Our vision is for Wellington to be a smart city – an inclusive place where ‘people choose to live’. For the next three years our priorities will focus on earthquake preparedness, enhancing Wellington as place to live and work, and effectively managing the city’s resources.

The focus of this plan

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Wellington Towards 2040: Smart Capital

Wellington Towards 2040 is a vision of Wellington as a smart, green city.

It is a long-term vision for Wellington, and a strategy to promote the social, economic, environmental, and cultural well-being of Wellington’s communities now and into the future. It was adopted by the Council in September 2011 after extensive community participation.

It’s a vision for a city that puts people first – a place that is welcoming and friendly, provides opportunities for all, strong neighbourhoods and communities, and embraces differences and changes.

It’s a vision for a smarter and stronger economy – one that is based on knowledge, skill and innovation; that provides a wider range of exciting and rewarding jobs; that leads to greater prosperity, and is based on stronger connections between people and businesses both within the city and around the world.

It’s a vision for Wellington as a leading eco-city – one that moves steadily towards a low-carbon future based on ‘green’ innovations that also provide an economic edge and support an outstanding quality of life.

Above all, it’s a vision that positions Wellington for the future – one that’s smart and sustainable.

Community outcomes

Community outcomes are required by the Local Government Act 2002. ‘Outcomes’ are goals or aspirations for the city and its communities. They are aimed at promoting Wellington’s social, economic, environmental, and cultural well-being now and into the future.

In this long-term plan, our community outcomes reflect the four strategic goals adopted in Towards 2040: Smart Capital. Those community outcomes are:

- **People Centred City**
  Wellington’s people are the city’s greatest asset. Wellington’s shape and character will continue to reflect the people who live in, work in, and visit the city. The city will be healthy, vibrant, affordable and resilient, with a strong sense of identity and ‘place’ expressed through urban form, openness and accessibility.

- **Connected City**
  Wellington will be a connected city, with easy access to regional, national and global networks. Connections will be physical, allowing for ease of movement of people and goods; virtual, in the form of world-class ICT infrastructure; and social, enabling people to connect with each other and with their communities.

- **Eco-City**
  Developing Wellington as an eco-city means proactively responding to environmental challenges. It is important that Wellington takes an environmental leadership role, as the capital city of clean and green New Zealand. Our many natural assets give the city a head start and opportunities as part of a green economy.

- **Dynamic Central City**
  Wellington will be a city with a dynamic centre. A place of creativity, exploration and innovation. The central city will be a vibrant and creative place, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city. The CBD accounts for 52% of the region’s GDP and will continue to drive the regional economy.

These community outcomes guide decisions about which services we provide and which activities we support over the next 10 years. In Part Two: Our Work in Detail, you’ll find explanations of how each activity supports community outcomes.

We will work with other organisations to further these community outcomes

The city’s success in achieving these outcomes isn’t a matter for the Council alone – it’s a matter for all Wellingtonians.

We will work with government agencies, businesses, and a wide range of other organisations and groups to further these community outcomes. Depending on the circumstances, we will work in partnership with other organisations, or we will provide funding, or we will provide services, or we will play a facilitating role. As examples: we work with the Police on city safety; and our partnership with the government is helping us to upgrade our social housing complexes.

Part Two: Our Work in Detail explains which key organisations we work with in relation to each activity.

We will monitor and report on progress towards these community outcomes

We will report on progress against community outcomes each year in our Annual Report. The results for community outcome indicators are drawn from a variety of sources, including surveys of city residents, Statistics NZ, Greater Wellington Regional Council, and others.
OUR THREE PRIORITIES

In this plan we want to address the immediate issues we face while also taking important steps towards our long-term vision. We will also effectively manage the city’s resources by working smarter. Consequently we are proposing to focus our efforts on the following three priorities.

**Priority 1:**
**Wellington – an inclusive place where talent wants to live**
Our economic future depends on our ability to attract and retain people, and employment opportunities, in our city. To do this, we will maintain our investment in those things that make Wellington a great place to live, while increasing our investment in activities that will grow the economy and make Wellington an even more attractive place to work, invest in and visit. At the same time we will continue to work in ways consistent with an inclusive community. This will include providing accessible and affordable services and promoting a sense of safety, fairness and tolerance.

**Priority 2:**
**Resilient city**
To maintain and enhance our city’s resilience, we will prioritise investment in earthquake strengthening the city’s key infrastructure and work with businesses and communities so that, as a city, we are better prepared for and can swiftly recover from such an event.

**Priority 3:**
**A well-managed city**
We are committed to providing effective services that are good value for money. To achieve this priority, we will focus on simplifying our processes, making the best use of technology, working in partnership with others, managing demand ahead of investing in new assets, and looking for opportunities to reduce costs and generate income. This will help us stay within the parameters of our financial strategy by keeping rates affordable and managing our debt levels.
Our three priorities are the focus for our activities, investment and energy. Priority one directly links to our Wellington Towards 2040: Smart Capital vision and highlights the key steps we are taking towards achieving our community outcomes. Priority two provides an immediate focus on increasing Wellington’s resilience to earthquakes. This, and our liability for weather-tight buildings, represent a significant cost to Council in the short and medium term. Priority three represents our commitment to keep our costs low and, consequently, to keep our rates and charges affordable.

In this summary, we will highlight the key issues and proposals under each priority, including those that changed as a result of consultation on the draft plan. We will also identify how they link to the seven areas under which we group our activities; namely Governance, Environment, Economic Development, Cultural Wellbeing, Social and Recreation, Urban Development, and Transport. This is so that you can find out more information about them, including financial information, later in this plan.

**Priority 1: Wellington – an inclusive place where talent wants to live**

**Economic Development**

During the consultation period, the Council received strong support for a number of proposals in this area. We will now proceed with the ‘Destination Wellington’ initiative by developing an operating arrangement with key partners, which provides for clear roles and responsibilities, and that meets the city’s economic needs for attracting business, talent and investment. Key performance indicators will be drafted accordingly and presented to the Council for approval.

The Council has also made provision to support long-haul flights to Wellington by retaining funding of $200,000 (for the Council to administer for this purpose) and identifying a funding mechanism to rapidly respond to an opportunity should it arise. It has also confirmed funding for The Hobbit Premiere later this year and funding for the FIFA Under 20 Men’s World Championships in 2015 (although at a reduced level following feedback from the community).

A number of the Council’s activities in this area are funded through the Downtown Levy. This is a rate that businesses based in the central business area pay in addition to their ordinary rates. The area where this levy applies has increased marginally in this plan, to include more businesses that benefit from the activities funded through it. In response to submissions from levy payers, the Council has continued to provide Positively Wellington Tourism with funding of $1m per year for the next three years to undertake its Australian marketing campaign. We will also provide Positively Wellington Venues with funding of $4m to refurbish Shed 6 and the TSB Arena to act as a temporary replacement venue for The Town Hall while it is earthquake strengthened. This is necessary to retain valuable conference activity in the city during this time. The future use of these buildings will be subject to a review on the completion of the strengthening of the Town Hall.

The Council decided not to proceed with a proposed reduction in funding for Te Papa. A majority of submitters were opposed to this proposal saying Te Papa is Wellington’s premier visitor attraction, is important for education purposes and contributes significantly to the city’s cultural capital status. Te Papa also identified greater opportunities to align their activities with the Council’s new strategic direction and priorities, for example demonstrating how its activities off-shore reflects positively on Wellington as the home of the museum. There has also been agreement that there will be a closer working relationship and greater transparency around the use of the Council’s funding, with the contract to be reviewed in 2015 (i.e. it is a three year contract).

**Environment**

In parallel to the consultation on our draft plan, we consulted on the establishment of a Council Controlled Organisation to manage Zealandia, Wellington Zoo, the Botanic Garden and Otari-Wilton’s Bush. Following significant feedback on this proposal, a new alternative ‘partnership model’ for Zealandia was developed and agreed to by the Council. This includes new governance and funding arrangements between Zealandia and the Council.

Submissions on the proposal also highlighted the number and range of other environmental attractions the city has. They supported a wider initiative that would raise the profile and connections between these features of Wellington, which the Council agreed to pursue with other partners such as the Victoria University of Wellington.

The Council also decided to reinstate support for a number of environmental programmes and projects. This included reinstating a previously planned increase in funding of $36,000 from 2012/13 for the Biodiversity Action Plan, deciding not to reduce the Environmental Grants pool by $40,000 and, deciding to proceed with the upgrade to the Curator’s Cottage at Otari-Wilton’s Bush at a cost of $316,000 over two years starting in 2013/14.

It also agreed the projects to be funded by the Pimmer Bequest and to enter into a formal agreement with the Greater Wellington Regional Council to manage Council land adjacent to Belmont Regional Park, both as outlined in the draft plan.
Urban Development

The Council is also investing significantly in the Central Business District and our suburban communities. In the central city, we are planning a number of projects to implement our Central City Framework. These begin with proposed improvements to Opera House Lane and Eva Street. Further detail on this and other projects in the framework can be found in the urban development section of the plan. Also in this section, and based on input during the consultation period, we have reinstated funding for the upgrade of the Miramar Town Centre. Submitters reinforced their support for the current proposal and that it would address the main issues with the current lay-out. They also emphasised the level of recent private investment in the area and their continuing commitment to contribute to the area. The Council agreed the project should be delivered in a way that is coordinated with any changes that Greater Wellington needs to make to implement the bus review. Similarly, the Council agreed to reinstate funding of $559,000 to undertake the second stage of the plans to upgrade the Kilbirnie Town Centre – Coutts Street/Onepu Rd.

In terms of the Waterfront, a design brief will be prepared to guide the future of north Kumutoto. This area will now be developed inline with the Environment Court decision, which will see buildings at a lower scale on two sites and another site retained as open space. The building developments will pay for the cost of developing open space on the waterfront. Other initiatives include strengthening of wharf piles and the construction of a new diving platform on Taranaki Wharf. The Council will increase the loan to the waterfront company by $5 million to bridge the timing difference between undertaking the public space works and receiving the commercial proceeds from developments.

Social and Recreation

Another change arose during the consultation period when the SPCA offered to contribute to the cost of capital works on the former Chest Hospital so that they can relocate their services to that site. The Council welcomed this proposal, which not only enables the SPCA to better deliver its services within Wellington, but also ensures an important heritage building on the Town Belt is productively used and well-maintained.

Council agreed to fund a series of upgrade projects in line with our Community Facilities Policy. These include improvements to the Keith Spry swimming pool in Johnsonville, and the building of a new library next to it, to meet the needs of the growing population in the northern suburbs. Also included in the plan from 2016/17 are upgrades of the Aro Valley Community Centre, the Newtown Community and Cultural Centre, the Strathmore Community Base and the Kilbirnie Community Centre.

Other key projects include our investment in additional artificial sports fields, beginning with one on Alex Moore Park in 2013/14 to coincide with a local community led upgrade of the existing sport and community facility at the park. The annual operating grant for the Basin Reserve Trust has also been increased from $180,000 to $355,000.

Cultural Well-being

The Council agreed to the establishment of and making a contribution to, the Regional Amenities Fund, pending agreement from across the region.

Funding changes have also been made in the area of cultural wellbeing with decisions to continue funding the New Zealand International Arts Festival at the current level, increase the level of the cultural grants pool, but reduce the level of the Public Art Fund.

Transport

Following submissions during the consultation period, the Council agreed to bring forward funding earmarked for Johnsonville roading improvements, up to a total of $5.365m (un-inflated), to align with the timeline for the redevelopment of the Johnsonville Shopping Centre.

In keeping with a large number of submissions we received, the Council is investing in cycle safety projects and new cycling routes. It also agreed to take a collaborative leadership role on the Great Harbour Way initiative. We are also reinstating funding for minor safety projects and new bus shelters.

Priority 2: A resilient city

During the consultation process, people expressed strong support for this priority and the proposed projects under it.

Environment

Many of these are in our environment group of activities, including projects to increase the resilience of our water network. One of these is to build a new water reservoir on the Prince of Wales Park, which will serve Wellington Hospital’s emergency needs as well as providing bulk water supply to meet the needs of the city’s growing inner-city population. We also plan to develop strategic partnerships, and continue investing in existing climate change initiatives, to help achieve Wellington’s emissions reduction targets.

Urban Development

Other key projects include earthquake strengthening the Council’s buildings and helping others to earthquake strengthen.

As a result of officers undertaking additional earthquake assessment work and planning during the consultation period
for this plan, changes have had to be made to the funding for earthquake risk mitigation budgets (relating to council-owned buildings). Capital and operational budgets have been increased by a total of $1.86m and $2.8m respectively and rephased as a consequence of the changes in scope, nature and timing of the earthquake strengthening work. It was also recognised that further funding requests to undertake capital works related to this programme will be presented in the future.

We will also be assisting other building owners to strengthen their buildings and continuing to provide heritage grants, the focus of which will be on remediating earthquake-prone structures or obtaining related reports.

**Transport**

In addition, we are undertaking a number of projects to increase the resilience of our road network. These include building new retaining walls on key transport routes as well as strengthening or rebuilding tunnels and bridges throughout the city.

**Priority 3: A well-managed city**

In the draft plan, the Council highlighted a number of initiatives designed to help it balance its budget. These included making savings now, working smarter (which included working with other Councils), reviewing how we look after our assets and, making some changes to our fees and charges.

People generally applauded the Council for taking steps to keep its costs and rate increases down. After receiving feedback during consultation, we changed some specific proposals (including not reducing funding for Te Peha and proceeding with a partnership with the SPCA for the use of the Chest Hospital) as outlined above.

Another issue that we received a number of submissions on was the proposal to change the encroachments fee structure. The intention of the proposal was to move from a flat fee applying to all encroachments to a structure that more reflects the value of the private benefit received by the licence holder. The proposal sought to achieve this through relating the fees to the rateable value of properties in different parts of the city. Many submitters opposed this proposal saying that it was not fair. Submitters said that the utility of the land did not change between suburbs despite land values changing, that in many cases the public still had access to the land and that many encroachment holders were maintaining the land for the Council. At the Council meeting to adopt the plan, Councillors decided to retain the encroachment fee structure at its pre long-term plan level, adjusted for CPI in 2012/13 and inflation adjusted annually after that. It was also agreed that the encroachment fee structure would be reviewed in time for the 2013/14 draft annual plan and the Council would continue to advocate for a simplified process regarding road stopping.

A number of changes to other fees and charges were made when this plan was adopted. New fees are detailed in the Finance section of the plan.

Other comments generally supported our intentions to work more with other councils and to undertake reviews of our services. The results of planned reviews will be presented to the Council, and where necessary, consulted on with the community. It is noted that the Council voted to stop work on a joint waste management Council Controlled Organisation with Porirua City Council.

During the consultation period, the Council undertook an external review of the City Safety Officer programme. As a result, it decided to reduce both the scope of the service and the hours of its operation, and to deliver the service in-house rather than through a contract for service. As a result of these changes the costs of the service will reduce to $480,000 in 2012/13. From 2013/14, the service will include a volunteer programme which will increase the annual cost of the whole service to $555,000.

Finally, while Council agreed to reduce the size of the Our Wellington page as proposed in the draft plan, it also agreed that staff would develop a communications and marketing plan that outlines the most appropriate channels and addresses the future need for the page.

**Financial Strategy**

A majority of people who completed our submission form, and participated in our long-term plan survey, felt that the proposed rates targets and limits in our Financial Strategy were ‘about right’. Both were adopted by the Council as proposed in the draft, along with the other aspects of our Financial Strategy, which you can find in the Finances section of this plan.

The rates limits are set as an indexation based on the Local Government Cost Index (LGCI) and these are currently forecast between 3.3% and 3.9% over the ten years. Currently the forecast rates increases exceed the planned limits by up to 0.6% in years 4 and 5. We acknowledge this temporary breach but have established a number of measures, including the set up of the Financial Sustainability Working Party to work towards bringing these increases below the limits by year four. We acknowledge that there may be impacts on service levels in the future to achieve rates at a level below our limits. Our goal is to find more efficient ways to deliver current services, however if there will be any impact on service levels, we will not implement any changes without consultation.
Another significant consideration during the development of this plan was a review of how the Council plans and budgets to replace assets when they come to the end of their useful life. This is a significant area of expenditure and we looked at several options to reduce it. In submissions on the draft plan, and in the survey responses, people said that we should make the proposed reductions in expenditure and reduce rates as a result.

After considering other options to reduce expenditure in this area during the consultation period, the Councillors have decided to reduce rate-funded depreciation by $4 million per year for the duration of this plan. This means we will not collect this money, and so rates rises will be kept lower.

However, it also means we will have less money to spend on renewing our assets. This increases the risk of assets failing, as it is estimated that around 5% of assets ready for renewal will be kept in active service longer. The Council will manage the impact of this in two ways. Firstly, it will continue to focus expenditure on renewing the most critical assets across all our asset groups. A risk assessment process will be used to make sure that we do renew those assets where failure could result in significant risks to people’s safety, major costs or disruption. Secondly, if failures do occur to less critical assets, the Council is committed to responding rapidly to minimise the potential risks.

In parallel to this, the Council will undertake a detailed analysis of its assets to identify those that could be divested, not renewed or modified (to increase their life) in both the short-term and the longer-term. This could be technology assets, equipment or assets that are not essential to the delivery of our services. These will be presented to Councillors, and where appropriate to the public, for a final decision on their future. Depreciation will no longer be rated for on those assets that remain on the schedule. Council may subsequently choose to divest itself of those assets or run them to the end of their usual life. The aim of this strategy is to reduce the impact of asset ownership to the ratepayer.

The planned capital expenditure sets projected borrowings at a level within the borrowings limits we set. We are planning to spend $68.966m, $80.275m and $61.198m on improvements to existing assets and new assets in years 1-3, 4-6 and 7-9 respectively. While this is higher than the $60m goal we set for each of the three year periods, we are committed to significant resilience projects including earthquake strengthening and the construction of the Prince of Wales Reservoir and believe this is the best decision for the people of Wellington in the long term.
THE CONSULTATION PROCESS

The process
Formal consultation on the long-term plan ran from 16 April until 18 May 2012. The Council used a broad range of methods to engage people in the process and gather their feedback on proposals. These included a series of community meetings and clinics led by Councillors, meetings with key stakeholders (including the Council’s reference groups and mana whenua partners), an independent on-line survey of the Wellington population and, the use of an on-line budget simulator where people could achieve their preferred rate rise by identifying projects to be funded. There was also a high level of media coverage on key issues under consultation in the draft plan.

The results
Our consultation resulted in over 2600 written submissions with 174 of these also presenting their submission in person to the Strategy and Policy Committee. This is a record number of submissions on a Wellington City Council annual or long-term plan document. The submissions covered a wide range of the Council’s activities, with the majority focused on key issues and proposals identified in the summary document. A high number of responses were received on some of the proposals identified as ‘alternative proposals not included in the plan’. In parallel with this, the Council consulted on an Eco-City proposal in relation to Zealandia and other natural attractions in the city. This resulted in over 1600 additional submissions.

The Council’s response to submissions
Most submitters strongly endorsed the Council’s new vision, community outcomes and priorities. Many of the Council’s key partners identified how their activities aligned to those priorities and, in some cases, alerted the Council to new opportunities for, and benefits from, partnering with them.

Many submitters strongly supported proposals as outlined in the draft plan. These were confirmed by Councillors and are highlighted in the executive summary or the Our Work in Detail sections of this document.

A number of submitters requested changes to proposals in the plan. In some cases, they provided new information, or identified new partnership opportunities, which supported the change they requested. This resulted in a number of amendments to the final plan, most of which have been highlighted in this executive summary.

Some submitters asked the Council to support new initiatives which were not identified in the initial plan. This resulted in the Council deciding to implement, or investigate further, some of these including:

- A proposal by East by West Ferries for a new extension to Seatoun Wharf to enable an all weather commuter ferry service to operate:
  It was agreed that staff will work with the ferry company and the Greater Wellington Regional Council to assess the requirements and costs of this proposal. Future Council funding is conditional on East by West Ferries providing the Council with a business plan supporting the proposal, producing a detailed design of a suitable wharf extension, and contributing half the required funding.

- A proposal for a couch and rye grass trial on a Council sports field was received: Council staff developed an alternative proposal in response. This was accepted by the Council and should result in a trial on Churton Park in 2013/14.

- A request for additional operational funding from Surf Life Saving New Zealand to increase its service levels on Wellington City beaches. The Council agreed to provide additional funding of $20,000 per annum for this purpose.
A proposal for a wilderness toilet at Tarakena Bay:

Some submitters identified proposals that would require further investigation. The Council agreed to work with those parties to undertake this work. Examples of these include:

- A large number of submissions (42% of submissions on the draft long-term plan) were received in support of an extension to the Wellington Regional Aquatic Centre. The Council did not include this in the plan, but did instruct officers to explore, with proponents of the extension, additional alternative funding sources for this proposal.

- The Council also requested a report on the scope of a feasibility study for the Clyde Quay Restoration Master Plan. It will be considered in December 2012, with any associated costs considered as part of the 2013/14 Draft Annual Plan.

- Any decision on the divestment of Vogelmorn Hall has been deferred for at least two years to coincide with the end of the lease on associated land to the Vogelmorn Bowling Club. During this time officers will engage with users of the hall, and the surrounding communities, to identify options for the future of the site.

Other submitters requested Council support for smaller projects and initiatives. It was decided that these could be addressed within existing budgets and other resources. These requests have been sent to relevant Council staff to respond to and progress as appropriate.

A number of submitters suggested improvements to content or wording in the plan. Where appropriate, changes have been made to this final document. Examples of these included:

- The Council’s Accessibility Advisory Group identified a number of places where incorrect terminology was used in the full draft plan. The wording has been amended in this final version of the plan.

- Port Nicholson Block Settlement Trust and other submitters called for greater commentary on the importance of the harbour and Wellington’s connections to the Porirua Basin in the final plan. These changes have been included in the plan.