

Wellington City Council's

Draft Long-Term Council Community Plan 2009-19.

Volume one of two

Here's something to think about...

We all know Wellington is a great city, but how can we keep it that way? What services do you think the city will need in ten years? How can we retain the special character that makes people want to live, visit and do business here? And how can we ensure it remains a place that people can afford to live in? Should we reduce some services and reduce the pace we intend to deliver them to keep rates down? What should we do to keep our communities safe? Are we looking after our environment as well as we can? A decade from now, will over 95 percent of us still say that Wellington city offers a great quality of life?

Our long-term planning process is designed to answer these and other questions facing the city and its future. But we can't answer these on our own – we need your help, your ideas about the choices we should be making to ensure Wellington is an affordable, internationally competitive city.

A process that turns into action

Every three years, all councils, have to prepare a long-term plan. In many ways, these plans are like a contract between the local council and its residents. They outline all the activities the Council will do – all the things your rates will be spent on and our measures of success – over the next three years.

The process also gives us all the chance to look into the future – to think about what we want our city to be like in 10 years time. The end product is a vision and action plan rolled into one.

The plan we're developing will cover the period mid 2009 to mid 2019.

Have we got the balance right?

We want to know if we've identified the right issues – have we missed any? We're also keen to know what you think of our overall approach and the choices we've made.

The world's changing at great pace. The current economic climate is evidence of that. As with household budgets the Council's budget is hit hard by cost pressures. And while we always aim to provide value for money, we think the current climate means we should look again at what we are doing.

The approach we've taken to date is to assume:

- That Wellingtonians love the city's vibrancy and don't want to lose that momentum
- That rates increases beyond 4 percent each year are not sustainable
- That to 'strike a balance' people would prefer that we reduced aspects of some service rather than stop an entire service
- That we need to maintain existing infrastructure – keep the water flowing and traffic moving etc.

These are just some of the factors we've taken into account in preparing this draft plan. Throughout this plan, you'll find our initial responses to the questions facing the city in the form of proposed activities and budgets. Have we got it right? Send us a submission. Write us a letter. Visit www.Wellington.govt.nz. Send us an email. Come to a meeting. We'd love to hear from you.

You have until 18 May 2009 to have your say.

Welcome to Wellington City Council's Draft Long Term Plan 2009-19.

It explains what the Council plans to do over the next decade, why we plan to do it, how much it will cost, and who will pay. It's a draft – we're seeking your feedback before the plan is finalised in June 2009.

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Volume 2

This is volume one of a two-volume long-term plan. The second volume contains full copies of our Revenue and Financing Policy, Development Contributions Policy, Significance Policy, as well summaries of our Assessment of Water and Sanitary Services and our Waste Management Plan. You can get copies of this volume from www.Wellington.govt.nz, phoning 499 4444, or visiting a service centre or library.

This draft long-term plan, prepared in accordance with the Local Government Act 2002, covers the 10 years to 30 June 2019. Its legal purposes are: to describe our activities and community outcomes; to provide for integrated decision-making and co-ordinated use of resources; to provide a long-term focus for our decisions; to provide a basis for our accountability to the people of Wellington; and to provide an opportunity for public involvement in our decision-making.

This draft plan reflects our intentions at the time of adoption. Those plans are subject to consultation and as with any budget or plan, the actual results may vary from those forecast.

A Message from Mayor Kerry Prendergast

Maintaining Wellington's 'edge' in challenging times.

This draft long-term plan has been prepared against a backdrop of challenge. The global economy is slowing, household budgets are tightening, and there is anxiety about jobs.

In such times, what matters is balance.

Residents cannot be asked to fund significant increases in rates, or any other area of household spending.

But, at the same time, it would not be wise to make deep cuts to Council spending. That approach would cost jobs, remove important services, and in the long term make Wellington less vibrant, less competitive, and a less enjoyable place to live.

We face these challenges after a period of very significant investment in Wellington: in infrastructure and key services – transport, water, waste – and in parks, events, festivals, venues, and artistic and creative endeavours that make the city such a great place to live, work and play.

Just as most households continue to pay the mortgage for many years after the house is purchased, we are continuing to pay for many of these past investments. Even without adding anything new to our work programme, we face rising costs.

In this draft long-term plan, we propose to keep providing the key services on which the city depends, and to keep investing in the events and other projects that make Wellington so special. But we will not add to the burden on ratepayers by simply increasing investments. We'll focus our work in areas that we see as vital in the coming period and aim to reduce costs by making modest alterations to services where these don't unduly impact on the high quality of life Wellingtonians experience.

We could, of course, take other approaches. Wellington's rates are not high by national standards; we could continue to invest, and ask ratepayers to foot the bill. Or we could make deeper cuts, to ease the load on ratepayers. But both of these approaches bring costs.

This draft plan has been developed following an extensive review of our work programme and with input from Wellingtonians through an 'early engagement' exercise. I would like to thank all those who have taken part to date and encourage you to continue to have your say on the future of our fantastic city.

This is a draft plan. Your views do influence us. Have we got the balance right?

KERRY PRENDERGAST MAYOR

A Message from Chief Executive Garry Poole

Ko te pae tawhiti, whaia kia tata; ko te pae tata, whakamaua kia tina — to seek out distant horizons and cherish those we attain.

Managing a city is a complex task. Doing so in uncertain economic times requires a clear direction and flexibility in the way we work towards that.

The Council's strategic aim is to sustain Wellington as a vibrant, internationally competitive, and affordable city. We work to achieve this in collaboration with others.

Our legislative function is about promoting the well-being of Wellington and its people now and into the future. This is reflected in all of the work we do. For example, we guide development and land use, protect biodiversity, provide basic resources such as water, dispose of waste, manage the transport network, and encourage healthy lifestyles by providing access to recreation facilities. We also work to create an environment that is lively, welcoming, safe and makes Wellington an easy place to do business and to prosper.

Many of our services are the result of sustained investment by the Council, on behalf of the community, over time. Others are the results of partnerships or the continued support of local communities and users.

This draft plan provides the public with the chance to state the value they place on these services and to comment on the role the Council should play in either delivering these or encouraging others to. This debate takes place in the context of wider challenges such as a growing population, increasing diversity, rising costs, economic uncertainty, public concerns about affordability, and environmental pressures associated with climate change and resource use.

Our approach to meeting these is outlined in the coming pages. In short, the approach will see the Council maintain most of our services at the current level, fine tune our own processes to ensure they meet changing customer needs, complete projects that we've started, and focus on areas that underpin our strategic direction.

The draft plan also sets out our financial projections for the next ten years. This includes the different sources of funding. Approximately 61 percent of the operating budget is paid for by rates. With the residential sector paying 53 percent of that and the commercial sector the remainder.

Our long-term projections are for continued, modest growth over the course of the decade. This equates to an indicative average rates funding increase of 3.4 percent each year. These are of course subject to change as we refine our budgets as part of our annual plans. For 2009/10, we're proposing an average real rates increase of 2.47 percent, after allowing for growth in the ratepayer base. This proposed increase is below the rate of inflation.

As the Mayor has noted, this reflects a Council decision to seek a balanced approach, which retains all that makes Wellington special, while also ensuring that rates remain affordable by national standards.

This proposed budget follows an in-depth internal review of Council budgets and spending priorities over the past year. That review was exhaustive, and I wish to sincerely thank Council staff for their ongoing professionalism and dedication to serving the city's ratepayers throughout this sometimes challenging process.

The early engagement exercise has also been an important input to the process. While a variety of views have been expressed, it's fair to say that residents are generally willing to invest in things that keep the city vibrant, and do not wish to see significant cuts in services even in the interests of a reduced rates burden.

This draft plan provides the chance for you to comment formally before it is finalised by councillors in June.

GARRY POOLE CHIEF EXECUTIVE

Our Role and Approach

Role

Under the Local Government Act, we have two key roles. 1. To promote the well-being of Wellington and its people. 2. To facilitate democratic local decision-making.

The Wellington City Council is made up of 15 elected representatives – the mayor and 14 councillors.

It's their job to make bylaws, set the city's overall strategic direction, and approve budgets, policies and plans aimed at achieving that direction. A key part of their role is to listen and take the pulse of the community before making decisions.

The mayor and councillors are supported in their work by the Tawa and Makara/Ohariu Community Boards.

The elected representatives are supported by the Council's chief executive and 1,450+ staff, who provide advice, implement Council decisions, and look after the city's day-to-day operations.

Strategic framework

We aim to manage the city in line with community aspirations.

After public consultation during 2005 and 2006, we set 13 long-term goals (or "outcomes") for Wellington – that the city will become more liveable, develop a stronger sense of place, and become more compact, eventful, inclusive, actively engaged, sustainable, safer, healthier, better connected, prosperous, competitive, entrepreneurial and innovative.

The projects we fund aim to fulfil these community expectations.

Our vision is for Wellington to be a vibrant, internationally competitive, and affordable city.

This vision builds on Wellington's strengths – as a genuinely world class small city, a great place to live, work and play – while also recognising the need to focus effort and resources in areas where the city has a genuine 'edge'. Things like its cultural capital status, compact nature, natural environment and creative industries.

We seek to do this by getting our priorities right, and being involved in an appropriate and cost effective way.

The responsibility for local authorities to look after 'well-being' was introduced by the Local Government Act 2002. 'Well-being' is a very broad concept. It means that Councils are responsible not only for core infrastructure such as water supply and transport networks (though core services remain very much the focus of our work) but also for helping the community achieve its aspirations for – among others – prosperity, social cohesion, inclusiveness, and safety.

It is left to local authorities, working with their communities, to determine whether well-being is served by Council action, and if so what *type* of action the Council should take.

The range of options open to us includes:

- advocacy – using local knowledge/expertise to encourage others to act or fund services that contribute to well-being
- facilitation – bringing others together or providing guidance so others can act
- regulation – requiring others to act in particular ways, either to comply with legislative requirement or bylaws
- funding – either directly or through partnerships that leverage external funding, or

- providing a service – directly owning assets and providing services such as pools, libraries, roads, and water pipes.

Well-being may be best served by the Council directly providing a service – such as water supply or waste management. Or it may be best served through the Council taking a facilitation role, aimed at achieving benefits for the community without imposing significant costs on ratepayers.

Whether we take action at all, and what type of action we take, depends on a range of factors including:

- legislative requirement
- contractual obligation
- community expectation
- costs and benefits, and risks, and
- impact on others (for example, if we provide a service will someone else withdraw).

In addition, for this draft long-term plan, we have been guided by a set of principles which reflect the environment we currently operating in (see below).

Accountability

This draft plan is part of an ongoing planning process.

The Local Government Act requires us to plan in three-year cycles. Every three years, we publish a long-term plan setting out our intentions for the decade ahead – what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we'll provide, and how we'll measure the quality and effectiveness of our work. Our last long-term plan was adopted in June 2006.

In-between these long-term plans, we take a fresh look each year at our work programme, consider whether any changes are needed, and publish an annual plan setting out changes to the long-term plan.

We make ourselves accountable by reporting on how we do for the year.

Every September, we publish an annual report. This sets out how we performed against the long-term plan or annual plan for the year. Did we do all we said we'd do? Did we meet our budgets? Did we perform as expected? Did we contribute to improvements in the overall well-being of Wellington and its residents?

The report is made available on our website and through libraries and service centres, and a summary is sent to all Wellington households.

Our work is delivered through seven, interconnected strategies.

These strategies cover governance, the environment, economic development, cultural well-being, social and recreation services, urban development, and transport.

These strategies are interconnected; together they contribute to social, environmental, economic and cultural well-being. For example, economic development, social cohesion and cultural well-being are possible only when 'core' Council infrastructure and services deliver a safe and sustainable physical environment.

The current environment

The past decade has seen significant investment in Wellington.

Based on strong economic performance, the Council has sought to strengthen infrastructure and basic services – road, water, waste – while also supporting the city’s transformation as a place to live, visit, and do business.

In the last decade or so, Westpac Stadium has opened, the waterfront progressively transformed, Waitangi Park completed, the St James and Embassy Theatres redeveloped, the Karori Sanctuary conserved, and the city’s entertainment calendar ignited with events such as Cuba Carnival, the Sevens, WOW, Homegrown, and Diwali.

There has also been significant investment in core services – for example in new water reservoirs, upgrades of the stormwater network, and development of the transport network.

Wellington now is a more vibrant city, with more to see and do, more entertainment on offer, and an economy that is based on knowledge, culture, creativity and innovation, and tourism, as well as on finance and government.

In the next few years, the city will face some challenges.

Along with other cities, we will be called on to respond to:

- the global economic slowdown
- pressure on household budgets
- a changing climate and the first real steps towards lower carbon lifestyles
- the need to engage with citizens about decisions that affect their lives
- competition from other cities
- a population that is growing, and ageing, and has more diverse wants and needs, and
- changing technology, which is influencing lifestyles and public expectations.

We are proposing a balanced approach.

In setting a direction for the next three years, the Council has three options:

- continue to invest in the city even if that means rates increase faster than inflation
- reduce services to keep rates increases well within the rate of inflation
- take a balanced approach, maintaining most services at current levels, while focusing resources into areas that maintain what makes Wellington special and contributes to our competitive edge.

This is a consultation document - your views will influence which of these three approaches we adopt. In this document, we are proposing a balanced approach.

With this in mind, we have developed priorities that are based on the following key considerations:

- **Affordability** – We aim to keep the rates increase within an acceptable level, one that residents will find affordable. But we are conscious that a balance is required. It would not improve affordability to reduce rates funding and introduce substantial increases to user charges for services such as libraries or playgrounds; indeed, in more challenging economic times, when other leisure opportunities may be harder to afford, it is especially important that any charges for Council services remain within reach.

It would also be unwise to make deep cuts to Council spending. That approach would cost jobs, remove important services, and in the long-term make Wellington less competitive – meaning fewer businesses would locate here, and it would become a less appealing place to live.

The Council provides many services at no and low cost to the end user, with the aim of ensuring that residents can make affordable and sustainable choices. For example, our parks and reserves provide opportunities for recreation. Our tracks alone provide over 300km of adventure. In transport, residents have choices other than private cars: including walking, and using buses or trains. Most library services have no direct cost; nor does the waterfront, nor the galleries and museums.

Even for the services that we do charge user fees it is important to remember that the users are in effect subsidised by ratepayers. The fees we charge for swimming pools, for instance, only cover 40 percent of the cost of running pools. The rest comes from rates.

We recognise that our regulatory processes – such as building and resource consents - also influence affordability. The Council regulates food safety, building, and use of land and other resources, according to laws which balance rights and responsibilities, and present and future needs. These laws protect consumers and future residents, and in doing so are in the long term interests of commerce. But it is important that, in protecting the environment and safety, we do not impose costs that are not necessary to achieve those ends. In this respect, we are already preparing for the implications of announced changes to the Resource Management Act.

We seek to maintain borrowings within affordable limits by prioritising our annual capital expenditure programme. By taking this approach we are working to ensure a sustainable level of borrowings for ratepayers today and in the future.

- **Agility** – Since local authorities were made responsible for ‘well-being’, their role has changed from being a provider of core services to a broader role of helping residents achieve their aspirations for the city.

A good example of this change is the Council’s role in supporting and promoting events; our investment in this area has increased markedly in the past five years, and that investment has brought very significant economic, social and cultural benefits. But a broader role requires an ability to adapt as community expectations and needs change.

This means responding to a wider range of demands for things like sports fields. Where traditional sports are growing and having to compete with emerging sports such as Ultimate Frisbee for limited spaces. It means providing library services that include people whose first language is not English. It means being able to adapt to an unpredictable economy, and being prepared for the implications of changing weather patterns and rising sea levels.

Being ‘agile’ means being clear about when our role is to fund or provide a service, and when it is more appropriate to play advocacy or support roles. It means seeking opportunities to deliver services without having to build and maintain costly assets.

It also means making choices, just as households have to. Sometimes, a service that has traditionally been provided no longer cost-effectively meets the community's needs, and alternative approaches might contribute more to well being at the same or lower cost. As one example, the Council's community centres and halls are used by fewer than one in five residents, and use has been declining. Yet these facilities involve a significant investment, and meet an important need for those who do use them. One of the questions the Council will need to understand and faces in the coming years is whether these facilities and services can be proved in alternative ways to meet changing and diverse needs in affordable ways.

- **Competitiveness** – We focus resources on areas that make the most difference – this means sustaining our investment in projects that make a real difference to residents' well-being and in which Wellington has a competitive advantage.

As an example, even in a more challenging economy we are maintaining our investment in events. Reducing this investment would compromise Wellington's reputation as a vibrant city and as New Zealand's arts and culture capital – with long term implications for tourism, jobs, and the attractiveness of the city as a place to live.

On the other hand, we do not invest in services that are already provided by the private sector (such as cafes) or the government (such as income assistance or primary health care). Where possible, in preference to providing a service ourselves at a cost to ratepayers, we seek partnerships in which costs can be shared and mutual benefits gained.

- **Demand management** – For many Council services, it is not cost or resource efficient to keep meeting ever-increasing demands. As demand for water rises, new reservoirs and pipes have to be constructed; this involves significant long term cost, and significant carbon emissions. Likewise, the transport system cannot expand indefinitely to meet demand for private cars; alternatives such as public transport or walking produce fewer carbon emissions and are much kinder to household budgets. And, although Wellingtonians are doing a great job at recycling and reducing household waste, there is still some way to go to achieve a zero waste economy, which is the most efficient and sustainable option. For these reasons, we seek to reduce or manage resource use and demand where possible.

We can do this in different ways through:

- the development of multi use assets such as synthetic sport fields. These are more durable than grass meaning they can be used for longer periods by more people. This reduces the demand to purchase and develop additional sports fields to meet growth.
- education and promotion that provides people with choices.
- improved programming that encourages people to make use of facilities and services at different times.

Based on this strategic approach, the Council has set a number of three-year priorities for the period covering 2009-12 (see next page).

Our areas of focus: three-year priorities

For 2009-12, we will focus on the following areas.

We will celebrate diversity and ensure that services meet a wide range of needs.

This is a diverse city, one in which people of many cultures, ethnicities, stages of life, views and interests mix together and share a common identity as Wellingtonians. We are a small city with a global perspective: residents speak many languages, and have travelled to or lived in other countries. This diversity is at the heart of Wellington's vibrancy.

But growing diversity also creates challenges. A wider range of tastes and interests need to be catered for (as one small example, think of how many sports and recreational interests the city needs to cater for). And, in times of economic uncertainty, social disparities can increase, which can create tensions.

Over the next three years, we will:

- keep celebrating Wellington's diverse population and fostering the city's culture of inclusiveness – for example through events and festivals at which people come together to celebrate and share
- continue to monitor Wellingtonians' attitudes towards diversity
- continue to provide services that are affordable and meet a wide range of needs
- keep supporting and working with a wide range of community organisations to meet Wellingtonians' needs and foster social cohesion.

We will provide meaningful ways for residents to have a say about Wellington's future, and we will work with others to achieve benefits for the city.

'Engagement' is about joining together to achieve common goals; it can mean having a say about the future of the city, or taking part in a local project, or going to an art exhibition or a show or sports event, or working together to build a stronger community or create jobs. It is the bond that holds Wellington's communities together.

In the next three years, Wellington City Council will focus effort on engagement with others to achieve common goals for the city. We will:

- learn more about the wants and needs of Wellington's various communities, so we can advocate on their behalf
- work with central government to ensure that Wellington's interests are reflected in policy decisions
- keep providing new ways for residents to have a say about the city – for example, by developing our online networks
- strengthen our partnership with mana whenua.

We will provide opportunities for people to live healthy lifestyles.

The Council's role is to look after the environment in which people live. That environment influences choices about physical activity - whether to walk or drive, whether to play sports, whether to get outside and visit a park or enjoy a bike ride in evenings and weekends. In challenging economic times, it is particularly important to provide opportunities for physical activity and outdoor recreation at little or no cost.

For a significant number of Wellingtonians whose needs are not met by other housing providers, the Council provides homes.

Over the next three years we will:

- continue to upgrade Council housing, adding insulation and other enhancements to make it warmer and healthier
- continue to enhance opportunities for people to take part in sport and other physical activity.

We will keep working to enhance the city's transport and communications networks.

Being 'connected' refers to the ease with which people can move around the city and communicate with each other. Strong transport and communications networks allow people to participate in all the city has to offer – recreation and leisure activities, family and community events, entertainment, employment.

Over the next three years we will:

- continue to focus effort on making the transport network more efficient and to manage demand, in particular by encouraging walking and cycling, and by supporting the city's bus network as a sustainable, affordable way for people to move around the city
- work alongside Greater Wellington and the New Zealand Transport Agency to implement plans to improve the transport corridor between Ngauranga and the Airport
- collaborate with central government and the private sector to enhance the city's broadband network – to ensure Wellington remains internationally competitive; a great place to do business.

We will do our best to ensure that today's actions don't cause harm tomorrow.

'Sustainability' means making sure that the Wellingtonians of the future – our children – will continue to enjoy the high quality of life we enjoy today.

It means making sure they have enough drinkable water, can enjoy the city's parks and streams and coastal areas, are safe from extreme weather events, and live in a city that is free from the economic and social harm that could result from climate change.

Over the next three years we will:

- work with other Councils in the region to manage demand for water – because the region's water supplies are nearing capacity, and an appropriate balance must be reached between conservation and new infrastructure to meet the needs of a growing population
- provide leadership in reducing greenhouse gas emissions – by supporting home insulation, and guidance on how to design buildings that are kinder to people and the environment, and by seeking more efficient energy use in Council facilities
- develop a strategic framework for the city's parks, so we can continue to affordably provide Wellingtonians with access to opportunities for outdoor recreation and relaxation
- encourage people and businesses to reduce waste, and to re-use and recycle wherever possible.

We will provide a safe urban environment.

Wellington is a safe city. However, in the past two years community concerns about inner city safety have been increasing. The perception of safety is important for the city's vibrancy and quality of life.

As well as dedicated safety initiatives such as monitoring the inner city through closed circuit television cameras and Walkwise Officers, the Council works to build a safer environment by enhancing lighting and visibility in public areas, and providing environments that residents feel proud of and want to be in. Recent developments such as Courtenay Park are an example; further enhancements for Courtenay Place are planned.

We will ensure that Wellington retains its vibrancy and prospers from being the events capital of New Zealand.

In challenging economic times, Wellington's programme of festivals and events is more important than ever. They provide opportunities for enjoyment and entertainment, usually at no cost. They bring people together. They attract visitors to the city – in tougher times, New Zealanders are likely to travel closer to home rather than not travel at all. And they keep the city buzzing.

Over the next three years, Wellington will continue to provide a wide range of high quality events, and to focus on events that enhance the city's economic prosperity and our status as New Zealand's arts and culture capital.

We will also keep working to ensure the inner city is a great place to stage events.

We will focus effort on initiatives that enhance Wellington's competitiveness.

As a small city, Wellington has to play to its strengths. Over the next three years, we will:

- continue to support Wellington's economy in areas where we can gain a real competitive advantage, such as tourism, creative industries, and education
- continue to provide a high quality urban environment that attracts residents and visitors
- support the development of economic infrastructure such as broadband
- maintain crucial existing infrastructure such as transport and water networks
- consider the employment implications of any decisions we make
- implement the Government's planned Resource Management Act changes
- ensure our own processes make it easy to do business
- maintain the city's reputation as a vibrant, creative and eventful place
- get the city ready to take advantage of the opportunities provided by hosting pool games and a quarterfinal at the 2011 Rugby World Cup.

These initiatives together will help Wellington in a more challenging economic environment over the next year or two, and also leave the city in a strong position to take advantage of the economic recovery.

What do you think? Have we got the right mix of priorities? Would you suggest different choices be made? Are we focusing in the right place given the current environment? Are there more important things we should be focusing on in the next three years? Make a submission. Let us know your thoughts.

Our Work at a Glance

We group our work into seven strategic areas. These strategies provide coherence in our work and ensure we retain a clear sense of what we want to achieve.

Governance

Our governance work includes running local elections, holding meetings of the Council and its committees, producing policies and strategies to guide our work, seeking feedback on our proposals from members of the public, producing annual plans and annual reports to make ourselves accountable to residents, engaging with Maori and stakeholder groups, and providing information about our services and activities.

The key challenges we face are to increase participation levels and build trust and confidence in civic decision-making.

Highlights

We'll consider the principles discussed by the Royal Commission of Inquiry into Auckland Governance and explore the most effective and efficient shared decision-making models for Wellington. We'll also sustain and enhance our partnerships with mana whenua. And make effective use of online tools to make it more convenient for people to comment on Council's proposals.

Environment

We look after the city's 34+ square kilometres of reserve land, as well as beaches, coastline, and botanical gardens. We fund the Zoo and the Karori Sanctuary.

We also: provide water supply, stormwater and sewage disposal; provide recycling and waste disposal services; offer grants for environmental initiatives; run the Kiwi Point Quarry; and promote energy efficiency and sustainability. The environment is by far our biggest area of spending.

Though Wellington enjoys a stunning natural environment, we also face some significant challenges. Like other cities, we need to find ways of becoming more sustainable – to address broad issues such as climate change – by producing fewer greenhouse gas emissions, dumping less waste, using resources such as water and energy more efficiently, and protecting biodiversity and ecosystems.

Highlights

We'll promote healthy homes and water conservation, review the way we manage recycling, implement our biodiversity plan, part-fund the construction of a new visitor centre at the Karori Sanctuary, and establish a strategic framework for parks.

In preparing this plan, we've deferred some stormwater and tracks upgrades to later years. We'll continue to maintain the existing services to current standards.

Economic development

We work to attract major events such as the World of WearableArt Awards and the International Sevens. We also fund tourism promotions, and support attractions such as Te Papa and conference venues such as the Wellington Convention Centre.

To support businesses, we advocate for the city's interests to central and regional government. We maintain links with other markets through sister city relations. Our initiatives complement the regional economic development programme provided by the regional development agency Grow Wellington.

Key economic development challenges are to respond to the global economic slowdown while continuing to make the city more internationally competitive, foster innovation and entrepreneurship, and lift Wellington's productivity and contribution to the economy.

Highlights

We're working to improve our connections to the world by attracting long-haul airlines from Asia and improved broadband capacity. The city will also look to leverage tourism and marketing opportunities from hosting pool games and quarterfinals as part of the 2011 Rugby World Cup.

In preparing this plan, we reviewed our work against that of the *Grow Wellington* and are proposing to reduce spending on our economic grants pool and our *Move to Wellington* website. We believe these are more appropriately delivered by *Grow Wellington*.

Cultural well-being

We fund the city's popular art galleries and museums, operate Toi Poneke – the Wellington Arts Centre, and support the NZ International Arts Festival, and other institutions.

We also provide cultural grants, support community events and festivals, and run the City Archives.

Wellington's arts and culture scene is thriving. Our key goal is to maintain this strength, and to ensure that all Wellingtonians can participate in the city's cultural life.

Highlights

We'll complete our extension of the City Gallery, add an arts 'hub' to Toi Poneke – providing a portal for local artists to come together and share resources, and work with mana whenua to reflect their special relationship to the land. An example of this will be *Te Matau a Maui - the Hook of Maui and Receding Waters* – a dramatic new sculpture at the entrance to the central city.

We're also looking to reduce costs in this area by temporarily reducing the amount of new money we spend on public art.

Social and recreation

We provide homes for people whose needs are not met by state housing or the private housing market, fund projects to help homeless people, support community organisations, and provide community centres and halls.

We also work to protect public health and safety through projects such as monitoring the city centre, banning liquor consumption in public in parts of the city, licensing food and liquor outlets, animal control, regulating other public health risks, providing toilets and cemeteries, and preparing the city to deal with emergencies such as earthquakes.

Our recreation work includes: providing libraries, playgrounds, swimming pools, recreation centres, sports fields and marinas; running recreation programmes; and reducing the costs of using sport and recreation facilities for people eligible for our Leisure Card subsidy scheme.

Key challenges include providing for a population that is growing in size and diversity, and catering for a wider range of recreation activities.

Highlights

We'll undertake the upgrade of our social housing stock in line with our \$220 million partnership with the government. We'll improve community access to sports in all weather with the introduction of synthetic sports fields and construction of an Indoor Community Sports Centre at Cobham Drive (subject to an Environment Court decision). Within the next three years we'll investigate the appropriate mix of library and other community services across the city. We'll explore the benefits, and the risks, of providing these services from a 'shared platform'. Given this exercise we think it is prudent

to defer any upgrades of our libraries and community facilities until the completion of the review. In the coming year, we'll complete a review of our swimming pools network including partnership and investment options.

Urban development

Our urban development work includes enhancing the waterfront and city and suburban centres, developing public spaces such as urban parks and squares, looking after heritage sites, assessing and issuing building and resource consents, ensuring earthquake-prone buildings are strengthened, and planning for the city's future development.

The significant growth expected in Wellington over the next 20 years creates some challenges. We're aiming to respond to those challenges in ways that are sustainable and preserve the city's special character. A key priority is to improve land use and transport by focusing development in key centres or 'hubs'.

Highlights

We'll continue to focus development along the 'growth spine' with planning in Kilbirnie and implementation of our framework for Adelaide Road along with other steps. We'll part-fund the construction of Memorial Park at the cenotaph in Mt Cook, upgrade Midland Park and prepare plans for a new inner city park. We'll also look to refine our consenting processes to make the processes is easy for residents and businesses.

Transport

We look after 670km of streets and roads, as well as footpaths, cycle lanes, traffic signals, car parks and so on.

We also: support public transport through bus priority measures such as bus lanes, letting buses go first at traffic lights, and providing bus shelters; work suburb by suburb to improve traffic safety; and plan to ensure the city's transport network meets future needs.

Our transport system is generally performing well – Wellington's streets are safe by national standards, we're relatively high users of public transport, and most residents believe the city is easy to get around. However, we do face challenges such as ensuring the transport network can keep up with growing demand, and reducing harmful environmental effects such as noise, water and air pollution.

Highlights

We'll work with other agencies to implement the Ngauranga to airport plans. We'll continue with our work to increase capacity on the roading network by making improvements to bus priorities (including a proposal to revert Manners Mall to a road dedicated to buses) and encouraging alternative transport modes to the private car such as walking.

What do you think? Is this the right time to be undertaking these activities? What should be Council's role in relation to these strategies – who else should play a role in delivering them? For more information on our activities see the 'Our Work in Detail' section.

What's new

Much of this plan is about sustaining the many services that they city offers.

The city's reputation as a tourist destination will, for instance, be strengthened. We'll host thousands of international visitors as part of the Rugby World Cup 2011 – the city will be home to pool games and two quarter finals. We'll complete the extension to the City Gallery and re-launch the Carter Observatory at the top of the Cable Car as new science-based visitor attraction. A new visitor centre at the Karori Sanctuary will also add to the range of attractions Wellington has to offer.

But we are proposing changes; here are some of the key things that would be different if we implemented this plan:

- We're also proposing to extend our funding for Te Papa. With over a million visitors a year it plays a key role in the city's attractiveness to visitors. We're proposing to increase our annual grant by \$250,000 to \$2.250 million per annum to recognise the value this national icon brings to Wellington.

What do you think? Should we continue to stimulate Wellington's employment rich tourism sector?

- There would be improved access to sports and recreation facilities. Wellington's weather is invigorating but it can also limit people's ability to get out and be physically active. In recent years, poor weather has caused the cancellation of many sports fixtures. This fact combined with a growth in the number of people playing some sports and a greater variety of recreational pursuits has led us to consider new ways to meet growing demand. We are proposing to introduce a number of synthetic sports fields across the city. A practice surface will be completed at Nairville Park, Khandallah in the coming months. We then plan to construct one in Mt Cook with a further five surfaces proposed between 2013-19.

We're also planning to construct the Indoor Community Sports Centre at Cobham Drive (pending an appeal to the Environment Court) and in the coming year will be reviewing how to best address growing demand for our swimming pools. In the immediate future we plan to change the way we programme the various use of our pools, with priority given to learn to swim programmes.

We see improved access to sports and recreation as important. It encourages healthy lifestyle and brings the community together.

What do you think? Should we improve access to sports and recreation in this way?

- Community networks would be stronger. We'll continue to support the work of volunteers and provide our range of community and cultural festivals. Residents will have new and convenient ways to engage with the Council on-line. Our partnerships with mana whenua will be enhanced and their special place in Wellington will be more prominent with, for example, the construction of a wharewaka on the waterfront and display space in an extended City Gallery. And we would have created a new arts hub at Toi Poneke – making it a focal point for local artists to interact and share resources.

Our connections to the world will also be improved. We'll continue to advocate for increased broadband investment in the city and also work with others to attract a regular long haul airline from Asia. We've set aside \$200,000 for next two years for broadband and a further \$200,000 per annum towards the long haul project. The overall aim is to increase our access to other markets and promote Wellington's attractiveness.

What do you think? Are these the right initiatives to be focussed on – are there others that you think will add to people’s quality of life in the city? Let us know. Remember these are only some of the things we are doing – see Part Three: Our Work in Detail to understand the full programme.

Some services would be reduced. To keep rates at affordable levels we’ve had to look hard at the services we provide. The key changes we’re proposing include:

- Shifting the responsibility for the Move to Wellington website. This website is designed to attract skilled migrants to Wellington. We remain committed to the objective but given that it is a primary goal of *Grow Wellington* we see the function being better delivered by them. This is also true of our economic development grants programme. We’ll reduce the programme from \$165,000 per annum to \$50,000. A number of past applicants have been eligible for grants under other programmes such as our cultural pool.
- Holding the community collections, at our Archives, to current levels in favour of meeting our growing obligations under the Public Records Act. We’ll also be exploring opportunities to secure external funding for Archives – i.e. aspects of the work could be eligible for lotteries grants.
- Reducing funds for public art activity for the next three years. We would still provide funding to the Wellington Sculpture Trust and for a limited number of projects, including exhibitions in the Courtenay Place Park light boxes, through its Public Art Fund. It is proposed that the Public Art Panel would continue to operate through this period and provide independent advice to the Council on its public art activity. This approach would see savings of \$600,000 over three years on what we had previously forecasted.
- Limiting our Sports Development Fund. This provides sports and active recreation clubs grants for them to access professional advice and support for programme development. We are proposing to continue the fund but at a reduced level. This reflects the fact that the grants have been undersubscribed and that clubs are able to apply for funds through the Social and Recreation grants pool. The Sports Development Fund will retain \$500,000 for allocation over then next ten years.
- The way we fund community access to Information Communication Technologies (ICT). We’ve set aside \$100,000 a year for our libraries to increase their ICT services and will also be providing computer facilities as part of our social housing upgrade project. In light of that - and in recognition that the overall goal of community access to computers and the internet is increasingly being met through the private market - we’re also proposing to reduce our in-house support for community ICT projects and services, disestablish the programme to roll-out additional computer hubs throughout the city, and review our grants funding support to organisations that deliver ICT services for the community.
- Deferring our programme to upgrade and extend the track network on Town Belt and reserve land for the time being. We currently have 365km of walkways and tracks extending throughout the city’s open space areas, and while we’re proposing to not add new tracks, we will continue to ensure existing tracks are maintained to current standards and work towards promoting greater use of them in the coming years.
- The reprioritisation of maintenance programmes for gardens and beaches - meaning that less will be spent on mowing, maintenance and garden beds for the next three years. We also plan to decommission - at a cost of \$103,000 - the Patent Slip jetty at Evans Bay which has limited current use and is in poor condition. The alternative is to restore the Patent Slip to a safe standard at a cost of \$1.4 million.
- Reduce our heritage grants budget by about 40 per cent to \$200,000 per year. We had originally considered - as part of the early engagement process - to remove the heritage grants budget for a period of three years but are proposing to retain them (at a reduced level) to support preservation of heritage in the city. We also preserve the city’s heritage through District Plan provisions and by providing a waiver on some resource consent fees for listed heritage buildings to acknowledge that protecting a heritage building by listing it in the District Plan can impose costs on building owners by restricting what they can do with the building.

We always work to ensure what we do is as effective and efficient as possible. For example, in preparing this plan we have reviewed our purchasing practices across the organisation to ensure we continue to get the best value for money. Looking ahead we'll work with other council's in the region to see what opportunities exist to share services, reduce costs and improve the way people can access the services they need.

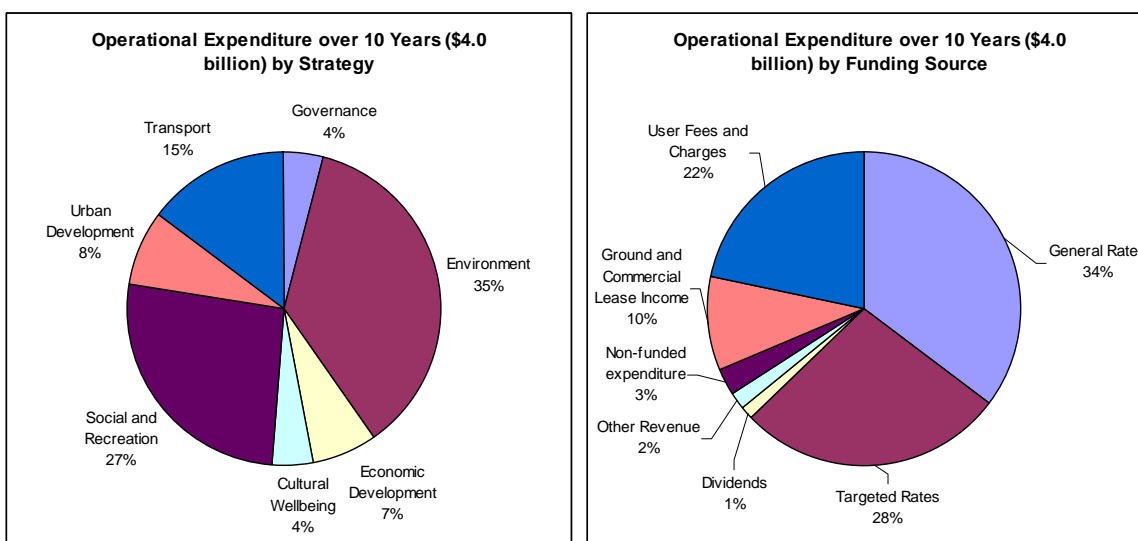
Many of these options were discussed as part of our early engagement exercise but we remain interested in your views. Do you think these are the most appropriate options to reduce spending – can you identify other areas? Let us know.

Financial Overview

OPERATIONAL EXPENDITURE

Operational expenditure pays for the Council's day-to-day operations and services, from collecting rubbish and maintaining our roads to issuing building consents, running our recreational facilities and maintaining our parks and gardens.

The Council plans to spend \$341 million on operational expenditure across our seven strategy areas in 2009/10, and a total of \$4.0 billion during the next 10 years. The Council funds operational expenditure from a combination of general rates (paid on all properties), targeted rates, user charges, ground and commercial lease income, dividends and other revenue (such as grants/subsidies).



RATES

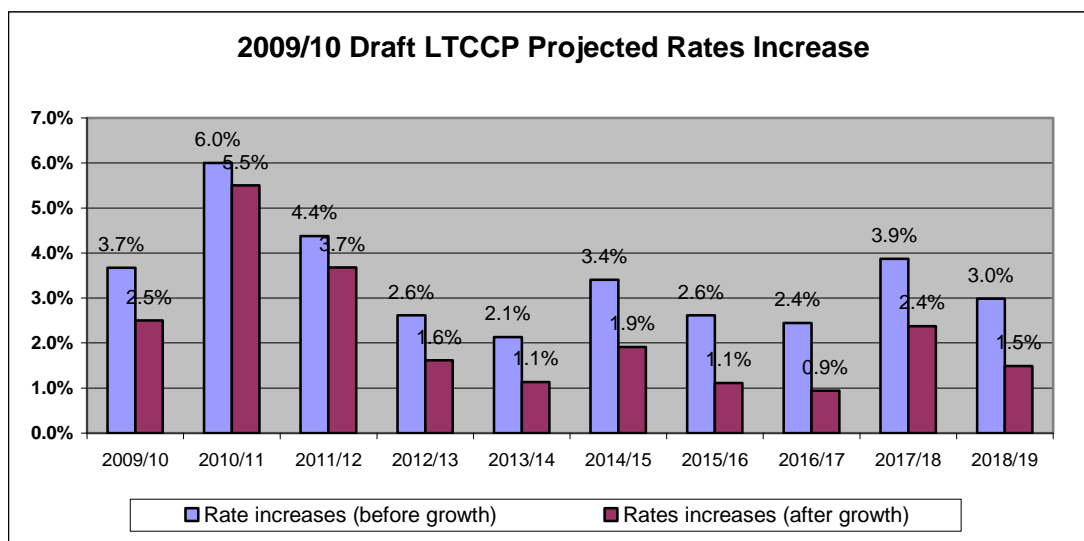
Our rates revenue is split between targeted rates and general rates. Detailed information on rating mechanisms is included on page xx.

In accordance with the Council's Revenue and Financing Policy, targeted rates are used to fund activities where the Council is able to clearly identify a specific group of ratepayers who receive the benefit of the activity, and where it is appropriate that this group be targeted to pay. Targeted rates include base sector targeted rates, commercial sector targeted rates, water rates, sewerage rates, stormwater rates, and the Marsden Village, downtown and Tawa driveways rates.

There are two categories of general rates: the base general rate, and the commercial sector general rate. General rates are charged at different levels depending on the type of property. In 2008/09, the commercial sector general rate per dollar of capital value was 3.8 times higher than the base rate for a residential property of the same value. We propose to reduce the differential between our commercial and residential sectors to 3.45 in 2009/10 and, to 2.8 by 2011/12.

Our total rates are forecast to increase by 3.67 percent in 2009/10 before allowing for growth in our ratepayer base. After allowing for growth, our total rates are forecast to increase by 2.47 percent in 2009/10. Further increases in the total rates before allowing for growth are forecast for 2010/11 (6.0 percent including inflation and before growth) and 2011/12 (4.4 percent including inflation and before growth).

The following graph shows the projected rates increases before growth across the 10 year LTCCP. The actual impact on each ratepayer will vary depending on the change in their property value compared to the change in the total city valuation base and the impact of the changing differential.



PROPERTY VALUATIONS AND RATES DISTRIBUTION

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this 10 year plan. For the majority of its rates the Council then uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in Wellington.

In 2008 the Council changed its revaluation cycle from an annual cycle to a 3-yearly cycle to be more in line with other cities in New Zealand. As a result, there is no revaluation of properties effective for the 2009/10 year and the proportional distribution of the total rates requirement to each property has remained relatively unchanged from 2008/09 - except for any growth in the ratepayer base arising from development.

It is also important to note that the average rates bill does not automatically reduce as property values fall. The Council calculates the total rates requirement for the year and then uses property values as the basis to distribute this total. Therefore, a change in your property's value will only impact on your rates bill to the extent that the change is higher or lower than the average change in value.

After allowing for the change in the differential, rates on the average residential property (valued at \$532,000) are proposed to increase by 4.6% to \$1,921. An average rates increase of around 1% is proposed for commercial properties, including the impact of increases in metered water charges.

USER CHARGES

For 2009/10, we are proposing to increase user charges in a number of areas. The majority of these increases are minor and reflect cost pressures on the underlying service provided by the Council. Increasing fees by a little each year ensures that ratepayers are not over-subsidising services the Council provides and helps to avoid larger catch up increases in future. Our fees are set in accordance with our Revenue and Financing Policy which is outlined in Volume 2 of this document. Areas where we are proposing to increase fees include:

- Development control and facilitation
- Swimming Pools
- Recreation Centres
- Libraries
- Burials and Cremations
- Sportsfields
- Marinas
- Waste Minimisation and Disposal
- Sewerage Treatment and Disposal
- Road Encroachments

The level and extent of fee increases vary and are outlined in greater detail in the appendices of this plan.

FUNDING OUR ACTIVITIES

When we're deciding how to fund an activity, we consider a wide range of factors including:

- who benefits (individuals, an identifiable part of the community)
- can the beneficiary be easily identified
- can the beneficiary be easily excluded from using the service for non-payment
- intergenerational equity (i.e. do the benefits accrue to future generations as well as present ones)
- the 'polluter pays' principle (i.e. people should pay for negative effects they cause)
- fairness/equity of excluding people who cannot afford to pay
- transparency/accountability of a particular funding method
- overall impact on social, economic, cultural and environmental wellbeing.

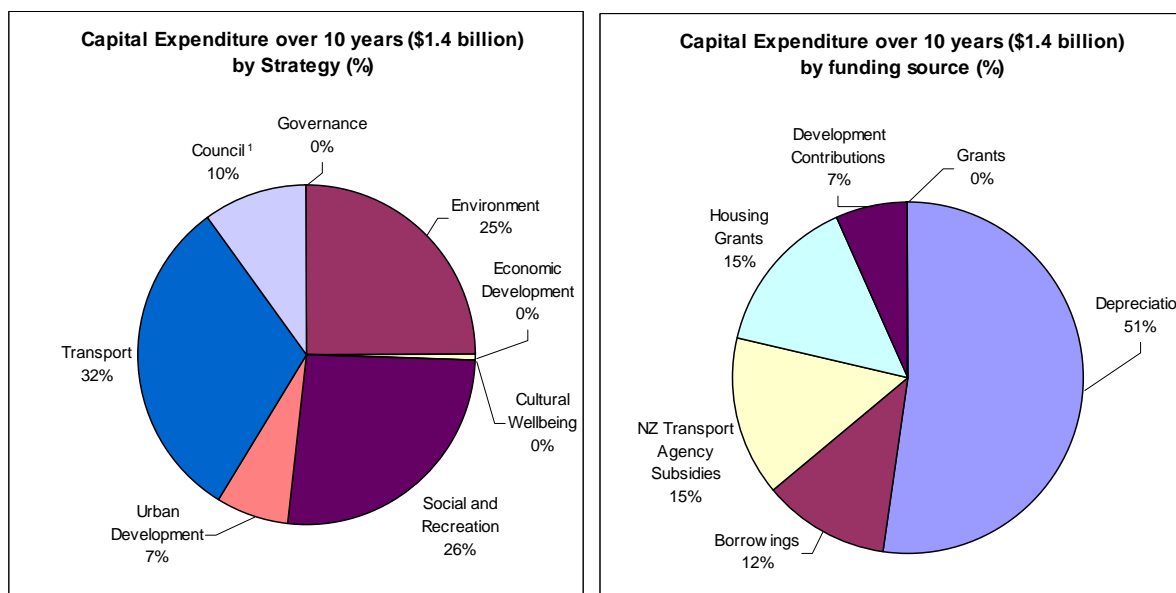
Our Revenue and Financing Policy outlines how we are funding our activities and is detailed in full in Volume 2 of this document. In 2009/10 we are proposing to make the following changes to our Revenue and Financing Policy:

Activity	Change
2.4.2 & 2.4.3 Sewage collection, treatment and disposal	Increase user charge funding from 0% to 5% to reflect trade waste charges introduced in 2009/10
4.3.1 Arts and cultural festivals	Decrease from 25% to 20% non-rates income as proposed in 2008/09
4.4.2 Arts Partnerships	Decrease from 30% to 25% user charges
5.3.3 Synthetic turf sports fields	New activity with a user charge target 40%
5.2.3 Recreation programmes	Decrease from 25% non-rates income to 5% to reflect loss of SPARC Push Play programme funding
5.4.3 Public health	Increase from 45% to 50% user charges
6.2.1. Building control and facilitation	Increase from 60% to 65% use charges as proposed in 2008/09
6.3.1 Development control and facilitation	Increase from 45% to 50% user charges
7.2.3 Passenger transport network	Decrease from 100% to 70% non-rates funding, reflecting forecast lower bus shelter advertising income

CAPITAL EXPENDITURE

We're continuing to invest in our city's infrastructure.

Capital expenditure pays for purchasing, building or developing the Council's assets (e.g. bridges, pipes, libraries, swimming pools). Our capital expenditure (excluding carry forwards and loans to other organisations) is forecast to be \$112 million in 2009/10 and \$1.4 billion (including inflation) over the next 10 years.



¹ Council Projects predominately relate to capital expenditure on our technology infrastructure, replacement of vehicles and equipment and meeting health and safety requirements.

We fund capital expenditure from depreciation, borrowings, NZ Transport Agency subsidies, grants and development contributions. For asset renewals, the main funding source is depreciation. For new assets and upgrades, the main funding sources are borrowings, subsidies and grants.

BORROWINGS (10-YEAR FORECAST)

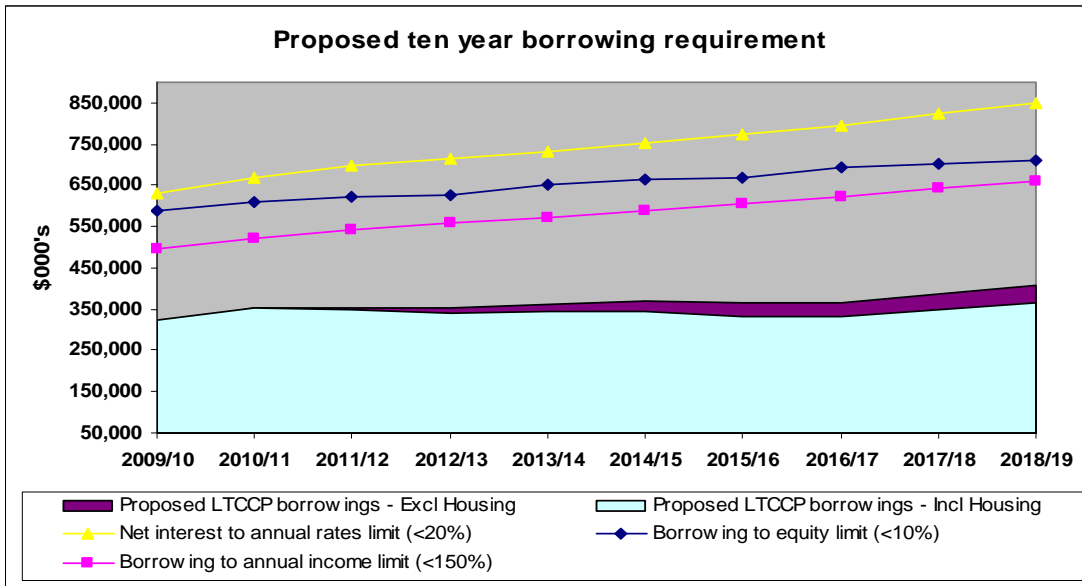
Total borrowings are forecast to be \$323.2 million at the end of 2009/10 increasing to \$363.5 million by 2018/19. Over the same period our forecast asset base totals \$6.3 billion in 2009/10, and increases to \$7.6 billion by 2018/19.

We manage our borrowings within the following prudential borrowing limits:

Net borrowing as a percentage of equity	<10%
Net borrowing as a percentage of income	<150%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (term borrowing + committed loan facilities to 12 month peak net borrowing forecast)	>110%

The following graph shows our forecast borrowings over the next 10 years against these prudential borrowing limits. We remain compliant with all our prudential limits across the life of the plan.

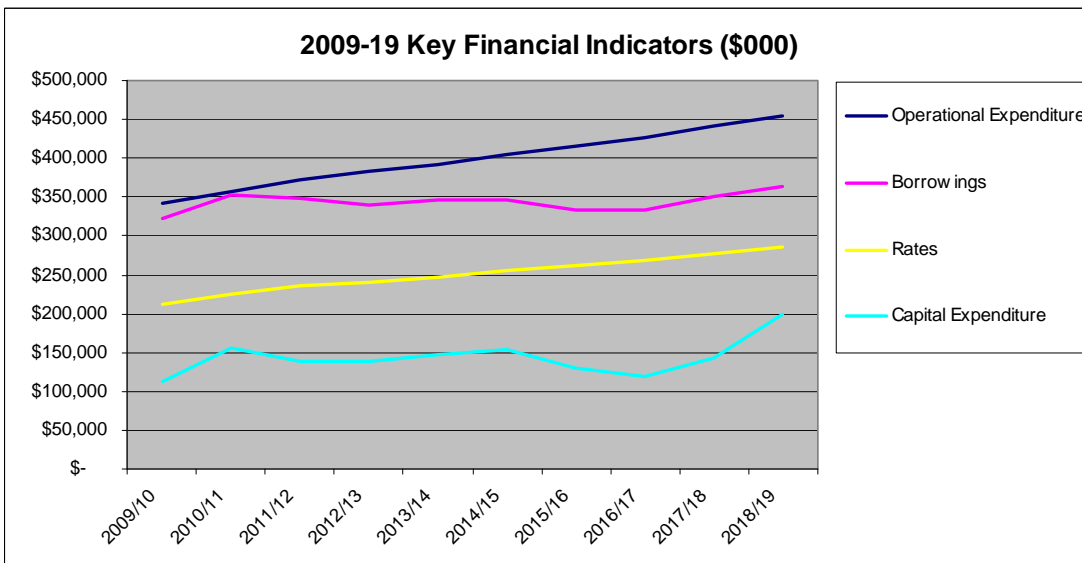
The graph also reflects the impact on our borrowings of our “ring-fenced” housing activity which accumulates cash surpluses over the ten years for re-investment in our housing stock upgrade programme.



FINANCIAL INDICATORS AT A GLANCE

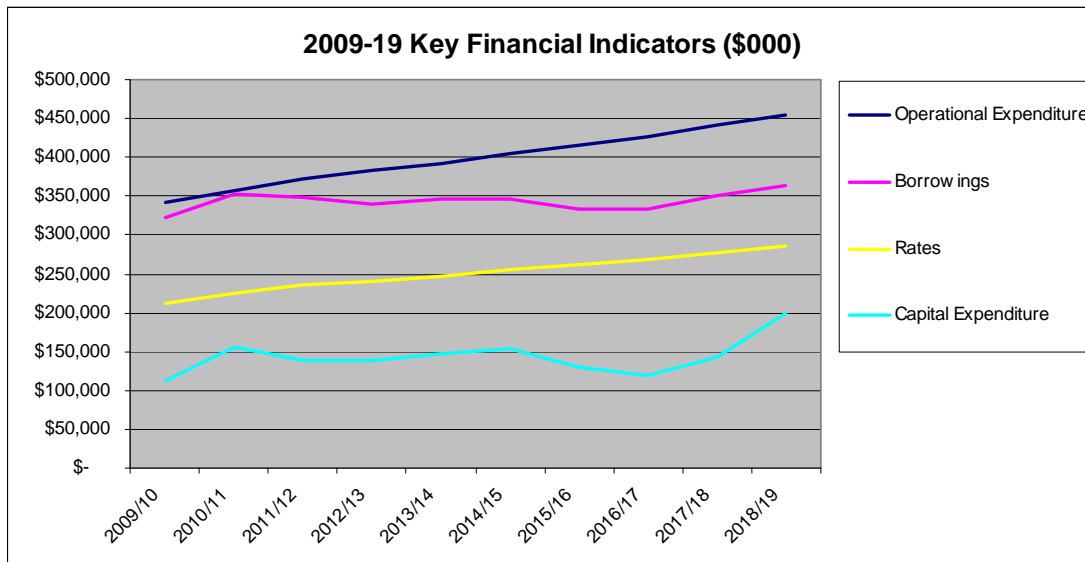
Over the 10 year plan our forecasts show:

- operating expenditure will increase from \$341 million in 2009/10 to \$454 million in 2018/19
- capital expenditure will range from \$112 million to \$199 million each year
- total borrowings (net of ring-fenced housing surpluses) will increase from \$323 million in 2009/10 to \$364 million in 2018/19
- total rates revenue will increase from \$212 million in 2009/10 to \$286 million in 2018/19



The key reasons for the increasing trends across our ten year plan are as follows:

- Operational expenditure and rates are impacted by inflationary assumptions around our underlying costs, and the operational impact of our capital expenditure programme
- Borrowings are influenced by the timing and extent of our capital expenditure programme



Have your say

We want to hear your views.

Getting the information you need

This plan contains all of the information you'll need to understand our programme. You can get more copies of the full plan or the summary from libraries, service centres, Council offices, or by phoning 499 4444. You can also download copies from our website www.Wellington.govt.nz.

We're holding meetings to discuss our plans, answer questions and hear feedback. These will take place between 16 April and 18 May. Visit our website or watch the Our Wellington page in the Thursday editions of the Dominion Post to find out the closest meeting to you.

Making a submission

There are three main ways you can have a say:

- make a written submission — send a letter, write an email, make an online submission, or use the form from this document or our monthly *Absolutely Positively Wellington* newspaper
- come to a meeting to discuss our plans or contact a councillor directly
- if you've made a submission, you can come and talk to a panel of councillors between 25 – 28 May 2009.

Submissions can be:

- mailed to Long-term Plan, Wellington City Council, PO Box 2199, Wellington
- emailed to Longtermpplan@Wellington.govt.nz
- faxed to 801 3231
- made online at www.Wellington.govt.nz.

When do submissions have to be in by?

Submissions will be accepted anytime from 16 April to 5pm on Monday 18 May 2009.

Then what happens?

We appreciate the submissions we get, and we do take them seriously.

The mayor and councillors are given copies of all submissions. We also prepare reports on the submissions, so that councillors know things like how many there are, and what issues are coming up often. The Strategy and Policy Committee is scheduled to meet on 16 June 2009 to discuss the submissions and make recommendations to the Council. Then the Council meets on 24 June 2009 to make final decisions. We'll publish our final plan in July.

And if you've gone to the effort of making a submission, we'll write to you and let you know what's happened.

We worked with the community to prepare this draft long-term plan

The preparation of this plan follows a broad engagement exercise that was designed to raise awareness of the planning process and provide councillors with an early indication of what Wellingtonians want for their city.

We were particularly keen to reach people who haven't previously participated in our processes. To achieve this, we used a number of new tools and worked with others, such as the Federation of Progressive Associations, to promote the process.

Between late December 2008 and February 2009 we, held roadshows, created a Facebook page, ran a 'hotline' and ward clinics so residents could talk directly with the mayor and councillors, established a website including discussion boards and a budget simulator, published booklets highlighting our overall approach and held meetings and hui to discuss those.

We also established a residents' panel – a forum of 40+ residents to discuss the key issues facing the city. They have met twice and will do so again during the formal consultation process. The members were selected with a view to composing a diverse panel that reflected broadly the demographic characteristics of the Wellington community. They were selected in three ways: (i) from Council stakeholder groups; (ii) self nominated; and (iii) drawn from the community by a research company.

We've been delighted by the interest Wellingtonians have shown in the process. It has resulted in many discussions and a wide variety of views being expressed. Some key themes have emerged; Wellingtonians by-and-large support the overall approach the Council is proposing and are hesitant to see reductions in levels of service that impact on people's access to services.

The process has affected the decisions of the Council. We had, for instance, proposed to reduce evening hours of libraries and charge out of town residents for entry to our galleries and museums. But following consideration by committee these are no longer recommended.

We hope that this early engagement has stimulated interest in the process and will result in a greater number of people being aware of the Council's overall approach to this planning process.