

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

Extraordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Ngā Meneti | Minutes

9:30 am Rātū, 26 Whiringa ā-rangi 2024

9:30 am Tuesday, 26 November 2024

Ngake (16.09), Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington



PRESENT

Mayor Whanau
Deputy Mayor Foon
Councillor Abdurahman
Councillor Apanowicz
Councillor Brown
Councillor Calvert
Councillor Chung
Councillor Free
Puiwi Hohaia
Puiwi Kelly
Councillor Matthews
Councillor McNulty
Councillor O'Neill
Councillor Pannett
Councillor Randle
Councillor Rogers
Councillor Wi Neera
Councillor Young

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting (hui) open at 9:30am and read the following karakia to open the hui.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of
Tihei Mauri Ora!	frost,
	a promise of a glorious day

1.2 Apologies

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Accept the apologies received from Councillor Free for lateness.

Carried

1.3 Announcements by the Mayor

Tēnā koutou katoa. Tēnā kōrua, and welcome to our Committee meeting today. For my Mayoral announcement, I'd like to table and speak to my letter of apology that I sent to our Tākai Here Partners on October the 17th following the notice of motion, passed on October 10th, and I'll give a brief summary of the gist of that letter. Since taking the Wellington mayoralty, working collaboratively with you as Māori leaders within the capital city has been incredibly important to me and our Council. However, recent events mean that I need to acknowledge the breach of our agreement and our trust as partners. We made a decision without your involvement as iwi and this was an unacceptable breach of trust and the partnership principles that we committed to, and for that I'm deeply sorry. It is now our responsibility to restore that trust and ensure the integrity and transparency of our partnership is upheld moving forward. We are committed to revisiting our processes to prevent such things from happening again and to restore the respect and collaboration this partnership deserves. I know many at the Council table value our Pouwi Liz and Holden's contribution to our work, and to them both I have apologized personally for the position that they were put in. They have consistently presented themselves with humility and wisdom and I hope they remain at the table with us to navigate our critical time for Pōneke. Last week, I had the absolute honour of standing alongside some of you to welcome the tens of thousands of manuhiri to Pōneke. We spoke of unity, we spoke of honour, and continuing the work that our tūpuna have laid before us. It was an incredible moment and an incredible demonstration of us working together in partnership. I know that many of us who participated in the hīkoi also felt a deep sense of pride as we all

walked together. So with that, I want to take that feeling and, as your Mayor and whanaunga and a committed partner to our agreement, I'm focused on doing everything I can and we can to uphold the values and commitments enshrined in Tākai Here and, of course, Te Tiriti. Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Secretarial note: The Mayor invited Tākai Here partners to respond. Ngāti Toa, Te Ātiawa, and Taranaki Whānui provided responses.

Attachments

1 Apology to Tākai Here partners

The hui adjourned at 9:49am and returned at 10:30am with all members present.

1.4 Conflict of Interest Declarations

No conflicts of interest were declared.

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

1.6.1 Marcail Parkinson – VUWSA

Marcail Parkinson, on behalf of VUWSA, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.2 Maggie Bayfield and Annie Yeates - Ōtari Wilton's Bush Trust

Maggie Bayfield and Annie Yeates, on behalf of Ōtari Wilton's Bush Trust, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.3 Tim Jones - Wellington Branch of Living Streets Aotearoa

Tim Jones, on behalf of the Wellington Branch of Living Streets Aotearoa, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.4 Paddy Geddes - 350 Aotearoa

Paddy Geddes, on behalf of 350 Aotearoa, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.5 Jamin Fountain

Jamin Fountain addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.6 Frances Mountier

Frances Mountier addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.7 Mazz Scannell - Friends of the Wellington Botanic Garden

Mazz Scannell, on behalf of Friends of the Wellington Botanic Garden, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.8 Kara Puketapu Dentice, Peter Dow, and Tiare Sharpe - Fale Malae Trust

Kara Puketapu Dentice, Peter Dow, and Tiare Sharpe, on behalf of Fale Malae Trust, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.9 Hariata Hema – Cycle Wellington

Hariata Hema, on behalf of Cycle Wellington, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

1.6.10 Ethan Reille – multiple communities

Ethan Reille, on behalf of multiple communities, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

The hui adjourned at 11:09am and returned at 11:20am with all members present.

1.6.11 Samuel Scott

Samuel Scott addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

(Councillor Randle left the hui at 11:23am.)

(Councillor Randle joined the hui at 11:25am.)

1.6.12 Maree Newson and Peter Kreft – Save Khandallah Pool

Maree Newson and Peter Kreft, on behalf of Save Khandallah Pool, addressed the hui regarding item 2.1 LTP Amendment - Decision on capital programmes.

Attachments

- 1 Maggie Bayfield and Annie Yeates - Ōtari Wilton's Bush Trust
- 2 Tim Jones - Wellington Branch of Living Streets Aotearoa

The hui adjourned at 11:40am and returned at 12:01pm with all members present.

(Pouiwi Kelly left the hui at 12:30pm.)

(Pouiwi Kelly joined the hui at 12:32pm.)

The hui adjourned at 12:42pm and returned at 1:10pm with the following members present: Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Rogers, Mayor Whanau, Councillor Wi Neera, and Councillor Young.

(Councillor Calvert joined the hui at 1:11pm.)

(Councillor O'Neill joined the hui at 1:15pm.)

2. General Business

2.1 LTP Amendment - Decision on capital programmes

Moved Mayor Whanau, seconded Councillor Apanowicz

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive the information.**
2. **Note** that Council is facing significant financial risk as a result of:
 - a. A large under-insurance risk – we do not have sufficient insurance to respond to future financial and natural hazard risks.
 - b. An undiversified investment portfolio.
3. **Note** that the Council previously proposed to sell its airport shareholding and invest the proceeds in a new, diversified fund as the way to respond to these issues.
4. **Note** that on 10 October, the Council resolved to initiate an LTP amendment process with a view to changing its preferred option to no sale of the airport shares.
5. **Note** that as a result of further loss modelling as part of the insurance roadmap, the insurance gap number has been updated, based on probabilistic modelling.
6. **Agree** that the following elements of a prudent financial strategy will be included in this LTP amendment:
 - a. ~~maintain a 225% debt to revenue ratio;~~ **reduce the debt to revenue ratio of 225% to allow debt capacity of \$1b (up to Council's debt to revenue covenant) within the LTP. This capacity is reserved for any and all unexpected events including underinsurance risk;**
 - b. ~~increase the allocation of insurance headroom from \$272m to \$500m, to be provided for under the 225% limit;~~ **remove the allocation of insurance headroom within the debt to revenue ratio;**
 - c. maintain the limit on rates increases at 5-8% on average over the 10-year period.
 - d. **note the Council still has the airport on its balance sheet and would retain the option to sell some or all of its shares as further proceeds toward disaster recovery in a major event.**
7. **Note** that ~~the most effective mechanism to achieve a provision of \$500m insurance headroom is a reduction in the capital programme of approximately \$400-600m over the LTP period.~~ **Note that the combined unexpected events debt capacity can be addressed entirely towards underinsurance in the event of a major disaster and that this provides a larger pool of capital to address the \$1.8bn of uninsured assets than the \$500m insurance debt headroom approach.**

8. **Note** that the National Land Transport Plan funding allocated to the Council is lower than assumed in the 2024-34 LTP. This has resulted in a shortfall of revenue of approximately \$68m. In order to mitigate the impact of this on our debt capacity, a reduction in capital expenditure is required of approximately \$130m.
9. **Note** that based on the principles noted in the body of the report, officers have identified options for reducing or rephasing the capital programme that result in total savings of \$558m over years 1-10 of the LTP being:
 - a. \$45m in Year 1;
 - b. \$390m in years 2 to 6;
 - c. \$123m of the remaining years 7 to 10 of the LTP.
10. **Note** the financial impact of the proposed capital programme savings on operating expenditure has not yet been considered. The proposed capital programme reductions will likely reduce depreciation and interest costs. This results in a reduction to the amount of rates we need to collect. Any reduction in revenue will impact the debt to revenue ratio and further reduce debt capacity.
11. **Agree** the proposed **\$558m** changes to the capital programme in Attachment 1 (with the below alterations) to be updated in the draft budget for Committee approval on **14-17** December 2024:

Ref.	Project	Alteration	Impact to Attachment 1 Savings over 10 years (\$558m)
E02	Frank Kitts Park redevelopment	Retain \$3m in years 1-3 for resource consent and preparation of Frank Kitts carpark demolition. Co-fund demolition of Frank Kitts Carpark and landscaping of southern end of the park in years 4-6 with the Fale Malae Trust, with Council's contribution capped at a \$5m. Rephase \$15m to years 10+ of the LTP for development of the northern section of Frank Kitts Park, including Chinese Garden.	-\$8m
E08	Johnsonville urban green space development	Retain budget as per 2024-34 LTP.	\$0m
E09	Southern Landfill Carbon Unit Purchases	Retain budget as per 2024-34 LTP on the basis that officers will provide advice in December on the possible sale of current carbon credit holdings to capitalise a disaster resilience fund.	-\$23.2m

E10	Organics Processing	Retain budget as per 2024-34 LTP and direct officers to investigate possible lower cost local organics processing options and assess alongside regional options organic processing outcomes, and report back in before LTP amendment deliberations in 2025.	-\$11.5m
E11	Wellington Zoo upgrades	Remove funding for glamping upgrades.	\$0m
CW01	Bond store upgrade	Rephase upgrades to years 8-10 (noting 4-year extension passed by Parliament on 21 November) and direct officers to investigate options for an alternative site for the Wellington Museum and report back as part of the EQP buildings options analysis mid-2025.	\$0m – rephasing may incur an inflationary impact
CW02	Art installations	Retain budget as per 2024-34 LTP.	-\$316k
SR01	Khandallah Pool upgrade	Continue with 2024-34 LTP direction for an engineering review of whether the pool can be fixed within existing \$7.5m budget and if not feasible, proceed with demolition and landscaping in years 2-3.	\$0 to +\$3.4m depending on review outcome
SR02	Grenada North Community Sports Hub and Synthetic Turf Tawa/Grenada	Retain budget as per 2024-34 LTP.	-\$12.4m
SR03	Playgrounds – Upgrades	Retain budget as per 2024-34 LTP.	-\$247k
SR04	Destination Skate Park – Kilbirnie Park	Retain budget as per 2024-34 LTP.	\$0m
SR05	Karori Events Centre Fitout	Agree to stop the project and remove the fitout funding (as per attachment 1) but direct officers to provide advice on how the share of funding to the project donated by the community can be allocated to another appropriate community facility or project in Karori.	\$0m

SR06	Te Awe Mapara	Reduce 2024-34 LTP budget with a total savings of \$10m over years 8 and 9.	-\$39.8m
SR07	Housing Upgrade Programme Phase 2	Retain budget as per 2024-34 LTP, do not rephase.	-\$8.7m
UD01	Suburban town centres	Retain budget of \$11m but rephase into \$5.5m in Y4 and \$5.5m in Y9.	-\$4.3m
UD02	Laneways	Retain budget as per 2024-34 LTP.	-\$2m
UD03	Green Network Plan – Inner City Greening.	Retain budget as per 2024-34 LTP.	-\$2.7m
T01	Retaining walls	Budget \$7.5m in years 1-3. Decrease funding from years 4-10 as per officers' recommendation for amendment.	-\$7.5m
T02	Minor Works Upgrades	Increase budget by \$16m from years 3-10.	-\$16m
T13	Safe Routes to Schools	Increase budget by \$2.5m over years 2-10 compared to officers' recommendation.	-\$2.5m
T17	Cycleways Minor Works	Reduce by a further \$2.5m from years 2-10 on top of officer recommendation for amendment. Direct officers to investigate using alternative options for low-cost installation of bike racks including private providers utilising advertising revenue.	+\$2.5m
T20	Golden Mile Upgrades	Retain budget as per 2024-34 LTP. 51% NZTA funded so WCC debt impact is \$29.3m.	-\$59.7m
T23	City Streets – Central City Upgrades	That the proposed rephasing for Cuba St funding to Y6 be instead retained in Y2, and officers prioritise property acquisitions to facilitate the revitalisation of Cuba Street.	\$0 (rephasing)

12. **Note** that, as agreed on 29 October, Councillors will receive further advice on the disaster resilience fund via a briefing in December, including on:
- Fund structures and objectives and associated management costs
 - Fund capitalisation (including advice on ground leases and carbon credits)
 - How the fund might work alongside current insurance roadmap work.

Secretarial note: The motion was moved with changes to the recommendations in the officers' report, as marked in red.

Moved Councillor Pannett, seconded Councillor Young, the following amendment

Resolved

11.

Ref.	Project	Alteration	Impact to Amended Substantive Savings over 10 years
E03	Begonia House	Retain budget as per 2024-34 LTP.	-\$5.1m
T19	Cycleways	Retain budget as per 2024-34 LTP.	-\$40.7m

11. a. Note that officers have completed an initial business case for retention of the Begonia House and will be able to report back to the Kōrau Tōtōpū Long Term Plan, Finance and Performance Committee in 2025 with finalised options for remediation, taking into account the fiscal constraints the city is operating under.

Partially carried

Secretarial note: A division was called for. The motion was decided by parts. Clause 11 Ref. E03 and clause 11 T19 lost. Clause 11.a carried. Voting on which was as follows:

Clause 11 Ref. E03.

For:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Rogers.

Majority Vote: 8:10

Lost

Clause 11 Ref. T19.

For:

Councillor Pannett.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Majority Vote: 1:17

Lost

Clause 11.a.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty.

Majority Vote: 12:6

Carried

The hui adjourned at 1:43pm and returned at 1:46pm with all members present.

(Pouiwi Kelly left the hui at 2:16pm.)

(Pouiwi Kelly joined the hui at 2:18pm.)

Moved Councillor Randle, seconded Councillor Brown, the following amendment

Resolved

11.

Ref.	Project	Alteration	Impact to Amended Substantive Savings over 10 years
CW01	Venues upgrades	Retain budget as per 2024-34 LTP.	-\$13.2m
SR06	Te Awe Mapara	Retain budget as per 2024-34 LTP.	-10.0m
		Increased Spending Subtotal	\$23.2m
T20	Golden Mile Upgrades	Rescope project with a \$40M baseline budget for Courtney Place to Lambton Quay subject to NZTA agreement in continuing support of a proportionate contribution.	+\$35.3m
T23	Pre Implementation – City Streets Programme	Remove the Cuba Street and Dixon Street Projects but retain the cross city cycleway funding. Note: the Harbour Quays (2nd Bus Route) (\$10M) and Eastern Bus Improvements with reduced scope (\$6M) are unchanged	+\$11.8m
		Further Savings Subtotal	+\$47.1m

11.b. Agree not to proceed with the implementation of the following programmes until after the LTP Amendment Process has been completed:

- i) Cycleways Programme
- ii) Golden Mile Upgrades
- iii) Pre Implementation – City Streets Programme

Lost

Secretarial note: A division was called for. The motion was decided by parts. All clauses lost. Voting on which was as follows:

Clause 11 Ref. CW01.

For:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor O'Neill, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 6:12

Lost

Clause 11 Ref. SR06.

For:

Councillor Abdurahman, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Wi Neera.

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Rogers, Councillor Young.

Majority Vote: 5:13

Lost

Clause 11 Ref. T20.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 7:11

Lost

Clause 11 Ref. T23.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Randle.

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Majority Vote: 4:14

Lost

Clause 11.b.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 8:10

Lost

Clause 11.b.i.

For:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 5:13

Lost

Clause 11.b.ii.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 7:11

Lost

Clause 11.b.iii.

For:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 5:13

Lost

The hui adjourned at 2:23pm and returned at 2:28pm with the following members present: Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Randle, Councillor Rogers, Mayor Whanau, and Councillor Young.
(Councillor Pannett joined the hui at 2:28pm.)

(Councillor McNulty joined the hui at 2:31pm.)
(Councillor Wi Neera joined the hui at 2:31pm.)
The hui adjourned at 2:48pm and returned at 2:55pm with all members present.

Moved Councillor Calvert, seconded Councillor Chung, the following amendment

Resolved

11.

Ref.	Project	Alteration	Impact to Amended Substantive Savings over 10 years
UD01	Suburban Centre Upgrades	Retain budget as per 2024-34 LTP.	-\$11m
E06	Ōtari Development Plan	Retain budget as per 2024-34 LTP.	-\$3.4m
E01	Huetapara Park	Retain funding until any partnership arrangements with WIAL have been clarified.	-\$2.4m
E01a	Huetapara Park	Council officers will work with the HPCG and WIAL to ensure the WIAL proposal meets the community's reasonable expectations and report back to Council by April 2025 on the details of the WIAL proposal and any necessary subsequent process and decisions required to facilitate the proposal.	
T03	Drainage Upgrades	Retain budget as per 2024-34 LTP.	-\$2.5m
T05	Reactive minor works	Retain budget as per 2024-34 LTP.	-\$3.7m
T06	Bridge Improvements (strengthening & seismic related)	Retain budget as per 2024-34 LTP.	-\$5.4m
T07	Tunnel Upgrades	Retain budget as per 2024-34 LTP including Karori Tunnel (critical road).	-\$2.2m
T08	Retaining Wall resilience upgrades	Retain budget for Ngaio Gorge, Grosvenor Terrace upgrades.	-\$3m

T10	LED Street Light Transition	Retain budget as per 2024-34 LTP.	-\$2.7m
T14	Footpath Upgrades	Reinstate budget that was decreased at 2024-34 LTP.	-\$6m
T16	Footpath Structures Upgrades	Retain budget as per 2024-34 LTP.	-\$1.3m
		Increased Spending Subtotal	-\$29.2m
E10	Organics Processing (in partnership with PCC/HCC) and Collection (bins)	Rephase project to start in year 5. Direct officers to investigate assisting opt-in services provided by social enterprises.	+\$31m
E	Southern Landfill Improvement	Fund improvement from Landfill Surplus no longer allocated to Organics Programme.	+\$4.7m
T19	Cycleways	Reduce current WCC budgets by 50% (not including NZTA subsidy) for first 3 years. Botanic Gardens to Glenmore. Reinstall off-peak parking to Glenmore St (\$300k cost) and don't install last section of cycleway at south end Karori (saving \$230K) until funding for replacement parking near Karori Park can be allocated (estimated \$500k) similar to Wakefield Park.	+\$24.5m (subject to any NZTA subsidy)
T20	Golden Mile Upgrades	Rescope Courtenay Place section under a reduced total budget of \$30 million (currently \$53.2 m) subject to NZTA agreement in continuing support of a proportionate contribution.	+\$12m WCC share (in addition to removal of Lambton Quay section which results in a \$21m additional saving to WCC)
T	Pre-implementation – City Streets Programme	Increase officers' recommended WCC savings by \$10m in first three years noting that there should be funding (whether in the City Streets project funding or cycleway funding for one CBD connecting cycleway)	+\$10m
		Further Savings Subtotal	+\$84.2m

Partially carried

Secretarial note: A division was called for. The motion was decided by parts. Clause 11 Ref. E06, clause 11 Ref. E01, clause 11 Ref. E01a, clause 11 Ref. T05, and clause 11 Ref. T14 carried. All other clauses lost. Voting on which was as follows:

Clause 11 Ref. UD01.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Rogers.

Majority Vote: 9:9

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote **against** clause 11 Ref. UD01.

Clause 11 Ref. E06.

For:

Councillor Abdurahman, Councillor Apanowicz, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor Rogers.

Majority Vote: 10:8

Carried

Clause 11 Ref. E01.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor Rogers.

Majority Vote: 11:7

Carried

Clause 11 Ref. E01a.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Pouwi Hohaia, Pouwi Kelly.

Majority Vote: 14:4

Carried

Clause 11 Ref. T03.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 8:10

Lost

Clause 11 Ref. T05.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Rogers.

Majority Vote: 10:8

Carried

Clause 11 Ref. T06.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 8:10

Lost

Clause 11 Ref. T07.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 8:10

Lost

Clause 11 Ref. T08.

For:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 7:11

Lost

Clause 11 Ref. T10.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 7:11

Lost

Clause 11 Ref. T14.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor Rogers.

Majority Vote: 10:8

Carried

Clause 11 Ref. T16.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers.

Majority Vote: 8:10

Lost

Clause 11 Ref. E10.

For:

Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 4:14

Lost

Clause 11 Ref. E.

For:

Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 4:14

Lost

Clause 11 Ref. T19.

For:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 5:13

Lost

Clause 11 Ref. T20.

For:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Pannett, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 6:12

Lost

Clause 11 Ref. T.

For:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Majority Vote: 5:13

Lost

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Extend the meeting beyond six hours, in accordance with standing order 11.7.

Carried

Moved Mayor Whanau, seconded Councillor Apanowicz, the substantive motion

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive the information.**
2. **Note** that Council is facing significant financial risk as a result of:
 - a. A large under-insurance risk – we do not have sufficient insurance to respond to future financial and natural hazard risks.
 - b. An undiversified investment portfolio.
3. **Note** that the Council previously proposed to sell its airport shareholding and invest the proceeds in a new, diversified fund as the way to respond to these issues.
4. **Note** that on 10 October, the Council resolved to initiate an LTP amendment process with a view to changing its preferred option to no sale of the airport shares.
5. **Note** that as a result of further loss modelling as part of the insurance roadmap, the insurance gap number has been updated, based on probabilistic modelling.
6. **Agree** that the following elements of a prudent financial strategy will be included in this LTP amendment:
 - a. ~~maintain a 225% debt to revenue ratio;~~ reduce the debt to revenue ratio of 225% to allow debt capacity of \$1b (up to Council's debt to revenue covenant) within the LTP. This capacity is reserved for any and all unexpected events including underinsurance risk;
 - b. ~~increase the allocation of insurance headroom from \$272m to \$500m, to be provided for under the 225% limit;~~ remove the allocation of insurance headroom within the debt to revenue ratio;
 - c. maintain the limit on rates increases at 5-8% on average over the 10-year period.
 - d. note the Council still has the airport on its balance sheet and would retain

7. **Note** that the most effective mechanism to achieve a provision of \$500m insurance headroom is a reduction in the capital programme of approximately \$400-600m over the LTP period. Note that the combined unexpected events debt capacity can be addressed entirely towards underinsurance in the event of a major disaster and that this provides a larger pool of capital to address the \$1.8bn of uninsured assets than the \$500m insurance debt headroom approach.
8. **Note** that the National Land Transport Plan funding allocated to the Council is lower than assumed in the 2024-34 LTP. This has resulted in a shortfall of revenue of approximately \$68m. In order to mitigate the impact of this on our debt capacity, a reduction in capital expenditure is required of approximately \$130m.
9. **Note** that based on the principles noted in the body of the report, officers have identified options for reducing or rephasing the capital programme that result in total savings of \$558m over years 1-10 of the LTP being:
 - a. \$45m in Year 1;
 - b. \$390m in years 2 to 6;
 - c. \$123m of the remaining years 7 to 10 of the LTP.
10. **Note** the financial impact of the proposed capital programme savings on operating expenditure has not yet been considered. The proposed capital programme reductions will likely reduce depreciation and interest costs. This results in a reduction to the amount of rates we need to collect. Any reduction in revenue will impact the debt to revenue ratio and further reduce debt capacity.
11. **Agree** the proposed ~~\$558m~~ changes to the capital programme in Attachment 1 (with the below alterations) to be updated in the draft budget for Committee approval on 14-17 December 2024:

Ref.	Project	Alteration	Impact to Attachment 1 Savings over 10 years (\$558m)
E01	Huetapara Park	Retain funding until any partnership arrangements with WIAL have been clarified.	-\$2.4m
E01a	Huetapara Park	Council officers will work with the HPCG and WIAL to ensure the WIAL proposal meets the community's reasonable expectations and report back to Council by April 2025 on the details of the WIAL proposal and any necessary subsequent process and decisions required to facilitate the proposal.	

E02	Frank Kitts Park redevelopment	Retain \$3m in years 1-3 for resource consent and preparation of Frank Kitts carpark demolition. Co-fund demolition of Frank Kitts Carpark and landscaping of southern end of the park in years 4-6 with the Fale Malae Trust, with Council's contribution capped at a \$5m. Rephase \$15m to years 10+ of the LTP for development of the northern section of Frank Kitts Park, including Chinese Garden.	-\$8m
E06	Ōtari Development Plan	Retain budget as per 2024-34 LTP.	-\$3.4m
E08	Johnsonville urban green space development	Retain budget as per 2024-34 LTP.	\$0m
E09	Southern Landfill Carbon Unit Purchases	Retain budget as per 2024-34 LTP on the basis that officers will provide advice in December on the possible sale of current carbon credit holdings to capitalise a disaster resilience fund.	-\$23.2m
E10	Organics Processing	Retain budget as per 2024-34 LTP and direct officers to investigate possible lower cost local organics processing options and assess alongside regional options organic processing outcomes, and report back in before LTP amendment deliberations in 2025.	-\$11.5m
E11	Wellington Zoo upgrades	Remove funding for glamping upgrades.	\$0m
CW0 1	Bond store upgrade	Rephase upgrades to years 8-10 (noting 4-year extension passed by Parliament on 21 November) and direct officers to investigate options for an alternative site for the Wellington Museum and report back as part of the EQP buildings options analysis mid-2025.	\$0m – rephasing may incur an inflationary impact
CW0 2	Art installations	Retain budget as per 2024-34 LTP.	-\$316k

SR0 1	Khandallah Pool upgrade	Continue with 2024-34 LTP direction for an engineering review of whether the pool can be fixed within existing \$7.5m budget and if not feasible, proceed with demolition and landscaping in years 2-3.	\$0 to +\$3.4m depending on review outcome
SR0 2	Grenada North Community Sports Hub and Synthetic Turf Tawa/Grenada	Retain budget as per 2024-34 LTP.	-\$12.4m
SR0 3	Playgrounds – Upgrades	Retain budget as per 2024-34 LTP.	-\$247k
SR0 4	Destination Skate Park – Kilbirnie Park	Retain budget as per 2024-34 LTP.	\$0m
SR0 5	Karori Events Centre Fitout	Agree to stop the project and remove the fitout funding (as per attachment 1) but direct officers to provide advice on how the share of funding to the project donated by the community can be allocated to another appropriate community facility or project in Karori.	\$0m
SR0 6	Te Awe Mapara	Reduce 2024-34 LTP budget with a total savings of \$10m over years 8 and 9.	-\$39.8m
SR0 7	Housing Upgrade Programme Phase 2	Retain budget as per 2024-34 LTP, do not rephase.	-\$8.7m
UD0 1	Suburban town centres	Retain budget of \$11m but rephase into \$5.5m in Y4 and \$5.5m in Y9.	-\$4.3m
UD0 2	Laneways	Retain budget as per 2024-34 LTP.	-\$2m
UD0 3	Green Network Plan – Inner City Greening.	Retain budget as per 2024-34 LTP.	-\$2.7m
T01	Retaining walls	Budget \$7.5m in years 1-3. Decrease funding from years 4-10 as per officers' recommendation for amendment.	-\$7.5m
T02	Minor Works Upgrades	Increase budget by \$16m from years 3-10.	-\$16m
T05	Reactive minor works	Retain budget as per 2024-34 LTP.	-\$3.7m
T13	Safe Routes to Schools	Increase budget by \$2.5m over years 2-10 compared to officers' recommendation.	-\$2.5m

T14	Footpath Upgrades	Reinstate budget that was decreased at 2024-34 LTP.	-\$6m
T17	Cycleways Minor Works	Reduce by a further \$2.5m from years 2-10 on top of officer recommendation for amendment. Direct officers to investigate using alternative options for low-cost installation of bike racks including private providers utilising advertising revenue.	+\$2.5m
T20	Golden Mile Upgrades	Retain budget as per 2024-34 LTP. 51% NZTA funded so WCC debt impact is \$29.3m.	-\$59.7m
T23	City Streets – Central City Upgrades	That the proposed rephasing for Cuba St funding to Y6 be instead retained in Y2, and officers prioritise property acquisitions to facilitate the revitalisation of Cuba Street.	\$0 (rephasing)

- 11.a. Note that officers have completed an initial business case for retention of the Begonia House and will be able to report back to the Kōrau Tōtōpū Long Term Plan, Finance and Performance Committee in 2025 with finalised options for remediation, taking into account the fiscal constraints the city is operating under.
12. **Note** that, as agreed on 29 October, Councillors will receive further advice on the disaster resilience fund via a briefing in December, including on:
- Fund structures and objectives and associated management costs
 - Fund capitalisation (including advice on ground leases and carbon credits)
 - How the fund might work alongside current insurance roadmap work.

Partially carried

Attachments

- 1 Question & Answer Document for 26 November 2024 hui
- 2 Question & Answer Document for 12 and 13 November 2024 workshops
- 3 Letter from Community Hall Trust

Secretarial note: Carried amendments are denoted in red. A division was called for. The motion was decided by parts. Clause 11 Ref. T02 lost. All other clauses carried. Voting on which was as follows:

Clauses 1-5.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 6 (inclusive of a-d).

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Brown.

Majority Vote: 17:1

Carried

Clause 7.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Randle.

Majority Vote: 17:1

Carried

Clauses 8-10.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. E01 and clause 11 Ref. E01a.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. E02.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Calvert, Councillor Young.

Majority Vote: 16:2

Carried

Clause 11 Ref. E06.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Brown.

Majority Vote: 18:0

Carried

Clause 11 Ref. E08.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. E09.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. E10.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young.

Majority Vote: 14:4

Carried

Clause 11 Ref. E11.

For:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Abdurahman, Councillor Chung.

Majority Vote: 16:2

Carried

Clause 11 Ref. CW01.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Chung.

Majority Vote: 17:1

Carried

Clause 11 Ref. CW02.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor O'Neill.

Majority Vote: 17:1

Carried

Clause 11 Ref. SR01.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Young.

Majority Vote: 17:1

Carried

Clause 11 Ref. SR02.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. SR03.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouivi Hohaia, Pouivi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. SR04.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. SR05.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Chung.

Majority Vote: 17:1

Carried

Clause 11 Ref. SR06.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Randle, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor Pannett, Councillor Young.

Majority Vote: 13:5

Carried

Clause 11 Ref. SR07.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Chung, Councillor Randle.

Majority Vote: 16:2

Carried

Clause 11 Ref. UD01.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Brown, Councillor Pannett.

Majority Vote: 16:2

Carried

Clause 11 Ref. UD02.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Calvert, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Brown, Councillor Chung, Councillor McNulty.

Majority Vote: 15:3

Carried

Clause 11 Ref. UD03.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor McNulty.

Majority Vote: 14:4

Carried

Clause 11 Ref. T01.

For:

Mayor Whanau, Councillor Apanowicz, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Abdurahman, Councillor Brown, Councillor O'Neill, Councillor Pannett.

Majority Vote: 14:4

Carried

Clause 11 Ref. T02.

For:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Councillor Pannett, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Apanowicz, Pouwi Hohaia, Pouwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Rogers.

Majority Vote: 9:9

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote **against** clause 11 Ref. T02.

Clause 11 Ref. T05.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

Clause 11 Ref. T13.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Young.

Majority Vote: 17:1

Carried

Clause 11 Ref. T14.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Free.

Majority Vote: 17:1

Carried

Clause 11 Ref. T17.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Pannett.

Majority Vote: 17:1

Carried

Clause 11 Ref. T20.

For:

Mayor Whanau, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Rogers, Councillor Wi Neera.

Against:

Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Pannett, Councillor Randle, Councillor Young.

Majority Vote: 11:7

Carried

Clause 11 Ref. T23.

For:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Pannett.

Majority Vote: 13:5

Carried

Clause 11.a.

For:

Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Mayor Whanau, Councillor Matthews, Councillor McNulty.

Majority Vote: 15:3

Carried

Clause 12.

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Rogers, Councillor Wi Neera, Councillor Young.

Against:

Majority Vote: 18:0

Carried

2.2 Decision register updates and upcoming reports

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.

Carried

The hui concluded at 4:14pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on Draw on the supreme sacredness
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	To clear, to free the heart, the body
I te ara takatū	and the spirit of mankind
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

Authenticated: _____
Chair

Extraordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Minute item attachments

9:30 am Rātū, 26 Whiringa-ā-rangi 2024
9:30 am Tuesday, 26 November 2024
Ngake (16.09), Level 16, Tahiwī
113 The Terrace
Pōneke | Wellington

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October 17th 2024

Kei te Rangapū Ahikāroa, Pouiwi, tēnā anō tātou.

Our Collaborative Working Relationship for the Capital City.

Since taking the Wellington Mayorality, working collaboratively with you as Māori leaders within the Capital City is important to me and my Council. However, last week's events mean I need to acknowledge the severe breach of my collaborative desire, our trust as partners, and our Tākai Here agreement. We made a decision while seated at the table with iwi, but regrettably, that decision was revisited and made again without your involvement as iwi. This was an unacceptable breach of trust and the partnership principles we committed to. For that, I am deeply sorry.

The foundation of our partnership, as articulated in the Tākai Here, is grounded in mutual respect, shared values, and a commitment to collaboration. As Kara noted in a very articulate way, we breached the essence of Te kakau o te hoe—the paddle handle—which speaks to the accountability we share to keep this partnership strong. By making decisions without iwi, we failed to uphold the trust and respect that is the very structure of the handle. Te Rapa o te hoe—the paddle blade—symbolises equal representation and visibility in decision-making. By acting without you, we did not honour this core aspect of our partnership. It undermined the mutual respect and the mana-enhancing processes embedded in this agreement.

We recognise the gravity of this breach and understand that actions like these impact the trust that has been carefully built between us. It is now our responsibility to restore that trust and ensure that Te Manawatu, the integrity and transparency of our partnership, is upheld moving forward. We are committed to revisiting our processes to prevent such injustices from happening again and to restore the respect and collaboration this partnership deserves.

Our relationship is precious and must be nurtured with care, humility, and transparency, as outlined in our agreement's Matua te mana and Matua te pononga values. We seek your guidance on how we can make amends and rebuild our partnership in a way that reflects these values.

I know many of the Council value Liz and Holden's contribution to our work, and to them both, I have apologised personally for the position they were in last week as individuals. They have consistently presented themselves with humility and wisdom, and despite our actions as Council, they continued to act with this same humility. I am steadfast in my determination to continue working with your representatives, our Pouwiwi. I hope they remain at the table with us to navigate a critical time for Pōneke. I am clear that the contribution of mana whenua at the Council and our partnership with the iwi of Te Whanganui-a-Tara is deeply valued by myself, the Council and Wellingtonians.

As your Mayor, a whanaunga, and a committed partner to our agreement, I am focused on doing everything I can to uphold the values and commitments enshrined in Tākai Here.

Despite these events, I hope you feel determined to continue our work together. We have critical tasks ahead, including the Long-Term Plan and the upcoming water reforms, and your leadership and insights are essential in shaping the future of our city.

Nāku noa,

Mayor Whanau



Mayor Tory Whanau

E: tory.whanau@wcc.govt.nz



**Absolutely Positively
Wellington City Council**
Me Heke Ki Pōneke



Endemic Poor Knights Lily

Where people and nature thrive: the Ōtari Landscape Development Plan

- Ōtari-Wilton's Bush is a six-star Garden of International Significance, encompassing 100 hectares of mature native forest and five hectares of botanic gardens dedicated to NZ's native plants, including many of our rarest.
- The Ōtari Landscape Development Plan aims to redevelop the area encompassing Ōtari's nursery, propagation sheds, conservation science laboratory, and library.
- This is currently a jumble of makeshift and cramped spaces. Delaying the plan will mean further deterioration to the already aged buildings, possibly to beyond repair.
- Council officers recommended the Ōtari plan remain in the LTP, to fund these much-needed staff amenities. The Ōtari-Wilton's Bush Trust strongly endorses this view.
- The Plan, enabling better native plant care, aligns the LTP with WCC's Vision: **Pōneke: a creative capital where people and nature thrive.**
- The Plan also aligns with WCC's Social Wellbeing Framework Environmental Outcome: **A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change.**
- And with the Framework's Strategic Objective: **A quality natural environment is attractive and accessible to all Wellingtonians and visitors.**
Ōtari-Wilton's Bush is open and free to the public. Around 180,000 people annually enjoy the forest and garden trails and picnic lawns. Each year Ōtari hosts some 1700 paying cruise ship passengers, hundreds of school students on education visits, and ongoing tertiary level environmental science students.
- The Ōtari-Wilton's Bush Trust (owbt.nz) supports Ōtari in many ways. The Plan is beyond the reach of our non-profit, organisation.
- We respectfully ask the Committee to keep the relatively small, \$3.1 million Ōtari Landscape Development Plan in the 2024 Long-term Plan.



Ōtari's nursery is old, makeshift and not fit for purpose

Living Streets Aotearoa



Public Participation Comments from Living Streets Aotearoa (Wellington Branch) on the Wellington City Council Long Term Plan Amendments – Decisions on Capital Projects

Introduction

Living Streets Aotearoa (LSA) is the national organisation for pedestrians. We want to see more people walking more often. We believe that footpaths are for feet, and users of low-speed mobility devices such as wheelchairs. Therefore, we support safe, separated pedestrian infrastructure, safer speeds, and better connections between walking and public transport. We want to see scooters and bikes have their own safe, separated routes, and we do not support their use on the footpath or on shared paths.

We are deeply concerned that the proposed changes to the Capital Works Programme show a pattern of either reducing, or cancelling altogether, projects that will benefit pedestrians. This is especially disappointing considering that, in 2023, 18% of Wellingtonians travelled to work on foot, while 21% preferred to be able to do so¹ – and, of course, many Wellingtonians walk in our city for other purposes.

Wellington City Council Long Term Plan Amendments – Comments on Transport Projects

In our view, these projects should be retained in the Capital Works Programme:

T13 Safer Routes to Schools: Getting more students walking to schools is especially important to reduce emissions, reduce congestion and make our communities safer. Therefore, we think this initiative is a high priority, and should be retained in full.

T20 Golden Mile Upgrades: We believe that the proposal to limit the project to Courtenay Place is highly likely to result in the loss of NLTP funding, thus leading to the failure of the whole project. Below, we propose ways in which costs can be reduced while keeping the project to its original scope.

T22 Eastern Corridor Upgrades: As noted by Greater Wellington, the No. 2 route is Wellington's busiest public transport route, and services a wide catchment of people whose journeys have both walking and public transport components. We support the retention of this project, and disagree with the proposed removal of bike, pedestrian and place improvements.

¹ See <https://wellington.govt.nz/-/media/parking-roads-and-transport/transport-insights/20240708-wcc-pwts-2023-traveltowork-briefreport.pdf>

T23 Central City Upgrades: We support the continued inclusion of this project, in particular the Dixon St and Cuba St pedestrian improvements, but acknowledge that the Cuba St improvements should be considered alongside the purchase of 155 Cuba St.

T21 Harbour Quays Corridor Upgrades: Establishing bus lanes on the Harbour Quays is an important complement to the Golden Mile route. Given the mode conflict at peak hours along the waterfront, in which pedestrians are put at risk by fast-moving commuter bikes and scooters, we would also like to see cycle lanes established on the Harbour Quays, so that the waterfront is prioritised for pedestrians.

T10 LED Street Light Transition: Better street lighting enhances both actual and perceived pedestrian safety, and we support this project.

More on the Golden Mile Upgrades

The Golden Mile improvements were originally conceived as bus and pedestrian improvements, but subsequently suffered from scope creep. Now, we risk years of work being wasted unless Council acts wisely to preserve the project.

We propose that the scope of the project should continue to be from Courtenay Place to Lambton Quay, rather than being restricted to Courtenay Place – both to maximise benefits, and to minimise the risk that NTLF funding will be lost. We further propose that:

- In the interests of accessibility, equity and usability, the existing number of bus stops should be retained.
- If stops are to be removed, improving pedestrian priority and reducing dwell times at road crossings is vital for pedestrians who will have to travel further to catch the bus.
- Tactical urbanism should be used to allow more to be done for less. For example, when closing off the roads that feed into Lambton Quay, planter boxes and seats can be used in the short term. A lot of the project's benefits can be realised by means of some traffic resolutions, some paint, and some useful street furniture.
- A connected network of protected cycle lanes should be provided on nearby streets, not on the Golden Mile (and in particular, not on Courtenay Place and Lambton Quay).

In conclusion, we appreciate that the Council has difficult financial decisions to make. We have recently submitted against the proposed demolition of the City to Sea Bridge, and we suggest there is room for substantial savings in the Te Ngākau project (UD04). The option to not demolish the bridge should certainly be considered in these discussions.

Meeting the needs of Wellington's current and future pedestrians is a core Council function. We urge you not to abandon projects that will benefit so many of your constituents.

Ngā mihi nui
Tim Jones
for Living Streets Aotearoa Wellington Branch

Questions and Answers

Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Rātū, 26 Whiringa-ā-rangi 2024

Tuesday, 26 November 2024

Questions received up to 18/11/2024, provided 21/11/2024

2. General Business

2.1 LTP Amendment – Capital programme decision

Environment and infrastructure:

1. **Capital spend: 2006 Botanic Garden Begonia House and Café**

Q(i) - What is the risk from postponing this project by six years?

A – As outlined in Appendix 1 of the paper under *E03 Begonia House*, there would be a public health and safety risk to be addressed within the next two years (e.g. glazing and heating).

Q(ii) - What is the cost of retaining the Café while removing the Begonia House?

A – Further work would need to be undertaken to be able to provide the cost to do this.

2. **Q - Please can I have more information on Otari Landscape plan and particularly what the impacts of not funding this work will be?**

A – Answers for this project and information about the impact/risks and finances is included in Appendix 1 of the paper under *E06 Ōtari Landscape Development Plan*.

3. **Capital spend: 2009 Town Belt & Reserves Huetepara Park Lyall Bay**

Q - What is the risk from postponing this project by six years?

A – The risk of delaying the project is the same as for removal; this is a community-led project so there is a risk of community dissatisfaction with the removal or delay of the project.

4. **Capital spend: 2011 Southern Landfill Improvement Collections Service – rethinking bins**

Q(i) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project.

Q(ii) - What is the net financial impact (capital and operating) from delaying the start of this Zero Waste project by six years?

A - Officers have not yet been able to model the operational impacts of all possible changes to the capital programme, but note that in some cases, this work was already underway.

In Summary,

Collections

- Halting the organics project and retaining existing collections contracts would result in an OPEX reduction of \$7.2m in year 4, \$12m annually ongoing). Note that approved grant funding revenue of \$5.1m from Ministry for the Environment (MfE) for Organics bins (CAPEX) may be lost if the project does not proceed).
- A CAPEX reduction of \$13.9m would result from not purchasing bins. Purchase of the bins was planned at \$5.1M of MfE funding and \$8.8M of Landfill Surplus.

Organics Processing

- Halting the Organics Processing project would result in a CAPEX reduction of \$20.3m. This would have been partially funded (\$4.6M) by the landfill surplus.

Note that:

- the RFP has not yet entered the market, and that officers continue to explore internal options, so the price may be less than the budget.
- an application for potential MfE funding of \$10M for organics processing will be withdrawn if the project is halted.
- MfE has proposed legislation to introduce mandatory organics collection by 2030. This legislation has not been approved.

OPEX		Year 4
Original service	Collection Contracts	12,408,650
New Service	Collection Contracts	24,661,549
New Service	MfE Grant Revenue (bins CAPEX)	(5,080,757)
	OPEX reduction	\$7,172,142
CAPEX		Total
New Service	New bins - rubbish (Landfill Surplus Fund)	3,380,892
New Service	New bins - recycling (Landfill Surplus Fund)	5,408,873
New Service	New bins – organics (MfE grant)	5,080,757
	CAPEX reduction	\$13,870,522

OPEX reduction Collections \$7.2m

It was agreed that the rubbish and organics collection contract cost would be funded via a new targeted rate. This targeted rate would collect \$17,748,464 of revenue, \$12,252,899 more than currently received for rubbish bag sales.

CAPEX reduction Collections \$13.9m (bins) – funded \$5.1m MfE & \$8.8m Landfill Surplus.

The organics bins were expected to be funded via an MfE grant. Should the collections project be delayed funding may no longer be available. The cost could therefore fall on council in future.

The capex reduction related to new bins is \$13.9m for the three bin types.

Capex reduction Organics Processing - \$20.3m – funded \$4.6m Landfill Surplus

\$20.3m has been provided to partner with Hutt City Council on a regional organics processing plant. The RFP has not been issued to the market, therefore officers cannot provide prices for the solution, nor can officers clarify whether what is capex or opex. Note that officers continue to explore processing options using existing WCC plant and equipment.

Q(iii) - What alternative expenditure would be required to support ongoing landfill services should these projects be cancelled?

A – There would be no alternative expenditure required to support ongoing landfill services. Disposal would continue to be user pays, therefore associated costs would be recovered via gate fees and rubbish bag sales.

The life of the Southern Landfill may be reduced if the new collection services are cut or significantly delayed, which could bring forward additional capital expenditure in outyears, however this effect is too uncertain to offer an estimate of timing and amount.

5. Capital spend: 2011 Southern Landfill Improvement Organics Processing

Q(i) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e. there some mandatory expenditure still required in this area?)

A - See Above

Q(ii) - What alternative expenditure would be required to support ongoing landfill services should these projects be cancelled?

A - There would be no alternative expenditure required to support ongoing landfill services. Disposal would continue to be user pays therefore we would recover associated costs via gate fees and rubbish bag sales.

The life of the Southern Landfill may be reduced if the new collection services are cut or significantly delayed, which could bring forward additional capital expenditure in outyears, but this effect is too uncertain to offer an estimate of timing and amount.

Q(iii) - What is the net financial impact (capital and operating) from delaying the start of this Zero Waste project by six years?

A - The MfE grant funding for organics collections would be lost. The value of the grant is \$5.08m (both opex and capex). These costs would fall to Council in future.

It is difficult to quantify opex impact without going to market for current level of service. Council's current contractor would need to purchase new fleet to deliver, impacting contract cost.

Delaying the start of this project would push the budgeted capex spend from Y3 (FY27) into Y9 (FY33), this would result in an increase in cost of at least \$1M (inflation).

6. **Capital spend: 2011 Southern Landfill Improvement Southern Landfill Carbon Unit Purchases**

Q(i) - Why are landfill Carbon Credits being purchased by borrowing and not funded from operating funds?

A - Carbon Credits are an intangible asset and sit on the balance sheet. Accounting rules dictate that the purchase of assets can't be recognised as an expense, which is why it is funded through borrowing and not operating funds.

When the carbon credits are surrendered annually to recognise the landfill's emissions, the asset is "disposed of" and the cost of the units is recognised as an expense in landfill.

Q(ii) - What is the financial impact of changing the funding of Carbon Credits from our operating budget?

A – We are not confident this can be done, as this is the purchase of an asset. Should it be allowed, the result would be an increase in rates of \$4-5m per year.

Social and Recreation

9. **Capital spend: 2043 Aquatic Facility upgrades Khandallah Swimming Pool Upgrade**

Q(i) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A - The net savings are dependent on what option progresses. Below is a summary of the potential options and their associated costs. Only the capital costs of the first option below (**Option 1A**) are included in the LTP budget.

If through the engineering review an option to retain the pool for a capital cost of \$7.9m can be identified, the corresponding annual opex would be \$0.8m (**Option 1A**)

The capex cost estimate Council received last year for a rebuilt Khandallah Pool was \$11.5m, with a corresponding annual opex of \$1.1m. (**Option 1B**)

If a decision is made to not retain the pool, site remediation is still required. In the LTP this was detailed as the landscape option. The estimated capital expenditure based on the QS provided on the concept design (which includes demo, new buildings, earthworks, fees, and contingency) is \$4.5m. The corresponding annual opex cost is estimated at \$0.34m. (**Option 2A**)

Note any option chosen will be subject to resource consent requirements.

Q(ii) - What is the net financial impact (capital and operating) from delaying the start of this project by six years?

As per above, the net financial impacts are dependent on what option progresses.

Option 1A: Capex \$9.0m (+\$1.1m inflated for time, value, money), Opex upon completion \$0.9m (+\$0.1m)

Option 1B: Capex \$13.0m (+\$1.5m inflated for time, value, money), Opex upon completion \$1.2m (+\$0.1m)

Option 2A: Capex \$5.1m (+\$0.6m inflated for time, value, money), Opex upon completion \$0.38m (+\$0.04m)

There is no opex budget to operate the pool beyond the end of the 2024/25 financial year.

Q(iii) - What is the risk from postponing this project by six years?

A – Answers for all Qs - This project and information about the impact/risks and finances is included in Appendix 1 of the paper under SR01 Khandallah Pool upgrade.

11. Capital spend: 2047 Synthetic Turf Sportsfields upgrades Proj: Synthetic Turf Sportsfields upgrades

Q(i) - What is the sports ground currently planned to be upgraded by this capital expenditure?

A- This is for a synthetic turf in the Tawa/Grenada area at Grenada North Sportsfield as part of the upgrades

Q(ii) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A - Due to time constraints officers have not modelled the impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

Q(iii) - What is the risk from postponing this project by six years?

A – This project and information about the impact/risks and finances is included in Appendix 1 of the paper under SR02 Grenada North Community Sports Hub and Synthetic Turf Tawa/ Grenada.

12. Capital spend: 2043 Aquatic Facility upgrades Degasification of Pools Climate change response improvements

Q(i) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A - This program is projected to deliver a positive net-present-value of \$11.5M over the project's lifespan, excluding potential additional benefits from the NZ Emission Trading Scheme. Therefore, not proceeding with the project would result in a net loss for the Council.

Q(ii) - What is the net financial impact (capital and operating) from delaying the start of this project by six years?

A - Delaying the start of the project would postpone both the capital expenses and the realization of operational savings, noting that these projects are overall expected to yield a

positive financial return. It is anticipated that the delay would lead to increased capital expenses due to rising demand and costs for associated components, such as electrical infrastructure.

Q(iii) - What is the risk from postponing this project by six years?

A – Swimming pools are a significant part of the Council’s Energy Decarbonisation Plan (EDP). The cost and supply of gas has reached a level where our current model is not sustainable going forward. Once the currently funded projects are implemented, these will initially save approximately \$1.5M per annum on our energy bills.

For the pools, these projects will occur during their scheduled closures, and some work will be completed on the shoulder years of closures where it does not affect the functionality of the facility. Delivering the EDP will reduce energy related emissions by 1,940 tonnes (CO2 equivalent), which is 6.5% of our 57% reduction target (of our 2020 emissions by 2030), as set out in Te Atakura.

A reduction or delay in budget will mean Council will not reach the 2030 reduction target and delays / reductions in savings.

Urban Development

14. Q – Can we have a recommended priority list for suburban centre works?

A – The Long Term Plan (LTP) 2024-34 has allocated \$12.5m funding (\$10M Capex and \$2.5M Opex) to the Programme over the next nine years. The LTP envisages the Programme as delivering the following:

- Upgrading a town or suburban Centre every 2 years;
- Aiming to enhance safety and access within the town centre;
- Creating an attractive and functional space for community activity;
- Improve the appeal of shopping and connecting with others locally

The new District Plan supports densification in and around Suburban Centres, meaning increasing numbers of people will live work and play in these areas. Our Suburban Centres have received little to no funding in the last decades to improve amenity and the public realm.

Post adoption of the 2024-34 LTP officers have developed a Suburban Centres Prioritisation Study to provide an objective, evidence-based assessment to inform which Centres could be prioritised for planning and upgrade within the current LTP period. The report summarises the high-level exercise that has identified a draft list of Centres, which can be used as a decision-making tool for upgrades.

This document is currently in draft awaiting finalisation of data analysis however, emerging results show the first tranche of seven Centres: Newtown, Johnsonville, Brooklyn, Khandallah, Kilbirnie, Kelburn and Miramar

Assessment considered a range of factors that contribute to listing centres as objectively as possible with a benchmark, including, health and safety, best urban design practices, relevant/local projects, and cultural overlays.

The LTP assigned \$2.5 million every 2.5 years to upgrade one suburban centre. Officers do not think that \$2.5 million will be enough to make material impact in Newtown, Johnsonville or Kilbirnie and are therefore suggesting that a community master planning process is conducted for these centres to form a later LTP budget. Officers propose that this process is commenced and in parallel the first capex allocation is used for one of the smaller centres.

15. Q - 2070 - Central city framework activity code. LTP has \$25m - what did this include and what changes / savings to this are being proposed.

A - This activity has a number of programmes and projects, these are described below and the savings proposals summarised.

Programme / Project	Description	24-34 LTP allocation	Proposed savings	Proposed reduced budget included in LTP amendment
Suburban Centres upgrades	This is programme funding to deliver 1 town centre upgrade project every 2 years. The level of investment will be determined through investigation and scoping through the business case development. This CAPEX funding is currently allocated to YR 9	\$11 m	UD01 Remove all budget from years 3 and 5.	\$6.8 m
Laneways	This programme budget was significantly reduced as part of the 21-31 LTP. This programme now funds laneway upgrades in Central City. Current prioritised Laneway upgrade list – Wigan/Dunlop, Lukes Lane, Edward Street, Mercer Street. This CAPEX program is funded through to YR 10	\$2.6 m	UD02 Remove all budget from years 2-7.	\$0.9 m
Green Network Plan – 1000 trees in central city	The adopted Green Network plan has 4 targets, one of which was doubling the number of trees (2000 new trees in the central city) This budget contributes to meeting this adopted target. Through the LTP 1000 trees were funded. This CAPEX program is funded through to YR 7	\$4.5m	UD03 Remove all budget from years 2-5.	\$4 m

Frederick Street Park (new)	The creation of this park is required by resource consent. The building next to the site has been completed and it is a requirement of that consent that the park be built. Therefore, for regulatory and legal reasons, this project is out of scope. This park project contributes to the Green Network Plan target of creating 2 new central city parks.	\$4.3 m	No saving proposed	\$4.3 m
Poneke Promise – Te Aro Park upgrade	This project is part of the City Safety initiatives and is also a significant project for mana whenua and therefore Tupiki Ora. The Te Aro Park project has been considered and envisaged to be an integrated design solution along with the upgrade of Dixon Street and Inglewood Place. Work has already started at the park with the removal of the public toilets. The allocated budget is to progress the next stage of the project by completing phase 1 of the park upgrade and remediates the area where the public toilets were removed.	\$2.7 m	No saving proposed	\$2.7 m
	<u>TOTAL</u>	<u>\$25 m</u>		<u>\$18.7 m</u>

18. Q. Please provide the reduced scope impacts / proposed details around Harbour Quays.

A – The current LTP has a budget of \$52.6m.

With NZTA Waka Kotahi not funding this project through the NLTP, officers at GWRC and WCC are proposing instead to progress an interim scheme expected to cost approximately \$10m. Design and business casing has not yet commenced. All pedestrian and amenity improvements on the key streets connecting the two bus spines have also been removed from this proposal.

19. Capital spend: 2094 Cycling Network Renewals: Cycleways and Cycleways Minor Works

Link to compiled pdf of tables in answers to question 19: [2024-11-21-Q\u0026A](#)
[LTPFPC Supporting tables to answer question 19.pdf](#)

Q(i) - What are the individual cycleway projects funded from the above capital programmes and, for each, how much has already been spent?

A - Projects with assigned budgets, following completion of approved business case (and approved traffic resolutions), are included in the list below.

Funding for future projects (without approved business cases) have been calculated based on rough order cost estimates. This budget is currently held at programme level until business cases are completed.

Current Pipeline (Finish What Started)			Approved Budget (WOPC)	Spend to Date	
Project				Spend to date (end)	% spent to date
Newtown to City		Transitional	4,650,000	4,567,014	98.2%
Botanic to City		Transitional	2,980,000	2,973,187	99.8%
Evans Bay Stage 1, Part 3	East Corridor	Transformational	12,332,337	11,596,332	94.0%
Evans Bay Stage 2	East Corridor	Transformational	16,376,726	1,524,602	9.3%
Rongotai / Onepu (Kilbirnie)	East Corridor	Transformational	5,175,070	5,000,192	96.6%
Island Bay safety Improvements		Transformational	5,798,953	4,980,583	85.9%
Karori to Botanic	Transport Choices	Transitional	5,660,717	4,329,081	76.5%
Ngaio Connections	Transport Choices	Transitional	1,513,000	1,274,420	84.2%
Aro Connections	Transport Choices	Transitional	2,029,000	1,950,828	96.1%
Kilbirnie Connections	Transport Choices	Transitional	4,451,000	4,103,950	92.2%
Thorndon Connections	Transport Choices	Transitional	2,864,000	2,219,387	77.5%
Wadestown Connections	Transport Choices	Transitional	1,770,000	1,104,015	62.4%
Berhampore Newtown	Transport Choices	Transitional	5,170,507	4,432,045	85.7%
Brooklyn		Transform (Reduced Scope)	5,086,664	1,336,664	26.3%

Q(ii) - What is the project budget for each Cycling Network project and how much of each project's funding has already been spent?

A – see table above

Q(iii) - For each year and each Cycling Network Project, what are the council funding amounts (capital and operating) going into each project?

A - The Approved LTP 24 – 34 allocated \$115.4 million (inflated) / \$106.9 million (uninflated) to Cycleways Renewals and Minor Works capital programme for the 10-year period.

Bike Network Plan

Inflated

Capex

Programme	FAR	Km's	Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
				\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Tranche 1	Assumed	3.6	Newtown to City, Botanic to City,	0.3	-	-	-	-	-	-	-	-	-	0.3
		34.6	Evans Bay stage 1, Evans Bay Stage 2, Island Bay, Berhampore Newtown, Karori to Botanic, Ngaio, Aro, Kilbirnie, Thorndon, Wadestown, Rongotai/Onepu	23.8	8.4	-	-	-	-	-	-	-	-	-
Tranche 2	Assumed	20.1	Kelburn, Ngaio to Karori, Johnsonville to Ngaio, Eastern Connections, Brooklyn (Targeted)	-	2.6	17.9	-	-	-	-	-	-	-	20.5
Tranche 3	Assumed	23.5	Newtown to Zoo, Tasman Tory, Courtney to Waterfront, Whitmore St, Tawa to Johnsonville, Tawa Connections, Broderick Road, Grenada North.	-	-	-	3.6	4.9	5.9	6.6	-	-	-	21.0
Tranche 4	Assumed	29.0	Wadestown to Northland, Newlands, Ohio Connections, Lyall Bay to Owhiro, Miramar - Shelley Bay, Eastern Bays	-	-	-	-	-	-	1.7	10.3	11.0	6.4	29.3
Tranche 5	Assumed		Minor Works	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	12.0
Other	Assumed													
Total Capex				25.2	12.1	19.0	4.8	6.1	7.1	9.6	11.5	12.2	7.7	115.4

External Funding	12.9	6.2	9.7	2.4	3.1	3.6	4.9	5.9	6.2	3.9	58.9	51.0 %
WCC Debt Funding	12.4	5.9	9.3	2.4	3.0	3.5	4.7	5.7	6.0	3.8	56.5	49.0 %
Total Funding	25.2	12.1	19.0	4.8	6.1	7.1	9.6	11.5	12.2	7.7	115.4	

Opex

Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Programme Costs	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	3.0
Behaviour Change	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	3.3
Total Opex	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	6.3

External Funding	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	3.2	51.0 %
WCC Debt Funding	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	3.1	49.0 %
Total Funding	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	6.3	

Total Programme

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total Capex	25.2	12.1	19.0	4.8	6.1	7.1	9.6	11.5	12.2	7.7	115.4
Total Opex	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	6.3
Total Programme	26.0	12.7	19.6	5.4	6.7	7.7	10.2	12.2	12.9	8.3	121.7

External Funding	13.3	6.5	10.0	2.7	3.4	3.9	5.2	6.2	6.6	4.3	62.1	51.0 %
WCC Debt Funding	12.7	6.2	9.6	2.6	3.3	3.8	5.0	6.0	6.3	4.1	59.6	49.0 %
Total Funding	26.0	12.7	19.6	5.4	6.7	7.7	10.2	12.2	12.9	8.3	121.7	

Note

Yr 2024/25 includes proposed carry forwards for capex and external funding which will be included in final deliberations

The LTP Amendment proposes to reduce the Cycleways Renewals and Minor Works capital programme budget to \$66.7 million (uninflated) over the 10-year period.

LTP AMENDMENT PROPOSAL Cycleways Renewals & Minor Works

Uninflated

Capex

Programme	# kms	Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Tranche 1	3.6	Newtown to City, Botanic to City	0.3	0	0	0	0	0	0	0	0	0	0.3
Tranche 2	28.7	Island Bay, Evans Bay Stage 1, Evans Bay Stage 2, Rongotai/ Onepu, Brooklyn, Berhampore Newtown, Karori to Botanic, Ngaio, Aro, Thorndon, Wadestown	20.9	9.8	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	34.6
Tranche 3	12	Primary Routes (Key Connectors)	0.0	0.0	3.8	5.3	4.3	0.0	0.0	0.0	0.0	0.0	13.4
Tranche 4	5.6	Primary Routes (Remaining)	0.0	0.0	0.0	0.0	0.0	1.9	3.5	3.8	1.6	0.0	10.8
Minor Works & Targeted Improvements		Various	0.7	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0	7.6
Total Capex			\$ 21.9	\$ 10.2	\$ 8.3	\$ 5.8	\$ 4.8	\$ 2.9	\$ 4.5	\$ 4.8	\$ 2.6	\$ 1.0	\$ 66.7

Q(iv) - What is the number of car parks removed as part of each Cycling Network Project?

A – See table below. Numbers are sourced from the proposed traffic resolution sent for consultation. Amendments are not incorporated and generally have resulted in increased parking retention. The theoretical revenue impact for these includes a prorated enforcement revenue for

all offences (i.e. also includes infringement fines for incorrect parking, BYL, Rego, WOF's non-compliance)

Current Pipeline (Finish What Started)	Parking Removed (Approx - number sourced from TR consultation doc, not final installed project)	Parking spaces Added	Parking converted from Unrestricted to Restricted (e.g. Mobility / Short Stay / Residents/ Loading Zone)	Theoretical revenue impact per annum
Newtown to City	165	4	0	-\$ 530,000.00
Botanic to City	160	0	0	-\$ 640,000.00
Evans Bay Stage 1, Part 3	18			N/A
Evans Bay Stage 2				N/A
Rongotai / Onepu (Kilbirnie)	18			N/A
Island Bay safety Improvements				
Karori to Botanic	450	0	24	-\$ 101,506.00
Ngaio Connections	125	0	50	N/A
Aro Connections	130		83	
Kilbirnie Connections	215	0	5	N/A
Thorndon Connections	125	5	21	Approx -\$550,000
Wadestown Connections	35	0	0	-\$ 14,000.00
Berhampore Newtown	210	15	15 (excluding remaining parking mgmt spaces)	Positive revenue impact from residents scheme - not yet calculated

Q(v) - What is the estimated loss of parking revenue from the car parks removed as part of each Cycling Network Project?

A – See table and answer above.

The impact on parking revenue is difficult to assess. We can calculate the theoretical impact based on restrictions and fees, taking into account compliance and occupancy as well as infringement stats. Currently we are on average experiencing an average occupancy of 52%.

We have also factored in where loading zones, taxi stands, motorcycle parking (non-revenue spaces) are removed to accommodate bikes or buses we will look to relocate that parking into metered areas in the vicinity, i.e. removing metered spaces in favour of loading etc.

Q(vi) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with each Cycling Network Project (i.e., is there some mandatory expenditure still required in this area?)

A – Further savings (in addition to savings already proposed as part of the LTP Amendment process) of \$43.28 million could be made if we do not proceed with projects that have the potential to be stopped (i.e. projects without signed contracts or those that have not yet been started).

LTP Amendment Proposal			Uncommitted Expenditure										
Tranche	Project		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	2024 - 34
Tranche 2	Evans Bay Stage 2	1.7	1,717,343	9,112,834	0	0	0	0	0	0	0	0	10,830,177
	Brooklyn	2	0	750,000	3,000,000	0	0	0	0	0	0	0	3,750,000
Tranche 3	Tawa to Ngaio, Miramar, Seatou	12	0	0	2,410,000	4,320,000	4,320,000	0	0	0	0	0	11,050,000
Tranche 4	Newlands, Central (non LGWM)	5.6	0	0	0	0	0	1,890,000	3,540,000	3,762,500	1,557,500	0	10,750,000
	Minor Works & Targeted Improvements		0	450,000	450,000	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,900,000
	Total Uncommitted to Projects		1,717,343	10,312,834	5,860,000	4,820,000	4,820,000	2,890,000	4,540,000	4,762,500	2,557,500	1,000,000	43,280,177

For ‘finish what is started’ projects savings of \$10.8 million could be made on Evans Bay Stage 2, and \$3.75 million on Brooklyn, as contracts have not been signed for this work. All other “finish

what is started” projects are currently under construction with contracts in place for work being done.

The total remaining budget to complete the Primary Network, as proposed in the LTP amendment, is \$24.15 million (allocated in years 3 – 9). With an additional \$7.6 million assigned to targeted improvements and Minor Works.

The Cycling Operating budget covers the planning and initial design work of the network as well as the maintenance and finance costs (depreciation, interest etc.) once the various routes are operational. The total budget allocated in the approved LTP 2024 – 34 is \$16.096 million over years 1 - 10. The budget includes professional costs, personnel (including project labour), depreciation, finance costs and an allocation of organisational overheads as well as revenues and subsidies from the likes of NZTA.

If the cycling network projects were not proceeded with, these budgets could not be removed in their entirety as there remains the ongoing costs as a consequence of the assets already in place (depreciation, finance, and maintenance expenses). There would also be wider budgetary impacts, for example the allocation of organisational overheads would be affected.

Q(vii) - What is the net financial impact (capital and operating) from delaying the start of each Cycling Network Project by six years?

A - The net financial impact of reducing the capital programme (as proposed in the LTP amendment) by six years would be \$20.5 million savings (uninflated).

Delay LTP Amendment Proposal by 6-years												
Tranche	Project	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	2024 - 34
Tranche 2	Evans Bay Stage 2							1,717,343	9,112,834	0	0	10,830,177
	Brooklyn							0	750,000	3,000,000	0	3,750,000
Tranche 3	Tawa to Ngaio, Miramar, Seatoun							0	0	2,410,000	4,320,000	6,730,000
Tranche 4	Newlands, Central (non LGWM)							0	0	0	0	0
	Minor Works & Targeted Improvements							0	450,000	450,000	500,000	1,400,000
	Total	0	0	0	0	0	0	1,717,343	10,312,834	5,860,000	4,820,000	22,710,177
	Total Savings if delayed by 6-years	1,717,343	10,312,834	5,860,000	4,820,000	4,820,000	2,890,000	2,822,657	-5,550,334	-3,302,500	-3,820,000	20,570,000

If the cycling network projects were not proceeded with the operating budget would likely reduce but could not be removed in their entirety as there remains the ongoing costs as a consequence of the assets already in place (depreciation, finance, and maintenance expenses). There would also be wider budgetary impacts, for example the allocation of organisational overheads would be affected.

However, if the programme were to shift out by six years it should probably be assumed that there would be no expenditure in the current year as to undertake one year of activity and then pause for a number of years would be problematic and could also lead to inefficiency and rework.

The financial impact would need to be calculated on the basis of updated and qualified assumptions concerning the likelihood of the availability of external funding, inflationary factors etc.

Q(xiii) - On the principle of “finish what is started,” what are the cycleway projects that still need to be completed and how much council funding is required to do this?

A – In the proposed LTP amendment we are proposing to continue with Evans Bay Stage 2 and a reduced scope for Brooklyn to City. The total amount required to “finish what is started” is \$35 million (uninflated). With an additional \$1.6 million (uninflated) for Cycleways Minor works (years 1 – 3).

20. Capital spend: 2094 Cycling Network Renewals: East Corridor - Cobham Drive; East Corridor - Evans Bay; East Corridor – Kilbirnie; East Corridor - Miramar Town Centre

Q(i) - For each year, what are the council funding amounts (capital and operating) going into each of these projects?

A - Projects in the Eastern Corridor include Evans Bay Stage 1, Evans Bay Stage 2 and Rongotai/Onepu Intersection. Cobham Drive and Miramar Town Centre are legacy projects and do not have budget assigned.

Response to question is included in above.

Q(ii) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with each of these projects (i.e., is there some mandatory expenditure still required in this area?)

A - Savings of \$10.8 million could be made on Evans Bay Stage 2 as a contract has not been signed for all of the physical works.

As of end of October the Evans Bay Stage 1, Part 3 project has spent 94% of the approved budget and the Rongotai/Onepu Intersection project has spent 96.6% of the approved budget. Both projects are due to complete construction in November 2024.

Q(iii) - What is the net financial impact (capital and operating) from delaying the start of these cycleway projects by six years?

A – Response to question is included in above

Q(iv) - How many car parks are to be removed as a result of these projects?

A - Response to question is included in above.

Q(v) - How much car park revenue will be lost due to the removal of car parks as a result of these projects?

A - None of these projects affect paid parking therefore there is no revenue loss.

23. Capital spend: 2128 Civic Campus Resilience and Improvements Te Ngākau Provision

Q(i) - What are the net savings to council expenditure (capital and operating) from REDUCING this budget by 10% for the next three years?

Q(ii) - What is the risk from REDUCING this budget by 20% for the next three years?

Q(iii) - What are the net savings to council expenditure (capital and operating) from REDUCING this budget by 20% for the next three years?

Q(iv) - What is the risk from REDUCING this budget by 30% for the next three years?

Q(v) - What are the net savings to council expenditure (capital and operating) from REDUCING this budget by 30% for the next three years?

Q(vi) - What is the risk from REDUCING this budget by 10% for the next three years?

A – Due to time constraints officers have not modelled the operating impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

A – The first three years of funding is fully provisioned for the basement, the bridge and Capital E. There are no net savings that can be made as this budget is fully provisioned.

This project and information about the impact/risks and finances is included in Appendix 1 of the paper under UD04 Te Ngākau.

Organisation

27. Capital spend: 2126 Business Unit Support Proj: Business Unit Support

Q(i) - What is this funding for?

A – Answer has been provided in the *2024-11 QA ahead of workshop document*. This relates to routine renewals and upgrades of existing systems utilised by Business Units. While the project is titled support for BU initiatives, this is a legacy project name, and it is better described as renewals of IT systems.

Q(ii) - Is this expenditure 100% from council or is there also co-funding for this activity?

A – 100% council

Q(iii) - What are the projects currently planned to be funded from this activity for each of the next three years?

A – Answer already provided in the *2024-11 QA ahead of workshop document*.

WIAL Shares and PIF

28. Q - I understand that the LTP Amendment must include an option to sell the Airport Shares.

When will details of this “Sell the Airport Shares” option be provided to LTP Committee members?

A – Details on options for consultation will be provided for the 17 December meeting. This will be agreeing what is going into the draft consultation document and budget. This document will be brought back to the committee on 13 February for confirmation before going to Audit.

29. Q - Can the LTP Amendment include more than two options (Sell Airport Shares or Cut Capital Programme Expenditure) under which the Emergency Funding of \$500M is restored and if not why not?

A - The Local Government Act sets out a legislative hierarchy for key issues in the CD:

- **The issues:** What it is and what's the choice facing the Council
- **Options:** What are the reasonably practicable options to solve or help mitigate this issue. There is no magic number of options that must be presented. For example, in the LTP there were three options for the Three Waters and Insurance/Investment issues and 10 options for the Zero Waste issue.
- **Preferred option:** The document can highlight the Council's proposed option. All options need to include any consequences for rates, debt and levels of service.

After the decisions are made on 26 November, officers will analyse all options through the lens of our Significance and Engagement Policy and other relevant guidance (e.g. financial information, doability, legislation or legal requirements). This changes the list from all options to those that are reasonably practicable and should form part of the consultation. These will be presented for Councillor debate and decision making on 17 December.

General

30. Q - Can the council differentiate between its depreciation expense and its amortisation expense? And can it provide the schedule for its depreciation?

A - Depreciation and amortisation are budgeted for separately but combined for reporting purposes.

The depreciation budget is made up of three components:

- Fixed Asset Register Depreciation relating to existing assets
- Work in Progress (WIP) Depreciation relating to capital programmes underway in the current year
- Future asset creation (CAPEX) Depreciation based on future capital spends and estimated capitalisation timeframes.

We are unable to provide a combined schedule for all depreciation.

31. Q - How many assets held by Wellington Council are fully depreciated – and what is the total value of that depreciation fund against the total asset value?

A - As of 30 June 2024, there are various assets that are fully depreciated and fully impaired with a total cost of \$260 million (Net book value \$Nil). A significant amount of these fully depreciated assets are buildings which were previously impaired, such as costs relating to the Old Central Library building, MOB, CAB, Town Hall.

We do not have a depreciation fund. Depreciation expenses are funded through rates, with the amounts collected used to pay down debt. Future debt is then utilised to fund renewals projects. This concept of internal borrowing is common across all councils.

32. Q - Fair Value Movement – Can the council explain why its fair value movement (PPE – Net) increases on a three yearly cycle? There are significant peaks in 26/27, 29/30, and 32/33?

A - WCC undertakes an asset revaluation process every three years. The peaks in the financial years are the forecast impact of these scheduled asset revaluations.

To ensure we do not see a similar peak in depreciation costs in the same period, which would result in large rate increases in these years, depreciation is inflated annually based on 1/3 of the estimated revaluation increase to smooth the impacts. This information is also reflected in the Long-Term Plan's Significant Forecasting Assumptions under Asset Revaluations.

For accounting purposes, the same treatment cannot be applied to the balance sheet impacts of revaluations as the Council's Annual Report's revaluation policy is to revalue its assets generally every three years.

33. Q - It appears as if the revenue from the Airport sale is recorded in 2026/27 – but there is no loss on asset values (i.e. the loss of the value of the shares) recorded. Given that the share sale is effectively revenue neutral (i.e. it goes from one investment stream to another – it's not being used for expense purposes) why is only one side recorded in the accounts?

A - In the Council financial statements, the investments in associates are carried at cost, which for Wellington Airport is \$17.755m.

Therefore, included in the Statement of Comprehensive Revenue & Expenditure (SOCRE) is the profit on the sale of the shares, i.e. the sales proceeds (\$492m) less the current carrying value (\$18m) leaving a surplus of \$474m.

This surplus needs to be shown in the SOCRE, however there is no opposite expenditure as the purchase of the new shares will be reflected on the Statement of Financial Position (SFP).

Therefore, the two sides of the transaction are the revenue and an equal and opposite increase in the asset value on the SFP.

34. Q - How much revenue has been lost (if any) due to policy changes created by the change in government? What is the total revenue loss (or gain) from those changes across the LTP period?

A - See Responses to NLTP questions

35. Q - In the prospective statement of cash flows, the proceeds of sales of investments are worth \$492m. Yet only \$474m is recorded as gains on investments in associates in the statement of revenue and expense. How is that difference (\$18m) derived?

In the Council financial statements, the investments in associates are carried at cost, which for Wellington Airport is \$17.755m.

Therefore, showing in the Statement of Comprehensive Revenue & Expenditure (SOCRE) is the profit on the sale of the shares, i.e. the sales proceeds (\$492m) less the current carrying value (\$18m) leaving a surplus of \$474m, whereas the cashflow just shows the total sales proceeds.

Questions and Answers

Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Rātū, 26 Whiringa-ā-rangi 2024

Tuesday, 26 November 2024

Responses provided morning of 25/11/2024

6A. Capital spend: 2067 Wgtn Waterfront Development Build Wellington - FKP Garden Development

Q(i) - For each year, what are the council funding amounts (capital and operating) going into this project?

A – The current breakdown of capital budgets is included as Appendix Two.

The Council funding amounts for the Frank Kitts Park project follow (note these figures are uninflated):

Previous 2024/2034 LTP

	24/25	25/26	26/27	27/28	28/29	29/30	Total
Project Budget	\$1,000,000	\$1,000,000	\$1,000,000	\$7,200,000	\$30,000,000	\$10,000,000	\$50,200,000
Revenue (Est. Contributions)	\$0	\$0	\$0	\$0	\$6,000,000	\$2,500,000	\$8,500,000
Total (WCC Contribution)					\$24,000,000	\$7,500,000	\$41,700,000

LTP Amendment (proposed)

	24/25	25/26	26/27	27/28	28/29	29/30	Total
Project Budget	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$3,000,000
Revenue (Est. Contributions)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (WCC Contribution)							\$3,000,000

The retention of \$3m in the first 3 years of a proposed LTP amendment is allocated to closing out the consenting, detailed design, quantity survey work and settling current commitments.

Q(ii) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A – The net LTP savings amount are listed below (note these figures are uninflated):

	24/25	25/26	26/27	27/28	28/29	29/30	Total
Net LTP Savings	\$0	\$0	\$0	\$7,200,000	\$24,000,000	\$7,500,000	\$38,700,000

The above savings do not consider addressing the earthquake-prone carpark building, with a deadline to remediate the earthquake-prone status by 2035; requiring either strengthening or demolishing the structure. Previous 2021 cost estimates for strengthening the building to 67% was \$18.5m and the demolition costs as \$1.2m.

Q(iii) - What is the net financial impact (capital and operating) from delaying the start of the Wgtn Waterfront Development projects by six years?

A – We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

Q(iv) - Based on the offer from the Fale Malae Trust proposal which seeks to fund part of the project itself and asks for a \$ 5 million contribution from Wellington City Council. If we keep the proposed \$ 3 million for the project, could you provide indicative advice on options to continue to deliver the full Frank Kitts Park development project? I understand the Trust doesn't want further delay on this. Also could you provide advice on the timeline- would there be any benefits or opportunities or ability to delay this further?

A – The Fale Malae Trust has offered to take responsibility for a portion of the Frank Kitts Park alongside their development of the Fale Malae. This includes demolishing the earthquake-prone carpark building and overbridge, as well as constructing the Malae (Whairepo Lawn), the paepae, and the Jervois Quay interface. The Trust proposes that the Council contribute \$5 million toward these works. This contribution is representative of costs the Council would otherwise incur in addressing the EPB status of the carpark. Their offer is contingent on the Council providing more certainty about the Frank Kitts Park redevelopment without further delays, and in doing so, allowing the Trust to meet its central government funding deadlines.

The following responds to the request for options to support the redevelopment continuing, noting that those options fall outside officer recommendation to not proceed with the agreed LTP funding. The numbers in the options set out below have been drawn from high level estimates for the redevelopment. The reduced sums from the original adopted LTP are the result of the exclusion of the costs the FM Trust have proposed to undertake themselves.

1. **Option 1: Rescope the redevelopment to a lower level of service and reduce the total WCC contribution to \$23m.**
 - Reduce the Council's contribution and LTP funding to \$23 million, deliver the project with a reduced level of service, while still allowing for the site's redevelopment as otherwise proposed.
 - Finalise funding arrangements:
 1. Council \$5m capped contribution to the Fale Malae development, \$3m for consent and detailed design, and \$15m to deliver the balance of the project including an estimated \$6m contribution to the Garden of Beneficence.
 2. Take a decision on phasing of the \$15m; construction within the current LTP, or delay to LTP 2027/37.
 - Relies on the externally sourced funding contributions for both the Fale Malae and the Garden of Beneficence.
 - **Outcome:** Reduced level of service to the park redevelopment integration. Rescoped works commencing from 2027-28.
2. **Option 2: Stage the redevelopment and reduce total WCC contribution to \$16.5m**
 - As in Option 1, but reduce Council funding contribution to \$16.5m, enabling the Fale Malae and Garden of Beneficence with basic "make good" works.
 - Retain existing northern structures (amphitheatre, retaining walls), defer significant improvements to future budgets. Does not provide adequate funding to achieve an integrated redevelopment of the whole park.
 - **Outcome:** Limited progress, disjointed redevelopment, and inefficiencies in delivery. Minimal integration of park elements.

Q(v) I would like to see Council retain a \$5m contribution to the Fale in the LTP. This is on top of the \$3m which I think management are proposing for FKP ground assessment and design I realise that if we have \$5m of Fale funding in the LTP, then Council management will, in due course, have to negotiate an agreement with the Trust so that Council gets the facility which meets its aspiration. Do you have any advice/concerns if I seek to have a \$5m Fale contribution put into the LTP?

A – See above and note that the purpose of the \$3m allocated in the current LTP is to deliver resource consent for the Frank Kitts Park Redevelopment plan agreed to in 2023, through to detailed design of that plan.

28. **Q - Can I confirm that, despite the projected risk of a "most likely" scenario being reassessed as almost a third less than anticipated, the fact that it still is beyond our capacity to address in its entirety means that, in your view, the most prudent thing to do is to reduce our capital programme by the maximum extent practicable? The reason I ask is that, in the briefing it was made quite clear that the insurance struggles will not be going away any time soon. I would be concerned if the only possible "prudent" response would be perpetual, maximal austerity in the face of a problem that can never truly be solved.**

A – The advice to reduce the capital programme to create \$500m worth of headroom for insurance purposes remains the same, even with the new modelling results. The insurance

problem will need to be continually addressed through a number of solutions – including the work on alternative risk transfer mechanisms (e.g., captive insurer and catastrophe bonds) and modelling improvements to better inform risk selection. These solutions will need to sit alongside the headroom allocation plus consideration of a disaster resilience fund as another form of self-insurance.

Cultural Wellbeing

7. Capital spend: 2148 Toi Poneke Art centre relocation to new building Proj: Toi Poneke Art centre relocation to new building`

Q(i)- What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e. there some mandatory expenditure still required in this area?)

A – The capital savings from not proceeding with the relocation project would be \$6.1M (estimated cost of fitting out a new premise).

This will most likely result in Toi Pōneke closing down as the current situation is unsustainable.

Note: Extensive maintenance in the current building has been deferred by the landlord. This deferred maintenance is in addition to tenant-specific maintenance required under the lease, currently budgeted at approximately \$250,000 per annum, with an annual increase of 2.7%. Subject to end of lease negotiations, these tenant-specific costs are unlikely to be part of any potential lease for a different building.

Q(ii) - What is the net financial impact (capital and operating) from delaying the start of this project by six years?

A – Delaying the project by six years would result in material cost increases i.e.:

- Construction costs are expected to rise by approximately 3-5% annually; and
- Maintenance costs of \$1.5M (inclusive of 2.7% annual increase) would be incurred during this period.

Likely future costs (yet to be quantified) include:

- Availability and price of stock in a future market
- Future rental costs.
- Non-tangible impacts on staff, tenants, and the Toi Pōneke community, including worsening working conditions and the potential for the building to become unfit for purpose due to ongoing deferred maintenance.

10. Capital spend: 2045 Sportsfields upgrades Grenada North Community Sports Hub

Q(i) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A - There is no mandatory activity that would need to continue. Therefore, if this project did not proceed, there would be a saving of approximately \$14.5M (the remaining capex budget in FY25/26 and 26/27). Noting that this saving includes the budget for the artificial sports turf.

Sunk costs from FY23/24 and 24/25 of up to \$600K would need to be moved to opex and be debt funded, with impact in FY 24/25.

Q(ii) - What is the net financial impact (capital and operating) from delaying the start of this project by six years?

A - Due to time constraints officers have not modelled the impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

Q(iii) - What is the risk from postponing this project by six years?

A - This project and information about the impact/risks and finances is included in Appendix 1 of the paper under SR02 Grenada North Community Sports Hub and Synthetic Turf Tawa/ Grenada

Transport

16. NZTA funding

Q(i) - For each LTP year, what is the amount of NZTA funding that was assumed but not provided?

A – See below

Q(ii) - If available, can the NZTA funding cut be provided by Activity Code?

A – See below

Q(iii) – Could you please provide a year-by-year breakdown of the loss of funding so I can include into the financial model I am using to work out what we need to do?

A – see below

Q(iv) - Could you, ASAP, provide a year-by-year breakdown of the loss of funding from NZTA so I can include it into the financial model I am using to work out what we need to do?

A- NLTP funding is only allocated in 3-year budgets. Therefore years 27/28 and out remain unaffected.

For above Questions – See the following table for the NLTP period overview. Yellow means partial or fully funded.

Note: The loss of NZTA revenue on the opex and capex investment for Harbour Quay Upgrades and Eastern Corridor Upgrades represents only the loss of NZTA revenue on WCC share of 50% of the total project costs

OPEX/CAPEX	Activity	Financial Project	Financial Project Description	NZTA Funding Status	LTP expenditure Total 3 years	Planned NZTA Revenue Total 3 years	Gain / (Loss) on Revenue Total 3 years
OPEX	1180	Various	Transport Education & Promotion	Partially	1,164,523	-	265,710
OPEX	1153		Transport Planning	No	1,039,624	-	0
OPEX	1212	1070911212	Central City Upgrades Programme Business Case	No	600,000	306,000	(306,000)
OPEX	1212	1070941212	Wellington City Transport Plan	No	300,000	153,000	(153,000)
			Total OPEX programme		3,104,147	459,000	(193,290)
CAPEX	2083	2001832083	2083 Retaining Walls Upgrades	No	19,500,000	7,956,000	(7,956,000)
CAPEX	2105	2002312105	2105 Minor Works Upgrades	No	7,106,000	2,570,400	(2,570,400)
CAPEX	2105	2006592105	2105 Drainage Upgrades	No	1,200,000	489,600	(489,600)
CAPEX	2105	2011502105	2105 Build Back Better	No	1,500,000	612,000	(612,000)
CAPEX	2105	2011512105	2105 Reactive Minor Works	No	3,600,000	1,468,800	(1,468,800)
CAPEX	2085	2001912085	2085 Bridge Improvements	No	4,433,684	1,338,818	(1,338,818)
CAPEX	2085	2001922085	2085 Tunnels Upgrades	No	1,014,388	413,870	(413,870)
CAPEX	2088	2001982088	2088 Retaining Wall Resilience Upgrades	No	1,687,394	688,457	(688,457)
CAPEX	2088	2008192088	2088 Ngaio Gorge Resilience Upgrades	No	520,106	212,203	(212,203)
CAPEX	2088	2008202088	2088 Ngaio Gorge Retaining Wall Strengthening	No	1,503,000	613,224	(613,224)
CAPEX	2104	2002302104	2104 Rural Road Upgrades	No	300,000	122,400	(122,400)
CAPEX	2103	2008262103	2103 LED Street Light Transition	No	1,622,305	661,900	(661,900)
CAPEX	2107	2002332107	2107 Speed Management Upgrades	No	470,000	191,760	(191,760)
CAPEX	2109	2002362109	2109 Parking Upgrades	No	600,000	244,800	(244,800)
CAPEX	2109	2002362109	2109 Parking Management Plan	No	2,090,835	853,061	(853,061)
CAPEX	2098	2002162098	2098 Safer Routes to Schools	No	1,500,000	612,000	(612,000)
CAPEX	2098	2002172098	2098 Footpaths Upgrades	No	1,968,826	742,081	(742,081)
CAPEX	2095	2002112095	2095 Bus Priority Improvements	No	450,000	183,600	(183,600)
CAPEX	2096	2002132096	2096 Footpaths Structures Upgrades	No	900,000	367,200	(367,200)
CAPEX	2094	2006662094	2094 Cycleways Minor Works	No	3,389,273	1,667,700	(1,667,700)
CAPEX	2070	2001552070	Laneways	No	671,209	-	0
OPEX	1163	1004591163	BAU Behaviour Change	No	1,470,000	1,343,607	(1,343,607)
OPEX	1163	1004591163	Behaviour Change for Bike Network Plan	No	1,703,520	933,033	(933,033)
OPEX	1212	1070951212	Central City Upgrades - Walking and Cycling - Behaviour Change	No	542,828	-	0
			Total Low Cost Low Risk Programme		59,743,368	24,286,515	(24,286,515)
CAPEX	2087	2007482087	2Mark Ave to Grenada North	No	7,900,000	3,223,200	(3,223,200)
CAPEX	2088	2009422088	Grosvenor Terrace Wall Strengthening	Yes	4,773,172	1,894,507	263,493
CAPEX	2085	2001912085	Aotea Quay Overbridge investigation	No	577,500	235,620	(235,620)
CAPEX	2085	2001912085	Kelburn Viaduct Seismic Strengthening	No	525,000	214,200	(214,200)

OPEX/ CAPEX	Activity	Financial Project	Financial Project Description	NZTA Funding Status	LTP expenditure Total 3 years	Planned NZTA Revenue Total 3 years	Gain / (Loss) on Revenue Total 3 years
CAPEX	2094	2006692094	East Corridor - Evans Bay	Yes	4,000,000	1,690,558	349,442
CAPEX	2094	2006702094	East Corridor - Cobham Drive	No	12,212	-	0
CAPEX	2094	2006712094	East Corridor - Miramar Town Centre	No	38,358	-	0
CAPEX	2094	2006732094	East Corridor - Kilbirnie	No	84,899	-	0
CAPEX	2094	2006732094	East Corridor - Evans Bay stage 2 (Seawall only)	Yes	3,204,559	1,634,325	0
CAPEX	2094	2006762094	Transport Choices Cycling Projects	Yes	2,274,292	1,159,889	886,974
CAPEX	2094	2006762094	Newtown to Waterfront	Yes	141,190	72,007	0
CAPEX	2094	2006762094	Cycleways	No	38,938,109	19,451,615	(19,451,615)
CAPEX	2094	2008552094	Island Bay Cycleway 2018 (CC297)	No	3,242,317	-	0
CAPEX	2141	2011832141	Harbour Quays Corridor Upgrades	No	42,329,778	10,799,248	(10,799,248)
CAPEX	2141	2011822141	Eastern Corridor Upgrades	No	14,200,000	3,621,000	(3,621,000)
CAPEX	2141		Central City Upgrades - Public Transport	No	-	-	0
CAPEX	2141	2011842141	Central City Upgrades - Walking and Cycling	No	18,094,279	-	0
OPEX	1212	1070931212	Harbour Quays Corridor Upgrades	No	846,596	215,882	(215,882)
OPEX	1212	1070931212	Eastern Corridor Upgrades	No	284,000	72,420	(72,420)
OPEX	1212	1070931212	Central City Upgrades - Public Transport	No	-	-	0
OPEX	1212	1070961212	Central City Upgrades - Walking and Cycling	No	361,886	-	0
OPEX	1212	1070921212	Harbour Quays Corridor Upgrades	No	1,269,893	323,823	(323,823)
OPEX	1212	1070921212	Eastern Corridor Upgrades	No	426,000	108,630	(108,630)
OPEX	1212	1070921212	Central City Upgrades - Public Transport	No	-	-	0
CAPEX	2142	2010152142	THORDON QUAY TOTAL CAPEX - Excluding The Connection	Yes	23,254,653	11,438,160	0
CAPEX	2142	2010152142	Thorndon Quay The Connection	Yes	3,086,361	3,086,361	0
CAPEX	2142	2011722142	Golden Mile Upgrades	Yes	63,387,104	32,337,169	0
OPEX	1213		Golden Mile Upgrades (OPEX)	Yes	1,293,637	659,942	0
			Total Improvement Programme		234,545,794	92,238,556	(36,765,730)
			Total OPEX and Upgrades		297,393,310	116,984,071	(61,245,534)
			Total	OPEX	11,302,507	4,116,337	(3,190,685)
			Total	CAPEX	286,090,803	112,867,734	(58,054,849)

17. Q. Can you please provide a parking loss and revenue impact from central city bike route.

A – The cross-city bike projects in the Approved LTP and proposed to progress in the LTP Amendment are yet to undergo detailed planning. Therefore, we are only able to provide high level assumptions of the potential loss of parking and impact on revenue. The north/south cross city cycleway connection results in the loss of estimated 35 - 75 metered car parks spaces and an estimated revenue impact of between \$90K - \$300K.

The east/west cross city cycleway connection results in the loss of 55-110 metered car parks and estimated revenue impact of between \$380K - \$660K.

Note the east/west cross city cycleway connection will need to be integrated with the Harbour Quays bus priority project which has been included in the above estimates.

21. Capital spend: 2128 Civic Campus Resilience and Improvements Te Ngakau – Public Realm Improvements

Q(i) - What do these projects deliver?

A – Reinstatement of Wakefield footpaths, kerb and channels, and car parks in front of and around the Town Hall (between Town Hall and MFC).

Q(ii) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A - Due to time constraints officers have not modelled the impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

Note: not proceeding with this work will mean not having footpaths in place to access the entrances of the Town Hall.

Q(iii) - What is the net financial impact (capital and operating) from delaying the start of this project by six years?

A - Due to time constraints officers have not modelled the impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

22. Capital spend: 2128 Civic Campus Resilience and Improvements Te Ngakau – Separation of Services

Q(i) - What do these projects deliver?

A - Te Matapihi, Town Hall, City Art Gallery and Michael Fowler Centre share a number of building services, including cooling, heating, ventilation and power. In order for these buildings to become operational, and to be able to open on time, these building services need to be separated and rationalized. This project delivers the separation of these services.

Q(ii) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e., is there some mandatory expenditure still required in this area?)

A – The separation of services is essential for the Te Ngākau work as it is funding the above-mentioned building services and more and needs to be funded.

Q(iii) - What is the net financial impact (capital and operating) from delaying the start of this project by six years?

A - Due to time constraints officers have not modelled the impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

However, the delay will have a flow-on effect on other connected projects, including Town Hall and Te Matapihi. It will postpone the opening of these venues, resulting in financial impacts such as contractual obligations and lost revenue.

37. Q - Is the imperative to diversify our asset portfolio a factor informing the proposed cuts to the capital programme? Or is it simply a separate question which can be addressed by the sale of ground leases, etc.

A - The diversification issue is more directly addressed by the proposal to establish a new diversified investment fund (the disaster resilience fund) which could be capitalised by ground leases.

38. Q - Request for a copy of the capital programme based on officer recommendations in both spreadsheet and word format.

A – This has been shared with Councillors and Pouwiwi via email.

Questions and Answers

Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Rātū, 26 Whiringa-ā-rangi 2024

Tuesday, 26 November 2024

Responses provided afternoon of 25/11/2024

8. Capital spend: 2038 Gallery & Museum Upgrades Proj: Gallery & Museum Upgrades

Q(i) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with this project (i.e. there some mandatory expenditure still required in this area?)

A - Officers have not yet been able to model the operational impacts of all possible changes to the capital programme.

Q(ii) - What is the risk from postponing this project by six years?

Due to time constraints officers have not modelled the impacts of proposed changes to the capital programme. We have not modelled the capex impacts of options other than the recommended and alternative options presented in Appendix 1.

Q(iii) - The Mayor has identified savings in the “Bond Store Upgrade”. From which capital activity in the LTP Capital programme is this project funded and, by year, what are the expected savings from cancelling this project?

A – The 2038 budget is for:

1. Space Place renewals: \$168k in Year 1. This project is renewals and therefore out of scope of the review.
2. Bond Store upgrade: \$20.5m. This project and information about the impact/risks and finances is included in Appendix 1 of the paper under CW01.

9. Capital spend: 2060 Housing renewals Project: Housing renewals

Q(i) - What are the net savings to council expenditure (capital and operating) from REDUCING this budget by 10% for the next three years?

Q(ii) - What is the risk from REDUCING this budget by 20% for the next three years?

Q(iii) - What are the net savings to council expenditure (capital and operating) from REDUCING this budget by 20% for the next three years?

Q(iv) - What is the risk from REDUCING this budget by 30% for the next three years?

Q(v) - What are the net savings to council expenditure (capital and operating) from REDUCING this budget by 30% for the next three years?

Q(vi) - What is the risk from REDUCING this budget by 10% for the next three years?

A – for all of the above, due to time constraints officers have not modelled the impacts of proposed changes to the capital programme and the capex impacts of options other than the options presented in Appendix 1.

25. Capital spend: 2142 LGWM - Early Delivery Golden Mil

I understand that the Golden Mile (GM) Project is split into phases with the Courtenay Place Phase (CPP) being the 1st Phase. I ask that responses be provided for each of the CPP and the rest of the GM Project.

Q(i) - How much has already been spent on the CPP and the rest of the GM Project?

A – Design and preparatory work is being completed for the full Golden Mile (along with CPP and the rest to the GM project). This has cost approximately \$18.5m to date including approximately \$16m of work completed under the Let’s Get Wellington Moving programme.

Q(ii) - What is the number of car parks removed as part of the CPP and the rest of the GM Project?

Location	Parking Type	Number of parks (lost)
Golden Mile Courtenay Place	Meter	56
Golden Mile Courtenay Place Side Streets (Allen, Blair) *	Meter	36
Golden Mile Lambton Quay	Meter	40
Golden Mile Lambton Quay Side Streets (Panama, Brandon, Johnston, Waring Taylor, Stout, Ballance) **	Meter	120
Total once all works complete		252

Q(iii) - What is the estimated loss of parking revenue from the car parks removed as part of the CPP and the rest of the GM Project?

Location	Number of parks (lost)	Revenue Type	Total revenue loss (ex GST)
Golden Mile Courtenay Place	56	Metered Parking	\$283,305
Golden Mile Courtenay Place Side Streets (Allen, Blair)	36	Metered Parking	\$173,770
Golden Mile Lambton Quay	40	Metered Parking	\$139,705
Golden Mile Lambton Quay Side Streets (Panama, Brandon, Johnston, Waring Taylor, Stout, Ballance)	120	Metered Parking	\$1,443,977
Total once all works complete	252	Metered Parking (ex GST)	\$2,040,757

Note: The above calculation differs from the estimated revenue provided in 2022, which was based on an average cost per bay for over 303 parking spaces in 2019/2020. We have updated the calculation through these latest estimates to be based on meters specifically on impacted streets. It includes payments made through both parking meters and the PayMyPark app. Calculations are **current calendar year (2024)**. Metering revenue excludes GST.

Parking meters – The revenue is taken from the meters located on each street that there is a parking impact and assumes that customers are paying for a parking space in those locations. It is the actual revenue that went through the meters between January - October 2024. November/December are extrapolated based on the general trend down from October.

PayMyPark – We are not able to pinpoint the location of where payments are used, meaning that these can't be matched to a specific street. It is assumed that approx 37% of meter revenue goes through PayMyPark and this is how the value is calculated.

Q(iv) - For each year phase, what are the council project funding amounts (capital and operating) going into the CPP and into the rest of the GM Project?

The Council has allocated capital funds across the full GM project, with CPP commencing in FY 24/25. Separate operating funds were not allocated. WCC's contribution to delivering the full GM project is 49% of the total.

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	TOTAL
GM funding in LTP 24-34	\$18,077,550	\$18,728,343	\$28,139,553	\$32,393,075	\$15,567,144	\$112,905,666
Full GM estimate	\$15,000,000*	\$19,728,343*	\$28,139,553	\$32,393,075	\$17,644,695	\$112,905,666
CPP estimate	\$15,000,000*	\$19,728,343*	\$19,069,777	\$0	\$0	\$53,798,120

* impact of construction start deferred from that assumed by LTP

Q(v) - For each year, what are the council water infrastructure funding amounts (capital and operating) going into replacing the water pipes under the CPP and under the rest of the GM Project?

Council has ring-fenced capital funds to complete the “must-do” scope advised by Wellington Water Limited (WWL) for the full GM project, with CPP commencing in FY 24/25. Separate operating funds were not allocated.

	TOTAL	24/25	25/26	26/27	27/28	28/29
WWL Must-do funding	\$23,125,032	\$2,457,700	\$2,846,167	\$7,811,546	\$6,673,079	\$3,336,540
CPP allowance	\$6,866,176	\$2,457,700	\$2,846,167	\$1,562,309	\$0	\$0

Q(vi) - What is the state of the water pipes under Courtenay Place and within what time period must they be replaced?

A desktop analysis by WWL identified a stormwater and wastewater main under Courtenay Place for renewal as “must-do” (see assessment table below for criteria). As part of WWL's desktop assessment, they recommended a CCTV condition assessment to confirm, which was completed in October 2024. WWL will review this information and provide confirmation of criticality.

Priority	Criteria
1 – “Must Do”	<ul style="list-style-type: none"> - All pipes with condition grade 5 - All pipes with condition grade 4 + high criticality score - VHCA Dashboard identified pipes with very high criticality and poor condition
2 – “Should Do”	<ul style="list-style-type: none"> - Condition 4 pipes - EW and BR pipes with less than 10 years remaining life
3 – “Could Do”	<ul style="list-style-type: none"> - Ovoid + high criticality pipes - Pipes with less than 10 years remaining life - EW built before 1980 - Brick and high criticality pipes

Q(vii) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with the CPP and the rest of the GM Project (i.e., is there some mandatory expenditure still required in this area?)

Existing contractual obligations until December 2024 are \$1.4m to complete necessary design and cost estimation work for awarding a physical works contract. This does not include any redesign effort.

Additionally, the GM project was planned to address end-of life asset renewal activities, (e.g. footpath paving replacement), maintenance expenditure of \$5-10M could be required. This is not currently accounted for by WCC’s maintenance budgets and further work is required to refine Prioritisation, cost and timing implications.

Allowing for this, savings in order of \$100m are anticipated, of which Council may initially save approximately \$50m (excluding any contribution to necessary maintenance).

Q(iii) - What is the net financial impact (capital and operating) from delaying the start of the CPP and the rest of the GM Project (including the water infrastructure) by six years?

Due to the short timeframes, it is not possible to quantify the net financial impact from delaying the start by 6 years. The pedestrian and transport upgrades in CPP and the rest of the project are currently subject to 51% co-funding from the NLTF 2024-27.

Delaying CPP and the rest of the GM Project for 6 years would put us outside of NZTA’s 51% contribution from the NLTF 2024-27. Council could re-apply for funding contributions from subsequent NLTF application rounds, however there is no certainty that co-funding would be available. The Impact on development contributions would also need to be reviewed.

WCC is fully funding the water infrastructure (\$23m), and approximately \$22m net saving could be realised if this work was terminated before December 24.

Q(iv) - If the council decides to proceed with a Courtenay Place design of significantly lower cost to the current design, how much would a redesign and public consultation cost? How long would a redesign and public consultation period take?

The redesign and consultation costs would reflect the scale of change decided. An indicative redesign and consultation period is estimated to be - for a minor change (e.g. Traffic Resolution

amendment) could take between 3-6 months and more drastic change (e.g. new TRs needed) could take up to 12 months or more.

Q(v) - What advice has the council received from NZTA and/or the Minister of Transport about NZTA co-funding for a redesigned GM Project that has a reduced cost?

NZTA co-funding is allocated based on the preferred option (and associated benefits/outcomes) approved by the LGWM board (pg 109 of SSBC here: [2021-10-27-golden-mile-ssbc-final-draft-with-no-appendices.pdf](#)). Advice received to date indicates approval of changes to these approved benefits/outcomes would need to be reviewed against the strategic priorities in the GPS 2024. A co-funding decision would then be made by the NZTA board.

Q(vi) - Officers have recommended only proceeding with the Courtenay Place phase of the GM Project. Can officers confirm whether cancelling the later phases of the GM Project will trigger a funding review of the GM Project by NZTA as was done to the Thorndon Quay/Hutt Road Project?

Yes, it is likely that funding review will be triggered.

25. Capital spend: 2141 LGWM - City Streets Pre-Implementation, City Streets Programme. Can I also have more info on the City Streets programme reductions? What programmes was this being allocated toward and what will be the impacts of reducing the work? I understand that LGWM City Streets funding is to be allocated towards the following projects:

- a) The “Harbour Quay” (aka 2nd Bus Spine through the CBD)**
- b) CBD Cycleways Phase 1 (currently underway)**
- c) CBD Cycleways Phases 2-4**
- d) Eastern Bus Priority Project**
- e) Eastern Cycleways**

Q(i) - Is the above project listing correct and, if not, what is the correct list?

A – The Approved LTP allocates budget from this activity specifically to 5 projects as well as unallocated programme budget in years 4-10 to be determined. The five projects which have funding allocated are listed below.

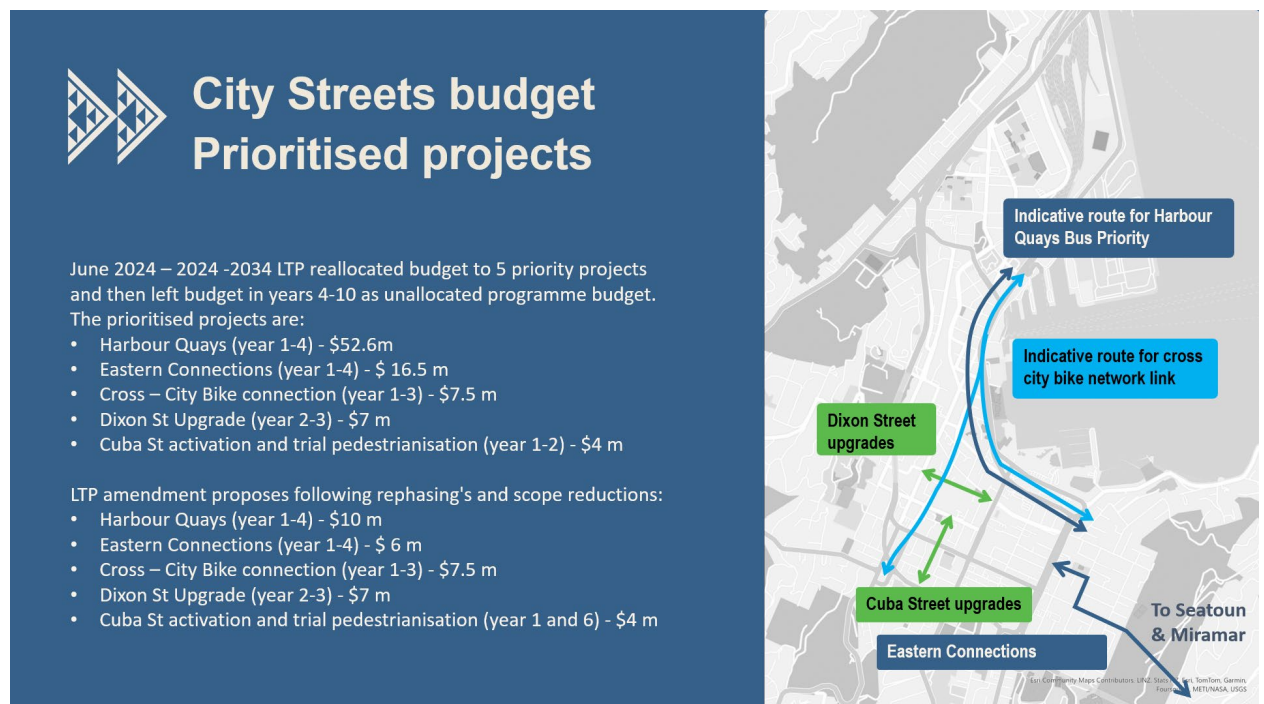
- Eastern Connections corridor (Bus priority)
- Harbour Quays (bus priority)
- Cross-City Bike connection
- Activation and trial pedestrianisation of Cuba St
- Upgrade of Dixon St

The LTP amendment proposes keeping the 5 prioritised projects but does propose changes to timings and budget allocations for these projects. See tables below. The LTP amendment also proposes removing all the unallocated programme budget for year 4-10.

Q(ii) - What is the project budget for each City Streets project and how much of each project’s funding has already been spent?

A - LGWM returned the City Streets Programme of projects to WCC when LGWM was disestablished in March 2024. This programme included 8 corridors for improvements identified in a Programme Business Case approved by WCC in 2021. The total programme budget was \$350 million. LGWM progressed the development 10 business cases for the 18 projects identified as tranche one as well as developed designs for a portfolio of targeted improvements. A number of these targeted improvements were delivered, and some were absorbed back into the minor works programme in FY 23/24.

The Approved LTP 2024/34 allocated budget to five projects – Harbour Quays (\$52.6m); Eastern Connections (\$16.5m); Cross City Bike Connection (\$7.5m); Dixon St upgrade (\$7m) and Cuba St activation and pedestrianisation (\$4m). The remaining budget returned (\$51m WCC share) was held at a programme level of which \$27.5m was WCC’s contribution to a programme. The cost share with GWRC was assumed as a 50/50 split



Q(iii) - For each year and each City Streets Project, what are the council funding amounts (capital and operating) going into each project?

A - Briefings on these projects were held on 3 and 4 September 2024. The Approved LTP allocated the budget as per below and in this link [2024-11-21-Q\u0026A LTPFPC_Supporting tables to answer question 24.pdf](#):

Rapid Transit Bus Corridor Programme & Central City Connections Programme

Inflated

Capex

Programme	Project #	FAR	WCC / GWRC Split	Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
					\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Harbour Quays Corridor	HQ1	Assumed	50% / 50%	Stage 1 - Accelerated (PT)	5.6	18.2	19.7	8.1	-	-	-	-	-	-	51.6
Eastern Corridor	EC1	Assumed	50% / 50%	# 2 Bus route from City to Mirimar	1.0	2.9	10.9	1.4	-	-	-	-	-	-	16.1
Central City Connections	CCUPA	Not Assumed	100% / 0%	Wellington City corridor improvements - walking and cycling	4.9	6.5	7.1	3.4	3.3	3.3	3.4	3.5	3.5	3.6	42.5
Central City Connections	CCUPB	Assumed	50% / 50%	Wellington City corridor improvements - bus priority	-	-	-	6.9	7.6	7.8	7.9	8.1	8.2	8.4	54.9
Total Capex					11.5	27.6	37.6	19.7	10.9	11.1	11.3	11.5	11.8	12.0	165.1
External Funding					5.0	15.9	23.1	12.3	5.8	5.9	6.0	6.1	6.2	6.4	92.7
WCC Debt Funding					6.5	11.7	14.6	7.4	5.1	5.2	5.3	5.4	5.5	5.6	72.4
Total Funding					11.5	27.6	37.6	19.7	10.9	11.1	11.3	11.5	11.8	12.0	165.1

Opex

Programme	Project #	FAR	WCC / GWRC Split	Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
					\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Programme	P1	Assumed	100% / 0%	Central City Upgrades Programme Business Case (OPEX)	0.4	0.2	-	-	-	-	-	-	-	-	0.6
Programme	P3	Assumed	100% / 0%	Wellington City Transport Plan (OPEX)	0.3	-	-	-	-	-	-	-	-	-	0.3
Project Opex	Various	Assumed	50% / 50%	BC and monitoring (opex) - 2% of capex (Bus)	0.1	0.4	0.6	0.3	0.2	0.2	0.2	0.2	0.2	0.2	2.4
	Various	Not Assumed	100% / 0%	BC and monitoring (opex) - 2% of capex (walk/cycling)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
	Various	Assumed	50% / 50%	Behaviour Change - 3% of capex (Bus)	0.2	0.6	0.9	0.5	0.2	0.2	0.2	0.2	0.2	0.3	3.7
	Various	Not Assumed	100% / 0%	Behaviour Change - 3% of capex (walk/cycling)	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.3
Total Opex					1.3	1.6	1.9	1.0	0.5	0.6	0.6	0.6	0.6	0.6	9.1
External Funding					0.6	0.9	1.2	0.6	0.3	0.3	0.3	0.3	0.3	0.3	5.1
WCC Debt Funding					0.7	0.7	0.7	0.4	0.3	0.3	0.3	0.3	0.3	0.3	4.0
Total Funding					1.3	1.6	1.9	1.0	0.5	0.6	0.6	0.6	0.6	0.6	9.1

Total Programme

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total Capex	11.5	27.6	37.6	19.7	10.9	11.1	11.3	11.5	11.8	12.0	165.1
Total Opex	1.3	1.6	1.9	1.0	0.5	0.6	0.6	0.6	0.6	0.6	9.1
Total Programme	12.8	29.2	39.5	20.7	11.4	11.7	11.9	12.1	12.3	12.6	174.2
External Funding	5.6	16.8	24.2	13.0	6.1	6.2	6.3	6.4	6.6	6.7	97.8
WCC Debt Funding	7.2	12.4	15.3	7.7	5.4	5.5	5.6	5.7	5.8	5.9	76.4
Total Funding	12.8	29.2	39.5	20.7	11.4	11.7	11.9	12.1	12.3	12.6	174.2

The LTP amendment proposal reduces the budget to fund only the projects prioritised by Elected Members in the LTP. This includes a reduced Harbour Quays and Eastern Connections projects, the Cross City bike connections, Dixon St upgrade and trial pedestrianisation of Cuba St. The LTP amendment proposal removes all other unallocated funding from the budget. This equates to reducing the GWRC/WCC joint programme budget by approximately 80% and a saving of \$130 million (incl. mitigating the NLTP revenue not received) GWRC has also reduced their budgets accordingly. The opex saving will be proportional to the capex changes.

LTP AMENDMENT PROPOSAL

Rapid Transit Bus Corridor Programme & Central City Upgrades Programme

Inflated

Capex

Programme	Project #	FAR	WCC / GWRC Split	Project	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Years
					\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Harbour Quays Corridor	HQ1	Assumed	50% / 50%	Stage 1 - Accelerated (PT)	\$ 1.0	\$ 7.0	\$ 2.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.0
Eastern Corridor	EC1	Assumed	50% / 50%	# 2 Bus route from City to Mirimar	\$ 0.3	\$ 4.5	\$ 1.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.0
Central City Upgrades	CCUPA	Not Assumed	100% / 0%	Wellington City corridor improvements - walking and cycling	\$ 1.1	\$ 6.5	\$ 7.1	\$ -	\$ -	\$ 3.8	\$ -	\$ -	\$ -	\$ -	\$ 18.5
Central City Upgrades	CCUPB	Assumed	50% / 50%	Wellington City corridor improvements - bus priority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capex					\$ 2.4	\$ 18.0	\$ 10.3	\$ -	\$ -	\$ 3.8	\$ -	\$ -	\$ -	\$ -	\$ 34.5
External Funding					\$ 1	\$ 6	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8
WCC Debt Funding					\$ 2	\$ 12	\$ 9	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 26
Total Funding					\$ 2	\$ 18	\$ 10	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 34

Q(iv) - What is the number of car parks removed as part of each City Streets Project?

A – See above answer to question 17 for Harbour Quays and Cross City Bike connection. Numbers for Cuba St and Dixon St are yet to be confirmed.

Q(v) - What is the estimated loss of parking revenue from the car parks removed as part of each City Streets Project?

See above answer and answer to question 17 for Harbour Quays and Cross City Bike Connections. Numbers for Cuba St and Dixon St are to be confirmed. Eastern connection is not expected to affect any metered parking spaces

Q(vi) - What are the net savings to council expenditure (capital and operating) from NOT proceeding with each City Streets Project (i.e., is there some mandatory expenditure still required in this area?)

A – See tables above. All the prioritised projects could be stopped.

Q(vii) - What is the net financial impact (capital and operating) from delaying the start of each City Streets Project by six years?

A - The LTP includes assumptions regarding external funding from NZTA and GWRC. The likelihood of those sources of funding being available is currently unknown.

Q(viii) - On the principle of “finish what is started,” what are the cycleway projects that still need to be completed and how much council funding is required to do this?

A - None of the prioritised projects fall into the “finish what is started” category.

26. Capital spend: 2142 LGWM - Early Delivery Thorndon Quay and Hutt Road

Q - What are the net savings to council expenditure (capital and operating) from cancelling this project (i.e., is there some mandatory expenditure still required in this area?)

A - Thorndon Quay project is under contract and in construction, with approximately 10 months remaining. Savings from cancelling have not been quantified (as this project falls outside the LTP Amendment principles) but are anticipated to be offset by contract penalties and make-good works that would become necessary to make the area safe for the public and road users. Hutt Road was cancelled prior to its construction commencing, and net savings in order of \$10m were realised.

Fale Male Trust

39. Q - The re-opening of the car park – while the car park will re-open and be temporarily available for parking, the building is still considered earthquake-prone and scheduled for demolition.

- **Health & safety measures – what immediate steps is WCC taking to address health and safety risks, reduce the impact of potential earthquakes, reduce liability and ensure public safety?**

A – Under current legislation the earthquake prone building status must be resolved by February 2035. This can be achieved through demolition or strengthening. In 2021

Elected Members agreed to demolish the building based on options presented which included strengthening. The decision was based on demolition being the most efficient and economic approach to the building.

In 2024 the Council received Seismic Risk Evaluation Report using the MBIE-developed Seismic Risk Guidance for Buildings. This report recommended that it is appropriate the carpark could be used for carparking and weekly night markets, for a period up to 10 years, to be reviewed annually. The report also noted that the seismic status was publicly displayed and recommended that regular building users were educated on the risk and evacuation protocols.

No earthquake strengthening is currently planned and is not required to take place until February 2035. Should the building be demolished to make way for another building such as a Fale strengthening will not be required. Planning for short term parking in the building for public use is underway.

- **Negligence prevention – what steps is the Council taking to prevent negligence and ensure it meets its legal obligations regarding health and safety in this public building?**
A – We have undertaken a Seismic Risk Evaluation Report – see above. The building has a building warrant of fitness which requires building safety systems to be regularly inspected as part of scheduled maintenance. The building will only be used for carparking, and no other public activities or large gatherings.
- **Evacuation & emergency plans – is there an evacuation or emergency response plan for the car park in case of an earthquake or structural failure? How often will this plan be updated or tested?**
A- The carpark area will have low occupancy at any given time supported by the seismic safety assessment. All exits are marked with illuminated exit signs.
- **Communicating public safety – how will the Council inform the public about the risks of the earthquake-prone building and the safety measures in place, while addressing potential legal or financial consequences of inaction?**
A – Earthquake prone buildings are listed on the EPB register and signs advising the public are required to be placed on EPB buildings.
- **How is the Council ensuring clear communication with the public about the building's risks, demolition schedule, and safety measures?**
A – The requirement to affix EPB notices as noted in above answers, alongside the project page which is available on our website.
- **Monitoring – what continuous monitoring systems are in place to detect changes in the car parks structural integrity, and what actions will be taken if further risks are identified?**
A – Normal protocols will apply for building inspections following any significant earthquakes.
- **How much will all of the above cost Council to administer?**

A - These costs are part of building management costs and are not financially material.

- **Parking revenue – WCC publicised any parking revenue would offset losses from removing on-street parking in the CBD. Is this still the case?**

A – Waterfront parking income contributes to the overall income the city receives from parking.

- **How does the income from parking in the last year of operation compared to the forecasted income when the car park reopens? If there's a difference, why?**

A - Prior to the closure of the car park it was managed under contract. In its last year of operation in 20/21 the car park generated \$283,000 of income.

For the re-opening, we have forecasted a budgeted income of \$500,000 in revenue per annum, this is based on it being managed through our Parking Services BU. We expect that after 12 months we will have a better understanding of future income and may be able to forecast annual income more accurately as demand develops.

40. Q - Council's commitment to supporting Pacific peoples in Wellington. What other initiatives is WCC implementing in the LTP or otherwise to invest in improving the wellbeing of Pacific peoples in Wellington?

- **Pacific Advisory Group:** Council has operated a Pacific Advisory Group for many years ensuring the Pacific voice is heard in the development of Council plans, policies, projects and strategies.
- **Council Investment in Community Facilities:** As part of our review of community facilities the needs analysis included a public survey. In the Wellington sampled survey, 6% of respondents were Pasifika peoples. Pasifika peoples were high users of all community facilities and were statistically more likely to visit swimming pools, recreation centres, community spaces in city housing complexes, church halls, school halls and marae.

Across all four community facilities (libraries, recreation centres, community centres and pools) Pasifika people are more likely to visit compared with the overall sample/other ethnic groups. These results showed us how important our facilities are for this community and for the Council to ensure our facilities meet the needs and aspirations of Pasifika peoples given they are such high users of facilities.

- **CCO's:** Council expects our CCOs to demonstrate how they are delivering on Council's Accessible Action Plan. This includes showing how they are facilitating strong social connections and participation for people of all abilities, ages, ethnicities, and backgrounds including the disabled and rainbow communities. A couple of initiatives/work programmes to highlight that focus on the wellbeing of Pacific peoples are:
 - WellingtonNZ has a strategy for supporting Pasifika businesses and projects and has KPIs related to this work.
 - During FY23/24 the Basin Reserve Trust hosted the first ever Kilikiti festival at the Basin Reserve. A legacy of his one-off event is Cricket Wellington is now running a weekly Kilikiti competition for adults and are about to launch a competition for secondary school students.

- **Creative Capital**, Council both funds Pasifika organisations/projects as well as directly organising projects and events. This includes our own signature annual Pasifika Festival, artists' commissions through City Arts, and Toi Pōneke's exhibition programme. Examples include our funding support to The Conch, the recent Dawn Raids programme and mural, and Pasifika itself.
- **Libraries and Community Spaces** employs an Ethnic Communities Specialist, who connects Pasifika communities to our library services, collections, and programmes.

Q40(a) What partnerships has the Council formed with Pacific community organisations to advance the wellbeing and outcomes of Pacific peoples in Wellington?

- **The Pasifika Festival** since 2024 is programmed with a Community Programme Advisor Karl Kite Rangi (Cook Islander) and with monthly engagement with the Pacific Advisory group. We have stalls at the event utilised by community groups and advisory services specific to the Pasifika community with the 2025 festival having a focus on mental health in this space.
- **The Conch and Kia Mau festivals** are both supported financially and with advice. The Council provided financial, advisory and operational support towards the Dawn Raids project including mural at Wesley Church, led by Te Papa (Andy -note COI) and MCH.
- **Exhibitions by Pasifika artists** are held at Toi Pōneke and other Toi Pōneke programmes led by Pasifika community including Dance development residency. Pasifika organisations such as Vain Creative are supported with studio space at Toi Pōneke.

Q40 (b) What steps is the Council taking to support and celebrate the cultural heritage of Pacific peoples in Wellington?

- **Creative Capital:** See the answer to Q40.
- **The library network celebrates Pasifika language weeks**, including Rotuman, Samoa, Kiribati, Cook Islands, Tonga, Tuvalu, Fijian, Niue and Tokelau. This includes showcasing language and cultural collections and special events.
- **WCC Pasifika Staff Network** provides an internal platform for staff to connect, collaborate, and support one another. The network actively celebrates Pasifika Language Weeks in alignment with the national initiative, fostering cultural pride and engagement.

41. Options to reduce, defer or remove:

- **The estimated cost for Frank Kitts Park in the LTP has ranged from \$42m to the current estimate of \$54.5m. How were these estimates determined, including the cost breakdown, and have any value engineering measures been applied?**
A – Please refer to the above answer (Q6A) to the cost breakdown. \$42m is the estimate of the Council's contribution to the development, the balance therefore coming from external funders: Fale Malae Trust and Sister Cities. Estimates were developed using a Quantity Survey process, which included substantive contingency given the funding is proposed for the out years of the LTP, and the pricing uncertainty that brings. No value engineering has been undertaken.

- **What alternative options have been investigated to reduce or rescope FKP and the Fale Malae?**

A – Please refer the above answer to this question 6A.

- **Could the Fale Malae and associated landscaping works be undertaken as a discrete project, i.e. redeveloping FKP in stages?**

A - The land area that the Trust's proposed scope relies on: which includes demolishing the earthquake-prone carpark; constructing the Malae (Whairepo Lawn), the paepae, and the Jervois Quay interface, does not cover the full land area on which the carpark is sited. Therefore, additional works are required to integrate the Fale Malae into the park's existing surrounding land areas and other structures, following demolition. This would assume such an option would achieve resource consent.

43. Q - How reliable is the \$142m figure for water meters? It seems high.

A - Wellington Water's initial estimate cost for water meters was \$142 million and was based on the best available information. A refined estimate will be provided by Wellington Water when the regional business case is completed in July 2024).

Begonia House

44. Q – Can you point me to a complete list of plants in the Begonia House and a list of donors of the collections?

A: Please see attached the list of species or cultivars in the Nursery / Begonia House Collections. Within these, there are 192 separate and distinct species, and 15 species in the Botanic Gardens Conservation International's recorded collections which are held in five or less institutions around the world.

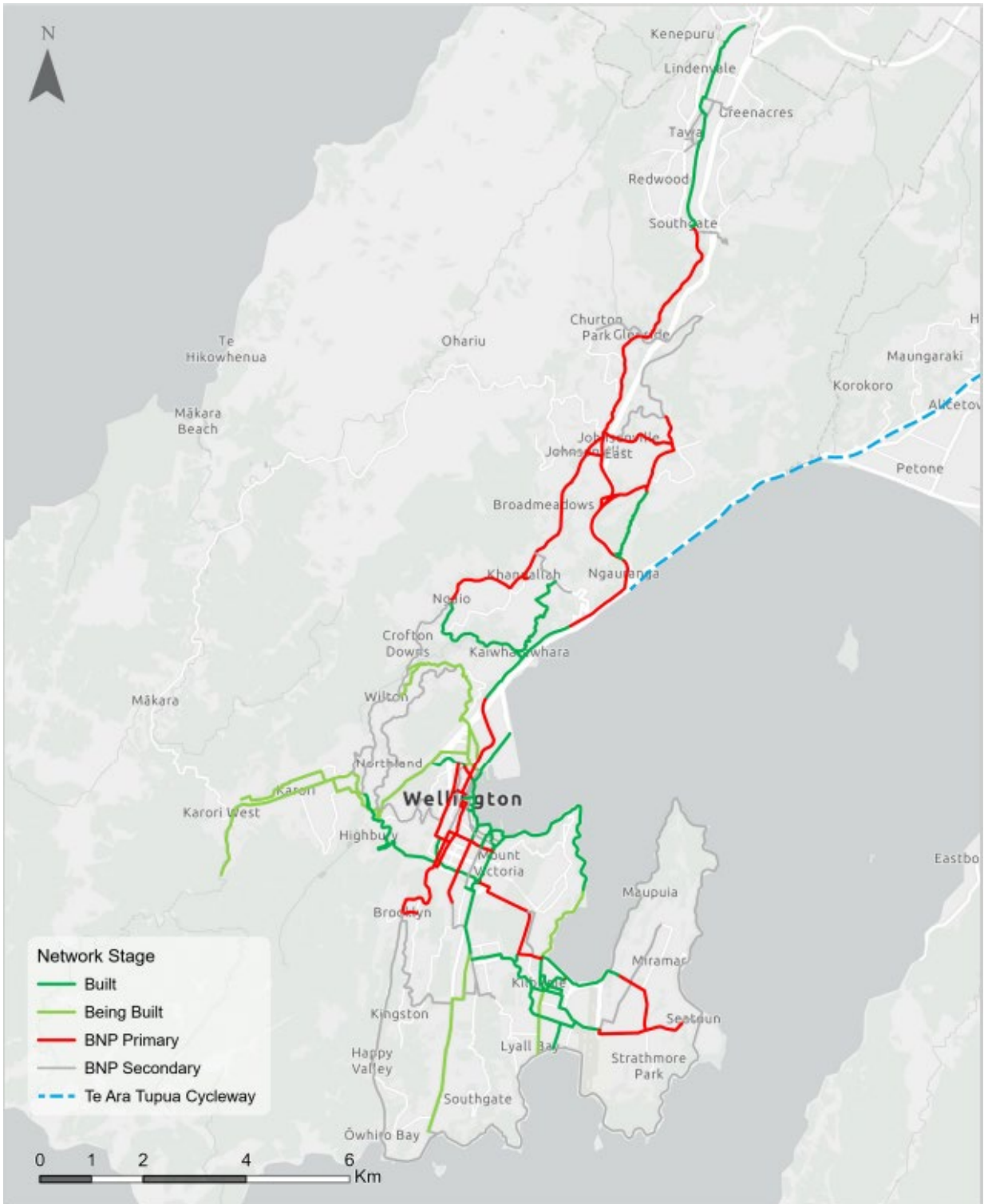
Donors:

- The Norwood Family have been the major donor for many Botanic Garden projects especially the Begonia House and the Rose Gardens, dating back to around the 1930/40's.
- The Begonia House, which opened in 1960, was built and extended with significant donations from the Norwood family. Sir Charles Norwood was a successful businessman, philanthropist and Mayor of Wellington. The building was named for his wife Rosinna, who had donated substantial sums to the garden in the past. The couple were both keen supporters of the city's parks and gardens.
- The rose garden that forms the backdrop to was completed in the early 1950s and is also named after her. The fountain was also donated by Rosinna Norwood and was opened in 1956. This was replaced by a new fountain, donated by the Norwood children, in 1977.
- The tropical water lily pond was added in 1989, funded by Sir Walter Norwood.
- Over the past 20 years, the Norwoods have donated directly or via the Friends of the Botanic Garden @\$200,000. This level of philanthropy for a public garden is rare in New Zealand.
- The Friends of the Botanic Gardens also donate funding they raise through other donations towards Botanic Garden projects and recently have been working on a project to fundraise for developing new interpretation for the Begonia House. To date they have raised \$35,000 towards this project.

Bus/ Bike improvements programme-

45. Q - What routes will be lost through the proposed \$40 million reduction in the budget? Can you provide a map of what will be lost and postponed? How will this impact the Te Atakura emission reduction targets?

A - The routes classified as 'Secondary Network' (a total of 58km) have been delayed until 2034 – 44. These routes are shown in grey on the map below. No routes are lost.



Bike Network Plan strategic arterial network

This map shows the arterial routes that have been built, are being built and primary routes of Wellington City Bike Network Plan.

Basemap credits: Eagle Technology, LINZ, StatsNZ, NIWA, Natural Earth, © OpenStreetMap contributors.

Date: 3/09/2024
Credit: City Insights GIS Team

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Harbour Quays

46. Q(i) - Reduction \$40 million. How will it be possible to deliver this project? Is it realistic to deliver the desired outcomes through this investment? What will the impacts of the postponement of the timing of delivery be in terms of service delivery for PT users? Does our postponement affect the timelines for GW and their programme of delivery?

A – The \$10 m rough cost estimate means reducing the project to a minimal viable product project which will include:

- Up to 6 stops (Digital time boards at most stops, minimal shelters if there is no veranda)
- Curbside peak hour lanes with paint and signage, ie. No separation etc.
- Changes to 2-3 intersection signals
- None to very minimal civil works / changes.

It does not include:

- Any of the side street upgrades and way finding to connect the key stops on the two spines (in the \$52.6 million project ca. 3-5 streets included)
- Amenity improvements at stops
- Civil changes to enable better bus movement and more permanent stops.
- Changes to lanes and street layouts needed to enable changes to Market Lane and Wakefield St to allow bi-directional bus-lanes on street.
- More significant signal changes.

Q (ii) Eastern Connections – what are the implications of reducing the budget allocation?

A – The reduced scope in the LTP amendment proposal allows for minimal civic changes to Bus stop lengths and curb changes to enable articulated buses on the number 2 bus route. The LTP approved budget of \$16.5 million. This also included bike lanes, pedestrian improvements, and some amenity upgrades such as greening. This figure was based on the LGWM project allocation.

Organics Processing

48. Could a grant from MfE be made for other collections or support for social enterprises to continue with an opt in organic processing/collection?

A - MfE does fund social enterprise, but that would be through a direct funding arrangement not through council. MfE would like to see maximum tonnages diverted to fund for Organics processing. An opt-in organics collection does not give certainty to either MfE or the suppliers to have the confidence to build an economically viable solution, hence reducing the likelihood of securing funding for that model.

Activity 2147 - Subsurface Data Project

49. Q - How much of this is being funded by other sources and is there ongoing capex required funded elsewhere? If there is no ongoing capex required after year 2 then why is this?

A – This program is funded by better off Funding received from the government to fund the creation of the Underground Asset Map. There is no other ongoing capex funding required by WCC. The project was set up as a pilot with ongoing operational costs being covered by Corridor Access Request fees through a cost recovery model. Further development of the system will be met by wider sector users as it adopted across the country and sector.

City Streets Programme of work

50. **Q - Would you please lay out the amount of budget allocated in each of the first four years of the LTP making it clear what amount(s) is allocated to funding from NZTA, GWRC and other sources and advise how and how WCC can reduce its contribution by 50% and 75%**

A – See answer above to year-by-year allocations.

The Walking and Cycling projects are 100% WCC funded. They have never assumed any contribution from either GWRC or NZTA.

The Harbour Quays and Eastern Connections projects were assumed 50/50 funded by GWRC and expected to receive NZTA funding in LTP. The Amendment removes the NZTA funding assumption, reduces the projects budgets to Minimal Viable Product solutions and still assumes GWRC co-funding (50/50) split.

51. **Q - Would you please provide an illustrated map of the programme of work along with timings and costings (being clear to identify the WCC contribution)**

A – See answer above.

Cycling Budget

52. **Q - Would you please advise the cost to reinstate off-peak parking on Glenmore Street adjacent to the Botanic Gardens**

A – The total cost to reinstate off-peak parking between Botanic Garden main entrance and the intersection with Orangi Kaupapa Rd would include redesign, safety audits, additional public consultation to feed into a new traffic resolution process, staff time and if approved, the traffic management and physical works. The cost of doing this would be around \$300k.

When this section was resolved in December 2023, officers were instructed to monitor and report back on the impact of these changes after 6 months. The implementation of the street changes is not yet complete, and officers are scheduled to report back on this mid-2025.

53. **Q - Would you please advise the savings to halt the final section of the Karori cycleway**

A – The cost savings of not installing the separators for the uphill cycleway along this 1km section of the Bike Network primary route between St. Theresa School and Karori Park Dairy would be approximately \$280K. A new TR would be required to make this change and would reduce this saving by approximately \$50k. If this section of the primary route was deferred to be progressed later, significant extra costs on top of the original installation costs listed above would be incurred. This is due to requiring onboarding a new contractor, increased contractor rates, arranging new Traffic Management Plans, crew mobilisation work, extra labour for project management, procurement, and comms/engagement.

Questions and Answers

Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Rātū, 26 Whiringa-ā-rangi 2024

Tuesday, 26 November 2024

Responses provided evening of 25/11/2024

Water infrastructure

42. Q - How urgent is it to do the pipe work under Courtenay Place? What are the exact problems with them? What advice have Wellington Water given to the Council on their status?

WWL completed a draft desktop analysis which concluded there are many assets which have been identified as priority 1,2 and 3 and are finalizing the scope of works for this street. Many of these are likely to need replacement within the next 10 years due to poor condition. Two assets were identified as priority 1 under Courtenay Place for renewal as “must-do” (a stormwater and wastewater main). CCTV investigations were recently completed and observations for these pipes included:

- Joint displacement & faulty seals
- Roots/obstructions restricting flow (typically 10% restriction)
- Some cracking & spalling, causing corrosion of the reinforcement

WWL will have a full package of design and investigative information to allow them to finalize their advice early next year. This would include confirming urgency of priority 2 and 3 assets and confirming the remedial solutions.

Organics Processing

47. Q - If the landfill surplus fund was not allocated to this activity, where else could it be applied to helping to reduce costs elsewhere?

A – It could be used to fund future waste minimisation initiatives and projects, also could be used towards future potential landfill deficits.

[Minutes of Pūroro Tahua | Finance and Performance Committee - 16 June 2022](#)

Cycling Budget

54. Would you please advise the cost to provide for additional parking adjacent to Karori Park to compensate for the loss of parking (similar to Wakefield Park changes)

A – The cost to complete the Wakefield Park parking improvements was approximately \$510k. The work was done through resealing and optimising an existing parking area. The costs and benefits of providing something similar for Karori are not currently known.

It should be noted that the decision to fund the Wakefield Park car park was unique for the following reasons:

- The Park is located in a sporting precinct with a number of other facilities nearby, such as the Island Bay Tennis and Squash Club, Berhampore Golf Club, three pavilions, skatepark, pump track, playground and a scout's hall.
- The Park is a regional facility, being the only park with two artificial turfs located next to each other, many users come from across the region to utilise the park • The presence of two turfs significantly expands the capacity for hosting a variety of sports. This diversity in sports increases the park's overall utility, attracting a wider range of athletes and enthusiasts.
- Artificial turfs are resilient to weather conditions that might otherwise hinder sports activities on natural grass fields. This means that games and practices can continue even during periods of rain, reducing cancellations and ensuring consistent training opportunities.

The Karori Park parking situation is very different to that of Wakefield Park. Within 200 meters (3 minutes' walk) of Karori Park there are 480 car parks on side streets where the parking occupancy study showed an average occupancy rate of under 16% on the weekend and 33% during the week. Karori Park is also not an all-weather regional facility to the same degree as Wakefield Park and is unlikely to be justifiable.

2109 – Parking Upgrades

55. Q - Would you please provide a breakdown of the capex allocated to year 1

A – \$892k for 2024/25 is funding the relevant capex parts of three projects:

- the Newtown and Berhampore parking zones (Berhampore, Newtown East, and Newtown West);
- the Wadestown parking zones (Wadestown East and Wadestown West);
- and central city motorcycle parking charges.

56. Q - Would you please advise the amount allocated and the land to be purchased for the additional off-street parking to be purchased.

A - \$ 2.050 million.

57. Q - I was hoping to get a quick understanding of the history of the Southern Landfill ahead of the vote tomorrow.

- **When was the Southern Landfill officially opened?**

A – 1976

- **How many tonnes or cubic meters was it designed to take?**

A – Officers do not have this information easily on hand (unsure if a business case was completed in 1976). The landfill has been through 3 key stages to date Stage 1 was filled from 1976-1980, Stage 2 from 1980-1995, and Stage 3 from 1995 onwards.

- **On average, how many tonnes or cubic meters per year has it taken to fill it up?**

A - An estimated 120,000 tonnes per year have been accepted since opening, noting there were no measured tonnages till the weighbridge went in c.1996

Questions from Q&A session

58. Organics collection – Implications of having fewer partners to partner with in terms of building the organics facility?

A - Based on Request of Information (RfI) stage of the procurement processes, Officers are comfortable that the available market participants remain sufficient to obtain a range of solutions offerings to meet the council's requirements. This will be confirmed in the Request for Proposal (RfP) procurement stage which commences early next year.

59. What kind of coercion are we under regarding compulsory organics treatments?

A - The previous Government introduced a proposal for councils to divert organics from landfill by 2030 (or 2027 if within 150KM of processing plant). This is currently under review and no further clarity can be provided at this time.

60. Why haven't officers put a recommendation around bins?

A - The cost of bins is in the CAPEX for the collections services business case for a total of \$13.9m, of which none of this was to be debt funded. The Organics bins were to be funded by a grant from the Ministry for the Environment. The bins for rubbish and recycling were to be funded by the landfill surplus. This wasn't included as a recommendation as it isn't debt funded.

Other

61. Karori event centre and St John's site

Q(i). Could we get some advice on the amount this council has already put into the Events Centre along with what community funds have been raised separately?

A - The Council has previously provided grants of \$920,000 to the Karori Community Hall trust to contribute towards the completion of the Karori Event Centre.

In December 2022, the Council agreed to receive the building from the trust and committed a budget of \$1.9m to complete the fit out of the building.

A cost estimate to complete the fit out of the building was received in late 2023. This estimate of \$3.5m was significantly higher than the available budget and the project was paused.

The budget was retained in the 2024 LTP and the project was rescope to focus on achieving a compliant building only (not a full fit out).

A QS estimate was recently received and is being reviewed by officers. It is unlikely that compliance can be achieved within the available budget.

Exact figures on spend to-date are not available at this late stage.

- A breakdown of funds raised by the trust:
- Community Event Fundraising - \$25,445
- Wellington City Council grants - \$920,000.00
- Grants from philanthropic organisations - \$1,225,971
- Karori Clubs Fundraising - \$66,535
- Naming Rights fundraising - \$148,000.00
- Donations and bequests - \$750,865

Q(ii). I also want to be clear about the value provided from the old St Johns site and is that classed as Council funding or something else.

A - The council previously agreed in principle to contribute the proceeds of the sale of the St John site to the Karori Community Centre trust towards the completion of the centre. This in principle decision was superseded by the subsequent decision to accept the building as a gift.

Questions and Answers ahead of Workshops 12/13 November 2024

Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Questions received up to 5/11/2024, responses provided 8/11/2024

Q1- Can I please have more information regarding the Capital Programme

Account/Budget	Question	Response
2094 Cycling Network Renewals - Cycleways budget	total \$99 million. What portion is expected from NZTA subsidies per project to be funded)	<p>The total budget allocated for cycleways renewals (2094) in the LTP 24 - 34 is \$115.2m including all cycleways capital renewals and cycleways minor works.</p> <p>The total revenue expected from NZTA for year 1 was 41% and 51% for years 2 - 10.</p> <p>Further information regarding expected future NZTA subsidies will be provided as part of the LTP amendment process.</p>
2109 Parking Upgrades	\$8.7 million. What does this relate to	<p>As part of the finalisation of the current 2024/34 LTP \$8.8m (across the 10 years of the LTP) was allocated for Parking related upgrades. Included in this amount is funding for the implementation of following:</p> <ul style="list-style-type: none"> • The Wadestown Residents Parking Scheme • The second tranche of the Newtown / Berhampore Parking Scheme • The implementation of paid motorcycle parking in the city (subject to consultation and TR Approval) • Digitisation of Coupon and Trade Permits to allow more efficient enforcement. • Mobility parking permit interoperability with License Plate Recognition enforcement approach • Technology changes that would result from the upcoming review of Coupon parking across the city.

		<ul style="list-style-type: none"> • Technology changes that would come from the implementation of suburban parking changes (due to be reconsidered by Councillors as part of the current budget process). • The purchase of additional off-street parking capacity that would be in addition to what the Council currently operates. • Funding for ongoing road layout changes that require signage or road marking changes.
2121 Community & Childcare Facility Renewals	Yrs 1-10 \$7.2 million. What does this cover?	<p>This is the renewals budget for general building maintenance and upkeep of 24 community centres and childcare facilities.</p> <p>Renewals are currently funded at 75% of the optimal budget as per the LTP decisions.</p>
2126 Business Unit Support	deployment of new systems & upgrades. \$54m over 10 yrs. What systems are these?	<p>This relates to routine renewals and upgrades of existing systems utilised by Business Units. While the project is titled support for BU initiatives, this is a legacy project name, and it is better described as renewals of IT systems.</p> <p>Systems are routinely renewed or upgraded to ensure optimization of performance and to mitigate the risk of significant replacement expenditure. This budget covers all of Councils systems with individual systems prioritised as required.</p> <p>In the current 2024/25 year this includes:</p> <p>Property Data System Wellington's legacy property and ratepayer data systems are outdated and expose the organisation to cyber risk. This project is migrating to modern platforms, making it easier to manage data, handle rates collection, and reducing risk.</p> <p>Improving TeamWork Services (ITWS) The software that runs WCC's consenting and compliance functions is bespoke and was developed in the 90s. This project is developing new applications to make internal processes easier for staff which has the flow on benefit of improving the speed and/or efficiency</p>

		<p>of the consenting process. This project also enables public-facing services delivered in the Tutuki project by creating reliable, reusable processes and data systems.</p> <p>Tutuki (which means “completed, finished, achieved” in Māori)</p> <p>Tutuki is improving internet-based digital services provided by the Council to Wellingtonians. This includes almost all public-facing services: Parking, Rates, Consenting and Compliance.</p> <p>Data Platform</p> <p>This project is building a centralized scalable repository of structured data enabling data-driven decisions across the Council to both evaluate and improve operational efficiencies.</p> <p>Website re-platform</p> <p>While WCC's website was redesigned in 2020, the underlying technology has not changed since 2013. This project will replace our outdated website technology with modern, secure architecture that's easier and cheaper to maintain, reducing cyber risks.</p> <p>Digital City Model</p> <p>The Digital City Model is an interactive 3D digital model of Wellington, using cutting-edge gaming and design tools to visualize strategic city planning projects, including climate change adaptation. This will help us engage the community on critical issues.</p> <p>TrackDem</p> <p>This project was started as a response to a need to make Council decision-making processes more transparent and easier for the public to track actions online.</p> <p>Information Compliance and Education</p> <p>This project is a regulatory compliance initiative that enables us to stay compliant with legal requirements and manage data safely and responsibly.</p>
2127 Workplace	\$41 million -year 1. This is for the move to Jervois Quay.	The sale of ground leases to fund the \$41m is tied to the 68JQ ground lease and the value of this is circa \$23m.

	<p>Note that some of this will be funded through the sale of other ground leases.</p> <p>How much of this is linked to Archives and specially built facilities for them and what funding is expected from Ground Leases? (Note there is public interest in this)?</p>	<p>Currently circa \$14m is associated with Archives and this is subject to change pending final design and QS review.</p>
<p>2133 Quarry Renewals & Upgrades</p>	<p>\$21m over yrs 1-3. renewals & upgrades required at Kiwipoint Quarry.</p> <p>What does the Upgrades component relate to?</p>	<p>Upgrades component relates to the construction of a Rockfall Fence, as well as design and construction of a Sediment Pond.</p>

Q2 - Debt Headroom Requirements: We understand that the current estimate for additional debt headroom to be achieved is in the range of \$400–600 million. To ensure clarity and transparency, could you please provide a detailed breakdown of how this headroom range has been determined and any underlying assumptions? This will help us better understand the financial flexibility the organisation requires for emergency funding and ensure we do not inadvertently place undue strain on that capacity. Understanding the boundaries here is critical to ensuring we are not jeopardising financial flexibility in the face of unforeseen challenges.

Q3 - Year-by-Year Savings Targets: A breakdown of the savings required each year within the capex budget, including the rationale behind any variations in the profile across different years. This will help us understand the scale of the adjustments needed and provide clarity on how we can balance savings with continued service delivery and infrastructure needs (including any new requirements for water infrastructure).

Q4 - Detailed Capex Analysis: Any supporting analysis that outlines the drivers of capital expenditure across the LTP period, including potential areas for savings, deferrals, or reallocation of funds. This will help to ensure that any proposed changes are strategically aligned with the organisation's long-term objectives and will be manageable within the operational context.

Q5 - Key Assumptions and Constraints: A list of any key assumptions made in developing the capex budget by officers, as well as any constraints or limitations that must be taken into account when considering reductions or adjustments. This may well include utilising underspends which generally occurs annually. This information (even in draft) will be invaluable in ensuring that any savings proposals are realistic and sustainable.

A (in response to Q2 – Q5) - The 12 and 13 November workshops will cover these items; 12 November workshop to consider financial prudence; and 13 November workshop to cover the capital programme review.

Additional questions: Responses provided 11/11/2024

Q- Can I please have more information regarding the Capital Programme

Account/Budget	Question	Response
2076 Earthquake Risk Mitigation -Town Hall	Yrs 1-4 \$158m How certain are we on this figure Potential for savings?	The projected budget is expected to be used in full. We will continue to look for savings as this, and other significant projects progress.
2094 Cycleways	Where is the Wadestown and Karori connections cycleway budgets and what portion is expected from NZTA subsidies per project to be funded	The Wadestown and Karori connections cycleway budget is within the 2094 budget line. These projects are partially funded as part of the Transport Choices funding agreement (funded by the Climate Emergency Response Fund which is administered by NZTA Waka Kotahi) at 90%. Karori Connections has received 33% funding and Wadestown Connections has received 73% funding.
2141 LGWM – City Streets Pre-implementation	Total \$165 million (yrs 1-10). What portion is expected from NZTA subsidies per project to be funded)	When returned the LGWM City Streets budget was split into 3 parts: <ol style="list-style-type: none"> 1. target improvements which was integrated into our minor works programme and is no longer its own budget 2. Bus priority projects. Current expectation is a 50/50 funding split with GW. 3. Central City Walking and Cycling upgrades.

		<p>Public Transport - the total revenue expected from NZTA was 51%.</p> <p>Walking & Cycling - the total revenue expected from NZTA was 0%.</p> <p>Further information regarding expected NZTA subsidies will be provided as part of the LTP amendment process.</p>
2146 Sludge Minimisation	\$274 m (yrs 1-3) How confident are we on this figure?	<p>The projected budget is expected to be used in full.</p> <p>We note that the Sludge Minimisation Facility is funded through the corresponding revenue from the IFF funding; therefore, any change in costs will also result in changes to the revenue.</p>
2152 Charged up Capital	Charged up capital – EV chargers Didn't we stop any EV chargers funding through the Reg Processes Committee?	<p>At the 30th May 2024 meeting, Kōrau Tōtōpū Long-term Plan, Finance, and Performance Council agreed the following with regards to the Charged-up Capital project: <i>Agree that Year 1 funding for the installation of EV Chargers already approved is retained within the LTP (bringing total installed to 34) and that funding beyond this amount is removed, pending further advice on the costs and benefits of proceeding with installation of the remaining 26 chargers. As part of this advice Officers are also to investigate the potential to sell existing EV chargers to recover Council's investment.</i></p>

		<p>Work was therefore stopped on progressing any new installations, but the chargers approved and not yet installed in May have now been installed. Charging has also begun and officers are as requested collating advice for decision regarding the remaining 26 chargers and sales options.</p> <p>There is no additional budget relating to the remaining 26 charges in the LTP.</p>
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Q - Water reform and water meters: Please provide confirmation of what funding is in the LTP and in particular for the (regional) business case currently being worked on by Wellington Water.

A -

Opex

\$2.4m for the Business Case

Capex

\$143m for smart meter rollout from year 4. How, or if these will be implemented will be based on the business case and formal consultation with the community ahead of any decisions.

Q - Would you please clarify the amount (and in what years) for an additional building to be built attached to the Central Library as part of the Te Ngakau redevelopment (including confirming the activity codes

A - There is no plan for an additional building to be attached to central library and no budget included in the LTP for this.

Additional questions: Responses provided 12/11/2024

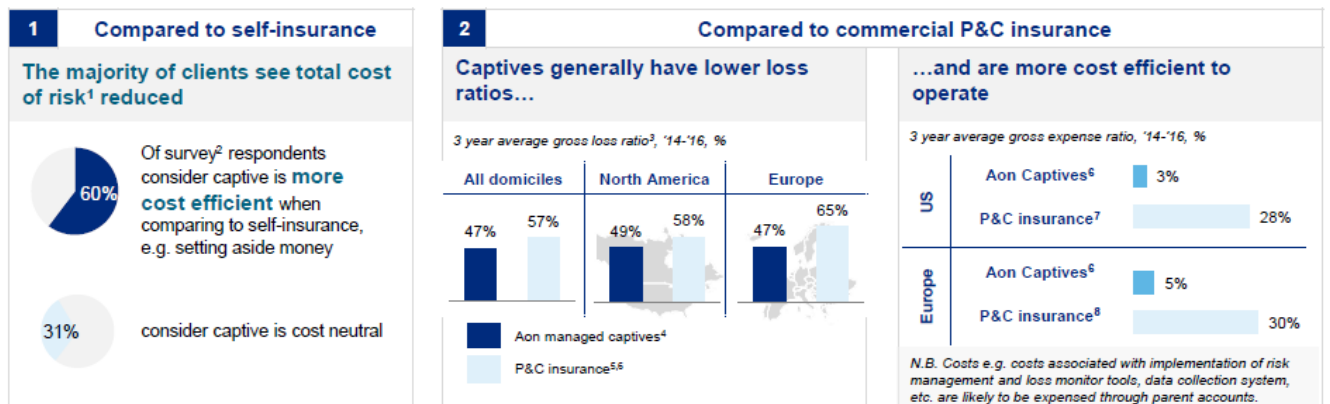
Q - Apart from the legislative reasons, is part of offshoring a captive also about having sufficient access to qualified staff? E.g. it would be difficult to staff a captive from the NZ market

A - There are limited options on who can provide services to support operating a captive in NZ, and less competition typically increases cost. However, the primary reasons are all to do with solvency requirements, reporting and compliance. There is no tailoring of the rules for captives within either Australia or NZ. A captive here would be treated the same way as a commercial insurance entity, significantly increasing the operating costs / legislative burden. Having said that, with NZ having limited resources in this space, if they relocate or retire they may not be replaced. Whereas for the global hubs of captive insurance they are continuously able to attract new talent, and benefit from expertise that makes a career of traversing multiple domiciles.

Q - A general rule of thumb is that insurers in a good year are making their profit/investing on 5 cents of every dollar of premium. In terms of what makes a captive insurer 'leaner' is this the primary area of savings vs. a commercial insurer?

A - We have included below some outputs on captive costs and how they compare to their commercial insurer equivalents. Not just substantially lower expense margins, but also reporting lower loss ratios as well. The stats are slightly old (2014 to 2016) – we haven't seen anything more current, but as they reflect three-year averages hopefully they are indicative of a longer term position.

Evidence suggests captives can reduce the total cost of risk



Drivers for outperformance of captives

Risk management behaviour	Greater incentive to improve risk management and loss control
Control visibility of data	Centralised management of loss data enables companies to have a better overview of risk exposure
Control of claims adjustment process	Close proximity to the insureds helps to quickly identify and manage emerging risks and losses
Tax deductions and retained profits	The self insurer does not have the benefit of a tax deduction up front and the capital gain and profit that a captive can provide
Lower operating costs	Lower overhead and legal expenses
Reduced commission costs	Access business directly from parent group, negating commission expenses

Q - In terms of total material damage insurance capacity for the Wellington Region, is it a fair characterisation that every \$1 in coverage WCC is managing to acquire in the constrained environment is essentially at the opportunity of other risks (e.g. homeowners, businesses)?

A - The amount of risk transfer capacity being made available within the Wellington Region is growing, however, the rate of this growth is being far outstripped by increasing values (sums being insured), driven primarily through factors such as inflation, and growth (i.e. new residences/buildings/developments that require insurance – especially when financial institutions require insurance as part of their lending agreements).

WCC's limits / use of risk transfer capital has not grown significantly over the last 5 years, additionally, the new capacity recently obtained has come from capital sources not generally available to most homeowners and businesses (because they cannot access overseas markets) – so WCC is not materially impacting the local available capacity and making small changes to capacity usage/limits is also not likely to be material. The opportunities to take on more capacity via a captive and/or a catastrophe bond would see a further diversification away from traditional markets and sources of capital so would also not compound this as an issue.

Homeowners purchase their capacity from the domestic market that includes insurers such as AA, Vero, AMI, State, NZI and Tower. Smaller commercial business also generally buy insurance from the domestic market as there is usually sufficient capacity to cover their sums insured. Majority of WCC capacity comes from the international market.

Additional questions: Responses provided afternoon of 12/11/2024

Q - Why is the FY25 landfill ETS liability shown as a capital cost rather than a current account one?

A - The purchasing of carbon credits is a capital expense because it is the purchase of an asset. The carbon credits are classified as an intangible asset in the annual report.

When we surrender the units it is dealt with in the same way as the disposal of an asset, which decreases the asset balance.

The ETS expense in the P&L is recognised each month based on the tonnage each month. The ETS expense in the P&L for a calendar year is equal to the cost of the units surrendered.

Q - Can we confirm that this cost is still passed onto tip users, ie. it is matched by income?

A - The gate fee charged at the landfill is set 1st July each year and is above the market price of units. The ETS component of the gate fee for FY25 is \$25 per tonne – which equates to roughly \$88 per ETS unit, well above the current market price of \$64 per ETS unit.

The ETS P&L expense and value of surrendered units is calculated based on cost price of the units, with the first-in, first-out method being used. The cost price of the units expected to be released in FY25 is \$41.50 per unit.

We collect above market value from customers in the gate fees, and recognise cost price in the expense.

Q - Please clarify the amounts contained within the Cycling Opex budgets and which budgets are included. I was provided with information in May that suggests the LTP had \$152m compared to later OPEX budgets provided which show approx. \$94.5 million. Would you please explain how these changes occurred at such a late stage.

A - The key change is that, subsequent to the 2024-34 LTP Consultation document being published, we updated depreciation to reflect longer estimated useful life for some cycle way roading assets, and to reflect updated depreciable values for key projects.

This resulted in a reduction in cycle way depreciation of \$59m over years 1-10 of the LTP. Some of this saving was offset by increases in other areas.

Additional questions: Responses provided afternoon of 13/11/2024

Q - Could I please have some general advice on the Trust model proposed in this email?

Email reads: “The perpetual fund, if set up properly as a trust, isn’t a bad idea. How would you feel about the airport shares being transferred, with instructions it can’t sell them, to a disaster relief trust? The trust could invest the dividends from the airport and profits from selling the ground leases to close some of that insurance gap. It would also make it harder for the shares to be sold in future; the trust would own them. Set up right, to only discretionary disburse in the event of a disaster and maybe as a form of mayoral disaster relief fund, it could also potentially qualify as a charitable trust. Would that solve at least some of the issue?”

A - The Council has agreed on 29 October to continue with work on an investment fund for the purposes of disaster recovery. The Council has also asked for further advice on the design of a fund by December and this advice will cover options for the fund’s structure and objectives and options for capitalisation. The advice on options for structure will include consideration of a Trust form (as well as other options) and options for capitalisation will include things like ground leases and other possibilities.

On the question about transferring the shares to the Trust to manage, yes the Council could decide to do this (although, given it is technically a change of ownership, it may need to be consulted on). Additionally, under the Notice of Motion, we have been directed to cease all work on an airport share sale, which this would technically be. If the Council wanted to consider this issue further and receive further advice, officers would need to be enabled to do that work via a new resolution of the Council.

There are a number of things that would need to be considered further in making the decision about whether to transfer the ownership of the shares into the fund/Trust, including:

- The pros and cons of an additional layer of governance between Council and its shareholding.
- The balance between any restrictions/hurdles on sale and providing sufficient flexibility for future Councils to respond to legitimately changing circumstances.
- How the Trust would manage the airport shares alongside its wider objectives and investment mandate (i.e. whether ownership became inconsistent with its objective to support Disaster Relief and invest in diversified growth assets).
- How future dividends of the airport would be treated (i.e. used to grow the fund and/or some portion paid to Council to mitigate any rates impact).
- Other issues that would need to be worked through (i.e. how any future equity raise by the airport would be funded).

If it wanted to, as an alternative, the Council could already elect to transfer the dividends from the airport to the fund for investment, while still retaining the ownership of the shares (noting the impact this would have on rates). We can include advice on this in the options for capitalisation that’s brought to the Council in December.

Additional questions: Responses provided afternoon of 14/11/2024

Q - My understanding is that there may be specific Debt-to-Revenue ratios at which Councils are placed at different rating "tiers" by the Local Government Funding Agency, affecting our cost of borrowing. Could you please confirm whether this is the case, and if so at what ratio WCC would be eligible for a downgrade?

A - This is more relevant under the Standard & Poor's assessment methodology whereby they assess vs a threshold of 240% D/R to lower the debt burden measure within their overall assessment criteria.

LGFA have their own internal credit assessment metrics, we are not privy to the detail of this.

Q - Can you confirm that the budget for Huetepara Park is still \$2.4 million with the cost expected to be incurred in FY2025? Is that cost inclusive of any community contribution to the development (ie is Council's net cost \$2.4m or is it reduced by community contributions?)

A - The budget for Heutepara Park is \$2.37m in FY25. Of this, approximately \$15,000 has been spent.

The project is dependent certain work being completed by Wellington International Airport Limited, which is yet to be completed and for which do not have an estimated completion date.

The project budget above is 100% funded by WCC and does not have any 3rd party funding attached.

Q - Can you confirm that the budget for the Kilbirnie Skatepark is still \$0.3m in FY25 and \$5.6m in FY26? Is there any funding for this provided by any other party or is Council anticipating meeting 100% of the cost?

A – The total budget for Kilbirnie Skate Park is \$8.1m

FY25 \$0.3m

FY26 \$7.8m

Of this \$2.19m is funded via the Plimmer Bequest Fund in FY26.

Q - Can you help me better understand the net and gross cost of the Fale Malae? In particular, what is WCC's projected net cost from making the site available and otherwise contributing to the Fale? And what is the income forecast from the car park (and lock-ups) on that site and what earthquake strengthening costs are associated with the existing structure.

A - In June 2023, Councillors approved a \$42 million redevelopment plan for Frank Kitts Park. This includes demolishing the earthquake-prone carpark, upgrading the harbour lawn, constructing the Garden of Beneficence structures, and enhancing stormwater, landscaping, and park facilities.

The Fale building, funded by the Fale Malae Trust, will replace Council facilities currently in the carpark, such as toilets and storage.

Previous estimates indicated that strengthening the carpark would cost more than demolition, leading to the Council’s decision in 2021 to demolish it. Revenue from the new carpark is expected to reach \$500,000 annually. There are no current strengthening cost estimates, as the last were made prior to the closure.

Account/Budget	Question	Response
2094 Cycleways Minor works	Total \$12 million East corridor, Island Bay - what portion is expected from NZTA subsidies per project to be funded	<p>Cycleways Minor Works is allocated \$12.1m (included in \$115.2m above). The total revenue expected from NZTA for year 1 - 10 was 51%.</p> <p>The East Corridor projects include Evans Bay Stage 1, Evans Bay Stage 2 and Kilbirnie (Rongotai / Onepu Intersection).</p> <ul style="list-style-type: none"> • Evans Bay Stage 1 - the total revenue expected and received from NZTA was 51%. • Evans Bay Stage 2 - the total revenue expected from NZTA was 51%. We have received 51% funding for the seawall renewals which were incorporated into this project, but 0% funding for the actual cycleway. • Kilbirnie (Rongotai / Onepu Intersection) - the total revenue expected and received from NZTA was 0%. <p>Island Bay - the total revenue expected and received from NZTA was 0%.</p>

Q - Carbon Credits A couple of councillors have pointed out to me that Council's capital account includes \$4.2m for the purchase of NZUs in FY25 (with the cost rising in subsequent years). The first is simply why is this shown as a capital cost rather than a current account one? The second is to ask for confirmation that this cost is still passed onto tip users, ie. it is matched by income.

A- The purchasing of carbon credits is a capital expense because it is the purchase of an asset. The carbon credits are classified as an intangible asset in our financial accounts.

When we surrender the units it is dealt with in the same way as the disposal of an asset, which decreases the asset balance and increases the P&L expense.

The ETS expense in the P&L is recognised each month based on the tonnage each month. The ETS expense in the P&L for a calendar year is equal to the cost of the units surrendered.

The gate fee charged at the landfill is set 1st July each year and is above the market price of units. The ETS component of the gate fee for FY25 is \$25 per tonne – which equates to roughly \$88 per ETS unit, well above the current market price of \$64 per ETS unit. The ETS P&L expense and value of surrendered units is calculated based on cost price of the units, with the first-in, first-out method being used. The cost price of the units expected to be released in FY25 is \$41.50 per unit.

We collect above market value from customers in the gate fees, and recognise cost price in the expense.

Additional questions: Responses provided 15/11/2024

Q - 216 Business Unit Support – Follow up question

Would you please advise the amount allocated for each of the systems for each of the next 3 years?

A -

2126 - Business Unit Support

This CAPEX "project" supports BU activities in their annual business plans. While these improvements often improve service delivery, they are more often effectively renewals of aging systems.

Current projects under this category include:

- **Property Data System**

Wellington's legacy property and ratepayer data systems are outdated and expose the organisation to cyber risk. This project is migrating to modern platforms, making it easier to manage data, handle rates collection, and reducing risk.

This project constitutes \$750k per year of the \$4.2M

Systems within this project include:

- **Core Property System** - CPS is a centralised repository used by the Wellington City Council to maintain and manage all core property data within the city. It is essential for the operation of the council as it records the unique identification and key attributes of all land (property) in Wellington. This includes details such as area, legal descriptions, geographic location, rating value, encroachments, and ownership
- **External Customer Database** - ECDB is a system that holds a list of Wellington City Council customer names and details such as addresses, phone numbers, and other additional information. This database holds information about external customers who have dealings with the council, such as land and property ownership through the Core Property System (CPS) or with Consents and Compliance through the Teamwork System
- **Pathway** - The Pathway system is used for managing various council services and processes, including customer interactions, property information, and regulatory activities. Pathway helps streamline workflows and ensures that data is accurately recorded and easily accessible across different departments. The system is particularly important for managing rates and handling ratepayer accounts and is part of the council's efforts to improve service delivery and data management
- **Staff Application Model** - application development framework for building and deploying internal applications. Applications built with this framework ensure best practice security that facilitate safe, streamlined development for internal application to interact safely with our ERP (Enterprise Resource Planning – at WCC our ERP is TechOne's OneCouncil) systems and transfer data safely between externally facing applications, particularly Tutuki and core internal systems.
- **Snowflake** - Snowflake is a cloud-based, data warehouse service for storing and analyzing large and very large sets of data fast and easily. Data from processes and process management, transactions and interactions, is stored in a structured repeatable way to enable data modelling and reporting. Storing large-scale structured data in this way is a key enabler for taking advantage of emerging AI technology,

- **QV (external)** - QV is an external system used by the Council for property valuations. QV assesses the value of all properties in Wellington, which is crucial for calculating rates.
- **LINZ (external)** - LINZ is an external system that provides essential land and property information to the Wellington City Council. LINZ supplies data such as title information, which is used to update the council's property records. The council receives this information electronically, and it is integrated into the Core Property System (CPS) to maintain accurate and up-to-date property records.

- **Improving TeamWork Services (ITWS)**

The ERP software that runs WCC's consenting and compliance functions is bespoke and was originally developed in the 1990s. This project is transforming the applications to the latest development environment for security and to expand and extend the usability of the original system. Aligning Teamwork to Tutuki and workflow tools allows automation of the process and reduces the burden on staff which improves the speed and efficiency of the consenting process. This project enables public-facing services delivered in the Tutuki project by creating reliable, reusable processes and data systems.

This project constitutes \$500k per year of the \$4.2M

Systems within this project include:

- **TeamWork** - is the internally developed ERP (Enterprise Resource Planning) system used for managing various compliance activities for example, building consents, resource consents, and liquor licenses. Includes process tracking, management and timing. This system connects to Simpli and GoGet
- National Dog Database (external)
- NZBN (external)
- Systems this project connects to:
 - **GoGet** – a system for various purposes, including building inspections, scheduling, and managing documentation for code compliance certificates (CCC) and Building Warrant of Finesses (BWOFs). This system connects to TeamWork and Simpli
 - **Simpli** - an online portal to streamline the process of applying for building consents and Code Compliance Certificates (CCC). This system connects to TeamWork and GoGet

- **Tutuki (which means “completed, finished, achieved” in Māori)**

Tutuki is improving internet-based digital services provided by the Council to Wellingtonians. This includes almost all public-facing services: Parking, Rates, Consenting and Compliance constituting approximately 40 service families made up of 390+ service interactions. (For example: Dogs is a service family and dog registration, renewal, dereg, desex, responsible dog owner reg, transfer into and out of area etc. would be service interactions). Currently, most digital services available through our website are simple, form-based service front-ends that replicate a paper form. Form design is often a replica of a paper-form that has been designed primarily for the benefit of a non-digital back-office. This means the form often collects either too much or too little information, creating user complexity, possible privacy issues and inefficiencies in the back-office. The Tutuki programme assesses and improves all customer-facing digital services across WCC and the associated business processes. We are running the programme at a managed annual cost over a long period of time to make the work affordable, less disruptive to the business and customers, and allowing the programme to benefit from technology improvements as they are delivered by the industry over time as a standard way of working.

This project constitutes \$2M per year of the \$4.2M

Systems within this project include:

- Most systems from all other projects, as well as:
- Front-end web-based interfaces including online forms and the whakatutuki portal
- **Freshservice** – the platform used for managing service requests, incidents, change requests, and problems reported by citizens
- **Solicitors Statement of Account** – is a system that allows solicitors dealing with property title transfers to obtain a rates statement for any property in the Wellington area
- **New Relic** – is our platform performance monitoring platform
- **Meta systems – see list at the end**

- **Data Platform**

WCC holds a lot of data but a low maturity at being able to effectively leverage this for effective and fast decision making. This project is building a centralized, scalable repository of structured data to enable data-driven decisions across the Council to both evaluate and improve operational efficiencies.

This project constitutes \$200 - 500k per year of the \$4.2M

Systems within this project include:

- **Snowflake** - a cloud-based data warehousing service for storing and analyzing large amounts of data easily
- **Meta systems – see list at the end**

- **Website re-platform**

While WCC's website was redesigned in 2020, the underlying technology has not changed since 2013. This project will replace our outdated, vulnerable, website technology with modern, secure architecture that's easier and cheaper to maintain, reducing cyber risks.

This project constitutes \$100k per year of the \$4.2M

Systems within this project include:

- Sitecore is the incumbent Content Management System
- **Meta systems – see list at the end**

- **Digital City Model**

The Digital City Model is an interactive 3D digital model of Wellington, using cutting-edge gaming and design tools to visualize strategic city planning projects, including climate change adaptation. This will help us engage the community on projects and critical issues. It is a necessary platform in order to spend the \$US1m granted to WCC from the Bloomberg Foundation

This project constitutes \$200k per year of the \$4.2M

Systems within this project include:

- Gaming and 3D modelling technologies
- **ArcGIS** – our enterprise spatial mapping system
- **Meta systems – see list at the end**

- **TrackDem**

This project was started as a response to community feedback to make Council decision-making processes more transparent and easier for the public to track actions online. This project is concluding this financial year.

- **Information Compliance and Education**

Classify and manage Council data by its sensitivity to ensure proper protection and access. This project is a regulatory compliance initiative that enables us to stay compliant with legal requirements and manage data safely and responsibly. This project constitutes \$200k per year of the \$4.2M.

- This project sits across all systems and other projects and manages the governance of all forms of data across the Council including the use of AI and machine learning.

- **Meta systems**

This is not a project but a list of the systems used by all projects:

- **AWS (Amazon Web Services)** is used for various cloud computing services and infrastructure needs.
- **TechOne's OneCouncil** – is the main Enterprise Resources Planning (ERP) platform and its key functions at WCC are financial management, payroll, and asset management.
- **SharePoint** – is the Enterprise Document Management System at WCC used for document management, collaboration, and information sharing.
- **Snowflake** - Snowflake is a cloud-based data warehouse service for storing and analyzing large amounts of data fast and easily.
- **ArcGIS** – our enterprise spatial mapping system



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24 November 2024

The Chair
Long-term Plan, Finance and Performance Committee
Wellington City Council
Via email: Rebecca.Matthews@wcc.govt.nz
Cc: Democracy.services@wcc.govt.nz

Dear Councillor Matthews,

PROPOSAL TO CUT KARORI EVENT CENTRE (KEC) FUNDING IN THE LTP

I write to you in relation to the proposal to ***'stop the project and remove the funding'*** for the KEC included in the papers for the extraordinary meeting of the Long-term Plan, Finance and Performance Committee (the Committee) on 26 November (SR05, page 39).

The history and arguments for completion of KEC have been well rehearsed in my previous submissions to the Committee on the Long-term Plan (LTP). I don't need to re-state those other than to note, the KEC was developed by the Karori Community Hall Trust (KCHT) with the endorsement of Wellington City Council (WCC), and with an undertaking in 2013 from WCC to contribute the proceeds of the sale of the St John's site, on the corner of Campbell Street and Karori Road. This site had been partially gifted to WCC in 1999 by the Methodist Church with the express intent it be used for community purposes.

After lengthy delays in the sale of that site, and with a commitment from WCC to fund the fit-out of the KEC from other sources, the KCHT agreed in 2021 to gift the KEC to WCC. I am advised that the corner site has only recently been sold by WCC for commercial development. I also note that the KEC was developed with over \$2.2 million in funds raised by the KCHT from non-council sources (not \$1.0 million as stated on page 39 of the papers). So, suffice it to say, the KEC was developed with significant community support and funding, and then gifted to WCC based on the fiscal commitments it has previously made to support this project.

While I am fully aware of the fiscal challenges WCC now faces, I believe it would be both negligent and a breach of good faith and trust to ***'stop the project and remove the funding'*** for the KEC from the LTP.

Unlike many other capital projects under consideration, the KEC is substantially complete. It should be regarded as a ***'project in train'*** according to the principles stated in the advice to the Committee on page 24 (i.e., ***'projects that are substantially in train should continue to avoid the loss of sunk costs'***). It would, in my view, be negligent to not complete the KEC and leave this critical piece of community infrastructure both to be unusable and at risk of significant deterioration.

And, of course, the gift of the KEC to WCC was based on the commitments made to the KCHT. We take very seriously our duty as trustees, especially having raised such significant funds from community sources for the development of the KEC. We agreed the Deed of Gift based on the commitment WCC made to complete the fit-out. It would be a very serious breach of good faith and trust if the WCC were to now ***'stop the project and remove the funding'***.

I therefore respectfully ask that the Committee reject the advice in SR05 on page 39 of your papers for the extraordinary meeting on 26 November 2024, and that WCC agree to honour its previous commitment in the Deed of Gift to fund and complete the fit-out of the KEC. I ask that this letter be tabled and considered by the Committee.

Your sincerely

Heather Baldwin
Chair, Karori Community Hall Trust