

Schedule 1: Changes to Revenue and Financing Policy

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
2.1.3 Beaches and Coast Operations	95%	1%	\$21K	Revenue can only be earned through freedom camper infringements.	The proposed changes are: <ul style="list-style-type: none"> • Decrease User Charges target from 5% to 0%. • Increase rates funding target from 95% to 100%. 	\$21k.	-	-
2.1.9 Waterfront public space	90%	4%	\$325k	Aging assets with deferred maintenance & renewals required. Proposed fee and charges increases not sufficient to cover required increase to make activity compliant.	The proposed changes are: <ul style="list-style-type: none"> • Decrease Other Revenue target from 5% to 0%. • Increase rates funding target from 90% to 95%. 	\$425k	(1%)	(\$62k)
2.4.2 Sewage Treatment	95%	5%	\$1,237k	The contract with Veolia ceased in February 2020 and there are no other revenue streams for this project.	Increase the rates funding requirement from 95% to 100%.	\$1,237k	-	-
4.1.3 Arts and cultural festivals	90%	4%	\$205k	Costs continue to rise and external sponsorship has not been forthcoming. Cost reductions would impact on the cultural environment of Wellington.	The proposed changes are:	\$265k	1%	\$71k

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					<ul style="list-style-type: none"> Decrease User Charges target from 10% to 5%. Increase rates funding target from 90% to 95%. 			
4.1.6 Arts Partnerships	75%	6%	\$198k	Toi Ponkeke is the only revenue source for this activity. Non compliance driven by interest costs for building the temporary RNZB facility and transfer of funding for NZSO & Orchestra Wellington.	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 75% to 80%. Decrease User Charges target from 25% to 20%. 	\$154k		
5.1.2 Sportsfields	80%	2%	\$123k	Clubs are still feeling the impact of Covid-19 on their memberships and seasonal fixtures as well as the risk of reduced funding from Class 4 funders.	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 80% to 85%. Decrease User Charges target from 20% to 15%. 	\$278k		
5.3.3 Public Health Regulations	40%	(5%)	(\$297k)	Alcohol licencing applications expected to gradually return to pre-Covid levels. Current cost recovery of Alcohol licencing 76%. Stage 2 fee increase of	The proposed changes are:	(\$289k)	(0%)	(\$8k)

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				Alcohol fees bylaw not implemented in 20/21 due to Covid.	<ul style="list-style-type: none"> Decrease Rates target from 40% to 35%. Increase User Charges target from 60% to 65%. 			
5.3.5 Civil Defence/WREMO	95%	4%	\$112k	No other sources of revenue apart from fixed rental income of \$14,000 per year from WREMO. Activity does not have a user pays element.	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 95% to 100%. Decrease User Charges target from 5% to 0%. 	\$126k	(0%)	(\$14k)
6.2.2 Development Control and facilitation	50%	6%	\$595k	Heavy reliance on external planners to process resource consents as recruitment suffering due to required skill set being in low supply.	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 50% to 55%. Decrease User Fees target from 50% to 45% 	(170k)	\$425k	4%
7.1.3 Cycle Network	100%	(5%)	(\$286k)	A percentage of our costs are funded by NZTA through National Land Transport Fund subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED), Road User	The proposed changes are:	(\$261k)	-	-

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				Charges (RUC) and Vehicle/Driver Registration and Licensing. The amount subsidised varies from year to year depending on our work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for our qualifying activities This income is leveraged to reduce the rates funding requirement for the activity.	<ul style="list-style-type: none"> Decrease Rates target from 100% to 95%. Increase Other Income target from 0% to 5%. 			
7.1.4 Passenger Transport Network	35%	(28%)	(\$525k)	Other Income includes Council's share of revenue generated by Adshel advertising on bus shelters and pedestrian canopies. Income varies from year to year and is largely uncontrollable by Council (as the contract is based on a revenue share vs. a fixed amount of income). Analysis of historical years shows that 80% policy target achievable and that changing the current policy target is likely to improve long term compliance with R&F policy.	The proposed changes are: <ul style="list-style-type: none"> Decrease Rates target from 35% to 20%. Increase Other Income target from 65% to 80%. 	\$285k	(12%)	(\$240k)
7.1.5 Pedestrian Network	100%	(10%)	(\$610k)	A percentage of our costs are funded by NZTA through National Land Transport Fund subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED), Road User Charges (RUC) and Vehicle/Driver Registration and Licensing. The amount	The proposed changes are: <ul style="list-style-type: none"> Decrease Rates target from 100% to 95%. 	(\$299k)	(5%)	(\$311k)

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