                    | 6,896               | 7,342               | 6,938               | 6,585               | 6,479               | 6,579               | 6,717               | 6,832               | 6,959               | 7,140               | 68,468              |
| Building control and facilitation           | C480    | Building Control/Facilitation  | Expense<br>Income  | 13,107<br>(9,152)   | 13,296<br>(9,230)   | 12,923<br>(8,921)   | 13,573<br>(9,110)   | 13,924<br>(9,299)   | 14,264<br>(9,505)   | 14,570<br>(9,728)   | 14,775<br>(9,960)   | 14,930<br>(10,200)  | 15,377<br>(10,458)  | 140,740<br>(95,563) |
|   | C685    | Weathertight Homes             | Expense            | 703                 | 717                 | 722                 | 763                 | 784                 | 804                 | 821                 | 833                 | 845                 | 866                 | 7,860               |
| Building control and facilitation Total     |         |                                |                    | 4,657               | 4,782               | 4,725               | 5,227               | 5,410               | 5,564               | 5,663               | 5,648               | 5,575               | 5,786               | 53,037              |
| Development control and facilitation        | C479    | Development Cntrl/Facilitation | Expense<br>Income  | 5,981<br>(2,899)    | 6,112<br>(2,954)    | 6,221<br>(3,012)    | 6,537<br>(3,075)    | 6,756<br>(3,139)    | 6,933<br>(3,209)    | 7,088<br>(3,284)    | 7,197<br>(3,362)    | 7,293<br>(3,444)    | 7,511<br>(3,531)    | 67,628<br>(31,909)  |
| Development control and facilitation Total  |         |                                |                    | 3,082               | 3,158               | 3,209               | 3,461               | 3,617               | 3,724               | 3,803               | 3,835               | 3,849               | 3,980               | 35,720              |

**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity Component Name                              | Project | Project name                     | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|----------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Earthquake risk mitigation - built environment       | P057    | Earthquake Risk Building Proj.   | Expense        | 1,710            | 1,598            | 1,959            | 2,047            | 2,112            | 2,052            | 2,099            | 2,138            | 2,180            | 2,245            | 20,140         |
| Earthquake risk mitigation - built environment Total |         |                                  |                | 1,710            | 1,598            | 1,959            | 2,047            | 2,112            | 2,052            | 2,099            | 2,138            | 2,180            | 2,245            | 20,140         |
| Recreation promotion and support Total               |         |                                  |                | 9,449            | 9,538            | 9,892            | 10,735           | 11,139           | 11,340           | 11,565           | 11,621           | 11,604           | 12,011           | 108,896        |
| Urban Development Total                              |         |                                  |                | 16,345           | 16,881           | 16,830           | 17,320           | 17,618           | 17,919           | 18,283           | 18,453           | 18,564           | 19,152           | 177,364        |
| Transport planning                                   | C681    | Ngaurunga to Airport Corridor    | Expense        | 691              | 359              | 210              | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 1,261          |
|  | P249    | Network Planning                 | Expense        | 452              | 458              | 502              | 531              | 547              | 561              | 572              | 581              | 590              | 605              | 5,399          |
|  |         |                                  | Income         | (86)             | (90)             | (102)            | (106)            | (108)            | (110)            | (113)            | (116)            | (118)            | (121)            | (1,070)        |
| Transport planning Total                             |         |                                  |                | 1,057            | 727              | 610              | 425              | 439              | 451              | 459              | 465              | 471              | 484              | 5,590          |
| Vehicle network                                      | C304    | Road Maintenance&Storm Cleanup   | Expense        | 1,649            | 1,683            | 1,726            | 1,785            | 1,843            | 1,886            | 1,950            | 1,998            | 2,067            | 2,132            | 18,719         |
|  |         |                                  | Income         | (687)            | (714)            | (745)            | (776)            | (793)            | (808)            | (830)            | (847)            | (870)            | (890)            | (7,960)        |
|  | C312    | Mtc Tawa Shared Driveways        | Expense        | 37               | 37               | 38               | 39               | 41               | 42               | 43               | 44               | 45               | 47               | 412            |
|  | C441    | Walls, Bridges & Tunnel Mntnce   | Expense        | 282              | 290              | 296              | 308              | 317              | 326              | 335              | 343              | 352              | 363              | 3,210          |
|  |         |                                  | Income         | (101)            | (106)            | (111)            | (115)            | (118)            | (120)            | (123)            | (126)            | (129)            | (132)            | (1,182)        |
|  | C444    | Drains & Walls Asset Stewardship | Expense        | 6,501            | 6,603            | 7,186            | 7,430            | 7,553            | 8,086            | 8,269            | 8,411            | 9,250            | 9,311            | 78,600         |
|  |         |                                  | Income         | (16)             | (17)             | (17)             | (18)             | (19)             | (19)             | (19)             | (20)             | (20)             | (21)             | (187)          |
|  | C445    | Kerb & Channel Maintenance       | Expense        | 723              | 800              | 818              | 846              | 871              | 896              | 922              | 948              | 978              | 1,011            | 8,814          |
|  |         |                                  | Income         | (314)            | (356)            | (371)            | (386)            | (394)            | (403)            | (413)            | (422)            | (433)            | (443)            | (3,936)        |
|  | C453    | Vehicle Network Asst Stewardship | Expense        | 13,358           | 14,026           | 15,684           | 16,795           | 17,707           | 19,748           | 20,717           | 21,793           | 24,871           | 25,883           | 190,582        |
|  |         |                                  | Income         | (204)            | (212)            | (227)            | (230)            | (235)            | (247)            | (246)            | (251)            | (257)            | (264)            | (2,373)        |
|  | C656    | Port and Ferry Access            | Expense        | 96               | 103              | 110              | 115              | 118              | 121              | 125              | 128              | 132              | 136              | 1,183          |
| Vehicle network Total                                |         |                                  |                | 21,322           | 22,137           | 24,387           | 25,793           | 26,892           | 29,507           | 30,729           | 31,999           | 35,985           | 37,131           | 285,882        |
| Cycle network  | C493    | Cycleways Maintenance            | Expense        | 96               | 111              | 156              | 173              | 180              | 202              | 202              | 216              | 224              | 234              | 1,794          |
|  |         |                                  | Income         | (36)             | (39)             | (43)             | (47)             | (47)             | (49)             | (50)             | (51)             | (52)             | (53)             | (466)          |
|  | C577    | Cycleway Asset Stewardship       | Expense        | 365              | 559              | 1,065            | 1,737            | 2,111            | 2,414            | 2,507            | 2,601            | 2,953            | 3,055            | 19,367         |
|  | C694    | Cycleways Planning               | Expense        | 1,199            | 1,132            | 1,151            | 503              | 518              | 532              | 545              | 557              | 569              | 587              | 7,294          |
| Cycle network Total                                  |         |                                  |                | 1,625            | 1,764            | 2,328            | 2,367            | 2,761            | 3,100            | 3,205            | 3,323            | 3,694            | 3,822            | 27,989         |
| Passenger transport network                          | C072A   | Passenger Transport Facilities   | Expense        | 658              | 677              | 700              | 728              | 752              | 777              | 803              | 832              | 868              | 901              | 7,695          |
|  |         |                                  | Income         | (486)            | (495)            | (505)            | (516)            | (526)            | (538)            | (551)            | (564)            | (577)            | (592)            | (5,350)        |
|  | C550    | Bus Shelter Contract             | Expense        | 5                | 5                | 6                | 6                | 6                | 6                | 6                | 6                | 7                | 7                | 61             |
|  |         |                                  | Income         | (464)            | (473)            | (483)            | (493)            | (503)            | (514)            | (526)            | (539)            | (552)            | (566)            | (5,112)        |



**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity<br>Component Name                | Project | Project name                       | Income/<br>Expense | 2015/16<br>(\$000s) | 2016/17<br>(\$000s) | 2017/18<br>(\$000s) | 2018/19<br>(\$000s) | 2019/20<br>(\$000s) | 2020/21<br>(\$000s) | 2021/22<br>(\$000s) | 2022/23<br>(\$000s) | 2023/24<br>(\$000s) | 2024/25<br>(\$000s) | Total<br>(\$000s)  |
|---|---------|------------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
|   |         | Passenger Transport Asset          |                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |
|   | C576    | Stew                               | Expense            | 673                 | 742                 | 834                 | 893                 | 1,013               | 1,105               | 1,204               | 1,291               | 1,396               | 1,405               | 10,556             |
|   | C655    | Bus Priority Plan                  | Expense            | 109                 | 111                 | 113                 | 118                 | 121                 | 125                 | 128                 | 131                 | 134                 | 139                 | 1,228              |
|   | C708    | Cable Car                          | Expense            |                     | 2,500               |                     |                     |                     |                     |                     |                     |                     |                     | 2,500              |
|   | C712    | Public Transport Trials            | Expense            | 275                 |                     |                     |                     |                     |                     |                     |                     |                     |                     | 275                |
| Passenger transport network Total         |         |                                    |                    | 770                 | 3,067               | 665                 | 736                 | 863                 | 961                 | 1,064               | 1,158               | 1,276               | 1,294               | 11,853             |
| Pedestrian network                        | C307    | Street Furniture Maintenance       | Expense<br>Income  | 360<br>(6)          | 367<br>(6)          | 376<br>(6)          | 389<br>(7)          | 401<br>(7)          | 412<br>(7)          | 424<br>(7)          | 436<br>(7)          | 449<br>(7)          | 464<br>(7)          | 4,076<br>(68)      |
|   | C377    | Footpaths Asset Stewardship        | Expense            | 5,175               | 5,179               | 5,582               | 5,748               | 5,834               | 6,332               | 6,398               | 6,796               | 8,028               | 8,455               | 63,527             |
|   | C448    | Pedestrian Network Maintenance     | Expense<br>Income  | 842<br>(33)         | 861<br>(34)         | 880<br>(34)         | 910<br>(35)         | 934<br>(36)         | 963<br>(36)         | 989<br>(37)         | 1,020<br>(38)       | 1,049<br>(39)       | 1,087<br>(40)       | 9,535<br>(362)     |
|   | C492    | Ped Network Structures Maint       | Expense            | 171                 | 176                 | 180                 | 186                 | 192                 | 197                 | 203                 | 208                 | 215                 | 222                 | 1,950              |
| Pedestrian network Total                  |         |                                    |                    | 6,509               | 6,543               | 6,977               | 7,192               | 7,319               | 7,860               | 7,970               | 8,415               | 9,694               | 10,180              | 78,658             |
| Network-wide control and management       | A026    | Traffic Signals System Maintenance | Expense<br>Income  | 1,282<br>(548)      | 1,285<br>(558)      | 1,329<br>(587)      | 1,399<br>(619)      | 1,455<br>(638)      | 1,510<br>(659)      | 1,568<br>(681)      | 1,617<br>(699)      | 1,665<br>(716)      | 1,722<br>(734)      | 14,830<br>(6,439)  |
|   | A153A   | Traffic Control Asset Stewards     | Expense<br>Income  | 2,502<br>(33)       | 2,491<br>(34)       | 2,562<br>(40)       | 2,445<br>(37)       | 2,335<br>(38)       | 2,392<br>(43)       | 2,289<br>(40)       | 2,183<br>(41)       | 2,262<br>(42)       | 2,078<br>(43)       | 23,539<br>(390)    |
|   | C026C   | Road Marking Maintenance           | Expense<br>Income  | 948<br>(402)        | 1,001<br>(434)      | 1,023<br>(451)      | 1,060<br>(470)      | 1,091<br>(480)      | 1,122<br>(490)      | 1,154<br>(502)      | 1,185<br>(514)      | 1,220<br>(526)      | 1,261<br>(540)      | 11,066<br>(4,809)  |
|   | C452    | Traffic Signs Maintenance          | Expense<br>Income  | 559<br>(197)        | 570<br>(205)        | 581<br>(213)        | 605<br>(222)        | 623<br>(227)        | 640<br>(232)        | 657<br>(237)        | 673<br>(243)        | 691<br>(249)        | 712<br>(255)        | 6,312<br>(2,281)   |
|   | C481    | Network Activity Management        | Expense<br>Income  | 1,508<br>(874)      | 1,526<br>(891)      | 1,545<br>(908)      | 1,636<br>(927)      | 1,687<br>(947)      | 1,729<br>(968)      | 1,765<br>(990)      | 1,791<br>(1,014)    | 1,819<br>(1,038)    | 1,868<br>(1,065)    | 16,875<br>(9,622)  |
| Network-wide control and management Total |         |                                    |                    | 4,746               | 4,752               | 4,840               | 4,870               | 4,862               | 5,002               | 4,983               | 4,938               | 5,085               | 5,004               | 49,081             |
| Road safety                               | C026B   | Street Lighting Maintenance        | Expense<br>Income  | 3,064<br>(1,265)    | 2,925<br>(1,299)    | 3,024<br>(1,349)    | 3,181<br>(1,419)    | 3,270<br>(1,433)    | 3,440<br>(1,482)    | 3,579<br>(1,516)    | 3,732<br>(1,552)    | 3,899<br>(1,590)    | 4,082<br>(1,630)    | 34,195<br>(14,535) |
|   | C450    | Transport Education & Promotion    | Expense<br>Income  | 631<br>(227)        | 736<br>(236)        | 748<br>(245)        | 783<br>(255)        | 806<br>(261)        | 827<br>(266)        | 847<br>(273)        | 865<br>(279)        | 885<br>(286)        | 912<br>(293)        | 8,040<br>(2,621)   |
|   | C494    | Fences & Guardrails Maint          | Expense<br>Income  | 394<br>(108)        | 403<br>(112)        | 412<br>(117)        | 426<br>(122)        | 439<br>(124)        | 451<br>(127)        | 465<br>(130)        | 478<br>(133)        | 493<br>(136)        | 510<br>(140)        | 4,472<br>(1,249)   |
|   | C575    | Safety Asset Stewardship           | Expense            | 2,006               | 2,003               | 2,141               | 2,155               | 2,145               | 2,276               | 2,253               | 2,235               | 2,413               | 2,377               | 22,005             |
| Road safety Total                         |         |                                    |                    | 4,496               | 4,420               | 4,614               | 4,749               | 4,842               | 5,119               | 5,225               | 5,345               | 5,678               | 5,818               | 50,307             |
| Recreation promotion and support Total    |         |                                    |                    | 40,524              | 43,409              | 44,422              | 46,133              | 47,979              | 51,999              | 53,636              | 55,642              | 61,883              | 63,732              | 509,360            |

**2015-25 LTP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE**

| Activity Component Name                | Project | Project name                               | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|--|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Parking                                | C290    | Parking Services & Enforcement             | Expense        | 12,382           | 12,085           | 12,142           | 12,656           | 13,075           | 13,455           | 13,820           | 14,268           | 14,799           | 15,361           | 134,043        |
|  |         |  | Income         | (26,151)         | (27,243)         | (27,854)         | (28,582)         | (29,174)         | (29,821)         | (30,521)         | (31,249)         | (32,003)         | (32,811)         | (295,410)      |
|  | C378    | Waterfront Parking Services                | Expense        | 1,022            | 1,273            | 1,477            | 1,596            | 1,704            | 1,995            | 2,300            | 2,616            | 2,932            | 3,253            | 20,168         |
|  |         |  | Income         | (1,304)          | (1,171)          | (1,207)          | (1,171)          | (1,118)          | (1,143)          | (1,170)          | (1,198)          | (1,227)          | (1,258)          | (11,965)       |
| Parking Total                          |         |  |                | (14,051)         | (15,056)         | (15,442)         | (15,501)         | (15,514)         | (15,514)         | (15,571)         | (15,563)         | (15,498)         | (15,455)         | (153,165)      |
| Recreation promotion and support Total |         |  |                | (14,051)         | (15,056)         | (15,442)         | (15,501)         | (15,514)         | (15,514)         | (15,571)         | (15,563)         | (15,498)         | (15,455)         | (153,165)      |
| Transport Total                        |         |  |                | 26,473           | 28,353           | 28,981           | 30,632           | 32,465           | 36,486           | 38,066           | 40,079           | 46,384           | 48,277           | 356,195        |
| Organisational                         | A312    | Waterfront Commercial Property Services    | Expense        | 6,609            | 6,730            | 7,132            | 7,519            | 7,633            | 7,956            | 8,491            | 9,013            | 9,613            | 10,118           | 80,815         |
|  |         |  | Income         | (2,600)          | (2,670)          | (2,723)          | (2,780)          | (2,838)          | (2,901)          | (2,969)          | (3,040)          | (3,113)          | (2,908)          | (28,543)       |
|  | C332    | Commercial Property Man & Serv             | Expense        | 3,956            | 3,959            | 4,401            | 4,705            | 5,322            | 5,176            | 5,377            | 5,663            | 6,553            | 6,477            | 51,590         |
|  |         |  | Income         | (2,855)          | (2,910)          | (2,967)          | (3,030)          | (3,092)          | (3,161)          | (3,235)          | (3,312)          | (3,392)          | (3,478)          | (31,432)       |
|  | C333    | Civic Centre Facilities Managt             | Expense        | 467              | 1,738            | 3,163            | 3,886            | 4,382            | 4,482            | 4,487            | 4,444            | 4,223            | 4,004            | 35,277         |
|  |         |  | Income         | (212)            | (216)            | (221)            | (490)            | (771)            | (788)            | (807)            | (826)            | (846)            | (868)            | (6,046)        |
|  | C374    | Information Services SLA                   | Expense        | 4,556            | 3,035            | 0                | (0)              | 0                | 0                | 0                | (0)              | (0)              | (0)              | 7,591          |
|  |         |  | Income         | (71)             |                  |                  |                  |                  |                  |                  |                  |                  |                  | (71)           |
|  | C388    | NZTA Income on Capex Work                  | Income         | (12,668)         | (17,599)         | (21,387)         | (12,597)         | (12,735)         | (13,261)         | (13,647)         | (13,952)         | (14,216)         | (15,093)         | (147,157)      |
|  | C700    | Waterfront Utilities Management            | Expense        | 440              | 451              | 462              | 478              | 492              | 507              | 523              | 539              | 556              | 576              | 5,024          |
|  |         |  | Income         | (416)            | (423)            | (432)            | (441)            | (450)            | (460)            | (471)            | (482)            | (494)            | (506)            | (4,575)        |
|  | ORG     | Rates and Unallocated Organisational Costs | Expense        | 4,467            | 5,412            | 5,112            | 5,318            | 5,484            | 6,748            | 6,970            | 7,168            | 7,499            | 7,702            | 62,320         |
|  |         |  | Income         | (285,291)        | (283,104)        | (283,346)        | (283,437)        | (284,047)        | (286,536)        | (288,683)        | (288,740)        | (291,407)        | (292,791)        | (2,867,798)    |
| Organisational Total                   |         |  |                | (283,618)        | (288,624)        | (303,934)        | (290,393)        | (280,660)        | (282,282)        | (284,013)        | (283,579)        | (285,083)        | (286,833)        | (2,869,019)    |
| Recreation promotion and support Total |         |  |                | (283,618)        | (288,624)        | (303,934)        | (290,393)        | (280,660)        | (282,282)        | (284,013)        | (283,579)        | (285,083)        | (286,833)        | (2,869,019)    |
| Council Total                          |         |  |                | (283,618)        | (288,624)        | (303,934)        | (290,393)        | (280,660)        | (282,282)        | (284,013)        | (283,579)        | (285,083)        | (286,833)        | (2,869,019)    |



**2015-25 LTP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE**

| Activity Component Name                                     | Project | Project name                          | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|---|---------|---------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| City governance and engagement                              | CX420   | Committee & Council Processes         | Expense        |                  | 116              |                  |                  | 126              |                  |                  | 138              |                  |                  | 379            |
| City governance and engagement Total                        |         |                                       |                |                  | 116              |                  |                  | 126              |                  |                  | 138              |                  |                  | 379            |
| Governance, information and engagement Total                |         |                                       |                |                  | 116              |                  |                  | 126              |                  |                  | 138              |                  |                  | 379            |
| Governance Total  |         |                                       |                |                  | 116              |                  |                  | 126              |                  |                  | 138              |                  |                  | 379            |
| Local parks and open spaces                                 | CX033   | Property Purchases - Reserves         | Expense        |                  |                  |                  |                  |                  |                  | 2,203            |                  |                  |                  | 2,203          |
|   | CX284   | Park Structures - upgrades & renewals | Expense        | 471              | 400              | 888              | 346              | 355              | 365              | 377              | 389              | 402              | 416              | 4,408          |
|   | CX436   | Parks Infrastructure                  | Expense        | 165              | 301              | 565              | 415              | 539              | 648              | 745              | 330              | 280              | 913              | 4,900          |
|   | CX510   | Plimmer Bequest Project               | Expense        | 650              |                  | 53               | 647              | 166              | 579              | 597              | 616              | 638              | 660              | 4,606          |
| Local parks and open spaces Total                           |         |                                       |                | 1,286            | 701              | 1,505            | 1,408            | 1,061            | 1,592            | 3,922            | 1,335            | 1,320            | 1,989            | 16,118         |
| Botanical gardens   | CX348   | Botanic Garden                        | Expense        | 433              | 528              | 704              | 792              | 490              | 973              | 1,348            | 517              | 665              | 1,229            | 7,679          |
| Botanical gardens Total                                     |         |                                       |                | 433              | 528              | 704              | 792              | 490              | 973              | 1,348            | 517              | 665              | 1,229            | 7,679          |
| Beaches and coast operations                                | CX290   | Coastal - upgrades                    | Expense        | 91               | 52               | 54               | 55               | 57               | 58               | 60               | 62               | 64               | 67               | 621            |
|   | CX349   | Coastal                               | Expense        | 136              | 124              | 127              | 130              | 134              | 138              | 142              | 147              | 152              | 157              | 1,388          |
| Beaches and coast operations Total                          |         |                                       |                | 227              | 176              | 181              | 186              | 191              | 196              | 203              | 209              | 216              | 224              | 2,009          |
| Town belts  | CX437   | Town Belt & Reserves                  | Expense        | 135              | 248              | 229              | 251              | 235              | 242              | 1,411            | 258              | 267              | 276              | 3,552          |
| Town belts Total  |         |                                       |                | 135              | 248              | 229              | 251              | 235              | 242              | 1,411            | 258              | 267              | 276              | 3,552          |
| Walkways  | CX435   | Walkways renewals                     | Expense        | 550              | 1,014            | 1,253            | 501              | 515              | 530              | 1,174            | 565              | 584              | 605              | 7,292          |
| Walkways Total  |         |                                       |                | 550              | 1,014            | 1,253            | 501              | 515              | 530              | 1,174            | 565              | 584              | 605              | 7,292          |
| Governance, information and engagement Total                |         |                                       |                | 2,632            | 2,666            | 3,872            | 3,138            | 2,492            | 3,533            | 8,058            | 2,883            | 3,052            | 4,323            | 36,650         |
| Waste minimisation, disposal and recycling management       | CX084   | Southern Landfill Improvement         | Expense        | 1,238            | 1,232            | 5,882            | 8,330            | 971              | 930              | 642              | 662              | 685              | 709              | 21,281         |
| Waste minimisation, disposal and recycling management Total |         |                                       |                | 1,238            | 1,232            | 5,882            | 8,330            | 971              | 930              | 642              | 662              | 685              | 709              | 21,281         |
| Governance, information and engagement Total                |         |                                       |                | 1,238            | 1,232            | 5,882            | 8,330            | 971              | 930              | 642              | 662              | 685              | 709              | 21,281         |
| Water network   | CX126   | Water - Network renewals              | Expense        | 12,489           | 9,902            | 9,804            | 6,398            | 13,211           | 12,167           | 12,593           | 12,781           | 13,285           | 15,717           | 118,347        |
|   | CX127   | Water - Pump Station renewals         | Expense        | 323              | 668              | 523              | 80               | 118              | 138              | 63               | 281              | 83               | 307              | 2,584          |
|   | CX296   | Water - Water Meter upgrades          | Expense        |                  | 477              | 489              | 502              | 403              | 414              | 427              | 440              | 454              | 469              | 4,076          |
|   | CX326   | Water - Network upgrades              | Expense        | 1,441            | 1,368            | 1,589            | 3,466            | 2,557            | 1,194            | 951              | 979              | 1,009            | 1,041            | 15,595         |
|   | CX430   | Water - Network renewals              | Expense        | 536              | 509              | 492              | 621              | 621              | 559              | 529              | 654              | 756              | 768              | 6,045          |
|   | CX512   | Water - Reservoir renewals            | Expense        | 1,975            | 1,662            | 2,101            | 8,654            | 2,624            | 1,927            | 2,074            | 4,176            | 2,339            | 2,419            | 29,952         |
|   | CX513   | Water - Reservoir upgrades            | Expense        | 190              | 353              | 415              | 600              | 1,852            | 3,133            | 6,919            | 7,142            | 2,099            | 2,174            | 24,877         |
|   | CX518   | Water - Water Meter renewals          | Expense        | (2)              | (3)              | (3)              | (4)              | (4)              | (4)              | (5)              | (5)              | (5)              | (6)              | (42)           |
| Water network Total   |         |                                       |                | 16,951           | 14,935           | 15,410           | 20,318           | 21,383           | 19,528           | 23,551           | 26,447           | 20,019           | 22,890           | 201,433        |
| Governance, information and engagement Total                |         |                                       |                | 16,951           | 14,935           | 15,410           | 20,318           | 21,383           | 19,528           | 23,551           | 26,447           | 20,019           | 22,890           | 201,433        |
| Sewage collection and disposal network                      | CX334   | Wastewater - Network renewals         | Expense        | 9,617            | 9,996            | 10,095           | 8,358            | 10,110           | 9,498            | 9,259            | 10,640           | 12,769           | 24,250           | 114,592        |

Item 3.1 Attachment 1

| Activity Component Name                                | Project | Project name                                | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|---|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|  | CX381   | Wastewater - Network upgrades               | Expense        |                  | 456              | 2,335            | 2,513            | 2,585            | 219              | 226              | 233              | 241              | 249              | 9,057          |
|  | CX517   | Wastewater - Pump Station renewals          | Expense        | 863              | 874              | 889              | 927              | 946              | 972              | 1,002            | 1,033            | 1,068            | 1,105            | 9,682          |
| Sewage collection and disposal network Total           |         |   |                | 10,481           | 11,327           | 13,319           | 11,799           | 13,641           | 10,688           | 10,487           | 11,906           | 14,079           | 25,604           | 133,330        |
| Governance, information and engagement Total           |         |   |                | 10,481           | 11,327           | 13,319           | 11,799           | 13,641           | 10,688           | 10,487           | 11,906           | 14,079           | 25,604           | 133,330        |
| Stormwater management                                  | CX031   | Stormwater - Network upgrades               | Expense        | 944              | 4,081            | 4,179            | 1,842            | 1,962            | 2,257            | 2,132            | 2,200            | 2,277            | 2,749            | 24,622         |
|  | CX151   | Stormwater - Network renewals               | Expense        | 3,511            | 2,939            | 3,473            | 2,227            | 3,281            | 3,311            | 2,538            | 4,862            | 5,196            | 3,515            | 34,854         |
| Stormwater management Total                            |         |   |                | 4,455            | 7,020            | 7,652            | 4,069            | 5,243            | 5,568            | 4,671            | 7,062            | 7,472            | 6,264            | 59,476         |
| Governance, information and engagement Total           |         |   |                | 4,455            | 7,020            | 7,652            | 4,069            | 5,243            | 5,568            | 4,671            | 7,062            | 7,472            | 6,264            | 59,476         |
| Conservation visitor attractions                       | CX125   | Zoo renewals                                | Expense        | 800              | 817              | 843              | 854              | 888              | 922              | 940              | 970              | 1,002            | 1,037            | 9,073          |
|  | CX340   | Zoo upgrades                                | Expense        | 516              |                  |                  |                  |                  |                  |                  |                  |                  |                  | 516            |
| Conservation visitor attractions Total                 |         |   |                | 1,316            | 817              | 843              | 854              | 888              | 922              | 940              | 970              | 1,002            | 1,037            | 9,589          |
| Governance, information and engagement Total           |         |   |                | 1,316            | 817              | 843              | 854              | 888              | 922              | 940              | 970              | 1,002            | 1,037            | 9,589          |
| Environment Total                                      |         |   |                | 37,072           | 37,998           | 46,978           | 48,508           | 44,619           | 41,171           | 48,348           | 49,931           | 46,309           | 60,826           | 461,761        |
| Wellington Convention Centre                           | CX275   | Wellington Venues renewals                  | Expense        | 2,215            | 1,742            | 1,353            | 461              | 1,810            | 1,905            | 2,106            | 1,947            | 781              | 2,103            | 16,422         |
| Wellington Convention Centre Total                     |         |   |                | 2,215            | 1,742            | 1,353            | 461              | 1,810            | 1,905            | 2,106            | 1,947            | 781              | 2,103            | 16,422         |
| Major Economic Projects                                | CX526   | Indoor Arena                                | Expense        |                  |                  |                  |                  |                  | 8,330            | 47,702           | 8,877            |                  |                  | 64,908         |
| Major Economic Projects Total                          |         |   |                |                  |                  |                  |                  |                  | 8,330            | 47,702           | 8,877            |                  |                  | 64,908         |
| Governance, information and engagement Total           |         |   |                | 2,215            | 1,742            | 1,353            | 461              | 1,810            | 10,235           | 49,808           | 10,824           | 781              | 2,103            | 81,330         |
| Economic Development Total                             |         |   |                | 2,215            | 1,742            | 1,353            | 461              | 1,810            | 10,235           | 49,808           | 10,824           | 781              | 2,103            | 81,330         |
| Galleries and museums (WMT)                            | CX500   | Gallery & Museum Upgrades                   | Expense        | 1,914            |                  |                  |                  |                  |                  |                  |                  |                  |                  | 1,914          |
|  | CX534   | Museum of Conflict                          | Expense        |                  |                  | 10,000           |                  |                  |                  |                  |                  |                  |                  | 10,000         |
| Galleries and museums (WMT) Total                      |         |   |                | 1,914            |                  | 10,000           |                  |                  |                  |                  |                  |                  |                  | 11,914         |
| Visitor attractions (Te Papa/Carter Observatory)       | CX496   | Cable Car Precinct                          | Expense        | 180              |                  |                  |                  |                  |                  |                  |                  |                  |                  | 180            |
| Visitor attractions (Te Papa/Carter Observatory) Total |         |   |                | 180              |                  |                  |                  |                  |                  |                  |                  |                  |                  | 180            |
| Cultural grants  | CX497   | Te ara o nga tupuna - Maori heritage trails | Expense        | 100              |                  | 8                | 122              |                  |                  |                  |                  |                  |                  | 230            |
| Cultural grants Total                                  |         |   |                | 100              |                  | 8                | 122              |                  |                  |                  |                  |                  |                  | 230            |
| Access and support for community arts                  | CX458   | Arts Installation                           | Expense        | 26               | 27               | 28               | 29               | 29               | 30               | 31               | 32               | 33               | 35               | 301            |
| Access and support for community arts Total            |         |   |                | 26               | 27               | 28               | 29               | 29               | 30               | 31               | 32               | 33               | 35               | 301            |
| Governance, information and engagement Total           |         |   |                | 2,220            | 27               | 10,036           | 150              | 29               | 30               | 31               | 32               | 33               | 35               | 12,624         |



| Activity Component Name                             | Project | Project name                          | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|---|---------|---------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>Cultural Wellbeing Total</b>                     |         |                                       |                | 2,220            | 27               | 10,036           | 150              | 29               | 30               | 31               | 32               | 33               | 35               | 12,624         |
| Swimming Pools                                      | CX055   | Aquatic Facility upgrades             | Expense        | 627              |                  |                  |                  |                  |                  |                  |                  |                  |                  | 627            |
|   | CX056   | Aquatic Facility renewals             | Expense        | 1,790            | 1,853            | 1,258            | 991              | 1,805            | 1,701            | 2,014            | 2,078            | 2,149            | 2,225            | 17,863         |
| <b>Swimming Pools Total</b>                         |         |                                       |                | 2,417            | 1,853            | 1,258            | 991              | 1,805            | 1,701            | 2,014            | 2,078            | 2,149            | 2,225            | 18,490         |
| Sportsfields  | CX345   | Sportsfields upgrades                 | Expense        | 650              | 405              | 492              | 440              | 452              | 465              | 480              | 495              | 512              | 530              | 4,921          |
| <b>Sportsfields Total</b>                           |         |                                       |                | 650              | 405              | 492              | 440              | 452              | 465              | 480              | 495              | 512              | 530              | 4,921          |
| Sportsfields (Synthetic)                            | CX506   | Synthetic Turf Sportsfields renewals  | Expense        |                  |                  |                  | 35               | 704              | 724              | 2,128            | 732              |                  |                  | 4,322          |
|   | CX507   | Synthetic Turf Sportsfields upgrades  | Expense        | 560              | 1,399            |                  |                  |                  |                  |                  |                  |                  |                  | 1,959          |
| <b>Sportsfields (Synthetic) Total</b>               |         |                                       |                | 560              | 1,399            |                  | 35               | 704              | 724              | 2,128            | 732              |                  |                  | 6,281          |
| Recreation Centres                                  | CX059   | Recreation Centre Renewal             | Expense        | 227              | 15               | 322              | 57               | 28               | 62               | 343              | 21               | 16               | 296              | 1,388          |
|   | CX499   | ASB Sports Centre                     | Expense        | 33               | 62               | 25               | 33               | 125              | 328              | 133              | 175              | 181              | 187              | 1,281          |
| <b>Recreation Centres Total</b>                     |         |                                       |                | 260              | 77               | 347              | 90               | 153              | 390              | 476              | 196              | 197              | 483              | 2,669          |
| Recreation partnerships                             | CX503   | Basin Reserve                         | Expense        | 3,468            | 3,085            | 3,058            | 11,480           | 67               | 69               | 71               | 73               | 76               | 78               | 21,525         |
| <b>Recreation partnerships Total</b>                |         |                                       |                | 3,468            | 3,085            | 3,058            | 11,480           | 67               | 69               | 71               | 73               | 76               | 78               | 21,525         |
| Playgrounds   | CX181   | Playgrounds renewals & upgrades       | Expense        | 414              | 455              | 328              | 480              | 347              | 357              | 368              | 380              | 393              | 407              | 3,929          |
| <b>Playgrounds Total</b>                            |         |                                       |                | 414              | 455              | 328              | 480              | 347              | 357              | 368              | 380              | 393              | 407              | 3,929          |
| Marinas   | CX341   | Marina renewals                       | Expense        | 492              | 87               | 55               | 118              | 66               | 810              | 316              | 137              | 79               | 151              | 2,311          |
|   | CX342   | Marina                                | Expense        | 66               | 54               | 150              | 116              | 76               | 619              | 138              | 70               | 66               | 82               | 1,437          |
| <b>Marinas Total</b>                                |         |                                       |                | 558              | 141              | 204              | 234              | 142              | 1,429            | 454              | 207              | 146              | 233              | 3,748          |
| <b>Governance, information and engagement Total</b> |         |                                       |                | 8,325            | 7,414            | 5,688            | 13,751           | 3,670            | 5,134            | 5,990            | 4,160            | 3,473            | 3,957            | 61,562         |
| Libraries   | CX077   | Upgrade Library Materials             | Expense        | 2,022            | 2,073            | 2,125            | 2,184            | 2,247            | 2,311            | 2,386            | 2,463            | 2,550            | 2,641            | 23,002         |
|   | CX269   | Upgrade Computer Replacement          | Expense        | 2,690            |                  |                  |                  |                  |                  | 2,584            |                  |                  |                  | 5,274          |
|   | CX338   | Central Library upgrades              | Expense        | 16               | 17               | 17               | 17               | 18               | 18               | 19               | 20               | 20               | 21               | 183            |
|   | CX358   | Branch Library upgrades               | Expense        | 844              | 6,532            | 9,507            |                  |                  |                  |                  |                  |                  |                  | 16,883         |
|   | CX359   | Branch Libraries renewals             | Expense        | 55               | 217              | 246              | 138              | 333              | 319              | 183              | 60               | 13               | 85               | 1,649          |
| <b>Libraries Total</b>                              |         |                                       |                | 5,627            | 8,838            | 11,895           | 2,340            | 2,598            | 2,648            | 5,172            | 2,542            | 2,584            | 2,747            | 46,990         |
| Housing   | CX370   | Housing upgrades                      | Expense        | 25,295           | 19,341           | 1,250            | 1,140            | 1,020            | 1,121            | 2,615            | 4,135            | 25,132           | 29,734           | 110,784        |
|   | CX371   | Housing renewals                      | Expense        | 3,826            | 4,151            | 6,626            | 6,462            | 4,207            | 4,257            | 3,348            | 3,073            | 3,190            | 3,302            | 42,442         |
| <b>Housing Total</b>                                |         |                                       |                | 29,121           | 23,492           | 7,876            | 7,602            | 5,227            | 5,378            | 5,963            | 7,208            | 28,322           | 33,036           | 153,225        |
| Community centres and halls                         | CX467   | Community Halls - upgrades & renewals | Expense        | 154              | 262              | 1,049            | 4,232            | 1,122            | 244              | 222              | 143              | 191              | 157              | 7,775          |
| <b>Community centres and halls Total</b>            |         |                                       |                | 154              | 262              | 1,049            | 4,232            | 1,122            | 244              | 222              | 143              | 191              | 157              | 7,775          |
| <b>Governance, information and engagement Total</b> |         |                                       |                | 34,902           | 32,592           | 20,819           | 14,174           | 8,947            | 8,269            | 11,357           | 9,893            | 31,097           | 35,940           | 207,990        |
| Burials and cremations                              | CX369   | Burial & Cremations                   | Expense        | 635              | 315              | 384              | 260              | 367              | 441              | 527              | 301              | 317              | 485              | 4,033          |
| <b>Burials and cremations Total</b>                 |         |                                       |                | 635              | 315              | 384              | 260              | 367              | 441              | 527              | 301              | 317              | 485              | 4,033          |
| Public toilets                                      | CX366   | Public Convenience and pavilions      | Expense        | 984              | 1,365            | 1,458            | 1,125            | 1,275            | 1,290            | 2,523            | 873              | 987              | 1,027            | 12,906         |
| <b>Public toilets Total</b>                         |         |                                       |                | 984              | 1,365            | 1,458            | 1,125            | 1,275            | 1,290            | 2,523            | 873              | 987              | 1,027            | 12,906         |
| WREMO   | CX372   | Emergency Management renewals         | Expense        | 52               |                  | 279              | 13               | 14               | 7                |                  |                  |                  |                  | 365            |
| <b>WREMO Total</b>                                  |         |                                       |                | 52               |                  | 279              | 13               | 14               | 7                |                  |                  |                  |                  | 365            |
| <b>Governance, information and engagement Total</b> |         |                                       |                | 1,671            | 1,680            | 2,121            | 1,398            | 1,656            | 1,738            | 3,050            | 1,174            | 1,305            | 1,512            | 17,304         |
| <b>Social and Recreation Total</b>                  |         |                                       |                | 44,898           | 41,685           | 28,628           | 29,323           | 14,273           | 15,141           | 20,397           | 15,227           | 35,875           | 41,408           | 286,856        |

**Item 3.1 Attachment 1**

| Activity Component Name                              | Project | Project name                         | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|--------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Waterfront development                               | CX131   | Wgtn Waterfront Development          | Expense        | 4,277            | 6,125            | 2,496            | 404              | 414              | 4,711            | 17,989           | 8,214            | 463              | 478              | 45,572         |
|  | CX523   | Waterfront Renewals                  | Expense        | 2,566            | 979              | 1,687            | 351              | 859              | 3,320            | 206              | 534              | 283              | 299              | 11,084         |
| Waterfront development Total                         |         |                                      |                | 6,843            | 7,105            | 4,184            | 755              | 1,273            | 8,031            | 18,195           | 8,748            | 746              | 777              | 56,657         |
| Public spaces and centres development                | CX406   | Central City Framework               | Expense        | 1,325            | 1,947            | 420              | 2,331            | 443              | 456              | 470              | 485              | 502              | 519              | 8,898          |
|  | CX446   | Suburban Centres upgrades            | Expense        |                  |                  |                  | 1,000            | 1,000            |                  |                  |                  |                  |                  | 2,000          |
|  | CX522   | Minor CBD Enhancements               | Expense        | 100              | 103              | 105              | 108              | 111              | 114              | 118              | 122              | 126              | 131              | 1,138          |
|  | CX527   | Urban Regeneration Projects          | Expense        |                  | 406              | 403              | 12,089           | 10,391           | 6,393            | 15,095           | 15,000           | 12,400           |                  | 72,178         |
| Public spaces and centres development Total          |         |                                      |                | 1,425            | 2,456            | 928              | 15,529           | 11,946           | 6,963            | 15,684           | 15,607           | 13,028           | 650              | 84,214         |
| Governance, information and engagement Total         |         |                                      |                | 8,268            | 9,561            | 5,112            | 16,284           | 13,219           | 14,995           | 33,879           | 24,355           | 13,774           | 1,427            | 140,871        |
| Earthquake risk mitigation - built environment       | CX505   | Earthquake Risk Mitigation           | Expense        | 5,940            | 6,502            | 26,108           | 24,583           | 5,168            | 278              | 304              | 294              | 284              | 254              | 69,715         |
| Earthquake risk mitigation - built environment Total |         |                                      |                | 5,940            | 6,502            | 26,108           | 24,583           | 5,168            | 278              | 304              | 294              | 284              | 254              | 69,715         |
| Governance, information and engagement Total         |         |                                      |                | 5,940            | 6,502            | 26,108           | 24,583           | 5,168            | 278              | 304              | 294              | 284              | 254              | 69,715         |
| Urban Development Total                              |         |                                      |                | 14,208           | 16,063           | 31,220           | 40,866           | 18,387           | 15,273           | 34,182           | 24,649           | 14,058           | 1,680            | 210,586        |
| Vehicle network                                      | CX086   | Wall, Bridge & Tunnel renewals       | Expense        | 2,510            | 2,487            | 2,519            | 2,990            | 2,602            | 11,980           | 4,012            | 2,792            | 3,098            | 2,990            | 37,979         |
|  | CX088   | Thin Asphalt Road Surface renewals   | Expense        | 1,741            | 1,633            | 1,661            | 1,897            | 1,760            | 1,847            | 1,897            | 2,136            | 2,088            | 2,074            | 18,735         |
|  | CX089   | Reseals renewals                     | Expense        | 2,477            | 2,120            | 2,121            | 2,748            | 2,263            | 2,475            | 2,519            | 3,361            | 2,771            | 2,697            | 25,554         |
|  | CX090   | Preseal Preparation renewals         | Expense        | 3,360            | 2,568            | 2,563            | 3,391            | 2,739            | 3,016            | 3,064            | 4,215            | 3,383            | 3,267            | 31,567         |
|  | CX092   | Shape & Camber Correction            | Expense        | 4,276            | 3,978            | 3,846            | 4,665            | 4,178            | 4,793            | 4,859            | 5,257            | 5,359            | 5,086            | 46,299         |
|  | CX093   | Sumps Flood Mitigation Upgrade       | Expense        | 9                | 222              | 227              | 234              | 241              | 248              | 255              | 263              | 273              | 283              | 2,253          |
|  | CX098   | Road corridor new walls              | Expense        | 1,451            | 2,204            | 1,521            | 2,322            | 2,388            | 2,457            | 2,533            | 2,617            | 2,704            | 2,801            | 22,997         |
|  | CX101   | Service Lane Improvements            | Expense        |                  | 51               | 52               | 53               | 55               | 57               | 58               | 60               | 62               | 65               | 513            |
|  | CX165   | Tunnel and bridge improvements       | Expense        | 1,788            | 909              | 1,877            | 986              | 1,012            | 1,042            | 1,074            | 1,109            | 1,146            | 1,187            | 12,129         |
|  | CX253   | Kerb & Channel renewals              | Expense        | 2,208            | 1,842            | 1,756            | 1,966            | 2,072            | 2,023            | 2,133            | 3,078            | 3,500            | 3,695            | 24,272         |
|  | CX311   | Vehicle Network New Roads            | Expense        |                  |                  | 5,260            | 545              | 4,449            | 2,292            | 2,956            | 1,467            | 3,158            |                  | 20,128         |
|  | CX350   | Road Risk Mitigation                 | Expense        | 898              | 727              | 1,141            | 1,172            | 1,206            | 1,240            | 836              | 863              | 893              | 924              | 9,899          |
|  | CX377   | Road Capacity Projects               | Expense        | 1,580            |                  |                  |                  |                  |                  |                  | 2,980            | 3,085            | 3,194            | 10,838         |
|  | CX383   | Area Wide Road Maintenance           | Expense        | 719              | 737              | 755              | 776              | 796              | 819              | 845              | 872              | 903              | 935              | 8,157          |
|  | CX493   | Port and Ferry Access                | Expense        |                  |                  |                  | 2,234            | 1,152            | 1,775            | 2,441            | 2,520            | 2,609            | 2,702            | 15,432         |
| Vehicle network Total                                |         |                                      |                | 23,017           | 19,479           | 25,300           | 25,981           | 26,912           | 36,062           | 29,481           | 33,592           | 35,032           | 31,899           | 286,755        |
| Cycle network  | CX112   | Cycling Improvements                 | Expense        | 5,673            | 12,001           | 17,071           | 7,855            | 2,432            | 2,383            | 2,454            | 2,528            | 2,610            | 2,696            | 57,704         |
| Cycle network Total                                  |         |                                      |                | 5,673            | 12,001           | 17,071           | 7,855            | 2,432            | 2,383            | 2,454            | 2,528            | 2,610            | 2,696            | 57,704         |
| Passenger transport network                          | CX492   | Bus Priority Planning                | Expense        | 145              | 902              | 1,140            | 1,910            | 3,246            | 2,711            | 2,886            | 2,937            | 2,894            | 4,088            | 22,859         |
| Passenger transport network Total                    |         |                                      |                | 145              | 902              | 1,140            | 1,910            | 3,246            | 2,711            | 2,886            | 2,937            | 2,894            | 4,088            | 22,859         |
| Pedestrian network                                   | CX091   | Pedestrian Network Structures        | Expense        | 118              | 121              | 239              | 233              | 130              | 259              | 137              | 141              | 285              | 151              | 1,815          |
|  | CX094   | Pedestrian Network Footpath renewals | Expense        | 3,859            | 2,931            | 4,190            | 2,230            | 4,968            | 4,214            | 4,208            | 8,773            | 5,330            | 8,496            | 49,200         |



| Activity Component Name                      | Project | Project name                             | Income/Expense | 2015/16 (\$000s) | 2016/17 (\$000s) | 2017/18 (\$000s) | 2018/19 (\$000s) | 2019/20 (\$000s) | 2020/21 (\$000s) | 2021/22 (\$000s) | 2022/23 (\$000s) | 2023/24 (\$000s) | 2024/25 (\$000s) | Total (\$000s) |
|--|---------|--|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|  | CX099   | Walking Improvements                     | Expense        | 200              | 409              | 432              | 451              | 490              | 522              | 547              | 565              | 585              | 606              | 4,807          |
|  | CX108   | Street Furniture renewals                | Expense        | 160              | 168              | 168              | 191              | 177              | 329              | 187              | 193              | 200              | 209              | 1,982          |
|  | CX109   | Pedestrian Network Accessways            | Expense        | 244              | 222              | 239              | 277              | 197              | 226              | 271              | 439              | 288              | 422              | 2,826          |
| Pedestrian network Total                     |         |  |                | 4,583            | 3,851            | 5,269            | 3,383            | 5,962            | 5,551            | 5,351            | 10,112           | 6,688            | 9,883            | 60,631         |
| Network-wide control and management          |         |  |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                |
|  | CX095   | Traffic & St Signs renewals              | Expense        | 1,570            | 288              | 472              | 601              | 535              | 965              | 658              | 880              | 394              | 347              | 6,710          |
|  | CX353   | Traffic Signal renewals                  | Expense        | 1,234            | 942              | 803              | 825              | 848              | 872              | 899              | 928              | 960              | 993              | 9,303          |
| Network-wide control and management Total    |         |  |                | 2,804            | 1,230            | 1,275            | 1,426            | 1,383            | 1,836            | 1,558            | 1,807            | 1,353            | 1,340            | 16,013         |
| Road safety                                  |         |  |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                |
|  | CX096   | Safety Street Lighting renewals          | Expense        | 766              | 615              | 630              | 647              | 665              | 683              | 704              | 727              | 751              | 777              | 6,965          |
|  | CX097   | Rural road improvements                  | Expense        | 100              | 103              | 105              | 108              | 111              | 114              | 118              | 122              | 126              | 131              | 1,138          |
|  | CX171   | Minor safety projects                    | Expense        | 887              | 938              | 980              | 1,029            | 1,082            | 1,141            | 1,206            | 1,244            | 1,286            | 1,331            | 11,123         |
|  | CX352   | Fences & Guardrails renewals             | Expense        | 599              | 614              | 629              | 646              | 664              | 683              | 705              | 727              | 752              | 778              | 6,796          |
|  | CX445   | Safer Roads Project                      | Expense        |                  | 1,092            | 629              | 173              | 579              | 1,100            | 1,744            | 1,800            | 1,864            | 1,930            | 10,912         |
| Road safety Total                            |         |  |                | 2,352            | 3,360            | 2,973            | 2,602            | 3,101            | 3,721            | 4,477            | 4,619            | 4,779            | 4,947            | 36,933         |
| Governance, information and engagement Total |         |  |                | 38,573           | 40,823           | 53,028           | 43,156           | 43,037           | 52,265           | 46,207           | 55,594           | 53,356           | 54,854           | 480,894        |
| Parking                                      |         |  |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                |
|  | CX102   | Parking Asset renewals                   | Expense        |                  |                  | 184              | 862              | 58               |                  | 1,139            | 1,175            | 1,217            | 1,260            | 5,896          |
|  | CX319   | Roadside Parking Improvements            | Expense        | 1,449            | 496              | 114              | 117              | 120              | 112              | 128              | 132              | 137              | 142              | 2,946          |
| Parking Total                                |         |  |                | 1,449            | 496              | 298              | 979              | 179              | 112              | 1,266            | 1,307            | 1,353            | 1,402            | 8,842          |
| Governance, information and engagement Total |         |  |                | 1,449            | 496              | 298              | 979              | 179              | 112              | 1,266            | 1,307            | 1,353            | 1,402            | 8,842          |
| Transport Total                              |         |  |                | 40,022           | 41,319           | 53,326           | 44,136           | 43,216           | 52,377           | 47,474           | 56,902           | 54,710           | 56,256           | 489,736        |
| Organisational                               |         |  |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                |
|  | CX010   | Enterprise Applications                  | Expense        | 7,762            | 923              |                  |                  |                  |                  |                  |                  |                  |                  | 8,685          |
|  | CX245   | Capital Replacement Fund                 | Expense        | 4,390            | 4,469            | 4,605            | 4,754            | 4,891            | 5,030            | 5,153            | 5,319            | 5,506            | 5,703            | 49,819         |
|  | CX258   | Disaster Recovery Assets                 | Expense        | 473              | 1,127            | 4,136            | 701              | 521              | 819              | 471              | 486              | 590              | 925              | 10,249         |
|  | CX260   | Technology Infrastructure Assets         | Expense        | 130              | 0                | 0                |                  |                  |                  |                  |                  |                  |                  | 130            |
|  | CX299   | PeopleSoft Version Upgrade               | Expense        | 50               | 461              | 1,051            | 1,080            | 1,111            | 1,143            | 1,180            | 1,218            | 1,261            | 1,306            | 9,861          |
|  | CX305   | Health & Safety - Legislation Compliance | Expense        | 310              | 317              | 325              | 334              | 344              | 354              | 365              | 377              | 390              | 404              | 3,522          |
|  | CX426   | Civic Property renewals                  | Expense        | 1,746            | 4,202            | 2,993            | 1,453            | 2,673            | 2,518            | 3,629            | 1,400            | 2,195            | 2,774            | 25,584         |
|  | CX501   | Commercial Properties renewals           | Expense        | 538              | 452              | 471              | 297              | 529              | 613              | 627              | 849              | 504              | 685              | 5,566          |
|  | CX502   | Community & Childcare Facility renewals  | Expense        | 263              | 597              | 508              | 565              | 503              | 642              | 1,058            | 284              | 300              | 330              | 5,050          |
|  | CX524   | Legislative changes                      | Expense        | 50               | 103              | 315              | 324              | 333              | 343              | 354              | 365              | 378              | 392              | 2,958          |
|  | CX525   | Support for Business Unit Initiatives    | Expense        | 170              | 585              | 757              | 778              | 800              | 823              | 849              | 876              | 906              | 938              | 7,481          |
|  | CX528   | Office Resilience and Efficiency         | Expense        | 950              | 13,695           |                  |                  |                  |                  |                  |                  |                  |                  | 14,645         |
|  | CX529   | Civic Campus Resilience and Improvements | Expense        | 975              | 1,538            | 14,357           | 5,400            |                  | 229              | 2,124            |                  |                  |                  | 24,623         |
|  | CX300   | Unscheduled infrastructure renewals      | Expense        |                  | 5,104            | 5,233            | 3,217            | 3,310            | 3,405            | 3,515            | 3,629            | 3,757            | 3,891            | 35,060         |
| Organisational Total                         |         |  |                | 17,807           | 33,572           | 34,753           | 18,904           | 15,015           | 15,919           | 19,325           | 14,802           | 15,787           | 17,348           | 203,232        |
| Governance, information and engagement Total |         |  |                | 17,807           | 33,572           | 34,753           | 18,904           | 15,015           | 15,919           | 19,325           | 14,802           | 15,787           | 17,348           | 203,232        |
| Council Total                                |         |  |                | 17,807           | 33,572           | 34,753           | 18,904           | 15,015           | 15,919           | 19,325           | 14,802           | 15,787           | 17,348           | 203,232        |

**Part E**

# Appendices



## Auditors' Report

To be inserted

## Elected Members

### Your Council



**CELIA WADE-BROWN**  
(Mayor)  
City-wide

Phone: (04) 801 3102  
mayor@wcc.govt.nz

**Council appointments**  
The Mayor is an ex officio member of all committees and subcommittees other than a quasi-judicial committee.  
Wellington International Airport Board



**RAY AHIPENE-MERCER**  
Eastern Ward

Phone: (04) 388 2366  
ray.ahipene-merc@wcc.govt.nz

**Council appointments**  
Chair: Regulatory Processes Committee  
Portfolio Leader: Economic Growth and Arts



**JO COUGHLAN**  
Onslow-Western Ward

Phone: 021 522 142  
jo.coughlan@wcc.govt.nz

**Council appointments**  
Chair: Economic Growth and Arts Committee



**PAUL EAGLE**  
Southern Ward

Phone: 021 673 630  
paul.eagle@wcc.govt.nz

**Council appointments**  
Chair: Community, Sport and Recreation Committee  
Trustee: Basin Reserve Trust



**SARAH FREE**  
Eastern Ward

Phone: 021 121 6412  
sarah.free@wcc.govt.nz

**Council appointments**  
Portfolio Leader: Community, Sport and Recreation - Community Facilities  
Trustee: Wellington Zoo Trust



**DAVID LEE**  
Southern Ward

Phone: 021 220 2357  
david.lee@wcc.govt.nz

**Council appointments**  
Portfolio Leader: Environment - Climate Change



**ANDY FOSTER**  
Onslow-Western Ward

Phone: (04) 476 9220  
andy.foster@wcc.govt.nz

**Council appointments**  
Chair: Transport and Urban Development Committee



**JUSTIN LESTER**  
(Deputy Mayor)  
Northern Ward

Phone: (04) 478 8264  
justin.lester@wcc.govt.nz

**Council appointments**  
Chair: Governance, Finance and Planning Committee  
Chair: Performance Review Committee  
Director: Wellington Waterfront Ltd  
Tawa Community Board (appointed member)

|   |  |  |  |
|---|--|--|--|
|    |   |    |   |
| <p><b>SIMON MARSH</b><br/>Eastern Ward</p>  | <p><b>IONA PANNETT</b><br/>Lambton Ward</p>  | <p><b>MARK PECK</b><br/>Lambton Ward</p>   | <p><b>HELENE RITCHIE</b><br/>Northern Ward</p>   |
| <p>Phone: 021 922 196<br/>simon.marsh@wcc.govt.nz</p>   | <p>Phone: (04) 384 3382<br/>iona.pannett@wcc.govt.nz</p>   | <p>Phone: 027 446 1650<br/>mark.peck@wcc.govt.nz</p>   | <p>Phone: (04) 473 1335<br/>helene.ritchie@wcc.govt.nz</p>   |
| <p><b>Council appointments</b><br/><br/>Portfolio Leader:<br/>Economic Growth and Arts - Small Medium Enterprise and Tertiary Liaison<br/><br/>Trustee:<br/>Wellington Regional Stadium Trust</p> | <p><b>Council appointments</b><br/><br/>Chair: Environment Committee<br/><br/>Portfolio Leader:<br/>Transport and Urban Development - Buildings</p>  | <p><b>Council appointments</b><br/><br/>Chair: Audit and Risk Subcommittee</p>   | <p><b>Council appointments</b><br/><br/>Portfolio Leader:<br/>Environment - Natural Environment<br/><br/>Zealandia Guardians</p> |
|   |    |   |  |
| <p><b>MALCOLM SPARROW</b><br/>Northern Ward</p>   | <p><b>SIMON WOOLF</b><br/>Onslow-Western Ward</p>  | <p><b>NICOLA YOUNG</b><br/>Lambton Ward</p>  |  |
| <p>Phone: 027 232 2320<br/>malcolm.sparrow@wcc.govt.nz</p>  | <p>Phone: 027 975 3136<br/>simon.woolf@wcc.govt.nz</p>   | <p>Phone: 021 654 844<br/>nicola.young@wcc.govt.nz</p>   |  |
| <p><b>Council appointments</b><br/><br/>Portfolio Leader:<br/>Community, Sport and Recreation - Community Resilience<br/><br/>Tawa Community Board (appointed member)</p>                         | <p><b>Council appointments</b><br/><br/>Portfolio Leader:<br/>Governance, Finance and Planning Committee - Community Engagement<br/><br/>Director: Positively Wellington Tourism<br/><br/>Director: Positively Wellington Venues Ltd</p> | <p><b>Council appointments</b><br/><br/>Portfolio Leader:<br/>Transport and Urban Development - Central City Projects<br/><br/>Trustee: Wellington Museums Trust</p> |  |



## Glossary

### Non-Financial

#### ***Local Government Act 2002***

The Local Government Act 2002 provides the legislative framework and powers under which local government authorities operate.

#### ***Long-term plan (LTP)***

The LTP is a document required under the Local Government Act 2002 that sets out a local authority's priorities over a 10 year period.

#### ***Annual Plan (AP)***

The annual plan is produced for each year in between long-term plans to report and consult on variances to the adopted Long-term Plan.

#### ***Annual Report (AR)***

The purpose of the annual report is to compare activities performed with those intended in the annual plan

#### ***Consultation Document***

The consultation document is the basis of discussions between Council and its communities about the issues facing the district/area and how council is proposing to address those issues

#### ***Infrastructure Strategy***

This document covers significant infrastructure issues across the groups of activity and contains 30 years' forecasted capital and operational expenditure figures. Included in this document will be assets' useful lives,

growth/demand assumptions and assumed levels of service

***Asset management plans (AMPs)***

AMPs reflect a council's infrastructure and asset base in terms of future maintenance, renewal and replacement needs

***Community Outcomes***

Means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions

***Growth Assumptions***

These are growth forecasts based on a variety of trends which enable Council to predict future growth in the city. In order for Council to plan its infrastructure and asset needs in advance, Council needs to estimate the levels of infrastructure future generations will need.

**Financial**

***Associates***

Entities that the Council owns a share of but does not control. Our share of the associates' surplus/deficit and net assets is recorded in the Group financial statements. The Council's associates are Basin Reserve Trust (50%), Capacity (50%), Chaffers Marina Holding Limited (11%), Wellington International Airport Limited (34%) and Wellington Regional Stadium Trust (50%).

### ***Capital expenditure (Capex)***

Expenditure that results in the creation of a new asset, or increases the life or capacity provided by an existing asset.

### ***External funding for capital expenditure***

Funding received from external parties which is recorded as income but used to fund capital expenditure projects.

### ***Net borrowings***

Net borrowings is total borrowings less any funds held on deposit.

### ***Net surplus/(deficit)***

Net surplus/deficit is the difference between total income and total expenses. It includes both operating revenue and operating expenditure as well as other non-funded items of revenue and expenditure such as capital funding, vested asset income and fair value movements

### ***Depreciation***

An expense charged each year to reflect the estimated cost of using our assets over their lives.

### ***Amortisation***

Relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).



***Investment properties***

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

***Renewal***

Renewal is capital expenditure that relates to the replacement of existing assets

***Ring-fenced***

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

***Upgrade Capital Expenditure***

Capital expenditure that improves the level of service or meets additional demand for a service

***Funding impact statements (FIS)***

FIS sets out the sources of both the operating and capital funding and expenditure for all activities and services.

***Operating Expenditure***

Expenditure related to providing Council Services. This excludes any capital expenditure.

***Unfunded depreciation***

The amount of depreciation that is not funded by rates. An example if this is our roading assets that are funded by NZTA and sewerage treatment assets where the operator has responsibility for asset renewal.



## Volume 2

### Part F

# Our Policies



## Table of contents

This document is part of our ten year plan. It contains the policies that have been adopted to form the basis for the 2015-25 Long-term Plan.

### Part F: Our Policies

|                                    |     |
|------------------------------------|-----|
| Revenue and Financing Policy       | 3   |
| Rates Remissions Policy            | 97  |
| Rates Postponement Policy          | 107 |
| Liability and Investment Policy    | 109 |
| Significance and Engagement Policy | 115 |

## **Revenue and Financing Policy**

Long-term Plan 2015-25

## Revenue and Financing Policy

| <i><b>Table of Contents</b></i>  | <i><b>Page</b></i> |
|--|--------------------|
| 1. Policy statement on the funding of operating expenditure  | 4                  |
| 2. Policy statement on the funding of capital expenditure  | 8                  |
| 3. Setting the level of revenue from rates   | 10                 |
| 4. Council's application of the requirements of the Act  | 10                 |
| 5. The general rates differential  | 12                 |
| 6. Summary of operating revenue funding sources by activity  | 14                 |
| 7. Individual activity analysis by key achievement area  | 15                 |
| 7.1. Governance  | 15                 |
| 7.2 Environment  | 20                 |
| 7.3 Economic development   | 40                 |
| 7.4 Cultural wellbeing   | 50                 |
| 7.5 Social and recreation  | 58                 |
| 7.6 Urban development  | 79                 |
| 7.7 Transport  | 88                 |
| Note this table of contents is valid when the policy is a stand along document and is not to be referenced for the entire Volume 2 |                    |



## Introduction

The Local Government Act 2002 (the Act) requires Councils to adopt a Revenue and Financing Policy that provides detail on the funding of operational and capital expenditure. This policy illustrates which parts of the community contribute to paying for Council's activities.

We have set out our policy under the following headings:

1. Policy statement on the funding of operating expenditure.
2. Policy statement on the funding of capital expenditure.
3. Setting the level of revenue from rates.
4. Council's application of the requirements of the Act.
5. The commercial and residential rating differential and the modifier.
6. Summary of operating revenue funding sources by activity.
7. Individual activity analysis by activity group.

## 1. Policy Statement on the funding of operational expenditure

### *Establishing the level of operating revenue required to fund operating expenditure*

Operating expenditure pays for the Council's day-to-day operations and services, from collecting rubbish and providing street lighting to maintaining gardens and issuing building consents.

The Council will set its projected operating revenue at a level sufficient to meet the current year's projected operating expenditure, except where the Council resolves that it is financially prudent not to do so.

When setting projected operating revenue at a level that is different from the level of projected operating expenditure the Council will have regard to:

- The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the LTP, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- The funding and financial policies adopted under section 102 of the Local Government Act 2002.

In accordance with these principles, the Council has determined that the following items will not be funded:

*Accounting for fair value changes.* Under New Zealand International Financial Reporting Standards (NZIFRS), changes in the fair value of certain assets must be accounted for within the Statement of Financial Performance. In accordance with Section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.

*Non-funding of depreciation on Council assets.* The Council may elect not to fund all or part of the depreciation expenditure on specific assets in those circumstances where it is not financially prudent to do so. In accordance with section 100 of the Local Government Act 2002, the Council considers that it is not financially prudent to fund depreciation in the following circumstances:

- Where the original asset purchase was not funded by borrowings, or the original borrowings have been repaid, and
- Where, on an ongoing basis, the replacement of the asset at the end of its useful life will be funded by a third party, or
- Where the Council has elected not to replace the asset at the end of its useful life.
- Where a third party has a contractual obligation to either maintain the service potential of the asset throughout all or part of its useful life (or to replace the asset at the end of its useful life) and the Council already effectively funds this through operating grants/tariffs payable to the third party.

*Non-funding of depreciation on waterfront assets.* The Council has transitioned the waterfront project 'in-house' during 2014/2015. This acquisition has necessitated a transition toward fully funding the depreciation of waterfront assets by 2024/25. This transition funding will link the cost of funding to the benefits received over time.

***Options available for funding Council services***

The Council uses the following mechanisms to fund operational expenditure requirements:

- **General rates.** General rates are used to fund public goods where it is not possible and/or practical to clearly identify customers or users. The general rate is also used to fund activities where, for reasons of fairness, equity and consideration of the wider community good it is considered that this is the most appropriate way in which to fund an activity.
- **Targeted rates.** This form of rate is used where an activity benefits an easily identifiable group of ratepayers (such as the commercial or residential sectors) and where it is appropriate that only this group be targeted to pay for some or all of a particular service. For example, sewage disposal, water supply and the downtown targeted rate.
- **Fees and charges.** User charges are direct charges to people and/or groups who use certain Council services such as swimming pools. In these instances, an identifiable benefit exists to clearly identifiable people and/or groups and they are required to pay for all or part of the cost of using that service. It is noted that since 2006 Councils have been required to inflation adjust all income and expenditure within their LTP. Where appropriate and with consideration to 'ability to pay' principals, user charges will be increased by the rate of inflation to achieve continued alignment with the proposed funding policy targets.
- **Grants and subsidies.** Grants and subsidies apply to some activities when income from external agencies is received to support that particular activity.
- **Borrowings.** In general Council does not fund operating expenditure by borrowing. The exception is to fund the impacts on ratepayer's intergenerational equity or to fund expenditure over the period which benefits are received, such as weathertightness payments. Any borrowings associated with these expenses will be repaid over time.
- **Other sources of funding.** The Council also funds operating expenditure from other sources, including income from interest and dividends from investments held by the Council, lease income and proceeds from asset sales. Other sources of funding include:

*Use of surpluses from previous financial periods.*

Where the Council has recorded an actual surplus in one financial period it may pass this benefit on to ratepayers in a subsequent financial period. A surplus arises from the recognition of additional income or through savings in expenditure. Council considers that passing this benefit on to ratepayers in future financial periods improves the principle of intergenerational equity, in that any financial benefit is passed on to those ratepayers who shared the rates-funding burden in the financial period that the surplus was generated.

The amount of any surplus carried forward from previous financial periods will be accounted for as an operating deficit in the year the benefit is passed on to ratepayers. A surplus will be available for use in future financial periods if the actual surplus/ (deficit) is improved when compared to the budgeted surplus/ (deficit). In calculating the level of surplus to be carried forward, consideration will be given to the nature of the factors giving rise to the surplus (for example, whether they are cash or non-cash in nature). Generally, only those factors that are

Page | 7



cash in nature will be available for use in determining the level of surplus to be carried forward.

The Council will not carry forward surpluses in relation to:

- The sale of assets. Such surpluses shall be used for repayment of borrowings.
- Trust and bequest revenue. Such surpluses shall be applied in accordance with the terms on which they are provided.
- Revenue received for capital purposes. Such surpluses shall be retained to fund the associated capital expenditure.
- Unrealised gains arising from fair value adjustments to assets and liabilities. These gains are unrealised accounting adjustments in the period in which they are recognised.

*Funding of expenditure from restricted or special funds.*

Certain operating and capital expenditure may be funded from restricted or special funds. Restricted and Special Funds are those reserves within the Council's equity that are subject to special 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 a third party.

Transfers may be made only for specified purposes or when specified conditions are met.

The following restricted and special funds are available for use by Council:

- *Self Insurance Reserve.* The Self Insurance Reserve is used to fund any damages or losses that would otherwise be covered by the Council's insurance policies except for the fact that the Council has elected to set an insurance excess at a level greater than the damage or loss suffered. Each financial period the Council will provide, through funding from rates and levies, an amount intended to reimburse estimated damages or losses not otherwise covered by the Council's insurance policies. Actual expenditure incurred as a result of damages or losses where no claim is made under the Council's insurance policies as a result of the level of excess set will be transferred from retained earnings to the Self Insurance Reserve at the end of the financial period.
- *Trusts and bequests.* The Council is the recipient/holder of a number of trusts and bequests. These funds can only be used for the express purposes for which they were provided to the Council. Each year, the Council may expend money, of an operating or capital nature, from its trusts and bequests in accordance with the specified conditions of those funds. For the avoidance of doubt, the Council does not fund the expenditure from its trusts and bequests from any of the sources of operating revenue.
- *NZTA funding.* Each year the Council receives funding from NZTA as part of the overall replacement and renewal programme for the City's roading infrastructure. The Council recognises the funding as income in accordance with GAAP. As the funding is received for capital purposes, it cannot be used to offset the rates requirement. Therefore the Council shall recognise a surplus equivalent to the amount of NZTA funding for capital purposes, to be applied against funding the depreciation expense that results on completion of the associated asset.
- *Development Contributions.* In accordance with the Council's Development Contributions Policy, development contributions are required to fund capital expenditure where development requires the construction of additional assets or increased capacity in network infrastructure, community infrastructure and reserves. Development Contributions will result in an operating surplus being generated for the year. This shall flow through to a Development Reserve within the Council's equity.
- *Other reserves and ring-fenced funds.* Restricted funds also include other reserves, reserve purchase and development reserve, any sub-division development reserve and ring-fenced

Page | 8

cumulative surpluses/deficits from City Housing and Marina Operations activities. Subject to meeting any specified conditions associated with these reserves the Council may expend money, of an operating or capital nature, from these reserves.

- *Regional Amenities:* Local authorities in the Wellington region operate a Regional Amenities Fund. The Fund is as a resource for entities that provide regional benefits in the arts, culture and environmental attractions and events sectors. The fund is a partnership between Wellington City Council, Hutt City Council, Upper Hutt City Council, Masterton District Council and Kapiti District Council. The fund ensures that regionally significant entities can be developed or sustained. The source of funds for Wellington City Council's contributions will be drawn in line with the activity rationale outlined in this policy. For example, any contribution to Te Papa from the Council as part of the Regional Amenities Fund would be drawn from the sources outlined in section 4.1.7.

Having established its sources of operating revenue, the Council has determined that operational expenditure will be funded through the following mechanisms:

| Operating expenditure<br>Funding mechanism  | Approximate proportion<br>of funding for 2015/16 |
|---|--|
| <b>General Rate</b>   | <b>35%</b>                                       |
| <b>Targeted rates</b>   |  |
| • Sewerage rate   | 9%   |
| • Water rate  | 9%   |
| • Stormwater rate   | 4%   |
| • Base (residential)  | 2%   |
| • Commercial sector   | 1%   |
| • Downtown targeted rate  | 3%   |
| • Business Improvement<br>District and other minor rates  | 1%   |
| <b>Total targeted rates</b>   | <b>29%</b>                                       |
| <b>Total fees and charges</b>   | <b>22%</b>                                       |
| <b>Other sources</b>  |  |
| • Ground and commercial lease   | 9%   |
| • Dividends   | 3%   |
| • Miscellaneous   | 2%   |
| <b>Total other income</b>   | <b>14%</b>                                       |
| Note: Decisions on the use of other funding sources i.e. use of prior period surpluses, non-funded depreciation, special and other reserves are project-specific are made on an annual basis. In such circumstances, revenue from these sources reduces the level of funding provided through the General Rate. |  |

## 2. Policy Statement on the funding of capital expenditure

Capital expenditure represents expenditure on property, plant and equipment. Property, plant and equipment are tangible assets that are held by the Council for use in the provision of its goods and services (for example: bridges, libraries, swimming pools), for rental to others or for administrative purposes, and may include items held for the maintenance or repair of such assets.

Capital expenditure is funded from depreciation, development contributions, capital funding, and restricted funds or through new or extended borrowings as outlined below:

- If the capital expenditure relates to the replacement (renewal) of an existing asset, that expenditure will be funded by depreciation. Funding for depreciation comes from rates. Any surplus depreciation, after paying for the replacement of Council assets, will be used to repay borrowings.
- If the capital expenditure relates to the construction or purchase of a new asset or to the upgrade or increase in service potential of an existing asset, that expenditure will usually be funded from new or extended borrowings. Borrowing is the most cost-effective and equitable way to do this as it spreads the cost of the asset over all the generations who will benefit from it, making it affordable to ratepayers today.
- On projects where on the basis of financial prudence, the Council considers it appropriate to do so, it may impose a targeted rate to repay borrowings on an asset at a faster rate than over the full life of the asset.
- The Council will use capital funding from third parties to fund investment in new or upgraded assets (e.g. funding received from NZTA).
- The funding of capital expenditure from the sale of surplus assets is decided on a case-by-case basis. Funds received from the sale of surplus assets that are not applied to the funding of capital expenditure shall be used to repay borrowings.
- The funding of capital expenditure from restricted or special funds is decided on a case-by-case basis and is subject to the specified purposes and conditions governing the use of those restricted funds.
- If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period to enable the project to be completed.
- The Council has agreed that Development Contributions are to be used as the primary funding tool for capital expenditure resulting from population and employment growth for water, wastewater, stormwater, roads, and reserves. The Council will continue to collect residual RMA based Financial Contributions on developments consented prior to 2005/06. In some circumstances. Funds collected under either the Development Contributions Policy or the Financial Contributions Policy in the District Plan will result in a corresponding decrease in the amount to be funded from new borrowings.



| Capital expenditure<br>Funding mechanism | Approximate proportion of<br>funding for 2015/16 |
|--|--|
| Rates funded depreciation                | 51%  |
| NZTA transport subsidies                 | 8%   |
| External grants                          | 22%  |
| Development contributions                | 1%   |
| Borrowings                               | 27%  |

### 3. Setting the level of revenue from rates

The total level of revenue from rates will be established as the total revenue required to cover all projected operating expenditure after taking into account:

- The projected operating revenue from those sources of other revenue identified above.
- The level of operating surpluses carried forward from previous financial periods and agreed to by Council.
- The level of revenue received for capital purposes is (including development contributions) recognised as income for accounting purposes but required to be made available for the funding of capital expenditure.
- An amount equal to the level of depreciation expenditure on Council assets where the Council considers that it is not financially prudent to pass the funding requirement on to ratepayers.
- An amount equal to the level of reimbursement of the Council's self insurance reserve.
- An amount equal to the projected level of repayment of borrowings which funded operational expenditure e.g. the settlement of liabilities for weathertightness payments.
- Any other amount that the Council considers not financially prudent to pass (the funding requirement) on to ratepayers.

### 4. The Council's application of the requirements of the Act

This section shows how the operating expenditure associated with each of the Council's activities are funded through applying the requirements of section 101 (3) of the Local Government Act 2002. Our activity analysis is organised under the following headings:

- **Community outcome.** The Council has four community outcomes:
  - Connected city
  - Dynamic central city
  - People centred city
  - Eco City

We make reference to the community outcome to which each activity relates in our analysis.

- **Activity Area.** The Council's activity areas consolidated into seven strategic areas in which we provide a service to the community. These are:

- Governance
  - Environment
  - Economic development
  - Cultural wellbeing
  - Social and recreation
  - Urban development
  - Transport.
- **Activity Group.** The Council's activities are those areas in which we provide a service to the community. Our activity analysis starts with a statement of what activity we are assessing, and a brief description of the service provided by the Council.
  - **Activity.** A summary of all operating projects that the Council delivers within a particular activity. Any one activity may have more than one operating project which, when combined, provides the total level of service provided by the Council.
  - **Who Benefits?** This analysis looks at the benefits that flow from the activity to individuals, identifiable parts of the community and the community as a whole. The Council acknowledges that this analysis is in part subjective, and that it has used some basic principles to assist in its decision making.
    - When discussing benefits to the whole community, we are referring to all members, ratepayers and the general public of the city. Benefits to the whole community accrue when individual users cannot be easily identified or cannot be easily excluded from entry (such as the use of the Town Belt and other open spaces), or where the community in general derives benefit from our activities (such as the provision of citizen information and advice). While it is not possible to charge for some activities, it is also not appropriate to charge for certain activities that benefit the community as a whole. In instances such as these, it is considered appropriate that funding is predominantly provided through the general rate.
    - Where individuals or an identifiable part of the community can be identified, it is then possible to consider the use of targeted rates or user charges. Obvious examples of this include services such as pools and recreation centres, but also include activities such as our building consent and licensing services and many of our waste management services. In these instances, it is possible to exclude users who do not wish to use and pay for an activity. Those users who choose to pay accrue a particular level of service over and above that available to the community as a whole.
  - **Who should pay?** This section of our analysis looks at a variety of factors that may influence our decision-making when establishing a final decision as to who should pay for an activity. Through this analysis it is possible for the nominal funding split derived under the Who Benefits? analysis to be 'modified' based on a consideration of factors including:
    - The period of benefit provided by each activity. For instance, investment in the city's roading and stormwater infrastructure provides a long-term and ongoing benefit to the city, whereas a one-off grant for a particular activity will typically be short-term and temporary in nature.
    - Whether or not there is an identifiable exacerbator who should pay ('polluter pays' principle).
    - The costs and benefits of distinct funding. This includes an assessment of how we fund each individual activity taking into account issues such as transparency and accountability, and the impacts of a chosen funding mechanism. For instance, where a service is deemed to be essential or very important in terms of contributing to the general health and wellbeing of the

community, consideration will be given to ensuring that people are not excluded from access to the service because they cannot afford to pay.

- The overall impact of the funding of the activity on the current and future social, economic, environmental and cultural well-being of the community.

While each of these areas were considered when assessing who should pay, not all were relevant to each activity, while some had more weight than others in relation to a certain activity.

- **Our funding targets.** This provides the final analysis of how we will fund our activities after consideration of the issues outlined under “Who should pay?”

#### 5. The general rates differential

The general rate is split between the base differential rate, which applies to residential ratepayers, community organisations and rural land, and the commercial, industrial and business differential rate.

Historically, the Council has applied a modifier to alter the rates differential (the rates split) that decides the share of general rate paid by residents (base differential) and by businesses (commercial, industrial and business differential). In setting the level of the differential, the Council has considered the requirements of the Local Government Act and number of factors including:

- The benefits each sector derives
- The ability of ratepayers within each sector to pay
- The historic relationship between various groups of ratepayers and the existing level of the differential
- Ensuring any change to the differential, or rate of any change, does not impact unreasonably on any particular group of ratepayers
- To determine equity and fairness, the entire rating system for Wellington City must be considered and it is not appropriate to focus on the differential only
- The impact on the Social, Cultural, Economic and Environmental well-being of the community.

In 2015/16 the Council proposes no change in the rates differential. This means that a commercial sector ratepayer will contribute 2.8 times more to the general rate than residential ratepayer for each dollar of rateable property capital value.



**6. Summary of operating expenditure funding by activity**

| Activity Area         | Activity Grouping                      | Activity | Activity Component Name  | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|-----------------------|--|----------|--|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Governance            | Governance, Information and Engagement | 1.1.1    | City governance and engagement   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 1.1.2    | Civic information  | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 1.1.3    | City Archives  | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                       |  | 1.2.1    | Māori and Māori Whenua partnerships  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
| Environment           | Gardens, beaches and green open spaces | 2.1.1    | Local parks and open spaces  | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.2    | Botanical gardens  | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.3    | Beaches and coast operations   | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.4    | Roads open spaces  | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.5    | Town belts   | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.6    | Community environmental initiatives  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.7    | Walkways   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.8    | Biodiversity (pest management)   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 2.1.9    | Waterfront Public Space  | 5%        | 15%          | 80%   | 80%     | 0%                 | 0%                  | 0%                        |
|                       |  | 2.2.1    | Waste minimisation, disposal and recycling management                        | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |
|                       |  | 2.2.2    | Closed Landfills Aftercare   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 2.2.3    | Energy efficiency and conservation   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 2.3.1    | Water network  | 0%        | 0%           | 100%  | 0%      | 60%                | 40%                 | 0%                        |
|                       |  | 2.3.2    | Water collection and treatment   | 0%        | 0%           | 100%  | 0%      | 60%                | 40%                 | 0%                        |
| Economic Development  | City operations and business support   | 2.4.1    | Sewage collection and disposal network                                       | 0%        | 0%           | 95%   | 0%      | 60%                | 35%                 | 0%                        |
|                       |  | 2.4.2    | Sewage treatment   | 5%        | 0%           | 95%   | 0%      | 60%                | 35%                 | 0%                        |
|                       |  | 2.5.1    | Stormwater management  | 0%        | 0%           | 100%  | 0%      | 77.5%              | 22.5%               | 0.0%                      |
|                       |  | 2.6.1    | Conservation Visitor Attractions   | 0%        | 0%           | 100%  | 100%    | 0.0%               | 0.0%                | 0.0%                      |
|                       |  | 3.1.1    | Wellington Regional Economic Development Agency (WREDA) and Venues           | 0%        | 0%           | 100%  | 10%     | 0%                 | 50%                 | 50%                       |
|                       |  | 3.1.2    | Wellington Convention Centre   | 0%        | 0%           | 100%  | 60%     | 0%                 | 0%                  | 40%                       |
|                       |  | 3.1.3    | Retail support (free weekend parking)  | 0%        | 0%           | 100%  | 0%      | 0%                 | 0%                  | 100%                      |
|                       |  | 3.1.4    | Wellington Economic Initiatives Development Fund (WEIDF) and Economic Grants | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 3.1.5    | Major Projects   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 3.1.6    | International relations  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
| Cultural Wellbeing    | Arts and Cultural Activities           | 3.1.7    | Business Improvement Districts   | 0%        | 0%           | 100%  | 0%      | 0%                 | 100%                | 0%                        |
|                       |  | 4.1.1    | Galleries and museums (WMT)  | 0%        | 0%           | 100%  | 75%     | 0%                 | 0%                  | 25%                       |
|                       |  | 4.1.2    | Visitor attractions (Te Papa/Carter Observatory)                             | 0%        | 0%           | 100%  | 50%     | 0%                 | 0%                  | 70%                       |
|                       |  | 4.1.3    | Arts and cultural festivals  | 0%        | 15%          | 85%   | 85%     | 0%                 | 0%                  | 0%                        |
|                       |  | 4.1.4    | Cultural grants  | 0%        | 0%           | 100%  | 0%      | 100%               | 0%                  | 0%                        |
|                       |  | 4.1.5    | Access and support for community arts  | 0%        | 10%          | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                       |  | 4.1.6    | Arts partnerships  | 0%        | 25%          | 75%   | 75%     | 0%                 | 0%                  | 0%                        |
|                       |  | 4.1.7    | Regional amenities   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.1    | Swimming Pools   | 10%       | 0%           | 90%   | 63%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.2    | Sportsfields   | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
| Social and Recreation | Recreation promotion and support       | 5.1.3    | Sportsfields (Synthetic)   | 40%       | 0%           | 60%   | 60%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.4    | Recreation Centres   | 25%       | 0%           | 75%   | 75%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.5    | Recreation partnerships  | 0%        | 0%           | 100%  | 0%      | 100%               | 0%                  | 0%                        |
|                       |  | 5.1.6    | Playgrounds  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.7    | Marinas  | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.8    | Golf Courses   | 40%       | 0%           | 60%   | 60%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.1.9    | Recreation programmes  | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.2.1    | Libraries  | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.2.2    | Seniors support (Lifeline Card)  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 5.2.3    | Community adherence  | 0%        | 0%           | 100%  | 0%      | 100%               | 0%                  | 0%                        |
|                       |  | 5.2.4    | Grants (Social and Recreation)   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 5.2.5    | Housing  | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |
|                       |  | 5.2.6    | Community centres and halls  | 5%        | 0%           | 95%   | 0%      | 95%                | 0%                  | 0%                        |
|                       |  | 5.3.1    | Burials and cremations   | 50%       | 0%           | 50%   | 50%     | 0%                 | 0%                  | 0%                        |
| Urban Development     | Building and development control       | 5.3.2    | Public toilets   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 5.3.3    | Public health regulations  | 60%       | 0%           | 40%   | 40%     | 0%                 | 0%                  | 0%                        |
|                       |  | 5.3.4    | City safety  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 5.3.5    | WREDA  | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 6.1.1    | Urban planning and policy  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 6.1.2    | Waterfront development   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 6.1.3    | Public spaces and centres development  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 6.1.4    | Built heritage development   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 6.2.1    | Building control and facilitation  | 65%       | 0%           | 35%   | 35%     | 0%                 | 0%                  | 0%                        |
|                       |  | 6.2.2    | Development control and facilitation   | 50%       | 0%           | 50%   | 50%     | 0%                 | 0%                  | 0%                        |
| Transport             | Transport                              | 6.2.3    | Earthquake risk mitigation - built environment                               | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 6.2.4    | Regulator - Building Control and Facilitation                                | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 7.1.1    | Weatherlight Homes   | 0%        | 15%          | 85%   | 85%     | 0%                 | 0%                  | 0%                        |
|                       |  | 7.1.2    | Transport planning   | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |  | 7.1.3    | Cycle network  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 7.1.4    | Passenger transport network  | 0%        | 65%          | 35%   | 35%     | 0%                 | 0%                  | 0%                        |
|                       |  | 7.1.5    | Pedestrian network   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |  | 7.1.6    | Network-wide control and management  | 15%       | 15%          | 70%   | 70%     | 0%                 | 0%                  | 0%                        |
| Parking               | Parking                                | 7.1.7    | Road safety  | 0%        | 30%          | 70%   | 70%     | 0%                 | 0%                  | 0%                        |
|                       |  | 7.2.1    | Parking  | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |

## Governance

### Delivering confidence in civic decision-making

One of our key responsibilities is to ensure that decisions about the city are made in ways that are democratic and inclusive. This means making sure residents are kept informed about what we're doing, are able to have their say, and feel confident that their views and votes count.

### Operating activities

The funding sources for this area are illustrated in the graph below.

| Activity Area | Activity Grouping                      | Activity | Activity Component Name            | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|---------------|--|----------|------------------------------------|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Governance    | Governance, information and engagement | 1.1.1    | City governance and engagement     | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|               |  | 1.1.2    | Civic information                  | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|               | Māori and Mana Whenua partnerships     | 1.1.3    | City Archives                      | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|               |  | 1.2.1    | Māori and Mana Whenua partnerships | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Governance capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

### Governance – activity commentary

#### 1.1 Governance, Information and Engagement

#### ACTIVITY 1.1.1: CITY GOVERNANCE AND ENGAGEMENT

This covers our decision-making and accountability processes. It includes managing the local elections every three years, and holding meetings of the Council and its committees. It also includes developing plans and strategies to promote the city's well-being, such as the Annual Plan and Long-term Plan.

#### Community outcome

This activity contributes to the following community outcome:

- *People-centred city* – it enhances trust and confidence in civic decision-making and encourage the community to participate in city governance.

#### Who Benefits?

Whole community

100%

The whole community benefits from this activity. Policy formulation, consultation and planning are essential Council services. They enable elected members to set policies and manage resources to benefit the whole community. Along with elections, they also allow people to influence the Council. These decision-making and accountability processes enhance residents' well-being by improving the quality of Council decisions and by giving them a sense of empowerment arising from the fact they can have their voices heard.

Who should pay?  
Whole community 100%

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

| Our funding targets: operating expenses |      |
|---|------|
| User charges                            | 0%   |
| Other revenue                           | 0%   |
| Targeted rate                           | 0%   |
| General rate                            | 100% |
| TOTAL                                   | 100% |



### ACTIVITY 1.1.2: CIVIC INFORMATION

This activity provides for the community to easily access Council information and services such as the Council's 24 hour call centre, the city's service centres, and maintenance of the property system. It also includes the cost of the contract for valuation services.

#### Community outcome

This activity contributes to the following community outcome:

- *People-centred city* - providing information about the city and its services allows people to use the city's facilities and provides access to information.

#### Who Benefits?

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 50% |
| <i>Individuals</i>     | 50% |

The whole community benefits from this activity. Providing information and services to the community and having points of contact where residents can contact us are essential Council services. They enable Council to rapidly respond to information received from the public regarding service problems and other customer feedback.

Individuals may also benefit from access to Council information like valuation and property systems. But these remain core components of the Council's ratings systems and are utilised by the Greater Wellington Regional Council.

#### Who should pay?

|   |     |
|---|-----|
| <i>Individual</i>                         | 5%  |
| <i>Identifiable part of the community</i> | 5%  |
| <i>Whole community</i>                    | 90% |

The Council receives revenue from the Greater Wellington Regional Council for access to our property and valuation databases. This data sharing arrangement provides cost savings for both organisations.

Although individuals receive significant benefits from this activity and it would be possible to increase user fees, the Council believes the benefit to the community as a whole out-weighs this. For the city to run efficiently it is important there is a constant two-way flow of information and the Council does not wish to limit this with the introduction of further charges. It is therefore appropriate that this activity is mostly funded by the general rate.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 5%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 1.1.3: CITY ARCHIVES

This activity covers the operations of and community access to the City Archives.

#### Community outcome

This activity contributes to the following community outcome:

- *People-centred city* – the City Archives is a guardian of Wellington's memory. It preserves and makes available a huge range of primary information about the city's history. This is valuable for historians, genealogists, students and other members of the public. It is also valuable for businesses and property owners.

#### Who Benefits?

*Whole community* 50%

*Individuals* 50%

The whole community benefits from this activity. Maintaining the City Archives collection for posterity and ensuring that it can be easily accessed is an important community service. The City Archives contribute to our understanding of the past and to forging a strong local community – it contributes to our sense of place.

Individuals who choose to use the City Archives can be seen to benefit directly from their access to the collection. The collection is used for private study and for research. Staff provide assistance with searches and with photocopying and with copying of archived photographs.

#### Who should pay?

*Individual* 10%

*Whole community* 90%

Although the individuals that access the collection receive benefits from this activity, the Council believes that preserving aspects of the city's past are of significant benefit to the community as a whole.

Nevertheless it is considered appropriate that individual users should bear a small cost for any staff research and associated copying costs that they may generate.

The user charges for these services are broadly in line with those charged by the Alexander Turnbull Library and Archives New Zealand.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 10%         |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 90%         |
| <b>TOTAL</b>  | <b>100%</b> |

## 1.2 Maori and Mana Whenua Partnerships

### ACTIVITY 1.2.1: MAORI AND MANA WHENUA PARTNERSHIPS

The Council recognises and acts on its obligations under the Treaty of Waitangi and its specific responsibilities under the local government act. We foster partnerships with Mana Whenua (local Iwi) and consultation relationships with the wider Maori community. The relationship between the Council and Mana Whenua is supported by a dedicated directorate which provides us with advice and administrative support on Treaty-based relationships.

#### Community outcome

This activity contributes to the following community outcome:

- *People-centred City* - this activity promotes inclusiveness, celebrates social and cultural diversity and enable us to respond to the needs and aspirations of Māori. Our work aims to enhance the visibility of Māori culture and history in the city by telling the story of Wellington's Māori.

#### Who Benefits?

|                 |     |
|-----------------|-----|
| Whole community | 50% |
| Individuals     | 50% |

The benefits of this activity are equally spread between the whole community and the Council's Mana Whenua partners. Mana Whenua partners benefit by having a direct input into Council decisions and therefore the future direction of the city. The community benefits because the partnership leads to better understanding and cooperation between local Maori and the wider community. These benefits contribute to the general cultural, economic, social and environmental wellbeing of the city.

#### Who should pay?

|                 |      |
|-----------------|------|
| Whole community | 100% |
|-----------------|------|

Though the benefits of this activity accrue to both Maori and the whole community, the Council believes it is appropriately funded from general rates. There reasons for this are that since this activity is about meeting treaty obligations, it is appropriate for this activity to be funded from general rates.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

## Environment

### Protecting and enhancing our natural environment

Under this area of activity we seek to protect and enhance our natural environment. Wellington is a city shaped by nature. From bush-clad hills to sparkling harbour to rugged coastline, the city's unique character derives from the land. As the city grows, the challenge is to preserve this natural beauty and drama. Part of protecting the environment is looking after the city's water supply, rubbish and recycling operations, and sewage and stormwater networks. This is by far our biggest area of operation.

### Operating activities

The funding sources for this area are illustrated in the graph below.

| Activity Area | Activity Grouping                       | Activity | Activity Component Name                               | User Fees | Other Income | Rates | General | Residential Target | Commercial Target | Downtown Target / Other |
|---------------|---|----------|---|-----------|--------------|-------|---------|--------------------|-------------------|-------------------------|
| Environment   | Gardens, beaches and green open spaces  | 2.1.1    | Local parks and open spaces                           | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                | 0%                      |
|               |   | 2.1.2    | Botanical gardens                                     | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                | 0%                      |
|               |   | 2.1.3    | Beaches and coast operations                          | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                | 0%                      |
|               |   | 2.1.4    | Roadside open spaces                                  | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                | 0%                      |
|               |   | 2.1.5    | Town belts  | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                | 0%                      |
|               |   | 2.1.6    | Community environmental initiatives                   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                | 0%                      |
|               |   | 2.1.7    | Wetlands  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                | 0%                      |
|               |   | 2.1.8    | Biodiversity (pest management)                        | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                | 0%                      |
|               |   | 2.1.9    | Waterfront Public Space                               | 5%        | 15%          | 80%   | 80%     | 0%                 | 0%                | 0%                      |
|               | Waste reduction and energy conservation | 2.2      | Waste minimisation, disposal and recycling management | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                | 0%                      |
|               |   | 2.2.1    | Closed Loop Recycling                                 | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                | 0%                      |
|               |   | 2.2.2    | Energy efficiency and conservation                    | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                | 0%                      |
|               | Water                                   | 2.3.1    | Water network   | 0%        | 0%           | 100%  | 0%      | 60%                | 40%               | 0%                      |
|               |   | 2.3.2    | Water collection and treatment                        | 0%        | 0%           | 100%  | 0%      | 60%                | 40%               | 0%                      |
|               | Wastewater                              | 2.4.1    | Sewage collection and disposal network                | 5%        | 0%           | 95%   | 0%      | 60%                | 35%               | 0%                      |
|               |   | 2.4.2    | Sewage treatment                                      | 5%        | 0%           | 95%   | 0%      | 60%                | 35%               | 0%                      |
|               | Stormwater                              | 2.5.1    | Stormwater management                                 | 0%        | 0%           | 100%  | 0%      | 77.5%              | 22.5%             | 0.0%                    |
|               | Conservation attractions                | 2.6.1    | Conservation Visitor Attractions                      | 0%        | 0%           | 100%  | 100%    | 0.0%               | 0.0%              | 0.0%                    |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Environmental capital expenditure projects are funded through a combination of rates funded depreciation, and borrowings.



Environment – activity commentary

**2.1 Gardens, Beaches and Green Open Spaces**

**ACTIVITY 2.1.1: LOCAL PARKS AND OPEN SPACES**

The Council owns and looks after the city's parks and reserves, horticultural plantings and street trees. We aim to provide a high-amenity, safe open space environment that gives people a wide range of recreation opportunities. Our work includes the upkeep of grass areas, sports pavilions and other buildings on reserve land. (For information on sports fields, see activities 5.1.2 and 5.1.3).

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – local parks and open spaces enhance Wellington's unique 'sense of place', making it a great place to live, work and play.
- *Connected City* - accessible and high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *Eco-city* - high quality natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions.

**Who Benefits?**

|   |     |
|---|-----|
| <i>Whole community</i>                    | 90% |
| <i>Identifiable part of the community</i> | 10% |

The city's parks and reserves benefit the whole community. They give all residents and visitors access to high-quality open spaces for a wide range of recreation activities, such as walking or mountain biking. This encourages healthy lifestyles. They also make the city's environment greener and more pleasant for all residents, and provide focal points for communities. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

While those who choose to use the city's open spaces receive a direct benefit, they cannot be readily identified or excluded from these areas. From time to time our park pavilions are leased to sports and community groups who benefit from their exclusive use.

The provision of parks and reserves brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

**Who should pay?**

|   |     |
|---|-----|
| <i>Whole community</i>                    | 95% |
| <i>Identifiable part of the community</i> | 5%  |

Since the community as a whole is the main beneficiary from this activity, it should bear most of the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of parks and reserves and the opportunity for residents to use them for recreational activities.

The exception is the lease of park pavilions to sports and community groups. In these situations, the group concerned receives an exclusive benefit and therefore should bear a share of the cost. While our analysis suggests these groups receive 10 percent of the benefit, we have decided they should bear only 5 percent of the cost. This is because the Council wants to ensure that the pavilions are not priced out of reach of these groups. We want to see high levels of participation in recreation

activities and encourage people to use the city's open spaces, and we believe raising user charges on the parks and pavilions could work against that outcome.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 5%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

## ACTIVITY 2.1.2: BOTANICAL GARDENS

Wellington has four botanic gardens: Wellington Botanic Garden, Otari-Wilton's Bush, Bolton Street Memorial Park and Truby King Park (in Melrose). The Council maintains these gardens with the help from community groups and trusts which help provide voluntary guides, fund new development and carry out practical work such as planting.

### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – Botanical Gardens enhance Wellington's unique 'sense of place'
- *Connected City* – the botanical gardens encourage people to gather together, share activities and connect with each other.
- *Eco-city* - the botanical gardens enhance our biodiversity and contribute to off-setting our carbon emissions.
- *Dynamic Central City* – the Botanic Garden is accessible within minutes from the central business district, is important for residents' quality of life, and attracts visitors.

### Who Benefits?

|                 |     |
|-----------------|-----|
| Whole community | 90% |
| Individuals     | 10% |

The city's four botanic gardens benefit the whole community. They are of international quality, providing residents and visitors with access to open spaces for recreation and relaxation, as well as opportunities to learn. They play a valuable conservation role, preserving native and exotic plants. By attracting visitors to Wellington they help its economy, and by making the city's environment more pleasant for all residents they improve quality of life and adds to people's sense of pride in the city.

While those who choose to use the gardens receive the most direct benefit, in most instances these people cannot be identified and nor can they be excluded from these areas.

The gardens do provide a few services which exclusively benefit individual people or organisations. These include:

- the shop and cafe at the Begonia House in the Botanic Garden
- function rooms at Begonia House, Tree House and Otari-Wilton's Bush
- sale of plants at the Otari-Wilton's Bush annual open day
- lease of a house at Truby King Park to the Biology Institute
- provision of memorial seats in the Botanic Gardens

The gardens also provide educational seminars and programmes which have some private benefit. However, as these programmes help people learn about the environment, the Council believes the principal benefit is to the community as a whole.

The provision of the botanic gardens brings long-term benefits to the city, which is reflected in the Council's commitment to fund them on an ongoing basis.

**Who should pay?**

|                        |            |
|------------------------|------------|
| <i>Whole community</i> | <i>90%</i> |
| <i>Individuals</i>     | <i>10%</i> |

Since the principal benefits of the city's botanic gardens are to the community as a whole, it is appropriate for general ratepayers to bear the majority of costs. The Council views the gardens as public amenities and is committed to maintaining free public access.

These costs are offset by some income-generating activities (as above). These are generally commercial activities; the beneficiaries include souvenir hunters and groups renting function rooms. It is appropriate that these activities are carried out on a user-pays basis.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 10%         |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 90%         |
| <b>TOTAL</b>  | <b>100%</b> |

### **ACTIVITY 2.1.3: BEACHES AND COAST OPERATIONS**

A well maintained coast, with strong natural values and secure structures, is important for public safety and enjoyment. The Council is responsible for the upkeep of many of the city's wharves, breakwaters, jetties and public boat ramps, as well as the Carter Fountain in Oriental Bay.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – Wellington's beaches and coastal areas provide high quality natural environments for leisure and recreation.

**Who Benefits?**

|                        |             |
|------------------------|-------------|
| <i>Whole community</i> | <i>100%</i> |
|------------------------|-------------|

Wellington's coastline is a distinct part of the city's identity. By ensuring people have safe access to the coast, the Council is increasing the range of recreation opportunities available to people and encouraging healthy lifestyles, as well as protecting public safety. By beautifying the coast and protecting it from erosion, the Council is enhancing the city's environment, improving quality of life and adding to people's sense of the city as an attractive place to live.

While those who use the city's wharves, jetties and breakwaters receive a direct benefit, in most instances these people cannot be identified. Nor can they be excluded from using the coast. The one exception is boat ramps, which directly benefits an identifiable part of the community: recreational

boat users. However, the Council regards these facilities as part of its provision of safe, secure access to the coast and encouraging outdoor recreation.

The Council's work on the city's beaches and coastline brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

**Who should pay?**

*Whole community* 100%

Since the whole community benefits from this activity, it is appropriately funded through general rates.

This activity also derives modest rents from club houses on or adjacent to beaches and that revenue is reflected here.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 5%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

## ACTIVITY 2.1.4: ROADS OPEN SPACES

Roads that are clean and have clear edges help make the city attractive and safe. We look after the city's roadside plants – removing or pruning overgrown ones, planting new ones, spraying weeds and supplying free plants to residents for them to plant on road reserves. We also clean city and residential streets, empty rubbish bins in the central city and remove spills and litter.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* –management of roadside vegetation ensures hazards are removed - for example, impairing motorists' line of sight, contributing to bank erosion or blocking natural run-off channels.

**Who Benefits?**

*Whole community* 100%

This work benefits anyone who lives in or moves around the city by ensuring footpaths and roadside verges and open spaces are safe, attractive and free of litter. This work has benefits for the city's environment and for residents' safety, health and enjoyment of their surroundings.

**Who should pay?**

*Whole community* 95%  
*Identifiable part of the community* 5%

A small part of our roads open spaces costs are covered by a subsidy from the Government roading funding agency New Zealand Transport Agency (NZTA), which passes on funding from the fuel taxes it gathers. Of the remaining costs, as the community as a whole benefits, the fairest and most efficient way to fund this is from general rates.



The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 5%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

### **ACTIVITY 2.1.5.: TOWN BELTS**

Wellington's Town Belt, Outer Green Belt and reserves offer fantastic recreation venues for the public, but they need a lot of care. The Council manages the Town Belt, the Outer Green Belt and other reserves to ensure they are maintained to high standards. This includes custodial duties, operational planning and implementation, education programmes and upgrade projects.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – A high quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible opportunities for leisure and recreation.
- *Eco-city* - the Town Belt enhances our biodiversity and contributes to off-setting our carbon emissions.

**Who Benefits?**

*Whole community* 100%

The Town Belt and Outer Green Belt benefit the whole community. They give all residents and visitors access to high-quality open spaces for recreation activities, encouraging healthy lifestyles. They also make the city's environment greener and more pleasant for all residents, and provide focal points for communities. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

While those who choose to use the Town Belt and Outer Green Belt receive a direct benefit, in most instances these people cannot be practically identified and nor can they be excluded from these areas.

The provision of the Town Belt and Outer Green Belt brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

**Who should pay?**

*Whole community* 100%

Since the community as a whole benefits from the provision of the Town Belt and Outer Green Belt, it should bear the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of these open space areas and the opportunity for residents to use them for recreational activities.

Through this activity we receive modest revenue from the rental we charge for use of facilities such as Scout Clubs that are housed on Town Belt land.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 5%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 2.1.6: COMMUNITY ENVIRONMENTAL INITIATIVES

This activity covers initiatives that directly support the community's engagement in advancing environmental well-being. The Council provides grants for projects that promote environmental sustainability or greater understanding of environmental issues. It also covers environmental education initiatives and our community greening programmes.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – community environmental initiatives improve the quality of our natural environment, making the city a better place to live, work and play.
- *Connected City* – by supporting community environmental initiatives we support bringing people together and encouraging community spirit.
- *Eco-city* – community environmental initiatives raise awareness of environmental issues and improves environmental outcomes.

**Who Benefits?**

*Whole community* 100%

This activity benefits the community as a whole. While individuals or groups can apply for the grants, the work they fund helps enhance the environment and provides educational benefits for all city residents.

The activity has long-term benefits, as the projects it funds are aimed at ensuring future generations can enjoy a cleaner and more pleasant environment.

This work contributes directly to the Council's long term goal of pursuing a collaborative, participatory approach towards environmental kaitiakitanga (guardianship), by sharing information within the community and establishing partnerships to achieve environmental goals.

**Who should pay?**

*Whole community* 100%

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### **ACTIVITY 2.1.7: WALKWAYS**

The Council encourages public use of the Town Belt and reserves, and recognises that tracks are important for people's access to and enjoyment of the city's bush and open spaces. We currently maintain over 100km of track.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – walkways allow residents to explore Wellington's beautiful natural environment improving the quality of life of the city's residents
- *Connected City* – walkways provide attractive, safe and accessible opportunities for leisure and recreation, connecting people with each other and the environment.

#### **Who Benefits?**

*Whole community* 100%

The whole community benefits from the Council's provision of walkways. The walkways give all residents and visitors access to the Town Belt and reserves, encouraging them to enjoy the city's bush and lead healthy lifestyles.

While those who choose to use the walkways receive a direct benefit, in most instances these people cannot be practically identified and nor can they be excluded from these areas.

The provision of walkways brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

#### **Who should pay?**

*Whole community* 100%

Since the community as a whole benefits from the provision of the walkways, it should bear the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of the walkways and the opportunity for residents to use them.

#### **Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### **ACTIVITY 2.1.8: BIODIVERSITY (PEST MANAGEMENT)**

The Council runs programmes to control animal pests and weeds on the 3,000 plus hectares of open space land we own and manage.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – protecting biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *Eco-city* – pest management is important for biodiversity and protects native fauna and flora.

#### **Who Benefits?**

*Whole community*

100%

This activity benefits the whole community by helping ensure the city's open space land is safe and pleasant to use. While there are direct benefits to those who choose to use the city's open spaces, these people cannot easily be identified or excluded from using those areas. There may also be benefits to certain communities within the city – for example, from a programme to eradicate possums from a particular suburb – but, in general, the benefits of this activity are to the community as a whole.

This activity has long-term benefits. For example, eliminating a pest from an area means future generations are less likely to have to deal with the problems that pests cause. The work aids the health of the environment by protecting and restoring land- and water-based ecosystems to sustain their natural processes, and to provide habitats for a range of indigenous and non-indigenous plants and animals.

The long-term nature of these benefits is reflected in the Council's decision to fund this activity on an ongoing basis.

#### **Who should pay?**

*Whole community*

100%

This activity benefits the community as a whole. Therefore, the fairest and most effective way of funding it is from general rates.

#### **Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### **ACTIVITY 2.1.9: WATERFRONT PUBLIC SPACE**

This activity relates to the management and maintenance of the public space on the Wellington Waterfront, and includes the operation and maintenance of a wide range of assets which includes Wharves, Seawalls, Bridges, Parks, Promenades, laneways and lighting.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *Dynamic Central City* – the waterfront is readily accessible and is a very important area of the central city. An attractive, clean and safe waterfront will undoubtedly contribute to a dynamic centre, is important for resident's quality of life and attracts visitors to Wellington.
- *People Centred City* – a clean inner harbour and waterfront area enhance Wellington's unique 'sense of place', making it a great place to live.

Page | 28



**Who Benefits?**

|                          |     |
|--------------------------|-----|
| <i>Whole community</i>   | 80% |
| <i>Individuals/users</i> | 20% |

The city's waterfront area benefits the whole community. Access to the waterfront and the open spaces near the harbour is generally unrestricted and available to all – residents and visitors alike. A clean and vibrant waterfront area encourages healthy lifestyles and makes the city's environment more pleasant for all residents. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

An activity that occurs on the waterfront that provides direct identifiable is the underground market. This activity does provide a private benefit and the user is charged directly.

The provision of public spaces on the waterfront brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

**Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 80% |
| <i>Individuals</i>     | 20% |

With the exception of the provision of market stalls, the community as a whole is the main beneficiary from this activity, it is appropriate for general ratepayers to bear the majority of the costs.

**Our funding targets: operating expenses**

|                     |             |
|---------------------|-------------|
| User charges        | 5%          |
| Other revenue       | 15%         |
| Targeted rate       | 0%          |
| <u>General rate</u> | <u>80%</u>  |
| <b>TOTAL</b>        | <b>100%</b> |

**2.2 Waste Reduction and Energy Conservation**

**ACTIVITY 2.2.1: WASTE MINIMISATION, DISPOSAL AND RECYCLING MANAGEMENT**

The Council operates the Southern Landfill. As well as the day-to-day management of the landfills, we are involved in landscaping, erosion control, resource consent compliance and water quality monitoring. The Council also collects refuse and household hazardous waste which is sent for safe disposal. This ensures hazardous wastes such as oils and solvents do not contaminate the landfills.

We encourage recycling by providing most residents with recycling bins and bags for weekly kerbside collection

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.

- *Eco-city* - reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources.

**Who Benefits?**

|                 |     |
|-----------------|-----|
| User            | 90% |
| Whole community | 10% |

People using the landfills receive the main benefit from this activity, as they are able to dispose of their waste in a safe and efficient manner that also ensures the harm to the environment is kept to a minimum.

There are also benefits to the whole community. Without the landfills, people would have nowhere safe to dispose of their waste. That would clearly pose a major hazard to public health and harm the city's environment.

In 2003 the Council adopted the Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill's life.

Also the direct beneficiaries of this work are the householders who have recyclable goods collected or who use our recycling stations. These people are able to dispose of their recyclable and reusable waste in a safe, efficient and environmentally-friendly manner.

The whole community receives the environmental benefits from having less waste deposited in landfills.

**Who should pay?**

|      |      |
|------|------|
| User | 100% |
|------|------|

Though the benefits of this activity are split between the community and individuals, the Council believes it is appropriate for users of the city's landfills to bear the costs. The Council believes it is appropriate to take a "polluter pays" approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste. This approach is justified by the significant benefits to the city's environment from reducing the amount of waste dumped in landfills.

The Council has adopted a Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill's life.

The Council also receives a small amount of income from the sale of recycling bins.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 100%        |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 0%          |
| <b>TOTAL</b>  | <b>100%</b> |

## **ACTIVITY 2.2.2: CLOSED LANDFILLS AFTERCARE**

We provide aftercare of our closed land fill sites.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – the majority of closed landfills are green open spaces enjoyed by local communities for leisure and recreation. Looking after these sites provides a valuable community asset for community enjoyment.

**Who Benefits?**

*Whole community* 100%

This activity benefits the whole community. Without the safe management of the closed landfills, it would potentially pose a major hazard to public health and harm the city's environment.

The whole community receives the environmental benefits from having close and safe management of the cities closed landfills

**Who should pay?**

*Whole community* 100%

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 2.2.3: ENERGY EFFICIENCY AND CONSERVATION

One of the Council's long term aims is for it and Wellington to be more sustainable. This means that Wellington will reduce its environmental impact by making efficient use of energy, water, land and other resources; shifting towards renewable energy resources; conserving resources; and minimising waste. Our immediate focus is on developing an energy management plan for the Council itself. This work will be supported by promotion of energy efficiency.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - developing funding partnerships with key stakeholders to insulate Wellington homes improves the health and the quality of life of Wellington residents.
- *Eco-city* - a focus on energy efficiency for the city's households and business will reduce costs and reduce its greenhouse gas emissions. Developing partnerships and encouraging policies for continued development of renewable energy in the city will be crucial for the Council's Eco-City aspirations.
- *Dynamic Centre City* - facilitating construction of Greenstar rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses as well as the uptake of emerging "green" technologies will allow Wellington to showcase its Eco City credentials.

**Who Benefits?**

*Whole community* 100%

The whole community benefits from the Council's commitment to and promotion of sustainability. By definition the work is of benefit to current and future generations. By reducing environmental

impacts and making more efficient use of existing resources more opportunities will be open to the whole community in the future.

It should also be noted that it is expected that the costs of this project will be met by savings over time.

**Who should pay?**

*Whole community* 100%

Since the community as a whole benefits from this activity, it is considered appropriate that it be funded from the general rate.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

**2.3 Water**

**ACTIVITY 2.3.1: WATER NETWORK**

The Council owns a water network of over 80 reservoirs, 30 pumping stations, more than 7,000 hydrants and about 900 odd kilometres of underground pipes. We maintain this network to ensure Wellingtonians have high-quality drinking water available at all times. Our work includes monitoring water quality to ensure it meets the required standards, and cleaning reservoirs and pipes.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* - a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21<sup>st</sup> century.

**Who Benefits??**

*Identifiable parts of the community* 75%  
*Whole community* 25%

Water supply is a fundamental Council service. Residents need clean drinking water, as well as water for washing. Water is also vital for industry and commerce. The benefits to commercial users are entirely private and exclusive. The benefits to individual people are mainly private, but there are also significant benefits to the community as a whole in terms of public health and safety, and economic well-being.

**Who should pay?**

*Identifiable parts of the community:*  
*Base (residential) sector* 60%  
*Commercial sector* 40%



While it is recognised that there is a whole community benefit from the provision of the water supply activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply.

The division of costs between the two sectors is based on a water consumption split, modified on the basis of the additional maintenance and service response required in the commercial sector, to a 60% residential 40% commercial split.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed amount, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

The 40% of costs funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge per cubic metre of water consumed. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value.

**Our funding targets: operating expenses**

|  |             |
|--|-------------|
| User charges   | 0%          |
| Other revenue  | 0%          |
| Targeted rate<br>(Residential 60%<br>Commercial 40%) | 100%        |
| General rate   | 0%          |
| <b>TOTAL</b>   | <b>100%</b> |

### ACTIVITY 2.3.2: WATER COLLECTION AND TREATMENT

We buy water for the city in bulk from the Greater Wellington Regional Council. The regional council treats the water at four sites in the Hutt Valley – Te Marua, Waterloo, Gear Island and Wainuiomata – to ensure it meets New Zealand drinking water standards. We pay based on how much water the city uses. Some of our costs are recovered from customers with water meters, while the rest is covered by water rates. Responsibility for water supply is vested in the Council under the Local Government Act.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* - a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21<sup>st</sup> century.

**Who Benefits?**

|                                     |     |
|-------------------------------------|-----|
| Identifiable parts of the community | 75% |
| Whole community                     | 25% |

Water supply is a fundamental Council service. Residents need clean drinking water, as well as water for washing. Water is also vital for industry and commerce. Though water supply is essential in a modern city, the benefits are largely private.

There is also some benefit to the community as a whole from the Council's provision of clean, drinkable water. This includes public health benefits, provision of water for fire-fighting, and the benefits of a reliable water supply for the economy.

**Who should pay?**

*Identifiable parts of the community:*

|                                  |            |
|----------------------------------|------------|
| <i>Base (residential) sector</i> | <i>60%</i> |
| <i>Commercial sector</i>         | <i>40%</i> |

While it is recognised that there is a whole community benefit from the provision of the water supply activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply.

The division of costs between the two sectors is based on a water consumption split, modified on the basis of the additional maintenance and service response required in the commercial sector, to a 60% residential 40% commercial split.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed charge, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

The 40% of costs for activities funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge of per cubic metre of water consumed and an administration fee. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value.

**Our funding targets: operating expenses**

|                                  |             |
|----------------------------------|-------------|
| User charges                     | 0%          |
| Other revenue                    | 0%          |
| Targeted rate                    |             |
| (Residential 60% Commercial 40%) | 100%        |
| General rate                     | 0%          |
| <b>TOTAL</b>                     | <b>100%</b> |

**2.4 Wastewater**

**ACTIVITY 2.4.1: SEWAGE COLLECTION AND DISPOSAL NETWORK**

The Council is responsible for more than 1,000 kilometres of sewer pipes and tunnels, of which almost half are over 50 years old. The sewage network also includes 62 pumping stations which need regular maintenance and ultimately replacement once they have come to the end of their economic life.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable wastewater network provides protection against public health risks.
- *Eco-city* - a safe and reliable wastewater network provides protection against environmental harm.
- *Dynamic Central City* - a safe, reliable and well maintained wastewater network that will function effectively and not cause disruptions to inner city living and business activities is a core component of every successful city in the 21<sup>st</sup> Century.

#### **Who Benefits?**

|  |     |
|--|-----|
| <i>Identifiable parts of the community</i> | 80% |
| <i>Whole community</i>                     | 20% |

The sewage network mainly benefits individuals by providing for the safe, sanitary removal of sewage waste from their homes and businesses, and ensuring that waste is treated and disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the system, and it would have to exist for public good reasons regardless of the individual benefits.

The sewage system benefits the whole community by protecting public health and the overall state of the environment. The system is a fundamental part of the city's infrastructure. Without it Wellington could not operate as a modern efficient city.

#### **Who should pay?**

|   |     |
|---|-----|
| <i>Identifiable parts of the community:</i> |     |
| <i>Base (residential) sector</i>            | 60% |
| <i>Commercial sector</i>                    | 35% |
| <i>User charges</i>                         | 5%  |

While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.

The 60% residential share is collected through a targeted rate. This rate incorporates a fixed charge, with the balance of the sector share funded through a rate per dollar of capital value.

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value (35%) and trade waste charges (5%).

#### **Our funding targets**

|  |             |
|--|-------------|
| User charges                                   | 5%          |
| Other revenue                                  | 0%          |
| Targeted rate (Residential 60% Commercial 35%) | 95%         |
| General rate                                   | 0%          |
| <b>TOTAL</b>                                   | <b>100%</b> |

## ACTIVITY 2.4.2: SEWAGE TREATMENT

Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste treatment plants at Moa Point and Karori are financed by the Council and operated by United Water International. Sewage from Wellington's northern suburbs is transferred to the Porirua plant, in which the Council has a 27.6% stake. Once sewage is treated at Moa Point and Karori, waste water is piped into the Cook Strait and the sludge is taken to the Southern Landfill, where it is combined with green waste to make high-quality compost.

### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable wastewater network and treatment facility provides protection against public health risks.
- *Eco-city* - a safe and reliable wastewater network and treatment facility provides protection against environmental harm.
- *Dynamic Central City* - a safe, reliable and well maintained wastewater network and appropriate treatment of waste is a core component of every successful city in the 21<sup>st</sup> Century.

### Who Benefits?

|  |     |
|--|-----|
| <i>Identifiable parts of the community</i> | 80% |
| <i>Whole community</i>                     | 20% |

The sewage treatment system mainly benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the sewerage system, and sewage would have to be treated for public good reasons regardless of the individual benefits.

The sewage treatment system benefits the whole community by protecting public health and the overall state of the environment. The system is a fundamental part of the city's infrastructure. Without it, Wellington could not operate as a modern, efficient city.

### Who should pay?

|   |     |
|---|-----|
| <i>Identifiable parts of the community:</i> |     |
| <i>Base (residential) sector</i>            | 60% |
| <i>Commercial sector</i>                    | 35% |
| <i>User</i>                                 | 5%  |

While it is recognised that there is a whole community benefit from the provision of this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.

The 60% residential share is collected through a targeted rate. This rate incorporates a fixed amount per property, with the balance of the sector share funded through a rate per dollar of capital value.

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value (35%) and trade waste charges (5%).



**Our funding targets: operating expenses**

|   |             |
|---|-------------|
| User charges                                    | 5%          |
| Other revenue                                   | 0%          |
| Targeted rate (Residential 60%, Commercial 35%) | 95%         |
| General rate                                    | 0%          |
| <b>TOTAL</b>                                    | <b>100%</b> |

**2.5 Stormwater**

**ACTIVITY 2.5.1: STORMWATER MANAGEMENT**

Each year, Wellington's stormwater network carries around 80 million cubic metres of runoff from gutters and drains to the harbour and city streams. This drainage network helps protect the city from flooding. This network is made up of over 600 kilometres of stormwater pipes and tunnels.

Because stormwater is discharged into the city's streams, harbour and coastal waters, it needs to be as clean as possible. Stormwater can be contaminated by sewage leaking from sewerage pipes, runoff from roads, and by waste such as oil, paint and litter being tipped or washing into drains. The Council has resource consents from the Greater Wellington Regional Council for our stormwater discharges, and we are required to meet the standards set out in these consents. While we do not treat stormwater runoff, we monitor stormwater quality at more than 80 sites, to ensure it meets the required standards.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable storm water network and effective maintenance and operation programmes prevents avoidable disruptions to community living and minimises the risk of injury and the risk of damage to property from storm water.
- *Eco-city* - a safe and reliable storm water network minimise the impacts – such as erosion - of storm water on the environment.
- *Dynamic Central City* - a safe and reliable storm water network and effective maintenance and operations programmes allows people to live work and play in the central city safely and without disruption.
- *Connected City* - a safe and reliable storm water network and effective maintenance and operations programmes reduces the risk of avoidable surface flooding and environmental damage that may affect transport networks.

**Who Benefits?**

|  |     |
|--|-----|
| <i>Identifiable parts of the community</i> | 50% |
| <i>Whole community</i>                     | 50% |

The stormwater system provides significant benefits to individual property owners by protecting their property from flooding. Though these benefits are private, they are not exclusive – all homes and businesses benefit, and the network would have to exist for public good reasons regardless of the individual benefits.

The stormwater system benefits the whole community, both by protecting public property and by protecting public health and safety. The system is a fundamental part of the city's infrastructure. Without it, Wellington could not operate as a modern, efficient city, and both economic and social well-being would suffer.

#### Who should pay?

*Identifiable parts of the community:*

|                                   |       |
|-----------------------------------|-------|
| <i>Residential (urban) sector</i> | 77.5% |
| <i>Commercial sector</i>          | 22.5% |

While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on the residential (urban) sector and the commercial sector.

Some stormwater runoff may be the direct result of new developments or other land works, or individual actions such as people tipping paint down drains. In these cases, there is a clear “polluter pays” argument for the people or businesses responsible to meet some of the costs. However, identifying those responsible and assessing the costs are difficult.

The Council has decided to exclude rural areas from paying for this activity as this service is not provided to them and as a result they receive no individual benefit. It is therefore appropriate to fund this activity from targeted rates, excluding the rural sector.

The 77.5% residential share is collected through a targeted rate. This rate is funded through a rate per dollar of capital value.

The 22.5% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value.

#### Our funding targets: operating expenses

|  |             |
|--|-------------|
| User charges   | 0%          |
| Other revenue  | 0%          |
| Targeted rate<br>(Residential 77.5%<br>Commercial 22.5%) | 100%        |
| General rate   | 0%          |
| <b>TOTAL</b>   | <b>100%</b> |

### 2.6 Conservation Attractions

#### ACTIVITY 2.6.1: CONSERVATION VISITOR ATTRACTIONS

The Council funds the Wellington Zoo Trust and has provided funding support to Zealandia – the Karori Sanctuary Trust. While each of these organisations has specific goals and approaches to conservation and education they all provide attractions for residents and visitors.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - these activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.
- *Eco-city* - these facilities play important conservation roles, protecting native and exotic flora and fauna.

#### Who Benefits?

|   |     |
|---|-----|
| <i>Individuals</i>                        | 40% |
| <i>Whole community</i>                    | 40% |
| <i>Identifiable part of the community</i> | 20% |

These facilities benefit the individuals that choose to attend by providing them with a high-quality recreational and educational experience. These benefits are private and exclusive.

These facilities provide significant benefits to the whole community. They play a major conservation role by protecting endangered species and educating the public about conservation and biodiversity issues.

Their existence is also of benefit to those who are not visitors generally but have the option of going.

The facilities also aim to attract tourists to the city, contributing to the local economy.

**Who should pay?**

*Whole community* *100%*

Each of these trusts operate separately from the Council. User charges, which in the case of the Zoo account for about 45 percent of the trust’s income, reflect the private benefits to people who visit these facilities. These user charges do not appear in the Council’s books.

The Council’s contribution to these facilities reflects the benefits to the community as a whole. For this reason, it is appropriate for the Council’s contribution to be funded from general rates.

Rates funding is also justified because these facilities contribute to the Council’s long term goal that the city’s high quality natural environment will attract visitors, residents and visitors.

| Our funding targets: operating expenses |      |
|---|------|
| User charges                            | 0%   |
| Other revenue                           | 0%   |
| Targeted rate                           | 0%   |
| General rate                            | 100% |
| TOTAL                                   | 100% |

## Economic Development

### Growing the regional economy for a prosperous community

The Economic Development Activity is about achieving long-term and sustainable growth in Gross Domestic Product per capita. With a dynamic growing economy, Wellington is able to offer residents prosperity and an outstanding quality of life. Our economic activities include funding tourism promotions and visitor attractions, support for the regional economic development agency, and maintaining relationships with other agencies to foster economic growth.

### Operating activities

The funding sources for this area are illustrated in the graph below.

| Activity Area        | Activity Grouping                   | Activity | Activity Component Name  | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|----------------------|-------------------------------------|----------|--|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Economic Development | City promotion and business support | 3.1.1    | Wellington Regional Economic Development Agency (WREDA) and Venues           | 0%        | 0%           | 100%  | 20%     | 0%                 | 30%                 | 50%                       |
|                      |                                     | 3.1.2    | Wellington Convention Centre   | 0%        | 0%           | 100%  | 60%     | 0%                 | 0%                  | 40%                       |
|                      |                                     | 3.1.3    | Retail support (free weekend parking)  | 0%        | 0%           | 100%  | 0%      | 0%                 | 0%                  | 100%                      |
|                      |                                     | 3.1.4    | Wellington Economic Initiatives Development Fund (WEIDF) and Economic Grants | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                      |                                     | 3.1.5    | Major Projects   | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                      |                                     | 3.1.6    | International relations  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                      |                                     | 3.1.7    | Business Improvement Districts   | 0%        | 0%           | 100%  | 0%      | 0%                 | 100%                | 0%                        |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Economic development capital expenditure projects generally relate to renewals and are funded through rates funded depreciation and borrowings.



**Economic development – activity funding commentary**

**3.1 City Promotions and Business Support**

**ACTIVITY 3.1.1: WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY (WREDA) AND VENUES**

This activity covers the Council's funding of the Wellington Regional Economic Development Agency (WREDA), the costs of owning and maintaining a number of venue buildings and managing the use of the venues and the City Innovation activity.

WREDA combines the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.

The aim of a single development agency is to unlock the region's economic potential by having:

- A clear strategic focus
- A strong economic leadership that prioritises business success
- One voice when dealing with government, businesses, investors and research providers
- More effective use of resources and talent, and improved scale

The Council's funding will be used to support its activities in the following areas:

- Major events – attracting and supports major events that bring visitors and extra spending to the city.
- Tourism promotions and marketing.
- Sector support and Destination Wellington to attract business, talent and investment to the Wellington region and accelerate economic growth.
- the costs incurred by the Council to own and maintain venue buildings (the Michael Fowler Centre, TSB Arena, St James Centre, and the Opera House).
- CBD free wifi to help establish the City's 'point of difference' and user experience through free public access Wi-Fi network.

Also included in this activity is the expenditure and revenues of promoting and operating the venues (which WREDA undertakes on behalf of Council). This specific activity is generally cost neutral.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - promotion of the city as an attractive place to live and do business, works to attract talent to the city and attracts tens of thousands of visitors every year.
- *Connected City* - ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- *Dynamic Central City* - attracting talent, investment, visitors and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.

**Who Benefits?**

|   |            |
|---|------------|
| <i>Individuals</i>                        | <i>45%</i> |
| <i>Identifiable part of the community</i> | <i>45%</i> |
| <i>Whole Community</i>                    | <i>10%</i> |

The beneficiaries of this activity are principally the community as a whole and businesses - in particular businesses in the central city area where the majority of visitors spend most of their time and the majority of business activity occurs.

The activity benefits residents by providing jobs, raising incomes, providing a wider range of career choices, and making the city more vibrant and prosperous. The activity also benefits particular commercial sectors, such as education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in growing markets.

The benefits from the WREDA funding is distributed widely across hospitality providers, job seekers, and businesses needing to employ and retain skilled workers. Also, a vibrant and growing economy benefits homeowners by supporting high levels of employment and steady population growth in the City which in turn underpin a stable housing market.

Individual users of the venues also derive considerable benefit. In most cases users themselves provide the funding for the benefits they derive. This is because the activities undertaken or facilitated at the council venues require users to pay for the private benefits they receive. For example, people attending a show, or an event that WREDA has brought to the city will need to pay an entry fee.

Overall, we estimate that around 45 percent of the benefits of this activity are captured by individual venue users and the associated expenditure is directly offset by user charges. It is estimated that the benefits from the balance of the expenditure accrue to a mix of the business community, the downtown businesses and the whole community.

**Who should pay?**

|   |     |
|---|-----|
| <i>Users</i>                              | 45% |
| <i>Identifiable part of the community</i> | 45% |
| <i>Whole community</i>                    | 10% |

Part of this activity includes the running of the Venues day to day operations, where users fully pay the cost of this activity and there is no rates funding requirement. As such in 2015/16, \$14m of operational costs (excluding asset ownership costs) is offset by \$14m of revenue. As the level of venue activity may change on a year to year basis, there is an underlying principle that any costs associated with the promotion or operating of venues is 100% user funded.

The balance of this policy is focussed on the remaining elements in the activity, and it is recommended that they should be 100% rates funded. This funding is proposed to be spread across the sectors that benefit. As WREDA is an amalgamation of existing Council activities, the current rates funding splits have been reviewed and subsequently the proposed rates funding split replicates the previous R & F policy. This approach attributes the main benefits to the business community and in particular the businesses in the CBD.

**Our funding targets: operating expenses**

|                            |             |
|----------------------------|-------------|
| User charges               | 0%          |
| Other revenue              | 0%          |
| Targeted rate (Commercial) | 30%         |
| Targeted rate (Downtown)   | 50%         |
| General rate               | 20%         |
| <b>TOTAL</b>               | <b>100%</b> |

**ACTIVITY 3.1.2: WELLINGTON CONVENTION CENTRE**

This activity relates to the recently approved Wellington Convention Centre project, currently under review, but is the first of the Big 8 Ideas which has been tested and approved through a business case and sits under the Economic Strategy.

This policy was consulted on as part of the Council's initial decision to support the initiative. The policy of 60% general rates and 40% DTL funding was proposed. This delivers a funding split of one third residential sector and two thirds commercial sector in terms of contribution to the cost.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *Connected City* - The Wellington Convention Centre would offer a convention and event space that is not currently available in the city. This space provides for networking opportunities and the ability for organisations to share the latest industry trends and innovations.
- *Dynamic Central City* – convention venues are places of events, festivals, and conferences. They anchor Wellington's appeal as a place of creativity, exploration, innovation and excitement and will bring more business visitation to our downtown area.

#### **Who Benefits?**

|  |     |
|--|-----|
| <i>Identifiable parts of the community</i> | 40% |
| <i>Whole community</i>                     | 60% |

The beneficiaries of this activity are predominantly the business sector through the protected and new expenditure in the economy, and flow on effects this will have to other indirect supporting services. However, an improved economy in the city does benefit all residents through improved employment opportunities, growth in demand to live and work in the city and the flow on effects that can have to property valuations and business opportunity.

It is therefore appropriate for economic development projects to be funded, in part, from the general rate to reflect the wider community benefits of an improved economy.

#### **Who should pay?**

|  |     |
|--|-----|
| <i>Identifiable parts of the community</i> | 40% |
| <i>Whole community</i>                     | 60% |

While the hospitality and entertainment sector receives a part of the benefit, the Council's view is that general ratepayers should also bear a portion of the costs. This is because of the benefit to the community as a whole, through an enhanced cultural offering and stronger economy.

#### **Our funding targets: operating expenses**

|                          |             |
|--------------------------|-------------|
| User charges             | 0%          |
| Other revenue            | 0%          |
| Targeted rate (Downtown) | 40%         |
| General rate             | 60%         |
| <b>TOTAL</b>             | <b>100%</b> |

### **ACTIVITY 3.1.3: RETAIL SUPPORT (FREE WEEKEND PARKING)**

Under this activity the Council provides its car parks free on weekends to attract customers to the inner city. This forms part of a wider retail strategy.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - free weekend parking makes Wellington an attractive place to live and do business, and attracts thousands of shoppers to the city every weekend.
- *Dynamic Central City* – A thriving retail sector in the heart of the city is an important part of Wellington’s appeal, and free parking at the weekends encourages residents and visitors into the city to shop.

#### Who Benefits?

|                                    |     |
|------------------------------------|-----|
| Identifiable part of the community | 50% |
| Individuals                        | 50% |

The direct beneficiaries of the free weekend parking policy are the people who get to make use of the parks. The other identifiable beneficiaries are the retailers, restaurants and other businesses located in the downtown area. Free parking brings people to the central city, where their spending benefits businesses.

#### Who should pay?

|                                    |      |
|------------------------------------|------|
| Identifiable part of the community | 100% |
|------------------------------------|------|

The main purpose of this activity is to support businesses in the CBD, particularly in the retail and hospitality sectors, by encourage people into the city on weekends.

The main beneficiaries of the free weekend parking are downtown businesses. It is appropriate they should bear the cost of this policy. Free weekend parking will therefore be funded from the downtown targeted rate, which is a targeted rate assessed on businesses in the downtown area.

#### Our funding targets: operating expenses

|                          |      |
|--------------------------|------|
| User charges             | 0%   |
| Other revenue            | 0%   |
| Targeted rate (Downtown) | 100% |
| TOTAL                    | 100% |

### ACTIVITY 3.1.4: WELLINGTON ECONOMIC INITIATIVES FUND (WEID) AND ECONOMIC GRANTS

This activity covers both the organisational support required to deliver the Council’s economic development strategy, as well as the funding mechanism Council provides to support economic growth initiatives. These funds being the Wellington Economic Initiatives Development (WEID) fund and the Economic Development Grant Pool.

The core aim of this activity is to facilitate and support economic growth in the city.

#### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – our grants support the attraction and retention of talented people, and support the creative business sector in Wellington.
- *Dynamic Central City* – attracting talent, investment, visitors and jobs will be critical to growing the city’s economy and ensuring Wellington remains vibrant and retains its competitive edge.
- *Connected City* – ensuring the city has a presence internationally will be vital to



attracting investment, talent, visitors and jobs.

**Who Benefits?**

*Whole community*

100%

The groups and organisations that receive grants clearly benefit from this activity. But the community as a whole also benefits. Funding grants are not exclusive, as they are open so that anyone has the opportunity to apply. The projects of the successful applicants will have flow on benefits for the wider community.

Individuals and employers are also likely to receive benefits as a result of the programme.

**Who should pay?**

*Whole community*

100%

These activities support the economic growth strategies for Wellington which will generally benefit the whole community. Where specific grants are provided the recipients benefit directly from this activity, however seeking to recoup the cost from them would defeat the purpose of the grants pool. The nature of the activities and specific outcomes from funded grant activities are not known at this point and it is therefore appropriate that the funding is spread across the whole community through the general rate.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 3.1.5: MAJOR PROJECTS – FUNDING ENVELOPE FOR POSSIBLE IMPLEMENTATION

The Council has a growth agenda that includes a number of major projects to support economic growth. The overall aim of these projects is to realise Wellington's economic potential by:

- Growing the local economy, making it more diverse and resilient, and less reliant on the government sector
- Building sectors of the economy where we have a competitive advantage e.g. tourism, smart economy
- Building better connections between the tertiary sector and businesses to boost the knowledge economy
- Removing barriers to growth by improving our connections to the region and to the rest of the world and by making it easier to do business in the city

This activity provides a funding envelope that would allow major projects to be implemented, should council ultimately decide to proceed with the project.

This activity makes provision for potential funding so that major projects can move to an implementation phase, but only if council is satisfied that the business case for an investment by Council justifies it.

We have a clear idea of the potential major projects that should be investigated and in broad terms we know the order of magnitude of any possible council contribution to these projects. This information has been used to establish the size of the potential funding envelope. However, Council has made no commitments to fund the implementation of any of the major projects included under the funding envelope and the final funding requirements may differ.

Such commitments will only be made following the consideration of a business case for each possible project. Each business case will include more precise estimates of the risks and cost of the project, how it would be funded (including the size and nature of any Council contribution), how it will be procured, implemented and managed and what benefits it will create. Only then will the Council be able to consider committing specific funds to a project.

In terms of transparency of future costs, if and when Council decides to commit funds to a project, that project will be given its own activity class and will be reported on separately. The remaining funding envelope will be reduced accordingly.

The major projects that could potentially be funded from the envelope are:

- Airport runway extension
- Indoor arena
- Film museum
- Westpac stadium upgrade

#### **Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – these projects will promote the city as an attractive place to do business and attract visitors to the city every year.
- *Connected City* - improving direct access internationally will provide local businesses with new opportunities to access large markets.
- *Dynamic Central City* – attracting visitors, investment and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.

#### **Who Benefits?**

*Whole community*

100%

The core aim of the major projects is to drive and support economic growth. This is especially important given that many of the people we seek to attract have choices to live in or visit other cities around New Zealand and the world. It is critical Wellington remains vibrant and internationally relevant, and that people coming here have the best possible experience.

Economic growth benefits residents by providing jobs, raising incomes, providing a wider range of career choices, making the city more vibrant, prosperous and supporting a robust property market.

The major projects covered by this activity, if justified based on a future business cases, also have the potential to benefit commercial sectors, such as export education, hospitality, retail, and professional service businesses.

At this stage it is not possible to estimate how benefits of any future council investment in major projects will be distributed across the community as a whole, the commercial sectors and possibly the Government sector. This is because it is not certain which major projects will be implemented until business cases are completed and decisions are made on whether or not to proceed. It is also possible that some beneficiaries of a major project will contribute to its implementation, in which case the 'Who' benefits from the council's contribution may differ.

Page | 46

**Who should pay?**

*Whole community* 100%

Decisions on who should pay for the Council's contribution to each major project cannot be made at this stage. Options include use of the downtown targeted rate, the commercial sector generally, and the whole community through general rates. Who should pay depends on a range of factors such as which projects are implemented, where they are located, and what funding is provided from non-council sources. In the meantime we intend to apply a proxy/default assumption that 100% general rates funding is used.

Ultimately, as each potential project reaches the stage where the Council is completing the process of deciding to proceed to the implementation stage, part of the process will include consideration of what the particular Revenue & Financing policy should be for that specific project and in particular who should pay, based on the comprehensive information available at that stage.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

**ACTIVITY 3.1.6: INTERNATIONAL RELATIONS**

The Council works to make Wellington's economy more competitive and innovative by maintaining relationships internationally to promote the city and the region's interests.

**Community outcome**

This activity contributes towards the following outcome:

- *Connected City* - Improving access to international markets is particularly important as it provides local businesses with new opportunities to access large markets

**Who Benefits?**

*Whole community* 50%  
*Identifiable part of the community* 50%

The benefits of this activity are split between the community as a whole and institutions that benefit from our efforts. The core aim of this work is to help the city and regional economy grow through innovation. This benefits residents by providing jobs, raising incomes, providing a wider range of career choices, making the city more prosperous, and supporting a robust property market. Our work in this activity also benefits some business sectors, such as export education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in foreign markets.

Though the benefits to the community are immediate and relate to economic well-being, our efforts to improve the city's prosperity and in particular any partnerships with the training and educational sector have positive, long-term spin-offs both for the economy and social well-being.

**Who should pay?**

*Whole community* 100%

Though the benefits are split between the community and certain sectors, the Council believes this activity is most appropriately funded from general rates. This is because in most situations it would be impractical to identify the individuals or business that benefit directly from our activity. For example, it would not be possible to identify the direct beneficiaries of a sister city relationship. Furthermore, the Council's and relationship-building efforts complement the efforts of businesses or institutions themselves.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 3.1.7: BUSINESS IMPROVEMENT DISTRICTS

Under this activity the Council provides a mechanism that allows local businesses to work together as a Business Improvement Districts (BIDs). BIDs provide a vehicle for local business-led initiatives that support key city objectives of vibrant centres, business creation and development, and increased employment.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – vibrant suburban centres make Wellington an attractive place to live and help form a local sense of community.

**Who Benefits?**

|   |     |
|---|-----|
| <i>Whole community</i>                    | 20% |
| <i>Identifiable part of the community</i> | 80% |

In terms of funding for BIDs, the commercial interests within each BID are the principal beneficiaries. There are also likely benefits to the community surrounding the BID, since a BID can also improve vibrancy and environs of the public space within a business area.

**Who should pay?**

*Identifiable part of the community* 100%

Since the beneficiaries of the Business Improvement Districts policy are principally the businesses covered by each individual BID, it is appropriate that they should bear the cost of the policy. This will be done by establishing targeted rates on relevant commercial properties in each area where establishing a BID has the broad support of the business in that area.

**Our funding targets: operating expenses**

|              |    |
|--------------|----|
| User charges | 0% |
|--------------|----|



|                            |             |
|----------------------------|-------------|
| Other revenue              | 0%          |
| Targeted rate (Commercial) | 100%        |
| General rate               | 0%          |
| <b>TOTAL</b>               | <b>100%</b> |

## Cultural Well-being

### Shaping Wellington's unique identity

The Council supports a wide range of cultural and artistic activity in Wellington. The aim is to foster a lively and creative city that offers rich and varied cultural experiences to residents and visitors. We fund galleries, museums, arts organisations, and art and sculpture in public spaces. We also provide grants to community programmes that foster diversity and encourage people to participate in the arts.

### Operating activities

The funding sources for this area are illustrated in the graph below.

| Activity Area      | Activity Grouping            | Activity | Activity Component Name               | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|--------------------|------------------------------|----------|---------------------------------------|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Cultural Wellbeing | Arts and Cultural Activities | 4.1.1    | Galleries and museums (WMT)           | 0%        | 0%           | 100%  | 75%     | 0%                 | 0%                  | 25%                       |
|                    |                              | 4.1.2    | Visitor attractions (Te Papa/Lantern) | 0%        | 0%           | 100%  | 30%     | 0%                 | 0%                  | 70%                       |
|                    |                              | 4.1.3    | Observatory                           | 0%        | 15%          | 85%   | 85%     | 0%                 | 0%                  | 0%                        |
|                    |                              | 4.1.4    | Arts and cultural festival            | 0%        | 0%           | 100%  | 0%      | 100%               | 0%                  | 0%                        |
|                    |                              | 4.1.5    | Cultural grants                       | 0%        | 10%          | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                    |                              | 4.1.6    | Access and support for community arts | 0%        | 25%          | 75%   | 75%     | 0%                 | 0%                  | 0%                        |
|                    |                              | 4.1.7    | Arts partnerships                     | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Cultural wellbeing capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

### Cultural well-being – activity commentary

#### 4.1 Arts and Cultural Activities

#### ACTIVITY 4.1.1: GALLERIES AND MUSEUMS

The Council is the main funder of the Wellington Museums Trust, which operates the Museum of Wellington City and Sea, the City Gallery, Capital E, the Wellington Cable Car Museum and the Colonial Cottage Museum. This activity also includes Council's contribution towards a World War I commemorative museum and exhibitions.

### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – museums shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories and help us understand ourselves and each other.
- *Connected City* - museums provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas here and abroad.
- *Dynamic Central City* – museums enhance Wellington’s vibrancy as a diverse, active and eventful place attractive to visitors.

#### **Who Benefits?**

|   |     |
|---|-----|
| <i>Individuals</i>                        | 70% |
| <i>Identifiable part of the community</i> | 15% |
| <i>Whole community</i>                    | 15% |

The individuals who attend the exhibitions and shows at the galleries and museums clearly benefit from their attendance.

The various venues are also important attractions for visitors and residents alike. The location of these draws people into the downtown area and boosts local businesses, particularly those in the tourism, hospitality and retail sectors.

The museums and galleries funded by this activity also benefit the whole community in many ways. They help make the city vibrant and interesting, preserve its heritage, form a vital part of Wellington’s image as a creative city, and are a source of civic pride. The exhibitions run by the galleries and museums also foster community identity. These benefits are felt even by people who choose not to visit the facilities.

#### **Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 75% |
| <i>Downtown sector</i> | 25% |

The Council funds the museums and galleries to encourage greater participation in the arts and because it believes that high quality cultural amenities add to a vibrant city life.

While there are clearly direct benefits to people who choose to visit the galleries and museums, the Council believes these are outweighed by the overall community benefit and the benefits that flow to the businesses in the downtown sector.

#### **Our funding targets: operating expenses**

|                          |             |
|--------------------------|-------------|
| User charges             | 0%          |
| Other revenue            | 0%          |
| Targeted rate (Downtown) | 25%         |
| General rate             | 75%         |
| <b>TOTAL</b>             | <b>100%</b> |

### **ACTIVITY 4.1.2: VISITOR ATTRACTIONS (CARTER OBSERVATORY / TE PAPA)**

Through this activity the Council funds attractions and facilities that bring visitors to the city. It includes an ongoing commitment to the Carter Observatory located at the top of the Cable Car and funding for Te Papa.

### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – they shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories, in particular those of our Māori, and help us understand ourselves and each other.
- *Connected City* – they provide ideas and places where people can connect, share what is common and explore what is different and new.
- *Dynamic Central City* – museums enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to visitors.

### How we approach funding this activity

The overarching purpose of this activity is to have visitor attractions. The principal expenditure under this activity is the funding which the Council provides to the Carter Observatory and Te Papa.

### External attractions

#### Who Benefits?

|  |     |
|--|-----|
| <i>Individuals</i>                         | 50% |
| <i>Whole community</i>                     | 30% |
| <i>Identifiable parts of the community</i> | 20% |

The direct beneficiaries are those who visit the attractions and attend other events funded through this activity.

These attractions bring visitors to the city and boost the economy, increasing prosperity for residents. They also play vital roles in Wellington’s vibrant cultural life, contributing to its image as New Zealand’s arts and cultural capital.

There are also direct benefits to the businesses located in the downtown area. The attractions funded by this activity bring people into the city, providing custom for hotels, restaurants, retailers and other city businesses. These benefits can be measured through increases in the number of “visitor nights” spent in the city during major events.

#### Who should pay?

|  |     |
|--|-----|
| <i>Identifiable parts of the community</i> | 70% |
| <i>Whole community</i>                     | 30% |

Though the main beneficiaries of this activity are the individuals who choose to visit Te Papa the observatory the Council does not believe it is viable or appropriate to charge them directly for these benefits.

There are strong arguments for the downtown sector to bear a portion of the cost of this activity as they benefit directly from the funding of this activity. The events and attractions bring people and visitors into the city. These people provide business for the retailers, and the wider hospitality sector in the city. The projects funded by this activity make major contributions to the Council’s goal that Wellington will be a prime tourist destination.

#### Our funding targets: operating expenses

|                          |     |
|--------------------------|-----|
| User charges             | 0%  |
| Other revenue            | 0%  |
| Targeted rate (Downtown) | 70% |
| General rate             | 30% |

|       |      |
|-------|------|
| TOTAL | 100% |
|-------|------|

### ACTIVITY 4.1.3: ARTS AND CULTURAL FESTIVALS

The Council runs and supports artistic and cultural events that encourage Wellingtonians to get out and enjoy themselves. These include Summer City, the Sky Show, the Diwali festival and more than 70 other events, all of which are provided free to the public.

We aim to use the Civic Square as the stage for a large number of these events. As the civic and cultural heart of the city the Square offers a safe and accessible venue.

#### Community outcome

- *People-centred City* – cultural festivals shape Wellington’s sense of identity. They bring people together and celebrate creativity.
- *Connected City* – festivals provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas from here and abroad.
- *Dynamic Central City* – museums festivals enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to residents

#### Who Benefits?

|                 |      |
|-----------------|------|
| Whole community | 100% |
|-----------------|------|

While the people attending these events obviously benefit from the enjoyment they receive, the events are generally run outdoors in public areas making it impossible to identify individual beneficiaries. The benefits, in any case, are not exclusive.

There are generally no limits on the number of people who attend these events and, as the intention is to encourage participation, it would not be appropriate or acceptable to charge for entry.

The principal benefits are to the community as a whole. These events bring people together, encouraging community identity and cohesion. They help build a sense of pride in the city and add to Wellington’s reputation as an “events capital”. Many events attract people to the city centre, bringing economic benefits.

#### Who should pay?

|                 |      |
|-----------------|------|
| Whole community | 100% |
|-----------------|------|

Since this activity benefits the community as a whole, the fairest and most effective way to fund the net cost is from general rates.

The Council receives significant sponsorship for this activity from organisations such as the New Zealand Community Trust.

#### Our funding targets: operating expenses

|               |      |
|---------------|------|
| User charges  | 0%   |
| Other revenue | 15%  |
| Targeted rate | 0%   |
| General rate  | 85%  |
| TOTAL         | 100% |



#### ACTIVITY 4.1.4: CULTURAL GRANTS

The Council maintains a cultural grants pool to allow community organisations access to funding.

##### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* –cultural grants support the creative sector of Wellington ensuring that the city is lively and full of festivals, performances and shows throughout the year.
- *Dynamic Central City* –cultural grants support Wellington cultural institutions that are integral to our cultural and events capital status. They provide shows and performances that make the central city a lively place to visit, play and do business.

##### Who Benefits?

|   |     |
|---|-----|
| <i>Individuals and identifiable part of the community</i> | 50% |
| <i>Whole community</i>                                    | 50% |

The direct beneficiaries of this activity are the individuals and groups who receive funding. The grants provide them with opportunities for artistic and cultural expression. This activity gives individuals the opportunity to participate, even though they may choose not to. Though these benefits are private, they are not exclusive – all residents are able to apply for funding.

Funding cultural initiatives also benefits all city residents by making the city a more vibrant place, enhancing community identity, and contributing to the city's reputation as New Zealand's arts and culture capital.

##### Who should pay?

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

The purpose of this activity is to add to the mix of cultural events in the city and to encourage participation. Clearly, this means that someone other than the grant recipients has to pay. This activity has no benefit, economic or otherwise, to the commercial sector. Funding is directed to residents, and as such, the Council believes it is appropriate to fund the cost of this activity from rates targeted to the residential sector.

The people and groups who receive funding also contribute their own resources to initiatives that benefit the city's cultural and social well-being.

##### Our funding targets: operating expenses

|                             |             |
|-----------------------------|-------------|
| User charges                | 0%          |
| Other revenue               | 0%          |
| Targeted rate (Residential) | 100%        |
| General rate                | 0%          |
| <b>TOTAL</b>                | <b>100%</b> |

#### ACTIVITY 4.1.5: ACCESS AND SUPPORT FOR COMMUNITY ARTS

This activity covers the wide range of community arts programmes that the Council runs every year. It also covers a subsidy for non-profit community groups using the Wellington Venues. This ensures the venues are open to a wide range of organisations.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – support for community arts programmes and venue supports Wellington’s creative communities to put on festivals, performances and shows throughout the year.

#### Who Benefits?

|                 |     |
|-----------------|-----|
| Whole community | 50% |
| Individuals     | 50% |

Both the individuals that take part in the arts programmes and the non-profit groups that make use of the venue subsidy directly benefit from this activity. But the activity also benefits the community as a whole. The arts programmes are open events and the groups who are supported by the subsidy help make the city a vibrant place and foster cultural identity.

#### Who should pay?

|                                     |     |
|-------------------------------------|-----|
| Whole community                     | 90% |
| Identifiable parts of the community | 10% |

The purpose of this activity is to promote tolerance and, celebrate through the arts, people’s differences to create a sense of belonging. The provision of the community arts programme eliminates cost as a barrier as does the venue subsidy. Clearly, the cost of this support has to be met elsewhere. The Council believes the cost is most appropriately funded from general rates.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 10%         |
| Targeted rate | 0%          |
| General rate  | 90%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 4.1.6: ARTS PARTNERSHIPS

The Council maintains a number of partnerships with artistic organisations that call Wellington home.

The Council also houses a number of independent artists, art organisations, music studios and a gallery at the Toi Pōneke Arts Centre, which is covered by this activity. This activity also includes the public art fund which is used to manage the city’s art collection and support public art exhibitions

#### Community outcome

This activity contributes towards the following outcomes:

- *People centred City* – Our partnership with organisations such as the NZ Symphony Orchestra means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case. The Toi Pōneke Arts Centre provides places where people can connect, and share creative ideas.

- *Dynamic Central City* - We support these institutions as they build on the city's reputation as New Zealand's arts and culture capital and they attract thousands of visitors to the city. Public sculpture and art displays, and exhibitions add to the vibrancy and liveability of the city.

**Who Benefits?**

|   |     |
|---|-----|
| <i>Identifiable part of the community</i> | 60% |
| <i>Whole community</i>                    | 30% |
| <i>Downtown sector</i>                    | 10% |

The artists and organisations are clearly direct beneficiary of these partnerships. These benefits are private and exclusive to the extent that the Council's support cannot be transferred.

The community also benefits from this activity in many ways. Through our support we help ensure these organisations remain viable and based in Wellington. In the example of the orchestra this means the city is home to one of the nation's foremost arts institutions, which contributes to Wellington's vibrancy and its image as a creative city. It also means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case.

These partnerships add to the city's exceptional range of artistic and cultural amenities that cater to all tastes, which in turn add to an environment that fosters a vibrant city life and boosts the local economy.

**Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 75% |
| <i>Individuals</i>     | 25% |

The overall aim of this activity is to encourage greater engagement and participation in the arts. By supporting these organisations and artists we are ensuring that their work continues and can be experienced by residents and visitors. The Council believes that the majority of the cost is most appropriately funded from general rates.

It is also considered appropriate that those artists that are housed at the Toi Pōneke Arts Centre should make a contribution to the cost of the space that they have exclusive use over.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 25%         |
| Targeted rate | 0%          |
| General rate  | 75%         |
| <b>TOTAL</b>  | <b>100%</b> |

**ACTIVITY 4.1.7: REGIONAL AMENITIES FUND**

The Wellington Regional Amenities Fund has been set up to support eligible entities of regional significance with day-to-day operational expenses and new innovative projects that will achieve identified priorities for the region.

The fund is focused on arts, cultural and environmental attractions and events to support and add to the attractiveness and vitality of the Wellington region.

The fund is a partnership between Wellington City Council, Hutt City Council, Upper Hutt City Council, Masterton District Council and Kapiti District Council.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *People centred City* – arts, culture and environmental attractions and events make Wellington a more attractive place to live and do business, and attract thousands of visitors to the city every year.
- *Connected City* – attractions and events provide ideas and places where people can connect and explore what is different and new, from both here and overseas.
- *Dynamic Central City* – arts, culture and environmental attractions and events anchor Wellington's appeal as a place of creativity, exploration, innovation, and excitement. They also enhance Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.
- *Eco City* – environmental attractions and events raise awareness of environmental issues and improves environmental outcomes.

#### **Who Benefits?**

|   |      |
|---|------|
| <i>Identifiable part of the community</i> | 0%   |
| <i>Whole community</i>                    | 100% |

The direct beneficiaries are those who attend the events and attractions funded through this activity.

The community as a whole benefits in a number of ways. They have the opportunity to enjoy high-quality art, cultural and environment attractions and events that arguably won't happen without the Council's support which contributes to social cohesion as they are an opportunity for people to mix together.

They also serve the business sector because some of the attractions and events funded by this activity will be located in Wellington City. They bring people into the city, providing customers for city businesses as well as enhancing Wellington City's place as New Zealand's arts capital, attracting people to the City to live, work and play.

#### **Who should pay?**

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
| <i>Individuals</i>     | 0%   |

#### **Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |



## Social and Recreation

### Building strong, safe and healthy communities for a better quality of life

A city is only as strong as its people. Wellington is built on strong communities. It's a safe city where people have plenty of opportunities to fulfil their potential and engage with each other. As the city's biggest provider of recreation facilities and social housing, we aim to promote healthy lifestyles and build strong communities.

### Operating activities

The funding sources for this activity area are illustrated in the graph below.

| Activity Area         | Activity Grouping                | Activity | Activity Component Name         | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|-----------------------|----------------------------------|----------|---------------------------------|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Social and Recreation | Recreation promotion and support | 5.1.1    | Swimming Pools                  | 38%       | 0%           | 62%   | 62%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.2    | Sportsfields                    | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.3    | Sportsfields (Synthetic)        | 40%       | 0%           | 60%   | 60%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.4    | Recreation Centres              | 25%       | 0%           | 75%   | 75%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.5    | Recreation partnerships         | 0%        | 0%           | 100%  | 0%      | 100%               | 0%                  | 0%                        |
|                       |                                  | 5.1.6    | Playgrounds                     | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.7    | Marinas                         | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.8    | Golf Course                     | 40%       | 0%           | 60%   | 60%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.1.9    | Recreation programmes           | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.2.1    | Libraries                       | 10%       | 0%           | 90%   | 90%     | 0%                 | 0%                  | 0%                        |
|                       | Community support                | 5.2.2    | Access support (Lifestyle Card) | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.2.3    | Community advocacy              | 0%        | 0%           | 100%  | 0%      | 100%               | 0%                  | 0%                        |
|                       |                                  | 5.2.4    | Grants (Social and Recreation)  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.2.5    | Housing                         | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.2.6    | Community centres and halls     | 5%        | 0%           | 95%   | 0%      | 95%                | 0%                  | 0%                        |
|                       | Public health and safety         | 5.3.1    | Burials and cremations          | 50%       | 0%           | 50%   | 50%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.3.2    | Public toilets                  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.3.3    | Public health regulations       | 60%       | 0%           | 40%   | 40%     | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.3.4    | City safety                     | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                       |                                  | 5.3.5    | WREMO                           | 5%        | 0%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Social and recreation capital expenditure projects are funded through a combination of grants/subsidies, rates funded depreciation and borrowings.

## Social and recreation – activity commentary

### 5.1 Recreation Promotion and Support

#### ACTIVITY 5.1.1: SWIMMING POOLS

This activity covers the cost of providing the Council's seven swimming pools: Wellington Regional Aquatic Centre (Kilbirnie); Freyberg Pool (Oriental Bay); Karori Pool; Thorndon Pool; Khandallah Pool; Keith Spry Pool (Johnsonville); and Tawa Pool.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

#### Who Benefits?

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 80% |
| <i>Whole community</i> | 20% |

Our swimming pools mainly benefit the people who use them. These people gain access to high-quality facilities for recreation, fitness and relaxation. The benefits are private and exclusive. It is appropriate and acceptable to charge people to use the pools.

However, there are also benefits to the community as a whole. By providing recreation facilities, the pools help increase the overall levels of residents' health, providing economic and social benefits. Pools provide important community focal points as well as health and recreation programmes that bring people together.

Most people regard the pools as important facilities and are prepared to contribute to the costs through their rates. Many people also like to have the option of using the pools even if they do not choose to do so.

#### Who should pay?

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 62% |
| <i>Individuals</i>     | 38% |

While individuals receive the direct benefits, the Council believes it is appropriate for the community as a whole to bear half of the costs of running the city's swimming pools.

The benefits to the community as a whole and the widespread community support for the facilities justify a significant ratepayer contribution. Though there are other pools in the city, the Council-operated ones are unique for the size and scale of their operations; they are not in direct competition with the private sector and can legitimately be seen as public facilities.

It would not be desirable to raise fees to levels that discouraged people from using them or provided barriers to people on low incomes.

#### Our funding targets: operating expenses

|               |     |
|---------------|-----|
| User charges  | 38% |
| Other revenue | 0%  |
| Targeted rate | 0%  |

|              |      |
|--------------|------|
| General rate | 62%  |
| TOTAL        | 100% |

### ACTIVITY 5.1.2: SPORTS FIELDS

This activity covers the costs of providing the city's sports fields, excluding artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

#### Who Benefits?

|   |     |
|---|-----|
| <i>Individuals</i>                        | 30% |
| <i>Identifiable part of the community</i> | 30% |
| <i>Whole community</i>                    | 40% |

The city's sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and partially exclusive. While the fields are booked out at certain times for organised sports such as club football, they are also often available for members of the public to use for informal recreation.

The Council estimates individual people receive about 30 percent of the benefits from sports fields and sports clubs receive about the same benefit.

The sports fields also benefit the community as a whole. By providing recreation facilities they help increase the overall levels of residents' health, providing economic and social benefits. They also provide important community focal points. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

#### Who should pay?

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 90% |
| <i>Individuals</i>     | 10% |

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs of operating the city's sports fields.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated sports fields are not in competition with private sector providers and can legitimately be seen as public facilities.

It is not always possible or desirable to identify individual users. While sports clubs who book sports fields can be identified and are charged, many other people use the fields informally and cannot be charged. It would not be desirable to raise fees to levels that discouraged organised sports. Nor would it be desirable to raise fees to levels that provided barriers to people on low incomes taking part in organised sports.

#### Our funding targets: operating expenses

|              |     |
|--------------|-----|
| User charges | 10% |
|--------------|-----|

|               |             |
|---------------|-------------|
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 90%         |
| <b>TOTAL</b>  | <b>100%</b> |

### **ACTIVITY 5.1.3: SPORTS FIELDS (SYNTHETIC)**

This activity covers the costs of providing the city's synthetic turf sports fields, including their artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

#### **Who Benefits?**

|   |     |
|---|-----|
| <i>Individuals</i>                        | 40% |
| <i>Identifiable part of the community</i> | 40% |
| <i>Whole community</i>                    | 20% |

Synthetic turf sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and mainly exclusive. It is appropriate to charge people to use the facilities.

Council officers estimate individuals receive about 40% of the benefits from the synthetic turf sports fields and sports clubs receive 40%.

There are also benefits to the community as a whole from our provision of synthetic turf sports fields. These facilities help increase overall levels of residents' health, providing economic and social benefits. They also provide community focal points and recreation programmes that bring people together.

#### **Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 60% |
| <i>Individuals</i>     | 40% |

While it is individuals and sports clubs that receive most of the benefits, it is appropriate for the community as a whole to bear some of the costs of operating the city's synthetic turf sports fields.

A synthetic turf sports field's weekly hourly usage is only restricted by demand and resource consent limitations regarding the hours of use of flood lighting. This is in contrast to a conventional pitch which has a limited number of recommended hours of use (5-6hrs for soil with drainage, 10-12hrs for sand carpet) in order to allow the pitch to recover. Synthetic turf also provides a higher level of service due to all weather accessibility and consistent playing performance.

#### **Our funding targets: operating expenses**

|               |     |
|---------------|-----|
| User charges  | 40% |
| Other revenue | 0%  |
| Targeted rate | 0%  |



|              |      |
|--------------|------|
| General rate | 60%  |
| TOTAL        | 100% |

#### **ACTIVITY 5.1.4: RECREATION CENTRES (INCLUDING ASB SPORTS CENTRE)**

This activity covers the costs of providing the Council recreation centres in Karori, Kilbirnie, Khandallah (Nairnville), Tawa and the ASB Sports Centre. These multi-purpose centres provide a range of recreational opportunities while also helping build a sense of community. They host inter-club competitive leagues and social leagues as well as college, intermediate and primary school sport.

##### **Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

##### **Who Benefits?**

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 80% |
| <i>Whole community</i> | 20% |

Our recreation centres mainly benefit the people who use them. These people gain access to high-quality facilities for sports, recreation and fitness. These benefits are private and exclusive. It is appropriate and acceptable to charge people to use the centres.

However, there are also benefits to the community as a whole from our provision of recreation centres. These facilities help increase overall levels of residents' health, providing economic and social benefits. Recreation centres also provide community focal points and recreation programmes that bring people together.

##### **Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 75% |
| <i>Individuals</i>     | 25% |

While individuals receive most of the benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs of running the city's recreation centres.

The benefit to the community and the significant role these centres play in their local areas justifies a significant ratepayer contribution. The accumulated health benefits to the community as a whole from organised and recreational physical activities at their centres also suggests the whole community should bear the majority of the cost.

In addition, it would not be desirable to raise fees to levels that discouraged people from using the centres or provided barriers to people on low incomes. Ability to pay issues limits the opportunity to recover the cost of this activity through user charges.

##### **Our funding targets: operating expenses**

|               |     |
|---------------|-----|
| User charges  | 25% |
| Other revenue | 0%  |

|               |      |
|---------------|------|
| Targeted rate | 0%   |
| General rate  | 75%  |
| TOTAL         | 100% |

### **ACTIVITY 5.1.5: RECREATION PARTNERSHIPS**

The Council maintains relationships with a number of groups that seek to provide publicly accessible facilities that contribute to both passive and active recreation.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

#### **Who Benefits?**

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 80% |
| <i>Whole community</i> | 20% |

The organisations we fund and the people that take part in their programmes also receive direct benefits.

Through the development of recreational partnerships, the Council aims to promote the benefits of sport and recreation to Wellingtonians. This has benefits for residents' overall levels of health and fitness, which in turn helps economic and social well-being. In addition, by supporting recreation partners, the city receives the economic benefits from having sport and recreation organisations located here.

#### **Who should pay?**

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

While the individuals who choose to access these facilities receive some benefits, the Council believes it is appropriate for the residential sector to bear the costs of our recreation partnerships.

The Council is just one source of funding for its recreation partners. The Council's contribution represents the public benefits to Wellington residents while the other funding sources represent the private benefits to participants and other organisations.

In this context the benefits to the community clearly outweigh the benefits to individuals. These benefits include healthier lifestyle and overall additions to social wellbeing.

#### **Our funding targets: operating expenses**

|                             |      |
|-----------------------------|------|
| User charges                | 0%   |
| Other revenue               | 0%   |
| Targeted rate (Residential) | 100% |
| General rate                | 0%   |
| TOTAL                       | 100% |

### ACTIVITY 5.1.6: PLAYGROUNDS

The Council provides more than 100 neighbourhood playgrounds across the city to give families a safer place to play near home. This activity covers the cost of providing those.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to recreation opportunities and physical play for younger people which is important for their development and their health and wellbeing.
- *Connected City* – these facilities bring people together, are a place where parents with young children connect and provide support, and makes the city a more appealing place for people to live.

#### Who Benefits?

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 80% |
| <i>Whole community</i> | 20% |

The city's playgrounds provide safe, entertaining places for children to play. The benefits to the children and their families are significant. These benefits are private but not exclusive. It would not be desirable or acceptable to charge people for using playgrounds. The Council's playgrounds policy states that access to playgrounds is a basic right of all children.

The playgrounds also benefit the community as a whole. Playgrounds not only encourage recreation and healthy lifestyles but are also important community focal points. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

#### Who should pay?

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running the city's playgrounds.

Even if the individual beneficiaries could be identified it would not be desirable or acceptable to charge them. The Council believes access to playgrounds is a fundamental right for children.

The benefits to the community as a whole and the widespread community support for the playgrounds justifies ratepayer funding. The Council believes the vast majority of ratepayers would strongly support ratepayer funding of this activity. The playgrounds are public facilities and are not in competition with private sector providers.

Playgrounds make a significant contribution to our goal that Wellington will offer excellent access to a sound social infrastructure that supports high levels of social cohesion.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 5.1.7: MARINAS

The Council owns two marinas at Evans Bay and Clyde Quay. These provide private storage facilities for boat owners as well as supporting the recreational activities of a large number of boat owners. This activity covers the cost of providing these.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to the harbour and the coast for recreation, fishing and enjoyment

#### Who Benefits?

Individuals 100%

The marinas benefit the people who use them by providing boat sheds for safe storage, moorings and access by marina piers. These benefits are private and exclusive and it is appropriate and acceptable to charge for this service.

#### Who should pay?

Individuals 100%

As identifiable individuals receive private benefits from this activity, it is appropriate for them to meet the costs. The benefits accrue to a narrow sector of the community who use these facilities and the user charges are set at appropriate market rates.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 100%        |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 0%          |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 5.1.8: GOLF COURSE

This activity covers the costs of providing the city's municipal golf course

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

#### Who Benefits?

Individuals 40%  
Whole community 20%  
Identifiable parts of the community 40%



The city's municipal golf course provides significant benefits for private individuals and the club itself. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and partially exclusive. While the course is booked out at certain times for organised club competitions, they are also often available for members of the public to use for informal recreation.

The Council estimates individual people receive about 60 percent of the benefits from the golf course.

The golf course also benefits the community as a whole. By providing recreation facilities it helps increase the overall levels of residents' health, providing social benefits. It also provides an important community focal point.

**Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 60% |
| <i>Individuals</i>     | 40% |

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the costs of operating the city's municipal golf course, the main reason being that the golf course is located on townbelt land with free public access to the area.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated municipal golf course is in competition with private sector providers and can legitimately be seen as public facilities.

**Our funding targets: operating expenses**

|                     |             |
|---------------------|-------------|
| User charges        | 40%         |
| Other revenue       | 0%          |
| Targeted rate       | 0%          |
| <u>General rate</u> | <u>60%</u>  |
| <b>TOTAL</b>        | <b>100%</b> |

**ACTIVITY 5.1.9: RECREATION PROGRAMMES**

The Council organises programmes to encourage people into leisure activities. These include organised walks and recreation programmes such as KiwiTri and Artsplash aimed at children. This activity covers the cost of providing those.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

**Who Benefits?**

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 50% |
| <i>Whole community</i> | 50% |

The Council's recreation programmes benefit the individuals who take part by providing them with access to recreation and leisure opportunities. The programmes not only promote health but can also boost participants' overall sense of well-being.

The recreation programmes also benefit the community as a whole. They not only encourage recreation and healthy lifestyles but also operate as community events, helping bring people together. The programmes are targeted at people who may have difficulty organising their own recreation activities.

**Who should pay?**

|                 |     |
|-----------------|-----|
| Whole community | 95% |
| User            | 5%  |

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running these programmes.

The benefits to the community as a whole justify ratepayer funding and it would not be desirable to impose fees as that may discourage participation and provide barriers to people on low incomes taking part.

Sponsorship funding for the Push Play programme has been discontinued from 2009/10, resulting in the ceasing of the programme. As this was the major funding source for this activity, this has lowered the non-rates funding proportion from 25%, and we reflect this in our overall funding target.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 5%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

**5.2 Community support**

**ACTIVITY 5.2.1: LIBRARIES**

The Council provides a network of libraries including the Central Library, branch libraries, and a highly-popular website.

**Community outcome**

This activity contributes towards the following outcomes:

- *People-centred City* - libraries are more than just places to borrow books. They are neighbourhood institutions that anchor community life and bring people together.
- *Connected City* - libraries are places of learning and allow readers to connect with others and exchange knowledge.

**Who Benefits?**

|             |     |
|-------------|-----|
| Individuals | 80% |
|-------------|-----|

*Whole community*

20%

Libraries mainly benefit the people who use them. These people gain free or low-cost access to books, videos, magazines, music and other items. The breadth of the network means that the services it provides are easily accessed by those opting to use it. They use these services for recreation or business and to enhance their knowledge and overall well-being.

We monitor the use of libraries. Our indicators suggest that the vast majority of use is for recreational and personal use while up to 30 percent is in part used for business purposes.

The libraries also provide significant benefits to the community as a whole. By providing access to information, the libraries enhance the overall levels of skill and knowledge in the city, providing economic and social benefits. They act as important community centres. And they host events and outreach services that bring people together, as well as information for immigrants and information about local communities and their history.

The library network adds to residents' quality of life. The vast majority of Wellingtonians are library members or users - even those who are not regular users generally like to have the option of using library services. The branch libraries draw people in to suburban centres bringing vitality to those areas and added custom to local businesses. The Central Library is a significant city landmark which contributes to civic pride.

**Who should pay?**

*Whole community*

90%

*Individuals*

10%

While individuals receive many of the direct benefits, the Council believes it is appropriate that most of the cost of running libraries should be met by the wider community. Some user charges will apply for some 'added' services and through penalty fines for late returns.

The community benefits as a whole and the widespread community support for the facilities justifies a significant ratepayer contribution. Libraries are among the most popular of Council services and there is strong support for them to be free at the point of use. The libraries are significant public facilities that are not in direct competition with the private sector.

It would not be desirable to raise fees to levels that discouraged people from using the library services or provided barriers to people on low incomes. It would not be desirable or acceptable to impose user charges for entry to the libraries or basic book lending services.

Fees are imposed on services that are provided in addition to the core services of the library. For instance modest fees apply for the rental of videos. Penalty fees also apply to the late return of items.

Since the vast majority of residents are also library users, the application of a uniform targeted rate is considered an effective way of funding the portion of the service that is known to be used by residents.

As it is not possible to distinguish a direct beneficiary of the remaining portion of users, it is considered fair and efficient that a significant portion of the library service be paid for by the whole community.

**Our funding targets: operating expenses**

User charges 10%

Other revenue 0%

|               |             |
|---------------|-------------|
| Targeted rate | 0%          |
| General rate  | 90%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 5.2.2: ACCESS SUPPORT (LEISURE CARD)

The Council offers discounted access to recreation facilities for holders of our Passport to Leisure card, which is issued free to all residents on low incomes.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – we provide subsidised access to our recreation programmes and facilities through our Leisure Card programme to encourage active and healthy lifestyles for all Wellingtonians without unreasonable hardship.

#### Who Benefits?

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 75% |
| <i>Whole community</i> | 25% |

The Passport to Leisure programme benefits individual participants by giving them affordable access to recreation and leisure opportunities. The programme helps boost participants' health, fitness and overall well-being.

The programme also benefits the wider community by encouraging healthy lifestyles, which enhances social and economic well-being. It adds to social cohesion by reducing barriers to people on low incomes.

#### Who should pay?

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

While the programme mainly benefits individuals the Council believes it is appropriate for the whole community to share the costs.

The programme is aimed at increasing access to recreation and leisure for people on low incomes, by making facilities available at reduced cost. Clearly, this means someone else has to pay. The benefits to all wider community justify the costs being drawn from the general rate.

This programme makes a significant contribution to the Council's goal that Wellington residents will be more actively engaged in their communities, and in recreation and leisure activities.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |



### ACTIVITY 5.2.3: COMMUNITY ADVOCACY

We encourage people to contribute to their community and participate in city activities. Our City Communities advisors support a wide range of community groups such as senior citizens, Māori, youth, Pacific Islanders, refugees and migrants, and people with disabilities. This work aims to ensure that Wellington's diverse population is supported and embraced by a tolerant, caring and welcoming community.

#### Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - we support the development of individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities.
- *Connected City* – we help people and communities connect and engage with each.

#### Who Benefits?

|                 |     |
|-----------------|-----|
| Whole community | 60% |
| Individuals     | 40% |

The projects funded under this activity benefit all Wellington residents. They strengthen people's sense of identity, and enhance community cohesion and social well-being. Some projects, such as provision of concerts and other youth activities, may help prevent crime and improve public safety.

There are also some private benefits from these activities. The very nature of this work is targeted towards discrete communities. However while the support we provide to these individuals or groups may be tailored to their needs often this will not constitute a greater level of service than that provided to the wider community. For instance tailoring a consultation document for someone who is blind allows that person to contribute to the same extent as those that are sighted.

#### Who should pay?

|                 |      |
|-----------------|------|
| Whole community | 100% |
|-----------------|------|

The Council believes it is appropriate to fund the majority of costs for this activity from rates targeted to the residential sector. This is because the benefits accrue to all residents.

#### Our funding targets: operating expenses

|                             |      |
|-----------------------------|------|
| User charges                | 0%   |
| Other revenue               | 0%   |
| Targeted rate (Residential) | 100% |
| General rate                | 0%   |
| TOTAL                       | 100% |

### ACTIVITY 5.2.4: GRANTS (SOCIAL AND RECREATION)

The Council maintains four grants pools. This activity covers the grants to community groups and organisations whose projects seek to promote recreational activity and overall social wellbeing. The grants process is overseen by a subcommittee of Council.

#### Community outcome

Page | 69

This activity contributes towards the following outcome:

- *People-centred City* - our grants support community groups that promote individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities. The grants also support active and healthy lifestyles through support of recreation and sporting groups.

**Who Benefits?**

|   |     |
|---|-----|
| <i>Identifiable part of the community</i> | 50% |
| <i>Whole community</i>                    | 50% |

The groups and organisations that receive grants clearly benefit from this activity. But the community as a whole also benefits. The grants pool itself is not exclusive - it is open so that anyone has the opportunity to apply. And the projects of the successful applicants will have flow on benefits for the community.

**Who should pay?**

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

While grants recipients benefit directly from this activity seeking to recoup the cost from them would defeat the purpose of the grants pool. Given this and that there are benefits to the community as a whole, the Council believes the fairest and most effective way to fund it is from general rates.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

**ACTIVITY 5.2.5: HOUSING**

The Council owns over 2000 housing units, which we rent to low income people whose housing needs are not met by the private sector. We allocate these homes according to need. Tenants are charged 70 percent of the estimated market rent for their property.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* - they provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

**Who Benefits?**

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 90% |
| <i>Whole community</i> | 10% |

The main beneficiaries of this activity are the tenants, who receive accommodation at below market rent. Their benefits are private and exclusive. While the Council's rental housing units are aimed at

meeting needs that the market does not or cannot meet, to some extent these housing units are in competition with properties provided by private landlords.

However, there are also some benefits to the community as a whole. By providing homes for people who otherwise may be unable to afford them, the Council also contributes to community cohesion and may have benefits for public health and safety.

**Who should pay?**

*Individuals* 100%

As the main beneficiaries, it is appropriate for tenants to pay most or all of the costs involved in providing community housing. The Council's current policy is to provide homes at 70 percent of market rental. The Community Housing activity is ring-fenced with user charges through rental income funding 100% of operating expenses. The opportunity cost of not obtaining market rentals is not included in this funding analysis.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 100%        |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 0%          |
| <b>TOTAL</b>  | <b>100%</b> |

## ACTIVITY 5.2.6: COMMUNITY CENTRES AND HALLS

The Council owns 15 community centres and halls, and support another six community-owned centres. These centres provide places for people to hold meetings and other events. Eight of them also provide locations for crèches.

We also maintain an accommodation assistance fund that provides community groups with access to subsidised office space.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – these facilities are important anchors in our communities. They are places for groups to come together, strengthening social cohesion, and making the city a more appealing place for people to live.

**Who Benefits?**

|   |     |
|---|-----|
| <i>Individuals and identifiable part of the community</i> | 60% |
| <i>Whole community</i>                                    | 40% |

The people and groups who use community facilities receive a clear and direct benefit. Though the facilities are available to all, this benefit is private and exclusive – only one group can use a room in a community centre at any one time.

However, the provision of these facilities also has benefits for the wider community. Not only do the facilities help bring people together, the groups that use them often make significant voluntary contributions to community well-being.

#### Who should pay?

|   |     |
|---|-----|
| <i>Individuals and identifiable part of the community</i> | 5%  |
| <i>Whole community</i>                                    | 95% |

The purpose of providing these facilities is to encourage community groups and support the benefits they bring to the city. Clearly, this means someone other than the people using the facilities has to bear most of the costs. The Council believes it is appropriate to fund this activity mostly from rates targeted to the residential sector.

However it is also fair and reasonable that the people and groups using these spaces and offices meet some part of the costs by paying fees. These should be kept at nominal levels as charging more would mean some people and groups could not afford to use the facilities.

#### Our funding targets: operating expenses

|                             |             |
|-----------------------------|-------------|
| User charges                | 5%          |
| Other revenue               | 0%          |
| Targeted rate (residential) | 95%         |
| General rate                | 0%          |
| <b>TOTAL</b>                | <b>100%</b> |

### 5.3 Public Health and Safety

#### ACTIVITY 5.3.1: BURIALS AND CREMATIONS

We operate the crematorium and cemetery at Karori and the cemetery at Makara.

#### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – the cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community.

#### Who Benefits?

|   |     |
|---|-----|
| <i>Whole community</i>                    | 50% |
| <i>Identifiable part of the community</i> | 50% |

The cemeteries provide families of the deceased with access to appropriate burial or cremation facilities, allowing them to farewell their loved ones with dignity.

They also have significant benefits to the community as a whole. These include the public health benefits of ensuring burials and cremations are conducted appropriately, the contribution made by the cemeteries to the city's heritage, the social benefits of ensuring a wide range of religious and cultural needs are catered for, and the provision of park-like surroundings that benefit not only families of the deceased but also all members of the community. Members of the public expect cemeteries to be properly maintained and accessible to all.

The provision of these services can also be seen to benefit funeral homes and other private businesses in this field.

#### Who should pay?

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 50% |
|------------------------|-----|



*Identifiable part of the community* 50%

Since the benefits of this activity are split between individuals and the community as a whole, it is appropriate for the costs to also be split.

It should be noted that historically we have been able to recover less than 50 percent of the cost of this activity through user charges. Recent efforts to improve this rate of cost recovery have resulted in some improvements; however due to price elasticity we anticipate that on occasions we will not meet this target. The remaining costs are appropriately met through general rates.

**Our funding targets: operating expenses**

|                     |             |
|---------------------|-------------|
| User charges        | 50%         |
| Other revenue       | 0%          |
| Targeted rate       | 0%          |
| <u>General rate</u> | <u>50%</u>  |
| <b>TOTAL</b>        | <b>100%</b> |

### ACTIVITY 5.3.2: PUBLIC TOILETS

We own and maintain around 100 public toilets throughout the city, located at public places such as parks, playgrounds, sports fields, and shopping centres and in the central business district. This activity includes ensuring they are kept clean and fit for public use.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – these facilities are located conveniently throughout the city protecting against public health risks.

**Who Benefits?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 60% |
| <i>Individuals</i>     | 40% |

Council-owned public toilets clearly benefit people who use them. Their provision also benefits everyone who lives and works in the city, by protecting people in public places from the health hazards that would arise if there were no facilities or if facilities were not kept clean.

**Who should pay?**

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

Since this activity benefits the whole community, the fairest and most effective way to fund it is through the general rate. Though individuals also benefit, the Council does not believe it would be appropriate to refuse access to people who cannot or will not pay.

**Our funding targets: operating expenses**

|                     |             |
|---------------------|-------------|
| User charges        | 0%          |
| Other revenue       | 0%          |
| Targeted rate       | 0%          |
| <u>General rate</u> | <u>100%</u> |
| <b>TOTAL</b>        | <b>100%</b> |

### ACTIVITY 5.3.3: PUBLIC HEALTH REGULATIONS

This activity covers the Council's role in licensing and monitoring food outlets, licensing liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, and handling infectious disease investigations and the sorting and processing of dangerous goods.

#### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity protects against public health risks.

#### Who Benefits?

|                 |     |
|-----------------|-----|
| Whole community | 75% |
| Individuals     | 25% |

The Council's public health work is required under several laws including the Liquor Act, the Resource Management Act and legislation covering hazardous substances. It provides significant benefits to the community as a whole, including protection of the public from hazards such as dangerous chemicals, unsafe food, excessive noise and diseases.

Most of this work involves protecting the public from hazards created or potentially created by identifiable businesses and people. There are benefits to individual businesses which could not legally operate without the Council providing these services, and there are benefits to individuals who have their complaints dealt with or otherwise are protected from a hazard or nuisance.

There are also a number of users who benefit from this activity. Businesses use Council services to monitor and licence their food and liquor outlets. Dog owners benefit from the dog licensing scheme. These users are charged a fee for the benefits they receive.

#### Who should pay?

|                 |     |
|-----------------|-----|
| Whole community | 40% |
| Individuals     | 60% |

As this work largely protects the community from harm, it is appropriate that the people or businesses causing the harm should pay. The Council's public health activities include a range of user charges. For example, licensing and monitoring of food outlets is carried out on a full cost-recovery basis, while user charges recover about 75 percent of animal control costs. Some charges, such as those for liquor licensing, are determined by statute.

For some services, it is not appropriate or possible to charge users. For example, the cost of responding to public complaints about noise, nuisance, litter, animals and other public health issues cannot be recovered as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard. Overall, user charges recover about 60 percent of the cost of providing these public health services. Accordingly, the Council's target is to fund 60 percent of the cost of this activity through user charges.

Since the benefits to the community as a whole are significant, it is appropriate for the remaining costs to be funded from general rates.

#### Our funding targets: operating expenses

|               |     |
|---------------|-----|
| User charges  | 60% |
| Other revenue | 0%  |

|               |      |
|---------------|------|
| Targeted rate | 0%   |
| General rate  | 40%  |
| TOTAL         | 100% |

#### **ACTIVITY 5.3.4: CITY SAFETY**

This activity covers our efforts that are directed at making the city safe and ensuring people feel safe. This includes patrols by city safety officers, closed circuit television monitoring of some inner-city streets, and safety audits which identify necessary improvements such as better street lighting.

##### **Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – this activity promotes individual wellbeing, safe neighbourhoods and a safe inner city.

##### **Who Benefits?**

*Whole community* 100%

Our city safety initiatives benefit the whole community. By preventing crime, these initiatives have a clear and tangible effect on residents' well-being. This, in turn, has several other positive spin-offs. Increased safety levels encourage people into the city centre, which makes the city more vibrant and also benefits retailers and other businesses. These efforts also contribute to civic pride by enhancing Wellington's reputation as a very safe city by national and international standards.

Though individuals benefit from reduced crime, the benefits are felt community-wide and are not exclusive to individuals. As a lot of this work is directed at the inner city it may be argued that there are greater benefits to those who live and work in the city than to residents who do not use the inner city often. However, making the city safer means even those who don't use the inner city are more likely to feel they have the option to safely access the inner city.

**Who should pay?**

*Whole community*

100%

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

**ACTIVITY 5.3.5: WELLINGTON REGIONAL EMERGENCY MANAGEMENT OFFICE (WREMO) AND RURAL FIRE**

Wellington Regional Emergency Management Office (WREMO) provides a shared service to all the councils within the region. Its role is to help the city prepare for disasters such as earthquakes and floods, and to maintain the Council's Emergency Operations Centre at a state of readiness for response. WREMO works with government agencies, other councils in the region and international agencies.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – this agency works with all sectors of the community to ensure the city is well-prepared for earthquakes and other natural disasters.

**Who Benefits?**

*Individuals*

10%

*Whole community*

90%

All residents and businesses benefit from preparation work to alleviate and cope with disasters like storms, floods and earthquakes. WREMO is a focal point for help and gives the entire community some comfort that a ready response is available to cope with disasters and quickly recover.

From time to time, WREMO may receive income in the form of grants from the Ministry of Civil Defence and Emergency Management, and other sources. However, this income varies significantly from year to year. We anticipate 5 percent revenue over the foreseeable future

**Rural Fire and Fire Prevention**

WCC contributes to the Wellington Rural Fire Authority (WRFA) which incorporates the rural fire capabilities and responsibilities of the Wellington, Kapiti, Upper Hutt, Lower Hutt and Porirua city councils.

Many Wellington properties back onto large areas of vegetation which can present a significant fire risk. The ability to provide fire suppression and prevention mechanisms benefits both the property owner and wider community through enhanced resilience.



**Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 95% |
| <i>User</i>            | 5%  |

While individuals property owners benefit from this work in the event of a large vegetation fire , the benefit to the whole community far outweighs this. The Council believes the fairest and most effective way to fund this activity is from general rates.

From time to time, WRFA may receive income in the form of grants from the New Zealand Fire Service Commission via the National Rural Fire Authority. This income varies significantly from year to year. We anticipate 5 percent revenue over the foreseeable future

| Our funding targets: operating expenses |      |
|---|------|
| User charges                            | 5%   |
| Other revenue                           | 0%   |
| Targeted rate                           | 0%   |
| General rate                            | 95%  |
| TOTAL                                   | 100% |

## Urban Development

### Directing growth and delivering quality

Nestled between harbour and hills, Wellington is a compact and dynamic city. We aim to preserve its special character, making sure developments are safe and in harmony with the environment. Our work in this area includes urban planning, building and development regulation, heritage protection and the development of public spaces.

### Operating activities

With the exception of regulatory services, the majority of activities in this area are funded by the whole community via the General Rate. The funding sources are illustrated in the graph below.

| Activity Area     | Activity Grouping                                      | Activity                                      | Activity Component Name                        | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|-------------------|--|---|--|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Urban Development | Urban planning, heritage and public spaces development | 6.1.1   | Urban planning and policy                      | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   |  | 6.1.2   | Waterfront development                         | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   |  | 6.1.3   | Public spaces and centres development          | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   |  | 6.1.4   | Built heritage development                     | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   | Building and development control                       | 6.2.1   | Building control and facilitation              | 65%       | 0%           | 35%   | 35%     | 0%                 | 0%                  | 0%                        |
|                   |  | 6.2.2   | Development control and facilitation           | 50%       | 0%           | 50%   | 50%     | 0%                 | 0%                  | 0%                        |
|                   |  | 6.2.3   | Earthquake risk mitigation - built environment | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   |  | Regulator - Building Control and Facilitation |  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   |  | 6.2.4   | Woolfreetight Homes                            | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|                   |  |   |  |           |              |       |         |                    |                     |                           |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Urban development capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Urban development – activity funding commentary

**6.1 Urban Planning, Heritage and Public Spaces Development**

**ACTIVITY 6.1.1: URBAN PLANNING AND POLICY**

The Council wants to ensure the city grows in ways that encourage high-quality development and produce the best long-term result for everyone. To do this, we will use appropriate controls to guide development, particularly in key areas of the city. This includes guiding development in the northern part of the city where rapid growth is expected in coming years and implementing the District Plan. An important component of our overall urban planning and policy work is how we manage infill developments. This is a priority for the Council as we work on the 'growth spine concept'.

**Community outcome**

This activity contributes towards the following outcome:

- *People-centred City* – this activity ensures the city's built form is developed in appropriate ways
- *Eco-city* – urban planning is focused on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices.
- *Dynamic Central City* - this activity shapes how the built form and urban culture of the city is developed into the future

**Who Benefits?**

*Whole community*

100%

Urban planning ensures the city grows in a controlled way that is environmentally sustainable, enhances community cohesion, and encourages high-quality developments. While the Northern Growth Management Framework is obviously specific to that area, the benefits of improved infrastructure and co-ordinated growth will be felt city-wide.

**Who should pay?**

*Whole community*

100%

The Council seeks to build stronger communities through funding this activity. Our aim is to make Wellington even more liveable – making it a great place to be by offering a variety of places to live, work and play within a high quality public environment. Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

## ACTIVITY 6.1.2: CITY SHAPER DEVELOPMENTS

The Wellington waterfront is a key area of the city. We oversee its development in line with a guiding policy, the Wellington Waterfront Framework. Management of waterfront development is carried out by a Council controlled organisation, Wellington Waterfront Limited.

Our role includes preparing an annual work plan that outlines short and long- term development proposals for the waterfront and funding the operations of Wellington Waterfront Limited.

### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* - the waterfront offers safe open spaces that welcome and engage people and encourage them to stay.
- *Dynamic Central City* – the waterfront is an accessible and unique component of the inner city that offers opportunities for relaxation, recreation and leisure.

### Who Benefits?

Whole community

100%

This work benefits the whole community by making the city more attractive and vibrant, and providing valuable recreation opportunities. Through development of public spaces that complement the natural beauty of the waterfront, the image and the “sense of place” that people have for the city is enhanced. Waterfront development attracts people into the city, supporting social cohesion and aiding the economy.

While the direct beneficiaries are mainly people who choose to visit the waterfront, these benefits are not exclusive. When one person visits Queen’s Wharf or Frank Kitts Park, that doesn’t stop anyone else from being in the area too. Nor would it be practical or acceptable to identify users of the waterfront and require them to pay. Similarly, though people living in the inner city benefit from better access to the waterfront, this is outweighed by the benefits to all people in the city.

The operational spending for this activity covers planning and public consultation. All residents benefit from the opportunity to have their views heard.

### Who should pay?

Whole community

100%

Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |



### ACTIVITY 6.1.3: PUBLIC SPACES AND CENTRES DEVELOPMENT

We fund work to develop the street environments, urban parks and squares, and other public areas in the city and suburban centres. We aim to make these areas safe, accessible and attractive, with plenty of green space. This activity includes maintenance of the city's public artworks and consultation, planning and co-ordination of suburban centre upgrades.

#### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – development of public squares and parks enhances people's enjoyment of the city and contributes to our civic pride and our 'sense of place'.
- *Dynamic Central City* – public spaces are an important component of the inner city providing accessible opportunities for relaxation, recreation and leisure for residents and visitors. High-quality developments make the city a more attractive place to live, attract visitors and support business opportunities..

#### Who Benefits?

Whole community

100%

This work benefits the whole community by enhancing the urban environment, making the city safer and contributing to the vibrancy of Wellington. All residents and visitors to the city are able to enjoy its public spaces. While those who use city or suburban shopping areas, urban parks, squares and other public areas receive direct benefits, these benefits are not exclusive and it would not be desirable or acceptable to require people to pay for them directly. Similarly, though individual suburbs benefit from work on suburban centres, these upgrades are not restricted to particular areas of the city – upgrades either have been carried out recently or are timetabled across many suburbs.

As well as enhancing the environment, development of city and suburban centres benefits the economy and enhances people's pride in the city.

#### Who should pay?

Whole community

100%

While centre development provides a clear benefit to geographical suburban areas, targeted rates to fund these activities are not considered appropriate given the broad benefit to the community as a whole, and that centre upgrades are scheduled to occur throughout the city. The public good benefit over-rides any direct benefit to individual communities. However, if a suburban community asks for a higher standard of upgrade, or an earlier timeline than the Council has planned, the Council may consider imposing a targeted rate.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

#### ACTIVITY 6.1.4: BUILT HERITAGE DEVELOPMENT

In order to promote Wellington as a place that celebrates its landmarks and heritage, we work to help protect and restore the city's heritage assets.

The District Plan ensures heritage buildings, trees, monuments and other assets, and sites of significance to tangata whenua, are recognised and that controls are in place to manage changes to or removal of these assets.

Our work in this area includes maintaining an inventory of heritage sites, restoring significant heritage buildings in public ownership and upgrading heritage sites.

##### Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – heritage buildings contribute to the city's distinct identity and enhance its sense of place.

##### Who Benefits?

Whole community 100%

This work benefits the whole community by protecting the city's heritage. Preservation of city landmarks enhances the city's image, makes it more attractive, and contributes to people's sense of history and community pride. The community also benefits from enhancement of publicly-owned heritage assets.

##### Who should pay?

Whole community 100%

Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

##### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

#### 6.2 Building and Development Control

##### ACTIVITY 6.2.1: BUILDING CONTROL AND FACILITATION

The Council has a statutory responsibility under the Building Act and the Resource Management Act to control building developments. This includes ensuring buildings are safe and sanitary, and do not threaten environmental quality or public health.

Work includes issuing and monitoring building consents - we have building guidelines to make sure buildings meet the required standards. We also have responsibilities under the Fencing of Swimming Pools Act to ensure all swimming pools are adequately fenced.

#### **Community outcome**

This activity contributes towards the following outcome

- *People-centred City* - All cities control building work according to the provisions of the Building Act and codes. These controls are necessary to protect public health and safety, and to protect future users of land and buildings.
- *Eco-city* - we promote intensive development, rather than sprawl into green spaces, and encourage the greening of streets, buildings and places.

#### **Who Benefits?**

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 80% |
| <i>Whole community</i> | 20% |

Our building control work benefits private individuals – the people and companies that build or redevelop homes, offices and other buildings. Our work ensures these buildings are safe and meet legal requirements. These benefits apply to buildings which, in almost all cases, are for private and exclusive use. The people who use our building consent services are clearly identifiable and can be stopped from using the service if they refuse to pay.

Similarly, the beneficiaries of our efforts to ensure swimming pools are adequately fenced are private individuals – those people who own and use swimming pools and those who are kept safe because pools are fenced.

#### **Who should pay?**

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 65% |
| <i>Whole community</i> | 35% |

While individuals receive the benefits of our building control work, we are constrained in our ability to recover costs from those individuals. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all.

In addition, to meet all the costs of building consents through user charges we would need to raise the charges to a level that may create an incentive for homeowners to avoid the consent process and carry out illegal building work.

These factors mean that, historically we have been able to recover only about half the cost of this activity through user charges. Recent efforts to improve this rate of cost recovery have resulted in some improvements, however additional costs accruing from the Building Act have off-set these gains. Accordingly, the Council's target is to fund 50 percent of the cost of this activity through user charges. However, we plan to raise this target over time.

#### **Our funding targets: operating expenses**

|                     |             |
|---------------------|-------------|
| User charges        | 65%         |
| Other revenue       | 0%          |
| Targeted rate       | 0%          |
| <u>General rate</u> | <u>35%</u>  |
| <b>TOTAL</b>        | <b>100%</b> |

## ACTIVITY 6.2.2: DEVELOPMENT CONTROL AND FACILITATION

The Council has a statutory responsibility under the Resource Management Act to ensure land and other resources are used sustainably. The District Plan, adopted in 2001 after public consultation, contains specific policies relating to land and resource use in the city. We administer the District Plan, regulating developments to ensure they are safe, sustainable and meet public expectations. Specific activities, including issuing resource consents, monitoring compliance and dealing with complaints about environmental matters, are covered by this activity.

### Community outcome

This activity contributes towards the following outcome

- *People-centred City* - All cities control development work according to the provisions of the Resource Management Act and District Plan. These controls are necessary to ensure resources are used sustainably, to protect public health and safety, and to protect future users of land and buildings. They're also needed to protect urban character and to preserve the city's heritage.

### Who Benefits?

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 60% |
| <i>Whole community</i> | 40% |

The main beneficiaries of this work are the individual people and businesses involved in land subdivision and development or use of other resources. This work helps ensure the developments are safe, sustainable and meet legal obligations.

There is also a significant public benefit. By controlling the safety and environmental effects of developments, we help prevent harm to members of the public both now and in the future.

### Who should pay?

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 50% |
| <i>Whole community</i> | 50% |

While individuals receive an estimated 60 percent of the benefit from the Council's development control work, our ability to recover costs from those individuals is limited. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all. In addition, while individuals causing damage to the environment should bear the costs of dealing with their actions, it is not always possible to identify them.

To meet 60 percent of the costs of resource consents through user charges would require raising them to a level that may create a disincentive for growth and development of the city, potentially harming the economy.

These factors mean that, historically, we have been able to recover only about a third of the cost of this activity through user charges. Further initiatives are being investigated to improve this rate in the future.

### Our funding targets: operating expenses



|               |             |
|---------------|-------------|
| User charges  | 50%         |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 50%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 6.2.3: EARTHQUAKE RISK MITIGATION – BUILT ENVIRONMENT

Earthquake Resilience is a key focus for Wellington City Council. The Council has a statutory responsibility under the Building Act to mitigate the risks that earthquakes may have on structures. This activity covers that work and also the contribution that the Council may make to a localised earthquake assessments.

#### Community outcome

This activity contributes towards the following outcome

- *People-centred City* - Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 6.2.4: BUILDING CONTROL AND FACILITATION – WEATHERTIGHT HOMES

#### Community outcome

This activity contributes to a 'People Centred City' by providing resolution to the weathertight homes issue, by supporting repairs to provide healthier and more resilient homes.

#### Who Benefits

|                 |      |
|-----------------|------|
| Whole Community | 100% |
|-----------------|------|

Resolving weathertight homes issues provides benefits to the Community as a whole. Through no fault of their own, individuals are stuck with leaky homes which can, in the worst circumstances, affect the health and well being of those living there. Ensuring homes get fixed improves the health and well being of individuals and reduces the call on the Community's health services. It also ensures the quality of housing stock available to residents in the City.

It is not considered that the actions or inactions of any individuals or group have directly contributed to the requirement to address the resolution of weathertight homes issues.

|                       |      |
|-----------------------|------|
| <b>Who should pay</b> |      |
| Whole Community       | 100% |

Since the activity benefits the community as a whole, the fairest and most effective way to ultimately fund it is from general rates. The quantum of the liability required to be funded will likely necessitate the use of borrowings to spread the cost and ensure that the affordability of any rates funding requirement is considered and managed.

Given the specific nature of the cost it is important that any borrowing and rate funding associated with this activity are transparent and that these funds are effectively ring fenced and only used for the specific purpose of settling weathertight homes claims and the associated interest costs from any related borrowings. There are minimal costs associated with a decision to fund this activity distinctly from other activities.

|  |             |
|--|-------------|
| <b>Our funding targets: operating expenses</b> |             |
| User charges                                   | 0%          |
| Other revenue                                  | 0%          |
| Targeted rate                                  | 0%          |
| General rate                                   | 100%        |
| <b>TOTAL</b>                                   | <b>100%</b> |

## Transport

### Providing quality connections

We're responsible for Wellington's extensive transport network, and for planning for the city's future transport needs. We see a high-quality transport system as critical to the city's economy and quality of life. Our transport activities include looking after hundreds of kilometres of city roads, as well as accessways, footpaths, cycleways, parking facilities, traffic signs and signals, street lighting and pedestrian crossings. We also manage parking areas and have an ongoing programme of safety promotion.

### Operating activities

The funding sources for this area are illustrated in the graph below.

| Activity Area | Activity Grouping | Activity | Activity Component Name             | User Fees | Other Income | Rates | General | Residential Target | Commercial Targeted | Downtown Targeted / Other |
|---------------|-------------------|----------|-------------------------------------|-----------|--------------|-------|---------|--------------------|---------------------|---------------------------|
| Transport     | Transport         | 7.1.1    | Transport planning                  | 0%        | 15%          | 85%   | 85%     | 0%                 | 0%                  | 0%                        |
|               |                   | 7.1.2    | Vehicle network                     | 0%        | 5%           | 95%   | 95%     | 0%                 | 0%                  | 0%                        |
|               |                   | 7.1.3    | Cycle network                       | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|               |                   | 7.1.4    | Passenger transport network         | 0%        | 65%          | 35%   | 35%     | 0%                 | 0%                  | 0%                        |
|               |                   | 7.1.5    | Pedestrian network                  | 0%        | 0%           | 100%  | 100%    | 0%                 | 0%                  | 0%                        |
|               |                   | 7.1.6    | Network-wide control and management | 35%       | 15%          | 70%   | 70%     | 0%                 | 0%                  | 0%                        |
|               |                   | 7.1.7    | Road safety                         | 0%        | 30%          | 70%   | 70%     | 0%                 | 0%                  | 0%                        |
|               | Parking           | 7.2.1    | Parking                             | 100%      | 0%           | 0%    | 0%      | 0%                 | 0%                  | 0%                        |

### Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Transport capital expenditure projects are funded through a combination of NZTA subsidies, rates funded depreciation and borrowings.

## Transport – activity funding commentary

### 7.1 Transport

#### ACTIVITY 7.1.1: TRANSPORT PLANNING

The mixed modes and changing demands on transportation means that transportation planning becomes increasingly important. The Council's work in this area is closely linked to the work that we carry out under urban development. We also incorporate travel demand management planning as a component part of our overall transport and urban planning work.

#### Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* - a network that is efficient means fewer cars are stuck in traffic meaning less emissions are produced
- *Dynamic Central City* – A network that allows easy movement of people and goods is vital for business and a significant competitive advantage.

#### Who Benefits?

Whole community 100%

This activity is of benefit to the whole community.

A well planned transportation network plays an important part in making the city more liveable. It provides for the efficient movement of freight and it allows for people to be better connected, aiding social cohesion.

#### Who should pay?

Whole community 85%  
Other 15%

A part of the cost of this activity is funded by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. As the activity is of benefit to the whole community it is considered fair and appropriate that the remainder be funded from the general rate.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 15%         |
| Targeted rate | 0%          |
| General rate  | 85%         |
| <b>TOTAL</b>  | <b>100%</b> |



## ACTIVITY 7.1.2: VEHICLE NETWORK

We manage a network that includes 74 bridges, four tunnels, and more than 650 kilometres of urban and rural roads, as well as all related pavements and service lanes. Upkeep of these roads includes resurfacing and major structural works, such as maintenance and earthquake-strengthening of bridges and tunnels.

This activity also covers port access. The efficient movement of freight to and from the port is an important contributor to the city's economy. We work alongside the port authorities to ensure we can find appropriate solutions to the movement of freight so that these reduce any negative impacts on other users of the vehicle network.

As steward of the roads in a harbour city, we also have a responsibility to maintain sea walls, as well as the walls on dry land that make up the 'road corridor'.

### Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* - the network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* – the network provides for easy and affordable movement to and around the central city, especially by walking.

### Who Benefits?

*Whole community* 100%

The city's vehicle network is a vital public asset. Roads are available for all residents and visitors to use and, under the current law; we cannot charge anyone for using them. The vehicle network is not in competition with any privately-provided alternative. It benefits all residents by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. For example, an efficient vehicle network allows people to get to work, visit friends and family, and get their children to school. This 'public good' aspect of the vehicle network is reflected in the fact that the Council's responsibility for providing and maintaining the network is enshrined in law.

The direct beneficiaries of the vehicle network are road users. This includes businesses that use roads for commercial purposes such as transporting goods. It also includes everyone who drives cars. But there are also many indirect beneficiaries, including people who never leave their homes but receive meals on wheels or mail deliveries.

It may be argued that the commercial sector receives a higher direct benefit than city residents. Heavy commercial vehicles cause more wear and tear on the roading network than private cars. However, it is not possible to reasonably assess how much benefit falls to each group.

### Who should pay?

*Whole community* 95%  
*Other* 5%

A significant part of our vehicle network costs are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. Of the remaining costs, as the community as a whole benefits from the vehicle network, the fairest and most efficient way to fund this activity is from general rates. While there may be arguments for imposing some direct costs on road users and, in particular, on heavy vehicles which cause a significant amount of wear and tear, the Council currently has no legal means of charging road users.

The amount of the NZ Transport Agency subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

#### Our funding targets: operating expenses

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 5%          |
| Targeted rate | 0%          |
| General rate  | 95%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 7.1.3: CYCLE NETWORK

The Council maintains cycleways in the city and suburbs. These require regular upkeep to ensure they have smooth surfaces, clear lane markings and signage, as well as cycle stands at appropriate parking points.

#### Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the cycle network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the cycle network provides transport choices that connect people with each other and with places locally.
- *Eco-city* – the cycle network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* – the cycle network provides for easy and affordable movement to and around the central city.

#### Who Benefits?

Whole community 100%

The cycleways provide significant benefits to the whole community. By encouraging people to walk and use cycles, they benefit the environment and improve residents' overall levels of health. By reducing the amount of traffic, they make the city's roads safer. Also, though not all residents use them, the opportunity is available for all. As an integral part of the transport network, the cycleways are a public asset.

The direct beneficiaries of the city's cycleways are clearly the people who use them. This includes both cyclists and pedestrians who use the cycleways as de facto walkways. The cycleways provide these people not only with transport but recreational opportunities. However, it would be impractical to charge a fee on these users.

**Who should pay?**

*Whole community* 100%

Because the community as a whole benefits from our provision of the cycleway network, the fairest and most efficient way to fund this activity is from general rates. Identifying individual users and charging them for their use would not be practical. Charging would also discourage people from using the cycleways, meaning the benefits from their use to the city's social and environmental well-being would be lost.

**Our funding targets: operating expenses**

|                     |             |
|---------------------|-------------|
| User charges        | 0%          |
| Other revenue       | 0%          |
| Targeted rate       | 0%          |
| <u>General rate</u> | <u>100%</u> |
| <b>TOTAL</b>        | <b>100%</b> |

### ACTIVITY 7.1.4: PASSENGER TRANSPORT NETWORK

Support for the city's public transport network is a major commitment for the Council. Our aim is to encourage greater use of the buses and rail, as this would improve energy efficiency and reduce pollution.

**Community outcome**

This activity contributes towards the following outcome

- *People-centred City* – the passenger transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure
- *Connected City* – the passenger transport network provides accessible and safe transport choices that connect people with each other and with places locally
- *Eco-city* - the passenger network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* – the passenger transport network provides for easy and affordable movement to and around the central city, especially by walking.

**Who Benefits?**

*Whole community* 100%

The whole community benefits from this activity through improved access to public transport and provision of public shelters and transport information. While individual users of public transport receive the most direct benefit, the Council-provided services such as bus shelters are available to all. Encouraging use of public transport has wider community benefits including a cleaner environment and less congested roads.

**Who should pay?**

*Whole community* 35%  
*Other* 65%

While the whole community benefits from this activity, the Council receives income for advertising on bus shelters. This income covers the majority of the cost of providing the Council's passenger transport network services, however this is dependant on advertising demand and revenue.

The funding target has been set in line with current forecasts for advertising revenue.

The Greater Wellington Regional Council also funds projects as a part of its statutory responsibilities for public transport.

**Our funding targets: operating expenses**

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 65%         |
| Targeted rate | 0%          |
| General rate  | 35%         |
| <b>TOTAL</b>  | <b>100%</b> |

### ACTIVITY 7.1.5: PEDESTRIAN NETWORK

Pedestrian safety is a crucial aspect of the transport network. The Council maintains more than 800 kilometres of footpaths, as well as pedestrian subways, bridges, canopies, seats, bollards and fountains.

**Community outcome**

This activity contributes towards the following outcome

- *People-centred City* – the pedestrian network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the pedestrian network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the pedestrian network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* – the pedestrian network provides for easy and affordable movement to and around the central city.

**Who Benefits?**

Whole community 100%

This work benefits the whole community by ensuring that footpaths and access-ways are safe and well maintained. While it might be argued the individuals who use footpaths are the direct beneficiaries, in practice that includes most residents, visitors to the city and therefore businesses. It would not be practical to assess benefits on an individual basis.

**Who should pay?**

Whole community 100%

Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs. A small amount of user charge income is received from the operators of street-side commercial activities. However, this income is not consistent or predictable and is therefore not included in our targets.

**Our funding targets: operating expenses**

|               |      |
|---------------|------|
| User charges  | 0%   |
| Other revenue | 0%   |
| Targeted rate | 0%   |
| General rate  | 100% |



|       |      |
|-------|------|
| TOTAL | 100% |
|-------|------|

### ACTIVITY 7.1.6: NETWORK-WIDE CONTROL AND MANAGEMENT

Traffic flows need to be managed to minimise congestion at busy periods. We run a control system based on over 100 sets of traffic lights, and a dozen closed circuit television camera systems and a central traffic computer system. This activity also covers traffic sign maintenance and road marking maintenance.

#### Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the network reflects our commitment to sustainable, safe and efficient transport choices

#### Who Benefits?

|                        |      |
|------------------------|------|
| <i>Whole community</i> | 100% |
|------------------------|------|

Network management is crucial in a modern, efficient vehicle network. The beneficiaries of our work in this area are the whole community. By controlling traffic flows, we make the city's roads safer, more efficient and help reduce travel times.

This work also has benefits for the whole community, as a safe, efficient transport system benefits the economy and is important for public health and social connectedness.

#### Who should pay?

|                        |     |
|------------------------|-----|
| <i>Whole community</i> | 70% |
| <i>User Charges</i>    | 15% |
| <i>Other</i>           | 15% |

The main elements of this activity benefit the whole community. A significant part of these activities are funded by subsidy from the Government New Zealand Transport Agency (NZTA), derived from fuel taxes.

There are also User Charges for individual users of the Transport Network. We are constrained in our ability to recover total costs from all individuals particularly when the whole community benefits from these activities on the network. In these cases the fairest and most efficient way to fund these activities is from general rates.

#### Our funding targets

|               |     |
|---------------|-----|
| User charges  | 0%  |
| Other revenue | 25% |
| Targeted rate | 0%  |

|              |      |
|--------------|------|
| General rate | 75%  |
| TOTAL        | 100% |

### ACTIVITY 7.1.7: ROAD SAFETY

We make ongoing improvements to the safety of our road network. This work involves a wide range of measures including improving lighting, widening footpaths, installing 'traffic calming' measures such as speed humps, and installing barriers and handrails to protect pedestrians.

#### Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices that are safe and accessible from their homes to shops, for work, recreation and pleasure.

#### Who Benefits?

Whole community 100%

This work helps reduce accidents and ensures the transport network is safe. The benefits are felt by the whole community, including all road users, pedestrians, cyclists and all others who benefit from the city having a safe, efficient transport network.

#### Who should pay?

Whole community 70%  
Other 30%

A significant part of our costs for this activity are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from the fuel taxes it gathers. We also receive some income in relation to this activity from the Land Transport Safety Authority. Of the remaining costs, as the community as a whole benefits from a safe vehicle network, the fairest and most efficient way to fund this activity is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

#### Our funding targets

|               |      |
|---------------|------|
| User charges  | 0%   |
| Other revenue | 30%  |
| Targeted rate | 0%   |
| General rate  | 70%  |
| TOTAL         | 100% |

### 7.2 Parking

### ACTIVITY 7.2.1: PARKING

The Council provides short-term, metered roadside car parks in the city centre. We aim to have a high turnover of these parks. We also operate coupon and resident parking in areas to give city dwellers on the fringe of the central business district some relief from the daily influx of commuters.

#### Community outcome

This activity contributes towards the following outcome

- *People-centred City* – central city car and motorbike parking is important for shoppers, people working in the city, visitors to the city, and people coming in to the city for recreational activities. It is also necessary to allow for goods to be picked up and delivered throughout the city. The provision of car parking helps make Wellington a liveable, prosperous city.

#### Who Benefits?

|                        |     |
|------------------------|-----|
| <i>Individuals</i>     | 75% |
| <i>Whole community</i> | 25% |

The direct beneficiaries of the Council's parking services are clearly those people who use car parks. These benefits are private and exclusive. Two people cannot use the same car park at the same time and it is appropriate to charge people for using car parks. The Council's parking services operate in competition with other private sector providers.

It might also be argued that retailers benefit directly from the Council's provision of car parks. However, there is no practical way of assessing whether people are using car parks to go shopping or for other purposes such as recreation.

The community as a whole also receives benefits from the Council's parking activities. On-street car parking is time limited to encourage a high turnover of parks, as this helps bring people into the city and benefits the commercial sector. All ratepayers benefit from the income derived from this activity, as it offsets the cost of providing the vehicle network.

#### Who should pay?

|                    |      |
|--------------------|------|
| <i>Individuals</i> | 100% |
|--------------------|------|

Since the principal benefit from the Council's parking services is to identifiable individuals it is appropriate for them to bear the costs through user charges.

While it might be argued general ratepayers should meet 25 percent of the costs, reflecting the benefit to the community as a whole, this would be inappropriate for a number of reasons. First, the level of demand for car parks suggests people using them believe they represent good value. As the principal benefit is to these individuals, it is appropriate to set user charges at a level the market will accept. Second, the Council's parking services operate in competition with private car park operators and setting lower fees would unfairly disadvantage those operators and potentially reduce the supply of off-street parking in the city. Third, the individuals using car parking spaces also benefit through being able to use ratepayer-funded roads and footpaths, and their contribution through parking fees offsets the cost of providing these services.

This activity recovers significantly more revenue, through enforcement and meter charges than the operating costs. The Council believes this is appropriate as it supports our transport and retail policies. These policies aim to improve access to on-street parking and increase turnover of parking.

|  |      |
|--|------|
| <b>Our funding targets: operating expenses</b> |      |
| User charges                                   | 100% |
| Other revenue                                  | 0%   |
| Targeted rate                                  | 0%   |
| General rate                                   | 0%   |
| TOTAL  | 100% |



## **2015-25 LTP 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
- 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.

#### **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 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.

## **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

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

<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.



|  |   |  |   |  |
|--|---|--|---|--|
| Final<br>Improvement<br>Value \$ per m2<br>(A) | - | Initial<br>Improvement<br>Value \$ per m2<br>(B) | x | Initial floor area<br>of earthquake<br>prone building<br>(C) |
|--|---|--|---|--|

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:

- 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
- 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

#### **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:

- the building must have been on the Earthquake Prone Buildings list<sup>3</sup>
- the building owner must have taken action to remove their building from this list either through seismic strengthening or building removal
- 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:

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

- 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

#### **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:

- 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 following Special Housing Areas:

- Lower Stebbings
- Lincolnshire-Woodridge
- 30 White Pine Avenue, Woodridge
- The Reedy Land, 28 Westchester Drive, Glenside
- Spenmoor Street, Newlands
- 34 Winsley Terrace, 150 and 184 Ohariu Valley Road and 224 Westchester Drive

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:

- i. the new residential development must be within the following Special Housing Areas<sup>4</sup>
  - a) Lower Stebbings
  - b) Lincolnshire-Woodridge
  - c) 30 White Pine Avenue, Woodridge
  - d) The Reedy Land, 28 Westchester Drive, Glenside
  - e) Spenmoor Street, Newlands
  - f) 34 Winsley Terrace, 150 and 184 Ohariu Valley Road and 224 Westchester Drive
- 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.

<sup>4</sup> As defined by the legislative instrument 'Housing Accords and Special Housing Areas (Wellington) Order 2014'



The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

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)).

##### **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.

## **2015-25 LTP RATES POSTPONEMENT POLICY**

### **Policy objective**

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

### **Conditions and criteria**

#### **For residential and other land rated at the Base differential:**

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i) the applicant must be unable to pay their rates bill because of personal circumstances, and
- ii) the applicant must have tried all other avenues (including seeking a reverse mortgage from their bank) to fund their rates, and
- iii) the applicant must have no significant assets (other than their family home), and
- iv) the applicant must accept a legal charge to the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form. An application fee of \$200 (including GST) will be charged and added to the total value of rates postponed on the first successful postponement application granted on each rating unit.

Before applications are processed, applicants must be provided with information that clearly sets out the long term effect of postponing rates on their estate. Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

#### **For land rated at the Commercial, Industrial and Business differential**

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

- i) the applicant must be unable to pay their rates because of business circumstances, and
- ii) the applicant must have tried all other avenues (including obtaining a loan from their bank) to fund their rates, and

- iii) the net value of an applicant's property (after the value of all mortgages on the property and the total value of the rates postponed) must exceed 10 percent of the market value of the property i.e. the Council will not postpone rates where there is a significant risk that the rates will not be paid at some time in the future, and
- iv) the applicant must accept the Council's legal charge over the property.

Approval of rates postponement is a one-off event. A one-off application fee of \$200 (including GST) will be charged on all successful postponement applications. Rates postponed on commercial, industrial or business property must be paid in full by the start of the Council's next financial year (ie 1 July).

Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

**Delegation**

Decisions relating to the postponement of rates are delegated to the Chief Executive, Chief Financial Officer, and Manager Financial Accounting.



## **INVESTMENT AND LIABILITY MANAGEMENT POLICIES**

### **GENERAL POLICY OBJECTIVES**

The Council's general policy objectives relating to its investment and liability management are to:

- Minimise the Council's overall costs and risks associated with its borrowing activities and the general management of its other liabilities.
- Manage its borrowings and cash assets on a "net debt" basis in order to reduce the overall net cost to the Council.
- Optimise the return on its investment portfolio and other financial assets.
- Manage the Council's exposure to adverse interest rate movements.
- Borrow and invest funds and transact risk management instruments within an environment of control and compliance.
- Regularly review and consider the performance of the Council's financial assets and investments. Where appropriate, the Council will dispose of under performing assets or those assets and investments that are not essential to the delivery of services and activities set out in the Council's Long Term Plan (LTP).

More detail on the Council's investment and borrowing policies, operating procedures and associated internal controls is contained in the Treasury Management Policy.

### **INVESTMENT POLICY**

#### **Policy Statement**

The Council operates on a "net debt" basis, and does not separately maintain significant long term cash investments. The general policy with respect to surplus short term cash is to invest any short term surplus cash or to utilise it to reduce borrowings.

The Council currently maintains an equity interest in Wellington International Airport Limited (WIAL) and an ownership and financial interest in ground leases and investment properties. The Council will continue to review the level of investment as well as the return it receives on these investments.

Where appropriate, the Council may choose to dispose of investments/financial assets that no longer meet our investment objectives.

#### **Investment Mix and Associated Objectives**

The Council categorises its investments into 5 broad categories:

##### ***Cash and Cash Equivalents***

The Council may invest funds with approved registered banking institutions. These investments generally mature in less than one year, and are held primarily for working capital/liquidity purposes or the pre-funding of debt maturing within twelve months.

##### ***Income generating commercial debt instruments***

These are principally loans to other organisations (on commercial terms) which deliver a cash-flow return to the Council.

***Income generating commercial equity investments***

Equity investments arise from the Council owning or controlling an equity holding (e.g. shares) in another entity.

The Council currently maintains a 34% shareholding in Wellington International Airport Limited (WIAL). In the event that a call for capital is made by WIAL the Council's objective is to maintain its shareholding at 34% unless a specific resolution is passed not to do so. As a result, should the Council be required to inject additional capital in WIAL to maintain its existing shareholding, it will do so without further consultation.

***Income generating commercial property investments***

Investment properties are the Council's ground leases and land and buildings held primarily for investment purposes. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in comparison to other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership to the City and in terms of the most financially viable method of achieving the delivery of Council services.

***Non income generating investments***

This includes loans to other organisations, and equity investments in Council Controlled Organisations. The Council may consider the provision of loans to Community groups but only in exceptional circumstances. The Council's non income generating investments are held for strategic or ownership reasons.

In addition to the above investment categories, the Council may assume financial risk associated with providing contributions, guarantees and underwrites, where these meet the Council's strategic objectives and outcomes. Such undertakings require a Council resolution.

***New Zealand Local Government Funding Agency Limited***

The Council currently maintains a 8% shareholding and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA).

The Council's objective in making any such investment is to:

- a. obtain a return on the investment; and
- b. ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council has invested in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

The Council has also subscribed for \$2m of uncalled capital in the LGFA.

#### **Investment Acquisition/Addition/Disposal**

With the exception of the day to day investment of short term cash and cash equivalents, all new investments, additions to existing investments, and/or disposals of existing investments must be approved by the Council. The day to day management and investment of short term cash and cash equivalents may be made by Council officers in accordance with the Treasury Management Policy.

The Council will continue to maintain its current level of investment in WIAL (being a 34% equity interest) until it considers that it is strategically, financially and economically prudent to dispose of the investment.

Proceeds from the sale of investments will be used to repay existing borrowings, unless the Council specifically directs that the funds be put to another use.

#### **Reporting**

##### ***Investments in CCOs***

Monitoring of the Council's equity investment and ownership interest in Council Controlled Organisations (CCOs) is undertaken by the Council Controlled Organisation Performance Sub-Committee. The Sub-Committee reports to the Governance, Finance and Planning Committee and is responsible for:

- monitoring Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), and Council Organisations (COs),
- reviewing the above organisations' quarterly reports, annual reports, business plans, strategic plans and statements of intent, and
- monitoring the performance of appointed members on CCOs.

##### ***All other investments***

The Governance, Finance and Planning Committee is responsible for monitoring all other investments and providing recommendations to the Council in regard to strategies, policy and guidelines in relation to those investments. The Governance, Finance and Planning Committee will receive and review the quarterly Treasury report contained within the consolidated quarterly report.

#### **Risk Management**

The Council's principal exposure on its financial investments is credit risk. Credit risk is minimised by the Council investing in approved institutions with satisfactory credit ratings which are assessed and reviewed by independent credit rating organisations. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

Assessment and management of specific risks associated with the Council's investment in WIAL, LGFA and investment properties will be performed on a regular basis. Any significant changes in the risk profile for these investments will be reported to the Governance, Finance and Planning Committee.

#### **Investment Ratios**

For the purposes of setting its Borrowing and Investment Ratios, the Council defines investments as assets which are cash or readily convertible to cash (either through fixed repayment and maturity profiles, or through sale or exchange) and assets which are held primarily for investment purposes (either for capital growth, commercial rental or interest). This is likely to include:

- Cash and cash equivalents (e.g. term deposits),
- Income generating commercial debt instruments
- Income generating commercial equity instruments

- Income generating commercial property instruments

## **LIABILITY MANAGEMENT POLICY**

In broad terms, the Council manages both current and term liabilities.

### **CURRENT LIABILITIES**

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day to day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

### **TERM LIABILITIES**

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months. Borrowings comprise the majority of the Council's term liabilities.

The Council approves the borrowing programme for each financial year as part of the LTP or Annual Plan. Additional borrowings may be approved by Council on a case by case basis. The Council primarily borrows to fund its new and upgraded capital expenditure programme. In approving new borrowings the Council considers the impact of the proposed level of borrowings on its overall borrowing limits and impact on rates and rates limits.

### **POLICY OBJECTIVES**

The Council primarily borrows to pay for the upgrading of existing assets and the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing is therefore considered the most cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. In addition, Council borrows to meet the costs associated with settling liabilities arising with respect to weathertight homes issues, and the borrowings are repaid from future rates revenues. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment or weathertight homes liabilities affordable to today's ratepayers. Borrowings are maintained at a prudent level, in accordance with the Council's overall financial strategy and specific borrowing limits.

### **POWER TO BORROW**

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002 and its Treasury Management Policy. The Council approves the level of new borrowing in general terms as part of the LTP or Annual Plan. The Council delegates the authority to officers to raise the approved borrowing during the financial year as and when the funding is required. Any additional borrowing beyond that approved in the LTP or Annual Plan must be approved by the Council.



#### **INTEREST RATE EXPOSURE**

Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest-rate risk. The Council manages its cash flow interest-rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Council has set the following specific limits for its interest rate exposure:

#### **MASTER FIXED/FLOATING INTEREST RATE RISK CONTROL LIMIT**

| Minimum Fixed Rate | Maximum Fixed Rate |
|--------------------|--------------------|
| 50%                | 95%                |

The level of fixed interest rate cover at any point in time must be within the following maturity bands:

#### **FIXED RATE MATURITY PROFILE LIMIT**

| Period        | Minimum Cover | Maximum Cover |
|---------------|---------------|---------------|
| 1 to 3 years  | 15%           | 60%           |
| 3 to 5 years  | 15%           | 60%           |
| 5 to 10 years | 15%           | 60%           |

#### **LIQUIDITY**

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 115% of the existing external net debt level. The Council will only drawdown or borrow against these facilities as required.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity risk by managing the maturity of its borrowing programme within the following maturity limits:

#### **BORROWING MATURITY PROFILE LIMITS**

| Period       | Minimum | Maximum |
|--------------|---------|---------|
| 0 to 3 years | 20%     | 60%     |
| 3 to 5 years | 20%     | 60%     |
| 5 years plus | 15%     | 60%     |

#### **CREDIT EXPOSURE**

The Council borrows from approved institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of credit risk. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

#### **LOCAL GOVERNMENT FUNDING AGENCY**

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, will enter into the following related transactions to the extent it considers necessary or desirable:

- a. contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA; and
- b. secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

The Council guarantees the indebtedness of other local authorities to the LGFA, and the indebtedness of the LGFA itself.

#### **BORROWING REPAYMENT**

The Council will repay borrowings from a combination of excess depreciation over and above renewals, sale of surplus or underperforming assets, operating surpluses, and any rates specifically set to repay borrowings, including those associated with settling weathertight homes liabilities, or from the renewal of borrowings.

#### **SPECIFIC BORROWING LIMITS**

In determining a prudent level of borrowings the Council assesses the level of net borrowing against the Council's operating income.

Total Council Net Borrowings will be managed within the following macro limits:

| <b>RATIO</b>   | <b>LIMIT</b> |
|--|--------------|
| Net borrowing as a percentage of income  | <175%        |
| Net Interest as a percentage of income   | <15%         |
| Net Interest as a percentage of annual rates income                                  | <20%         |
| Liquidity (Term borrowing + committed loan facilities to existing external net debt) | >115%        |

#### **SECURITY**

Council borrowings are secured by way of a Debenture Trust Deed (representing a charge over Council rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over its physical assets.

#### **CREDIT RATING**

To provide an independent assessment of the Councils' credit quality, Council maintains a credit rating with an independent rating agency.

## Significance and Engagement Policy

**Absolutely Positively**  
**Wellington City Council**  
Me Heke Ki Pōneke

### **Significance and Engagement Policy** **November 2014**

## Table of contents

|    |   |     |
|----|---|-----|
| 1  | Introduction.....   | 117 |
| 2  | Purpose .....   | 117 |
| 3  | General Approach .....  | 117 |
| 4  | Procedures for Assessing Significance .....                       | 119 |
| 5  | Engagement Overview .....   | 119 |
| 6  | Context.....  | 120 |
| 7  | Organisational Approach .....                                     | 121 |
| 8  | Relationship-Focused Engagement.....                              | 123 |
| 9  | Service-Focused Engagement .....                                  | 124 |
| 10 | Decision-making Focused Engagement .....                          | 124 |
| 11 | Strategic Assets .....  | 127 |
| 12 | Feedback .....  | 128 |
| 13 | Policy Term and Review .....                                      | 128 |
|    | Schedule 1: Factors and Criterion of assessing significance ..... | 129 |
|    | Schedule 2: Strategic Asset List.....                             | 131 |
|    | Schedule 3: Aspirational public commitment on how we engage ..... | 132 |
|    | Schedule 4: Definitions .....                                     | 133 |

Note this table of contents is valid when the policy is a stand along document and is not to be referenced for the entire Volume 2



## **1 Introduction**

- 1.1 The Act requires that councils adopt a Significance and Engagement policy that sets out how the significance of a decision will be determined and how the degree of significance will influence the type and method of engagement with communities. This policy sets out to allow for greater flexibility when consulting and engaging with communities on issues and matters.
- 1.2 This Significance and Engagement Policy is required to show:
- Council's general approach to determining the significance of proposals and decisions
  - Procedures, factors and criteria Council will use in determining which proposals and decisions are of significance
  - When, how and to what extent communities can expect to be engaged in Council's decision-making processes
  - A list of strategic assets owned by Council.

## **2 Purpose**

The purpose of a Significance and Engagement Policy is to

- Enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- Provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters
- Inform the Council from the beginning of a decision-making process about the extent of any public engagement that is expected and the form or type of engagement involved

## **3 General Approach**

- 3.1 An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops. The significance of a decision will be assessed according to the likely impact of that decision on:
- The current and future wellbeing of the city
  - Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
  - The capacity of Council to perform its role, and the financial and other costs of doing so.

The particular criteria that are to be applied in assessing significance and the impact of a decision on the matters listed above are set out in more detail in section 4.1 and 4.3 of this policy and Schedule 1.

- 3.2 Usually, decisions assessed to be of high significance to Council and community will be proposed within the Long-term Plan process so they:
  - are linked to desired community outcomes
  - are proposed in context with other major decisions
  - are put before the community using established processes and timing
  - meet legislative requirements.
- 3.3 The Act requires that any decision that significantly alters the level of service provided by Council of a significant activity (including a decision to commence or cease such an activity), or transfers ownership or control of a strategic asset to or from Council, must be explicitly provided for in the Long-term Plan and can only be consulted on in the Long-term Plan, in accordance with Section 93E. (Section 97(1)(a) and (b)).
- 3.4 There will be circumstances where a decision of high significance must be made outside of the Long-term Plan process. In such circumstances, Council will ensure an engagement and decision-making process is followed in proportion with the high significance of the decision and that this is addressed in a report to Council.
- 3.5 Any such report will address Council's responsibilities under sections 76, 77, 78, 80, 81 and 82 of the Act (as applicable). In general, these sections of the Act require Council to:
  - Identify and assess all reasonably practical options, including the advantages and disadvantages of those options.
  - Take into account the views and preferences of persons likely to be affected or have an interest in the matter
  - Identify and explain any significant inconsistency between the decision and any policy or plan adopted by Council
  - Provide opportunities for Māori to contribute to the decision-making process
  - Promote compliance with the principles of consultation, including giving interested persons a reasonable opportunity to present their views.
- 3.6 For decisions that do not have a high level of significance, Council's aim is to comply with sections 76 to 82 in its decision-making processes. However, for decisions that are to be made under delegated authority, and for which there is no Council or committee report, Council will not necessarily formally document the assessment of significance, and compliance with sections 76 to 82.
- 3.7 Council will ensure that in fulfilling the above requirements, the level of attention, consideration, disclosure, and engagement taken is in proportion to the significance of the decision.

## 4 Procedures for Assessing Significance

- 4.1 In general, the significance of an issue lies somewhere on a continuum from low to high. Council has identified the following criteria to assess the degree of significance:
- Importance to Wellington City
  - Community Interest
  - Consistency with Existing Policy and Strategy
  - Impact on Council's capacity and capability
- 4.2 The factors relevant to assessing against these criteria are set out in ***Schedule 1: List of Criterion and Factors***
- 4.3 Other criteria that can be taken into account are:
- The cost of the decision (the higher the cost the greater the degree of significance)
  - Reversibility of the decision (the more difficult to be undone generally the higher the significance)
  - Degree of impact on affected individuals and groups (assessing the consequences of the decision)
  - Impact on the Levels of Service/rates or debt (the greater the impact the higher the likelihood that the proposal will be significant)
  - Involvement of a strategic asset in the decision, (should the decision involve a strategic asset/group of assets, it is more than likely to have a higher degree of significance attached to it).
- 4.4 When a high degree of significance is indicated by two or more criteria, the issue is likely to be significant. The criteria merely provide a mechanism for identifying whether a matter is likely to be significant – they are not necessarily determinative of significance. Ultimately, in assessing the significance of a decision, Council will need to have regard to all relevant circumstances.

## 5 Engagement Overview

### 5.1 Purpose of Engagement

Wellington City Council (Council) is committed to engaging with the people of Wellington, communities and other stakeholders. This Policy will enable people to participate in and contribute to decisions advancing the city.

This Policy also relates to the integrated approach Council takes as an organisation to continue building and strengthening its engagement with all stakeholders through a range of channels.

The aim of this Policy is to enable Council to engage on a continuous basis with its communities using a variety of methods to invite individuals and groups to present their views in the most appropriate format.

## 5.2 Local Government Act

This Policy is informed by the Local Government Act 2002, as amended in August 2014. This legislation sets out Council's obligations when exercising its responsibilities in terms of the prudent stewardship of its resources. In doing so, the legislation requires Council to understand the different needs and aspirations of its people and communities by taking diverse views and interests into account.

Under the amended legislation Councils have more flexibility on how to engage with their communities and stakeholders. At the same time Council must provide for how it takes community preferences about engagement into account in this policy.

## 6 Context

### 6.1 Policy Goals

Council managers and staff are guided by a set of goals when they engage with the community. Council aim to:

- shape its proposals and decisions informed by the involvement of, and feedback from the community
- work to ensure its decision-making processes are accessible to all.

### 6.2 Legal Obligations

Council takes many factors into account when determining its activities and how it involves the community. Factors include legislative requirements, such as those in the Local Government Act 2002 and the Resource Management Act 1991, Council bylaws, policies and plans, and Council's role.

Council affirms its obligations to the involvement of Māori in decision-making processes as set down in the Local Government Act 2002, which includes recognition of the Treaty of Waitangi. For example: Section 4 – Treaty of Waitangi which says: "In order to recognise and respect the Crown's responsibility to take appropriate account of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes..."

At different times, Council can be a decision-maker, regulator, service provider, licensing entity, funder or an enforcement entity. Sometimes Council can be acting as a community advocate or participating in another organisation's decision-making processes. Consequently, this Policy and accompanying documents take a principle-based approach to Council's role. This enables the public to have clear expectations of how Council will engage despite the varying ways it operates.

Consultation is a subset of engagement. This Policy sets out Council's aspirations around engagement. It does not mean that Council will need to consult before every decision.

### 6.3 Engagement with Māori



Council will continue to work with the city's two mana whenua iwi, the Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira Incorporated, to ensure their contributions are represented and their status is publicly recognised.

Council acknowledges the unique status of Māori and will continue to utilise a range of different mechanisms to engage with the wider Māori community and ensure their views are appropriately represented in the decision-making process. Council is committed to providing relevant information to inform Māori contribution and improve their access to Council's engagement and decision-making processes.

#### 6.4 Engagement with Diverse Communities

Council will engage with Wellington's diverse communities, including those who may be harder to reach. Appropriate mechanisms and techniques will be chosen to ensure all communities have equal opportunity to have their views represented in the decision-making process.

As it is Council's aim to include as many as possible individuals and groups in its engagement processes, special and specific opportunity will be given to accommodate spoken and sign language interactions.

## 7 Organisational Approach

### 7.1 Informed Engagement

Council has a commitment to engage with its stakeholders and its communities, and will use, as a reference, the International Association of Public Participation (IAP2) spectrum and decision-orientation approach as the foundation for its engagement. The spectrum will help Council to decide what type of engagement is required to match the degree of significance of the matter at hand and enable decisions to be made.

*IAP2 spectrum- current version<sup>2</sup>*

| Inform  | Consult  | Involve   | Collaborate  | Empower                      |
|---|--|---|--|------------------------------|
| Provide balanced and objective information to assist people to understand the issue | Obtain public feedback on analysis, options and/or decisions | Work directly with the public throughout the process to ensure that public concerns and aspirations are understood and considered | Partner with the public on each aspect of the decision, including the development of options and identification of the preferred | Public makes final decisions |

<sup>2</sup> In using the spectrum as a reference tool, the Council will always consider the most up to date version of the spectrum.

|  |  |  |   |   |
|--|--|--|---|---|
|  |  |  | solution  |   |
| <b>Types of issues that we might use for this</b>                      | <b>Types of issues that we might use for this</b>                | <b>Types of issues that we might use for this</b>              | <b>Types of issues that we might use for this</b>       | <b>Types of issues that we might use for this</b>         |
| Water restrictions   | Council Policy and Strategy and Bylaws                           | Wellington City Council District Plan                          | Catchment Management Plan                               | Election voting system (MMP, STV or first past the post)  |
| <b>Example of Engagement type</b>                                      | <b>Example of Engagement type</b>                                | <b>Example of Engagement type</b>                              | <b>Example of Engagement type</b>                       | <b>Example of Engagement type</b>                         |
| Website<br>News articles<br>Press releases<br>Briefings<br>Fact sheets | Submissions<br>Surveys<br>Focus group and Public meetings<br>SCP | Workshops<br>Hui<br>Online engagement tools<br>Surveys/Polling | Advisory groups<br>Committees<br>Hui<br>Citizen's panel | Binding referendum<br>Devolved decision-making<br>Ballots |

Recent surveys and feedback from stakeholders, interest groups and the community indicate a large portion prefer online engagement methods, while some residents still prefer the traditional method of written submissions during the formal engagement process.

## 7.2 Spheres of Engagement and Approaches

Any engagement Council initiates will focus on engaging stakeholders. Council will ensure that when proactive engagement is planned, it will use the following 'spheres of engagement' to help determine the relative priority and resourcing of its work. It will also ensure that clear and consistent messages are given to foreshadow the degree of significance of decisions to be made.

When the significance assessment indicates that a decision is significant (ie has a high level of significance) under Sphere A, Council will use the Long-term Plan and/or the Annual Plan as a mechanism to facilitate full engagement with its community.

| Sphere   | Purpose                      | Description   | Approach  | Examples  |
|----------|------------------------------|---|---|---|
| <b>A</b> | Critical strategic questions | Each year the Council and its business units will identify the critical few big | Tailored approaches designed for strategically significant deliberation and engagement. | Long-term Plan<br>Alcohol Management Strategy<br>Local Alcohol Policy<br>Regional |

|          |   |  |   |   |
|----------|---|--|---|---|
|          |   | conversations to advance the city through collaboration and empowering stakeholder and community activity.   | <ul style="list-style-type: none"> <li>• SCP</li> <li>• Referendum</li> <li>• Hui</li> <li>• Citizens' panel</li> </ul>   | amalgamation<br>Sea-level rise and climate change                         |
| <b>B</b> | Key projects and activities                           | Each year the Council and its business units will identify the key projects that need stakeholder and community involvement.                       | Robust standardised and consistent engagement processes. <ul style="list-style-type: none"> <li>• Submissions</li> <li>• Surveys</li> <li>• Workshops</li> <li>• Public meetings</li> </ul> | Town centre upgrade<br>Policy development<br>Park renewal or improvements |
| <b>C</b> | Business as usual and implementation point activities | The Council will use all of its processes to listen, and capture the views, concerns and values of the people, to inform its policies and actions. | Use of efficient and effective tools and points of contact <ul style="list-style-type: none"> <li>• News media</li> <li>• Briefings</li> <li>• Website</li> </ul>                           | Road repairs<br>Traffic resolutions<br>Service interactions               |

## 8 Relationship-Focused Engagement

This engagement approach emphasises the importance of Council's network of relationships with individuals, communities and other stakeholders. These relationships enable Council to connect with a broad set of perspectives, which reflect the needs and aspirations of different communities of interest.

On a continuing basis, Council and its business units will identify partners and relationships needed to advance the development of the city. These relationships will be maintained using a range of agreements, memoranda of understanding, meetings and forums.

One of the outcomes of this engagement approach is to partner with organisations as hosts for the key conversations for the city. Partners will include:

- mana whenua, iwi and Māori organisations
- community and business organisations
- government and education sectors.

Relationships can occur at different levels within Council – governance (the Mayor and Councillors), the executive, and at an operational level.

Knowledge gained from Council's relationships will be effectively coordinated and managed internally to enhance the outcomes for Wellington City.

## 9 Service-Focused Engagement

### 9.1 Experience of Council Services

People engage with Council through everyday Council services, Council staff and contractors, and by using Council facilities. Their experience of any or all of this contact shapes their opinion of Council and the work it does. For this reason, Council seeks service-focused engagement that:

- results in a positive experience where possible
- is timely, responsive and accessible
- meets the community needs and expectations
- promotes an overall positive image of Council
- actively looks for improvement.

Service-focused engagement is a routine occurrence between staff and/or contractors and the wider public.

### 9.2 Information from Service-Focused Engagement

Everyday comments, feedback and communication are received by Council from its service-focused engagement. These provide a rich source of information for Council to use not only as part of its engagement processes but also as part of business planning and innovation processes. Consequently, at the start of any engagement process, Council will be able to have more meaningful discussions because it will be better informed by what people have already said about the issue at hand.

Council collects information through:

- personal service interactions
- the service and contact centres
- stakeholder meetings
- the media and social media
- public submissions, feedback and commenting.

## 10 Decision-making Focused Engagement

Council is responsible for making many decisions on behalf of its community. As part of decision-making engagement, Council will, where appropriate, engage with interested and/or affected stakeholders to ensure they are able to make their views known and that they are able to inform and influence the decisions. This part of the Policy describes how Council would like to engage in relation to different types of decisions.

### 10.1 How will Council engage?

Council's decision-making activities will be prioritised as either:

***Critical strategic questions – big conversations***



Council will design tailored approaches to specifically guide these strategically significant conversations. These approaches will be guided, in general, by Section 82 of the Local Government Act 2002, having regard to the matters in Section 82 (4) (a) – (e).

Individuals, communities and other stakeholders will be part of the conversation and activities will be tailored to the issue and enable large-scale formal participation if needed. Council will use the Special Consultative Procedure (SCP) (Section 83) of the Local Government Act 2002 where required by law.

*Engagement tools include:* Activities to be used in addition to, or as an alternative to, the SCP include citizen juries, focus groups, surveys, online discussion boards, ballots and deliberative budgeting.

*Examples are:* Long-term Plan, Annual Plan, issues on climate change and sea level rise, local alcohol management and regional governance matters.

**Key projects and activities:**

Council will use robust standardised and consistent engagement processes. This may or may not involve the use of a Special Consultative Procedure. Individuals, communities and other stakeholders will be asked to participate.

*Engagement tools include:* Community meetings, regular project newsletters, submission forms, surveys, and public hearings.

Council acknowledges that the people of Wellington engage with Council all the time in different ways. This 'total engagement' approach means that information gained from engagement will inform Council's decision-making processes and increase the impact of people in decision-making. In particular, Council will review available information before determining the issues for the critical strategic questions and key projects and activities.

*Examples are:* Key new projects e.g. Convention centre, local speed limits, or activities such as town centre upgrade projects, policy development and park renewal or improvements.

**Hot button issues**

These are issues that have a lot of public interest or are emotive but costs, impacts and consequences are limited or very low (eg fluoridation).

*Engagement tools include:* Public comment, surveys and polling

*Examples are:* Alcohol Management Strategy.

**Business as usual**

This include the everyday business of Council.

*Engagement tools include:* Fact sheets and websites.

*Examples are:* Water restrictions or any action within Council's current policy framework.

#### 10.2 Who will Council engage with?

When Council decides the critical questions for the big conversations each year, it will identify who is likely to be affected by or have an interest in the decisions. Council will identify participants from its relationship and service-focused engagement processes. These approaches will also give Council an indication of what has already been said or conveyed to those identified about the matters at hand.

Council will ensure, as appropriate and relevant, that representation is obtained from across the spectrum and that engagement is not dominated by single organisations or sectors of the community. It will also involve participants who can provide information and expertise Council may not otherwise have access to.

Where groups claim to represent a community or sector, Council will encourage them to provide:

- evidence of the authority to represent the community or sector, including a summary of the people and organisations they represent
- information on how they formed their position on the issue concerned.

There may be situations where Council may want a specific group to be involved, but finds the group does not have the capacity or skills needed to engage to an appropriate level. In this case, Council will consider providing opportunities or support that will enable the group to enhance its ability to be involved.

Wellington City stakeholders and community groups have their own relationship with communities and individuals. From time to time, Council may ask for assistance and support to reach these communities and individuals to ensure that their views are represented in the decision-making.

Council recognises that decision-making engagement can facilitate improved mutual understanding between groups with different aspirations and perspectives.

#### 10.3 When might the Council not carry out formal engagement?

From time to time Council may need to make decisions where it is not appropriate to carry out formal engagement, even though the decision might otherwise fit in one of the categories discussed above. For instance, particular time constraints may mean that it is not feasible in the circumstances to carry out formal engagement or consultation.

For example, Council will not undertake formal engagement where:

- in the opinion of the Council, failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety, or the loss of a substantial opportunity to achieve the Council's strategic objectives
- any physical alterations to strategic assets that are required to:
  - prevent an immediate hazardous situation arising

- repair an asset to ensure public health and safety due to damage from an emergency or unforeseen situation.
- 

## **11 Strategic Assets**

- 11.1 Any decision that transfers ownership or control of a strategic asset to or from Council, can only be taken if “explicitly provided for” in the Long-term Plan and consulted on in accordance with section 93E.
- 11.2 List Criteria: Strategic assets are listed in this Policy (Schedule 2) and include any asset of a group of assets that Council has determined to be important to achieving its community outcomes. In addition, an asset or groups of assets have been listed as strategic if Council ownership or control is essential to the long-term provision of the associated service.
- 11.3 Council will take a group or whole of asset approach<sup>1</sup>. Without limiting the application of this provision to other assets, the following examples of the application of this Policy to group assets are given:
- Water supply network assets, means those group assets as a whole and not each individual pipeline, reservoir, and pump station. Council does not consider that addition or deletion of parts of that group asset (being a part of the group asset as a whole) will affect the overall group assets strategic nature.
  - Roading and reserve assets (respectively), means those group assets as a whole. Therefore if Council acquires land for a new road (or the formed road itself) or new reserve lands as a result of subdivision, these additions are part of the day-to-day business of managing the roading and reserves assets.
  - Decisions that involve the transfer of ownership or control of an element of a group strategic asset where the remaining assets of the group enable Council to still meet its strategic outcome, will not on their own be regarded as a strategic asset. Examples include:
    - Decisions to facilitate the development of the Waterfront in accordance with the Waterfront Framework (April 2001) or other similar policy for the Waterfront;
    - Disposal of former roads provided that the Council has followed the road stopping processes under the Local Government Act 2002;
    - Disposal of individual reserves provided that the Council has followed the procedures in the Reserves Act 1977.

---

<sup>1</sup> Does not apply to equity securities in Wellington International Airport Limited.

**12      Feedback**

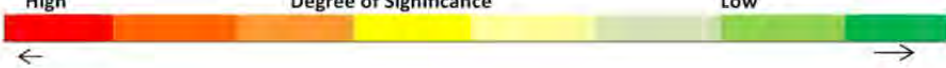
Council will continue to make available all information regarding the decisions it makes in response to all written and verbal submissions from individuals and groups in the community.

**13      Policy Term and Review**


Council will review the Significance and Engagement Policy every three years or as necessary. These will be amended and confirmed through public consultation if necessary, separately or as part of the Long-term Plan.

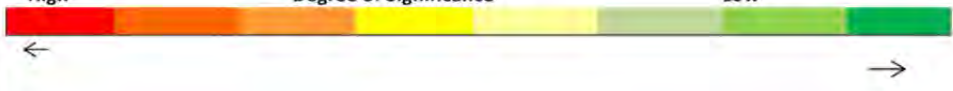


**Schedule 1: Factors and Criterion of assessing significance**


|   |  |
|---|--|
| <b>Criterion</b>  | <p><b>4.3.1 Importance to Wellington City</b></p> <p>The extent to which the matter under consideration impacts on the environment, culture and people of Wellington City, now and in the future (Large impacts would indicate high significance).</p>   |
| <b>Factors</b>  | <p>Factors that might impact on community well-being are:</p> <ul style="list-style-type: none"> <li>a) Any decision that would significantly alter the level of service provided by Council of a significant activity (including a decision to commence or cease such an activity).</li> <li>b) Extent of costs, opportunity costs, externalities and subsidies.</li> <li>c) Uncertainty, irreversibility, and the impact of the decision in terms of the community's sustainability and resilience.</li> </ul> |
| <p><b>High</b> <b>Degree of Significance</b> <b>Low</b></p>  |  |

|  |   |
|--|---|
| <b>Criterion</b>   | <p><b>4.3.2 Community Interest</b></p> <p>The extent to which individuals, organisations, groups and sectors within the community are particularly affected by the matter.</p>  |
| <b>Factors</b>   | <p>Factors that would indicate a high degree of significance are:</p> <ul style="list-style-type: none"> <li>a) High levels of prior public interest or the potential to generate interest or controversy.</li> <li>b) Large divisions in community views on the matter.</li> <li>c) A moderate impact on a large proportion of the community.</li> <li>d) A large impact on a moderate number of persons.</li> </ul> |
| <p><b>High</b> <b>Degree of Significance</b> <b>Low</b></p>  |   |

|   |   |
|---|---|
| <b>Criterion</b>  | <p><b>4.3.3 Consistency with Existing Policies and Strategies</b></p> <p>The extent to which the matter is consistent with Council's current policies and strategies.</p> |
| <b>Factors</b>  | <p>Factors that would indicate a high level of significance are:</p> <p>a) Decisions which are substantially inconsistent with current policies and strategies.</p>       |
| <p>High Degree of Significance Low</p>  |   |

|   |  |
|---|--|
| <b>Criterion</b>  | <p><b>4.3.4 Impact on Council's Capacity and Capability</b></p> <p>The impact of the decision on Council's ability to achieve the objectives set out in its Long-term Financial Strategy, Long-term Plan and Annual Plan.</p>  |
| <b>Factors</b>  | <p>Factors that would indicate a high level of significance are:</p> <p>a) Transfers of strategic assets to or from Council.</p> <p>b) High capital or operational expenditure.</p> <p>c) A financial transaction with a value of greater than 10% of rates revenue in the year of the decision.</p> |
| <p>High Degree of Significance Low</p>  |  |

**Schedule 2: Strategic Asset List**

| Asset   |
|---|
| <b>Assets Council owns that are strategic assets under Section 5 of the Local Government Act 2002</b>   |
| Equity securities in Wellington International Airport Limited*  |
| The public rental housing held by Council to maintain affordable housing  |
| <b>Assets Council has determined to be strategic assets and those that are strategic group assets</b>   |
| The sewage collection, treatment and disposal system, including the sewer network, pump stations and treatment works  |
| The land drainage system, including the storm water pipe network, waterways, and retention areas.   |
| The water supply system, including reservoirs, pump stations and reticulation   |
| The roading network including the public transport infrastructure system  |
| The Council's brand, Absolutely Positively Wellington   |
| The core data set used to deliver Council services  |
| Waterfront land and assets held on trust by Wellington Waterfront Limited for Council   |
| The Town Hall and the Michael Fowler Centre   |
| Land and Buildings in the area within the Civic Square Heritage Area as defined in the Design Guide in the District Plan (volume 2 - Area 5)  |
| St James Theatre and Opera House, Embassy Theatre   |
| Libraries   |
| Artwork and literature collections, including public art and collections held by libraries  |
| The buildings and collections of the Museum of the City and Sea, City Gallery, Plimmer's Ark Gallery, Colonial Cottage Museum, Wellington Cable Car Museum and the Carter Observatory |
| Reserves lands, including the Town Belt, land held under the Reserves Act and land used for parks, cemeteries, gardens, sports fields and recreational areas                          |
| Swimming Pool Facilities  |
| The ASB Sports Centre and network of recreation centres   |
| Community Centres   |
| Wellington Zoo  |
| The Quarry  |
| Southern Landfill   |

\*11.3 does NOT apply to these assets

### Schedule 3: Aspirational public commitment on how we engage

Wellington City Council is committed to working towards effective engagement in partnership with the community. This will help us deliver on our commitments to 'position Wellington as an affordable, internationally competitive city' and 'deliver what's right'.

#### 1. Te Tiriti o Waitangi/Treaty of Waitangi

We will continue to engage with the Māori community and ensure their views are appropriately represented in our decision-making.

#### 2. Listen first and seek to understand

We will collect and reflect on what we hear from the community, including, for example, council advisory groups and community boards, before we develop and engage on any proposal.

#### 3. Early and on-going Engagement

We will engage when proposals are still at a high level and there is flexibility to address any issues raised. While undertaking a major project we will continue to engage with affected residents and businesses.

#### 4. Seek diverse perspectives

We will seek and use the rich diversity of insights from the community to enable good problem-solving, policy development and decision-making.

#### 5. Build commitment and contributions to advance Wellington City

We will engage in ways that give the community opportunities to not only contribute their ideas and views, but also partner with us to advance the city.

#### 6. Give and earn respect

We will give respect to everyone we engage with and work to earn the respect of the people who engage with us.

#### 7. Trust

We will work to build trust and credibility for engagement with the community and act with integrity when we analyse and present the results.

#### 8. Transparency

We will provide all relevant information to help people understand a proposal and its implications, and be open and clear about the engagement at each stage of the process.

#### 9. Report back

We will give feedback to those we have engaged with and show how their contribution has influenced the decision.

#### 10. Monitor and evaluate

We will monitor and evaluate how we engage with the public.



#### **Schedule 4: Definitions**

**1    *Significance\****

Significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for-

- The current and future wellbeing of the district or region
- Any persons who are likely to be particularly affected by, or interested in the issue, proposal, decision, or matter
- The capacity of the local authority to perform its role, and the financial and other costs of doing so

**2    *Significant\****

Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance. Significant is any matter beyond a point on the continuum defined as being where there is a high degree of significance. This policy aims to assess where on the continuum a matter is deemed significant.

**3    *Engagement***

Engagement is a term used to describe the process of sharing information with the community and seeking their feedback, with the purpose of getting the community involved in helping make decisions to inform and assist decision making. There is a continuum of community involvement.

**4    *Consultation***

A formal or informal encounter to impart information and elicit feedback or a response

**5    *Strategic Asset\****

Strategic assets are defined in section 5 of the Local Government Act 2002 as:

“..in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in—
  - (i) a port company within the meaning of the Port Companies Act 1988:

(ii) an airport company within the meaning of the Airport Authorities Act  
1966

\* Statutory definitions