

WELLINGTON CITY COUNCIL'S

# **ANNUAL PLAN 2014/15**

# AT A GLANCE

## DELIVERING VALUE FOR MONEY

IT'S THE COUNCIL'S JOB TO ENABLE DEMOCRATIC LOCAL DECISION-MAKING, AND TO MEET THE CURRENT AND FUTURE NEEDS OF OUR COMMUNITIES FOR LOCAL INFRASTRUCTURE, PUBLIC SERVICES, AND REGULATORY FUNCTIONS IN THE MOST COST-EFFECTIVE WAY.

THIS ANNUAL PLAN DELIVERS ON THAT. ITS ADOPTION FOLLOWS EXTENSIVE CONSULTATION AND THE BROAD PROGRAMME OF SERVICES IT CONTAINS REPRESENTS GREAT VALUE FOR MONEY:

The plan equates to **\$5.56** per resident per day.<sup>1</sup>

## ENVIRONMENT

We supply water to the city's homes and businesses and safely dispose of the city's stormwater, wastewater, and solid waste. We support conservation-based visitor attractions such as Wellington Zoo, Zealandia and four botanical gardens. We provide over 40 square kilometres of Town Belt and reserve land, parks and coastline. We offer grants for environmental initiatives, and promote energy efficiency, urban ecology and sustainability.

*2014/15 operating cost: \$150m (\$729 per resident, \$2 per resident per day)*

## GOVERNANCE

We inform residents and make decisions about the city's future, through elections, consultation, engagement, publications and other channels.

*2014/15 operating cost: \$15m (\$73 per resident, \$0.20 per resident per day)*

## ECONOMIC DEVELOPMENT

We support major events and facilities such as Te Papa and the Wellington Venues that attract visitors and spending to the city. We fund tourism promotion and keep the city centre vibrant by providing free weekend parking, and provide grants for projects with economic benefits.

*2014/15 operating cost: \$38m (\$184 per resident, \$0.50 per resident per day)*

## CULTURAL WELL-BEING

We fund the city's art galleries and museums, operate Toi Pōneke Arts Centre, support the New Zealand Festival and the New Zealand Symphony Orchestra, operate the City Archives, provide cultural grants, and support a wide array of community events and festivals.

*2014/15 operating cost: \$18m (\$89 per resident, \$0.24 per resident per day)*

## URBAN DEVELOPMENT

We guide and regulate building and land development, enhance the waterfront and other public areas, and protect the city's built heritage.

*2014/15 operating cost: \$36m (\$174 per resident, \$0.48 per resident per day)*

<sup>1</sup> Total operating expenditure divided by resident population of 205,345 (Forecast I.D) and divided by 365 days

## SOCIAL AND RECREATION

We provide the city's sports fields, swimming pools, recreation centres, playgrounds, and libraries. We also provide over 2,300 homes, and protect public health and safety by monitoring the city centre, controlling liquor and food sales, regulating public health risks, providing toilets, and preparing the city to deal with emergencies such as earthquakes.

*2014/15 operating cost: \$103m (\$501 per resident, \$1.37 per resident per day)*

## TRANSPORT

We look after more than 650km of streets and roads, as well as footpaths, cycle lanes, traffic signals, and car parks. We also support public transport through measures such as bus lanes and shelters.

*2014/15 operating cost: \$57m (\$279 per resident, \$0.76 per resident per day)*

## STICKING TO OUR TARGETS

The Annual Plan sets out the Council's activities and budget for the 2014/15 financial year. It builds on the priorities and financial limits that are established in the Long-term Plan.

In the 2012-22 Long-term Plan we had a forecast rates increase of 3.17 percent for 2014/15. A review of priorities and spending has reduced this to 2.49 percent. This sits just below our rates limit of 2.50 percent (after factoring in growth in the ratepayer base).

Our net borrowings sit well within the limits we have set. Our borrowings are at 100 percent of income. This is close to our operating target of less than 105 percent but well within the prudential limit of less than 150 percent. As a percentage of equity, the borrowings sit at 6 percent.

### THE BUDGET AT A GLANCE

Operational expenditure budget: \$404.2 million

Capital works budget: \$152.0 million<sup>2</sup>

Total forecast borrowings: \$404.2 million

Total assets: \$7.3 billion

Average rates increase total: 2.49%

Rates differential: 2.8:1<sup>3</sup>

Average rates impacts subject to changes in valuations:

- residential sector: 2.67%

- commercial sector: 2.26%

Net operating surplus: \$26.3 million<sup>4</sup>

### INDICATIVE RESIDENTIAL PROPERTY

**RATES** (properties without a water meter and inclusive of GST)<sup>5</sup>

2014/15 Capital Values \$	2014/15 Total Rates \$
200,000	1,081
300,000	1,481
400,000	1,881
500,000	2,281
600,000	2,680
700,000	3,080
800,000	3,480
900,000	3,880

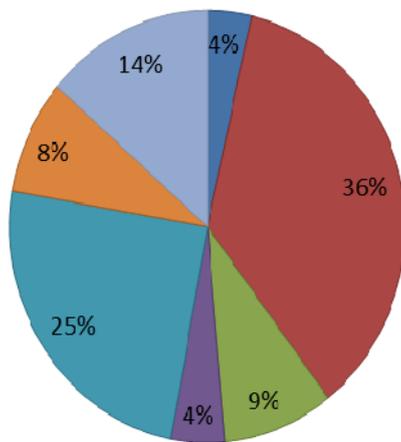
<sup>2</sup> Excludes carry forwards and loans to other organisations.

<sup>3</sup> Our rating policy sees the commercial sector paying 2.8 times the general rates of residential ratepayer on a property of equal value. This differential has been substantially reduced over time.

<sup>4</sup> The surplus primarily relates to an accounting practice that means funding received for specific capital projects (ie Housing New Zealand grants, development contributions, NZTA subsidies) are recognised as income.

**WHERE THE MONEY GOES**

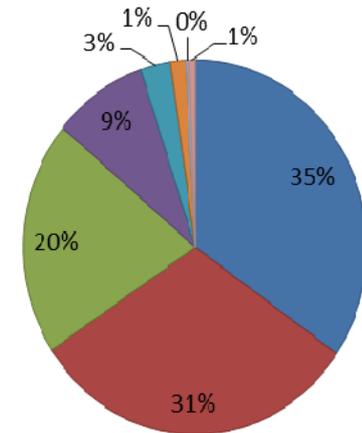
**Operational Expenditure  
2014/15 Annual Plan  
by activity area**



- Governance
- Environment
- Economic Development
- Cultural Wellbeing
- Social and Recreation
- Urban Development
- Transport

**WHERE THE MONEY COMES FROM**

**Operational Expenditure  
2014/15 Annual Plan  
by Funding Source**



- General rates
- Targeted rates
- User fees & charges
- Ground & commercial lease income
- Dividends
- NZTA subsidies
- Housing New Zealand Grants
- Other income

<sup>5</sup> Note this these indicative rates are subject to change. These will be updated to reflect the rates resolution to Council on 18 June 2014

# MAYOR'S INTRODUCTION

**Matariki atua ka eke mai i te rangi e roa, e. Whāngainga iho ki te mata o te tau e roa, e.**

*The Pleiades stars that herald the returning light, bringing new growth and new life.*

Welcome to our Annual Plan for 2014/15. I am proud that we are the first Council to agree our Annual Plan for the year ahead.

This year's budget is about growing the economy, increasing our rating base, encouraging development, making the city more resilient to climate change and other disasters, protecting our built and natural heritage and improving transport choices.

We have committed ourselves to being an action-oriented Council that will respond to the issues facing Wellington City. This Annual Plan therefore includes changes that will assist developers and encourage the construction of better quality, environmentally-rated buildings, more earthquake-strengthening assistance and significantly more money for cycling improvements. We agreed these changes and maintained the delivery of all our other services, for an average rates rise of 2.49 percent; below our limit and less than forecast.

We have also agreed our future economic growth agenda 8 Big Ideas, which includes projects that will make a significant impact on our economy such as a Film Museum, a runway extension for Wellington International Airport, a tech precinct and convention and concert venues. Subject to business cases, these will be further progressed during the development of the 2015-25 Draft Long-term Plan later in the year. Council is working closely with the Wellington Employers Chamber of Commerce and we're eager to advance the dialogue we progressed at the first Business Summit held earlier in 2014.

During the consultation process on this plan, we heard from over a thousand Wellingtonians. Throughout this input, it was gratifying to see so many people warmly supporting the steps we are taking to lift the wages of our lowest paid staff. There were also a large number of submissions strongly supporting the increased funding for cycling improvements, emphasising the message that came through loud and clear during last year's election.

I am pleased that the fundamental needs of the city are being well met – for example our \$404 million of operational spending includes almost \$100 million for stormwater, drinking water and sewage and almost \$20 million for libraries. Our economic development funding, which includes events, city promotion and new projects, is significantly higher than four years ago. In 2014/15 our spending on events will be just over \$6 million.

The Council is in good financial shape and we are getting on with the job. You said Wellington is a great place to live and let's keep it that way. I am confident that this plan will ensure the Capital remains one of the world's most liveable cities, while keeping borrowing and rates within limits set in the Council's financial strategy.

MAYOR CELIA WADE-BROWN

*Not Final – Subject to Council Decision*

# CHIEF EXECUTIVE'S INTRODUCTION

This is the second Annual Plan since I came to Wellington to be Chief Executive. This plan represents bold thinking, clear planning and a focus on long-term and sustainable growth.

There has been a big debate about whether Wellington's economy is growing or contracting, but what cannot be disputed is that growth levels are on an upward trajectory and that there is still significant potential to do better. This plan is about consolidating that recent improvement.

Wellington has all the raw ingredients a world-class city needs. It has a high quality of life, vibrant public spaces, stunning natural attractions, and a compact urban form that means everything is within minutes of the amenities you would expect of a cosmopolitan city. Simply, this is a great place to live.

But, there is a challenge for us to face. We must continue to deliver high-quality, value for money services but we also have to up our game. We have, we are and we will. This 2014/15 Annual Plan represents the projects, the people and the resources we need to really drive Wellington towards a sustainable, bright and prosperous future.

Contained within our plan is a package of 8 Big Ideas. These ideas represent significant opportunities for Wellington's growth and global sectors like film and technology, they also represent what we are doing to improve our physical access to the world and the smart ways we can move around our city.

In addition to our 8 Big Ideas, we will deliver a no cuts, no surprises budget. That means we will continue to deliver the high quality services you expect and deserve, we will continue to support our hugely important local infrastructure like our libraries and sports grounds and we will continue to put a human face to our city with our work to help alleviate homelessness in our Central Business District.

The 2014/15 Annual Plan is a comprehensive and meaningful plan of action that has been shaped by Wellingtonians for Wellington.

KEVIN LAVERY

CHIEF EXECUTIVE

# WHAT'S INSIDE

## OVERVIEW

Our approach to 2014/15

Key proposals

On the horizon

## 2014/15 ACTIVITY PROGRAMME

### **Governance *Pārongo ā-Tāone***

Governance, information and engagement

Maori and mana whenua partnerships.

### **Environment *Taiao***

Gardens, beaches and green open spaces

Waste reduction and energy conservation

Water

Wastewater

Stormwater

Conservation attractions

### **Economic development *Whanaketanga ōhanga***

City promotions and business support.

### **Cultural well-being *Oranga ahurea***

Arts and cultural activities.

### **Social and recreation *Pāpori me te hākinakina***

Recreation promotion and support

Community support

Public health and safety

### **Urban development *Tāone Tupu Ora***

Urban planning and public space development

Building and development control

### **Transport *Waka***

Transport

Parking

## OUR FINANCES

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### **Funding and Financial Statements**

### **Significant accounting policies**

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Development Contribution Policy (changes)

Rates Remissions Policy

Fees and charges

Draft Waterfront Development Plan

Council-controlled organisations

Council outcome indicators

Contact details.

## **We plan in three year cycles.**

The Local Government Act 2002 requires us to plan in three-year cycles. Every three years, we consult the community on a draft long-term plan. This sets 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 2012; our next will be prepared in the coming year.

In between these long-term plans, we take a fresh look each year at our work programme and consider whether any changes are needed. Change may be needed due to revisions to our budgets or new projects to help deal with issues or challenges facing the city. We publish a draft annual plan and listen to your feedback before publishing an annual plan — *this document*.

# OVERVIEW

## The Annual Plan

### ***Our job is to look after Wellington, now and into the future.***

So, how do we decide what to do?

It's a simple question with a complex answer. To develop the programme set out in this annual plan, we've considered a range of factors. We've sought to enhance Wellington and its people. We've taking into account: community expectations; what we know about the state of the city and its services; what we know about future challenges the city is likely to face; and the aspirations we've signed up to as part of our economic growth agenda.

The need to meet all of our legal obligations, and ensure prudent management of the city's finances and assets has also guided our decisions.

### ***We've set in place clear goals***

Our vision is of a *Smart Capital*, an inclusive city where talent wants to live. Its outcomes are to lift the quality of life on offer in the city by: sustaining a culture that is open minded, enhancing the city's centre; facilitating the provision of virtual and physical infrastructure; and bolstering the local economy for a lower carbon future and greater prosperity.

Everything we do contributes to one or more of these outcomes:

- ***Governance***: our work aims to deliver trust and confidence in decision-making. An effective and decisive organisation is, after all, more likely to engage others and attract partners.
- ***Environment***: we act as a guardian and regulatory of the local natural environment.
- ***Economic Development***: we aim to provide the conditions for growth by advancing the city's competitive advantages.
- ***Cultural Wellbeing***: diversity is a feature of urban life – communities, like Wellington, that embrace this as part of their cultural identity will flourish.
- ***Social and Recreation***: we provide services that aim to sustain safe, resilient, and active communities.

- *Urban Development:* we preserve Wellington as a compact, vibrant, and attractive city now and into the future.
- *Transport:* our aim is to deliver an efficient and safe transport system that connects people and places.

See the 2014/15 Activity Programme for more detail.

### ***We're keeping a lid on costs...***

This Annual Plan represents value for money. Take the rates on a \$500,000 house. These are less than the average household pays for a single utility — power. Our entire services for the city cost around \$2,029 per resident per year.

This has been achieved by continuously reviewing the costs of our services. As an example, we have reviewed the governance structures for some of the Council Controlled Organisations. We have decided to bring the functions of the Wellington Waterfront Company in-house and are combining Positively Wellington Tourism and Wellington Venues. We expect this to save around \$500,000 per annum.

The overall budget sits within the targets that we have set in place in our Financial Strategy. This sees rates increases capped and sets out the levels of borrowing that are considered prudent. (See the inside cover or the Our Finances section for more details.)

### ***...and we're keeping the city running***

This year's plan sustains the high levels of service that are currently in place. We have even increased the budget in some areas to meet cost increases or other pressures:

**Our Capital Spaces:** a framework to develop, promote and prioritise investment in the city's open spaces and outdoor recreation facilities receives the following boost:

- Makara Peak Mountain Bike Park: \$28,000 in capital expenditure and \$40,000 in operating expenditure
- Open Space Access (tracks and walkways): \$150,000 in capital expenditure
- community planting and pest control: \$75,800 in operating expenditure
- Project Halo partnership project: \$47,000 to support backyard biodiversity in a buffer zone around Zealandia and pest control in the adjoining rural area
- signage at parks and reserves: \$20,000 in operating expenditure
- promotion of Wellington as a premier mountain biking destination: \$30,000 in operating expenditure.

**Storm damage:** to undertake remedial works following the severe storms in the middle of 2013, we have budgeted:

- an additional \$973,000 in capital expenditure including \$847,000 for seawalls and seashore defensive structures
- an additional \$262,000 in operating expenditure including \$100,000 to remove ageing pines in the Town Belt.

**Libraries – children’s literacy and outreach:** We have agreed to increase our Libraries’ budget by \$60,000 to reinstate our children’s literacy programmes, and for customer service and collection refreshment.

**Newtown community hub:** we will bring forward \$40,000 in operating expenditure funding from 2016/17 to 2014/15 to start feasibility work on a community hub/centre for Newtown.

**Rural road improvements:** in response to a request from the Makara-Ohariu Community Board, we have agreed to allocate \$100,000 in capital expenditure for minor safety initiatives on rural roads in Ohariu and Makara.

*See the other changes noted in the ‘public feedback’ section below.*

### ***We’ve also chosen to lift our performance in key areas***

**Cycling:** the ease, reliability and affordability of a transport network are an important part of a city’s success.

Wellington on the whole does well in this regard – it has the highest public transport use in the country, an increasing uptake of cycling and walking, and a reducing reliance on cars for commuting – there is nevertheless room for improvement. A focus in the coming year will be on cycling.

The capital budget has been increased by \$3 million to \$4.3 million. The focus will be on safety and improving key routes.

**Living wage rate:** the Council has agreed to introduce a living wage rate (\$18.40 per hour minimum) for its directly employed staff as part of broader workforce development plan. An engaged workforce, after all, results in more effective service delivery.

**Development contributions:** a growing property market is good for the city. It stimulates investments, creates jobs, and adds to the city’s long term viability. The way we regulate development can impact on the level of investment being made. We have changed our policy settings to encourage development of quality buildings, reduce compliance costs and improve the efficiency of our processes. (See the appendix for more details.)

**Earthquake strengthening:** the city has an extensive resilience programme. This covers everything from retaining walls to educational programmes, emergency preparedness, research programmes with the United Nations and local universities, and grants for heritage protection. From 1 July 2014, we will be widening the rates remission for buildings under construction and also introduce a further rates remission after seismic strengthening. These changes aim to encourage property owners to strengthen their buildings. The changes are contained in our amended Rates Remission Policy.

**Growth centres:** our goal is to direct growth along a spine from Johnsonville in the north, through the CBD, to Kilbirnie. This will result in population increases in those areas and demand for services. Additions this year include:

### Johnsonville

- undertake significant road improvements in partnership with the New Zealand Transport Agency
- start the design work on a new library.

### Central city

- extend our free wifi offering
- boost summer retail activity through new Christmas and New Year events
- introduce a minor public space improvements project
- support the completion of Memorial Park.

### Kilbirnie and east

- create a shared cycling and walking pathway across Kilbirnie
- complete public space improvements at Coutts and Onepu Roads
- support the new Miramar Business Improvement District Area (and its application of a \$80,000 targeted rate commercial rated properties in the Miramar Business Improvement District Area).

**We have also deferred or decided to no longer pursue some previous plans.**

#### **Tawa artificial sportsfields**

We had proposed to build an additional synthetic sportsfield in the Grenada North/Tawa area in 2014/15. However, a recently developed Wellington Regional Sportsfield Strategy recommended that this not proceed at this time. Consequently, the Council agreed to defer the construction of this turf (reducing our net capital expenditure by \$1.046 million) noting that the Tawa Rugby Football Club has decided to construct an artificial sportsfield at Lyndhurst Park and Council will upgrade the upper field at Redwood Park in Tawa with a sand-based surface.

#### **Prince of Wales Reservoir**

We had planned to construct a new 35 million litre reservoir above Prince of Wales Park in Mt Cook to serve Wellington Hospital's emergency needs and service potential population growth in the inner-city. We have subsequently agreed to defer this project while we investigate alternative options, including the building of a second water pipe across the harbour. This reduced our capital expenditure by \$3.1 million in 2014/15.

#### **Southern Landfill extension**

We are applying for resource consent to expand this significant waste management facility. However, we are not planning to do any physical works in 2014/15 as the existing landfill sites have enough capacity for the current volumes of refuse being deposited there. This reduced our capital expenditure by \$6.5 million in 2014/15.

#### **Regional Amenities Fund**

This fund was established as a 'top-up' funding mechanism for entities that provide regional benefits, primarily in the arts, culture and environmental attractions and events sectors. Council had budgeted a total contribution of \$1,336,500 to this regional fund in 2014/15; an increase of \$727,300. We have decided to reallocate this increase to support the volunteer graffiti eradication programme (see below) and

provide the financial capacity to support Wellington based projects through the Council's Economic Development Fund, using similar criteria to Regional Amenities Fund.

### ***The plan has been influenced by public feedback***

We received 633 written submissions, considered the views of 258 people who completed an on-line survey and 196 Our Capital Voice panel members. We also heard directly from 94 submitters as part of our hearings process.

The feedback has resulted in the confirmation of projects and changes. However, the work programme outlined in this document is not the same as the draft plan. Changes made by the Council after hearing from the community include:

- bringing forward the upgrade of the community playground at Makara School from 2016/17 to 2014/15
- providing funding for the ongoing maintenance of the National Memorial Park
- extending the funding period to provide free wifi in the central city
- redirecting a portion of our planned increased contribution to the Regional Amenities Fund to our Economic Development Fund
- funding preliminary design and other work on a new library in Johnsonville
- funding for the city-wide volunteer graffiti eradication programme
- reinstating funding for phase two of the Kilbirnie Town Centre upgrade (public space improvements at Coutts Street and Onepu Road corner)
- deferring a commitment to public space improvements around Lombard Lane, Denton Park and part of Bond Street to next year's plan
- agreement to consider including, as part of the 2015-25 Long-term Plan, \$260,000 towards the Karori Events Centre provided the Trust has raised at least \$1 million from non-Council sources in addition to the \$350,000 raised to date
- an expanded definition for the Development Contributions policy to recognise equivalent environmental rating tools and assessments that provide evidence of equal or better environmental performance for the city, when compared to the green star rating tool
- refinements to performance measures.

# LOOKING AHEAD

## Our growth agenda

### ***We've got all the ingredients to be a world class city***

Wellington has the best educated, most creative and tech-savvy people in New Zealand; high quality tertiary institutions; lots of smart businesses; and a great culture.

We also have all the lifestyle requirements: natural beauty, compactness, a creative vibe; open attitudes, and a quiet ambition that makes anything possible.

### ***But we are not doing as well as we could***

Our economy isn't as strong as other cities, which of course means fewer jobs, opportunities and less money to invest. We're still heavily reliant on the government sector to provide jobs and keep the economy afloat.

When deregulation happened in the nineties and many large corporations drifted north, not enough was done to replace them with new industries and business.

Though Wellington has some amazing businesses, overall our economy is not diverse enough, and unless that changes we're going to be stuck in a cycle of low growth and poor economic performance compared to other cities.

This is a key issue for the city. There is no real growth potential in our largest economic sector – the government bureaucracy. If we look back to when times were good and the economy was growing, Wellington never achieved the same level of the growth of cities that were more closely linked to the open market.

### ***Our quality of life is high on the back of investments***

The Council has made significant investments in assets and programmes that have lifted the city's quality of life. The following are some examples in recent years:

- over \$100 million in sports and recreation: the indoor community sports centre; artificial surfaces; Karori Park redevelopment; Wellington Regional Aquatic Centre expansion; Keith Spry Pool and others
- over \$200 million in our social housing (in addition to funding from Government)
- \$40 million a year in managing wastewater
- \$30 million a year on parks, reserves and walkways
- \$20 million a year in providing libraries
- \$18 million a year supporting museums, galleries and cultural expression.

## ***We need to grow our income so we can sustain such investments and take even bigger steps towards our goals***

The city has a clear vision that neatly encapsulates its strengths and values, and will position it well for the future – a city that is sustainable, dynamic, connected and people-centred.

But achieving those outcomes will not come without investment. A stronger economy and a growing ratepayer-base (ie value of the city) provide the means to invest more so that we can reach those outcomes sooner. The stronger the economy, the faster the ratepayer base grows. The faster the ratepayer base grows the more we can invest in the city.

A key focus of the coming year will be the development of our Long-term Plan. This gives us the chance to review our programme in full and consider what transformation could be made to propel the city forward.

### ***Stepping up is possible***

Obviously the Council doesn't run the local economy. Our role in economic growth, is in supporting the enabling the city's entrepreneurs, businesses, investors, researchers and workers.

Our commitment will be to:

Be open for business – We can make Wellington the easiest place in the world to do ethical business, by minimising red tape, making sure regulation is clear and sensible, and being far more customer-focussed.

Do our core jobs well – We can deliver our services as efficiently and effectively as possible, creating a great environment to do business in.

Bring people together – We can play an enabling role, helping to connect people and organisations in ways that create jobs or market opportunities.

Invest in growth - We can invest in civic infrastructure, attractions and amenities that will make a real difference to the local economy and our people.

### ***We've gone ahead and made a start***

We're not just talking about it. The Council has already made a start by taking steps to achieve these things, for example by:

- working with other councils in the region to merge back office Information Technology services
- working with other councils to establish a 'one-stop shop' regional economic development agency
- contributed \$1 million to the Airport runway consent application costs

- established a \$40 million Economic Initiatives Development Fund and a \$20 million investment in Destination Wellington over the next decade
- halving development contributions
- developed – and committed to exploring – 8 investment ideas to move the economy along.

### ***We've got the capacity to act***

This Annual Plan provides a good platform. The prospective position at the end of this plan (30 June 2015) is strong. We have an AA credit rating with Standards and Poor - the highest for a public sector entity.

We've directed the Chief Executive to institute strict disciplines on our capital investment programme with the aim of reducing carry forwards and reprioritising within the year.

Our rates are not as high as many of our neighbours, and in terms of stacking up against other cities we do pretty well. In short, we have the opportunity and resources to do more if we choose to.

But we must make sure our investments provide a return in the form of growth in the ratepayer base – this will then lead to a cycle of growth releasing more capital to invest back into the city.

### ***Our 8 Big Ideas and more***

Our future programme includes a number of projects aimed at growing the local economy. These are in various stages of development but will all be subject to business case tests. They include:

Film museum – Wellington's film sector thrills, inspires and amazes people here and around the world. A film museum would celebrate this and offer a high-quality international tourist attraction.

International air connections – the region's prosperity depends on the strength of our connections to the world. Our airport is currently too short for long haul aircraft. An extended runway would allow planes to fly direct to Asia and raise the prospect of one-stop flights to other destinations.

A tech precinct – connecting with people is critical to success in high-tech industries. A Central Business District tech-precinct would support an environment to share ideas, knowledge, investment and pathways to international markets.

Conference and concert venues – conventions bring people to the city to learn, discuss ideas and make connections. At the moment we have good convention and concert venues but our market share and ability to attract headline acts needs to be considered.

A framework for Miramar – Miramar is New Zealand’s creative gateway. Set against a backdrop of the coast and green open space the area presents a number of development opportunities. Setting in place a framework to guide development will ensure the city benefits.

Better transport – providing easy, reliable and safe transport choice is critical for the city. Over the coming years, we will work with New Zealand Transport Agency to improve those choices in the city.

Open for business – we will take steps to ensure our regulatory and policy settings don’t inappropriately impinge on business doing what it does best: invest and create jobs.

Liveable city – sustaining our quality of life offering will be important as we compete with other cities for people and resources.

The Council will also look to support other organisations’ projects that can contribute to the growth agenda. These will be subject to funding being secured from third parties and the consideration of business cases. The Ocean Exploration Centre on the south coast is one option as is the Museum of City to Sea expansion.

# 2014/15 ACTIVITY PROGRAMME

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Over the next few pages, you'll find information about our plans for 2014/15.

Our work is divided into seven activity areas:

- **Governance** – engagement with Māori, and information, consultation and decision-making.
- **Environment** – gardens and beaches, green open spaces, water, wastewater, waste reduction and energy conservation, environmental conservation attractions and the quarry.
- **Economic development** – city promotions, events and attractions, and business support.
- **Cultural wellbeing** – heritage, galleries and museums, community arts and cultural support, and arts partnerships.
- **Social and recreation** – housing, recreation facilities and programmes, libraries, public health and safety and community support.
- **Urban development** – urban planning and policy, building control and facilitation, development control and facilitation, earthquake risk mitigation and public spaces development.
- **Transport** – transport planning and policy, transport networks and parking.

In each section we outline information about the work we do, key projects, capital and operational costs, and our performance targets (ie our targets for quantity, quality and breadth of service).

We've done our best to provide information that is meaningful and relevant, and to present this information as clearly as possible, so that you – Wellington's residents and business people – can be informed about our programme for the year ahead.

# **GOVERNANCE**

## **Pārongo ā-Tāone**

# 1 GOVERNANCE

## PĀRONGO Ā-TĀONE

“He tangata kaiaka mā te mauī, he tangata kaiaka mā te katau”

“Engage some people to attend to the left, and some to attend to the right (a community can use all the skills of its people).”

### 1.1 GOVERNANCE, INFORMATION AND ENGAGEMENT

Pārongo, kōrerorero whānui me ngā mahi whakataunga

We want to involve people and maintain their confidence in our decision-making.

#### WHAT WE DO

- City governance and engagement
- Civic information
- City archives.

Our decisions shape our city – today and into the future. These decisions have to reflect the services that matter to the community and how much they are willing to pay for them, so we do a range of things to ensure people are well informed and can contribute meaningfully to Council decision-making processes. The Local Government Act 2002 sets out the decision-making, planning and accountability procedures expected of councils.

Other legislation requires us to keep a record of our work and provide access to the information we hold. Our City Archives team looks after and makes available a huge range of primary information about the city’s history.

We also operate a 24/7 contact centre so we can provide people with information and respond to their requests related to our services.

#### KEY PROJECTS

- We will continue to develop the service centre as a one-stop-shop for customers.
- We will explore shared services with other councils in the region to reduce costs and improve services.
- We will review bylaws and polices to ensure their continued alignment with our overall goals.
- We will develop our long term plan – setting out the levels of service and investments that we intend to make.

#### MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- at least 60% of residents are satisfied that the Council consults them the right amount
- at least 80% of residents are satisfied or neutral (neither satisfied nor dissatisfied) with the way the Council involves them in decision-making
- we monitor e-petition participation
- 100% of Council and committee agendas will be made available to the public two working days prior to the meeting
- 80% of Council and committee agendas will be made available to the public five working days prior to the meeting
- at least 80% of residents agree that Council information is easy to access
- at least 80% of residents agree the Council website is easy to navigate and get information from
- 80% of contact centre calls are answered within 30 seconds
- 90% of emails are answered within 12 hours and 100% of emails are answered within 24 hours
- 80% of issues reported through the iphone Fix-It app will be responded to within 30 minutes and the remaining 20% within six hours
- 90% of users are satisfied with the City Archives services and facilities.

## WHAT IT WILL COST

1.1 GOVERNANCE, INFORMATION AND ENGAGEMENT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
1.1.1 - City governance and engagement	(58)	8,329	8,271	-
1.1.2 - Civic information	(324)	5,433	5,109	-
1.1.3 - City Archives	(182)	1,016	834	-
<b>2014/15 1.1 Total</b>	<b>(564)</b>	<b>14,778</b>	<b>14,214</b>	<b>-</b>
<b>2013/14 Total</b>	<b>(733)</b>	<b>17,089</b>	<b>16,356</b>	<b>110</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(408)</b>	<b>15,856</b>	<b>15,448</b>	<b>-</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(156)</b>	<b>(1,078)</b>	<b>(1,234)</b>	<b>-</b>

## 1.2 MĀORI AND MANA WHENUA PARTNERSHIPS

Whai wāhitanga Māori (tae noa ki te mana whenua)

We have an obligation to ensure the views of mana whenua are heard.

### WHAT WE DO

We ensure the special position of mana whenua Ngāti Toa Rangatira and Taranaki Whānui ki te Upoko o te Ika is acknowledged and reflected in the way we make decisions about the city and its resources. We will ensure their contribution to Wellington's heritage and future is fully and publicly acknowledged.

We work with mana whenua to explore opportunities for the city emerging from settlement of their Treaty of Waitangi claims and engage with the wider Māori community in particular on issues of specific interest to them.

### KEY PROJECTS

- We will continue to work in partnership with mana whenua on the basis of the specific recognitions set out in the memoranda of understanding.

*Not Final – Subject to Council Decision*

- We will work to ensure Māori needs and aspirations are reflected in the work of the Council.
- We will work with the Port Nicholson Block Settlement Trust to host Waitangi Day celebrations in the city.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- maintain a positive relationship with our mana whenua partners
- at least 85% of Māori residents are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making.

## WHAT IT WILL COST

1.2 MĀORI AND MANA WHENUA PARTNERSHIPS	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
1.2.1 - Māori and Mana Whenua partnerships	-	225	225	-
<b>2014/15 1.2 Total</b>	-	<b>225</b>	<b>225</b>	-
<b>2013/14 Total</b>	-	<b>225</b>	<b>225</b>	-
<b>2012–22 LTP Yr 3 Total</b>	-	<b>252</b>	<b>252</b>	-
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	-	<b>(27)</b>	<b>(27)</b>	-

# ENVIRONMENT

## Taiao

# 2 ENVIRONMENT TAIAO

“Toitū te marae a Tāne, Toitū te marae a Tangaroa, Toitū te iwi”

“Care for the domain of Tāne Mahuta (Guardian of the Forest) and Tangaroa (Guardian of the sea), so too will the people endure.”

## 2.1 GARDENS, BEACHES AND GREEN OPEN SPACES

Ngā wāhi wātea me ngā mahi papa atawhai

We manage the city’s natural environment and gardens in ways that balance conservation and enhancement with opportunities for enjoyment and recreation.

### WHAT WE DO

- Local parks and open spaces
- Botanic gardens
- Beaches and coastal operations
- Roads and open spaces
- Town Belt
- Community environmental initiatives
- Walkways
- Biodiversity (pest management).

From the green hills and the Town Belt to the wild south coast and the city’s botanic gardens, Wellington is surrounded by nature. Our activities seek to preserve the city’s unique environment and protect and restore its biodiversity. A high-quality natural environment enhances the city’s ‘sense of place’ and provides attractive, safe and accessible places for leisure and recreation. Our aim is to enhance enjoyment of these areas.

We ensure that the city’s beaches and coastline remain healthy through a programme involving dune protection, planting, erosion control and maintenance of boating facilities. We look after the city’s parks and gardens, including the Botanic Garden, Otari Wilton’s Bush, Bolton Street Memorial Park, Truby King Park, the Town Belt and many other reserve areas. We grow about 80,000 native plants each year in our Berhampore Nursery for use in parks, gardens and open spaces and manage over 30 hectares of lawns on over 700 sites throughout the city.

### KEY PROJECTS

- We will progress the implementation the Council's *Our Capital Spaces* framework to develop, promote and prioritise investment in the city's open spaces and outdoor recreation facilities.
- We will take responsibility for the ongoing maintenance of the National Memorial Park.
- Work will continue on the Children's Garden at the Botanic Garden. This development is dependent on fundraising.
- We will support the introduction of the Wellington Town Belt Bill into Parliament to improve and modernise the governance arrangements for the Town Belt.
- We will complete the Suburban Reserves Management Plan covering reserves in the eastern, central and western areas.
- We will progress our Biodiversity Action Plan and the South Coast Management Plan.
- We will continue to work with Ngāti Toa Rangatira to develop a co-management plan for Tapu te Ranga Island (referred to in the deed of settlement between Ngāti Toa Rangatira and the Crown).
- Manage our involvement in international resilience programmes (eg application for funding from the Rockefeller Institute and UN resilience programme participation) as part of *Our Living City*.

#### **MEASURING OUR PERFORMANCE**

Our targets for 2014/15 are:

- 90% of residents are satisfied with the quality and maintenance of local parks and reserves
- 95% of residents are satisfied with the quality and maintenance of the Botanic Garden
- 90% of residents are satisfied with the quality and maintenance of beaches and coastal areas
- 90% of residents agree that green open spaces, gardens and beaches provide good value for money
- 90% of residents are satisfied with the quality and maintenance of walkways
- 85% of residents are satisfied with the quality and maintenance of roadside vegetation
- 90% of residents use local parks and reserves yearly, and at least 30% use them weekly
- the Botanic Garden will have 1.2 million visitors
- 75% of residents visit the Botanic Garden yearly, and 10% visit it weekly
- 95% of residents use beaches and coastal areas yearly, and 25% use them weekly
- 70% of residents use walkways yearly, and 15% use them weekly
- 85% of residents are satisfied with the quality and maintenance of street cleaning
- 100% of our street cleaning complies with quality performance standards
- at least 45,000 native plantings are undertaken by the Council
- at least 34,000 native plants are provided by the Council for community planting

- at least 70% of high-value biodiversity sites are covered by integrated animal pest control or weed control
- at least 95% of the grants funds are successfully allocated (through milestones being met)
- 90% of project outcomes are achieved (weighted by \$ value).

## WHAT IT WILL COST

2.1 GARDENS, BEACHES AND GREEN OPEN SPACES	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME	EXPENDITURE	NET EXPENDITURE	TOTAL
	(\$000)	(\$000)	(\$000)	(\$000)
2.1.1 - Local parks and open spaces	(611)	8,545	7,934	1,098
2.1.2 - Botanic gardens	(409)	4,762	4,353	602
2.1.3 - Beaches and coast operations	(51)	1,371	1,320	568
2.1.4 - Roads open spaces	(667)	7,645	6,978	-
2.1.5 - Town belts	(209)	5,080	4,871	110
2.1.6 - Community environmental initiatives	-	632	632	-
2.1.7 - Walkways	-	597	597	625
2.1.8 - Biodiversity (pest management)	(38)	1,530	1,492	-
<b>2014/15 2.1 Total</b>	<b>(1,985)</b>	<b>30,162</b>	<b>28,177</b>	<b>3,003</b>
<b>2013/14 Total</b>	<b>(1,755)</b>	<b>29,010</b>	<b>27,255</b>	<b>2,653</b>
<b>2012-22 LTP Yr 3 Total</b>	<b>(1,843)</b>	<b>31,056</b>	<b>29,213</b>	<b>2,605</b>
<b>Variance 2012-22 LTP Yr 3 to AP 14/15</b>	<b>(142)</b>	<b>(894)</b>	<b>(1,036)</b>	<b>398</b>

## 2.2 WASTE REDUCTION AND ENERGY CONSERVATION

Whakaiti para, hangarua me te pena pūngao

Sustainability is about meeting our needs now without burdening future generations.

### WHAT WE DO

- Energy efficiency and conservation
- Closed landfill aftercare
- Waste minimisation, disposal and recycling.

A sustainable city uses resources efficiently, re-uses or recycles them and only commits them to landfills as a last resort. Sustainability is about reducing the amount of energy we use and using clean energy from renewable sources. It is also about promoting a culture that values the environment and encourages pro-environment behaviour of everyone who lives, works, or studies here.

### KEY PROJECTS

- We will secure resource consent for Stage 4 of the Southern Landfill.
- Manage the waste flows that enter the landfill.
- We will:
  - produce regional and city-level greenhouse gas inventories and projections
  - start external engagement on climate-change adaptation, with a focus on sea level rise
  - establish a Carbon Reserve Fund for future carbon sale revenues.

- We will continue with the Warm Up New Zealand: Heat Smart programme, which supports improved home insulation and heating, and the Home Energy Saver Programme which provides for free energy assessments.
- As part of our Smart Energy Capital project, we will:
  - undertake the Schoolgen programme in partnership with Genesis Energy
  - develop a model energy performance contract in conjunction with the Energy Management Association.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 90% of residents use recycling collection services weekly and 85% of users are satisfied with the service
- no more than 84,000 tonnes of waste is sent to the landfill
- at least 16,500 tonnes of recyclable material will be diverted from the landfill
- collect 12,000 tonnes of kerbside recycling
- 90% of residents are satisfied with our waste collection service and 85% agree that it provides good value for money
- 8GWh of energy is sourced from the Southern Landfill
- the Council's corporate energy use has decreased from the previous year
- Energy use by Council pools and recreation centres has decreased from the previous year
- Energy use by our Council-controlled organisations has decreased from the previous year.
- we have also set a longer-term target to reduce our corporate gas emissions to 40% below 2003 levels (22,959 tonnes) by 2020 and 80% by 2050
- 5000 carbon credits are generated from Council reserves.

## WHAT IT WILL COST

2.2 WASTE REDUCTION AND ENERGY CONSERVATION	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME	EXPENDITURE	NET EXPENDITURE	TOTAL
	(\$000)	(\$000)	(\$000)	(\$000)
2.2.1 - Waste minimisation, disposal and recycling management	(12,926)	12,802	(124)	776
2.2.2 - Closed landfills aftercare	-	404	404	-
2.2.3 - Energy efficiency and conservation	-	-	-	-
<b>2014/15 2.2 Total</b>	<b>(12,926)</b>	<b>13,206</b>	<b>280</b>	<b>776</b>
<b>2013/14 Total</b>	<b>(12,393)</b>	<b>12,842</b>	<b>449</b>	<b>1,054</b>
<b>2012-22 LTP Yr 3 Total</b>	<b>(11,436)</b>	<b>13,544</b>	<b>2,108</b>	<b>7,315</b>
<b>Variance 2012-22 LTP Yr 3 to AP 14/15</b>	<b>(1,490)</b>	<b>(338)</b>	<b>(1,828)</b>	<b>(6,539)</b>

## 2.3 WATER

Wai

Clean, safe water is essential for residents' quality of life and wellbeing.

## WHAT WE DO

*Not Final – Subject to Council Decision*

- Water network
- Water collection and treatment.

We ensure high-quality water is available at all times for drinking as well as other household and business uses. We are responsible for looking after the network, all new connections and making sure all statutory requirements and environmental standards are met.

The work is delivered by Capacity – an organisation that provides water services to Upper and Lower Hutt and on behalf of Porirua City Council. Greater Wellington Regional Council, who is responsible for the bulk supply of water, is currently considering joining the single delivery agency. This would ensure knowledge and ideas are shared to ensure a long term regional approach to water management.

### **KEY PROJECTS**

- We will continue to assess the ability of our water, stormwater, and wastewater services to cope with an earthquake. Such assessments include checking the seismic strength of water reservoirs, pump stations, telemetry systems and critical pipeline fittings/fixtures. Investigations are ongoing and physical strengthening work is underway on the Maldive, Maupuia and Linden reservoirs.
- We have a programme of activities to improve the water network's resilience and our emergency preparedness. The programme involves a range of projects including the installation of mobile water tanks at key locations and completing the installation of auto shut-off valves on reservoirs.
- We will continue upgrading parts of the water network to meet new standards for fire fighting.
- We will continue to contribute to the Porirua Harbour and Catchment Strategy with Porirua City Council and Greater Wellington Regional Council including sediment reduction plans and community education.

### **MEASURING OUR PERFORMANCE**

Our targets for 2014/15 are:

- all water delivered to Wellington properties complies with Drinking Water Standards for New Zealand (2005)
- at least 90% of residents agree that water services provide good value for money
- the number of complaints regarding water quality (taste and odour) is less than 200 per year
- 95% of customers are satisfied with water quality and network service
- 97% of properties receive appropriate water pressure (a minimum of 250kPa)
- 95% of fire hydrants tested meet the New Zealand Fire Service Code of Practice for fire fighting water supply requirements
- the water distribution network receives an 'a' to 'b' grading from the Ministry of Health ('a' = completely satisfactory, very low level of risk, and 'b' = satisfactory, very low level of risk)
- 97% of service requests relating to the water network are responded to within one hour of notification
- no more than 14% of water in the network is unaccounted for

- residential water consumption per person per day is 287 litres (residential water consumption is based on bulk water supplied less the metered commercial consumption divided by resident population)
- total water consumption during the year will be less than 30 billion litres.

## WHAT IT WILL COST

2.3 WATER	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
2.3.1 - Water network	(33)	25,738	25,705	12,294
2.3.2 - Water collection and treatment	-	14,174	14,174	-
<b>2014/15 2.3 Total</b>	<b>(33)</b>	<b>39,912</b>	<b>39,879</b>	<b>12,294</b>
<b>2013/14 Total</b>	<b>(33)</b>	<b>38,733</b>	<b>38,700</b>	<b>12,181</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(34)</b>	<b>40,366</b>	<b>40,332</b>	<b>16,178</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>1</b>	<b>(454)</b>	<b>(453)</b>	<b>(3,884)</b>

## 2.4 WASTEWATER

### Parawai

Maintaining public health and safety and clean waterways is essential to the city's environmental wellbeing.

### WHAT WE DO

- Sewage collection and disposal
- Sewage treatment.

Sewage collection and disposal is essential for public health and safety, and a core component of the city's services. Without this service, Wellington could not operate as a modern, environmentally friendly city.

### KEY PROJECTS

- We are progressing with a pilot programme to investigate and evaluate how private drains contribute to wastewater overflows. This will involve constructing a hydraulic model to more accurately identify sources of excess flows, repairing private drains that contribute to the problem (until a policy is developed), and completing the development of overflow containment standards.
- We will review the Trade Waste and Transportation of Waste Bylaws to protect the environment and the Council's investment in sewerage infrastructure, while pursuing opportunities to reduce costs to businesses and stimulate economic growth.
- We will reduce sewage pollution in three priority catchments, taking advantage of partnerships and other project investment such as water sensitive urban design.

### MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- at least 90% of customers are satisfied with the wastewater network service
- 95% of service requests relating to the wastewater network are responded to within one hour of notification
- 75% of residents agree that wastewater services provide good value for money

- 95% of freshwater sites are within acceptable bacteria counts (E. coli)
- our sewage network complies with resource consents.

## WHAT IT WILL COST

2.4 WASTEWATER	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
2.4.1 - Sewage collection and disposal network	(571)	18,767	18,196	7,745
2.4.2 - Sewage treatment	(656)	22,837	22,181	-
<b>2014/15 2.4 Total</b>	<b>(1,227)</b>	<b>41,604</b>	<b>40,377</b>	<b>7,745</b>
<b>2013/14 Total</b>	<b>(1,210)</b>	<b>40,476</b>	<b>39,266</b>	<b>7,411</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(1,328)</b>	<b>42,551</b>	<b>41,223</b>	<b>8,395</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>101</b>	<b>(947)</b>	<b>(846)</b>	<b>(650)</b>

## 2.5 STORMWATER

### Wai-ua

The stormwater network keeps people and property safe from flooding.

### WHAT WE DO

- Stormwater management.

Management of the stormwater network protects residents and property from flooding. Without this service, Wellington could not operate as a modern, efficient city.

### KEY PROJECTS

- We will continue to improve the quality of stormwater collected from the city's urban environment before it is discharged into our streams and coastal waters. This programme includes the development of integrated catchment management plans, cultural and ecological impact assessments, the investigation of key polluting sites (such as Davis Street and Houghton Bay) as well as public education campaigns.
- We will develop an integrated catchment management plan for the city which will identify and assess stormwater issues associated with land uses.

### MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 75% of residents agree that stormwater services provide good value for money
- 85% of customers are satisfied with the stormwater network service
- 95% of all service requests relating to the stormwater network are responded to within one hour of notification
- no properties (buildings) are flooded as a result of a less than 1-in-50-year rain event
- 95% of bathing beaches comply with the Ministry of Environment guidelines (green status)
- stormwater networks comply with resource consents (includes the monitoring of overflows, stormwater outfall discharge monitoring and coastal water quality monitoring).

## WHAT IT WILL COST

2.5 STORMWATER	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
2.5.1 - Stormwater management	(129)	18,777	18,648	4,255
<b>2014/15 2.5 Total</b>	<b>(129)</b>	<b>18,777</b>	<b>18,648</b>	<b>4,255</b>
<b>2013/14 Total</b>	<b>(49)</b>	<b>18,138</b>	<b>18,089</b>	<b>4,012</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(51)</b>	<b>18,808</b>	<b>18,757</b>	<b>4,613</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(78)</b>	<b>(31)</b>	<b>(109)</b>	<b>(358)</b>

## 2.6 CONSERVATION ATTRACTIONS

Ngā painga kukume Papa Atawhai  
Nature is one of Wellington's biggest attractions.

### WHAT WE DO

- Wellington Zoo
- Zealandia.

These facilities play important conservation roles, protecting native and exotic flora and fauna. They inform and educate, attract visitors, and their existence creates economic incentives for the city's environment to be protected and enhanced.

### KEY PROJECTS

- Wellington Zoo will continue work on *Meet the Locals*, a New Zealand precinct that takes visitors on a journey from the south coast of Wellington, through farming regions, to the mountains of the South Island.
- We will provide \$875,000 in funding for Zealandia to help secure its future as an important Wellington asset.
- The redirection of \$627,000 into our economic development fund for projects that add to regional amenities could be applied to conservation attractions, where the business cases is considered appropriate.

### MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- at least 230,111 visitors to the Zoos
- at least 93,430 visitors to Zealandia<sup>9</sup>
- at least 5281 people will attend an education programme at Zealandia.

### WHAT IT WILL COST

2.6 CONSERVATION ATTRACTIONS	OPERATING EXPENDITURE 2013-14			CAPITAL EXPENDITURE 2013-14
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
2.6.1 - Conservation visitor attractions	-	6,126	6,126	794
<b>2014/15 2.6 Total</b>	<b>-</b>	<b>6,126</b>	<b>6,126</b>	<b>794</b>
<b>2013/14 Total</b>	<b>-</b>	<b>5,779</b>	<b>5,779</b>	<b>1,892</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>-</b>	<b>5,839</b>	<b>5,839</b>	<b>812</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>-</b>	<b>287</b>	<b>287</b>	<b>(18)</b>



# **ECONOMIC DEVELOPMENT**

Whanaketanga ōhanga

# 3 ECONOMIC

## DEVELOPMENT WHANAKETANGA ŌHANGA

“Whanaketanga ōhanga”

“Industry begets prosperity (security); idleness begets poverty (insecurity).”

### 3.1 CITY PROMOTIONS AND BUSINESS SUPPORT

Ngā whakatairanga tāone me ngā āwhina pakihi

By supporting city promotions, events and attractions, we underscore Wellington’s reputation as a great place to live and visit.

#### WHAT WE DO

- Tourism promotions (Positively Wellington Tourism)
- Events attraction and support
- Convention venues (Positively Wellington Venues)
- Retail support (free weekend parking)
- International relations
- Grants and creative workforce
- Destination Wellington
- City Innovation projects

This is a priority area of focus for the Council. The economic prosperity of the city is closely linked to residents’ quality of life. It provides the resources for businesses, the Council and individuals to contribute to the vibrancy of the city and invest in its future development.

We are committed to taking the steps we can to enable individual entrepreneurs and businesses to flourish. This includes being ‘open for business’ by making it easy and cost-effective to work with the Council.

We also decided recently to amalgamate the activities of our tourism agency (Positively Wellington Tourism) with those of our conference and entertainment organisation (Positively Wellington Venues) into a single Council-controlled organisation. This new entity will result in greater co-ordination of, and focus on, activities that contribute to economic growth. It will also cut costs in the areas of governance and overheads. The alignment of the work of this entity and that delivered by Grow Wellington will be essential to ensure the best economic outcomes for the city and region.

## KEY PROJECTS

- We will host numerous events including teams and matches as part of the *FIFA Under 20 World Cup*, the *ICC Cricket World Cup*, play our part in commemorations marking the centenaries of the start of the First World War and of Gallipoli, and celebrate the 150th anniversary of Wellington's status as Capital City.
- Following adoption of our Business Improvement District (BID) Policy in 2013, a BID is being established in the Miramar commercial area. Community support for the BID has resulted in a targeted rate being proposed in the 2014/15 Draft Annual Plan. The establishment of further BIDs is being explored with other suburban commercial areas.
- We propose to invest in our Economic Development Fund again in 2014/15 to support proposals that will contribute to economic growth and create jobs.
- We will continue to fund a free wi-fi service in the Central Business District
- We will develop and assess projects that support our economic growth agenda (see the 8 Big Ideas in the Overview section)
- We will progress initiatives that support existing enterprises and start-ups in areas such as skills development and access to mentors, finance and research.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- the number of guest nights from international visitors will increase by 2% from 2013/14
- International and domestic visitors will stay an average of two nights
- New Zealand market visitors will increase by 2% from the previous year
- partnership funding with Positively Wellington Tourism will be maintained at less than 50% of total income
- we will continue to hold events and activities with our formal international partnership cities (in Wellington and overseas)
- at least 951 hire days across all Wellington Venues
- 400,000 attendees at council supported events
- 95% residents are satisfied with council supported events and festivals
- Events Development Fund - There will be a 20:1 ratio of spend to economic impact
- 95% of grants funds will be successfully allocated (through milestones being met)
- during the week the carpark turnover rate is 6.8 cars per day
- during the weekend the carpark turnover rate is 5.2 cars per day.

## WHAT IT WILL COST

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
3.1.1 - Tourism promotion (PWT)	-	5,630	5,630	-
3.1.2 - Convention venues	(14,035)	17,763	3,728	1,341
3.1.3 - Retail support (free weekend parking)	-	1,449	1,449	-
3.1.4 - Grants and creative workforce	-	1,262	1,262	-

*Not Final – Subject to Council Decision*

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
3.1.5 - Events attraction and support	-	4,313	4,313	-
3.1.6 - Regional and external relations	-	4,881	4,881	-
3.1.7 - Destination Wellington	-	2,510*	2,510	-
<b>2014/15 3.1 Total</b>	<b>(14,035)</b>	<b>37,808</b>	<b>23,773</b>	<b>1,341</b>
<b>2013/14 Total</b>	<b>(186)</b>	<b>19,080</b>	<b>18,894</b>	<b>765</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>-</b>	<b>19,588</b>	<b>19,588</b>	<b>1,186</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(14,035)</b>	<b>18,220</b>	<b>4,185</b>	<b>155</b>

\*This now includes City Innovation project costs, which were previously allocated across Council.

# **CULTURAL WELLBEING**

Oranga ahurea

# 4 CULTURAL WELLBEING

## ORANGA AHUREA

“He kura te toiora ahurea tangata”

“A person’s cultural wellbeing is precious. The value of a human being and the contribution each makes to the wellbeing of the group.”

### 4.1 ARTS AND CULTURAL ACTIVITIES

Ngā mahi toi me ngā ngohe ahurea

Supporting arts activity adds vibrancy to the city as well as promoting inclusive, tolerant and strong communities.

#### WHAT WE DO

- Galleries and museums
- Visitor attractions (Te Papa and Carter Observatory)
- Arts and cultural festivals
- Cultural grants
- Access and support for community arts
- Arts partnerships
- Regional amenities.

Our arts activities build on Wellington’s reputation as New Zealand’s arts and culture capital. A strong arts and culture sector contributes to a diverse economy, healthy and connected communities and high quality of life. Wellingtonians also tell us that ‘creativity’ is an important part of Wellington’s identity and an important reason for why they choose to live here. As well as undertaking some of our own projects, we support the activities of arts organisations through our funding of the Wellington Museums Trust, the Public Arts Fund, the Cultural Grants Pool and the Creative Communities Scheme.

#### KEY PROJECTS

- We will maintain our contribution to the Wellington Regional Amenities Fund at \$609,200; the same level as our 2013/14 contribution. This fund provides ‘top up’ funding to entities that provide regional benefits, primarily in areas of arts, culture and environmental attractions and events.
- We will support one artist from Asia to come to Wellington, and one Wellington-based artist to go to Asia as part of the Wellington Asia Residency Exchange programme, undertaken in partnership with Asia New Zealand.

- We will complete our review of the Toi Pōneke Arts Centre and outline a set of recommendations for its future.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 90% are satisfied with Council supported arts and cultural festivals
- 90% of users are satisfied with Toi Pōneke facilities and services
- 95% of cultural grant applicants are satisfied with support and advice received from the Council
- projects funded through Social and Recreation grants meet 95% of their agreed outcomes
- 90% of project outcomes are achieved (weighted by \$ value)
- 1.35 million people will visit Te Papa, including 495,000 New Zealand visitors and 352,000 from outside the region
- museums and galleries (including Carter Observatory) will have a total of 583,123 visits
- 750,000 (estimated) attend arts and cultural festivals held in the city
- the total number of performers and attendees at supported events will increase on the previous year
- Cultural grants — 50% of first-time applicants are successful
- support artists and art projects through the Public Art Fund (there is no target for this measure).

## WHAT IT WILL COST

4.1 ARTS AND CULTURE ACTIVITIES	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME	EXPENDITURE	NET EXPENDITURE	TOTAL
	(\$000)	(\$000)	(\$000)	(\$000)
4.1.1 - Galleries and museums (WMT)	-	8,412	8,412	-
4.1.2 - Visitor attractions (Te Papa/Carter Observatory)	-	2,981	2,981	-
4.1.3 - Arts and cultural festivals	(410)	2,597	2,187	-
4.1.4 - Cultural grants	-	1,053	1,053	-
4.1.5 - Access and support for community arts	(68)	613	545	26
4.1.6 - Arts partnerships	(535)	1,938	1,403	-
4.1.7 - Regional Amenities Fund	-	609	609	-
<b>2014/15 4.1 Total</b>	<b>(1,013)</b>	<b>18,203</b>	<b>17,190</b>	<b>26</b>
nbs;				
<b>2013/14 Total</b>	<b>(1,013)</b>	<b>17,361</b>	<b>16,348</b>	<b>26</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(1,107)</b>	<b>18,980</b>	<b>17,873</b>	<b>27</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>94</b>	<b>(777)</b>	<b>(683)</b>	<b>(1)</b>

# **SOCIAL AND RECREATION**

Pāpori me te hākinakina

# 5 SOCIAL AND

## RECREATION PĀPORI ME TE HĀKINAKINA

“Whāia ngā mahi a te rēhia”

“Engage in the pursuit of pleasure.”

### 5.1 RECREATION PROMOTION AND SUPPORT

Ngā rauhanga hapori

We provide a wide variety of community facilities throughout the city to encourage quality of life and healthy lifestyles.

#### WHAT WE DO

- Swimming pools
- Sportsfields
- Recreation centres
- Recreation partnerships and programmes
- Playgrounds
- Marinas
- Berhampore Golf Course.

To encourage people of all ages to engage in social and recreational activities that help them live more active and healthy lives, we provide a wide range of high quality sporting and recreation facilities throughout the city. A number of facilities also attract visitors, and raise the city’s profile, by hosting national and international events.

#### KEY PROJECTS

- We will complete the addition of a new teaching pool, a spray pool and improved changing facilities at Keith Spry Pool.
- We will upgrade the Makara Model School playground
- We will explore opportunities and undertake feasibility work on the development of recreational/sporting/community hubs at Kilbirnie Park (the *Toitu Pōneke Hub*), Hataitai Park, Wakefield Park and Alex Moore Park.
- We will continue to improve irrigation, drainage and the installation of a sand carpet at Nairnville Park.

- We will upgrade the upper field at Redwood Park in Tawa with a sand-based surface.
- We will develop a *ki-o-rahi* programme through an Active Communities grant from Sport NZ.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 90% of users are satisfied with Council swimming pools, recreation centres and playgrounds
- 95% of users are satisfied with the ASB Centre
- 85% of users are satisfied with sportsfields
- 80% of residents agree that Council recreation services and facilities provide good value for money
- 1.4 million people use swimming pools and 350,000 use recreation centres
- 519,612 people will visit the ASB Centre during peak times and 174,420 during off-peak times
- 71% of ASB Centre courts will be used during peak times, and 35% during off-peak times
- of the games that are scheduled for Council outdoor sportsfields in summer 90% are played, and in winter 80% are played
- 96% of marina berths are occupied
- artificial sportsfields are used 80% of the time during peak winter times and 60% during peak summer times
- artificial sportsfields are used 15% of the time during off-peak winter times and 10% during off-peak summer times
- for the hours the Council uses college artificial sportsfields, 80% are used during winter and 60% in summer.

## WHAT IT WILL COST

5.1 RECREATION PROMOTION AND SUPPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
5.1.1 - Swimming Pools	(7,445)	19,174	11,729	1,369
5.1.2 – Sportsfields	(286)	3,339	3,053	518
5.1.3 - Sportsfields (Synthetic)	(538)	1,453	915	50
5.1.4 - Recreation Centres	(2,853)	9,987	7,134	26
5.1.5 - Recreation partnerships	-	1,039	1,039	352
5.1.6 - Playgrounds	-	721	721	610
5.1.7 – Marinas	(574)	571	(3)	96
5.1.8 - Golf Course	(68)	240	172	-
5.1.9 - Recreation programmes	(115)	483	368	-
<b>2014/15 5.1 Total</b>	<b>(11,879)</b>	<b>37,007</b>	<b>25,128</b>	<b>3,021</b>
<b>2013/14 Total</b>	<b>(11,748)</b>	<b>37,267</b>	<b>25,519</b>	<b>4,837</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(12,388)</b>	<b>37,837</b>	<b>25,449</b>	<b>4,607</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>509</b>	<b>(830)</b>	<b>(321)</b>	<b>(1,586)</b>

*Not Final – Subject to Council Decision*

## **5.2 COMMUNITY SUPPORT**

### **Tautoko hapori**

We provide support for all communities and affordable housing for those in need.

#### **WHAT WE DO**

- Libraries
- Access support (Leisure Card)
- Community advocacy
- Grants (social and recreation)
- Community centres and halls
- Housing.

We want Wellington to be a people-centred city where people feel welcome – a city that fosters diverse and inclusive communities.

To enable this we provide libraries, halls and community centres that act as focal points for community activity and provide opportunities for people to connect with each other.

We support partnerships and programmes within communities and neighbourhoods as a way of building local community resilience. We work with our partners to ensure the city's social infrastructure supports vulnerable people in the city. Through the provision of social housing we help meet the basic housing needs of many people in our city.

#### **KEY PROJECTS**

- In 2007, the Council entered into an agreement with the Crown that will see the Council continue to provide social housing, at roughly the same levels, for 30 years. As part of this agreement, and with funding from the Government, we will complete the upgrade of the Berkeley Dallard and Etona housing complexes. We will also start work on the Marshall Court and Kotuku complexes depending on Council approval, we will undertake design work towards the upgrade of the Arlington complex.
- We will review the Social Housing Rental Policy.
- We will start feasibility work on a community hub/centre for Newtown, which may capture the opportunity for a number of social agencies to be co-located with our own Council services.
- We will undertake preliminary design and other work on a new library in Johnsonville
- We will support and encourage community resilience, strong neighbourhoods and community networks. We will also work with local agencies and organisations to ensure welfare support is in place for people and animals following an emergency event.
- We will reinstate Children's literacy programmes in our libraries.
- We will finalise and implement Te Mahana – a strategy to deal with homelessness. These include a review of how we support community agencies, and how our support aligns with that of the Government.
- We will implement the Government's recent alcohol reforms and the Council's own Alcohol Management Strategy.

#### **MEASURING OUR PERFORMANCE**

Our targets for 2014/15 are:

- 90% of library users are satisfied with its services and facilities
- 85% of residents are satisfied with the range and variety of collection
- 85% of residents agree that library services and facilities provide good value for money
- 130,000 use recreation centre programmes
- leisure cards are used at least 97,000 times
- 85% of residents find access to Council recreation facilities and programmes easy or very easy
- 90% of tenants are satisfied with services and facilities
- 90% of tenants rate the overall condition of their house/apartment as good or very good
- City Housing services and facilities comply with all legislative requirements (eg the Residential Tenancies Act and the Building Act)
- 75% of tenants feel safe in their complex at night
- 65% of tenants have positive social contact in their complex
- 90% of housing facilities are occupied
- 98% of all tenants (existing and new) are housed within the existing policy
- 85% of residents rate services and facilities as good value for money
- achieve agreed milestones, design standards and budget in accordance with the agreed works programme and Deed of Grant between the Crown and the Council
- 90% of community groups are satisfied with Council relationships
- 65% of residents engage in 'neighbourly' behaviours
- 80% of Accessible Wellington Action Plan initiatives are progressed or completed
- 95% of grants funds are successfully allocated (through milestones being met)
- 90% of project outcomes are achieved (weighted by \$ value)
- 69%<sup>11</sup> of residents are registered library users
- there are 2.3 million physical visits and 1.4 million website visits to our libraries
- an estimated 78,000 people attend various library programmes
- 3 million items are issued from libraries
- 67% of e-library users are satisfied with the online library collection
- community centres and halls are 45% occupied
- 100% of known homeless people are supported by agencies.

## WHAT IT WILL COST

5.2 - COMMUNITY SUPPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
5.2.1 – Libraries	(1,733)	20,787 <sup>1</sup>	19,054	2,530
5.2.2 - Access support (Leisure Card)	-	53	53	-
5.2.3 - Community advocacy	-	1,454	1,454	-

*Not Final – Subject to Council Decision*

5.2 - COMMUNITY SUPPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
5.2.4 - Grants (Social and Recreation)	(19)	2,795	2,776	-
5.2.5 – Housing	(54,075)	25,417	(28,658) <sup>2</sup>	36,647
5.2.6 - Community centres and halls	(220)	2,947	2,727	22
<b>2014/15 5.2 Total</b>	<b>(56,047)</b>	<b>53,453</b>	<b>(2,594)</b>	<b>39,199</b>
<b>2013/14 Total</b>	<b>(53,247)</b>	<b>52,656</b>	<b>(591)</b>	<b>32,724</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(48,629)</b>	<b>52,188</b>	<b>3,559</b>	<b>35,639</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(7,418)</b>	<b>1,265</b>	<b>(6,153)</b>	<b>3,560</b>

<sup>1</sup>This figure includes the direct costs of delivering library services and a proportion of the Council's internal corporate costs. The direct costs of providing library services is proposed to increase. This has been offset to a degree through a reduction in back office costs, which has reduced the internal charges applied to library (and all other) services.

<sup>2</sup>Net expenditure on the housing activity includes Government funding for capital expenditure upgrades of Council owned social housing.

### 5.3 PUBLIC HEALTH AND SAFETY

Hauora tūmatanui me te haumanu

We work to protect Wellingtonians from threats to their health and safety.

#### WHAT WE DO

- Burials and cremations
- Public toilets
- Public health regulations
- City safety
- Wellington Regional Emergency Management Office (WREMO).

Wellington enjoys a reputation as a safe city with a vibrant CBD. We work to maintain public confidence in the safety of the city's streets and suburbs.

Wellington's location makes earthquake-preparedness particularly important. The city also must be prepared for other civil emergencies such as flooding and tsunamis.

We have legislative requirements to maintain public health standards by regulating food and liquor outlets, animals, trade waste and managing environmental noise problems.

We also provide public toilets and cemeteries as part of our public health activities.

#### KEY PROJECTS

- We expect to close the Karori Cemetery crematorium in 2014/15. To continue providing this service, and meet air quality regulations, we would have to spend a significant amount to upgrade this facility. We believe that its current utilisation does not justify the expense and there are alternative providers of this service in the city. We are not planning any changes to burial services.
- We will review and implement changes related to the Dogs Policy and Animal Bylaw. We will implement legislative changes as a result of the introduction of the Sale and Supply of Alcohol Act and the introduction of the new Food Act.

- We will act on our Graffiti Management Plan, which provides guidelines for the prevention and removal of graffiti vandalism. This will include funding volunteer graffiti eradication initiatives.
- We will continue to support Wellington's World Health Organisation Safe City status through strengthening partnerships with community patrols and neighbourhood support groups, our Local Hosts programme and by working with the community and the Police to monitor CCTV safety cameras in the city.
- We will investigate how we could work with the Police to help establish Māori, Pacific and/or ethnic wardens in the city.
- We will continue to support the Wellington Regional Emergency Management Office – a shared emergency management organisation for the region.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 600 trained civil defence volunteers
- the percentage of complaints received about dogs will not increase from the previous year
- 100% of urgent dog control requests are responded to within one hour and 99% of non-urgent request within 24 hours
- 98% of food premises with an inspection rating of 'excellent' or 'very good' maintain or improve their inspection rating
- 80% of residents are satisfied or neutral (neither satisfied nor dissatisfied) with the cleanliness of Council public toilets
- 95% of Council public toilets meet required cleanliness and maintenance performance standards
- 100% of urgent request about Council public toilets are responded to within four hours and 95% of non-urgent requests are responded to within three days
- 100% of planned inspections are carried out for high-risk (category 3) premises
- 25% of inspections of high-risk premises (category 3) are carried out during high trading hours.

## WHAT IT WILL COST

5.3 - PUBLIC HEALTH AND SAFETY	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
5.3.1 - Burials and cremations	(828)	1,637	809	280
5.3.2 - Public toilets	-	2,432	2,432	987
5.3.3 - Public health regulations	(3,182)	4,726	1,544	-
5.3.4 - City safety	-	2,138	2,138	-
5.3.5 - WREMO	(29)	1,387	1,358	43
<b>2014/15 5.3 Total</b>	<b>(4,039)</b>	<b>12,320</b>	<b>8,281</b>	<b>1,310</b>
<b>2013/14 Total</b>	<b>(3,495)</b>	<b>11,223</b>	<b>7,728</b>	<b>717</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(3,560)</b>	<b>12,589</b>	<b>9,029</b>	<b>934</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(479)</b>	<b>(269)</b>	<b>(748)</b>	<b>376</b>

*Not Final – Subject to Council Decision*

# **URBAN DEVELOPMENT**

## Tāone Tupu Ora

# 6 URBAN DEVELOPMENT

## TĀONE TUPU ORA

“Ka mate kāinga tahi, ka ora kainga rua”

“The original dwelling place has been abandoned, but the second is secure.”

### **6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT (INCLUDING WATERFRONT DEVELOPMENT)**

Whakahaerenga whare me te whanaketanga

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

#### **WHAT WE DO**

- Built heritage development
- Urban planning and policy development
- Public space and centres developments
- Waterfront development (see Waterfront Development Plan on page XX).

Our urban planning and policy development work provides guidance on how and where the city should grow. It's important this happens in a way that retains the things residents like about Wellington – such as its compact nature, the fact that it has a true ‘heart’ around the city centre and harbour, and the character of its hillside residential areas.

The Council is required to prepare a District Plan under the Resource Management Act 1991. The District Plan is the primary document that manages land use and development within the Council's territorial boundaries.

We also look after and develop public spaces – including the development of the waterfront. Development of public squares and parks enhances people's enjoyment of the city and contributes to our civic pride and our ‘sense of place’.

We also help preserve the city's heritage through District Plan provisions and by providing financial assistance through the Built Heritage Incentive Fund, which supports the remedying of earthquake prone features, the development of conservation plans or initial reports from engineers for earthquake strengthening activities.

#### **KEY PROJECTS**

- We will be progressing a range of projects as part of our Central City Framework. The priority projects we plan to work on in 2014/15 include:
  - *Parliamentary Precinct* – public space enhancements and improved connections ahead of the 150-year anniversary of Wellington becoming New Zealand's Capital City.

- *Memorial Park* – this will be complete in time for the ANZAC commemorations and the 150th anniversary of our Capital City status in 2015.
- We will complete work as part of the Kilbirnie Town Centre upgrade project. This will include public space improvements from the Coutts Street and Onepu Road corner to connect with stage one of the town centre upgrade at the southern end of Bay Road.
- We are bringing the activities of Wellington Waterfront Limited in-house. The following capital works will be progressed in the coming year:
  - *The Promenade* – we will continue to improve the connection from the Meridian building through to Shed 21 and the Railway Station in consultation with stakeholder groups.
  - *Wharf pile maintenance* – the third stage of the waterfront-wide pile repair and refurbishment programme was planned to take place in 2014/15, but has now been scheduled to be completed in 2016/17.
  - *Queens Wharf Precinct* – we will continue the development of an adventure activities area within the Shed 6 Harbour Basin. Options will continue to be explored with respect to opportunities around the Outer T of Queens Wharf.
  - *Frank Kitts Park Precinct* – we will complete the redevelopment of the children's playground.
  - *Kumutoto Precinct* – we will continue work on the development opportunities for site 10, which is at an advanced stage, and site 9. With the delay in starting development on the site, the timing of upgrading the public space in the precinct has now been budgeted for 2015/16, with wider works occurring in the subsequent year. This will be subject to change as plans for these sites progress.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 80% of residents agree the city is developing in a way that takes in to account its unique urban character and natural environment
- 90% of District Plan change appeals are resolved
- 87% of residents agree the central city is lively and attractive
- 65% of residents agree their local suburban centre is lively and attractive
- 90% of residents rate their waterfront experience as good or very good
- 95% of grants funds are successfully allocated (through milestones being met)
- no District Plan-listed items are removed or demolished
- 75% of residents agree that heritage items are properly valued and protected in the central city
- 70% of residents agree that heritage items are properly valued and protected in suburban areas.

## WHAT IT WILL COST

6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME	EXPENDITURE	NET EXPENDITURE	TOTAL
	(\$000)	(\$000)	(\$000)	(\$000)
6.1.1 - Urban planning and policy	(20)	1,819	1,799	-
6.1.2 - Waterfront development	(3,863)	11,226	7,363	2,712
6.1.3 - Public spaces and centres development	-	1,763	1,763	1,984

*Not Final – Subject to Council Decision*

6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME	EXPENDITURE	NET EXPENDITURE	TOTAL
	(\$000)	(\$000)	(\$000)	(\$000)
6.1.4 - Built heritage development	-	1,026	1,026	-
<b>2014/15 6.1 Total</b>	<b>(3,883)</b>	<b>15,834</b>	<b>11,951</b>	<b>4,696</b>
<b>2013/14 Total</b>	<b>(20)</b>	<b>7,274</b>	<b>7,254</b>	<b>12,853</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(21)</b>	<b>6,948</b>	<b>6,927</b>	<b>11,574</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(3,862)</b>	<b>8,886</b>	<b>5,024</b>	<b>(6,878)</b>

## 6.2 BUILDING AND DEVELOPMENT CONTROL

Māherehere tāone, whanaketanga wāhi tuku-ihotanga, wāhi tūmatanui

We ensure developments do not harm the environment and building works are safe and comply with the Building Code.

### WHAT WE DO

- Building control and facilitation (building consents)
- Development control and facilitation (resource consents)
- Earthquake risk mitigation – built environment
- Weathertight homes.

All cities control building and development work according to the provisions of the Building Act, the Resource Management Act and their District Plans. These controls are necessary to ensure buildings are safe and comply with the Building Code, and resources are used sustainably to protect public health and safety and to protect future users of land and buildings. They're also needed to protect urban character and to preserve the city's heritage. We also administer an Earthquake-prone Buildings Policy. The policy sets in place processes to identify buildings that are below the required earthquake standards and the requirements and timeframes for building owners to bring them up to the necessary standard. Implementation of the policy is a statutory requirement.

### KEY PROJECTS

- As part of our commitment to increasing the resilience of our city, and being a Council that is 'open for business', we have made the following amendments to the Rates Remission Policy to support and encourage building owners to undertake earthquake strengthening work:
  - not requiring the payment of targeted rates on a building while it is being strengthened but is not able to be tenanted; and
  - where the owners have chosen to strengthen their building, holding rates at pre-strengthening levels plus the average annual rates increase for three years following strengthening; or
  - where the owners have chosen to remove the building from the site, remitting 10% of the rates payable on the property for a period of three years.
- This proposal will not increase the Council's rates requirement, but it will mean other ratepayers will pay a marginally higher proportion on their rates bill to offset the relief provided to the owners of earthquake prone buildings. The actual timing and quantum of this impact will depend on when earthquake strengthening occurs and the valuation changes of those buildings but has been estimated to be between \$200,000 and \$500,000 per annum (or 0.08 to 0.2 percent on the average rates bill).

- We also plan to establish a fund so we can refund 10 percent of building consent fees (up to \$5000 in total) for earthquake prone building projects to be applied upon completion of strengthening works. This would cost \$100,000 per annum.
- Legislation is moving towards a risk-based approach to building control with more emphasis placed on licensed building practitioners taking responsibility for the work they carry out. We will have less involvement in building projects for low-risk residential work and large commercial projects involving industry professionals. These changes may mean we become more involved in enforcement action where licensed building practitioners have failed to meet their responsibilities.
- We will continue to earthquake-strengthen the Council's portfolio of properties. This work is to meet legislative requirements and ensure the safety of structures for users and the general public. We plan to proceed with the strengthening of the Town Hall, while also considering how this can be enhanced for the economic benefit of the city.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 100% of building consents issued within 20 working days
- 100% of code of compliance certificates issued within 20 working days
- 100% of land information memorandums (LIMs) issued within 10 working days
- 100% of resource consents (non-notified) issued within 20 working days
- 90% of resource consents are monitored within three months of project work starting
- 100% of section 223 subdivision certificates are issued within statutory timeframes (10 working days)
- 90% of noise control (excessive noise) complaints are investigated within one hour
- 98% of environmental complaints are investigated within 48 hours
- 70% of customers rate building control services as good or very good
- 70% of customers rate development control services as good or very good
- Retention of Building Consent Authority (BCA) accreditation
- 100% of earthquake prone building notifications (under section 124 of the Building Act) are issued without successful challenge<sup>16</sup>
- monitor our progress on the earthquake strengthened Council buildings and stay on target
- monitor the number of claims accepted and the number of remediation claimed through the Weathertight houses – Financial Assistance Package.

## WHAT IT WILL COST

6.2 BUILDING AND DEVELOPMENT CONTROL	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE
	INCOME	EXPENDITURE	NET EXPENDITURE	2014/15
	(\$000)	(\$000)	(\$000)	TOTAL (\$000)
6.2.1 - Building control and facilitation	(9,736)	12,801	3,065	-
6.2.2 - Development control and facilitation	(2,943)	5,728	2,785	-
6.2.3 - Earthquake risk mitigation - built environment	-	1,469	1,469	17,651
<b>2014/15 6.2 Total</b>	<b>(12,679)</b>	<b>19,998</b>	<b>7,319</b>	<b>17,651</b>
<b>2013/14 Total</b>	<b>(11,453)</b>	<b>20,360</b>	<b>8,907</b>	<b>13,234</b>

*Not Final – Subject to Council Decision*

6.2 BUILDING AND DEVELOPMENT CONTROL	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
<b>2012–22 LTP Yr 3 Total</b>	<b>(11,316)</b>	<b>19,645</b>	<b>8,329</b>	<b>14,454</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(1,363)</b>	<b>353</b>	<b>(1,010)</b>	<b>3,197</b>

# TRANSPORT

Waka

# 7 TRANSPORT WAKA

“He ihu waka, he ihu whenua”

“A canoe bow, a headland.”

## 7.1 TRANSPORT

### Waka

We manage the transport network so it is sustainable, safe and efficient.

#### WHAT WE DO

- Transport planning
- Vehicle network
- Passenger transport network
- Pedestrian and cycle network
- Network-wide control
- Road safety.

A well-planned, efficient transport system, which allows for the easy movement of people and goods to and through the city, is critical for economic growth and for residents' quality of life. Between 200,000 and 300,000 people use some form of the city's transport network every day.

Wellingtonians are enthusiastic users of public transport and an effective public transport network helps reduce congestion and reduces the city's carbon emissions. A high proportion of the city's residents walk and cycle to work instead of using private cars.

#### KEY PROJECTS

- We will start work on upgrading the cycling route from Island Bay to the CBD. We will also begin to make safety improvements on some of the other 19 cycling routes. This will also include implementing the outcomes of the public consultation for speed limit reduction in the CBD.
- We will start road improvements, in partnership with NZTA to improve safety and benefit the community in Johnsonville.
- We will continue to work with Greater Wellington Regional Council and NZTA on the Wellington Public Transport Spine Study. This study looks at the feasibility of options for a future high quality, high frequency public transport spine through central Wellington between the Wellington Railway Station and Newtown (and beyond).
- We will continue to work closely with NZTA on a range of state highway projects including the Basin Reserve, Memorial Park, Inner City Bypass capacity

enhancements and the Buckle Street to Cobham Drive project including Mt Victoria Tunnel duplication.

- We will continue strengthening and rebuilding works for tunnels and bridges throughout the city. In 2014/15, we will work on the Hataitai Bus Tunnel and collaborate with NZTA on the Mt Victoria tunnel options.

## MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- 70% of residents agree the transport system allows easy movement for vehicles around the city
- 95% of residents agree the transport system allows easy movement for pedestrians around the city
- average peak travel times between the CBD and suburbs are maintained or improved (for travel from Miramar, Karori, Island Bay and Johnsonville)
- 37% of residents, who travel to the central city on weekdays, take the bus
- 6% of residents, who travel to the central city on weekdays, take a train
- 24% of residents, who travel to the central city on weekdays, walk
- 5% of residents, who travel to the central city on weekdays, cycle
- an increase in the number of pedestrians and cyclists entering the CBD on weekdays from 2013/14
- 45% of primary school children walk to and from school on a daily basis
- 1,005,847 people will travel on the Cable Car
- 75% of residents rate the road and footpath network as good or very good
- 100% of urgent service requests are responded to in two hours and non-urgent within 15 days
- 70% of roads meet Smooth Roads Standards (NAASRA)
- 97% of footpaths meet Council condition standards
- 100% of street lighting for major roads meets national standards
- 85% of residents are satisfied with street lighting in the central city and 75% are satisfied with street lighting in suburban areas
- 50% of cycleway users are satisfied with cycleway safety and 60% are satisfied with maintenance
- 75% of residents agree that transport network services offer good value for money
- 90% of seawalls and retaining walls have a condition rating of 3 or better
- our quarry operations remain legislatively compliant
- road casualties will reduce (with fewer than 15.2 per 10,000 population for vehicles, 4 for pedestrians and 3.3 for cyclists).

## WHAT IT WILL COST

7.1 TRANSPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME	EXPENDITURE	NET EXPENDITURE	TOTAL
	(\$000)	(\$000)	(\$000)	(\$000)
7.1.1 - Transport planning	(56)	1,108	1,052	-

*Not Final – Subject to Council Decision*

7.1 TRANSPORT	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
7.1.2 - Vehicle network	(1,284)	23,136	21,852	24,565
7.1.3 - Cycle network	(27)	692	665	4,352
7.1.4 - Passenger transport network	(1,025)	1,612	587	161
7.1.5 - Pedestrian network	(39)	6,579	6,540	3,851
7.1.6 - Network-wide control and management	(2,101)	6,285	4,184	2,055
7.1.7 - Road safety	(1,737)	5,971	4,234	2,729
<b>2014/15 7.1 Total</b>	<b>(6,269)</b>	<b>45,383</b>	<b>39,114</b>	<b>37,713</b>
<b>2013/14 Total</b>	<b>(6,264)</b>	<b>43,319</b>	<b>37,055</b>	<b>31,320</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(6,194)</b>	<b>47,707</b>	<b>41,513</b>	<b>37,003</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>(75)</b>	<b>(2,324)</b>	<b>(2,399)</b>	<b>710</b>

## 7.2 PARKING

### Ratonga tūnga waka

Parking in the CBD is important for shoppers, tourists and those working in and visiting the city.

#### WHAT WE DO

We provide about 10 percent of the parking in central Wellington. This includes on-street parking spaces and off-street parking at various sites. Parking is important for shoppers, people working in the city, visitors to the city, and people coming in to the city for recreational activities.

#### KEY PROJECTS

- There will be an in-house Council group established to provide all parking services and enforcement from 1 July 2014.
- We are undertaking a trial of parking sensors for enforcement purposes and to gather information on occupancy. If the trial proves effective these may be installed across the city from 2015/16.

#### MEASURING OUR PERFORMANCE

Our targets for 2014/15 are:

- the average weekday on-street car park turnover rate is 6.8 cars per day, and for weekends it is 5.2 cars per day
- on average, 75% of on-street car parks are occupied
- 95% compliance with Council on-street car park time restrictions and 90% compliance with payment requirements
- 45% of residents are satisfied with the availability of on-street car parking during the week
- 60% of residents are satisfied with the availability of on-street car parking during the weekend
- the percentage of residents that perceive parking enforcement is fair will increase from previous year.

#### WHAT IT WILL COST

7.2 PARKING	OPERATING EXPENDITURE 2014/15			CAPITAL EXPENDITURE 2014/15
	INCOME (\$000)	EXPENDITURE (\$000)	NET EXPENDITURE (\$000)	TOTAL (\$000)
7.2.1 – Parking	(26,022)	11,936	(14,086)	180
<b>2014/15 7.2 Total</b>	<b>(26,022)</b>	<b>11,936</b>	<b>(14,086)</b>	<b>180</b>
<b>2013/14 Total</b>	<b>(26,792)</b>	<b>11,154</b>	<b>(15,638)</b>	<b>1</b>
<b>2012–22 LTP Yr 3 Total</b>	<b>(29,496)</b>	<b>13,110</b>	<b>(16,386)</b>	<b>-</b>
<b>Variance 2012–22 LTP Yr 3 to AP 14/15</b>	<b>3,474</b>	<b>(1,174)</b>	<b>2,300</b>	<b>180</b>

# OUR FINANCES

**This section contains:**  
**financial overview**  
**funding impact statements**

# FINANCIAL OVERVIEW

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## AT A GLANCE

- \$404.2 million operating expenditure
- \$152.0 million capital expenditure – this excludes capital expenditure carry-forwards from 2013/14
- 66 percent of operational expenditure is funded by rates
- Total rates forecast 2.49 percent higher than in 2013/14
- Forecast year-end borrowings \$404.2 million.

## FINANCIAL STRATEGY AT A GLANCE

The Council implemented its Financial Strategy as part of the 2012–22 Long-term Plan. This guides the decisions we make now and in the future to ensure our investment in the city is financially sustainable. In many ways, our strategy formalised our current practice and complements our existing financial policies. The strategy is founded on the following guiding principles:

- fairness and equity
- willingness to pay
- value for money
- risk management and assessment
- good financial governance and stewardship.

The Council is in a sound financial position as indicated by our AA Standard and Poor's credit rating. We will continue to manage the financial challenges associated with the costs of earthquake strengthening our assets and our weathertight homes liabilities.

Setting limits on our rates and borrowings requires prioritisation of spending decisions and ongoing review of existing services. The parameters we set for our rates levels and rates increases as part of the 2012–22 Long-term Plan are:

<b>RATES LIMITS:</b>	<b>2014/15</b>
Rates increase target (after growth) <sup>6</sup>	1.60%
Rates increase limit (after growth) <sup>7</sup>	2.50%
Rates increase (after growth)	2.49%
Rates limit (\$'000) <sup>8</sup>	254,289

The Annual Plan rates increase is 2.49 percent, which is in line with the rates limit set in our financial strategy.. This is an improvement on the the Long-term Plan where the projected rates increase for 2014/15 was 3.17 percent.

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<sup>6</sup> From 2014/15 onwards the target is based on CPI

<sup>7</sup> The limit on rates increases are set as an indexation based on LGCI. The base year is the 2011/12 rates income

<sup>8</sup> The limits on rates is based on the increase set by the LGCI annually.

The parameters we have set for borrowings and capital expenditure as part of the 2012–22 Long-term Plan are:

<b>BORROWINGS LIMITS:</b>	<b>OPERATING TARGETS</b>	<b>PRUDENTIAL LIMITS</b>	<b>ANNUAL PLAN 2014/15</b>
Net borrowing as a percentage of equity	<10%	<10%	6.0%
Net borrowing as a percentage of income	<105.0%	<150.0%	100.0%
Net interest as a percentage of income	<15.0%	<15.0%	5.1%
Net interest as a percentage of annual rates income	<20.0%	<20.0%	9.0%
Liquidity (term borrowing committed loan facilities to 12 month peak net borrowing forecast)	>110.0%	>110.0%	>110.0%
Borrowings funded capital expenditure target - over legislative Council triennium	\$45.0m	\$60.0m	\$46.1m

For 2014/15 we are within all of the borrowings limits.

## **FINANCES AT A GLANCE**

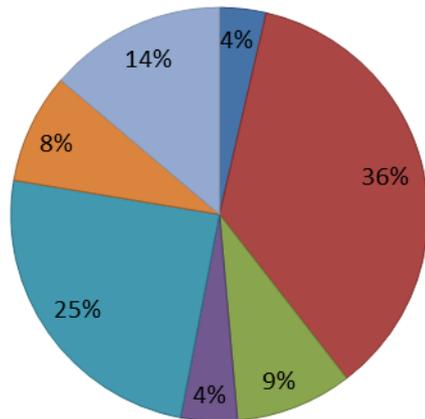
### **Operational expenditure**

Operational expenditure provides for all of our day-to-day operations and services, from waste disposal, water supply and maintaining our roads, to issuing building consents, running our recreational facilities and maintaining our parks and gardens.

The Council plans to spend \$404 million on operational expenditure in 2014/15.

The graph below shows this operational expenditure by activity area in 2014/15. This compares with \$386 million forecast for 2014/15 in the 2012–22 Long-term Plan.

## Operational Expenditure 2014/15 Annual Plan by activity area

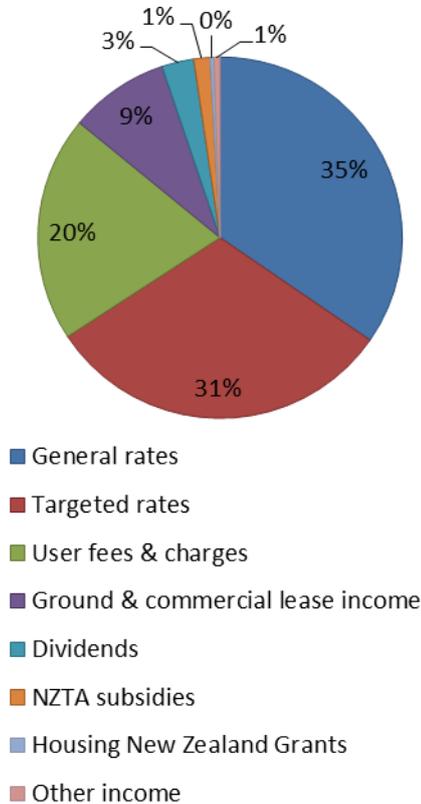


### Sources of operational funding

Some 66 percent of our operational expenditure is funded from a combination of general rates (paid on all properties) and targeted rates. The remainder is funded from user charges, ground and commercial lease income, dividends and other revenue such as grants and government subsidies.

The graph below shows how our operational expenditure will be funded in 2014/15.

## Operational Expenditure 2014/15 Annual Plan by Funding Source



Detailed information on all of our rating mechanisms is included on page 88 of the plan.

### Your rates

For 2014/15, total rates are forecast to increase by 2.99 percent before allowing for growth in our ratepayer base. After allowing for expected growth, our total rates are forecast to increase by 2.49 percent.

Rates on the average residential property (valued at \$529,362) are to increase by 2.67 percent to \$2,086 (excluding GST) in 2014/15. An average rates increase of around 2.26 percent for commercial properties, including the impact of increases in metered water charges in 2014/15. These increases average to a 2.49 percent rates impact over all ratepayers, after growth in the ratepayer base have been taken into account.

### *Explaining your rates*

Our total rates revenue is split between general rates and targeted rates.

**General rates** are used to fund activities where the Council is unable to clearly identify a specific group of ratepayers who receive the benefit of that activity, or where it is not possible or suitable for that group to be targeted to pay. General rates are split over two categories: the base sector general rate (residential) and the commercial sector general rate. These are both levied based on a rate per-dollar of capital value. The Council has a general rates differential in place that decides how the general rate is shared between the residents and businesses in each category.

In 2014/15, the commercial sector general rate per dollar of capital value is to remain at 2.8 times higher than the base sector general rate for a residential property of the same value.

**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 proper that this group be targeted to pay. The Council sets targeted rates to fund costs associated with the city's water, sewerage and stormwater systems. Separate targeted rates are also set for our base (residential) sector, commercial sector, downtown commercial sector, Marsden Village, Tawa driveways and business improvement district (BID) for the Miramar business district.

Your total rates bill will be made up of the general and targeted rates that apply to your property.

#### *Property valuations and rates distribution*

The Council sets the total amount of rates required to fund its spending based on the budgeted costs. 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 by setting a rate per-dollar of capital value on your property.

The Council is on a 3-yearly valuation cycle and for the 2014/15 rating year the September 2012 valuations will be used to distribute the total rates requirement across all properties. The current property valuation will be used to distribute the total rates requirement for the 2014/15 and 2015/16 rating years.

It is important to note that your rates bill does not automatically change when your property value changes. Your rates bill will only be impacted by the change in your property's capital value relative to the change in capital value for the entire city. The final rates bill for an individual property will depend on:

- the overall change in the Council's rates requirement
- any changes to the way we fund our activities (as set out in our Revenue and Financing Policy)
- any changes in the rates differential or uniform rates applying to that property
- the growth in the number of rateable properties in the city (due to construction of new houses, apartments or business premises)
- the change in that property's capital value compared to the average change in the capital value for the entire city
- changes in the Council's remissions policy.

#### **Changes to rates or rating mechanisms**

##### *Water rates*

The following increases to our targeted water rates to ensure the cost increases in the associated water activity are properly recovered:

<b>TARGETED WATER RATING MECHANISM</b>	<b>CURRENT (INCLUDING GST)</b>	<b>2014/15 (INCLUDING GST)</b>
Water consumption charge for properties with a water meter	\$2.067 per cubic metre	\$2.151 per cubic metre
Annual fixed amount targeted rate for properties with	\$123.63	\$128.69

TARGETED WATER RATING MECHANISM	CURRENT (INCLUDING GST)	2014/15 (INCLUDING GST)
a water meter		
Annual fixed amount targeted rate for base (residential) sector properties without a water meter	\$152.09	\$158.36

#### *Changes to our rates remission policy*

The following changes and additions to our rates remission policy are to support earthquake strengthening of the city's most at risk buildings.

The plan is to encourage owners to take positive action to strengthen the buildings they own and make our city safer by ensuring our rating regime does not unfairly penalise this important work. The changes are detailed as follows:

#### *During strengthening works (for all buildings):*

- Remitting targeted rates on a building while it is being strengthened but is not able to be tenanted. This will be achieved by:
  - Renaming the section 2.3 "Remission of Downtown Levy Targeted Rates on Property Under Development Policy" to "Remission of Targeted Rates on Property Under Development or Earthquake Strengthening Policy"; and
  - Amending the scope of the policy under section 2.3 to include remission of the commercial, industrial and business sector targeted rate and the base sector targeted rates, and extending the application of this remission to beyond the downtown levy area.

#### *After strengthening works (for earthquake prone buildings<sup>9</sup> only):*

- For strengthened buildings, holding rates at pre-strengthening levels plus the annual average rates increases for three years following strengthening. This will be done by remitting rates payable on any valuation uplift that may reasonably arise from seismic strengthening works; and
- For removed buildings, remitting 10% of the rates payable on the property for a period of 3 years.

This will be achieved by the addition of a new remission policy under section 2.6 "Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List".

Full details of the rates remission policy and changes can be found on page XX.

#### *Development contributions policy*

The change to the Development Contributions Policy is summarised as follows:

- Reduce the development contribution charges (cost to developers) where the Local Government Act 2002 Amendment Bill (No 3) proposes changes under which councils would no longer be able to charge development contributions for community infrastructure, or charge commercial developments for reserves contributions.
- Introduce a remission for significant 'green' building developments to recognise their strategic importance in the city. This will also reduce unnecessary costs to developers in

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<sup>9</sup> Buildings assessed as 33% or less of the National Building Standard (NBS) and on the Wellington City Council Earthquake Prone Buildings List

doing business with the Council by providing an alternative to the self assessment process

Further details of this change can be found on page XX.

### **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 (ie do the benefits accrue to future generations as well as present ones)
- the 'polluter pays' principle (ie 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 propose to fund our activities. In 2014/15 we propose to make no changes to the policy.

### **User charges**

For 2014/15, User charges are increasing in only one area. Our fees are set in accordance with our Revenue and Financing Policy. The area where we are increasing our fees is:

- Waste minimisation, disposal and recycling management (including trade waste)

The fee increase are outlined in the appendices of this plan.

### **Understanding the Council's budgeted surplus**

The Council is forecasting a net operating surplus of \$26.3 million in 2014/15. The majority of this surplus arises from cash funding received for capital purposes (Crown grants for housing, development contributions, NZTA subsidies and bequests). This income flows through to the net operating surplus to be available to fund capital expenditure. Offsetting this are some depreciation costs on assets which we have resolved not to fund.

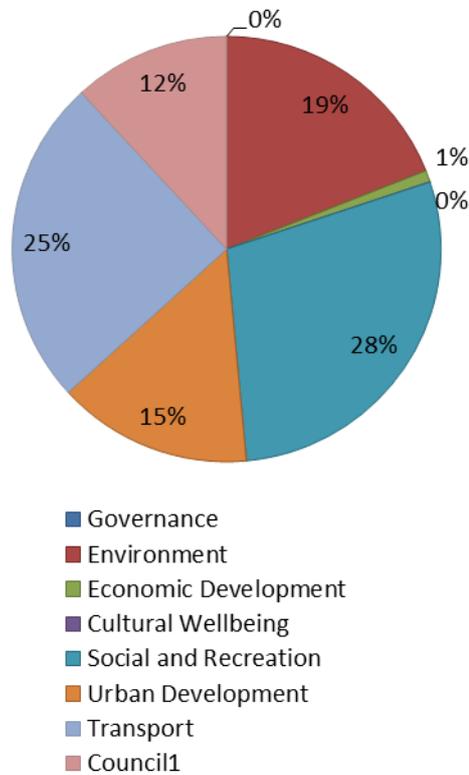
### **CAPITAL EXPENDITURE**

We're continuing to invest in our city's infrastructure while focusing on city resilience.

Capital expenditure pays for purchasing, building or developing the Council's assets (eg pipes, roads, libraries, swimming pools). Our capital expenditure (excluding 'carry-forwards' and loans to other organisations) is forecast to be \$152 million in 2014/15, \$8 million less than in the same period forecast in the Long-term Plan.

The graph below shows where this capital expenditure will be spent by activity area in 2014/15.

## Capital Expenditure 2014/15 Annual Plan by activity area

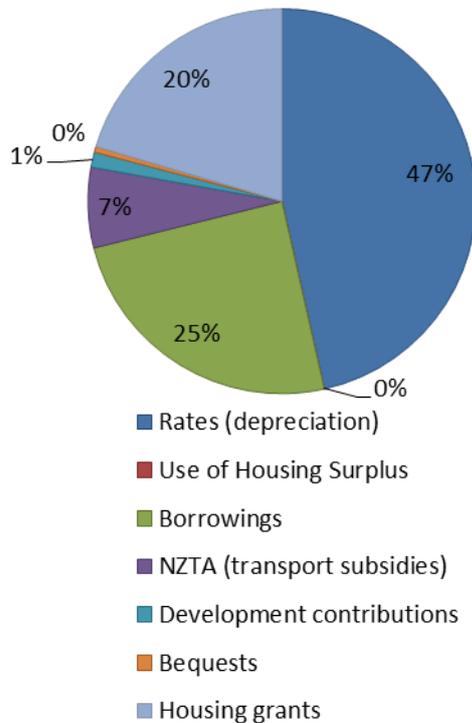


### Sources of capital funding

We fund capital expenditure from depreciation, borrowings, NZTA 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.

The graph below shows how our capital expenditure is being funded in 2014/15.

## Capital Expenditure 2014/15 Annual Plan by Funding Source



### *Borrowings*

Total borrowings are forecast to be \$404.2 million at the end of 2014/15. Our forecast asset base totals \$7.2 billion in 2014/15.

As borrowings are mainly a consequence of capital expenditure, our financial strategy set a borrowings funded capital investment target of \$45 million for each three-yearly Council triennium, and a borrowings funded capital investment limit of \$60 million for each three yearly Council Triennium. This will ensure our debt levels remain sustainable and affordable for years to come. This is expected to be \$46 million over the period 2012/13–2014/15.

### *Land sale*

The Council only owns property assets that are necessary for public works or another purpose aligned to Council strategies. Property assets falling outside of this will be considered for sale or redeployed.

Reflected in the 2014/15 plan is \$2 million worth of property asset disposals, with proceeds being used to reduce Council borrowings. Every specific property asset sale will be publicly consulted upon as per the standard Council process.

### *Variances from the Long-term Plan*

Each year we review the underlying assumptions and costs that make up each activity. For each activity we consider the impact of a number of factors including:

- changes in direct costs
- updated forecasting assumptions (including changes to the forecast timing of projects)
- the suitability of forecast inflation and CPI adjustments
- changes affecting our opening position (e.g. updated borrowings forecasts).

This means the costs for each activity may differ from those we had originally forecast in the 2012–22 Long-term Plan.

Further information is provided in 'Our Work' on page XX.

## CONSOLIDATED ACTIVITY STATEMENT - OPERATING EXPENDITURE

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
<b>OPERATING STATEMENT</b>					
Operating expenditure	388,697	397,921	423,802	25,881	
Weathertight Homes funding	4,996	6,662	6,662	(1)	
Self-insurance	750	750	750	-	
Waste Minimisation	-	-	124	124	
<b>Total operating expenditure &amp; other outflows</b>	<b>394,443</b>	<b>405,333</b>	<b>431,337</b>	<b>26,004</b>	
Add back City housing ring-fenced surplus/(deficit)	(3,480)	(3,472)	(3,378)	94	
<i>Less depreciation not funded under section 100 of LGA:</i>					
NZTA Transport funded projects	(7,438)	(7,623)	(7,814)	(191)	
General unfunded depreciation	(4,000)	(4,000)	(4,000)	-	
Moa Point sewerage treatment plant	(3,015)	(3,624)	(3,226)	398	
Discontinued Living Earth plant	(221)	(239)	(235)	4	
Wellington Waterfront	-	-	(4,294)	(4,294)	
<i>Less expenditure funded by prior year surplus/borrowings:</i>					
Economic Development Fund	-	-	(3,554)	(3,554)	
Wellington Waterfront interest	-	-	(559)	(559)	
Taputeranga Island	-	-	(24)	(24)	
<b>Total operating expenditure &amp; other outflows to be funded</b>	<b>376,289</b>	<b>386,376</b>	<b>404,254</b>	<b>17,878</b>	
<b>FUNDED BY;</b>					
<b>General rates</b>	<b>130,000</b>	<b>136,353</b>	<b>133,937</b>	<b>(2,416)</b>	
<b>Targeted rates:</b>					
Sewerage rates (including trade waste)	35,370	36,677	36,257	(420)	
Water rate	38,137	39,725	39,288	(437)	
Stormwater rate	18,089	18,757	18,648	(109)	
Base (residential) sector targeted rate	6,476	6,891	6,902	11	
Commercial sector targeted rate	4,895	4,821	5,028	207	
Downtown targeted rate	13,870	14,147	14,079	(68)	
Tawa driveways targeted rate	33	33	33	-	
Marsden Village targeted rate	14	14	14	-	
Miramar Business Improvement District targeted rate	-	-	80	80	
<b>Total targeted rates</b>	<b>116,884</b>	<b>121,065</b>	<b>120,329</b>	<b>(736)</b>	
<b>Total rates to fund operating expenditure &amp; other outflows</b>	<b>246,884</b>	<b>257,418</b>	<b>254,266</b>	<b>(3,152)</b>	
<b>User charges</b>	<b>78,159</b>	<b>79,610</b>	<b>93,410</b>	<b>13,800</b>	
<b>Other income</b>					
Ground and commercial leases	32,912	31,710	36,574	4,864	
Dividends	9,898	9,298	11,000	1,702	
NZTA subsidies	5,341	5,085	5,561	476	
Housing grants	995	1,082	1,296	214	
Petrol tax	1,120	1,164	1,100	(64)	
Interest from investments	-	-	39	39	
Miscellaneous	980	1,009	1,008	(1)	
<b>Total operating funding</b>	<b>376,289</b>	<b>386,376</b>	<b>404,254</b>	<b>17,878</b>	

Notes:

## CONSOLIDATED ACTIVITY STATEMENTS – CAPITAL EXPENDITURE AND LOANS TO OTHER ORGANISATIONS

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
Renewal capital expenditure	84,094	98,610	79,480	(19,130)	
Upgrade capital expenditure	55,625	61,733	72,523	10,790	
Capital expenditure carried forward from 2011/12	-	-	-	-	
Capital expenditure carried forward from 2012/13	28,000	-	-	-	
Capital expenditure carried forward from 2013/14	(10,000)	-	32,500	32,500	
Capital expenditure carried forward from 2014/15	-	-	(20,000)	(20,000)	
<b>Total capital expenditure to be funded</b>	<b>157,719</b>	<b>160,343</b>	<b>164,503</b>	<b>4,160</b>	
<b>Loans to other organisations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total capital expenditure and loans to be funded</b>	<b>157,719</b>	<b>160,343</b>	<b>164,503</b>	<b>4,160</b>	
<b>FUNDED BY:</b>					
Depreciation	72,525	90,462	71,666	(18,796)	
Use of housing surplus	-	26	-	(26)	
NZTA transport subsidies	10,264	10,884	10,590	(294)	
Housing grants	30,739	27,705	32,036	4,331	
Development contributions	5,000	5,000	2,000	(3,001)	
Bequests & grants	1,492	1,157	749	(408)	
Borrowings	37,699	25,109	47,462	22,354	
<b>Total funding for capital expenditure and loans to other organisations</b>	<b>157,719</b>	<b>160,343</b>	<b>164,503</b>	<b>4,160</b>	

Notes:

## CONSOLIDATED ACTIVITY STATEMENTS – BORROWING

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
<b>OPENING GROSS BORROWINGS PER LTP</b>					
<b>Opening Gross Borrowings - total</b>	<b>345,668</b>	<b>401,996</b>	<b>355,762</b>	<b>(46,235)</b>	
New borrowings to fund capital expenditure:					
- Housing capital expenditure	-	-	-	-	
- Other capital expenditure	20,893	25,109	34,964	9,855	
- Carry forward capital expenditure	18,000	-	12,500	12,500	
<b>Total</b>	<b>38,893</b>	<b>25,109</b>	<b>47,464</b>	<b>22,355</b>	
Other movements to borrowings:					
Asset proceeds	(15,075)	(15,075)	(4,050)	11,025	
Ring-fenced housing surpluses - opex	3,479	3,472	3,378	(94)	
Ring-fenced housing surpluses - capex	(9,954)	(5,471)	(6,844)	(1,373)	
Self insurance fund contribution	(750)	(750)	-	750	
Leaky homes	8,772	8,593	8,430	(163)	
Economic Development Fund	-	-	3,554	3,554	
Wellington Waterfront Interest	-	-	559	559	
Use of prior year surplus	-	-	-	-	
Depreciation reserve movement	3,851	10,772	(4,090)	(14,862)	
Other movements	751	284	-	(284)	
<b>Closing Gross Borrowing</b>	<b>375,635</b>	<b>428,931</b>	<b>404,163</b>	<b>(24,768)</b>	

Notes:

## Overview By Activity Areas

The below table summarises the funding activity statements that are required by the Local Government Act 2002 (LGA). This shows the operation and capital funding of each activity and compares to the same period in the 2012-22 Long-term Plan.

		2014/15 OPEX per LTP \$000	2014/15 OPEX AP \$000	Variance OPEX to LTP \$000	2014/15 CAPEX per LTP \$000	2014/15 CAPEX AP \$000	Variance CAPEX to LTP \$000	
1.1	GOVERNANCE	GOVERNANCE, INFORMATION AND ENGAGEMENT	15,801	14,718	(1,083)	55	61	6
1.2		MAORI AND MANA WHENUA PARTNERSHIPS	252	223	(29)	-	2	2
			16,053	14,941	(1,112)	55	63	8
2.1	ENVIRONMENT	GARDENS, BEACHES AND GREEN OPEN SPACES	32,058	31,221	(837)	4,338	4,978	640
2.2		WASTE REDUCTION AND ENERGY CONSERVATION	13,036	12,771	(265)	818	626	(192)
2.3		WATER	25,558	25,173	(385)	19,378	17,338	(2,040)
2.4		WASTEWATER	28,395	28,188	(207)	9,819	9,468	(351)
2.5		STORMWATER CONSERVATION	11,802	11,780	(22)	7,121	7,554	433
2.6		ATTRACTIONS	4,708	4,789	81	1,664	1,853	189
			115,557	113,922	(1,635)	43,138	41,817	(1,321)
3.1	ECONOMIC DEVELOPMENT	CITY PROMOTIONS AND BUSINESS SUPPORT	17,437	36,190	18,753	2,364	(1,936)	(4,300)
			17,437	36,190	18,753	2,364	(1,936)	(4,300)
4.1	CULTURAL WELLBEING	ARTS AND CULTURE ACTIVITIES	18,345	17,450	(895)	830	851	21
			18,345	17,450	(895)	830	851	21
5.1	SOCIAL AND RECREATION	RECREATION PROMOTION AND SUPPORT	31,556	30,736	(820)	9,489	7,693	(1,796)
5.2		COMMUNITY SUPPORT	40,301	39,011	(1,290)	37,258	44,508	7,250
5.3		PUBLIC HEALTH AND SAFETY	12,606	12,469	(137)	881	718	(163)
			84,463	82,216	(2,247)	47,628	52,919	5,291
6.1	URBAN DEVELOPMENT	URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT	6,947	11,878	4,931	15,714	2,931	(12,783)
6.2		BUILDING AND DEVELOPMENT CONTROL	19,715	20,097	382	14,478	17,776	3,298
			26,662	31,975	5,313	30,192	20,707	(9,485)
7.1	TRANSPORT	TRANSPORT	24,768	23,099	(1,669)	33,001	33,858	857
7.2		PARKING	12,674	11,461	(1,213)	(21)	505	526
			37,442	34,560	(2,882)	32,980	34,363	1,383
10.1	CORPORATE SUPPORT	CORPORATE	(19,178)	(9,618)	9,560	17,338	18,221	883
					-			-
	WHOLE OF COUNCIL		296,781	321,636	24,855	174,525	167,005	(7,520)

**Reconciliation between All of Council FIS, Prospective Statement of Comprehensive Financial Performance, and Operating Expenditure Consolidated Activity Statement:**

	2014/15 \$000
<b>Total applications of operating funding (from Whole of Council FIS)</b>	<b>321,636</b>
Add:	
Depreciation	102165
<b>Total expense (from Prospective Statement of Comprehensive Financial Performance)</b>	<b>423,801</b>
Add Rates funded repayment of borrowings	7535
<b>Total operating expenditure &amp; other outflows (from Prospective Statement of Comprehensive Financial Performance)</b>	<b>431,336</b>
City Housing ring-fenced surplus/(deficit)	-3378
Unfunded depreciation	-19569
Borrowings funded operational expenditure	-4137
<b>Total operating expenditure &amp; other outflows to be funded (from Opex Consolidated Activity Statement)</b>	<b>404,253</b>

# **FUNDING IMPACT AND FINANCIAL STATEMENTS**

**This section contains:  
the funding impact statement  
prospective financial statements  
significant accounting policies**

**FUNDING IMPACT STATEMENT  
FOR WHOLE OF COUNCIL**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	131,000	136,353	134,936	(1,417)	
Targeted rates (other than a targeted rate for water supply)	103,552	108,242	106,451	(1,791)	
Subsidies and grants for operating purposes	7,250	6,873	7,714	841	
Fees, charges, and targeted rates for water supply *	113,761	112,956	134,566	21,610	
Interest and dividends from investments	9,908	9,308	11,044	1,736	1
Local authorities fuel tax, fines, infringement fees, and other receipts	10,817	12,645	9,541	(3,104)	
<b>Total operating funding (A)</b>	<b>376,288</b>	<b>386,377</b>	<b>404,252</b>	<b>17,875</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	245,000	241,197	269,637	28,440	
Finance costs	21,965	25,096	23,041	(2,055)	2
Internal charges and overheads applied	-	-	-	-	
Other operating funding applications	29,623	30,488	28,958	(1,530)	
<b>Total applications of operating funding (B)</b>	<b>296,588</b>	<b>296,781</b>	<b>321,636</b>	<b>24,855</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>79,700</b>	<b>89,596</b>	<b>82,616</b>	<b>(6,980)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	42,495	39,746	43,375	3,629	
Development and financial contributions	5,000	5,000	2,000	(3,000)	3
Increase (decrease) in debt	20,893	25,109	34,964	9,855	
Gross proceeds from sales of assets	15,075	15,075	4,050	(11,025)	4
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>83,463</b>	<b>84,930</b>	<b>84,389</b>	<b>(541)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	1,634	3,957	2,558	(1,399)	
- to improve the level of service	53,991	57,776	69,965	12,189	
- to replace existing assets	84,094	98,610	79,480	(19,130)	
Increase (decrease) in reserves	23,444	14,182	15,002	820	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>163,163</b>	<b>174,525</b>	<b>167,005</b>	<b>(7,520)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(79,700)</b>	<b>(89,595)</b>	<b>(82,616)</b>	<b>6,979</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	

Expenses for this activity grouping include the following  
**depreciation/amortisation charge**

92,109      101,138      102,165      1,027

\* Includes only metered water rates where applicable

**Notes:**

1. Our expectation of Wellington International Airport Limited dividends has been increased to 2012/13 actual levels.
2. Forecast interest rates are lower than was forecast in the 2012–22 Long-term Plan for the same period, along with lower than expected debt levels.
3. The expected development contributions income in 2014/15 has been reduced to reflect actual current income and changes to the Development Contributions Policy.
4. Changes in the timings of Wellington Waterfront Limited proceeds off set by the inclusion of expected land sales included in the 2014/15 Annual Plan.

## FUNDING IMPACT STATEMENT

### 1.1 FOR GOVERNANCE, INFORMATION AND ENGAGEMENT

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	16,356	15,449	14,214	(1,235)	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	733	407	565	158	
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>17,089</b>	<b>15,856</b>	<b>14,779</b>	<b>(1,077)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	8,579	8,217	7,820	(397)	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	8,170	7,574	6,585	(989)	2
Other operating funding applications	267	10	313	303	3
<b>Total applications of operating funding (B)</b>	<b>17,016</b>	<b>15,801</b>	<b>14,718</b>	<b>(1,083)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>73</b>	<b>55</b>	<b>61</b>	<b>6</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	-	-	-	-	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	-	-	-	-	
- to replace existing assets	110	-	-	-	
Increase (decrease) in reserves	(37)	55	61	6	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>73</b>	<b>55</b>	<b>61</b>	<b>6</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(73)</b>	<b>(55)</b>	<b>(61)</b>	<b>(6)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Expenses for this activity grouping include the following depreciation/amortisation charge	73	55	61	6	

\* Includes only metered water rates where applicable

#### Notes:

- Differences in inflationary assumptions between the 2012–22 Long-term Plan and 2014/15 Annual Plan and reductions in costs associated with the operations of City Archives.
- There has been a concerted effort to reduce back office costs that has resulted in a decrease to internal charges and overheads applied. This reduction has been spread across all activity areas.
- The second year or the planned two year funding for the Smart Energy Capital Initiative included as part of the 2013/14 Annual Plan has been topped up with additional funding in 2014/15 by way of Mayor Wade-Brown's decision to forgo her Wellington International Airport Limited directors fees and redirect them into the Initiative.

**FUNDING IMPACT STATEMENT  
FOR MAORI AND MANA WHENUA PARTNERSHIPS**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	225	252	225	(27)	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	-	-	-	-	
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>225</b>	<b>252</b>	<b>225</b>	<b>(27)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	214	243	214	(29)	
Finance costs	-	-	-	-	
Internal charges and overheads applied	9	9	9	-	
Other operating funding applications	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>223</b>	<b>252</b>	<b>223</b>	<b>(29)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	-	-	-	-	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	-	-	-	-	
- to replace existing assets	-	-	-	-	
Increase (decrease) in reserves	2	-	2	2	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	

\* Includes only metered water rates where applicable

**Notes:**

**FUNDING IMPACT STATEMENT  
FOR GARDENS, BEACHES AND GREEN OPEN SPACES**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	26,540	28,560	27,267	(1,293)	
Targeted rates (other than a targeted rate for water supply)	436	427	632	205	
Subsidies and grants for operating purposes	637	583	671	88	
Fees, charges, and targeted rates for water supply *	1,118	1,261	1,314	53	
Interest and dividends from investments	4,910	5,457	5,101	(356)	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>33,641</b>	<b>36,288</b>	<b>34,985</b>	<b>(1,303)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	16,980	17,269	17,767	498	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	12,907	14,689	13,354	(1,335)	
Other operating funding applications	80	100	100	-	
<b>Total applications of operating funding (B)</b>	<b>29,967</b>	<b>32,058</b>	<b>31,221</b>	<b>(837)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,674</b>	<b>4,230</b>	<b>3,764</b>	<b>(466)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	1,080	600	620	20	
Development and financial contributions	1,099	1,099	183	(916)	
Increase (decrease) in debt	(2,071)	(1,591)	411	2,002	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>108</b>	<b>108</b>	<b>1,214</b>	<b>1,106</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	53	53	34	(19)	
- to improve the level of service	55	55	1,180	1,125	2
- to replace existing assets	2,545	2,498	1,791	(707)	2
Increase (decrease) in reserves	1,129	1,732	1,973	241	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>3,782</b>	<b>4,338</b>	<b>4,978</b>	<b>640</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,674)</b>	<b>(4,230)</b>	<b>(3,764)</b>	<b>466</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following</b>					
<b>depreciation/amortisation charge</b>	3,952	4,456	4,042	(414)	

\* Includes only metered water rates where applicable

**Notes:**

1. Council agreed to provide \$350k to the Lyall Bay Surf Club towards the construction of new clubrooms. This funding was agreed for 2013/14 in the 2012–22 Long-term Plan however it has been deferred till 2014/15 due to project delays. Funding for maintenance of

2. Council approved additional capital expenditure to implement initiatives identified in the Council's Open space and recreation framework, "Our Capital Spaces". Additional expenditure has also been included for a new cycle and walkway in Kilbirnie and the repair of coastal areas damaged by the major storms in 2013. Expenditure for the proposed Children's Garden, funded by the Charles Plimmer Bequest, has been reclassified more accurately as upgrade funding.

**FUNDING IMPACT STATEMENT  
FOR WASTE REDUCTION AND ENERGY CONSERVATION**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	451	2,108	404	(1,704)	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	12,393	11,429	12,926	1,497	1
Interest and dividends from investments	-	310	-	(310)	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	7	-	(7)	
<b>Total operating funding (A)</b>	<b>12,844</b>	<b>13,854</b>	<b>13,330</b>	<b>(524)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	11,112	12,180	11,873	(307)	2
Finance costs	1,002	871	961	90	
Internal charges and overheads applied	160	(15)	(68)	(53)	
Other operating funding applications	5	-	5	5	
<b>Total applications of operating funding (B)</b>	<b>12,279</b>	<b>13,036</b>	<b>12,771</b>	<b>(265)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>565</b>	<b>818</b>	<b>559</b>	<b>(259)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	91	-	67	67	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>91</b>	<b>-</b>	<b>67</b>	<b>67</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	91	-	67	67	
- to replace existing assets	963	7,315	709	(6,606)	3
Increase (decrease) in reserves	(398)	(6,497)	(150)	6,347	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>656</b>	<b>818</b>	<b>626</b>	<b>(192)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(565)</b>	<b>(818)</b>	<b>(559)</b>	<b>259</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>					
	565	818	435	(383)	

\* Includes only metered water rates where applicable

**Notes:**

1. The required usage of the Landfill Levy Reserve, which is used to help offset operating costs, was increased after its utilisation was re-assessed.
2. Contract negotiations for several waste and recycling services has delivered lower operating costs than anticipated in the 2012–22 Long-term Plan.
3. An extended resource consent process has resulted in a delay to the Southern Landfill Stage 4 extension. The capital programme was re-aligned to project expectations as part of the 2013/14 Annual Plan.

**FUNDING IMPACT STATEMENT  
FOR WATER**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	
Targeted rates (other than a targeted rate for water supply)	24,804	26,902	25,408	(1,494)	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	13,366	12,856	13,912	1,056	1
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>38,170</b>	<b>39,758</b>	<b>39,320</b>	<b>(438)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	21,373	21,298	21,547	249	2
Finance costs	-	-	-	-	
Internal charges and overheads applied	3,616	4,260	3,626	(634)	
Other operating funding applications	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>24,989</b>	<b>25,558</b>	<b>25,173</b>	<b>(385)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>13,181</b>	<b>14,200</b>	<b>14,147</b>	<b>(53)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	1,231	1,231	671	(560)	
Increase (decrease) in debt	988	3,947	2,520	(1,427)	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>2,219</b>	<b>5,178</b>	<b>3,191</b>	<b>(1,987)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	274	399	358	(41)	
- to improve the level of service	1,945	4,779	2,833	(1,946)	3
- to replace existing assets	9,962	11,000	9,104	(1,896)	3
Increase (decrease) in reserves	3,219	3,200	5,043	1,843	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>15,400</b>	<b>19,378</b>	<b>17,338</b>	<b>(2,040)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(13,181)</b>	<b>(14,200)</b>	<b>(14,147)</b>	<b>53</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following</b>					
<b>depreciation/amortisation charge</b>	13,744	14,808	14,739	(69)	

\* Includes only metered water rates where applicable

**Notes:**

1. Water rates revenue was increased by 4 percent in 2013/14 and again by 4 percent in 2014/15. In the 2012–22 Long-term Plan water rates were held at 2012/13 levels for the duration of the Plan.

2. Reactive maintenance budgets were increased as part of the 2013/14 Annual Plan. This increase has been partially offset by lower bulk water costs than budgeted in the 2012–22 Long-term Plan.

3. The Prince of Wales Reservoir has been deferred to the 2015–25 Long-term Plan, while alternatives are being assessed.

**FUNDING IMPACT STATEMENT  
FOR WASTEWATER**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	
Targeted rates (other than a targeted rate for water supply)	35,370	36,676	36,257	(419)	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	1,210	1,328	1,227	(101)	
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>36,580</b>	<b>38,004</b>	<b>37,484</b>	<b>(520)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	20,715	19,017	21,070	2,053	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	7,223	9,378	7,118	(2,260)	
Other operating funding applications	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>27,938</b>	<b>28,395</b>	<b>28,188</b>	<b>(207)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>8,642</b>	<b>9,609</b>	<b>9,296</b>	<b>(313)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	1,007	1,007	549	(458)	
Increase (decrease) in debt	(822)	(797)	(377)	420	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>185</b>	<b>210</b>	<b>172</b>	<b>(38)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	185	210	172	(38)	
- to improve the level of service	-	-	-	-	
- to replace existing assets	7,226	8,185	7,573	(612)	2
Increase (decrease) in reserves	1,416	1,424	1,723	299	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>8,827</b>	<b>9,819</b>	<b>9,468</b>	<b>(351)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(8,642)</b>	<b>(9,609)</b>	<b>(9,296)</b>	<b>313</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following</b>					
<b>depreciation/amortisation charge</b>	12,538	14,156	13,416	(740)	

\* Includes only metered water rates where applicable

**Notes:**

1. Budgets for Network and pump station maintenance were increased as part of the 2013/14 Annual Plan. Treatment plant operational costs are higher than anticipated in the 2012–22 Long-term Plan primarily due to movements in electricity costs.

2. The variance is due in large part to the availability and use of improved asset information and asset management systems.

**FUNDING IMPACT STATEMENT  
FOR STORMWATER**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	
Targeted rates (other than a targeted rate for water supply)	18,089	18,757	18,648	(109)	
Subsidies and grants for operating purposes	40	42	120	78	
Fees, charges, and targeted rates for water supply *	9	9	9	-	
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>18,138</b>	<b>18,808</b>	<b>18,777</b>	<b>(31)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	7,486	5,223	7,432	2,209	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	4,212	6,579	4,348	(2,231)	
Other operating funding applications	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>11,698</b>	<b>11,802</b>	<b>11,780</b>	<b>(22)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,440</b>	<b>7,006</b>	<b>6,997</b>	<b>(9)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	107	107	58	(49)	
Increase (decrease) in debt	(7)	8	499	491	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>100</b>	<b>115</b>	<b>557</b>	<b>442</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	100	115	106	(9)	
- to improve the level of service	-	-	451	451	2
- to replace existing assets	3,912	4,498	3,697	(801)	2
Increase (decrease) in reserves	2,528	2,508	3,300	792	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>6,540</b>	<b>7,121</b>	<b>7,554</b>	<b>433</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,440)</b>	<b>(7,006)</b>	<b>(6,997)</b>	<b>9</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>6,440</b>	<b>7,006</b>	<b>6,997</b>	<b>(9)</b>	

\* Includes only metered water rates where applicable

**Notes:**

1. Budgets for Network and pump station maintenance were increased as part of the 2013/14 Annual Plan. Rates costs have also increased as a result of the 2012/13 rates valuation process.

2. A review of Stormwater renewals has resulted in a reclassification of capital expenditure splits between level of service and replacement of existing assets. Lower inflation on capital related costs has been budgeted than in the 2012-22 Long-term Plan. Part of the variance is due to the enhancement of asset management planning systems and improved asset information.

**FUNDING IMPACT STATEMENT  
FOR CONSERVATION ATTRACTIONS**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	5,779	5,839	6,126	287	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	-	-	-	-	
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>5,779</b>	<b>5,839</b>	<b>6,126</b>	<b>287</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	127	145	138	(7)	
Finance costs	-	-	-	-	
Internal charges and overheads applied	976	1,064	1,019	(45)	
Other operating funding applications	3,590	3,499	3,632	133	
<b>Total applications of operating funding (B)</b>	<b>4,693</b>	<b>4,708</b>	<b>4,789</b>	<b>81</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,086</b>	<b>1,131</b>	<b>1,337</b>	<b>206</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	412	133	129	(4)	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	1,239	400	387	(13)	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>1,651</b>	<b>533</b>	<b>516</b>	<b>(17)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	1,651	533	516	(17)	
- to replace existing assets	241	279	278	(1)	
Increase (decrease) in reserves	845	852	1,059	207	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>2,737</b>	<b>1,664</b>	<b>1,853</b>	<b>189</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,086)</b>	<b>(1,131)</b>	<b>(1,337)</b>	<b>(206)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>1,086</b>	<b>1,131</b>	<b>1,337</b>	<b>206</b>	

\* Includes only metered water rates where applicable

**Notes:**

**FUNDING IMPACT STATEMENT  
FOR CITY PROMOTIONS AND BUSINESS SUPPORT**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	4,311	4,997	5,207	210	
Targeted rates (other than a targeted rate for water supply)	14,583	14,804	15,012	208	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	186	-	14,035	14,035	
Interest and dividends from investments	50	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>19,130</b>	<b>19,801</b>	<b>34,254</b>	<b>14,453</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	7,160	5,639	26,079	20,440	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	2,874	2,638	2,558	(80)	
Other operating funding applications	7,523	9,160	7,553	(1,607)	2
<b>Total applications of operating funding (B)</b>	<b>17,557</b>	<b>17,437</b>	<b>36,190</b>	<b>18,753</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,573</b>	<b>2,364</b>	<b>(1,936)</b>	<b>(4,300)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	-	-	-	-	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	-	-	-	-	
- to replace existing assets	765	1,186	1,341	155	
Increase (decrease) in reserves	808	1,178	(3,277)	(4,455)	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>1,573</b>	<b>2,364</b>	<b>(1,936)</b>	<b>(4,300)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,573)</b>	<b>(2,364)</b>	<b>1,936</b>	<b>4,300</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following</b>					
<b>depreciation/amortisation charge</b>	1,573	2,364	1,618	(746)	

\* Includes only metered water rates where applicable

**Notes:**

1. Funding has been included for the Economic Development Fund established as part of the 2013/14 Annual Plan, a refocusing of resources towards Economic development and funding for the Under 20 FIFA World Cup has been brought forward from 2015/16 as the event will be held earlier than the original start date. Funding for the Regional Amenities Fund has been reallocated to the Economic Development Fund. Costs have been reviewed and some reclassified from 'Other operating funding applications' to 'Payments to staff and suppliers'.

2. Reductions in funding for Positively Wellington Tourism were approved in the 2013/14 Annual Plan. Further reductions have been made and some costs have also been reviewed and reclassified from 'Other operating funding applications' to 'Payments to staff and suppliers'.

**FUNDING IMPACT STATEMENT  
FOR ARTS AND CULTURE ACTIVITIES**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	11,132	12,778	11,947	(831)	
Targeted rates (other than a targeted rate for water supply)	5,216	5,095	5,243	148	
Subsidies and grants for operating purposes	402	443	430	(13)	
Fees, charges, and targeted rates for water supply *	611	664	583	(81)	
Interest and dividends from investments	341	170	72	(98)	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>17,702</b>	<b>19,150</b>	<b>18,275</b>	<b>(875)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	3,219	3,359	3,510	151	
Finance costs	-	-	-	-	
Internal charges and overheads applied	1,150	1,847	1,260	(587)	
Other operating funding applications	12,484	13,139	12,680	(459)	1
<b>Total applications of operating funding (B)</b>	<b>16,853</b>	<b>18,345</b>	<b>17,450</b>	<b>(895)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>849</b>	<b>805</b>	<b>825</b>	<b>20</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	25	25	26	1	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>1</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	25	25	26	1	
- to replace existing assets	1	2	1	(1)	
Increase (decrease) in reserves	848	803	824	21	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>874</b>	<b>830</b>	<b>851</b>	<b>21</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(849)</b>	<b>(805)</b>	<b>(825)</b>	<b>(20)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>849</b>	<b>805</b>	<b>825</b>	<b>20</b>	

\* Includes only metered water rates where applicable

**Notes:**

1. Increased grant funding for the Wellington Museums Trust and an increase in funding for Wellington Orchestra that was approved as part of the 2013/14 Annual Plan. Funding for the Regional Amenities Fund reallocated to the Economic Development Fund.

**FUNDING IMPACT STATEMENT  
FOR RECREATION PROMOTION AND SUPPORT**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	24,661	24,478	24,001	(477)	
Targeted rates (other than a targeted rate for water supply)	776	883	1,039	156	
Subsidies and grants for operating purposes	396	120	398	278	
Fees, charges, and targeted rates for water supply *	11,353	12,267	11,483	(784)	1
Interest and dividends from investments	1,005	1,074	1,051	(23)	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>38,191</b>	<b>38,822</b>	<b>37,972</b>	<b>(850)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	17,116	17,418	16,950	(468)	2
Finance costs	-	-	-	-	
Internal charges and overheads applied	13,672	13,738	13,136	(602)	
Other operating funding applications	400	400	650	250	3
<b>Total applications of operating funding (B)</b>	<b>31,188</b>	<b>31,556</b>	<b>30,736</b>	<b>(820)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>7,003</b>	<b>7,266</b>	<b>7,236</b>	<b>(30)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	466	466	-	(466)	
Increase (decrease) in debt	1,469	1,757	457	(1,300)	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>1,935</b>	<b>2,223</b>	<b>457</b>	<b>(1,766)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	871	908	123	(785)	4
- to improve the level of service	1,064	849	334	(515)	4
- to replace existing assets	2,902	2,851	2,564	(287)	5
Increase (decrease) in reserves	4,101	4,881	4,672	(209)	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>8,938</b>	<b>9,489</b>	<b>7,693</b>	<b>(1,796)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(7,003)</b>	<b>(7,266)</b>	<b>(7,236)</b>	<b>30</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Expenses for this activity grouping include the following  
depreciation/amortisation charge

7,091	7,355	7,324	(31)
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\* Includes only metered water rates where applicable

**Notes:**

1. Reduction in revenue forecast from swimming pools. This reflects current trends and a change in the timing of the closure for the Keith Spry Pool upgrade.
2. Reductions in swimming pool operating expenditure due to a change in the timing of the closure for the Keith Spry Pool upgrade.
3. Increased grant funding for the Basin Reserve Trust for increased ground maintenance costs.
4. The new artificial sportsfield planned for the Tawa/Grenada area has been deferred.
5. Some sportsfields capital expenditure has been reclassified more accurately as upgrade funding.

**FUNDING IMPACT STATEMENT  
FOR COMMUNITY SUPPORT**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	22,293	22,978	21,755	(1,223)	
Targeted rates (other than a targeted rate for water supply)	4,245	4,665	4,179	(486)	
Subsidies and grants for operating purposes	1,023	1,082	1,296	214	
Fees, charges, and targeted rates for water supply *	20,635	18,937	22,057	3,120	1
Interest and dividends from investments	1,363	1,289	1,287	(2)	
Local authorities fuel tax, fines, infringement fees, and other receipts	851	904	659	(245)	
<b>Total operating funding (A)</b>	<b>50,410</b>	<b>49,855</b>	<b>51,233</b>	<b>1,378</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	24,926	26,315	26,166	(149)	
Finance costs	-	-	-	-	
Internal charges and overheads applied	11,814	10,824	9,685	(1,139)	
Other operating funding applications	3,574	3,162	3,160	(2)	
<b>Total applications of operating funding (B)</b>	<b>40,314</b>	<b>40,301</b>	<b>39,011</b>	<b>(1,290)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>10,096</b>	<b>9,554</b>	<b>12,222</b>	<b>2,668</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	30,739	27,705	32,036	4,331	
Development and financial contributions	88	88	-	(88)	
Increase (decrease) in debt	(88)	(89)	250	339	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>30,739</b>	<b>27,704</b>	<b>32,286</b>	<b>4,582</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	25,694	27,730	32,284	4,554	2
- to replace existing assets	7,031	7,909	6,915	(994)	3
Increase (decrease) in reserves	8,110	1,619	5,309	3,690	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>40,835</b>	<b>37,258</b>	<b>44,508</b>	<b>7,250</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(10,096)</b>	<b>(9,554)</b>	<b>(12,222)</b>	<b>(2,668)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>					
	13,707	13,174	15,730	2,556	

\* Includes only metered water rates where applicable

**Notes:**

1. Increased forecast revenue from housing operations.

2. The timing of the Housing Upgrade Project has been revised. Johnsonville library funding brought forward from 2015/16

3. The renewal of the Library operating system has been deferred by one year. This has been partly offset by an increase in the cost of renewing Council Housing assets. Part of the variance is due to the enhancement of asset management planning systems and improved asset information.

**FUNDING IMPACT STATEMENT  
FOR PUBLIC HEALTH AND SAFETY**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	7,713	9,023	8,266	(757)	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	10	11	25	14	
Fees, charges, and targeted rates for water supply *	3,436	3,487	3,962	475	1
Interest and dividends from investments	668	698	676	(22)	
Local authorities fuel tax, fines, infringement fees, and other receipts	48	61	52	(9)	
<b>Total operating funding (A)</b>	<b>11,875</b>	<b>13,280</b>	<b>12,981</b>	<b>(299)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	7,860	7,877	8,284	407	2
Finance costs	-	-	-	-	
Internal charges and overheads applied	3,362	4,703	4,056	(647)	
Other operating funding applications	29	26	129	103	
<b>Total applications of operating funding (B)</b>	<b>11,251</b>	<b>12,606</b>	<b>12,469</b>	<b>(137)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>624</b>	<b>674</b>	<b>512</b>	<b>(162)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	424	-	(424)	
Development and financial contributions	15	15	-	(15)	
Increase (decrease) in debt	95	(232)	206	438	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>110</b>	<b>207</b>	<b>206</b>	<b>(1)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	24	25	-	(25)	
- to improve the level of service	86	182	206	24	
- to replace existing assets	606	728	1,104	376	3
Increase (decrease) in reserves	18	(54)	(592)	(538)	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>734</b>	<b>881</b>	<b>718</b>	<b>(163)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(624)</b>	<b>(674)</b>	<b>(512)</b>	<b>162</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>639</b>	<b>680</b>	<b>527</b>	<b>(153)</b>	

\* Includes only metered water rates where applicable

**Notes:**

1. Increased income from liquor licensing due to fee increases and extra fees for the new District Licensing Committees following legislative changes in the Sale and Supply of Alcohol Act 2012 (Act).

2. Liquor licensing operating costs have increased due to the establishment of District Licensing Committees following legislative changes in the Sale and Supply of Alcohol Act 2012 (Act).

3. Council agreed to provide public toilets in the planned new Lyall Bay Surf Club building. This funding was agreed for 2013/14 in the 2012-22 Long-term Plan however it has been deferred till 2014/15 due to project delays.

**FUNDING IMPACT STATEMENT  
FOR URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	7,254	6,927	7,098	171	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	20	21	3,922	3,901	
Interest and dividends from investments	-	-	310	310	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>7,274</b>	<b>6,948</b>	<b>11,330</b>	<b>4,382</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2,029	2,005	7,775	5,770	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	3,707	3,487	3,613	126	
Other operating funding applications	1,526	1,455	490	(965)	1
<b>Total applications of operating funding (B)</b>	<b>7,262</b>	<b>6,947</b>	<b>11,878</b>	<b>4,931</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>12</b>	<b>1</b>	<b>(548)</b>	<b>(549)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	3,739	638	1,429	791	
Gross proceeds from sales of assets	15,075	15,075	2,050	(13,025)	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>18,814</b>	<b>15,713</b>	<b>3,479</b>	<b>(12,234)</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	3,739	638	1,429	791	2
- to replace existing assets	9,114	10,936	3,267	(7,669)	3
Increase (decrease) in reserves	5,973	4,140	(1,765)	(5,905)	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>18,826</b>	<b>15,714</b>	<b>2,931</b>	<b>(12,783)</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(12)</b>	<b>(1)</b>	<b>548</b>	<b>549</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following</b>					
<b>depreciation/amortisation charge</b>	12	1	4,305	4,304	

\* Includes only metered water rates where applicable

**Notes:**

- Wellington Waterfront Operations are no longer funded through a grant. The operating costs are now shown as payments to staff and suppliers.
- Lombard Lane funding included in the 2014/15 Annual Plan, subject to associated private development taking place.
- Wellington Waterfront Limited capital programme rescheduling as part of the 2013/14 Annual Plan moved capital expenditure from 2014/15 into 2013/14.

**FUNDING IMPACT STATEMENT  
FOR BUILDING AND DEVELOPMENT CONTROL**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	8,857	8,329	7,319	(1,010)	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	11,425	11,258	12,655	1,397	1
Interest and dividends from investments	423	94	224	130	
Local authorities fuel tax, fines, infringement fees, and other receipts	29	58	24	(34)	
<b>Total operating funding (A)</b>	<b>20,734</b>	<b>19,739</b>	<b>20,222</b>	<b>483</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	12,135	11,062	12,991	1,929	2
Finance costs	-	-	-	-	
Internal charges and overheads applied	8,407	8,616	6,971	(1,645)	
Other operating funding applications	35	37	135	98	
<b>Total applications of operating funding (B)</b>	<b>20,577</b>	<b>19,715</b>	<b>20,097</b>	<b>382</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>157</b>	<b>24</b>	<b>125</b>	<b>101</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	13,234	14,454	17,651	3,197	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>13,234</b>	<b>14,454</b>	<b>17,651</b>	<b>3,197</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	13,234	14,454	17,651	3,197	3
- to replace existing assets	-	-	-	-	
Increase (decrease) in reserves	157	24	125	101	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>13,391</b>	<b>14,478</b>	<b>17,776</b>	<b>3,298</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(157)</b>	<b>(24)</b>	<b>(125)</b>	<b>(101)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Expenses for this activity grouping include the following  
depreciation/amortisation charge

157                      24                      125                      101

\* Includes only metered water rates where applicable

**Notes:**

1. Includes additional revenue associated with the signing of a contract to provide building consenting services to the Christchurch City Council that was not in place at the time of the 2012–22 Long-term Plan.

2. There are increased building compliance and consent costs associated with the Christchurch City Council contract and increased earthquake strengthening costs in this activity. Some of these costs were previously classified as corporate costs as part of the 2012–22 Long-term Plan.

3. The programme to earthquake strengthening the Council's prone buildings has changed since the setting of the 2012–22 Long-term Plan. The programme includes the large project to strengthen the Town Hall.

**FUNDING IMPACT STATEMENT  
FOR TRANSPORT**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	27,924	32,565	29,503	(3,062)	
Targeted rates (other than a targeted rate for water supply)	33	33	33	-	
Subsidies and grants for operating purposes	4,667	4,465	4,774	309	
Fees, charges, and targeted rates for water supply *	2,100	2,246	2,100	(146)	
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	
<b>Total operating funding (A)</b>	<b>34,724</b>	<b>39,309</b>	<b>36,410</b>	<b>(2,899)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	11,852	13,165	12,530	(635)	1
Finance costs	-	-	-	-	
Internal charges and overheads applied	10,999	11,603	10,559	(1,044)	
Other operating funding applications	10	-	10	10	
<b>Total applications of operating funding (B)</b>	<b>22,861</b>	<b>24,768</b>	<b>23,099</b>	<b>(1,669)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>11,863</b>	<b>14,541</b>	<b>13,311</b>	<b>(1,230)</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	10,264	10,884	10,590	(294)	
Development and financial contributions	987	987	539	(448)	
Increase (decrease) in debt	3,000	6,589	9,418	2,829	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>14,251</b>	<b>18,460</b>	<b>20,547</b>	<b>2,087</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	127	2,247	1,765	(482)	2
- to improve the level of service	6,406	8,531	10,968	2,437	2
- to replace existing assets	24,786	26,224	24,979	(1,245)	3
Increase (decrease) in reserves	(5,205)	(4,001)	(3,854)	147	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>26,114</b>	<b>33,001</b>	<b>33,858</b>	<b>857</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(11,863)</b>	<b>(14,541)</b>	<b>(13,311)</b>	<b>1,230</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following</b>					
<b>depreciation/amortisation charge</b>	20,461	22,939	22,285	(654)	

\* Includes only metered water rates where applicable

**Notes:**

1. A Rooding Corridor contract signed as part of the 2013/14 Annual Plan delivered savings for existing service levels, this has resulted in lower costs in the 2014/15 Annual Plan.

2. Increased capital funding for cycleways has been included in the 2014/15 Annual Plan, along with increased funding for Rural Rooding Improvements and a reduction in the funding required to complete the Johnsville rooding upgrade.

3. A Rooding Corridor contract signed as part of the 2013/14 Annual Plan delivered savings for existing service levels, and has resulted in lower asset renewal costs in the 2014/15 Annual Plan. Part of the variance is due to the enhancement of asset management planning systems and improved asset information.

**FUNDING IMPACT STATEMENT  
FOR PARKING**

	2013/14 AP \$000	2014/15 per LTP \$000	2014/15 AP \$000	Variance to LTP \$000	Notes
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	(15,638)	(16,842)	(14,086)	2,756	
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	
Subsidies and grants for operating purposes	-	-	-	-	
Fees, charges, and targeted rates for water supply *	17,992	19,044	18,316	(728)	1
Interest and dividends from investments	-	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	8,800	10,451	7,706	(2,745)	2
<b>Total operating funding (A)</b>	<b>11,154</b>	<b>12,653</b>	<b>11,936</b>	<b>(717)</b>	
<b>Applications of operating funding</b>					
Payments to staff and suppliers	10,071	12,048	9,850	(2,198)	3
Finance costs	-	-	-	-	
Internal charges and overheads applied	566	626	1,610	984	
Other operating funding applications	-	-	1	1	
<b>Total applications of operating funding (B)</b>	<b>10,637</b>	<b>12,674</b>	<b>11,461</b>	<b>(1,213)</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>517</b>	<b>(21)</b>	<b>475</b>	<b>496</b>	
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase (decrease) in debt	1	-	30	30	
Gross proceeds from sales of assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>1</b>	<b>-</b>	<b>30</b>	<b>30</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	
- to improve the level of service	1	-	30	30	
- to replace existing assets	-	-	150	150	
Increase (decrease) in reserves	517	(21)	325	346	
Increase (decrease) in investments	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>518</b>	<b>(21)</b>	<b>505</b>	<b>526</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(517)</b>	<b>21</b>	<b>(475)</b>	<b>(496)</b>	
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>	<b>517</b>	<b>435</b>	<b>475</b>	<b>40</b>	

\* Includes only metered water rates where applicable

**Notes:**

1. Reduced revenue forecast from parking fees.
2. Reduced revenue forecast from parking enforcement.
3. Reduction in transaction based parking costs as a result of lower revenue forecast and savings in parking enforcement costs.

**INDICATIVE FUNDING IMPACT STATEMENT (EXCLUDING GST) - THIS STATEMENT IS SUBJECT TO CHANGE**

RATE	CATEGORY	FACTOR	DIFFERENTIAL CHARGE TYPE	RATES YIELD	
				TOTAL VALUE OF FACTOR*	GST EXCLUSIVE (\$000s)
General rate	Base (Residential)	Capital Value	Base differential use	\$36,254,858,000	\$73,093
	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business use	\$10,816,313,000	\$60,843
<b>TOTAL</b>					<b>\$133,936</b>
Sewerage targeted rate	Base (Residential)	Fixed amount / rating unit	Base differential use per connection status	66388 properties	\$7,077
		Capital Value	Base differential use per connection status	\$38,442,355,000	\$15,020
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business use per connection status	\$9,192,369,000	\$14,160
<b>TOTAL</b>					<b>\$36,257</b>
Water targeted rate	Base (Residential) (without water meter)	Fixed amount / rating unit	Base differential use per connection status without a water meter	58951 properties	\$8,118
		Capital Value	Base differential use per connection status without a water meter	\$31,320,761,000	\$14,925
	Base (Residential) (with water meter)	Consumption unit charge	Base differential use per connection status with a water meter	n/a	\$452
		Fixed amount / rating unit	Base differential use per connection status with a water meter	n/a	\$78
	Commercial, Industrial & Business (without water meter)	Capital Value	Commercial, industrial and business use per connection status without a water meter	\$614,111,000	\$2,366
	Commercial, Industrial & Business (with water meter)	Consumption unit charge	Commercial, industrial and business use per connection status with a water meter	n/a	\$13,000
Fixed amount / rating unit		Commercial, industrial and business use per connection status with a water meter	n/a	\$348	
<b>TOTAL</b>					<b>\$39,288</b>
Stormwater targeted rate	Base (Residential excluding rural)	Capital Value	Base differential use (excluding rural)	\$35,761,145,000	\$14,452
	Commercial, Industrial & Business (excluding rural)	Capital Value	Commercial, industrial and business use (excluding rural)	\$9,573,045,000	\$4,196
<b>TOTAL</b>					<b>\$18,648</b>
Base sector targeted rate	Base (Residential)	Capital Value	Residential use	\$36,313,106,000	\$6,902
Commercial sector targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business use	\$10,806,313,000	\$5,028
Downtown levy targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business use located in the downtown area	\$7,320,487,000	\$14,079
Tawa driveways levy targeted rate	Base (Residential)	Fixed amount / rating unit	Shared residential access driveways in maintained by Council in the suburb of Tawa (extent of provision of service)	251 properties	\$33
Marsden Village levy targeted rate	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business use located in Marsden shopping village area	\$11,905,000	\$14
Miramar Business Improvement District targeted rate	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business use located in the Miramar Business Improvement District area	130 properties	\$47
		Capital Value over \$1,000,000 per rating unit	Commercial, industrial & business use located in the Miramar Business Improvement District area for all capital value over \$1,000,000 CV per rating unit	\$90,990,000	\$33
<b>TOTAL</b>					<b>\$80</b>
<b>TOTAL RATES REQUIREMENT (excluding GST)</b>					<b>\$254,266</b>

**Note:** When rates for 2014/15 are assessed, GST will be applied to the final rates. The total rates requirement includes rates remissions, but excludes rates penalties which are budgeted separately.

\*The Capital Value and number of properties are provisional and subject to change. These will be confirmed in the Rates Resolution paper to Council on 18 June 2014

# FUNDING IMPACT STATEMENT

## — RATING MECHANISMS

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### RATES

Rates are assessed under the Local Government (Rating) Act 2002 (the Act) on all rateable rating units in the Rating Information Database. Where rates are based on value, the capital value of the property as assessed by Quotable Value New Zealand Limited will apply. The latest city-wide revaluation was carried out as at 1 September 2012. This revaluation remains effective for the 2014/15 rating year, except where subsequent maintenance valuations have been required under valuation rules or the Council's rating policies.

Policy objective:

- To provide the Council with adequate income to carry out its mission and objectives.
- To support the Council's achievement of its strategic objectives.
- To be simply administered, easily understood, allow for consistent application and generate minimal compliance costs.
- To spread the incidence of rates as equitably as possible by balancing the level of service provided by the Council with ability to pay and the incidence of costs in relation to benefits received.
- To be neutral in that it does not encourage people to redirect activity in order to avoid its impact.
- To reflect the decisions of the Council's policies and rating reviews.

### GENERAL RATES

General rates are set under section 13 of the Act on all rateable rating units in the City of Wellington.

The Council proposes to set a general rate based on the capital value of each rating unit within the city.

The general rate will be set on a differential basis, based on land use. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following rating differentials.

### DIFFERENTIAL RATING CATEGORIES

#### Non-Rateable

Includes any land referred to in Part 1, Schedule 1 of the Act. This land is non-rateable with the exception of targeted rates for sewerage and water where rates are applicable.

#### 50 Percent Non-Rateable

Includes all land referred to in Part 2, Schedule 1 of the Act. This land is 50 percent non-rateable in respect of the rates that would have applied had the property not been classified

as non-rateable, with the exception of targeted rates for sewerage and water for which the land is fully rateable.

### **Base Differential**

This includes:

- a. Separately rateable land used solely for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged
- b. Vacant land zoned residential
- c. Rural land (including farmland and lifestyle blocks) under the District Plan that is administered by the Council, but excluding any rating unit that is used for rural industrial purposes
- d. Separately-rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation or community purposes and that does not generate any private pecuniary profit.

This category has a general rate differential rating factor of 1.0.

### **Commercial, Industrial and Business Differential**

This includes:

- a. Separately-rateable land used for a commercial or industrial purpose
- b. Vacant land zoned commercial, industrial or rural industrial under the District Plan administered by the Council
- c. Land used for offices, administrative and/or associated functions
- d. Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay accommodation
- e. Business-related premises used principally for private pecuniary benefit
- f. Utility networks
- g. Any property not otherwise categorised within the Base Differential.

This category has a general rate differential rating factor of 2.8.

### **Annual Uniform General Charge**

The Council does not assess a uniform annual general charge.

### **Differential Rating Category Conditions**

Differential rating 2.8:1 Commercial:Base

- The differential apportionment for the commercial, industrial and business sector is 2.8 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential. No changes are proposed to the differential apportionment in 2014/15.
- The separated parts of a rating unit will be differentially rated where a part of the property is non-rateable or the property fits under one or more rating differential and either:

- a) The total capital value of the rating unit is above \$800,000 or
- b) Minority use(s) account for more than 30 percent of the total capital value of the rating unit.

In any other case, the General rate differential is determined by principal use.

- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:
  - a) The time at which the Council gives final approval of the completed works, or
  - b) The property is deemed (by the Council) to be available for its intended use.

In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.

- The rating differential classification of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential classification during a rating year will apply from 1 July of the following rating year.
- Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate General rate differential classifications and the non-rateability applied to that rate.

## **TARGETED RATES**

Targeted rates are set under section 16 of the Act.

The Council has not adopted any lump sum contribution schemes under part 4A of the Act in respect of its targeted rates.

### **Sewerage Rate**

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy. This rate pays for the cost of the provision of the sewerage treatment facilities for the city.

For the purposes of these rates the sewerage collection and disposal service is treated as being provided if the rating unit is connected to a public sewerage drain (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Act.

The targeted Sewerage rate is calculated as follows:

*For rating units incorporated in the Commercial, Industrial and Business differential:*

A rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 40 percent of the required rates funding, after having deducted the total dollar amount budgeted to be collected through Trade Waste Charges (excluding consent fees).

*For rating units incorporated in the Base differential:*

A fixed amount per annum per connection status plus a rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 60 percent of the required rate funding.

### **Water Rate**

A targeted rate for water is to be apportioned with the aim of achieving a 60 percent:40 percent split between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate pays for water collection and treatment facilities, the water distribution network and water conservation for the city.

This rate is set on all rating units serviced by a water connection.

For the purposes of these rates, the water service is treated as being provided if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatorily non-rateable or 50 percent non-rateable under Schedule 1 or 2 of the Act.

The targeted Water rate is calculated as follows:

*For rating units incorporated in the Commercial, Industrial and Business differential, either:*

a) A consumption unit rate per cubic metre of water used by all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per connection status.

Or

b) A rate per dollar of capital value on all rating units connected to the public water supply, without a water meter installed.

*For rating units rated incorporated in the Base differential, either:*

a) A consumption unit rate per cubic metre of water used by all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per connection status.

Or

b) A fixed amount per rating unit plus a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed, to collect the required Base differential contribution.

### **Stormwater Network Rate**

A targeted stormwater rate is to be apportioned 77.5 percent to the non-rural rating units incorporated under the Base differential and 22.5 percent to the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy. This rate pays for the cost of the provision of the stormwater collection/disposal network for the city.

Properties classified as rural under the Council's District Plan are excluded from the liability of this rate.

The targeted Stormwater network rate is calculated as follows:

*For non-rural rating units incorporated in the Commercial, Industrial and Business differential:*

A rate per dollar of capital value to collect 22.5 percent of the required rates funding.

*For non-rural rating units incorporated in the Base differential:*

A rate per dollar of capital value to collect 77.5 percent of the required rates funding.

### **Commercial, Industrial and Business Sector Targeted Rate**

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to the commercial, industrial and business sector and where the activity is not incorporated in other service related targeted rates. This incorporates the following:

- 100 percent of the cost of the events attraction and support activity.

This rate is assessed on all properties incorporated in the commercial, industrial and business sector and is calculated on a rate per dollar of rateable capital value.

### **Base Sector Targeted Rate**

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category (incorporating residential ratepayers). This incorporates the following activities:

- 100 percent of the facilitation of community environmental initiatives, cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 98 percent of the provision of community centres and halls activities.

This rate is assessed on all properties incorporated under the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

### **Downtown Targeted Rate**

This rate pays for tourism promotion and retail support (free weekend parking). It also pays for 70 percent of the visitor attractions activity and 25 percent of galleries and museums activity.

This rate is assessed on all commercial, industrial and business properties in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purpose of this rate, the downtown area refers to the area as described by the Downtown Area map as follows:





### **Miramar Business Improvement District Targeted Rate**

This rate is set by Council to fund the Business Improvement District activities of Enterprise Miramar Peninsula Incorporated.

The category of land for which this rate is set is on all rating units within the Miramar Business Improvement District (see map) which are subject to the “commercial, industrial and business” differential, but excluding any rating unit that is a substation or used by local or central government for a non-business purpose.

Liability for this rate is calculated as a fixed amount per rating unit, plus a rate per dollar of capital value for any capital value over \$1 million per rating unit.



**INDICATIVE RATES\***

The following table shows the indicative residential property rates inclusive of GST for properties without a water meter for 2014/15:

<b>CAPITAL VALUES</b> \$	<b>2014/15 RATES</b> \$	<b>INCREASE OVER 2013/14</b> %
200,000	1,081	2.86%
300,000	1,481	2.80%
400,000	1,881	2.77%
500,000	2,281	2.75%
600,000	2,680	2.74%
700,000	3,080	2.73%
800,000	3,480	2.72%
900,000	3,880	2.72%

The following table shows the indicative downtown commercial property rates inclusive of GST (for properties with a water meter) for 2014/15. This excludes water by consumption which is charged based on actual usage:

<b>CAPITAL VALUES</b> \$	<b>2014/15 RATES</b> \$	<b>INCREASE OVER 2013/14</b> %
2,250,000	26,136	2.91%

<b>CAPITAL VALUES</b> \$	<b>2014/15 RATES</b> \$	<b>INCREASE OVER 2013/14</b> %
2,500,000	29,009	2.85%
2,750,000	31,882	2.80%
3,000,000	34,755	2.76%
3,250,000	37,627	2.72%
3,500,000	40,500	2.69%
3,750,000	43,373	2.67%
4,000,000	46,154	2.44%

\* Note this these indicative rates are subject to change. These will be updated to reflect the rates resolution to Council on 18 June 2014.

### **RATES REMISSION AND POSTPONEMENT POLICIES**

Refer to the Council Rates Remission and Postponement Policies. Changes to the rates remission policy is proposed on page 114.

## PROSPECTIVE STATEMENT OF COMPREHENSIVE FINANCIAL PERFORMANCE

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
<b>INCOME</b>					
Revenue from rates (excluding metered water)	233,561	244,025	241,387	(2,638)	1
Revenue from water by metered	13,333	12,822	13,879	1,057	2
Revenue from development contributions	5,000	5,000	2,000	(3,000)	3
Revenue from grants, subsidies and reimbursements	49,746	46,618	51,090	4,472	4
Revenue from operating activities	101,926	103,031	119,913	16,882	
Investments	19,118	18,455	20,215	1,760	5
Finance revenue	560	562	603	41	
Other revenue	1,120	1,164	1,100	(64)	
<b>TOTAL INCOME</b>	<b>424,364</b>	<b>431,677</b>	<b>450,187</b>	<b>18,510</b>	
<b>EXPENSE</b>					
Finance expense	21,965	25,096	23,041	(2,055)	6
Expenditure on operating activities	274,623	271,688	298,596	26,908	7
Depreciation and amortisation	92,109	101,138	102,165	1,027	
<b>TOTAL EXPENSE</b>	<b>388,697</b>	<b>397,922</b>	<b>423,802</b>	<b>25,880</b>	
<b>NET SURPLUS FOR THE YEAR</b>	<b>35,667</b>	<b>33,755</b>	<b>26,385</b>	<b>(7,370)</b>	<b>8</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Revaluations - fair value movement on property, plant and equipment - net	176,121	76,419	57,073	(19,346)	
Fair value through other comprehensive income	-	-	-	-	
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>176,121</b>	<b>76,419</b>	<b>57,073</b>	<b>(19,346)</b>	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>211,788</b>	<b>110,174</b>	<b>83,458</b>	<b>(26,716)</b>	

### Notes:

- Lower levels of inflation compared to the assumptions used in the 2012–22 Long-term Plan, which has changed the rates increase target and limit
- Reclassification of rates between general rates and water rates
- The expected development contributions income in 2014/15 has been reduced to reflect actual current income and changes to the Development Contributions Policy.
- Changes in the timings for the Crown funding for the housing upgrade programme results in higher 2014/15 revenue.
- Airport dividend forecast at 2012/13 levels, this is higher than the assumption used in the 2012–22 Long-term Plan.
- Forecast interest rates are lower than was forecast in the 2012–22 Long-term Plan for the same period, along with lower than expected debt levels.
- Details of specific changes to operational costs can be found in the Funding Impact Statements. This will outline at an activity level the key changes.

### 8. EXPLANATION OF NET OPERATING SURPLUS

	AP 2014/15 \$000
<b>EXPENDITURE NOT FUNDED UNDER SECTION 100 OF LGA</b>	
NZTA Transport funded projects	(7,860)
General	(4,000)
Moa Point sewerage treatment plant	(3,226)
Decommissioned Living Earth joint venture plant	(235)
Wellington Waterfront Limited Depreciation	(4,294)
<b>TOTAL EXPENDITURE NOT FUNDED UNDER SECTION 100 OF LGA</b>	<b>(19,615)</b>
<b>REVENUE RECEIVED FOR CAPITAL PURPOSES</b>	
NZTA capital funding	11,194
Housing ring-fenced surplus	(3,378)
Housing grant	32,036
Development contributions	2,000
Bequests, trust and other external funding	749
<b>TOTAL REVENUE RECEIVED FOR CAPITAL PURPOSES</b>	<b>42,601</b>
<b>ITEMS FUNDED FROM PRIOR YEAR SURPLUSES</b>	
Wellington Waterfront Limited interest	(559)
Economic Development Fund	(3,554)
<b>TOTAL ITEMS FUNDED FROM PRIOR YEAR SURPLUS</b>	<b>(4,113)</b>
<b>ADDITIONAL ITEMS</b>	
Unrealised fair value adjustment for loans and receivables	
Self-insurance	750
Weathertight Homes funding	6,662
Waste minimisation activity	124
Reserves purchases and development fund	(24)
<b>TOTAL ADDITIONAL ITEMS</b>	<b>7,512</b>
<b>TOTAL SURPLUS</b>	<b>26,385</b>

## PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	2,622	19,641	2,389	(17,252)	1
Derivative financial assets	108	-	409	409	
Trade and other receivables	41,658	38,090	39,556	1,466	
Prepayments	14,211	5,869	15,048	9,179	2
Inventories	866	1,134	875	(259)	
Non-current assets classified as held for sale	-	-	-	-	
<b>Total current assets</b>	<b>59,465</b>	<b>64,734</b>	<b>58,277</b>	<b>(6,457)</b>	
<b>Non-current assets</b>					
Derivative financial assets	949	1,275	3,280	2,005	
Trade and other receivables	12,675	-	-	-	
Other financial assets	8,392	7,918	8,928	1,010	
Intangibles	13,900	13,036	16,743	3,707	
Investment properties	200,474	203,742	205,951	2,209	
Property, plant & equipment	6,768,587	6,985,012	6,974,749	(10,263)	
Investment in subsidiaries	3,809	3,809	3,809	-	
Investment in associates	19,519	19,519	19,519	-	
<b>Total non-current assets</b>	<b>7,028,305</b>	<b>7,234,311</b>	<b>7,232,979</b>	<b>(1,332)</b>	
<b>TOTAL ASSETS</b>	<b>7,087,770</b>	<b>7,299,045</b>	<b>7,291,256</b>	<b>(7,789)</b>	
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Derivative financial liabilities	469	26	404	378	
Trade and other payables	53,217	60,435	57,945	(2,490)	
Revenue in advance	11,889	10,320	11,405	1,085	
Borrowings	129,572	92,067	155,562	63,495	3
Employee benefit liabilities and provisions	6,638	5,694	5,698	4	
Provision for other liabilities	16,797	11,708	17,466	5,758	
<b>Total current liabilities</b>	<b>218,582</b>	<b>180,250</b>	<b>248,480</b>	<b>68,230</b>	
<b>Non-current liabilities</b>					
Derivative financial liabilities	23,812	10,062	12,831	2,769	
Trade and other payables	-	-	-	-	
Revenue in advance	1,649	-	1,474	1,474	
Borrowings	246,063	336,864	248,602	(88,262)	3
Employee benefit liabilities and provisions	27,288	22,196	43,687	21,491	
<b>Total non-current liabilities</b>	<b>298,812</b>	<b>369,122</b>	<b>306,594</b>	<b>(62,528)</b>	
<b>TOTAL LIABILITIES</b>	<b>517,394</b>	<b>549,372</b>	<b>555,073</b>	<b>5,701</b>	
<b>EQUITY</b>					
Accumulated funds and retained earnings	4,985,988	4,974,489	4,992,265	17,776	
Revaluation reserves	1,593,814	1,768,045	1,743,064	(24,981)	4
Hedging reserve	(23,896)	(9,173)	(9,955)	(782)	
Fair value through other comprehensive income reserv	586	316	93	(223)	
Restricted funds	13,884	15,996	10,716	(5,280)	
<b>TOTAL EQUITY</b>	<b>6,570,376</b>	<b>6,749,673</b>	<b>6,736,183</b>	<b>(13,490)</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,087,770</b>	<b>7,299,045</b>	<b>7,291,256</b>	<b>(7,789)</b>	

### Notes:

1. Assumptions on the funds held on deposit changed between the 2012–22 Long-term Plan and the 2014/15 Annual Plan.

2. Higher level of prepayments in the 2014/15 Annual Plan compared to the same period in the 2012–22 Long-term Plan. Key driver is increased insurance prepayment, due to higher premiums and a different payment period.

3. Inclusion of Capital expenditure carryforward assumption in the 2014/15 Annual Plan not included in the 2012–22 Long-term Plan for the same period. The Council is committed to reducing the amount of capital expenditure that is not completed in the year it is planned.

4. Reduction due to changes in assumptions used for asset revaluations and reductions in the capital expenditure programme in 2013/14 and 2014/15.

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
<b>EQUITY - OPENING BALANCES</b>					
Accumulated funds and retained earnings	4,950,327	4,940,735	4,965,881	25,146	1
Revaluation reserves	1,417,693	1,691,626	1,685,991	(5,635)	
Hedging reserve	(23,896)	(9,173)	(9,955)	(782)	
Fair value through other comprehensive income reserve	586	316	93	(223)	
Restricted funds	13,878	15,994	10,715	(5,279)	
<b>TOTAL EQUITY - Opening balance</b>	<b>6,358,588</b>	<b>6,639,498</b>	<b>6,652,725</b>	<b>13,227</b>	
<b>CHANGES IN EQUITY</b>					
<b>Retained earnings</b>					
Net surplus for the year	35,667	33,756	26,385	(7,371)	
Transfer to restricted funds	(32)	(767)	(3,766)	(2,999)	
Transfer from restricted funds	26	765	3,765	3,000	
<b>Hedging reserve</b>					
Share of other comprehensive income	-	-	-	-	
<b>Revaluation reserves</b>					
Share of other comprehensive income	176,121	76,419	57,073	(19,346)	
<b>Restricted Funds</b>					
Transfer to retained earnings	(26)	(765)	(3,765)	(3,000)	
Transfer from retained earnings	32	767	3,766	2,999	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>211,788</b>	<b>110,175</b>	<b>83,458</b>	<b>(26,717)</b>	
<b>EQUITY - CLOSING BALANCES</b>					
Accumulated funds and retained earnings	4,985,988	4,974,489	4,992,265	17,776	
Revaluation reserves	1,593,814	1,768,045	1,743,064	(24,981)	
Fair value through other comprehensive revenue and expense	586	316	93	(223)	
Restricted funds	13,884	15,996	10,716	(5,280)	
Hedging reserve	(23,896)	(9,173)	(9,955)	(782)	
<b>TOTAL EQUITY - Closing balance</b>	<b>6,570,376</b>	<b>6,749,673</b>	<b>6,736,183</b>	<b>(13,490)</b>	

### Notes:

1. Variations in actual opening balance between the 2012–22 Long-term Plan and the opening balance for the 2014/15 Annual Plan.

## PROSPECTIVE STATEMENT OF CASH FLOWS

	AP 2013/14 \$000	LTP 2014/15 \$000	AP 2014/15 \$000	Variance to LTP \$000	Notes
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from rates - Council (excluding metered water)	233,551	244,310	241,387	(2,923)	
Receipts from water rates by meter	13,333	12,822	13,879	1,057	
Receipts from rates - Greater Wellington Regional Council	50,341	-	50,341	50,341	1
Receipts from activities and other income	107,022	108,910	123,013	14,103	
Receipts from grants and subsidies - operating	7,251	6,871	7,715	844	
Receipts from grants and subsidies - capital	42,495	39,747	43,375	3,628	
Receipts from investment property lease rentals	9,220	9,157	9,215	58	
Cash paid to suppliers and employees	(260,882)	(258,451)	(286,780)	(28,329)	
Rates paid to Greater Wellington Regional Council	(50,341)	-	(50,341)	(50,341)	1
Grants paid	(29,389)	(30,232)	(28,719)	1,513	
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>122,601</b>	<b>133,134</b>	<b>123,085</b>	<b>(10,049)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Dividends received	9,898	9,298	11,000	1,702	
Interest received	10	10	44	34	
Proceeds from sale of property, plant and equipment	15,075	-	4,050	4,050	2
Purchase of Intangibles	(3,305)	(7,276)	(8,777)	(1,501)	
Purchase of property, plant and equipment	(154,414)	(137,992)	(155,724)	(17,732)	3
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(132,736)</b>	<b>(135,960)</b>	<b>(149,407)</b>	<b>(13,447)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
New borrowings	29,967	26,934	203,964	177,030	4
Repayment of borrowings	-	-	(155,562)	(155,562)	4
Interest paid on borrowings	(20,866)	(24,108)	(22,080)	2,028	
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>9,101</b>	<b>2,826</b>	<b>26,322</b>	<b>23,496</b>	
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	
Cash and cash equivalents at beginning of year	2,622	19,641	2,389	(17,252)	5
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>2,622</b>	<b>19,641</b>	<b>2,389</b>	<b>(17,252)</b>	

### Notes:

- Wellington City Council collects rates on behalf of GWRC. The 2012–22 Long-term Plan showed cash flows net of this transaction.
- Timings changes in proceeds from Wellington Waterfront Limited and forecasting land sales expectations.
- Changes in the timings of the capital expenditure programme.
- Changes in reporting requirements.
- Variations in actual opening balance between the 2012–22 Long-term Plan and the opening balance for the 2014/15 Annual Plan.

## PROSPECTIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS

	OPENING BALANCE 2014/15 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE 2014/15 \$000	Purpose
<b>SPECIAL RESERVES AND FUNDS</b>					
Reserve purchase and development fund	285	-	-	285	Used to purchase and develop reserve areas within the city.
Early Settlers Memorial Park reserve	-	-	-	-	Used to upgrade and maintain the Bolton Street Cemetery and surrounding park and walkways.
Economic Development Fund	-	3,000	(3,000)	-	
<b>Total special reserves and funds</b>	<b>285</b>	<b>3,000</b>	<b>(3,000)</b>	<b>285</b>	
<b>COUNCIL CREATED RESERVES AND FUNDS</b>					
Self insurance reserve	10,022	750	(750)	10,022	Allows the Council to meet the uninsured portion of insurance claims
Other reserves	-	-	-	-	
<b>Total Council created reserves and funds</b>	<b>10,022</b>	<b>750</b>	<b>(750)</b>	<b>10,022</b>	
<b>TRUSTS AND BEQUESTS</b>					
A Graham Trust	3	-	-	3	For the upkeep of a specific area of Karori Cemetery
A W Newton Bequest					For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	286	14	-	300	
E Pengelly Bequest	6	-	-	6	For the benefit of the public library
F L Irvine Smith Memorial	12	1	-	13	For the purchase of children's books
Greek NZ Memorial Association	6	-	-	6	For the purchase of books for the Khandallah Library For the maintenance and upgrade of the memorial
Kidsarus 2 Donation	5	-	-	5	
Kirkaldie and Stains Donation	3	-	-	3	For the purchase of children's books For the beautification of the BNZ site
QEII Memorial Book Fund	17	-	-	17	
					For the purchase of books on the Commonwealth
Schola Cantorum Trust	21	1	-	22	
Stanley Banks Trust	6	-	-	6	For the purchase of musical scores
Terawhiti Grant	19	-	(15)	4	To be available for bursaries for children of World War II servicemen
W G Morrison Estate	10	-	-	10	To be used on library book purchases
					For development of "green" amenities in the city centre (the Terrace - Gardens)
Wellington Beautifying Society Bequest	-	-	-	-	Used towards "the Greening of Taranaki Street" project
<b>Total trusts and bequests</b>	<b>408</b>	<b>16</b>	<b>(15)</b>	<b>409</b>	
<b>Total restricted funds</b>	<b>10,715</b>	<b>3,766</b>	<b>(3,765)</b>	<b>10,716</b>	

In addition to the above, the Council is proposing to establish a Forest Carbon Reserve Fund on the basis that it will reinvest a share of revenue from the sale of forestry emission units under the New Zealand Emissions Trading Scheme or Permanent Forest Sink Initiative to protect or enhance the Council's forest carbon stocks. Other revenues generated from the sale of emission units or from costs recovered by way of fees and charges in regard to the New Zealand Emissions Trading Scheme will be treated as other revenues received by the Council. We are not anticipating any revenue for this fund in the 2014/15 year.

# SIGNIFICANT ACCOUNTING POLICIES

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## **Reporting entity**

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for community or social benefits rather than making a financial return. Accordingly, for the purposes of financial reporting, as the Council is audited by the Auditor General, it is classed as a Public Sector Public Benefit Entity.

These prospective financial statements are for Wellington City Council (the Council) as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities (subsidiaries), joint ventures and associates have not been prepared.

## **Basis of preparation**

### **Statement of compliance**

Due to ongoing discussions between the Local Government sector and its auditors on the application of certain new PBE standards, no change has been made in these prospective financial statements to reflect the new standards. The accounting policies have been updated to reflect the Council's current interpretation of the new standards but they are subject to amendment. It is anticipated that any changes to the financial statements resulting from the application of the new PBE standards are not expected to be material as they will be principally presentational differences only.

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Sector Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity. The Council is adopting the PBE standards for the first time in the periods presented in these financial statements.

The reporting period for these prospective financial statements is the year ending 30 June 2015. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

## **Measurement base**

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are obtained from the latest relevant BERL<sup>10</sup> forecasts and the discount rate is the Council's forecast long-term cost of borrowing.

## **Judgements and estimations**

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

## **Revenue**

Revenue comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

### **Revenue from exchange transactions**

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

### **Revenue from non-exchange transactions**

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<sup>10</sup> Business and Economic Research Limited

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of Council's revenue is therefore categorised as non-exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific accounting policies for major categories of revenue are outlined below:

### **Rates**

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and are therefore defined as non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

### **Operating activities**

The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

#### *Grants, subsidies and reimbursements*

Grants and subsidies are recognised as revenue immediately except to the extent a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such that the Council has the obligation to return those resources received in the event that the conditions attached are breached. As the Council satisfies the conditions, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.

Reimbursements are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

#### *Development contributions*

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. In the event that the Council is unable to provide the service immediately, or the development contribution is refundable, the Council will recognise an asset and a liability and only recognise revenue as the liability is extinguished.

#### *Rendering of services*

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised.

Within rendering of services the only revenues considered to be exchange revenue are from Parking services (meter fees and permits) and commercial leases of some building assets. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

#### *Fines and penalties*

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

#### *Sale of goods*

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

### **Investment revenues**

#### *Dividends*

Dividends from equity investments, other than those accounted for using equity accounting, are classified as exchange revenue and are recognised when the Council's right to receive payment has been established.

#### *Investment property lease rentals*

Lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

### **Other revenue**

#### *Donated, subsidised or vested assets*

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

#### *Gains*

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

## **Finance revenue**

### *Interest*

Interest revenue is exchange revenue and recognised using the effective interest rate method.

## **Donated services**

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (e.g. beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

## **Expenses**

Specific accounting policies for major categories of expenditure are outlined below:

### **Operating activities**

#### *Grants and sponsorships*

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg cash or physical assets) to another entity in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

### **Finance expense**

#### *Interest*

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

### **Depreciation and amortisation**

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

### **Taxation**

Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

### **Goods and Services Tax (GST)**

All items in the prospective financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

### **Financial instruments**

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

#### **Financial assets**

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of three months or less.

Trade and other receivables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable.

Loans and deposits include loans to other entities (including subsidiaries and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of these receivables.

Financial assets at fair value through other comprehensive revenue and expense relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction

costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

### **Financial liabilities**

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

### **Derivatives**

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit. Where a derivative is used to hedge variability in the fair value of the Council's fixed rate borrowings (fair value hedge), the gain or loss is recognised within surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

### **Inventories**

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Inventories held for resale (such as rubbish bags), are recorded at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business.

Inventories held for distribution at no or nominal cost, are recorded at the lower of cost and current replacement cost.

### **Investment properties**

Investment properties are properties which are held primarily to earn rental revenue or for capital growth or both. These include the Council's ground leases, and certain land and buildings.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

### **Non-current assets classified as held for sale**

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.
- A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

### **Property, plant and equipment**

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Centre complex, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (eg infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these financial statements to the extent their value can be reliably measured.

### **Recognition**

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

### **Measurement**

*Not Final – Subject to Council Decision*

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

#### *Operational assets*

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets*, published by the Treasury Accounting Team, November 2002.

Land and buildings are valued at fair value on a three-year cycle by independent registered valuers.

#### *Restricted assets*

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

#### *Infrastructure assets*

Infrastructure assets (roading network, water, waste and drainage reticulation assets) are valued at optimised depreciated replacement cost on a three-year cycle by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The service concession asset class consists of the Moa Point, Western (Karori) and Carey's Gulley waste water treatment plants which are owned by the Council but operated by Veolia Water under agreement. The assets are valued consistently with waste infrastructure network assets.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

### **Revaluations**

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

### **Impairment**

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

### **Disposal**

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

### **Work in progress**

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

## Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. The estimated useful lives and depreciation rate ranges of the major classes of property, plant and equipment are as follows:

Land	unlimited	not depreciated
Buildings	1 to 100 years	1% to 100%
Civic Centre complex	10 to 100 years	1% to 10%
Plant and equipment	3 to 100 years	1% to 33.3%
Library collections	3 to 11 years	9.1% to 33.3%
Restricted assets (excluding buildings)	unlimited	not depreciated

### Infrastructure assets:

Land (including land under roads)	unlimited	not depreciated
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#### Roading:

Formation/earthworks	unlimited	not depreciated
Pavement	13 to 40 years	2.5% to 7.7%
Traffic islands	80 years	1.25%
Bridges and tunnels	3 to 150 years	0.67% to 33.3%
Drainage	15 to 120 years	0.83% to 6.67%
Retaining walls	30 to 100 years	1% to 3.33%
Pedestrian walkway	10 to 50 years	2% to 10%
Pedestrian furniture	8 to 25 years	4% to 12.5%
Barriers	10 to 110 years	0.91% to 10%
Lighting	10 to 50 years	2% to 10%
Cycleway network	25 to 45 years	2.2% to 4%
Parking equipment	8 to 10 years	10% to 12.5%
Passenger transport facilities	25 years	4%
Traffic infrastructure	3 to 30 years	3.33% to 33.3%

#### Drainage, waste and water:

Pipework	40 to 110 years	0.91% to 2.5%
Fittings	7 to 100 years	1% to 14.29%
Water pump stations	10 to 100 years	1% to 10%

Water reservoirs	40 to 100 years	1% to 2.5%
Equipment	25 years	4%
Sewer pump stations	20 to 80 years	1.25% to 5%
Tunnels	150 years	0.67%
Treatment plants	3 to 100 years	1% to 33.3%

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

### **Intangible assets**

Intangible assets predominantly comprise computer software and carbon credits. They are recorded at cost less any subsequent amortisation and impairment losses.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives and depreciation rate range of these assets are as follows:

Computer software	1 to 7 years	14.29% to 100%
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Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits are recognised at cost at the date of allocation or purchase.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

### **Research and Development**

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

## **LEASES**

### **Operating leases as lessee**

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

### **Operating leases as lessor**

The Group leases investment properties and a portion of land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

### **Finance leases**

Finance leases transfer to the Group (as lessee) substantially all the risks and rewards of ownership of the leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments.

The finance charge is released to surplus or deficit over the lease period and the capitalised values are amortised over the shorter of the lease term and the useful life of the leased item.

## **EMPLOYEE BENEFIT LIABILITIES**

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

### **Holiday leave**

Holiday leave includes: annual leave, long service leave (qualified for), statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

### **Retirement gratuities**

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

### **Other contractual entitlements**

Other contractual entitlements include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

### *Provisions*

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

### **Landfill post-closure costs**

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with

landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council has a 21.5% joint venture interest in the Spicer Valley landfill. The Council's provision for landfill post-closure costs includes the Council's proportionate share of the Spicer Valley landfill provision for post-closure costs.

### **ACC partnership programme**

The Council is an Accredited Employer under the ACC Partnership Programme. As such the Council accepts the management and financial responsibility of our employee work-related injuries. From 1 April 2009 the Council changed its agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, the Council is responsible for managing work related injury claims for a two-year period only and transfer ongoing claims to ACC at the end of the two-year claim management period with no further liability. Under the ACC Partnership Programme the Council is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to work-related injuries occurring up to the end of the reporting period for which the Council has responsibility under the terms of the Partnership Programme.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Council measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Council's best estimate of the obligation or the amount initially recognised less any amortisation.

### *Net Assets/Equity*

Net assets or equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Net assets or equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of net assets or equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

### *Prospective Statement of Cash Flows*

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The prospective statement of cash flows has been prepared using the direct approach subject to

the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and the Group and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

### *Related parties*

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include members of the Group and key management personnel. Key management personnel include the Mayor and Councillors as directors, the Chief Executive and all members of the Executive Leadership Team being key advisors to the directors and Chief Executive.

The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a director during the reporting period. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

### *Cost allocation*

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

### *Comparatives*

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

where classifications have changed between periods;

where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and

where there has been a change of accounting policy.

## **Public Benefit Entity Financial Reporting Standard 42 *Prospective Financial Statements* (PBE FRS 42)**

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

### *(i) Description of the nature of the entity's current operation and its principal activities*

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Annual Plan.

*(ii) Purpose for which the prospective financial statements are prepared*

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

*(iii) Bases for assumptions, risks and uncertainties*

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.

*(iv) Cautionary Note*

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

*(iv) Other Disclosures*

The prospective financial statements were authorised for issue on 7 May 2014 by Wellington City Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

# APPENDICES

**what's your view?**

**Comment online at  
Wellington.govt.nz/2014draftannualplan**

**Email [annual.plan@wcc.govt.nz](mailto:annual.plan@wcc.govt.nz),**

**or send your views to**

**Draft Annual Plan, Wellington City Council,**

**PO Box 2199, Wellington.**

## DEVELOPMENT CONTRIBUTIONS POLICY

Proposed changes to the Development Contributions policy, effective 1 July 2014.

Changes and impacts to section 2.4.2

### Summarised schedule of development contributions with proposed impacts of policy changes

Policy Map Zone	City Wide (\$ per EHU)		Catchment Specific Infrastructure (\$ per EHU)				Total		Impacts of policy change proposed as part of 2014/15 AP			
	Residential	Non-Residential	Water Supply	Waste Water	Transport	Reserves	Residential	Non-Residential	Residential Levy Excluding Community Infrastructure	% Change	Non-Residential Excluding Reserves	% Change
A Roseneath	\$4,377	\$2,723	\$2,360	\$1,185	\$-	\$-	\$7,921	\$6,268	6,438	-19%	5,588	-11%
B Karori	\$4,377	\$2,723	\$1,720	\$2,440	\$-	\$-	\$8,537	\$6,884	7,053	-17%	6,204	-10%
C Beacon Hill	\$4,377	\$2,723	\$-	\$1,185	\$-	\$-	\$5,562	\$3,908	4,078	-27%	3,229	-17%
D Brooklyn-Frobisher	\$4,377	\$2,723	\$1,156	\$1,185	\$-	\$-	\$6,718	\$5,064	5,234	-22%	4,385	-13%
E Kelburn	\$4,377	\$2,723	\$-	\$1,185	\$-	\$-	\$5,562	\$3,908	4,078	-27%	3,229	-17%
F Johnsonville-Onslow	\$4,377	\$2,723	\$1,193	\$1,185	\$-	\$-	\$6,755	\$5,101	5,271	-22%	4,422	-13%
G Ngaio	\$4,377	\$2,723	\$850	\$1,185	\$-	\$-	\$6,412	\$4,759	4,928	-23%	4,079	-14%
H Maldive	\$4,377	\$2,723	\$-	\$1,185	\$-	\$-	\$5,562	\$3,908	4,078	-27%	3,229	-17%
I Churton-Stebbins	\$3,903	\$2,250	\$2,939	\$722	\$3,176	\$-	\$10,740	\$9,087	9,257	-14%	8,407	-7%
J Grenada-Lincolnshire	\$3,903	\$2,250	\$4,082	\$722	\$1,184	\$295	\$10,186	\$8,533	8,703	-15%	7,558	-11%
K Maupuia	\$4,377	\$2,723	\$-	\$1,185	\$-	\$-	\$5,562	\$3,908	4,078	-27%	3,229	-17%
L Newlands	\$4,377	\$2,723	\$851	\$722	\$-	\$-	\$5,950	\$4,297	4,467	-25%	3,617	-16%
M Melrose	\$4,377	\$2,723	\$1,996	\$2,440	\$-	\$-	\$8,813	\$7,159	7,329	-17%	6,480	-9%
N Central & Coastal	\$4,377	\$2,723	\$873	\$1,185	\$-	\$-	\$6,435	\$4,782	4,951	-23%	4,102	-14%
O Tawa	\$4,377	\$2,723	\$-	\$722	\$-	\$-	\$5,099	\$3,446	3,616	-29%	2,766	-20%

*Not Final – Subject to Council Decision*

	City Wide		Catchment Specific				Total			Impacts of policy change		
	(\$ per EHU)		Infrastructure							proposed as part of 2014/15 AP		
P												
Wadestown	\$4,377	\$2,723	\$2,333	\$722	\$-	\$-	\$7,432	\$5,778	5,948	-20%	5,099	-12%
Rural	\$3,423	\$1,770	\$-	\$-	\$-	\$-	\$3,423	\$1,770	1,940	-43%	1,090	-38%
Q Inner city												
Residential	\$4,377	N/A	\$873	\$1,185	\$-	\$1,878	\$8,313	N/A	6,829	-18%	N/A	N/A
Q Inner city												
Non-Residential	N/A	\$2,723	\$873	\$1,185	\$-	\$235	N/A	\$5,016	N/A	N/A	4,102	-18%
R												
Johnsonville	\$4,377	\$2,723	\$1,193	\$1,185	\$2,108	\$-	\$8,863	\$7,209	7,379	-17%	6,530	-9%
S Adelaide Road	\$4,377	\$2,723	\$873	\$1,185	\$3,856	\$-	\$10,291	\$8,638	8,807	-14%	7,958	-8%
T Pipitea												
Precinct - Residential	\$4,377	N/A	\$873	\$1,185	\$2,644	\$1,878	\$10,956	N/A	9,473	-14%	N/A	N/A
T Pipitea												
Precinct - Non Residential	N/A	\$2,723	\$873	\$1,185	\$2,644	\$235	N/A	\$7,660	N/A	N/A	6,746	-12%

**Delete existing section 2.6 and insert replacement section 2.6 as follows:**

**2.6 Remission and postponement**

The Council may grant a remission on development contributions at its complete discretion.

Applications made under this part will be considered on their own merits and any previous decisions of the Council will not be regarded as creating precedent or expectations.

To encourage economic development and recognise the strategic importance of green star rated buildings a standard remission equating to 50 percent of the total standard assessed levy can be applied for developments that meet the criteria outlined below.

Conditions and criteria for 50 percent Remission to standard assessment of development contributions levies are:

- i. If the building is a commercial or mixed development of greater than 10 equivalent household units it must have received a 5 Star Green Star Certified Rating or higher
- ii. the remission must be applied for within 12 months of the Development Contributions being assessed by Council.
- iii. the remission will only apply to the standard DC assessment (hereinafter referred to as "the levy") made on the property.
- iv. the remission will not be available retrospectively once the Council has invoiced the Development Contributions levy.

**Insert the following paragraph into section 3 'Assessment and Payment':**

### **Liability should construction not commence within two years**

Should construction of a development not commence within two years of being granted building consent, the remission of charges and fees provided under this policy shall no longer apply. At that stage, all fees and charges will be fully payable for the development as per the standard policy. Commencement of construction will be deemed to have occurred when the activity for which a resource and building consent has been issued, has commenced.

### **Add the text underlined to clause 3.3.2:**

#### **Security**

The Council may register any development contributions under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contributions were required, as provided for in section 208 of the Local Government Act 2002 or it may require other appropriate security as agreed with the developer.

#### **Community Infrastructure**

Delete all references and levies relating to 'community infrastructure' from the Development Contributions policy.

#### **Reserves Contributions**

Delete all references and levies relating to non-residential 'reserves' from the Development Contributions policy.

### **Delete clause 3.2.9 and replace it with the following:**

#### *3.2.9 Payment*

All development contributions required by the Council must be paid prior to the Council issuing a code of compliance certificate, a section 224(c) certificate, a consent for a service connection or giving effect to a land use consent (as the case may be), unless a payment delay application has been approved by the Council. Where delay applications will be considered by Council where:

- the development will have 10 or more equivalent household units (under the standard calculation in section 2.2)
- it is satisfied the applicant has sufficiently proven that the building is not occupied, and
- that the building has not been sold.

Any successful application for delayed payment expires after two years after the code of compliance certificate has been issued or upon sale of any part of the development, whichever occurs first.

#### **Consequential amendments**

Consequentially amend all other related clauses in the policy to give effect to the changes above.

## **RATES REMISSION POLICY**

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**(Note: the Rates Remission Policy was adopted by Council as part of the 2012-22 Long-term Plan and amended as part of the 2014/15 Annual Plan)**

### **1. INTRODUCTION**

In accordance with Section 85 of the Local Government (Rating) Act, 2002:

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  - a. the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002, and
  - b. the local authority is satisfied that the conditions and criteria in the policy are met.
- ii. The local authority must give notice to the ratepayer identifying the remitted rates.

### **2. CIRCUMSTANCES WHERE A REMISSION MAY APPLY**

#### **2.1 RURAL OPEN SPACE REMISSION**

##### **Remission statement**

The Council may grant a 50 percent remission on land classified as rural under the District Plan where the rating unit is rated under the Base differential and used principally for farming or conservation purposes.

##### **Policy objective**

To provide rates relief for rural, farmland and open spaces.

##### **Conditions and criteria**

Land used principally for farming or conservation purposes

A rates remission of 50 percent of the Base general rate will be granted to rating units that are classified as rural under the District Plan and used principally for farming or conservation purposes. Under this policy 'principally for farming or conservation purposes' is defined as where:

- a. The rating unit (or property) exceeds 30 hectares in area, and
- b. 50 percent or more of the rateable capital value of the property is made up of the land value, and
- c. the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

#### **2.2 REMISSIONS ON LAND USED PRINCIPALLY FOR GAMES OR SPORT**

##### **Remission statement**

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of general rates where the rating unit:

- a. has a club licence under the Sale of Liquor Act 1989, and
- b. would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act, and
- c. the property is rated at the Base differential.

## **Policy objective**

To reduce the adverse financial impact of the Local Government (Rating) Act 2002 on land used principally for games or sports, occupied by clubs that hold a club liquor licence and no longer qualify as 50 percent non-rateable.

## **Conditions and criteria**

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. A remission under this policy will apply for one year only. Applicants must reapply annually. The application for a rate remission must be made prior to the commencement of the rating year (1 July). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated. For the avoidance of doubt, this policy specifically excludes chartered clubs and clubs holding permanent charters.

## **2.3 REMISSION OF TARGETED RATES ON PROPERTY UNDER DEVELOPMENT OR EARTHQUAKE STRENGTHENING**

### **Remission statement**

The Council may remit part or all of the residential, commercial and downtown targeted rates on land classified under the Council's *commercial, industrial and business differential* as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose'. For remissions applying to earthquake strengthening the land may also be classified under the *base differential*.

### **Policy objective**

To provide rates relief for property temporarily not fit for purpose due to the property undergoing development or earthquake strengthening and therefore not receiving the benefits derived by contributing to the commercial, residential or downtown targeted rates.

### **Conditions and criteria**

A remission of the Commercial, Residential or Downtown targeted rate may be granted to rating units that are classified under the Council's commercial, business and industrial differential as defined within our Funding Impact Statement Rating Mechanisms where the property is temporarily not fit for purpose. For remissions applying to earthquake strengthening the rating unit may also be classified under the base differential. Under this policy 'not fit for purpose' is defined as where:

- a. the property (rating unit) will not hold sufficient consents to permit occupation and,
- b. the property (rating unit) will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works and
- c. the property (rating unit) will not generate any revenue stream

The above criteria apply to and must be met by an entire rating unit, as identified in the Council's rating information database (RID).

## **2.4 REMISSION OF VOLUNTARY RESIDENTIAL METERED WATER RATES**

### **Remission statement**

The Council may grant a remission on a voluntary residential metered water rate where excess water consumption has occurred due to a leak beyond the point of supply on the ratepayer's property. The excess water consumption may only be remitted to the level of the current Greater Wellington Regional Council bulk water rate.

### **Policy objective**

The objective of this remission policy is to provide a measure of rates relief where a water leak has been detected on the ratepayer's residential property with a voluntary water meter, and prompt remedial action to repair the leak has been undertaken. However the ratepayer is responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Services Bylaw.

### **Conditions and criteria**

A remission of the residential metered water rate may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last four readings. The full water rate will be charged on the average daily usage over the last four readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. This remission should only be applied for if:

- i. the leak occurred on a voluntary residential metered water property; and
- ii. excess water consumption has occurred through a broken or leaking pipe; and
- iii. evidence is provided that the fault has been remedied within a reasonable time period and prior to the application for a remission

In the advent of a recurrence of a water leak, the Council would require the property owner to get a condition assessment of the pipes on the property prior to any decisions to remit a subsequent remission.

## **2.5 SPECIAL CIRCUMSTANCES REMISSION**

### **Remission statement**

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the rates assessed for a rating unit (or property) on the condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

### **Policy objective**

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

### **Conditions and criteria**

The Council may remit part of the general rate assessed in relation to particular rating unit where:

- i. the rates on that rating unit are disproportionate to those levied in respect of comparable rating units, or
- ii. the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.

## **2.6 REMISSION OF RATES FOR BUILDINGS REMOVED FROM THE EARTHQUAKE PRONE BUILDINGS LIST**

## **Remission statement**

The Council may grant a remission on a property's rates where the property was on the Council's Earthquake Prone Building List and the owner has taken action to remove that building from the list either by strengthening that building to beyond 33 percent of the New Building Standard (NBS) or by removing the building from the site. The building owner may apply for this remission within 12 months of the removal of the building from the earthquake prone building list (by issuance of a code of compliance for work performed).

For strengthened buildings, the remission shall equate to the increased rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable due to the valuation uplift that may arise from seismic strengthening works.

For removed buildings, the remission shall equate to 10 percent of the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable on the property.

## **Policy objective**

The objective of this remission policy is to minimise the rates impact of valuation increases arising for property owners who have taken positive action to address the structural safety of their earthquake prone buildings.

## **Conditions and criteria**

A remission of rates may apply under the following conditions and criteria:

- i. the building must have been on the Earthquake Prone Buildings list<sup>22</sup>
- ii. the building owner must have taken action to remove their building from this list either through seismic strengthening or building removal
- iii. the remission must be applied for within 12 months of the building being removed from the Earthquake Prone Buildings list and will relate to the following three rating years only (the property owner does not need to reapply in years 2 and 3)
- iv. the remission will apply to the general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates (hereinafter referred to as "the rates")
- v. the remission will not be available retrospectively for buildings already removed from the list prior to this policy being implemented
- vi. the remission is only available to the property owner who has taken action to remedy their building. It will not be available to a third-party purchaser of the building even if a sale took place within three years of the building being removed from the Earthquake Prone Buildings list
- vii. for earthquake prone buildings that have been seismically strengthened to > 33 percent NBS the following conditions and calculations will apply:
  - a. the remission application will be accepted after the code of compliance has been issued for the seismic strengthening project
  - b. the remission will be calculated as the additional rates payable due to the valuation uplift that may arise from the seismic strengthening project<sup>23</sup>
  - c. if there has been no property valuation uplift as a result of seismic strengthening work then no remission will be calculated
  - d. the Council's nominal annual rates increase will still apply

viii. for earthquake prone buildings that have been removed from the site the following conditions and calculations will apply:

- a. the remission application will be accepted after evidence of the building removal has been provided to Council and the building has been removed from the earthquake prone building list
- b. the remission will be calculated as 10 percent of the rates payable on the property for the three years following the acceptance of the remission application

### **Valuation changes**

Wellington City Council is on a three-yearly valuation cycle for all properties in the city. City-wide valuations are performed by Quotable Value New Zealand Limited in September and are used to calculate rates from the next rating year commencing 1 July. The next city-wide valuation will occur in September 2015 and will be used to calculate rates for the rating year commencing 1 July 2016.

Properties are also subject to 'maintenance valuation adjustments' at any time between the valuation cycles when there has been a measurable value change, usually triggered by improvement works.

Building owners will be notified when the capital value of their property has changed. Rates will be calculated using the new capital value from the next rating year commencing 1 July.

### **Application**

This remission may be applied for at anytime during the year. If approved by Council officers the remission will take effect either from the next rating year (1 July), or will be backdated to take effect from the start of the current rating year at the nomination of the property owner and agreement of Council officers. The remission will cease after three years from the agreed effective start date.

### **3. APPLYING FOR A RATES REMISSION**

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year. Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the Special Circumstances Remission and the Voluntary Residential Metered Water Rates Remission which may be received after the start of a rating year. No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July).

The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

Applications made for a remission will be considered on their own merits and any previous decisions of the Council will not be regarded as creating a precedent or expectations.

### **4. DELEGATION**

Decisions relating to the remission of rates are delegated to the Chief Executive, the Chief Financial Officer and the Manager Financial Accounting.

### **5. RATES PENALTY REMISSION**

## **Policy objective**

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

## **Conditions and criteria**

Upon receipt of an application from the ratepayer, or identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- a. the ratepayer's payment history, and
- b. the impact on the ratepayer of an extraordinary event, and
- c. the payment of the full amount of rates due, or
- d. the ratepayer entering into an agreement with the Council for the payment of rates within a reasonable timeframe.

The Council reserves the right to impose conditions on the remission of penalties.

## **APPLYING FOR A RATES PENALTY REMISSION**

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email (rates@wcc.govt.nz).

## **DELEGATION FOR A RATES PENALTY REMISSION**

Decisions relating to the remission of penalties on rates are delegated to the Chief Executive, the Chief Financial Officer and the Manager Financial Accounting.

## **6. NON-RATEABLE LAND**

In addition to rates remissions, some types of property are not rateable or are partly non-rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non rateable property uses refer to this legislation or the Council's website.

## **7. REMISSION OF RATES ON MĀORI FREEHOLD LAND**

The Council's objectives in relation to rates remission and postponement apply equally to Māori freehold land. Therefore the rates remission and postponement policies applicable to Māori freehold land are identical to those that apply to non-Māori freehold land.

22 as maintained by Wellington City Council.

23 Property valuation adjustments will occur either as part of the Council's three-yearly city wide revaluation cycle, or through 'maintenance valuation adjustments' that occur in between cycles where improvement works have taken place resulting in a measurable value change. Building owners will be notified of any valuation change in both circumstances. Under both circumstances rates are not impacted until the next rating year commencing 1 July. Officers reserve the right to use their discretion in determining valuation changes that may arise from seismic strengthening under this policy.

## FEES AND CHARGES

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Our Revenue and Financing Policy guides our decisions on how to fund Council services. Under the policy, we take into account who benefits from a service (individuals, parts of the community, or the community as a whole) to help us determine how the service should be funded. The policy sets targets for each Council activity, determining what proportion should be funded from each of user charges, general rates, targeted rates and other sources of income.

New fees will be implemented as of 1 July 2014 and are inclusive of GST unless otherwise stated. For more information see [Wellington.co.nz](http://Wellington.co.nz)

Note that the following list of fees and charges is not a complete list of all fees and charges levied by the Council. It consists of those fees and charges subject to consultation.

### TRADE WASTE

We are proposing to increase our fees for trade waste, required to maintain policy compliance. The Wellington Trade Waste Bylaw 2004 expects full cost recovery from trade waste customers and the Council is moving towards this in a staged approach as part of its Long-term Plan. The changes are set out below.

ANNUAL LICENCE FOR REGISTERED PREMISES	CURRENT FEE	PROPOSED FEE
<b>Conveyance &amp; Transport of Trade Waste</b>		
<b>Volume</b>		
Up to 100m <sup>3</sup> /day	\$0.26/m <sup>3</sup>	\$0.27/m <sup>3</sup>
Between 100m <sup>3</sup> /day and 7000m <sup>3</sup> /day	\$0.12/m <sup>3</sup>	\$0.13/m <sup>3</sup>
Above 7000m <sup>3</sup> /day	\$0.83/m <sup>3</sup>	\$0.85/m <sup>3</sup>
<b>B.O.D</b>		
Up to 3150kg/day	\$0.28/kg	\$0.29/m <sup>3</sup>
Above 3150kg/day	\$0.63/kg	\$0.64/m <sup>3</sup>
<b>Suspended Solids</b>		
Up to 1575kg/day	\$0.27/kg	\$0.28/m <sup>3</sup>
Above 1575kg/day	\$0.51/kg	\$0.52/m <sup>3</sup>

## WATERFRONT DEVELOPMENT PLAN – 204/15

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**(Note: Council approved a three year Waterfront Development Plan as part of the 2012-22 Long-term Plan. This 2014/15 plan updates year three of that plan)**

### WHAT'S INCLUDED HERE

Our aim is to develop Wellington's inner city waterfront in accordance with the fundamental principles set down in the Wellington Waterfront Framework (2001). The waterfront is not only a working wharf but is also a public recreation destination for locals and visitors to the city. Our role, therefore, is to deliver a work programme that will ensure the waterfront experience continues to be a special combination of activities, history, views and architecture to delight, challenge, entertain and educate everyone.

The Waterfront Development Plan outlines the work programme to implement the objectives of the Framework over a three-year period. From 1 July 2014 the implementation of the plan will be undertaken by a Council business unit. The plan is reviewed on an annual basis. The plan has been updated this year to cover activities and expenditure within the final year of its projected three-year programme. The most significant change is with regard to the timing of receipts from the development of North Kumutoto. This project has been delayed and receipts are now forecast to be received over the two financial years 2015/16 and 2016/17.

### WHY IT'S IMPORTANT

Wellington's waterfront is one of the most easily recognised and frequently photographed parts of our city, and is much changed from the bustling port of old. The waterfront is a special place that welcomes all people to live, work and play in the beautiful and inspiring spaces and architecture that connect our city to the sea and protect our heritage for future generations.

Over recent decades, Wellington City Council, together with many interested Wellingtonians, has developed a vision for the waterfront and its future. In 2001 this vision was laid out in the publication of the Wellington Waterfront Framework. This document sets down the fundamental principles for establishing development work programmes on the waterfront. The phasing of the work has been decided based on the following principles:

- heritage buildings should be restored and reused as a priority
- timing of commercial development will be impacted by market conditions
- income should be generated upfront where possible to minimise the impact on ratepayers
- public confidence in the waterfront development must be maintained.

The Framework requires transparency and a willingness to engage with the public about how the waterfront is developed. A balance must be set between making good progress on the waterfront and providing the public with sufficient opportunity to be involved. As such, public submissions are sought when detailed or concept designs are proposed.

### CONTRIBUTION TO COMMUNITY OUTCOMES

We contribute to the following goals of *Wellington Towards 2040: Smart Capital*:

**People-Centred City:** The waterfront is one of Wellington's premiere destinations for work, recreation and events.

**Connected City:** Wellington's waterfront is acknowledged widely as a gathering point for friends, colleagues and family, and now, with free wi-fi access across the entire space, as a place to connect globally.

**Eco-city:** we are helping develop Wellington as an eco-city by ensuring that all development activity on the waterfront is sustainable and strives for the highest possible environmental ratings.

**Dynamic Central City:** The waterfront contributes to Wellington's downtown area in numerous ways. It provides cultural, recreational, heritage and maritime activity. Opportunities for commercial and residential development add to the changing face of Wellington's central business district. By hosting events such as World of Wearable Arts, Round the Bays and other sports events, and festivals like Home Grown and Diwali, the waterfront is promoting Wellington as a vibrant, creative and multi-cultural place.

## **WHAT WE'LL PROVIDE – OUR LEVELS OF SERVICE**

Seven objectives have been set for the waterfront:

- the waterfront is locally and internationally recognised for its design
- the waterfront is readily accessible to all people
- the waterfront is, and is perceived to be, safe at all times
- the waterfront is seen as an attractive place that draws Wellingtonians and visitors alike
- the waterfront successfully caters for a wide range of events and activities
- significant heritage buildings are protected on the waterfront
- activities on the waterfront are integrated with those on the harbour.

There are many proposed and on-going projects, all with different complexities, and in some cases, the potential to be interrelated. Some work needs to be done sequentially because of physical requirements to maintain the waterfront experience as much as possible during construction or to coincide with neighbouring development activities. There may sometimes be financial implications that justify undertaking one piece of work before another. Further, sufficient flexibility must be built in to respond to good ideas or proposals in a timely manner, should they arise.

Under the Wellington Waterfront Framework, Wellington's waterfront is divided into five precincts linked by the waterfront promenade, each with its own distinctive style and personality:

- Waitangi
- Taranaki Street Wharf
- Frank Kitts Park
- Queens Wharf
- Kumutoto.

The following key projects are planned for the next year.

**The Promenade:** Development of the promenade as the spine that connects the waterfront is on-going. A particular focus over the next year will be on the North Kumutoto connection from the Meridian building through to Shed 21 and the railway station. We will continue to address the pedestrian/cycling interface through enhanced signage and other improvements undertaken in consultation with various stakeholder groups.

**Wharf pile maintenance:** The third stage of the waterfront-wide pile repair and refurbishment programme was planned to take place in 2014/15, but has now been scheduled to be completed in 2016/17.

#### 2014/15

Projected public space development contribution (\$000): \$0

**Waitangi Precinct:** The redevelopment of the Overseas Passenger Terminal and public space will be all but complete as we enter the 2014/15 financial year. Construction began in 2012 and is expected to be completed in mid 2014. Work will continue on the feasibility of the proposed transition building adjacent to Te Papa.

#### 2014/15

Projected public space development contribution (\$000): \$125

**Taranaki Street Wharf Precinct:** This area is essentially complete.

#### 2014/15

Projected public space development contribution (\$000): \$0

**Frank Kitts Park Precinct:** WWL will continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden Society regarding its fundraising initiatives. WWL will secure resource consent for the partial redevelopment of the park and implement its development in stages. The children's playground, now 15 years old, is in urgent need of upgrade and repair. This work was started in 2013/14 and will be completed in 2014/15. The playground design will be informed by input from the public.

#### 2014/15

Projected public space development contribution (\$000): \$800

**Queens Wharf Precinct:** Masterplanning for this area was completed and presented to the Council in 2011. Options will continue to be explored with respect to opportunities around the Outer T of Queens Wharf. Development of an adventure activities area within the Shed 6 Harbour Basin that commenced in 2013/14 will continue through 2014/15.

#### 2014/15

Projected public space development contribution (\$000): \$130

**Kumutoto Precinct:** Work will continue on the development opportunities for site 10 which is at an advanced stage and also site 9. However, with the delay in commencing development on these sites, the timing of upgrading the public space in the north Kumutoto precinct has been budgeted now for 2015/16 with wider works occurring in the subsequent year. This will be subject to change as plans for these sites develop.

#### 2014/15

Projected public space development contribution (\$000): \$0

**Other capital renewals:** An ongoing programme of repairs and maintenance, capital expenditure and renewals has been identified in the company's asset management plan.

#### 2014/15

Projected public space development contribution (\$000): \$909

## HOW WE'LL MEASURE OUR PERFORMANCE

The overall success of the waterfront will be measured by the achievement of the principles and objectives outlined in the Waterfront Framework.

Design outcomes will continue to be monitored by the Council's Technical Advisory Group, an independent provider of design advice. Drawing on the architecture, landscape architecture and urban design expertise of its members, they ensure that the Framework principles have been applied consistently in all the design of buildings and public space.

The achievement of milestones in line with this plan and residents' use and perceptions of their experience on the waterfront will continue to be monitored.

Beyond the current Waterfront Development Plan the following activities are proposed:

- Frank Kitts Park refurbishment incorporating a Chinese Garden – 2016/17 (\$4 million)
- Wharf strengthening programme stage 3 – 2016/17 (\$2.035 million)
- Completion of public space enhancements in north Kumutoto – 2016/17 (\$5 million)
- Ongoing maintenance, renewals and management of leases (\$2.358 million over six years).

## HOW WE MANAGE OUR ASSETS THAT SUPPORT THIS ACTIVITY

The company maintains an asset management plan (2011) is maintained for the Waterfront. It complies with all legislation and regulatory requirements, including resource consents. Waterfront assets are maintained in a condition that allows the buildings and public space to meet visitor and stakeholder expectations. Active engagement is maintained with other commercial operators on waterfront sites to ensure that the issues are resolved quickly and effectively, and that the waterfront remains a safe and welcoming place for everyone.

	<b>2014/15</b>
Waterfront Operating costs (\$000)	6,288
Public Space Developments (\$000)	1,964
	<b>2014/15</b>
Waterfront Operating revenues (\$000)	3,281
Proceeds Commercial Developments (\$000)	2,050
Loan Financing Balance	<b>2014/15</b>
Wharf repiling (cumulative) (\$000)	5,608 <sup>11</sup>
Public Space (cumulative) (\$000)	9,663

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<sup>11</sup> Excludes the funding of \$2.9m realated to the strengthening of the wahrf for the Shed 6 development as this was excluded from the calculation of the loan balance

## COUNCIL-CONTROLLED ORGANISATIONS

In order to achieve our objectives for Wellington we have established several companies and trusts. These organisations were set up to independently manage Council facilities, or to provide significant services and undertake developments on behalf of the Wellington community. The following table explains what the organisations do and how their performance is measured.<sup>24</sup> At its meeting on 19 December 2013, the Council agreed to changes in the governance arrangements for some of its Council-controlled organisations (CCOs). These are explained under 'structure' in the tables below.



### WELLINGTON REGIONAL STADIUM TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
<p>All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC).</p> <p>As at 1 June 2014, they are John Shewan (Chair), Councillor Nigel Wilson (GWRC), Steven Fyfe, Sir John Anderson, Liz Dawson, Sue Elliott, Mark McGuinness and Councillor Paul Eagle.</p> <p>The Chief Executive is Shane Harmon.</p>	<p>The Wellington Regional Stadium Trust owns, operates and maintains the Stadium as a high quality multi purpose sporting and cultural venue. It provides facilities to be used for rugby, cricket and other sports codes, musical and cultural events, and other users including sponsors and event and fixture organisers.</p>	<p>The Trust:</p> <ul style="list-style-type: none"> <li>Operates the Stadium.</li> <li>Manages the event programme and seeks opportunities to provide regular quality events.</li> <li>Ensures the Stadium is provided to the community for appropriate usage.</li> <li>Administers the Trust assets and the Stadium on a prudent commercial basis.</li> </ul>	<ul style="list-style-type: none"> <li>Number of events</li> <li>Total revenue</li> <li>Event revenue</li> <li>Net surplus</li> </ul>	<ul style="list-style-type: none"> <li>45-50</li> <li>\$14.76 million</li> <li>\$5.42 million</li> <li>\$1.19 million</li> </ul>

Note: the Wellington Regional Stadium Trust is not formally defined as a Council-controlled organisation. This plan for its activities is presented to recognise the interest that Wellington city ratepayers have in the Trust and its activities.



### PARTNERSHIP WELLINGTON TRUST (TRADING AS POSITIVELY WELLINGTON TOURISM)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
<p>All trustees are appointed by the Council.</p>	<p>The Partnership Wellington Trust markets and adds value to Wellington to</p>	<p>The Trust:</p> <ul style="list-style-type: none"> <li>Promotes</li> </ul>	<ul style="list-style-type: none"> <li>International direct arrivals to Wellington Airport</li> </ul>	<ul style="list-style-type: none"> <li>Increase Australian visitor arrivals through</li> </ul>

*Not Final – Subject to Council Decision*

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
As at <b>1 June 2014</b> , they are Howard Greive (Chair), Sarah Gibbs, Councillor Simon Woolf, and Chris Wilkinson.	achieve sustainable economic growth for the people of the city.	Wellington as a visitor destination in national and international markets.	from Australia	Wellington International Airport by 5% over 2013/14 levels
The Chief Executive is David Perks.	It acts to enhance the recognition of Wellington as a desirable visitor destination, enhance the profile of city businesses and to promote strategic alliances and private sector partnerships, and maximise the city's share of regional spending.	<ul style="list-style-type: none"> <li>• Markets Wellington as a convention and conference destination.</li> <li>• Provides visitor information services.</li> <li>• Runs initiatives that promote retail growth, including the downtown retail campaign.</li> <li>• Profiles Wellington's strengths in arts, sport and education attractions, and conducts development of an ongoing events profile for the city.</li> <li>• Facilitates the development of new tourism and event product, and the development of the Visiting Friends and Relatives (VFR) market.</li> <li>• Manages Wellington's destination profile on the internet.</li> <li>• Conducts research and analysis of the tourism industry.</li> </ul>	<ul style="list-style-type: none"> <li>• International commercial guest nights</li> <li>• Domestic commercial guest nights</li> <li>• Weekend occupancy in partner hotels</li> <li>• Downtown weekend visitation</li> <li>• i-SITE revenue</li> <li>• Cost effectiveness</li> <li>• Visits to WellingtonNZ.com</li> </ul>	<ul style="list-style-type: none"> <li>• Increase international commercial guest nights to Wellington relative to 2013/14 by 1%</li> <li>• Increase domestic commercial guest nights in Wellington city by 2% relative to 2013/14</li> <li>• Increase weekend rooms sold in partner hotels by 2% relative to 2013/14</li> <li>• Weekend visitation to downtown Wellington maintained at 2013/14 levels</li> <li>• Maintain i-SITE revenue at 2013/14 levels</li> <li>• Maintain Council's core funding at 50% or less of Wellington's marketing activity investment</li> <li>• 10% increase over 2013/14 levels</li> </ul>
The activities of Positively Wellington Tourism and Positively Wellington Venues will be amalgamated within a single CCO. The activities, performance measures and targets listed in this table will become the responsibility of the amalgamated CCO.	It also promotes community focused initiatives, aims to improve the sustainability of Wellington's commercial sector through its marketing initiatives, and facilitates the coordination of marketing initiatives that are appropriate to its objectives.			



## WELLINGTON MUSEUMS TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
All trustees are appointed by the Council.	The Wellington Museums Trust was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City & Sea, the Colonial Cottage, Capital E, the Wellington Cable Car Museum and Carter Observatory. The Trust has a management agreement with the New Zealand Cricket Museum.	<ul style="list-style-type: none"> <li>• Delivers high quality experiences, events and exhibitions at its facilities.</li> <li>• Manages conservation and care for the objects of its collections, and conducts research and development to enhance visitors' experiences.</li> <li>• Offers quality education experiences to children and young</li> </ul>	Attendance targets: <ul style="list-style-type: none"> <li>• City Gallery</li> <li>• Capital E</li> <li>• Museum of Wellington</li> <li>• Colonial Cottage</li> <li>• Cable Car Museum</li> <li>• Carter Observatory</li> </ul>	<ul style="list-style-type: none"> <li>• 140,000</li> <li>• 80,000</li> <li>• 90,000</li> <li>• 2,125</li> <li>• 220,998</li> <li>• 50,000</li> </ul>
As at <b>1 June 2014</b> , they are Quentin Hay (Chair), Councillor Nicola Young, Rachel Farrant, Jackie Lloyd and Jill Wilson.				
The Chief Executive is Pat Stuart.	The Trust manages and develops the programmes and services, and acquires and manages collections for the benefit of Wellington. It provides			

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
	advice to the Council for the development of museum and gallery services in Wellington, establishes exhibition programmes and education policies for its facilities, and develops acquisition, deaccession and collection development policies. It liaises with Positively Wellington Tourism to enhance its attraction to Wellington's visitors.	people.	● Subsidy per customer (excludes \$50,000 for Capital E festival)	● \$13.99
● Promotes and protects the heritage of venues.		● Develops and operates the Soundhouse Studio.	● Carter Observatory subsidy per customer	● \$7.36
● Works with national and international artists and collectors.			● Percentage of visitors to all trust institutions who rate the quality of their experience as good or very good	● 90% on average
			● Percentage of visitors to all Trust institutions are repeat visitors	● 28% average
			● Percentage of all residents are aware of Trust institutions	● Approximately 85% (across all institutions)



## WELLINGTON VENUES LIMITED (TRADING AS POSITIVELY WELLINGTON VENUES)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
All directors are appointed by the Council.  As at 1 June 2014, they are Chris Parkin (Chair), Councillor Simon Woolf, Mike Egan, Samantha Sharif, Lorraine Witten, Linda Rieper and Daniel Bridges.  The Chief Executive is Glenys Coughlan.  The activities of Positively Wellington Tourism and Positively Wellington Venues will be amalgamated within a single CCO. The activities, performance measures and targets listed in this table will become the responsibility of the amalgamated CCO.	Wellington Venues Limited exists to manage and promote Wellington's major Events venues, including the Michael Fowler Centre, Town Hall, St James Theatre and Opera House as venues, and to help establish Wellington as the premier city for events and conferences.	Wellington Venues Ltd.:  ● Manages and operates the Venues and any related Events business  ● Advocates for the Venue and Event sector for the benefit of the residents of Wellington  ● Works to achieve greater community access to the Venues' facilities  ● Develops and maintains beneficial relationships with other national and international institutions, supports Positively Wellington Tourism, and develops new initiatives in its role as a key provider of event and performance venues.	● Venue hire days  ● Performance days and revenues  ● Convention and events days and revenues  ● Maintain appropriate mix of commercial and community hires  ● Maintain satisfaction ratings of >90%  ● Ensure standards are maintained through pan-venue asset management  ● Reduced environmental foot print targets achieved	● Maintain or increase from previous year  ● Maintain or increase from previous year  ● Maintain or increase from previous year



## LAMBTON HARBOUR MANAGEMENT LIMITED (TRADING AS WELLINGTON WATERFRONT LIMITED)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at <b>1 June 2014</b>, they are council officers Kevin Lavery (chair), Derek Fry, Andy Matthews and Greg Orchard.</p> <p>On 1 April 2014, the external Board of Wellington Waterfront Limited was disestablished.</p>	<p>The company structure is required to be retained to hold the assets of the Waterfront in trust for Council with respect to the Marine and Coastal Area Act 2011.</p>	<p>As at 1 July 2014, Wellington Waterfront Limited will function as a holding company for Waterfront assets.</p> <p>The day to day operations formerly delivered by WWL have been transferred to Council, with the activities for 2014/15 detailed within the Waterfront Development Plan.</p>		



## WELLINGTON CABLE CAR LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at <b>1 June 2014</b> they are council officers Anthony Wilson (chair) and Andy Matthews</p> <p>The Chief Executive is Simon Fleisher.</p> <p>On 1 April 2014, the external Board of Wellington Cable Car Limited was disestablished. The activities, performance measures and targets listed in this table will continue to apply.</p>	<p>Wellington Cable Car Limited owns and operates the Cable Car as an efficient, reliable and safe transport service and a uniquely Wellington tourism asset. It also owns and maintains the overhead wiring system for the trolley bus passenger network which services the city.</p>	<p>The company:</p> <ul style="list-style-type: none"> <li>Maintains the cable cars and associated track, plant, tunnels, bridges and buildings in accordance with best engineering practice, and to meet the certification requirements of the New Zealand Transport Agency.</li> <li>Manages the Cable Car passenger service operation.</li> <li>Markets the Cable Car.</li> <li>Identifies options for enhancing the Cable Car travel and tourism experience.</li> <li>Specifies and controls the contract for the inspection, maintenance and repair of the trolley bus overhead wiring system.</li> </ul>	<ul style="list-style-type: none"> <li>Cable Car passenger numbers</li> <li>All Cable Car vehicles and associated buildings and equipment are maintained to required safety standards</li> <li>Cable Car service reliability</li> <li>Percentage of residents who have used the Cable Car in the last 12 months</li> <li>Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good</li> </ul>	<ul style="list-style-type: none"> <li>1,005,847</li> <li>Achieve</li> <li>Greater than 99%</li> <li>30%</li> <li>95%</li> </ul>



## CAPACITY INFRASTRUCTURE SERVICES LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
<p>Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council are equal voting shareholders in this Council-controlled trading organisation, and between them appoint all of the directors. The company is overseen by a board of directors made up of four sole Council appointments (one from each council) and four joint appointments. Each council continues to own its respective water, storm water and waste water assets and determines the level and standard of services to be provided to its customers and ratepayers.</p> <p>As at <b>1 June 2014</b>, the Councillor appointees are Councillor Sarah Free (Wellington City Council), Councillor Bassett (Hutt City Council) and Mayor Nick Leggett (Porirua City Council). Mayor Wayne Guppy (Upper Hutt City Council). The remaining directors are John Strahl (Chair), Ian Hutchings, and Raveen Jaduram.</p> <p>The Chief Executive is Colin Crampton.</p>	<p>The objective of Capacity is to manage the provision of water services (water supply, storm water and wastewater) to the residents and businesses in the areas served by its customers. Capacity's current customers are Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council.</p>	<p>The company's purpose is to provide high quality, safe and environmentally sustainable services to shareholding councils and other customers with a principal focus on asset management planning and contracted service delivery for the operation, maintenance and on-going development of drinking water, storm water and waste water assets and services.</p> <p>The company is committed to ensuring all work managed on behalf of customers accords with the highest standards of health and safety for those involved in the work and for the general public. The company will continually seek opportunities to integrate water, storm water and waste water activities within the Wellington region where such integration can deliver least cost, best practice outcomes to the benefit of shareholder councils and other entities.</p> <p>See the Environment section on page 30 for more information on water, storm water and waste water services.</p>	<ul style="list-style-type: none"> <li>• Provide a reliable water supply, wastewater and storm water service.</li> <li>• Develop and complete asset management plans</li> <li>• Deliver budgeted capital expenditure projects for respective councils</li> <li>• Deliver budgeted operating and maintenance activities for respective councils</li> <li>• Manage and operate Capacity within its budget</li> <li>• Comply with relevant standards, legislation and resource consents</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer than 4 unplanned supply cuts (pipe bursts) per 1000 connections</li> <li>• Within agreed timeframe</li> <li>• Within agreed timeframes and budget</li> <li>• Within agreed timeframes and budget</li> <li>• Within agreed budget</li> <li>• Achieve full compliance</li> </ul>



## WELLINGTON ZOO TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
<p>The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council.</p> <p>As at <b>1 June 2014</b>, they are Ross Martin (Chair), Frances Russell, Linda Meade, Alan Dixon, and Councillor Simon Marsh.</p>	<p>The Wellington Zoo Trust manages the assets and operations of Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. It promotes species conservation, educates the community by building an awareness of animal species, and supports the conservation and educational activities of</p>	<ul style="list-style-type: none"> <li>• Cares for resident animals and manages the animal collection.</li> <li>• Provides a high-quality visitor experience</li> <li>• Participates in captive management breeding and breed-for-release</li> </ul>	<ul style="list-style-type: none"> <li>• Number of visitors</li> <li>• Conservation Programme Managed Species (% of total collection)</li> <li>• Average WCC subsidy per visitor</li> <li>• Annual fundraising target for</li> </ul>	<ul style="list-style-type: none"> <li>• 230,1125</li> <li>• &gt;41%</li> <li>• \$11.98</li> <li>• 25% of spend for the year</li> </ul>

*Not Final – Subject to Council Decision*

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15
	other organisations.	programmes.	Zoo Capital Plan	
		<ul style="list-style-type: none"> <li>Develops and maintains high quality animal exhibits.</li> </ul>	<ul style="list-style-type: none"> <li>Average income per visitor (excluding City Council grant)</li> </ul>	\$14.25
		<ul style="list-style-type: none"> <li>Delivers educational material and learning experiences.</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of generated Trust income as % of City Council grant</li> </ul>	122%
		<ul style="list-style-type: none"> <li>Contributes to zoological, conservation and facilities management research projects.</li> </ul>		



## BASIN RESERVE TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15 <sup>26</sup>
There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington.	The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.	The Trust: <ul style="list-style-type: none"> <li>Manages the Basin Reserve for recreational activities and the playing of cricket for the residents of Wellington.</li> </ul>	Number of events <ul style="list-style-type: none"> <li>Cricket</li> <li>Other sports</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>10</li> <li>10</li> <li>2</li> </ul>
As at <b>1 June 2014</b> , the two trustees appointed by the Council are Councillor Paul Eagle and Sir John Anderson (Chair). The two trustees appointed by Cricket Wellington are Don Neely and John Greenwood.		<ul style="list-style-type: none"> <li>Contributes to the events programme for Wellington.</li> </ul>	Number of event days <ul style="list-style-type: none"> <li>Cricket</li> <li>Other sports</li> </ul>	<ul style="list-style-type: none"> <li>26</li> <li>10</li> </ul>
The Chief Executive of Cricket Wellington is Peter Clinton.		<ul style="list-style-type: none"> <li>Operates as a successful not-for profit undertaking.</li> </ul>	<ul style="list-style-type: none"> <li>Community</li> </ul>	2
		<ul style="list-style-type: none"> <li>Preserves and enhances the heritage value of the Basin Reserve.</li> </ul>	<ul style="list-style-type: none"> <li>Attendance figures</li> </ul>	29,800

24 These targets are based on three year projections in the entities 2013/14 Statement of Intent (SOI). These are subject to change in the entities 2014/15 SOI which will be final on 30 June 2014.

25 This figure has increased from the original Long-term Plan target to reflect the higher than anticipated visitor numbers in previous years.

26 These figures are provisional pending the release of the domestic and international cricket season schedule in mid-2014.

## COUNCIL OUTCOME INDICATORS

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<b>Governance</b>	<p>Residents who agree that decisions are made in the best interest of the city</p> <p>Residents' perceptions that they understand how the Council make decisions</p> <p>Residents' perceptions of their extent of influence on Council decision-making</p> <p>Mana whenua partner agreement over the use and protection of the city's resources for the future is appropriate</p> <p>Residents' perceptions of the extent to which they have the opportunity to participate in city life</p> <p>Voter turnout in local elections</p>
<b>Environment</b>	<p>Hectares of open space land owned or maintained by the Council, per capita (sqm per capita)</p> <p>Residents usage of the city's open spaces</p> <p>Residents' perceptions that the natural environment is appropriately managed and protected</p> <p>Kilometres of managed tracks and walkways</p> <p>Hours worked – by recognised environmental volunteer groups and Botanic Garden volunteers</p> <p>Bird counts – abundance and distribution</p> <p>Water consumption (commercial and residential combined)</p> <p>Renewable energy (GWH) generated in the city (and % of city's electricity consumption)</p> <p>City-wide greenhouse gas emissions</p> <p>Freshwater biological health (macroinvertebrates)</p> <p>Freshwater quality</p> <p>Residents' actions to reduce stormwater pollution</p> <p>Total waste to landfill per capita</p> <p>Residents' actions to reduce waste</p> <p>New Zealanders' and residents' perceptions that Wellington is an eco-city</p>

Energy–use per capita

Number/square metres of 'green star' buildings/space in the city

% of residents who live in an insulated property

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**Economic development**

Number of enterprises and jobs in the central city

Number of domestic and international visitors

Accommodation rates (guest nights and occupancy)

Number of major conferences

Number of A-level events held in Wellington and their economic contribution

New Zealand's top 200 companies based in Wellington

Business enterprises – births and growth (net growth in business)

Growth in businesses and employees – 'smart' business

Domestic and international airline passengers entering Wellington Airport

Free wi-fi usage (logons/day) – waterfront and central city

Residents who have access to broadband (%) including ultrafast

GDP (per capita) and regional economic activity growth

Educational achievement (degree-level qualifications)

Labour force participation rate and youth NEET rates

Income – household and personal

Ratio of income to cost of living for residents

Pedestrian counts – average of various Lambton Quay sites

Total value of exports (value and estimated tonnage)

Number of international air connections (by country)

Businesses and employees in research and development sector

Secondary (international) and tertiary (international and domestic) students enrolled per 1000 residents

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**Cultural wellbeing**

Residents' frequency of engagement in cultural and arts activities

New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts scene'

Resident perceptions that Wellington's local identity (sense of place) is appropriately valued and protected

Events held at key city venues

New Zealanders' and residents' perceptions that 'Wellington is the arts capital of New Zealand'

New Zealanders' and residents' perceptions that 'Wellington is the events capital of New Zealand'

New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts scene'

Residents' usage (%) of libraries and frequency of use

Residents' (%) agreement with the statement that "Wellington is an easy place to get involved in the arts".

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**Social and recreation**

Residents usage of City Council community and recreation facilities

Residents' perceptions that they feel a sense of community with others in their neighbourhood

Residents' perceptions that Wellington offers a wide range of recreation activities

Residents' frequency of physical activity

Residents' perceptions that there are barriers to participating in recreation activities

Residents' importance of sense of community in local neighbourhood

Residents' usage of libraries and frequency of use

Residents engaging in 'neighbourly' actions

Types of social networks to which residents belong (i.e. community, sports, ethnic, etc)

Ethnic diversity of the city's population and residents' values regarding diversity

Resident perceptions of safety – inner city and neighbourhood (day and night)

Residents' perceptions – city safety issues of most concern

Recorded crime and resolution rates – by categories

Residents with home emergency items and plan

Number of notifications of the most prevalent food and water-borne diseases

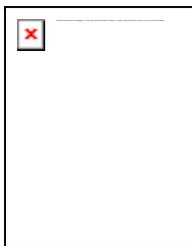
Residents' life expectancy

Residents' perceptions of their 'quality of life'

<b>Urban development</b>	<p>Residents' perceptions that Wellington is a great place to live, work and play</p> <p>Value of residential and commercial building consents</p> <p>Population: growth and density (central city, growth spine)</p> <p>Residents' perceptions of the city as an easy place to get to, use and enjoy</p> <p>Residents' perceptions of urban design/urban form safety issues (i.e. graffiti, vandalism, poorly lit public spaces, etc)</p> <p>% of city's population who reside in the central city</p> <p>Building density throughout the city</p> <p>Proportion of houses within 100m of a public transport stop</p> <p>Identified earthquake-prone buildings that have been strengthened/demolished</p> <p>Residents' perceptions that heritage items contribute to the city and local communities' unique character</p> <p>New Zealanders' perceptions that Wellington is an attractive destination</p> <p>Residents sense of pride in the look and feel of the city/central city</p>
<b>Transport</b>	<p>Residents' perceptions that peak traffic volumes are acceptable</p> <p>Total fuel used on Wellington roads (litres)</p> <p>Residents' perceptions that the transport system allows easy access to the city</p> <p>Mode of transport to access the central city (i.e. car, bus, train, walking, cycling)</p> <p>Residents' perceptions of quality and affordability of public transport services</p> <p>Uses of public transport: buses, trains</p> <p>Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter peaks)</p> <p>Residents' perceptions of transport related safety concerns</p> <p>Number of road crashes resulting in injury</p> <p>Social cost of crashes</p>

## CONTACT DETAILS: MAYOR AND COUNCILLORS

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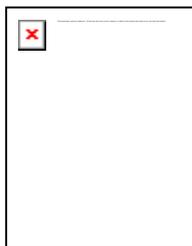
**Celia Wade-Brown**

(Mayor)

City-wide

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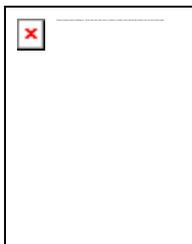


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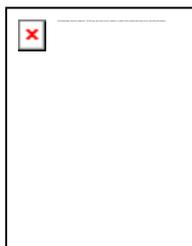


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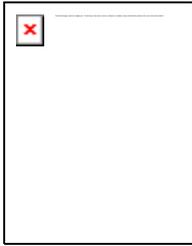


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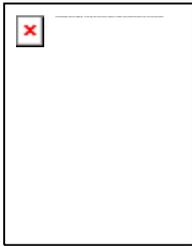


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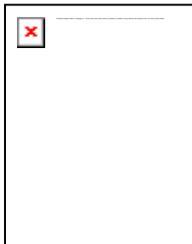


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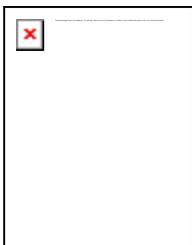


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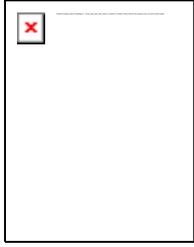
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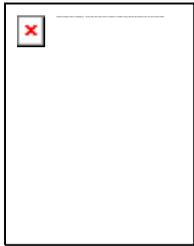


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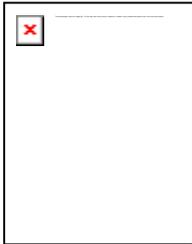


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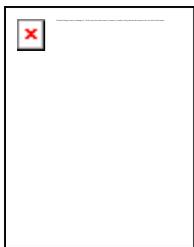


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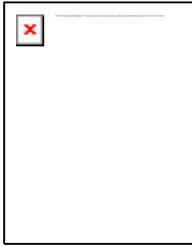


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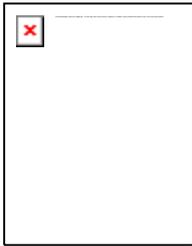


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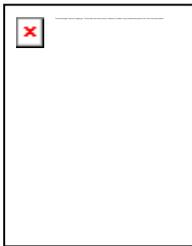


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