
AMENDMENT TO WELLINGTON CITY COUNCIL'S LONG TERM COUNCIL COMMUNITY PLAN 2006/07 – 15/16

This amendment was adopted by Council on
Wednesday 27 June 2007.

The amendment to the Long Term Council Community Plan 2006/07 – 15/16 consists of the following:

- Crown investment in the Council's social housing portfolio (Section 1)
- Development Contributions Policy changes (Section 2)
- Revenue and Financing Policy changes (Section 3)
- Consequential changes to the nine year funding and financial statements (Section 4).

SECTION ONE:

CROWN INVESTMENT IN THE COUNCIL'S SOCIAL HOUSING PORTFOLIO

The amendment reflects the Crown's offer to provide the Council with financial assistance of \$220 million over the next 10 to 15 years to upgrade its housing portfolio to provide safe, secure housing to a good standard. This represents a contribution with a net present value of around \$150 million.

In return, the Crown requires the Council to agree to various terms and conditions. The terms and conditions are that the Council:

1. remain in social housing at approximately current levels for at least 30 years
2. ring fence all rental income from social housing for reinvestment in social housing
3. give the Crown first right of refusal should the Council choose to sell any of its housing stock
4. undertake a review of tenancy management, rent setting and tenancy allocation practices and policies, in conjunction with Housing New Zealand Corporation in the next 2 to 3 years
5. in accordance with the work programme that is to be developed, maintain approximately the same number of units currently provided. The Council will have the flexibility to divest and reinvest in social housing provided a similar level of housing need and housing standard is met
6. draw down funding each year to complete the work planned for that year.

If the Council were to breach the terms and conditions within the 30-year timeframe, then the Council would be liable for the following penalty costs:

1. repayment of the nominal value of any funds disbursed
2. repayment of an additional penalty charge equivalent to 90% of the disbursed amount
3. repayment of a portion of the funds disbursed by the Crown if the portfolio is sold incrementally.

Funding will be provided by way of a conditional grant with the penalty clauses as set out above. If the Council meets all the terms and conditions, then it would not be required to repay any principal or any penalty costs.

NOTE 1: PROPOSED HOUSING RELATED AMENDMENTS TO THE LTCCP

Strategy Area 6: Social and Recreation (pages 247 – 305 of volume one)

1. Delete paragraph 3 under section 6.1.1 'Community Housing - What we do' (page 253 of volume one).
2. Insert new paragraph 3 under section 6.1.1 'Community Housing - What we do' (page 253 of volume one) as follows:

“Over the next three years, we will plan for and begin a significant upgrade of our housing units. This work is the start of a 10 to 15 year upgrade programme funded by the Crown’s investment of \$220 million in our social housing. The upgrade will ensure all our housing is safe, secure and of an appropriate modern standard.

See ‘How we will manage our assets’ below.”

3. Delete third and fourth paragraph under the heading 'How we will manage our assets' (pages 253 & 254 of volume one)

4. Insert as new paragraph 3 under the heading 'How we will manage our assets' (page 253 of volume one) as follows:

“Over the next three years, the Council will develop an investment plan and programme of works for the upgrade of our housing stock. The upgrade programme will take 10-15 years to complete. We will agree the work programme with the Crown in 2007/08 and it will be the basis of an annual drawdown of funds from the Crown, with the investment programme commencing in 2008/9. We will also review our current maintenance priorities and programmes and co-ordinate these with the upgrade programme of our housing assets.”

5. Delete the table ‘who should pay’ (page 254 of volume one and page 80 of volume two of the LTCCP) and replace with the following

WHO SHOULD PAY	
User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
Total	100%

6. Delete the financial information on page 255 of volume one and replace with the following:

WHAT IT WILL COST

Operational Spending 2006-07 - 08/09		Expenditure	User Charges and other revenue	Net expenditure/ revenue
Project description		(\$000)	(\$000)	(\$000)
C125	Housing Operations and maintenance			
Total for 2007/08		15,344	(16,553)	(1,209)
Total for 2008/09		16,887	(33,684)	(16,797)

Capital Spending 2006/07 - 08/09		Expenditure	
Project description		(\$000)	
CX370	Housing upgrades		0
CX371	Housing renewals		2,032
Total for 2007/08			2,032
Total for 2008/09			19,915

Note: Subsequent to the development of the proposed amendment a Capital Expenditure reprioritisation process has been completed reducing planned expenditure for 2007/8 from \$2,232,000 to \$2,032,000.

7. Delete the financial information for C125 (page 289 of volume one) and replace with the following and consequentially amend the total as per other changes identified in Section 4:

Net operating expenditure (by strategy area, activity and project for 10 years)										
Annual Plan Project		Forecast 2007/08 \$000	Forecast 2008/09 \$000	Proposed 2009/10 \$000	Proposed 2010/11 \$000	Proposed 2011/12 \$000	Proposed 2012/13 \$000	Proposed 2013/14 \$000	Proposed 2014/15 \$000	Proposed 2015/16 \$000
C125	Housing Operations and maintenance	(1,209)	(16,797)	(18,591)	(20,281)	(21,459)	(22,041)	(22,612)	(22,530)	(23,077)
6.1.1	Provider - Community Housing	(1,209)	(16,797)	(18,591)	(20,281)	(21,459)	(22,041)	(22,612)	(22,530)	(23,077)
Total Social and Recreation		49,426	38,104	39,674	38,969	39,583	40,661	41,668	43,795	45,295

8. Delete the financial information for CX370 and CX371 (Page 292 of volume one) and replace with the following and consequentially amend the total as per other changes identified in Section 4:

Capital expenditure (by strategy, activity and project for 10 years)										
Annual Plan Project		Forecast 2007/08 \$000	Forecast 2008/09 \$000	Proposed 2009/10 \$000	Proposed 2010/11 \$000	Proposed 2011/12 \$000	Proposed 2012/13 \$000	Proposed 2013/14 \$000	Proposed 2014/15 \$000	Proposed 2015/16 \$000
CX370	Housing upgrades	-	15,754	17,376	18,658	24,427	25,724	26,636	27,315	28,079
CX371	Housing renewals	2,032	4,161	2,702	3,134	2,881	3,049	3,166	3,532	3,802
6.1.1	Provider - Community Housing	2,032	19,915	20,078	21,792	27,308	28,773	29,802	30,847	31,881
Total Social and Recreation		17,429	54,663	36,311	30,643	34,859	35,109	39,042	37,496	38,535

9. Insert new level of service in table 6.1.1 'Community Housing Level of service' (page 294 of volume one) as follows:

- “we will upgrade our housing units to provide safe, secure housing to an appropriate modern standard and in accordance with the investment plan to be developed.”

NOTE 2: ASSUMPTIONS TO THE HOUSING RELATED AMENDMENTS TO THE LTCCP

1. Programme will be completed evenly (in nominal terms) over 10 years starting in 2008/9 and ending in 2017/18.
2. Ring fencing is of the cash surplus, this being the net operating position +/- the balance of capital expenditure funded by depreciation.
3. The current cost structure for the housing operations project will continue into the ring fenced operations with the following exceptions:
 - reduce rental income during the investment period as tenants are decanted
 - additional OPEX costs incurred for tenant liaison activities

- additional OPEX costs for additional premises to house decanted tenants.
 - minor maintenance savings occur during the investment period
 - rentals increasing as a consequence of the investment which is likely to increase the assessed market rental valuations.
4. The cash surplus available from ring fencing will be used to fund investment into the housing stock.
 5. Minor deferrals will occur on the current planned renewals programme as a consequence of the investment.
 6. Consequential amendments as a result of updated opening balance sheet projections have been incorporated within the overall housing amendment.

SECTION TWO:

AMENDMENT TO THE WELLINGTON CITY COUNCIL'S DEVELOPMENT CONTRIBUTIONS POLICY

Introduction

The Council's Development Contributions Policy provides the Council with the means to fund investment in reserves and infrastructure required as a result of growth. The Council recognises that strong population growth has been experienced and is expected to continue. This growth impacts on public infrastructure and drives demand for increased capacity for network infrastructure (for example, water, wastewater, roading and stormwater services), community infrastructure (for example, libraries and swimming pools) and reserves.

The Development Contributions Policy was adopted by Council in 2005 and revised in 2006. It is Council policy that where the investment in meeting new demand can be quantified, it shall be funded by development contributions.

Scope of amendments

The following amendments to the Development Contributions Policy are effective from 1 July 2007. The amendments are shown in the schedule of amendments attached. The complete policy will be revised to incorporate these changes. The changes are summarised as follows:

- Pipitea Catchment - new development contribution for roading. The LTCCP makes provision to fund roading changes in the vicinity of Waterloo Quay and Aotea Quay. Developments in a new catchment zone (Zone T) will be levied to fund \$2.075 million of growth related work that the Council intends to undertake.
- Map change - boundary of zones K and N. The effect of this change is to correct an error in the current policy to include the Overseas Passenger Terminal in zone K instead of zone N. The effect of the change is that development contributions for inner city reserves will apply to that site i.e. \$2266 per residential EHU in addition to the citywide fee payable.
- Community Infrastructure – The amendment introduces a new development contribution for Community Infrastructure to fund approximately \$8.8 million of growth related investment in Aquatic Centres. This includes the Wellington Regional Aquatic Centre (\$5.4 million) and the Keith Spry Swimming Pool (\$3.4 million). The new Community Infrastructure development contribution of \$953 per EHU will apply on a citywide basis. Non residential developments shall not be subject to development contributions for Community Infrastructure.
- Consequential changes arising from the amendment to the LTCCP to revise capital expenditure figures. The Development Contributions payable under the existing policy have been calculated by reference to the growth related capital expenditure in the 2006/16 LTCCP. As part of this

overall LTCCP amendment, forecast capital expenditure in the 2006/16 LTCCP will be amended. Some of these changes relate to projects for which Development Contributions are payable. Development Contributions payable under the policy are amended to reflect those changes.

- Minor/ editorial changes.

Effects of amendments

The amendments will increase the overall development contribution fee payable per EHU across the City. The amount of the increase will depend on the location of the development. The new development contribution amounts are set out in the table at paragraph 2 of *note 3*.

Community infrastructure – swimming pools

The methodology for calculating development contributions involves defining catchment zones. The zones define the catchment that is served by a particular type of infrastructure. In some cases the catchment is citywide and in other cases the catchment shows the benefits are provided to a clearly defined local area, which is depicted in a map in the Policy.

The development contributions for Community Infrastructure have attributed the benefits of the investment in Aquatic Facilities as being city wide. The Council regards these facilities to be a network because they are used as destination amenities by people from across the city. The investment in the facilities is planned to promote and maintain optimal accessibility for all residents.

NOTE 3 AMENDMENTS TO THE DEVELOPMENT CONTRIBUTIONS POLICY

1. Paragraph 2.4.1 of the policy

Delete paragraph 2.4.1 and replace it with the following:

'The schedule of development contributions refers to areas A to T. These refer to geographically defined development contribution areas set out in Appendix A – Maps of development contributions catchment areas. Catchment T (Pipitea Precinct) is in addition to the relevant catchment Zones A to S.'

2. Section 2.4.2 of the policy – schedule of development contributions

Delete the schedule of development contributions and replace it with the following:

Map Zone	Citywide \$ per EHU	Catchment Specific				Reserves excluding greenfield development* \$ per EHU
		Water Supply \$ per EHU	Waste Water \$ per EHU	Roading \$ per EHU		
A Roseneath	\$ 2,901	\$ 1,775	\$ 1,185	\$ -	\$ -	
B Western Messines	\$ 2,901	\$ 961	\$ 2,440	\$ -	\$ -	
C Grenada North HL	\$ 2,901	\$ 7,250	\$ 1,185	\$ -	\$ -	
D Frobisher	\$ 2,901	\$ 1,904	\$ 1,185	\$ -	\$ -	
E Kelburn	\$ 2,901	\$ 1,392	\$ 1,185	\$ -	\$ -	
F Central Johnstonville West	\$ 2,901	\$ 850	\$ 1,185	\$ -	\$ -	
G Ngaio West	\$ 2,901	\$ 3,907	\$ 1,185	\$ -	\$ -	
H Onslow	\$ 2,901	\$ 677	\$ 1,185	\$ -	\$ -	
I Churton-Stebbing	\$ 2,582	\$ 1,543	\$ 722	\$ 2,719	\$ -	
J Northern Grenada- Lincolnshire	\$ 2,582	\$ 3,933	\$ 722	\$ 1,359	\$ -	
K Inner City - Residential	\$ 2,901	\$ -	\$ 1,185	\$ -	\$ 2,266	
Inner City - Non Residential	\$ 2,901	\$ -	\$ 1,185	\$ -	\$ 283	
L Northern	\$ 2,901	\$ -	\$ 722	\$ -	\$ -	
M Western	\$ 2,901	\$ -	\$ 2,440	\$ -	\$ -	
N Central	\$ 2,901	\$ -	\$ 1,185	\$ -	\$ -	
O Rural (Citywide roading and reserves only payable - unless practical to connect to water or wastewater.)	\$ 2,117	\$ -	\$ -	\$ -	\$ -	
P Rossavell	\$ 2,901	\$ 500	\$ 722	\$ -	\$ -	
Q Central Messines	\$ 2,901	\$ 961	\$ 1,185	\$ -	\$ -	
R Northern Johnsonville West Central Grenada-	\$ 2,901	\$ 850	\$ 722	\$ -	\$ -	
S Lincolnshire	\$ 2,582	\$ 3,933	\$ 1,185	\$ 1,359	\$ -	
T Pipitea Precinct				\$ 540		

Greenfield development

* See paragraph 12.2.9 and Appendix B6.1.2 – B6.1.7 for the development contribution for reserves for any greenfield development. As an indication, an average development contribution for Greenfield development reserve is \$7,510.

Note: Each EHU must pay the Citywide fee and the relevant catchment specific fees.

3. Maps of development contribution areas

- (a) New Map K (inner city).
- (b) New Map N (central).
- (c) New Map T (Pipitea Precinct).

4. Paragraph 8.2.6 (table)

Delete 'below' and include the words 'in 2.5.5'.

5. Paragraph 11.1.2 (table)

Make the following amendments to the table:

Step two: In the third bullet point, change the cross-reference from 3 to 9.

Step four: In the fourth bullet point, delete the words 'in the District Plan' and insert the words 'clause 5 "Definitions"'.

6. Paragraphs 12.1.12 and 12.1.13 – citywide reserves

Delete the heading and paragraphs 12.1.12 and 12.1.13 and replace them with the following:

7. 'Citywide reserves and community infrastructure'

- 12.1.12 Citywide reserves and community infrastructure comprise amenities such as the botanic gardens, sporting facilities, swimming pools and open space. They are destination reserves and facilities that provide active recreational facilities to the city community. Increased demand can come from anywhere within the city.
- 12.1.13 Growth impacts on these amenities in a number of ways including degradation in the quality of the amenity, overcrowding, changes in activities and usage by residents, etc. Capital works are continually required to upgrade these reserves to enable increased usage and to purchase new land and assets. Works are planned to cater for growth to ensure cost effective use of the Council's resources and assets.

12.1.14 Non residential developments shall not be subject to development contributions for Community Infrastructure.

8. Paragraph 12.2 – development contributions for specific catchment areas

Paragraph 12.2.1 – third bullet point: After the words 'development of local' insert the words 'community infrastructure such as' so that the third bullet point reads as follows:

'development of local community infrastructure such as playgrounds and open space to service a new subdivision or to cater for additional growth in household units within existing suburbs or the inner city.'

Paragraph 12.2.2 - delete the sentence in paragraph 12.2.2 that reads 'Currently there are specific catchments for water supply, waste water and reserves.' and insert the words 'There are specific catchments for water supply, waste water, reserves, and roads.' so that the paragraph reads as follows:

'It is anticipated that specific catchments will be defined from time to time as specific local works are required to mitigate the impact of growth on the local community. There are specific catchments for water supply, wastewater, reserves, roads and community infrastructure.'

9. Pipitea Precinct roading improvements catchment

Insert the following paragraphs into section 12.2 of the policy after paragraph 12.2.10 to provide for the Pipitea Precinct roading catchment:

10. 'Pipitea Precinct Roading Improvements Catchment'

12.2.11 The future urban development of the land currently used for port and rail-yards will generate a substantial amount of new vehicle traffic onto an important gateway route into and out of the city, as well as a substantial increase in pedestrian numbers between the new development, public transport hubs and the rest of the central city. This will require improvements to be made to the road corridor and to key intersections to facilitate this growth and ensure that congestion is managed appropriately.

12.2.12 Therefore a sub-catchment has been defined based on the areas of future development which will generate the majority of the increased traffic and turning movements.'

11. *Appendix A – Tables 1, 3 and 4*

In order to give effect to the introduction of community infrastructure and the amendments to the capital expenditure figures in the LTCCP, make the following amendments to Tables 1, 3 and 4

(a) *Table 1 – Capital expenditure from the LTCCP*

Delete existing Table 1 and replace it with the following:

Summary of capex for infrastructure area	Total cost of capital works	Total growth component	Amount to be funded by development contributions	Amount to be funded from other sources
Water supply	\$118,812,126	\$14,104,023	\$14,104,023	\$0
Waste water	\$98,326,824	\$2,458,171	\$2,458,171	\$0
Storm water	\$72,295,229	\$1,807,381	\$1,807,381	\$0
Roading	\$154,082,545	\$22,183,709	\$15,741,131	\$6,442,578
Reserves	\$85,129,954	\$6,214,214	\$6,214,214	\$0
Community Infrastructure	\$18,544,000	\$8,743,793	\$8,743,793	\$0

Table 3 – Citywide development contributions

Delete existing Table 3 and replace it with the following:

Citywide development contributions	\$ per EHU (ex GST)
Water supply	\$319
Stormwater	\$197
Wastewater	\$268
Traffic and roading	\$718
Reserves	\$446
Community Infrastructure	\$953
Total citywide development contributions	\$2,901

(b) *Table 4 – Specific catchment related development contributions*

Delete existing Table 4 and replace with the following:

Wastewater Development Contributions	\$ per EHU (ex GST)
Central (Moa Point)	\$ 1,185
Western (Karori)	\$ 2,440
Northern (Porirua)	\$ 722

Water Supply Catchment Based Development Contributions	\$ per EHU (ex GST)
Happy Valley and Frobisher catchment	\$1,904
Kelburn catchment	\$1,392
Grenada North High Level catchment	\$7,250
Onslow catchment	\$677
Roseneath catchment	\$1,775
Messines catchment	\$961
Ngaio West catchment	\$3,907
Johnsonville West catchment	\$850
Churton – Stebbings	\$1,543
Grenada – Lincolnshire	\$3,933
Rossavell Heights	\$500

Roading Development Contributions	\$ per EHU (ex GST)
Churton-Stebbing Catchment	\$ 2,719
Grenada-Lincolnshire Catchment	\$ 1,359
Pipitea Precinct	\$ 540

Reserves Development Contributions	\$ per EHU (ex GST)
Inner City Catchment - Residential	\$ 2,266
Inner City Catchment - Non Residential	\$ 283

Greenfield development

\$7,510 estimated
(to be calculated under B6.1.2 - B6.1.7 based on Council's policy for playgrounds and reserves)

12. Appendix B - Methodology

Paragraph B1.1.2: Add a new paragraph (f) so that paragraph B1.1.2 reads as follows:

- (a) A citywide catchment for water supply, stormwater and roading
- (b) Water supply catchments
- (c) Wastewater catchments
- (d) Roading catchments
- (e) An inner city catchment for reserves
- (f) Community infrastructure.

13. Paragraph B2.1 - citywide

In order to amend the table in paragraph B2.1.1 to reflect the amended capital expenditure figures and the addition of community infrastructure, delete the current table and replace it with the following:

Activity	Total planned capex	Gross contribution amount	Less subsidy receivable	Net contribution amount	EHUs	Citywide development contribution amount
Water supply	\$87,944,385	\$2,198,610	\$0	\$2,198,610	6,885	\$319
Storm water	\$72,295,229	\$1,807,381	\$0	\$1,807,381	9,175	\$197
Waste water	\$98,326,824	\$2,458,171	\$0	\$2,458,171	9,175	\$268
Traffic and roading	\$130,281,466	\$13,028,147	\$6,442,578	\$6,585,569	9,175	\$718
Reserves	\$69,019,736	\$4,087,528	\$0	\$4,087,528	9,175	\$446
Community infrastructure	\$12,544,000	\$8,744,000	\$0	\$8,744,000	9,175	\$953
Total	470,411,640	32,323,837	\$6,442,578	25,881,259		2,901

14. Paragraph B3.1 – water supply

In order to amend the table in paragraph B3.1.1 to reflect the amended capital expenditure figures, delete the current table and replace it with the following:

	Completed prior to 2003/04	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development contributions per EHU
Happy Valley and Frobisher	\$613,130		\$60,928	32	\$1,904
Kelburn	\$2,620,000		\$199,056	143	\$1,392
Grenada North high level	\$580,000		\$152,250	21	\$7,250
Onslow	\$2,120,000		\$139,462	206	\$677
Roseneath		\$2,276,046	\$131,350	74	\$1,775
Messines Road		\$4,373,492	\$465,124	484	\$961
Ngaio West		\$8,335,000	\$2,344,200	600	\$3,907
Johnsonville West		\$1,600,000	\$299,200	352	\$850
Churton-Stebbing		\$1,759,241	\$1,759,241	1,140	\$1,543
Grenada-Lincolnshire		\$6,490,000	\$6,254,000	1,590	\$3,933
Rossavell Heights		\$100,988	\$100,988	202	\$500
Total	\$5,933,130	\$24,934,767	\$11,905,799		

15. Paragraph B5.1 – roading

Delete paragraph B5.1.1 and replace it with the following:

'Three traffic and roading catchments are identified for new roads. Two come as part of the Northern Growth Management Plan. The third recognises the response to growth around the port and rail yards land at the northern gateway to the city.

This capital expenditure is included in capital projects CX311 and CX493 respectively as budgeted in the Council's LTCCP and related amendments. The calculation of development contributions in the following table identifies the proportion of the capital expenditure relating to growth divided by the estimated growth in EHUs.'

In order to amend the table in paragraph B5.1.1 to reflect the amended capital expenditure figures and include the Pipitea Precinct catchment, delete the current table and replace it with the following:

Churton-Stebbing Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Cortina to Ohariu	\$ 400,000	\$ 164,000	1,360	\$ 121
Westchester to Glenside	\$ 5,883,079	\$ 2,412,062	1,360	\$ 1,774
Ohariu to Westchester	\$ 2,735,000	\$ 1,121,350	1,360	\$ 825
Total	\$ 9,018,079	\$ 3,697,412	1,360	\$ 2,719

Grenada-Lincolnshire Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Mark Ave Extension	\$ 1,000,000	\$ 710,000	2,489	\$ 285
Mark Ave to Grenada North	\$ 2,510,000	\$ 1,782,100	2,489	\$ 716
Woodridge to Lincolnshire	\$ 1,255,000	\$ 891,050	2,489	\$ 358
Total	\$ 4,765,000	\$ 3,383,150	2,489	\$ 1,359

Pipitea Precinct Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Pipitea Precinct Catchment	\$ 10,018,000	\$ 2,075,000	3,845	\$ 540

16. *B6.1 – Reserves*

In order to amend the capital expenditure figures for the inner city reserves catchment to take into account the amendments to the capital expenditure figures in the LTCCP, delete the table in paragraph B6.1.1 and replace it with the following:

Residential	Planned capital expenditure	Residential share @ 44.77%	Residential EHUs	Development Contribution per EHU
Waitangi Park	\$ 5,225,000	\$ 2,339,233	3,183	\$ 735
Three Parks in Three Years Initiative	\$ 3,442,028	\$ 1,540,996	3,183	\$ 484
Other Inner City Parks	\$ 7,443,190	\$ 3,332,316	3,183	\$ 1,047
Total	\$ 16,110,218	\$ 7,212,545	3,183	\$ 2,266

Non Residential	Planned capital expenditure	Non residential share @ 55.23%	Non residential EHUs	Development Contribution per EHU
Waitangi Park	\$ 5,225,000	\$ 2,885,768	31,406	\$ 92
Three Parks in Three Years Initiative	\$ 3,442,028	\$ 1,901,032	31,406	\$ 61
Other Inner City Parks	\$ 7,443,190	\$ 4,110,874	31,406	\$ 131
Total	\$ 16,110,218	\$ 8,897,673	31,406	\$ 283

Amend paragraph (e) of the calculation for residential and non-residential reserves contribution to take into account the changed figures for capital expenditure as follows:

'Residential = \$16,110,218 x 44.77% / 3,183 or \$2,266 per residential EHU

Non-residential = \$16,110,218 x 55.23% / 31,406 or \$283 per non-residential EHU'

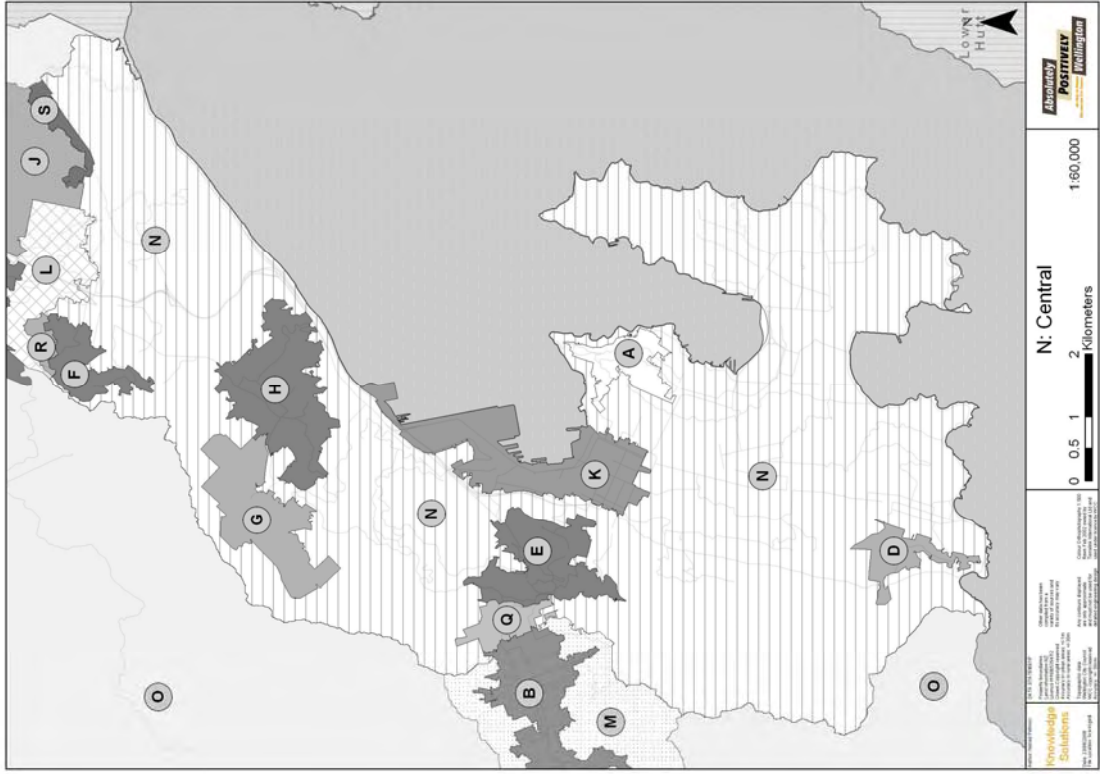
17. *Community infrastructure – catchment based*

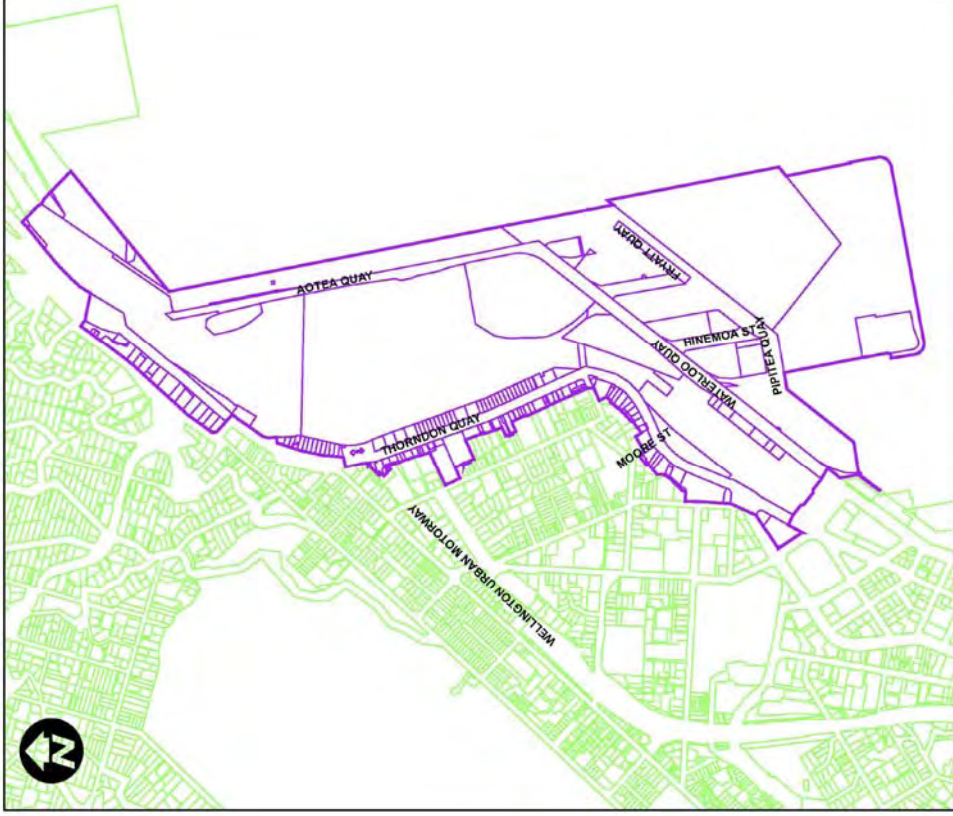
Add the following new section B7.1 to the methodology section of the policy to record the methodology used to introduce community infrastructure to the policy:

B7.1 *Community infrastructure – Catchment based*

B7.1.1 Community infrastructure is predominantly used by residents of the local area, but people resident in other areas of the city may also use the facilities, depending on the type of facility. Some local purpose community infrastructure can also be used on a less frequent basis by all residents and by visitors to the city. A ratio is applied to fairly reflect the expected predominant usage under the following methodology:

- (a) Determine the expected area of benefit. If the facility is intended to service a part of the city, define the catchment using the most suitable census area units.
- (b) Determine whether the potential for a local facility to be used by residents living outside the catchment area is likely to be significant. For example, where the local facility is part of a network or hierarchy of facilities there is potential for it to accommodate citywide growth. An example of this is shown in B6.1 of this policy (Reserves).
- (c) Determine the capital expenditure. Where capital expenditure is for increased levels of service, renewals and growth, only the growth component is eligible for funding by development contributions.
- (d) Apply the benefit ratio where expected growth related usage is a combination of local catchment zone and citywide.
- (e) The growth component is quantified by:
 - An increase in funding required to provide additional capacity in a planned facility upgrade, or
 - The proportional change in EHUs in a community or citywide.
- (f) Mixed benefit projects are assessed on the basis of data indicating where users are domiciled.
- (g) Non residential developments shall not be subject to development contributions for Community Infrastructure.





1:10,000
 Wellington
 Pipitea Precinct Road Network

Absolutely
 Positively
 Wellington

SECTION THREE:

AMENDMENT TO THE REVENUE AND FINANCING POLICY

Introduction:

The Council has amended the Revenue and Financing Policy to take into account the following:

- the Revenue and Financing policy implications of the proposal from the Crown to invest in the Council's social housing. The proposal from the Crown contains a number of conditions that would require an amendment to the Revenue and Financing Policy
- changes to Funding Policy targets (user charges, other revenue and rates) where the current targets are no longer considered reasonable or affordable
- changes to the Funding Policy targets to reflect the realignment of Council projects and activities
- changes to the transition of the rates differential between the business and residential sectors.

The Council considers that the above amendments are necessary in order to ensure that the Council continues to operate in a financially prudent manner, in compliance with an approved and up to date Revenue and Financing Policy that meets the expectations and demands of it.

Community Housing

In conjunction with Crown investment in the Council's social housing portfolio (refer section one), the Council has removed the capital charge allocated to this activity. This reflects the cost of capital invested in the city housing stock and is shown in an activity funding split of 70% user charges and 30% general rate funding (LTCCP Vol. 2, page 80). This is also generally consistent with the application of the 70% of market rent policy currently applied.

The removal of the capital charge will result in the funding target for the activity reverting to 100% user charges.

The change to the targets is shown below:

Community Housing	Revenue and Financing Policy Funding Target	Amended Revenue and Financing Policy Funding Target
User charges	70%	100%
Other revenue	0%	0%
Targeted rate	0%	0%
General rate	30%	0%
Total	100%	100%

Development Control and Facilitation

We have transferred Noise Monitoring (which is fully rates funded) away from Development Control and Facilitation activity and into the Public Health activity. As noise monitoring is 100% general rates funded, this shift results in an increase in the user charge funding target for the Development Control and Facilitation activity from 40% User Fees to 45%. The change to the targets is shown below:

Development Control and Facilitation	Revenue and Financing Policy Funding Target	Amended Revenue and Financing Policy Funding Target
User charges	40%	45%
Other revenue	0%	0%
Targeted rate	0%	0%
General rate	60%	55%
Total	100%	100%

Public Health

As a consequence of the transfer of Noise Monitoring from the Development Control and Facilitation activity to the Public Health activity, we have decreased the user charge funding target for the Public Health activity from 50% to 45% to reflect the increase in 100% rates funded expenditure to be incorporated within the activity. The change to the targets is shown below:

Public Health	Revenue and Financing Policy Funding Target	Amended Revenue and Financing Policy Funding Target
User charges	50%	45%
Other revenue	0%	0%
Targeted rate	0%	0%
General rate	50%	55%
Total	100%	100%

Promoting and Hosting Cultural Events

We have decreased the other revenue funding target for this activity from 35% to 25% to reflect the reduction in non-Council external grant funding received for the provision of this activity.

The change to the targets is shown below:

Promoting and Hosting Cultural Events	Revenue and Financing Policy Funding Target	Amended Revenue and Financing Policy Funding Target
User charges	0%	0%
Other revenue	35%	25%
Targeted rate	0%	0%
General rate	65%	75%
Total	100%	100%

Community Centres and Halls

We have decreased the user charges and other revenue component targets for this activity from 20% to 2%, to reflect the reclassification of rental revenue streams previously included under this activity but now more appropriately recorded as corporate revenue (which is unallocated to Council activities).

The change to the targets is shown below:

Community Centres and Halls	Revenue and Financing Policy Funding Target	Amended Revenue and Financing Policy Funding Target
User charges	10%	2%
Other revenue	10%	0%
Targeted rate	80%	98%
General rate	0%	0%
Total	100%	100%

Swimming Pools

We have decreased the user charge funding target for this activity from 45% to 40%, with an increase in the General Rates funding target from 55% to 60%. This change was introduced in conjunction with an increase in fees for these services. The objective of these changes is to appropriately manage the competing expectations of recovering an appropriate level of funding from users of the Council's swimming pools, but at a level that remains affordable to all potential users.

The change to the targets is shown below:

Swimming Pools	Revenue and Financing Policy Funding Target	Amended Revenue and Financing Policy Funding Target
User charges	45%	40%
Other revenue	0%	0%
Targeted rate	0%	0%
General rate	55%	60%
Total	100%	100%

Rates Differential

In 2000 the Council voted to alter the rates differential (the rates split) that decides the share of general rates paid by residents and businesses. The LTCCP proposed that over a 10 year period the balance will shift from a point where the commercial sector contributed 7.0 times more general rate (for a property of the same value) to a stage where they will end up contributing 2.8 times more general rate than the residential ratepayer by 2009/10.

The council believes it is appropriate to spread the impact of activity funding changes and that a smooth transition towards the 2.8:1 ratio continues, while also taking into account the annual impact of the differential shift on individual ratepayers.

To achieve this the Council has amended the differential transition by restating the 2007/08 general rate differential from 3.8:1 as originally proposed in the LTCCP to 4.2:1 and pushed out the timeline over which the 2.8:1 differential target will be achieved from 2009/10 to 2011/12 as follows:

2007/08	2008/09	2009/10	2010/11	2011/12
4.20:1	3.80:1	3.45:1	3.10:1	2.80:1

SECTION 4:

CONSEQUENTIAL CHANGES TO FINANCIAL AND FUNDING STATEMENTS

Introduction

Amendments to Financial Information – Financial and Funding Statements, Opex and Capex Activity Listings and Significant Forecasting Assumptions

The Council's LTCCP details the financial forecasts for the delivery of the Council's activities, services and capital investment. The LTCCP includes the prospective financial information and statements for the 10 year period to 30 June 2016. The financial information and forecasts were prepared on the basis of best estimate assumptions as to future events which the Council reasonably expected to take place. The prospective financial statements were authorised for issue on 28 June 2006 and the assumptions and estimates contained in these statements were appropriate as at that date. The prospective financial statements contain a cautionary note to the effect that the financial information is prospective and therefore actual results are likely to vary from the information presented, and that the variations may be material.

In developing the 2007/08 Annual Plan the Council has updated its budget assumptions and forecasts for the financial year ending 30 June 2008. In accordance with the Act the Council is required to prepare financial information for the 2007/08 financial period only. The Council is not required to prepare and / or publish updated forecast financial information for the subsequent periods covered by the current LTCCP. Notwithstanding this, as a matter of good financial management, the Council updates its long term financial forecasts to take into account budget changes covered by the 2007/08 Annual Plan (and the consequential future implications of these budget changes), updates to forecast budget assumptions (including changes to the forecast timing of projects, forecast inflation rates etc.) and for amendments to asset management plans and Council policies.

As part of the amendment, the Council has replaced the financial statements detailed in the LTCCP with those Statements attached. These have been updated to take into account the financial implications and consequences of the following:

- The Crown investment in the Council's social housing portfolio
- Changes to the Revenue and Financing Policy
- Changes to project and programme budgets
- Changes to the forecast budget assumptions that underpin the LTCCP including, revenue and expenditure assumptions and forecasts, scheduled timing of projects and proposed amendments to asset management plans.

Funding impact statement - Operating expenditure

(All figures shown exclusive of GST)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Statement									
Total project expenditure	312,202	328,852	340,948	349,553	361,932	371,780	381,236	395,824	406,281
Self-insurance reserve	500	500	500	500	500	500	500	500	500
Total operating expenditure	312,702	329,352	341,448	350,053	362,432	372,280	381,736	396,324	406,781
Less expenditure not funded under section 100 of LGA:									
LTNZ Transport funded projects	(6,852)	(7,203)	(7,329)	(7,459)	(8,024)	(8,072)	(8,050)	(8,872)	(9,016)
Cleanwater sewerage treatment plant	(2,356)	(2,431)	(2,431)	(2,431)	(2,582)	(2,582)	(2,582)	(2,808)	(2,808)
Living Earth joint venture	(755)	(779)	(779)	(779)	(827)	(827)	(827)	(900)	(900)
Total operating expenditure to be funded	302,739	318,939	330,909	339,384	350,999	360,799	370,277	383,744	394,057
Funded by:									
General rates	103,940	113,694	120,866	126,086	131,652	136,107	139,852	145,284	150,059
Targeted rates:									
Sewerage rate	30,163	31,368	32,210	32,933	34,158	34,884	35,605	37,078	37,739
Water rate	27,837	28,996	29,812	30,523	31,714	32,419	33,130	34,584	35,220
Stormwater rate	11,649	12,396	12,924	13,280	13,894	14,219	14,588	15,391	15,621
Base (residential) sector targeted rate	6,086	6,459	6,029	6,164	6,411	6,602	6,854	7,214	7,382
Commercial sector targeted rate	1,849	1,914	1,976	2,034	2,095	2,157	2,215	2,272	2,335
Downtown levy	9,318	9,604	9,885	10,193	10,494	10,793	11,093	11,387	11,686
Tawa driveways levy	22	22	22	22	22	22	22	22	22
Marsden Village levy	13	13	13	13	13	13	13	13	13
Total targeted rates	86,937	90,771	92,870	95,161	98,801	101,110	103,520	107,961	110,019
Total rates to fund operating expenditure	190,877	204,465	213,736	221,247	230,453	237,217	243,373	253,244	260,078
User charges	69,951	72,543	75,122	76,994	78,934	81,224	83,572	85,532	87,957
Other income									
Ground and commercial leases	32,241	31,926	32,074	31,426	31,556	32,138	32,921	33,696	34,496
Dividends	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Transfund subsidies	3,158	3,256	3,357	3,461	3,562	3,663	3,765	3,862	3,963
Interest on investments	0	0	0	0	0	0	0	0	0
Petrol tax	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Miscellaneous	762	999	870	506	745	807	896	1,660	1,813
Total funding for operating expenditure	302,739	318,939	330,909	339,384	350,999	360,799	370,277	383,744	394,057

Funding impact statement - Capital expenditure and loans to other organisations

(All figures shown exclusive of GST)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Renewal capital expenditure	55,033	67,712	59,589	62,225	63,918	64,118	67,287	70,908	70,865
Upgrade capital expenditure	44,260	77,216	54,472	45,509	49,892	55,779	62,745	59,834	56,123
Capital expenditure carried forward from 2005/06	6,771	4,794	0	0	0	0	0	0	0
Capital expenditure carried forward from 2006/07	21,403								
Total capital expenditure to be funded	127,467	149,722	114,061	107,734	113,810	119,897	130,032	130,742	126,988
Loans to other organisations	2,000	13,000	0	0	0	0	0	0	0
Total capital expenditure and loans to be funded	129,467	162,722	114,061	107,734	113,810	119,897	130,032	130,742	126,988
Funded by:									
Rates funded depreciation	53,080	57,314	59,589	61,489	63,918	64,118	67,287	70,908	70,865
LTNZ transport subsidies	9,828	11,723	12,835	10,288	10,588	11,899	10,147	11,634	14,009
Housing grants	0	16,796	18,590	20,280	21,460	22,041	22,613	22,529	23,076
Development contributions	1,274	2,287	3,657	5,407	6,935	7,310	7,596	7,629	7,664
Targeted rates	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132
Bequests	450	464	0	0	0	0	0	0	0
Borrowings	64,835	74,139	19,390	10,271	10,909	14,529	22,389	18,042	11,374
Total funding for capital expenditure and loans to other organisations	130,599	163,854	115,193	108,866	114,942	121,029	131,164	131,874	128,120

Note: The forecast surplus of funding over expenditure in years 2007/08 to 2015/16, reflects targeted rates funding for the repayment of borrowings.

Statement of Prospective Borrowings

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening Gross Borrowings	233,572	295,275	364,381	371,777	380,316	387,527	397,543	418,007	430,279
Annual Plan capital expenditure	99,293	144,928	114,061	107,734	113,810	119,897	130,032	130,742	126,988
Capital expenditure carried forward from 2005/06	6,771	4,794	0	0	0	0	0	0	0
Capital expenditure carried forward from 2006/07	21,403	0	0	0	0	0	0	0	0
Total Capital Expenditure to be Funded	127,467	149,722	114,061	107,734	113,810	119,897	130,032	130,742	126,988
New borrowings to fund loans to external organisations	2,000	13,000	0	0	0	0	0	0	0
Less:									
Rates funded depreciation	(53,080)	(57,314)	(60,801)	(61,489)	(65,884)	(66,899)	(67,480)	(74,946)	(77,448)
Utilisation of development contributions	(1,274)	(2,287)	(3,657)	(5,407)	(6,935)	(7,310)	(7,596)	(7,629)	(7,664)
Utilisation of LTNZ subsidies	(9,828)	(11,723)	(12,835)	(10,288)	(10,588)	(11,899)	(10,147)	(11,634)	(14,009)
Utilisation of housing grants	0	(16,796)	(18,590)	(20,280)	(21,460)	(22,041)	(22,613)	(22,529)	(23,076)
Targeted rates for capital projects	(1,132)	(1,132)	(1,132)	(1,132)	(1,132)	(1,132)	(1,132)	(1,132)	(1,132)
Sale proceeds	(2,000)	(3,900)	(9,050)	0	0	0	0	0	0
Funding from bequests	(450)	(464)	0	0	0	0	0	0	0
Repayment of loans	0	0	(600)	(600)	(600)	(600)	(600)	(600)	(15,600)
Closing Gross Borrowings	295,275	364,381	371,777	380,316	387,527	397,543	418,007	430,279	418,338

Statement of Prospective Capital Expenditure and Capital Expenditure Funding

	Forecast 2007/08 \$000	Forecast 2008/09 \$000	Projection 2009/10 \$000	Projection 2010/11 \$000	Projection 2011/12 \$000	Projection 2012/13 \$000	Projection 2013/14 \$000	Projection 2014/15 \$000	Projection 2015/16 \$000
Capital expenditure:									
Renewals	55,033	67,712	59,589	62,225	63,918	64,118	67,287	70,908	70,865
New assets	44,260	77,216	54,472	45,509	49,892	55,779	62,745	59,834	56,123
Total annual capital expenditure programme	99,293	144,928	114,061	107,734	113,810	119,897	130,032	130,742	126,988
Renewals funded by:									
Depreciation	53,080	57,314	59,589	61,489	63,918	64,118	67,287	70,908	70,865
Borrowings	1,953	10,398	0	736	0	0	0	0	0
New assets funded by:									
Borrowings	32,707	45,947	19,390	9,534	10,909	14,529	22,390	18,042	11,374
Housing grants	-	16,796	18,590	20,280	21,460	22,041	22,613	22,529	23,076
Development contributions	1,275	2,287	3,658	5,407	6,935	7,310	7,596	7,629	7,664
LTNZ subsidies	9,828	11,723	12,835	10,288	10,588	11,899	10,147	11,634	14,009
Bequests	450	464	-	-	-	-	-	-	-
Total capital expenditure	99,293	144,928	114,061	107,734	113,810	119,897	130,032	130,742	126,988

Assumptions:

1. For LTCCP purposes it is assumed that Development contributions, Reserve fund and Bequests income are utilised in the year it is received.

Statement of Prospective Investments

	2007/08 \$'000	2008/09 \$'000	2009/10 \$'000	2010/11 \$'000	2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000
Short Term Investments	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883
Loans to Others	17,606	30,606	30,006	29,406	28,806	28,206	27,606	27,006	11,406
Investments in associates/subsidiaries	8,712	8,712	8,712	8,712	8,712	8,712	8,712	8,712	8,712
Income generating commercial equity and property	302,673	306,723	298,073	298,073	298,073	298,073	298,073	298,073	298,073
Total Investments	330,874	347,924	338,674	338,074	337,474	336,874	336,274	335,674	320,074

Prospective Statement of Financial Performance

	Forecast 2007/08	Forecast 2008/09	Projection 2009/10	Projection 2010/11	Projection 2011/12	Projection 2012/13	Projection 2013/14	Projection 2014/15	Projection 2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME									
Revenue from rates and levies	192,009	205,597	214,868	222,379	231,584	238,349	244,505	254,378	261,210
Revenue from operating activities	102,121	123,526	130,234	131,765	136,238	141,301	143,385	148,315	154,655
Revenue from investment property leases	11,468	10,891	10,287	8,970	8,343	8,160	8,173	8,194	8,213
Finance income	5,589	5,676	5,773	5,880	5,998	6,130	6,277	6,440	4,876
Other revenues and gains	4,975	6,473	6,873	8,516	10,087	10,505	10,833	10,907	10,984
Total operating income	316,162	352,163	368,035	377,510	392,250	404,445	413,173	428,234	439,938
EXPENSE									
Finance expense	20,258	24,232	26,479	27,297	27,874	28,385	29,392	30,485	30,448
Expenditure on operating activities	228,901	236,893	243,129	250,098	256,741	265,015	272,905	277,813	285,661
Depreciation and amortisation	63,043	67,727	71,340	72,158	77,317	78,380	78,939	87,526	90,172
Total operating expense	312,202	328,852	340,948	349,553	361,932	371,780	381,236	395,824	406,281
Net surplus/(deficit) for the year	3,960	23,311	27,087	27,957	30,318	32,665	31,937	32,410	33,657

Prospective Statement of Changes in Equity

	Forecast 2007/08	Forecast 2008/09	Forecast 2009/10	Projection 2010/11	Projection 2011/12	Projection 2012/13	Projection 2013/14	Projection 2014/15	Projection 2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity - opening balances									
Accumulated funds and retained earnings	4,691,471	4,694,831	4,717,542	4,744,029	4,771,386	4,801,104	4,833,169	4,864,506	4,896,316
Revaluation reserves	844,155	1,021,596	1,012,053	1,002,510	1,370,640	1,360,181	1,349,722	1,955,475	1,944,099
Hedging reserve	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
Restricted funds	20,549	21,049	21,549	22,049	22,549	23,049	23,549	24,049	24,549
Total equity - opening balance	5,557,968	5,739,269	5,752,937	5,770,381	6,166,368	6,186,127	6,208,233	6,845,823	6,866,757
Changes in equity									
Retained earnings									
Transfer from retained earnings	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Revaluation reserves									
Revaluation gains/(losses) taken directly to equity	177,441	(9,543)	(9,543)	368,130	(10,459)	(10,459)	605,753	(11,376)	(11,376)
Restricted Funds									
Transfer from restricted funds	-	-	-	-	-	-	-	-	-
Transfer to restricted funds	500	500	500	500	500	500	500	500	500
Net income recognised directly in equity	177,441	(9,543)	(9,543)	368,130	(10,459)	(10,459)	605,753	(11,376)	(11,376)
Net surplus/(deficit) for the year to retained earnings	3,960	23,311	27,087	27,957	30,318	32,665	31,937	32,410	33,657

Total recognised income and expense for the year	181,401	13,768	17,544	396,087	19,859	22,206	637,690	21,034	22,281
Effect of changed shareholding in Chaffers Marina Holdings Limited	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Total changes in equity	181,301	13,668	17,444	395,987	19,759	22,106	637,590	20,934	22,181
Equity - closing balances									
Accumulated funds and retained earnings	4,694,831	4,717,542	4,744,029	4,771,386	4,801,104	4,833,169	4,864,506	4,896,316	4,929,373
Revaluation reserves	1,021,596	1,012,053	1,002,510	1,370,640	1,360,181	1,349,722	1,955,475	1,944,099	1,932,723
Hedging reserve	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
Restricted funds	21,049	21,549	22,049	22,549	23,049	23,549	24,049	24,549	25,049
Equity - closing balance	5,739,269	5,752,937	5,770,381	6,166,368	6,186,127	6,208,233	6,845,823	6,866,757	6,888,938

Prospective Statement of Financial Position

	Forecast 2007/08 \$000	Forecast 2008/09 \$000	Projection 2009/10 \$000	Projection 2010/11 \$000	Projection 2011/12 \$000	Projection 2012/13 \$000	Projection 2013/14 \$000	Projection 2014/15 \$000	Projection 2015/16 \$000
ASSETS									
Current assets									
Cash and cash equivalents	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883
Trade and other receivables	28,481	28,481	28,481	28,481	28,481	28,481	28,481	28,481	28,481
Inventories	976	976	976	976	976	976	976	976	976
Total current assets	31,340	31,340	31,340	31,340	31,340	31,340	31,340	31,340	31,340
Non-current assets									
Derivative financial instruments	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
Trade and other receivables	26,221	40,044	40,360	40,780	41,316	41,980	42,788	43,755	28,155
Available-for-sale financial assets	527	527	527	527	527	527	527	527	527
Investment in subsidiaries	6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509
Investment in associates	19,358	19,258	19,158	19,058	18,958	18,858	18,758	18,658	18,558
Intangibles	9,594	10,573	9,506	11,298	13,628	11,549	12,350	15,193	13,798
Investment properties	178,958	183,008	174,358	174,358	174,358	174,358	174,358	174,358	174,358
Property, plant & equipment	5,837,029	5,901,051	5,935,392	6,337,806	6,362,010	6,395,647	7,052,192	7,081,688	7,109,023
Total non-current assets	6,079,989	6,162,763	6,187,603	6,592,129	6,619,099	6,651,221	7,309,275	7,342,481	7,352,721
TOTAL ASSETS	6,111,329	6,194,103	6,218,943	6,623,469	6,650,439	6,682,561	7,340,615	7,373,821	7,384,061
LIABILITIES									

Current liabilities												
Trade and other payables	50,579	50,579	50,579	50,579	50,579	50,579	50,579	50,579	50,579	50,579	50,579	50,579
Borrowings	109,325	114,357	105,710	105,709	105,705	105,704	105,704	105,701	105,701	105,701	105,705	105,705
Employee benefits	4,204	4,204	4,204	4,204	4,204	4,204	4,204	4,204	4,204	4,204	4,204	4,204
Provisions for other liabilities	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118
Total current liabilities	168,226	173,258	164,611	164,610	164,606	164,605	164,602	164,602	164,602	164,602	164,602	164,606
Non-current liabilities												
Trade and other payables	200	200	200	200	200	200	200	200	200	200	200	200
Borrowings	185,950	250,024	266,067	274,607	281,822	291,839	312,306	324,578	324,578	312,633	312,633	312,633
Employee benefits	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214
Provisions for other liabilities	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470
Total non-current liabilities	203,834	267,908	283,951	292,491	299,706	309,723	330,190	342,462	342,462	330,190	342,462	330,517
TOTAL LIABILITIES	372,060	441,166	448,562	457,101	464,312	474,328	494,792	507,064	507,064	495,123	495,123	495,123
EQUITY												
Accumulated funds and retained earnings	4,694,831	4,717,542	4,744,029	4,771,386	4,801,104	4,833,169	4,864,506	4,896,316	4,896,316	4,864,506	4,896,316	4,929,373
Revaluation reserves	1,021,596	1,012,053	1,002,510	1,370,640	1,360,181	1,349,722	1,955,475	1,944,099	1,944,099	1,955,475	1,932,723	1,932,723
Hedging reserve	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
Restricted funds	21,049	21,549	22,049	22,549	23,049	23,549	24,049	24,549	24,549	24,049	24,549	25,049
TOTAL EQUITY	5,739,269	5,752,937	5,770,381	6,166,368	6,186,127	6,208,233	6,845,823	6,866,757	6,866,757	6,845,823	6,866,757	6,888,938
TOTAL EQUITY AND LIABILITIES	6,111,329	6,194,103	6,218,943	6,623,469	6,650,439	6,682,561	7,340,615	7,373,821	7,373,821	7,340,615	7,373,821	7,384,061

Prospective Statement of Cash Flows

	Forecast 2007/08 \$000	Forecast 2008/09 \$000	Projection 2009/10 \$000	Projection 2010/11 \$000	Projection 2011/12 \$000	Projection 2012/13 \$000	Projection 2013/14 \$000	Projection 2014/15 \$000	Projection 2015/16 \$000
Cash flows from operating activities									
Cash receipts from rates and levies - Council	192,009	205,597	214,868	222,379	231,584	238,349	244,505	254,378	261,210
Cash receipts from activities and other income	93,937	97,847	102,084	106,376	110,594	114,022	117,421	120,162	123,401
Cash receipts from Government grants and subsidies	13,157	32,149	35,020	33,903	35,724	37,781	36,793	39,058	42,234
Cash receipts from investment property leases	11,468	10,891	10,287	8,970	8,343	8,160	8,173	8,194	8,213
Cash paid to suppliers and employees	(205,848)	(213,818)	(219,540)	(225,666)	(231,405)	(239,294)	(246,385)	(250,685)	(257,756)
Grants paid	(24,841)	(24,717)	(25,076)	(25,832)	(26,662)	(26,997)	(27,747)	(28,314)	(29,063)
Net cash flow from operating activities	79,882	107,949	117,643	120,130	128,178	132,021	132,760	142,793	148,239
Cash flows from investing activities									
Dividends received	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Interest received	100	103	106	110	113	116	119	122	126
Loans made/repaid	(2,000)	(13,000)	600	600	600	600	600	600	15,600
Purchase of property, plant and equipment	(127,467)	(149,722)	(114,061)	(107,734)	(113,810)	(119,897)	(130,031)	(130,742)	(126,988)
Sale of assets	2,000	3,900	9,050	-	-	-	-	-	-
Net cash flow from investing activities	(122,617)	(153,969)	(99,555)	(102,274)	(108,347)	(114,431)	(124,562)	(125,270)	(106,512)
Cash flow from financing activities									
Increase in borrowings	63,703	73,006	16,446	8,539	7,211	10,016	20,464	12,272	-
Interest paid on borrowings	(18,968)	(23,086)	(25,484)	(26,395)	(27,042)	(27,606)	(28,662)	(29,795)	(29,786)
Decrease in borrowings	(2,000)	(3,900)	(9,050)	-	-	-	-	-	(11,941)

Prospective Segmental Analysis by Strategy

	Forecast 2007/08 \$000	Forecast 2008/09 \$000	Projection 2009/10 \$000	Projection 2010/11 \$000	Projection 2011/12 \$000	Projection 2012/13 \$000	Projection 2013/14 \$000	Projection 2014/15 \$000	Projection 2015/16 \$000
Net Surplus/Deficit by Strategy									
Urban Development	(13,044)	(14,080)	(12,819)	(12,754)	(13,017)	(13,055)	(13,326)	(13,621)	(14,222)
Transport	(15,926)	(17,667)	(18,332)	(18,844)	(20,189)	(20,733)	(21,082)	(23,465)	(24,154)
Economic Development	(15,369)	(16,107)	(16,729)	(17,084)	(17,646)	(18,105)	(18,494)	(19,034)	(19,585)
Environment	(101,676)	(105,544)	(109,079)	(111,522)	(115,939)	(118,753)	(121,272)	(126,697)	(128,925)
Cultural Wellbeing	(12,145)	(12,558)	(12,846)	(13,210)	(13,618)	(14,017)	(14,364)	(14,530)	(14,934)
Social and Recreation	(49,426)	(38,104)	(39,674)	(38,969)	(39,583)	(40,661)	(41,668)	(43,795)	(45,295)
Governance	(12,752)	(12,842)	(13,405)	(13,904)	(14,139)	(14,629)	(15,263)	(15,236)	(15,947)
Total	(220,338)	(216,902)	(222,884)	(226,287)	(234,131)	(239,953)	(245,469)	(256,378)	(263,062)
Council	224,298	240,213	249,971	254,244	264,449	272,618	277,406	288,788	296,719
Net Surplus/(deficit)	3,960	23,311	27,087	27,957	30,318	32,665	31,937	32,410	33,657

Capital Expenditure by Strategy

Urban Development	10,271	10,138	4,378	3,449	1,824	2,516	5,748	4,383	2,879
Transport	29,102	33,889	34,515	30,180	31,285	32,383	32,278	34,651	40,577
Economic Development	797	1,307	593	711	513	954	603	637	654
Environment	31,389	33,205	29,656	31,133	32,337	40,264	42,991	39,706	33,042
Cultural Wellbeing	45	101	32	33	34	35	36	37	38
Social and Recreation	17,429	54,663	36,311	30,643	34,859	35,109	39,042	37,496	38,535
Governance	80	-	-	88	-	-	95	-	-
Total	89,113	133,303	105,485	96,237	100,852	111,261	120,793	116,910	115,725
Council	10,180	11,625	8,576	11,497	12,958	8,636	9,239	13,832	11,263
Total Annual Capital Expenditure Programme	99,293	144,928	114,061	107,734	113,810	119,897	130,032	130,742	126,988

Capital Expenditure Carried Forward from 2005/06	6,771	4,794	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Carried Forward from 2006/07	21,403	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	127,467	149,722	114,061	107,734	113,810	119,897	130,032	130,742	130,742	126,988	126,988	126,988

SCHEDULE OF 2007/08 OPEX LONG TERM COUNCIL COMMUNITY PLAN ACTIVITIES BY STRATEGY AND CLUSTER: ADJUSTED FOR INFLATION

Strategy Name and Cluster	Activity No.	Activity	Forecast 2007/08 \$'000	Forecast 2008/09 \$'000	Projection 2009/10 \$'000	Projection 2010/11 \$'000	Projection 2011/12 \$'000	Projection 2012/13 \$'000	Projection 2013/14 \$'000	Projection 2014/15 \$'000	Projection 2015/16 \$'000
URBAN DEVELOPMENT											
Urban planning and policy	1.1.1	Urban planning and policy development	1,898	2,004	1,706	1,858	1,805	1,753	1,795	1,838	1,906
	1.2.1	Smart growth	306	428	-	-	-	-	-	-	-
Urban planning and policy total			2,204	2,432	1,706	1,858	1,805	1,753	1,795	1,838	1,906
Development control and facilitation	1.3.1	Development control and facilitation	2,063	2,257	2,371	2,385	2,485	2,598	2,642	2,698	2,836
Development control and facilitation total			2,063	2,257	2,371	2,385	2,485	2,598	2,642	2,698	2,836
Earthquake risk mitigation	1.4.1	Earthquake risk mitigation	445	462	106	110	-	-	-	-	-
Earthquake risk mitigation total			445	462	106	110	-	-	-	-	-
Building control and facilitation	1.4.2	Building control and facilitation	3,950	3,870	4,031	4,027	4,218	4,461	4,536	4,628	4,887
Building control and facilitation total			3,950	3,870	4,031	4,027	4,218	4,461	4,536	4,628	4,887
Public spaces development	1.5.1	Waterfront development	2,411	2,902	2,416	2,165	2,222	2,278	2,336	2,390	2,447
	1.5.2	Public space and centre developments	1,297	1,453	1,461	1,462	1,516	1,575	1,617	1,658	1,722
	1.5.3	Heritage development	674	704	728	747	771	390	400	409	424
Public spaces development total			4,382	5,059	4,605	4,374	4,509	4,243	4,353	4,457	4,593
Urban Development Total			13,044	14,080	12,819	12,754	13,017	13,055	13,326	13,621	14,222
TRANSPORT											
Transport planning and policy	2.1.2	Transport planning	387	409	424	434	449	465	476	487	504
	2.3.1	Travel Demand Management Planning	120	217	-	-	-	-	-	-	-
Transport planning and policy total			507	626	424	434	449	465	476	487	504
Transport networks	2.2.2	Poets access	54	-	-	-	-	-	-	-	-
	2.4.1	Vehicle network	18,484	19,830	20,719	21,286	22,517	22,967	23,497	25,205	25,596
	2.4.2	Cycle network	44	47	49	52	56	59	62	67	69
	2.4.3	Passenger transport network	434	458	330	273	242	249	246	273	267
	2.4.4	Pedestrian network	3,914	4,301	4,570	4,896	5,362	5,624	5,883	6,410	6,777
	2.4.5	Network-wide control and management	2,158	2,351	2,507	2,643	2,865	2,930	2,851	3,124	3,307
	2.5.1	Road safety	3,291	3,402	3,464	3,505	3,620	3,671	3,715	3,847	3,893
Transport networks total			28,379	30,389	31,639	32,655	34,662	35,500	36,254	38,926	39,909
Parking	2.1.1	Car parking	(12,960)	(13,348)	(13,731)	(14,245)	(14,922)	(15,232)	(15,648)	(15,948)	(16,259)
Parking total			(12,960)	(13,348)	(13,731)	(14,245)	(14,922)	(15,232)	(15,648)	(15,948)	(16,259)
Transport Total			15,926	17,667	18,332	18,844	20,189	20,733	21,082	23,465	24,154
ECONOMIC DEVELOPMENT											
City promotions, events and attractions	3.1.1	Tourism promotion	4,116	4,244	4,375	4,511	4,643	4,775	4,906	5,034	5,166
	3.1.2	Visitor attractions	2,319	2,394	2,471	2,549	2,624	2,699	2,774	2,847	2,922
	3.1.3	Convention venues	3,974	4,339	4,589	4,617	4,808	4,897	4,926	5,112	5,289
	3.2.1	Suburban and city centres vitality	1,223	1,261	1,299	1,340	1,379	1,419	1,457	1,495	1,535
	3.3.1	Events attraction and support	1,849	1,914	1,976	2,034	2,095	2,157	2,215	2,272	2,335
	3.6.1	Creative workforce	1,228	1,271	1,312	1,306	1,347	1,387	1,424	1,461	1,502
City promotions, events and attractions total			14,709	15,423	16,022	16,357	16,896	17,334	17,702	18,221	18,749
Business support	3.4.2	Transport gateway connections	200	206	213	219	226	232	238	245	251
	3.5.2	Economic grants	165	170	175	181	186	191	197	202	207
	3.7.1	Regional and external relations	295	308	319	327	338	348	357	366	378
Business support total			660	684	707	727	750	771	792	813	836
Economic Development Total			15,369	16,107	16,729	17,084	17,646	18,105	18,494	19,034	19,585

Strategy Name and Cluster	Activity	Activity No.	Forecast 2007/08	Forecast 2008/09	Projection 2009/10	Projection 2010/11	Projection 2011/12	Projection 2012/13	Projection 2013/14	Projection 2014/15	Projection 2015/16
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ENVIRONMENT											
Gardens and beaches	4.1.1	Local parks and open spaces	6,605	6,964	7,239	7,421	7,839	8,078	8,228	8,734	8,922
	4.2.1	Botanical gardens	3,372	3,634	3,902	4,071	4,298	4,510	4,654	4,896	5,023
	4.2.2	Beaches and coast operations	828	856	883	884	925	954	978	1,010	1,014
Gardens and beaches total			10,805	11,454	12,024	12,376	13,062	13,542	13,860	14,640	14,959
Water	4.5.5	Water network	15,073	15,836	16,242	16,534	17,314	17,613	17,915	18,973	19,200
	4.6.1	Water collection and treatment	12,764	13,161	13,570	13,991	14,399	14,807	15,215	15,611	16,020
Water total			27,837	28,997	29,812	30,525	31,713	32,420	33,130	34,584	35,220
Waste water and stormwater	4.6.2	Stormwater management	11,649	12,395	12,925	13,279	13,895	14,218	14,588	15,391	15,621
	4.6.3	Sewage collection and disposal network	14,236	14,997	15,457	15,810	16,542	16,891	17,248	18,183	18,473
	4.6.4	Sewage treatment	19,037	19,581	19,962	20,332	21,025	21,402	21,767	22,601	22,974
Waste water and stormwater total			44,922	46,973	48,344	49,421	51,462	52,511	53,603	56,175	57,068
Waste reduction and energy conservation	4.5.1	Energy efficiency and conservation	9	9	9	10	(13)	(13)	(13)	(14)	(14)
	4.5.3	Recycling	(58)	(44)	(43)	(53)	(64)	(61)	(66)	(69)	(59)
	4.5.4	Waste minimisation and disposal management	431	427	463	322	177	107	(65)	(137)	(235)
Waste reduction and energy conservation total			382	392	429	279	100	33	(134)	(220)	(308)
Green open spaces	2.3.2	Roads Open Spaces	7,051	7,314	7,545	7,735	7,993	8,274	8,487	8,705	8,974
	4.2.3	Town belts	3,790	4,233	4,556	4,771	4,985	5,174	5,397	5,655	5,779
	4.3.1	Community environmental initiatives	330	343	351	361	372	384	393	404	415
	4.4.1	Walkways	369	402	424	439	466	486	502	531	546
	4.7.1	Stream protection	25	46	34	35	36	37	38	39	40
	4.7.2	Pest plant and animal management	751	782	807	828	855	881	903	925	953
Green open spaces total			12,316	13,120	13,717	14,169	14,707	15,236	15,720	16,259	16,707
Environmental conservation attractions	4.8.1	Environmental and conservation attractions	5,702	4,894	5,044	5,054	5,202	5,326	5,417	5,589	5,616
Environmental conservation attractions total			5,702	4,894	5,044	5,054	5,202	5,326	5,417	5,589	5,616
Quarry	4.5.2	Quarry	(288)	(286)	(291)	(302)	(307)	(315)	(324)	(330)	(337)
Quarry total			(288)	(286)	(291)	(302)	(307)	(315)	(324)	(330)	(337)
Environment Total			101,676	105,544	109,079	111,522	115,939	118,753	121,272	126,697	128,925
CULTURAL WELLBEING											
Heritage	5.1.1	City Archives	1,298	1,363	1,417	1,440	1,483	1,528	1,537	1,542	1,591
	5.1.2	Promotion of heritage landmarks	4	-	-	-	-	-	-	-	-
Heritage total			1,302	1,363	1,417	1,440	1,483	1,528	1,537	1,542	1,591
Galleries and museums	5.4.1	City galleries and museums	6,395	6,601	6,731	6,943	7,158	7,367	7,577	7,791	8,001
Galleries and museums total			6,395	6,601	6,731	6,943	7,158	7,367	7,577	7,791	8,001
Community arts and cultural support	5.2.1	Arts and cultural festivals	1,421	1,480	1,528	1,568	1,617	1,663	1,702	1,742	1,794
	5.2.3	Cultural grants	667	688	709	731	752	774	795	816	837
	5.3.1	Access and support for community arts	403	416	431	442	456	470	482	495	509
Community arts and cultural support total			2,491	2,584	2,668	2,741	2,825	2,907	2,979	3,053	3,140
Arts partnerships	5.2.2	The NZ International Arts Festival	750	773	797	822	846	870	894	917	941
	5.4.2	Arts partnerships	1,207	1,237	1,233	1,264	1,306	1,345	1,377	1,427	1,461
Arts partnerships total			1,957	2,010	2,030	2,086	2,152	2,215	2,271	2,344	2,402
Cultural Wellbeing Total			12,145	12,558	12,846	13,210	13,618	14,017	14,364	14,530	14,934

Strategy Name and Cluster	Activity	Activity No.	Forecast 2007/08	Forecast 2008/09	Projection 2009/10	Projection 2010/11	Projection 2011/12	Projection 2012/13	Projection 2013/14	Projection 2014/15	Projection 2015/16
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
SOCIAL AND RECREATION											
Housing											
Housing total			(1,209)	(16,797)	(18,591)	(20,281)	(21,459)	(22,041)	(22,612)	(22,530)	(23,077)
Recreation facilities and programmes		6.1.1	605	826	550	562	588	598	607	643	650
		6.1.2									
		6.3.1	68	72	75	76	79	82	84	86	89
		6.3.3	599	644	671	683	708	738	754	771	803
		6.4.1	9,700	10,041	10,196	10,466	11,305	11,684	12,276	12,374	12,813
		6.4.2	2,679	2,933	3,041	3,135	3,304	3,402	3,400	3,521	3,588
		6.4.3	2,646	4,311	6,737	6,787	6,748	6,691	6,630	6,634	6,652
		6.4.4		591	639	691	730	744	780	838	824
		6.4.5	(15)	2	8	7	24	28	26	41	43
Recreation facilities and programmes total			16,863	19,420	21,917	22,407	23,486	23,967	24,557	24,908	25,462
Libraries		6.4.8	18,417	19,579	20,374	20,495	20,494	21,119	21,612	22,607	23,532
Libraries total			18,417	19,579	20,374	20,495	20,494	21,119	21,612	22,607	23,532
Public health and safety		6.5.1	745	810	869	907	977	1,035	1,075	1,130	1,169
		6.5.2	1,508	1,589	1,651	1,714	1,792	1,858	1,915	1,991	2,046
		6.5.3	2,080	2,239	2,330	2,346	2,437	2,546	2,593	2,648	2,755
		6.6.1	1,343	1,122	1,159	1,191	1,230	1,270	1,303	1,337	1,377
		6.6.2	1,977	2,128	2,251	2,267	2,347	2,393	2,409	2,473	2,575
Public health and safety total			7,653	7,888	8,260	8,425	8,783	9,102	9,295	9,579	9,922
Community support		6.2.1	380	392	338	342	347	351	355	359	363
		6.2.2	1,986	2,093	1,973	2,011	2,072	2,149	2,198	2,248	2,335
		6.3.2	2,380	2,463	2,543	2,618	2,697	2,777	2,852	2,925	3,006
		6.4.6	2,499	2,509	2,429	2,484	2,611	2,683	2,844	3,088	3,129
		6.4.7	457	557	631	668	752	754	767	811	823
Community support total			7,702	8,014	7,714	7,923	8,279	8,514	8,816	9,231	9,456
Social and Recreation Total			49,426	38,104	39,674	38,969	39,583	40,661	41,668	43,795	45,295
GOVERNANCE											
Maori engagement (including mana whenua)		7.2.1	110	113	117	121	124	128	131	135	138
Maori engagement (including mana whenua) total			110	113	117	121	124	128	131	135	138
City governance and decisions		7.1.1	104	57	60	60	63	66	67	68	71
		7.2.2	8,018	8,047	8,414	8,817	8,879	9,188	9,696	9,541	10,046
City governance and decisions total			8,122	8,104	8,474	8,877	8,942	9,254	9,763	9,609	10,117
Civic information		7.2.3	4,520	4,625	4,814	4,906	5,073	5,247	5,369	5,492	5,692
Civic information total			4,520	4,625	4,814	4,906	5,073	5,247	5,369	5,492	5,692
Governance Total			12,752	12,842	13,405	13,904	14,139	14,629	15,263	15,236	15,947
Total Annual Plan Operating Expenditure			220,338	216,902	222,884	226,287	234,131	239,953	245,469	256,378	263,062

SCHEDULE OF 2007/08 CAPEX LONG TERM COUNCIL COMMUNITY PLAN ACTIVITIES BY STRATEGY AND CLUSTER: ADJUSTED FOR INFLATION

Strategy Name and Cluster	Activity No.	Activity	Forecast 2007/08 \$000	Forecast 2008/09 \$000	Projection 2009/10 \$000	Projection 2010/11 \$000	Projection 2011/12 \$000	Projection 2012/13 \$000	Projection 2013/14 \$000	Projection 2014/15 \$000	Projection 2015/16 \$000
URBAN DEVELOPMENT											
Urban planning and policy	1.2.1	Smart growth	-	108	1,595	-	-	-	107	1,590	-
Urban planning and policy total			-	108	1,595	-	-	-	107	1,590	-
Public spaces development	1.5.1	Waterfront development	6,600	7,950	400	-	-	-	-	-	-
	1.5.2	Public space and centre developments	3,671	2,080	2,383	3,449	1,824	2,516	5,641	2,793	2,879
Public spaces development total			10,271	10,030	2,783	3,449	1,824	2,516	5,641	2,793	2,879
Urban Development Total			10,271	10,138	4,378	3,449	1,824	2,516	5,748	4,383	2,879
TRANSPORT											
Transport networks	2.2.2	Ports access	718	722	3,561	1,370	564	-	596	2,446	1,255
	2.4.1	Vehicle network	18,513	20,951	19,418	17,279	17,784	20,723	18,793	19,285	26,063
	2.4.2	Cycle network	68	70	72	74	77	79	81	83	85
	2.4.3	Passenger transport network	1,118	1,907	1,807	1,589	1,636	1,102	1,132	856	879
	2.4.4	Pedestrian network	4,368	5,040	5,067	5,136	5,308	5,471	5,621	5,768	5,919
	2.4.5	Network-wide control and management	1,839	1,896	1,955	2,015	2,074	2,133	2,192	2,249	2,308
	2.5.1	Road safety	2,228	2,298	2,369	2,443	2,513	2,585	2,656	2,725	2,797
Transport networks total			28,852	32,884	34,249	29,906	29,956	32,093	31,071	33,412	39,306
Parking	2.1.1	Car parking	250	1,005	266	274	1,329	290	1,207	1,239	1,271
Parking total			250	1,005	266	274	1,329	290	1,207	1,239	1,271
Transport Total			29,102	33,889	34,515	30,180	31,285	32,383	32,278	34,651	40,577
ECONOMIC DEVELOPMENT											
City promotions, events and attractions	3.1.2	Visitor attractions	300	412	-	-	-	-	-	-	-
	3.1.3	Convention venues	497	895	593	711	513	954	603	637	654
City promotions, events and attractions total			797	1,307	593	711	513	954	603	637	654
Economic Development Total			797	1,307	593	711	513	954	603	637	654
ENVIRONMENT											
Gardens and beaches	4.1.1	Local parks and open spaces	539	555	573	591	607	626	643	659	677
	4.2.1	Botanical gardens	428	1,537	933	890	817	843	866	889	674
	4.2.2	Beaches and coast operations	608	569	214	439	224	229	234	240	497
Gardens and beaches total			1,575	2,661	1,720	1,920	1,648	1,698	1,743	1,788	1,848
Water	4.5.5	Water network	12,988	13,015	10,390	12,356	12,717	12,399	12,270	12,500	11,639
Water total			12,988	13,015	10,390	12,356	12,717	12,399	12,270	12,500	11,639
Waste water and stormwater	4.6.2	Stormwater management	3,360	3,640	5,443	6,050	6,227	6,404	6,580	6,752	6,928
	4.6.3	Sewage collection and disposal network	8,171	7,934	7,718	7,957	8,190	8,422	8,655	8,880	9,112
Waste water and stormwater total			11,531	11,574	13,161	14,007	14,417	14,826	15,235	15,632	16,040
Waste reduction and energy conservation	4.5.1	Energy efficiency and conservation	100	103	106	110	-	-	-	-	-
	4.5.4	Waste minimisation and disposal management	1,807	2,482	425	214	209	8,625	11,744	7,080	1,095
Waste reduction and energy conservation total			1,907	2,585	531	324	209	8,625	11,744	7,080	1,095

Strategy Name and Cluster	Activity No.	Activity	Forecast 2007/08 \$000	Forecast 2008/09 \$000	Projection 2009/10 \$000	Projection 2010/11 \$000	Projection 2011/12 \$000	Projection 2012/13 \$000	Projection 2013/14 \$000	Projection 2014/15 \$000	Projection 2015/16 \$000
Green open spaces	4.2.3	Town belts	841	814	360	370	379	389	398	408	419
	4.4.1	Walkways	350	412	425	438	451	464	477	489	502
	4.7.1	Stream protection	-	21	21	22	23	23	24	24	25
Green open spaces total	1.191	1.247	806	830	853	876	899	921	946	971	996
Environmental conservation attractions	4.8.1	Environmental and conservation attractions	2,197	2,123	3,048	1,696	2,493	1,840	1,100	1,695	1,474
Environmental conservation attractions total	2,197	2,123	3,048	1,696	2,493	1,840	1,100	1,695	1,474	1,229	1,028
Environment Total	31,389	33,205	29,656	31,133	32,337	40,264	42,991	39,706	33,042	33,042	33,042
CULTURAL WELLBEING											
Heritage	5.1.2	Promotion of heritage landmarks	-	70	-	-	-	-	-	-	-
Heritage total	-	-	-	70	-	-	-	-	-	-	-
Community arts and cultural support	5.3.1	Access and support for community arts	45	31	32	33	34	35	36	37	38
Community arts and cultural support total	45	31	32	33	34	35	36	37	38	39	40
Cultural Wellbeing Total	45	101	32	33	34	35	36	37	38	39	40
SOCIAL AND RECREATION											
Housing	6.1.1	Community housing	2,032	19,915	20,078	21,792	27,308	28,773	29,802	30,847	31,881
Housing total	2,032	19,915	20,078	21,792	27,308	28,773	29,802	30,847	31,881	32,928	33,977
Recreation facilities and programmes	6.1.2	Recreation partnerships	370	-	5,895	3,696	2,799	1,917	2,387	2,189	1,889
	6.4.1	Swimming pools	2,586	4,357	511	366	596	387	393	404	414
	6.4.2	Sports fields	1,209	617	511	307	55	-	43	73	36
	6.4.3	Recreation centres	7,617	25,883	5,833	307	55	-	43	73	36
	6.4.4	Playgrounds	448	525	477	437	505	461	531	484	559
	6.4.5	Marinas	90	115	112	535	113	116	118	122	125
Recreation facilities and programmes total	12,320	31,497	12,828	5,341	4,068	2,881	3,472	3,272	3,023	2,823	2,633
Libraries	2,185	2,237	2,291	2,367	2,493	2,526	4,985	2,635	2,730	2,825	2,920
Libraries total	2,185	2,237	2,291	2,367	2,493	2,526	4,985	2,635	2,730	2,825	2,920
Public health and safety	6.5.1	Burials and cremations	100	417	267	274	282	289	297	305	313
	6.5.2	Public toilets	692	503	673	626	643	544	319	328	336
	6.6.2	Wellington Emergency Management Office	100	65	91	70	3	16	150	42	200
Public health and safety total	892	985	1,031	970	928	849	766	675	849	849	849
Community support	6.4.6	Community centres and halls	-	29	54	173	42	49	17	67	18
	6.4.7	Community ICT access	-	-	29	-	20	31	-	-	34
Community support total	-	-	29	83	173	62	80	17	67	67	52
Social and Recreation Total	17,429	54,663	36,311	30,643	34,859	35,109	39,042	37,496	38,535	38,535	38,535
GOVERNANCE											
City governance and decisions	7.2.2	City governance and decision-making	80	-	-	88	-	-	95	-	-
City governance and decisions total	80	-	-	88	-	-	95	-	95	-	-
Governance Total	80	-	-	88	-	-	95	-	95	-	-
ORGANISATIONAL PROJECTS											
Organisational Projects	10.1.1	Organisational Projects	10,180	11,625	8,576	11,497	12,958	8,636	9,239	13,832	11,263
Organisational Projects total	10,180	11,625	8,576	11,497	12,958	8,636	9,239	13,832	11,263	11,263	11,263
Total Capital Expenditure Programme	99,293	144,928	114,061	107,734	113,810	119,897	130,032	130,742	126,988	126,988	126,988

SIGNIFICANT FORECASTING ASSUMPTIONS

The financial information has been prepared on the basis of best estimate assumptions as to 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 included within the principal assumptions underlying the forecasts noted within the LTCCP (page 363 to 371) with the following three changes highlighted:

Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
<p>Expected interest rates on borrowings Interest is calculated as follows: Existing borrowings 7.30% New borrowings 7.30%</p>	<p>That prevailing interest rates will differ significantly from those estimated.</p>	<p>Mod</p>	<p>Interest rates are largely driven by factors external to the NZ economy. Council is predicting a significant increase in borrowings over the 10 year period. Based on Council projected borrowings levels, interest costs will increase/decrease by between \$2.1m - \$4.2m per annum for every 1% movement in interest rates.</p>
<p>Growth in ratepayer base: The estimated growth in the City's ratepayer base between 2006/07 and 2007/08 is 1.50%. As a result, the "real" average rates funding increase will be reduced by an equivalent amount as there are a greater number of ratepayers across which the rates funding requirement will be allocated.</p>	<p>The growth in the ratepayer base is higher or lower than projected.</p>	<p>Low</p>	<p>The Council has used current property information from its valuation service provider (Quotable Value) to assess the level of growth in rating units. The projected 1.50% growth is considered robust.</p>
<p>Expected Return on Investments</p> <p>Remove section on Wellington International Airport Limited subordinated debt</p>			

<p>Inflation Rates Applied: Inflation rates have been estimated using the BERL price level change forecasts to calculate an average inflation rate for each year of the DAP.</p> <p>2008/09 3.1% 2009/10 3.1% 2010/11 3.0% 2011/12 2.9% 2012/13 2.8% 2013/14 2.7% 2014/15 2.7% 2015/16 2.6%</p>	<p>That actual inflation will be significantly different from the assumed inflation.</p>	<p>Low Medium Years (1-3)</p> <p>Medium - High Years (4-9)</p>	<p>Inflation is affected by external economic factors, most of which are outside of the Council's control and influence.</p> <p>Council's costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made.</p> <p>While individual indices will at times vary from what has been included in this LTCCP, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range</p>
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