When we decide whether to fund a service from rates or other sources, we consider a wide range of factors including who benefits.

Decisions about how to fund a service are guided by our Revenue and Financing Policy. Under the policy, for each activity we consider the following criteria:

- who benefits – individuals, an identifiable part of the community, or the whole community
- whether the people or groups who benefit could be excluded from the service if they don’t pay, and whether excluding them would be fair and equitable
- whether the benefits will extend to future generations as well as current ones
- the “polluter pays” principle – that people and groups should pay for harm they directly cause
- overall impact on social, economic, cultural and environmental well-being

We then agree the proportion of funding that each sector will contribute to pay for each activity. For instance, tourism promotion is funded through the downtown levy (the retailers, restaurants, bars, hotels and other businesses located in the downtown area who benefit from visitors’ spending), while our city safety programme, which benefits everyone, is funded through the general rate.

The rates increase for 2008/09 is lower than we had previously forecast.

In our amended 2006–2016 long term plan, we had forecast a rates increase of 7.1% for 2008/09. The lower-than-previous-forecast figure reflects our efforts to manage the city’s finances efficiently and prudently, together with growth in the ratepayer base of the city. While we have committed to some new projects, we have also sought operational efficiencies and reshuffled some of our work programme to keep the rates increase below previously forecast levels.

The actual rates changes affect each household or property differently, depending on changes in capital value.

The rates increase for 2008/09 is lower than we had previously forecast.

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

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

### Water rates

This year we are increasing the per cubic metre charge for ratepayers who have a water meter installed.

The last increase in the metered water charge was in 2004/05. This year we are increasing the charge for those ratepayers with a water meter installed from $1.37 per cubic metre to $1.40 per cubic metre to ensure that those who have installed a water meter continue to pay their fair share of the costs of the water activity.

<table>
<thead>
<tr>
<th>Capital Value</th>
<th>2008/09 Rates</th>
<th>2009/10 Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>200,000</td>
<td>$1,196</td>
<td>$1,213</td>
</tr>
<tr>
<td>400,000</td>
<td>$1,647</td>
<td>$1,684</td>
</tr>
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<td>500,000</td>
<td>$1,740</td>
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<td>$2,346</td>
<td>$2,385</td>
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<td>800,000</td>
<td>$2,649</td>
<td>$2,694</td>
</tr>
<tr>
<td>900,000</td>
<td>$2,952</td>
<td>$3,002</td>
</tr>
</tbody>
</table>

### REVENUE AND FINANCING POLICY

We have committed to make the following changes to our Revenue and Financing Policy:

- Building Control and Facilitation (i.e. building consents) – we are increasing the proportion of this activity to be funded through user charges from 60% to 65%
- Arts and Cultural Festivals – we are decreasing the proportion of this activity funded from non-rates revenue from 25% to 20%

These changes will be formalised into the Revenue and Financing Policy when the long-term plan is revised next year.

### USER CHARGES

We’re also changing fees and charges for some of our services.

We are raising fees in a number of areas this year. The majority of these increases are minor and reflect cost pressures. Increasing fees by a little each year ensures that ratepayers are not over-subsidising services the Council provides, and helps to avoid larger increases in future. Where fees will increase from 1 July include:

- Development control and facilitation (resource consent fees etc.)
- Sandwich boards
- Landfill charges (recycling levy)
- Sports fields
- Burials and cremations

In response to submissions on our draft annual plan, we have decided not to increase marine fees during 2008/09.

A full list of changes to fees and charges is included in the appendices.

### Trade waste charges

This year we are introducing a trade waste charging regime, under which businesses that discharge trade waste into the sewer will pay charges that better reflect the cost of transporting, treating and disposing of the waste. This change will provide an incentive for these businesses to reduce the levels of trade waste they produce.

The Council will not collect any more money overall from the introduction of these charges. Instead, commercial ratepayers will pay a little less in sewage rates.
In each chapter you’ll find information about the work we do, the reasons for doing that work and our goals in relation to it, any new projects for 2008/09, capital and operational costs, and our performance targets (i.e. our targets for quantity, quality and breadth of service).

Our levels of service for 2008/09 will be broadly in line with 2007/08. Any changes from 2007/08 levels are explained in the following pages (see the sections on our new initiatives and variances).

We’ve done our best to provide information that is meaningful and relevant, and to present this information as clearly as possible, so that you – Wellington’s residents – can be informed about our programme.

Our work is divided into seven strategic areas:

**Urban development**
Urban planning and policy, building control and facilitation, earthquake risk mitigation, and public spaces development.

**Transport**
Transport planning and policy, transport networks, and parking.

**Economic development**
City promotions, events and attractions, and business support.

**Environment**
Gardens and beaches, green open spaces, water, wastewater, waste reduction and energy conservation, environmental conservation attractions, and the quarry.

**Cultural well-being**
Heritage, galleries and museums, community arts and cultural support, and arts partnerships.

**Social and recreation**
Housing, recreation facilities and programmes, libraries, public health and safety, and community support.

**Governance**
Engagement with Häiri, and information, consultation and decision-making.