



Wellington City Council

LONG-TERM PLAN

2012-22

Absolutely
POSITIVELY
ME HEKE KI PŌNEKE
WELLINGTON CITY COUNCIL **Wellington**

WELCOME TO WELLINGTON CITY COUNCIL'S LONG TERM PLAN 2012–22

It explains what we plan to do over the next decade,
why we plan to do it, how much it will cost, and who will pay.

This long-term plan, prepared in accordance with the Local Government Act, covers the 10 years to 30 June 2022. Its legal purposes are: to describe our activities and community outcomes; to provide for integrated decision-making and co-ordinated use of resources; to provide a long-term focus for our decisions and to provide a basis for our accountability to the people of Wellington. This plan reflects our intentions at the time of adoption.

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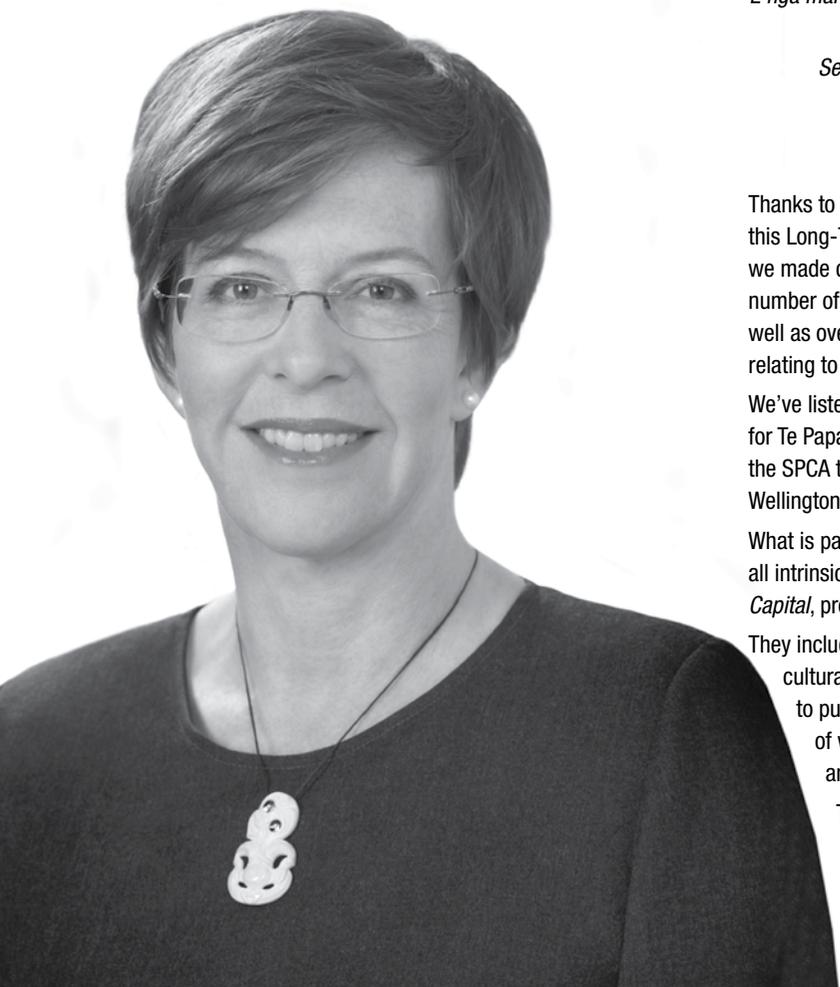
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A MESSAGE FROM MAYOR CELIA WADE-BROWN



*Ko te pae tawhiti, whaia kia tata; ko te pae tata, whakamaua kia tina.
Haumi e! Hui e! Taiki e!*

*E ngā mana, e ngā reo, e ngā maunga, e ngā awaawa, e ngā pātaka o
ngā taonga tuku iho, tēnā koutou katoa.*

*Seek out our distant horizons; cherish those we attain.
Let it be done!*

*All authorities, all voices, all mountains, all rivers,
all treasure houses, greetings to you all.*

Thanks to everyone who participated in the consultation process for this Long-Term Plan. The process connected with many people and we made changes in response to your concerns. We received a record number of submissions (over 2600) on a broad range of topics, as well as over 1600 submissions specifically on the Eco-City proposal relating to Zealandia.

We've listened closely and been able to deliver additional funding for Te Papa, Miramar and Kilbirnie town centres, a partnership with the SPCA to progress the Chest Hospital project, and other projects Wellingtonians see bringing significant benefits to the city.

What is particularly exciting is that the projects we've supported are all intrinsic to the strategic vision of *Wellington Towards 2040: Smart Capital*, providing for a city where talent wants to live, work and play.

They include city resilience and economic development projects, cultural grants, the development of cycle routes, improvements to public space in the central city and improved management of water networks to improve the health of our harbour and streams.

Through these, we are aligning what we do as a Council, and where we invest resources, to our four new community outcomes, which describe Wellington's future as an Eco-City, a People-Centred City and a Connected City with a Dynamic Centre.

We cannot achieve this vision on our own. In this plan we are committing to work more in partnership with communities, businesses and other stakeholders locally, nationally and internationally. We want to involve Wellingtonians more in our decision-making, the delivery of services and the monitoring of progress towards our goals. We will maximise the opportunities to work with partners to best meet the needs of people living, working in and visiting our city, avoiding duplication and delivering good value for ratepayers' money.

During the consultation phase of this plan, many organisations identified how their work aligns with our priorities and contributes to our community outcomes. In several cases this has reinvigorated our relationship and led to exploration of how we can work together better in the future. Please continue to let us know what you are doing to contribute to our Smart Capital vision so that we can celebrate your success and share this with others. Also, if you can see an opportunity for the Council to work with you to achieve our shared goals, please let us know.

During the time this plan was being developed, several outstanding and passionate Wellingtonians, who made significant contributions to the city, died. We gratefully acknowledge their personal commitment to making our capital better. Let's emulate their passion for our great city and work together to, as Sir Paul Callaghan said, 'make Wellington a place where talent wants to live'.

Noho ora mai rā, nā Celia

*Celia Wade-Brown
Mayor*

A MESSAGE FROM CHIEF EXECUTIVE GARRY POOLE

This plan demonstrates our commitment to balancing the need to keep investing in our city, while keeping the costs of our services affordable. During the consultation period on this plan, you applauded our efforts to balance our budget and indicated where you would like to see us take further steps.

In particular, you supported our intention to work more with other councils in the delivery of services. We will keep pursuing these opportunities, not only by delivering front-line services in partnership, but also by sharing the expertise within our respective organisations and leveraging our combined purchasing power.

Also, during the consultation period, some organisations demonstrated their willingness and capacity to partner with us to develop community infrastructure. We welcome such partnership opportunities and recognise that this does provide a way for the city to keep developing while reducing the burden on the Council's own finances.

In parallel with the above, we will continually review and improve how we deliver our services. We are committed to taking advantage of changes in technology, and invite Wellington businesses to partner with us in this area. We have some of the best technology companies in the world on our doorstep and see opportunities to work with them, not only to find technology applications relevant to our work, but also to develop innovations that can be used elsewhere. If you see opportunities to work with us in this way, please contact me.

We have options around how we deliver services, including in-house delivery, through a council-controlled organisation, through contracting out or in partnership with the community. In deciding on which model to use, we will be mindful of what you told us during the consultation process. You want us to retain close oversight of services so that they are delivered, not only in a cost-effective way, but also to the level of quality you expect.

Through all our services, we are here to serve you as the public of Wellington and the customers for our services. We will do that to the best of our ability while upholding the principles of public service including fairness, transparency and accountability. The Wellington City Council is already a high performing organisation. However, to achieve our city's vision and effectively contribute to our community outcomes, we want to do even better.

We look forward to working with, and serving you, in the coming years.



Garry Poole
Chief Executive



OUR ROLES AND RESPONSIBILITIES

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

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

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

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

The elected representatives are supported by the Council's chief executive and 1,400+ staff, who provide advice, implement Council decisions, and look after the city's day-to-day operations.

Responsibilities

We are responsible for community well-being

This means that Councils are responsible not only for core infrastructure such as water supply and transport networks but also for helping the community achieve its aspirations for prosperity, social cohesion, inclusiveness, and safety.

Roles we play

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

The range of options open to us includes:

- advocacy – using local knowledge/expertise to encourage others to act or fund services that contribute to well-being
- facilitation – bringing others together or providing guidance so others can act
- regulation – requiring others to act in particular ways, either to comply with legislative requirement or bylaws
- funding – either directly or through partnerships that leverage external funding, or
- providing a service – directly owning assets and providing services such as pools, libraries, roads, and water pipes.

In many cases, these are unique roles that can only be performed by Councils. At other times we are committed to adding value and playing a unique role, rather than taking on things that could be performed by others.

Determining what action to take

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

- legislative requirement
- contractual obligation
- community expectations (see 'community outcomes', next page)
- costs and benefits, risks
- impact on others (for example, if we provide a service will someone else withdraw)
- our strategic direction (see next page).

Accountability

The Local Government Act requires us to plan in three-year cycles. Every three years, we publish a long-term plan setting out our intentions for the decade ahead – what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we'll provide, and how we'll measure the quality and effectiveness of our work. Our last long-term plan was adopted in June 2009.

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

We consult before adopting these plans

Before we adopt long-term plans and annual plans, we seek Wellingtonians' views. On pages 13 and 14 we outline the consultation process we undertook for this plan and the key changes made as a result.

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

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

Recent changes to our legislation also require Councils to produce a pre-election report. This report will summarise major projects planned for the following three years and financial information, including a statement that compares rates, rate increases, and borrowing with the quantified limits specified in our financial strategy.

This and our other reports will be made available on our website as well as through our libraries and service centres.

Our work is delivered through seven, interconnected areas of activity

As a Council, and in keeping with legislative requirements, we undertake a range of activities to promote the economic, environmental, cultural and social well-being. We group our diverse activities into seven areas called governance, the environment, economic development, cultural well-being, social and recreation services, urban development, and transport.



OUR STRATEGIC DIRECTION

Our vision is for Wellington to be a smart city – an inclusive place where ‘people choose to live’. For the next three years our priorities will focus on earthquake preparedness, enhancing Wellington as place to live and work, and effectively managing the city’s resources.

The focus of this plan

ONE VISION	Wellington Towards 2040: Smart Capital
FOUR OUTCOMES	A connected city An eco-city A people centred city A dynamic central city
THREE PRIORITIES	An inclusive place where talent wants to live Resilient city A well managed city
SEVEN ACTIVITY AREAS	Governance Environment Economical Development Cultural Wellbeing Social and Recreation Urban Development Transport

LONG-TERM VISION AND COMMUNITY OUTCOMES

Wellington Towards 2040: Smart Capital

Wellington Towards 2040 is a vision of Wellington as a smart, green city.

It is a long-term vision for Wellington, and a strategy to promote the social, economic, environmental, and cultural well-being of Wellington's communities now and into the future. It was adopted by the Council in September 2011 after extensive community participation.

It's a vision for a city that puts people first – a place that is welcoming and friendly, provides opportunities for all, strong neighbourhoods and communities, and embraces differences and changes.

It's a vision for a smarter and stronger economy – one that is based on knowledge, skill and innovation; that provides a wider range of exciting and rewarding jobs; that leads to greater prosperity, and is based on stronger connections between people and businesses both within the city and around the world.

It's a vision for Wellington as a leading eco-city – one that moves steadily towards a low-carbon future based on 'green' innovations that also provide an economic edge and support an outstanding quality of life.

Above all, it's a vision that positions Wellington for the future – one that's smart and sustainable.

Community outcomes

Community outcomes are required by the Local Government Act 2002. 'Outcomes' are goals or aspirations for the city and its communities. They are aimed at promoting Wellington's social, economic, environmental, and cultural well-being now and into the future.

In this long-term plan, our community outcomes reflect the four strategic goals adopted in *Towards 2040: Smart Capital*. Those community outcomes are:

- **People Centred City**

Wellington's people are the city's greatest asset. Wellington's shape and character will continue to reflect the people who live in, work in, and visit the city. The city will be healthy, vibrant, affordable and resilient, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.

- **Connected City**

Wellington will be a connected city, with easy access to regional, national and global networks. Connections will be physical, allowing for ease of movement of people and goods; virtual, in the form of world-class ICT infrastructure; and social, enabling people to connect with each other and with their communities.

- **Eco-City**

Developing Wellington as an eco-city means proactively responding to environmental challenges. It is important that Wellington takes an environmental leadership role, as the capital city of clean and green New Zealand. Our many natural assets give the city a head start and opportunities as part of a green economy.

- **Dynamic Central City**

Wellington will be a city with a dynamic centre. A place of creativity, exploration and innovation. The central city will be a vibrant and creative place, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city. The CBD accounts for 52% of the region's GDP and will continue to drive the regional economy.

These community outcomes guide decisions about which services we provide and which activities we support over the next 10 years. In *Part Two: Our Work in Detail*, you'll find explanations of how each activity supports community outcomes.

We will work with other organisations to further these community outcomes

The city's success in achieving these outcomes isn't a matter for the Council alone – it's a matter for all Wellingtonians.

We will work with government agencies, businesses, and a wide range of other organisations and groups to further these community outcomes. Depending on the circumstances, we will work in partnership with other organisations, or we will provide funding, or we will provide services, or we will play a facilitating role. As examples: we work with the Police on city safety; and our partnership with the government is helping us to upgrade our social housing complexes.

Part Two: Our Work in Detail explains which key organisations we work with in relation to each activity.

We will monitor and report on progress towards these community outcomes

We will report on progress against community outcomes each year in our Annual Report. The results for community outcome indicators are drawn from a variety of sources, including surveys of city residents, Statistics NZ, Greater Wellington Regional Council, and others.

OUR THREE PRIORITIES

In this plan we want to address the immediate issues we face while also taking important steps towards our long-term vision. We will also effectively manage the city's resources by working smarter. Consequently we are proposing to focus our efforts on the following three priorities.

Priority 1: Wellington – an inclusive place where talent wants to live

Our economic future depends on our ability to attract and retain people, and employment opportunities, in our city. To do this, we will maintain our investment in those things that make Wellington a great place to live, while increasing our investment in activities that will grow the economy and make Wellington an even more attractive place to work, invest in and visit. At the same time we will continue to work in ways consistent with an inclusive community. This will include providing accessible and affordable services and promoting a sense of safety, fairness and tolerance.

Priority 2: Resilient city

To maintain and enhance our city's resilience, we will prioritise investment in earthquake strengthening the city's key infrastructure and work with businesses and communities so that, as a city, we are better prepared for and can swiftly recover from such an event.

Priority 3: A well-managed city

We are committed to providing effective services that are good value for money. To achieve this priority, we will focus on simplifying our processes, making the best use of technology, working in partnership with others, managing demand ahead of investing in new assets, and looking for opportunities to reduce costs and generate income. This will help us stay within the parameters of our financial strategy by keeping rates affordable and managing our debt levels.

Our three priorities are the focus for our activities, investment and energy. Priority one directly links to our *Wellington Towards 2040: Smart Capital* vision and highlights the key steps we are taking towards achieving our community outcomes. Priority two provides an immediate focus on increasing Wellington's resilience to earthquakes. This, and our liability for weather-tight buildings, represent a significant cost to Council in the short and medium term. Priority three represents our commitment to keep our costs low and, consequently, to keep our rates and charges affordable.

In this summary, we will highlight the key issues and proposals under each priority, including those that changed as a result of consultation on the draft plan. We will also identify how they link to the seven areas under which we group our activities; namely Governance, Environment, Economic Development, Cultural Wellbeing, Social and Recreation, Urban Development, and Transport. This is so that you can find out more information about them, including financial information, later in this plan.

Priority 1: Wellington – an inclusive place where talent wants to live

Economic Development

During the consultation period, the Council received strong support for a number of proposals in this area. We will now proceed with the 'Destination Wellington' initiative by developing an operating arrangement with key partners, which provides for clear roles and responsibilities, and that meets the city's economic needs for attracting business, talent and investment. Key performance indicators will be drafted accordingly and presented to the Council for approval.

The Council has also made provision to support long-haul flights to Wellington by retaining funding of \$200,000 (for the Council to administer for this purpose) and identifying a funding mechanism to rapidly respond to an opportunity should it arise. It has also confirmed funding for The Hobbit Premiere later this year and funding for the FIFA Under 20 Men's World Championships in 2015 (although at a reduced level following feedback from the community).

A number of the Council's activities in this area are funded through the Downtown Levy. This is a rate that businesses based in the central business area pay in addition to their ordinary rates. The area where this levy applies has increased marginally in this plan, to include more businesses that benefit from the activities funded through it. In response to submissions from levy payers, the Council has continued to provide Positively Wellington Tourism with funding of \$1m per year for the next three years to undertake its Australian marketing campaign. We will also provide Positively Wellington Venues with funding of \$4m to refurbish Shed 6 and the TSB Arena to act as a temporary replacement venue for The Town Hall while it is earthquake strengthened. This is necessary to retain valuable conference activity in the city during this time. The future use of these buildings will be subject to a review on the completion of the strengthening of the Town Hall.

The Council decided not to proceed with a proposed reduction in funding for Te Papa. A majority of submitters were opposed to this proposal saying Te Papa is Wellington's premier visitor attraction, is important for education purposes and contributes significantly to the city's cultural capital status. Te Papa also identified greater opportunities to align their activities with the Council's new strategic direction and priorities, for example demonstrating how

its activities off-shore reflects positively on Wellington as the home of the museum. There has also been agreement that there will be a closer working relationship and greater transparency around the use of the Council's funding, with the contract to be reviewed in 2015 (i.e. it is a three year contract).

Environment

In parallel to the consultation on our draft plan, we consulted on the establishment of a Council Controlled Organisation to manage Zealandia, Wellington Zoo, the Botanic Garden and Otari-Wiltons Bush. Following significant feedback on this proposal, a new alternative 'partnership model' for Zealandia was developed and agreed to by the Council. This includes new governance and funding arrangements between Zealandia and the Council. Submissions on the proposal also highlighted the number and range of other environmental attractions the city has. They supported a wider initiative that would raise the profile and connections between these features of Wellington, which the Council agreed to pursue with other partners such as the Victoria University of Wellington.

The Council also decided to reinstate support for a number of environmental programmes and projects. This included reinstating a previously planned increase in funding of \$36,000 from 2012/13 for the Biodiversity Action Plan, deciding not to reduce the Environmental Grants pool by \$40,000 and, deciding to proceed with the upgrade to the Curator's Cottage at Otari-Wiltons Bush at a cost of \$316,000 over two years starting in 2013/14.

It also agreed the projects to be funded by the Plimmer Bequest and to enter into a formal agreement with the Greater Wellington Regional Council to manage Council land adjacent to Belmont Regional Park, both as outlined in the draft plan.

Urban Development

The Council is also investing significantly in the Central Business District and our suburban communities. In the central city, we are planning a number of projects to implement our Central City Framework. These begin with proposed improvements to Opera House Lane and Eva Street. Further detail on this and other projects in the framework can be found in the urban development section of the plan. Also in this section, and based on input during the consultation period, we have reinstated funding for the upgrade of the Miramar Town Centre. Submitters reinforced their support for the current proposal and that it would address the main issues with the current lay-out. They also emphasised the level of recent private investment in the area and their continuing commitment to contribute to the area. The Council agreed the project should be delivered in a way that is coordinated with any changes that Greater Wellington needs to make to implement the bus review. Similarly, the Council agreed to reinstate funding of \$559,000 to undertake the second stage of the plans to upgrade the Kilbirnie Town Centre – Coultts Street/Onepu Rd.

In terms of the Waterfront, a design brief will be prepared to guide the future of north Kumutoto. This area will now be developed inline with the Environment Court decision, which will see buildings at a lower scale on two sites and another site retained as open space. The building developments will pay for the cost of developing open space on the waterfront. Other initiatives include strengthening of wharf piles and the construction of a new diving platform on Taranaki Wharf. The Council will increase the loan to the waterfront company by \$5 million to bridge the timing difference between undertaking the public space works and receiving the commercial proceeds from developments.

Social and Recreation

Another change arose during the consultation period when the SPCA offered to contribute to the cost of capital works on the former Chest Hospital so that they can relocate their services to that site. The Council welcomed this proposal, which not only enables the SPCA to better deliver its services within Wellington, but also ensures an important heritage building on the Town Belt is productively used and well-maintained.

Council agreed to fund a series of upgrade projects in line with our Community Facilities Policy. These include improvements to the Keith Spry swimming pool in Johnsonville, and the building of a new library next to it, to meet the needs of the growing population in the northern suburbs. Also included in the plan from 2016/17 are upgrades of the Aro Valley Community Centre, the Newtown Community and Cultural Centre, the Strathmore Community Base and the Kilbirnie Community Centre.

Other key projects include our investment in additional artificial sports fields, beginning with one on Alex Moore Park in 2013/14 to coincide with a local community led upgrade of the existing sport and community facility at the park. The annual operating grant for the Basin Reserve Trust has also been increased from \$180,000 to \$355,000.

Cultural Well-being

The Council agreed to the establishment of and making a contribution to, the Regional Amenities Fund, pending agreement from across the region.

Funding changes have also been made in the area of cultural wellbeing with decisions to continue funding the New Zealand International Arts Festival at the current level, increase the level of the cultural grants pool, but reduce the level of the Public Art Fund.

Transport

Following submissions during the consultation period, the Council agreed to bring forward funding earmarked for Johnsonville roading improvements, up to a total of \$5.365m (un-inflated), to align with the timeline for the redevelopment of the Johnsonville Shopping Centre.

In keeping with a large number of submissions we received, the Council is investing in cycle safety projects and new cycling routes. It also agreed to take a collaborative leadership role on the Great Harbour Way initiative. We are also reinstating funding for minor safety projects and new bus shelters.

Priority 2: A resilient city

During the consultation process, people expressed strong support for this priority and the proposed projects under it.

Environment

Many of these are in our environment group of activities, including projects to increase the resilience of our water network. One of these is to build a new water reservoir on the Prince of Wales Park, which will serve Wellington Hospital's emergency needs as well as providing bulk water supply to meet the needs of the city's growing inner-city population. We also plan to develop strategic partnerships, and continue investing in existing climate change initiatives, to help achieve Wellington's emissions reduction targets.

Urban Development

Other key projects include earthquake strengthening the Council's buildings and helping others to earthquake strengthen.

As a result of officers undertaking additional earthquake assessment work and planning during the consultation period

for this plan, changes have had to be made to the funding for earthquake risk mitigation budgets (relating to council-owned buildings). Capital and operational budgets have been increased by a total of \$1.86m and \$2.8m respectively and rephased as a consequence of the changes in scope, nature and timing of the earthquake strengthening work. It was also recognised that further funding requests to undertake capital works related to this programme will be presented in the future.

We will also be assisting other building owners to strengthen their buildings and continuing to provide heritage grants, the focus of which will be on remedying earthquake-prone structures or obtaining related reports.

Transport

In addition, we are undertaking a number of projects to increase the resilience of our roading network. These include building new retaining walls on key transport routes as well as strengthening or rebuilding tunnels and bridges throughout the city.

Priority 3: A well-managed city

In the draft plan, the Council highlighted a number of initiatives designed to help it balance its budget. These included making savings now, working smarter (which included working with other Councils), reviewing how we look after our assets and, making some changes to our fees and charges.

People generally applauded the Council for taking steps to keep its costs and rate increases down. After receiving feedback during consultation, we changed some specific proposals (including not reducing funding for Te Papa and proceeding with a partnership with the SPCA for the use of the Chest Hospital) as outlined above.

Another issue that we received a number of submissions on was the proposal to change the encroachments fee structure. The intention of the proposal was to move from a flat fee applying to all encroachments to a structure that more reflects the value of the private benefit received by the licence holder. The proposal sought to achieve this through relating the fees to the rateable value of properties in different parts of the city. Many submitters opposed this proposal saying that it was not fair. Submitters said that the utility of the land did not change between suburbs despite land values changing, that in many cases the public still had access to the land and that many encroachment holders were maintaining the land for the Council. At the Council meeting to adopt the plan, Councillors decided to retain the encroachment fee structure at its pre long-term plan level, adjusted for CPI in 2012/13 and inflation adjusted annually after that. It was also agreed that the encroachment fee structure would be reviewed in time for the 2013/14 draft annual plan and the Council would continue to advocate for a simplified process regarding road stopping.

A number of changes to other fees and charges were made when this plan was adopted. New fees are detailed in the Finance section of the plan.

Other comments generally supported our intentions to work more with other councils and to undertake reviews of our services. The results of planned reviews will be presented to the Council, and where necessary, consulted on with the community. It is noted that the Council voted to stop work on a joint waste management Council Controlled Organisation with Porirua City Council.

During the consultation period, the Council undertook an external review of the City Safety Officer programme. As a result, it decided to reduce both the scope of the service and the hours of its

operation, and to deliver the service in-house rather than through a contract for service. As a result of these changes the costs of the service will reduce to \$480,000 in 2012/13. From 2013/14, the service will include a volunteer programme which will increase the annual cost of the whole service to \$555,000.

Finally, while Council agreed to reduce the size of the Our Wellington page as proposed in the draft plan, it also agreed that staff would develop a communications and marketing plan that outlines the most appropriate channels and addresses the future need for the page.

Financial Strategy

A majority of people who completed our submission form, and participated in our long-term plan survey, felt that the proposed rates targets and limits in our Financial Strategy were 'about right'. Both were adopted by the Council as proposed in the draft, along with the other aspects of our Financial Strategy, which you can find in the Finances section of this plan.

The rates limits are set as an indexation based on the Local Government Cost Index (LGCI) and these are currently forecast between 3.3% and 3.9% over the ten years. Currently the forecast rates increases exceed the planned limits by up to 0.6% in years 4 and 5. We acknowledge this temporary breach but have established a number of measures, including the set up of the Financial Sustainability Working Party to work towards bringing these increases below the limits by year four. We acknowledge that there may be impacts on service levels in the future to achieve rates at a level below our limits. Our goal is to find more efficient ways to deliver current services, however if there will be any impact on service levels, we will not implement any changes without consultation.

The planned capital expenditure sets projected borrowings at a level within the borrowings limits we set. We are planning to spend \$68.966m, \$80.275m and \$61.198m on improvements to existing assets and new assets in years 1-3, 4-6 and 7-9 respectively. While this is higher than the \$60m goal we set for each of the three year periods, we are committed to significant resilience projects including earthquake strengthening and the construction of the Prince of Wales Reservoir and believe this is the best decision for the people of Wellington in the long term.

Another significant consideration during the development of this plan was a review of how the Council plans and budgets to replace assets when they come to the end of their useful life. This is a significant area of expenditure and we looked at several options to reduce it. In submissions on the draft plan, and in the survey responses, people said that we should make the proposed reductions in expenditure and reduce rates as a result.

After considering other options to reduce expenditure in this area during the consultation period, the Councillors have decided to reduce rate-funded depreciation by \$4 million per year for the duration of this plan. This means we will not collect this money, and so rates rises will be kept lower.

However, it also means we will have less money to spend on renewing our assets. This increases the risk of assets failing, as it is estimated that around 5% of assets ready for renewal will be kept in active service longer. The Council will manage the impact of this in two ways. Firstly, it will continue to focus expenditure on renewing

the most critical assets across all our asset groups. A risk assessment process will be used to make sure that we do renew those assets where failure could result in significant risks to people's safety, major costs or disruption. Secondly, if failures do occur to less critical assets, the Council is committed to responding rapidly to minimise the potential risks.

In parallel to this, the Council will undertake a detailed analysis of its assets to identify those that could be divested, not renewed or modified (to increase their life) in both the short-term and the longer-term. This could be technology assets, equipment or assets that are not essential to the delivery of our services. These will be presented to Councillors, and where appropriate to the public, for a final decision on their future. Depreciation will no longer be rated for on those assets that remain on the schedule. Council may subsequently choose to divest itself of those assets or run them to the end of their usual life. The aim of this strategy is to reduce the impact of asset ownership to the ratepayer.

THE CONSULTATION PROCESS

The process

Formal consultation on the long-term plan ran from 16 April until 18 May 2012. The Council used a broad range of methods to engage people in the process and gather their feedback on proposals. These included a series of community meetings and clinics led by Councillors, meetings with key stakeholders (including the Council's reference groups and mana whenua partners), an independent on-line survey of the Wellington population and, the use of an on-line budget simulator where people could achieve their preferred rate rise by identifying projects to be funded. There was also a high level of media coverage on key issues under consultation in the draft plan.

The results

Our consultation resulted in over 2600 written submissions with 174 of these also presenting their submission in person to the Strategy and Policy Committee. This is a record number of submissions on a Wellington City Council annual or long-term plan document. The submissions covered a wide range of the Council's activities, with the majority focused on key issues and proposals identified in the summary document. A high number of responses were received on some of the proposals identified as 'alternative proposals not included in the plan'. In parallel with this, the Council consulted on an Eco-City proposal in relation to Zealandia and other natural attractions in the city. This resulted in over 1600 additional submissions.

The Council's response to submissions

Most submitters strongly endorsed the Council's new vision, community outcomes and priorities. Many of the Council's key partners identified how their activities aligned to those priorities and, in some cases, alerted the Council to new opportunities for, and benefits from, partnering with them.

Many submitters strongly supported proposals as outlined in the draft plan. These were confirmed by Councillors and are highlighted in the executive summary or the Our Work in Detail sections of this document.

A number of submitters requested changes to proposals in the plan. In some cases, they provided new information, or identified new partnership opportunities, which supported the change they requested. This resulted in a number of amendments to the final plan, most of which have been highlighted in this executive summary.

Some submitters asked the Council to support new initiatives which were not identified in the initial plan. This resulted in the Council deciding to implement, or investigate further, some of these including:

- A proposal by East by West Ferries for a new extension to Seatoun Wharf to enable an all weather commuter ferry service to operate:
It was agreed that staff will work with the ferry company and the Greater Wellington Regional Council to assess the requirements and costs of this proposal. Future Council funding is conditional on East by West Ferries providing the Council with a business plan supporting the proposal, producing a detailed design of a suitable wharf extension, and contributing half the required funding.
- A proposal for a couch and rye grass trial on a Council sports field was received: Council staff developed an alternative proposal in response. This was accepted by the Council and should result in a trial on Churton Park in 2013/14.
- A request for additional operational funding from Surf Life Saving New Zealand to increase its service levels on Wellington City beaches. The Council agreed to provide additional funding of \$20,000 per annum for this purpose.

- A proposal for a wilderness toilet at Tarakena Bay:
Some submitters identified proposals that would require further investigation. The Council agreed to work with those parties to undertake this work. Examples of these include:
 - A large number of submissions (42% of submissions on the draft long-term plan) were received in support of an extension to the Wellington Regional Aquatic Centre. The Council did not include this in the plan, but did instruct officers to explore, with proponents of the extension, additional alternative funding sources for this proposal.
- The Council also requested a report on the scope of a feasibility study for the Clyde Quay Restoration Master Plan. It will be considered in December 2012, with any associated costs considered as part of the 2013/14 Draft Annual Plan.
- Any decision on the divestment of Vogelhorn Hall has been deferred for at least two years to coincide with the end of the lease on associated land to the Vogelhorn Bowling Club. During this time officers will engage with users of the hall, and the surrounding communities, to identify options for the future of the site.

Other submitters requested Council support for smaller projects and initiatives. It was decided that these could be addressed within existing budgets and other resources. These requests have been sent to relevant Council staff to respond to and progress as appropriate.

A number of submitters suggested improvements to content or wording in the plan. Where appropriate, changes have been made to this final document. Examples of these included:

- The Council's Accessibility Advisory Group identified a number of places where incorrect terminology was used in the full draft plan. The wording has been amended in this final version of the plan.
- Port Nicholson Block Settlement Trust and other submitters called for greater commentary on the importance of the harbour and Wellington's connections to the Porirua Basin in the final plan. These changes have been included in the plan.

SUMMARY OF OUR WORK

OUR WORK AT A GLANCE

We group our work into seven areas. Describing our work in this way provides coherence, and ensures we retain a clear sense of direction.

Governance

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

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

Environment

We look after the city's 34+ square kilometres of reserve land, as well as beaches, coastline, and botanical gardens. We provide funding support to the Zoo and Zealandia.

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

One of our long-term goals is for Wellington to be an 'eco city', one that has an environmental leadership role and responds proactively to environmental challenges. Our aim is for Wellington

to move steadily towards a lower carbon future based on 'green' innovations that also provide an economic edge and support outstanding quality of life.

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

Economic development

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

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

A key aspect of our 2040 vision is for Wellington to have a smarter and stronger economy – one that is based on knowledge, skill and innovation; that provides a wider range of exciting and rewarding jobs; that leads to greater prosperity, and is based on stronger connections between people and businesses both within the city and around the world.

We continue to work towards this vision while recognising the constraints imposed by the global economic slowdown.

Cultural well-being

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

We also provide cultural grants, and support community events and festivals

A key aspect of our 2040 vision is for Wellington to be a 'people-centred' city – one that is welcoming and friendly, and embraces diversity and change. This doesn't just mean maintaining our edge as New Zealand's arts and culture capital, it also means ensuring that the city remains friendly and vibrant, and continues to have a strong sense of identity expressed through its urban form, openness and accessibility.

Social and recreation

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

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

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

A key aspect of our 2040 vision is for Wellington to be a ‘people-centred’ city – that is, a city that puts people first, is healthy and safe, welcoming and friendly, provides opportunities for all, has strong neighbourhoods and communities, and embraces diversity and change.

Key challenges include providing for a population that is growing in size, getting older, and getting more diverse, and catering to demand for more and better facilities.

Urban development

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

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

Our 2040 vision is for a people-centred city that is vibrant and resilient, has strong communities and a powerful sense of identity and ‘place’ expressed through urban form, openness and accessibility. A key aspect of that vision is a dynamic central city – an attractive place for creativity, exploration and innovation.

Transport

We look after 684km of streets and roads, as well as footpaths, cycle lanes, traffic signals, car parks and so on.

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

A key aspect of our 2040 vision is for Wellington to be a ‘connected city – one that is easy to move around. We also aim to be an environmental leader, which means promoting transport options that minimise energy use and emissions.

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

Further details about what we plan to do are available in the ‘Our Work in Detail’ section of this long-term plan.

Key facts

- The city's population is 200,100 (Statistics New Zealand as at 30 June 2011)
- Proposed total operating expenditure 2012/13 is \$379 million
 - Income from general rates 35%
 - Income from targeted rates 31%
 - Income from fees and charges 21%
 - Income from other areas 13%
- Equity per resident in 2012 is \$31,326
- Forecast equity per resident in 2022 is \$35,660 (based on forecast population level of 216,478)
- Rates limit in 2012/13: 3.8% after allowing for growth in the ratepayer base
- Rates increase in this plan 2012/13: 3.6% after allowing for growth in the ratepayer base.

Did you know

- 5%: the amount of efficiencies that we are targeting to find in the next decade equated to the average funded operating expenditure
- Approximately \$1 billion: the cost of renewing the city's core assets till 2022
- 3,043: kilometres of pipes are maintained by the Council
- 335: kilometres of walkways are offered in the city
- 2.5 million: visits to the city's libraries each year
- \$2,564: average cost of residential power per annum in the region (Statistics New Zealand)
- \$2,012: the average spend on telecommunications per annum in the region (Statistics New Zealand)
- \$1,951: the annual rates on an average residential (\$522,570) house in Wellington City
- This equates to less than 2.3% of the average household income in the city (Statistics New Zealand).



FINANCIAL OVERVIEW

OUR FINANCIAL STRATEGY AT A GLANCE

New to this long-term plan is our Financial Strategy. It is intended to guide the decisions we make now and in the future to deliver a financially sustainable city in the long term. One in which its citizens can afford to live in the near future, and also in 50 and 100 years from now. In many ways, our strategy is formalising our current practice and compliments our existing financial policies. The Financial Strategy is founded on the following five guiding principles:

- Fairness and Equity
- Willingness to pay
- Value for Money
- Risk management and assessment
- Good financial governance and stewardship

The strategy outlines how we balance investment in our city strategy with prudent and sustainable financial management of the Council's resources. The Council currently has a sound financial position; however we are facing significant financial challenges over the next 10 years because of the costs of earthquake strengthening our assets, our weathertight homes liability and increasing costs for insurance.

Through setting limits on our rates and borrowings we prioritise expenditure decisions together with review of existing services and their delivery. A Financial Sustainability Working Party has been established to aid in this process, the outcomes of which will be consulted on through our annual plan processes.

The limits on rates is the amount of rates income forecast to be collected by Council based on the 'limit on rates increases' which is based on the Local Government Index (LGCI) annually. The limits on rates increases is set as an indexation based on the LGCI.

The base year is the 2011/12 rates income. The target for 2012/13 equates to the increase of the LGCI. The 2013/14 target is the average of the LCGI and the Consumer Price Index (CPI). From 2014/15 to 2021/22 the target is based on the CPI. Rates increase target limit will be set annually with the updated forecast of the relevant indexation for the subsequent year, and will be net of growth in the ratepayer base. A forecast indication of our rates increases are:

Indicative Rates limits	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
LTP Rates Increase – After Growth	3.6%	3.2%	3.1%	3.7%	4.1%	2.7%	3.4%	3.7%	1.2%	0.8%
Rates Target – Before Growth	4.3%	3.4%	2.9%	2.49%	3.0%	3.0%	3.1%	3.1%	3.2%	3.1%
Rates Target – After Growth ¹	3.8%	2.9%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.7%	2.6%
Rates Increase Limit – Before Growth	4.3%	4.0%	3.7%	3.8%	3.9%	3.8%	3.9%	4.2%	4.4%	4.4%
Rates Increase Limit – After Growth ²	3.8%	3.5%	3.2%	3.3%	3.4%	3.3%	3.4%	3.7%	3.9%	3.9%
Forecast Rates Limit (\$'000) ³	240,161	249,671	258,834	268,592	279,121	289,616	300,853	313,459	327,220	341,618

¹ For 2012/13 the rates increase target equates to the increase in the Local Government Cost Index (LGCI). For 2013/14 the target is the average of the LGCI and the Consumer Price Index (CPI). From 2014/15 onwards the target is based on CPI.

² The limit on rates increases are set as an indexation based on the LGCI. The base year is the 2011/12 rates income.

³ The limits on rates is based on the rates increases limit and references the LGCI annually.

We have set targets and limits separately to be clear about our intentions. Targets are the level that is **we intend to achieve**. Limits are the level it is **we do not intend to breach**.

The parameters set for borrowings and capital expenditure are:

Borrowings limits	Operating Targets	Prudential Limits
Net borrowing as a percentage of equity	<10%	<10%
Net borrowing as a percentage of operating income	<105%	<150%
Net interest as a percentage of income	<15%	<15%
Net interest as a percentage of annual rates income	<20%	<20%
Liquidity (term borrowing + committed loan facilities to 12 month peak net borrowing forecast)	>110%	>110%
Borrowings funded capital expenditure target	\$45 million over three year statutory Long Term Plan period	
Borrowings funded capital expenditure limit	\$60 million over three year statutory Long Term Plan period	

LTP Triennium Capital Investment

- 1.) 68.97m
- 2.) 80.28m
- 3.) 61.20m

Our financial strategy is detailed in full in part three of this document.

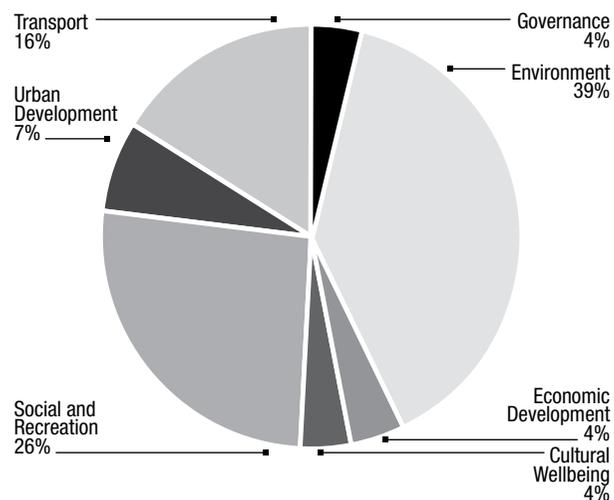
OUR FINANCES AT A GLANCE

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 \$379 million on operational expenditure across our seven strategy areas in 2012/13, and a total of \$4.4 billion during the next 10 years. The graph below shows where this operational expenditure will be spent by strategy area over the 10 years of the plan:

Operational expenditure over 10 years (\$4.4 billion) by strategy

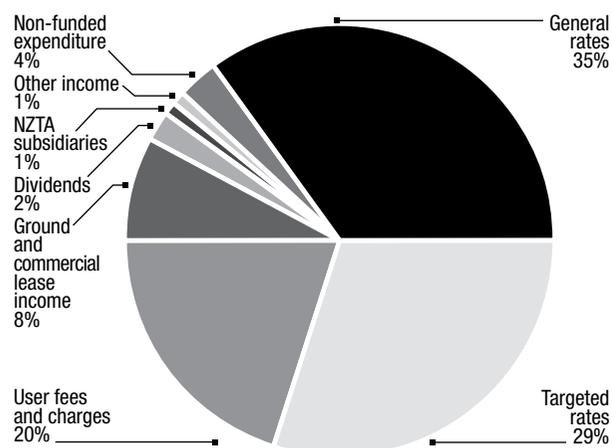


Sources of operational funding

64 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. A small portion is not funded.

The graph below shows how our operational expenditure is being funded over the 10 years of the plan:

Operational expenditure over 10 years (\$4.4 billion) by funding source



Detailed information on all of our rating mechanisms is included in part three of this document.

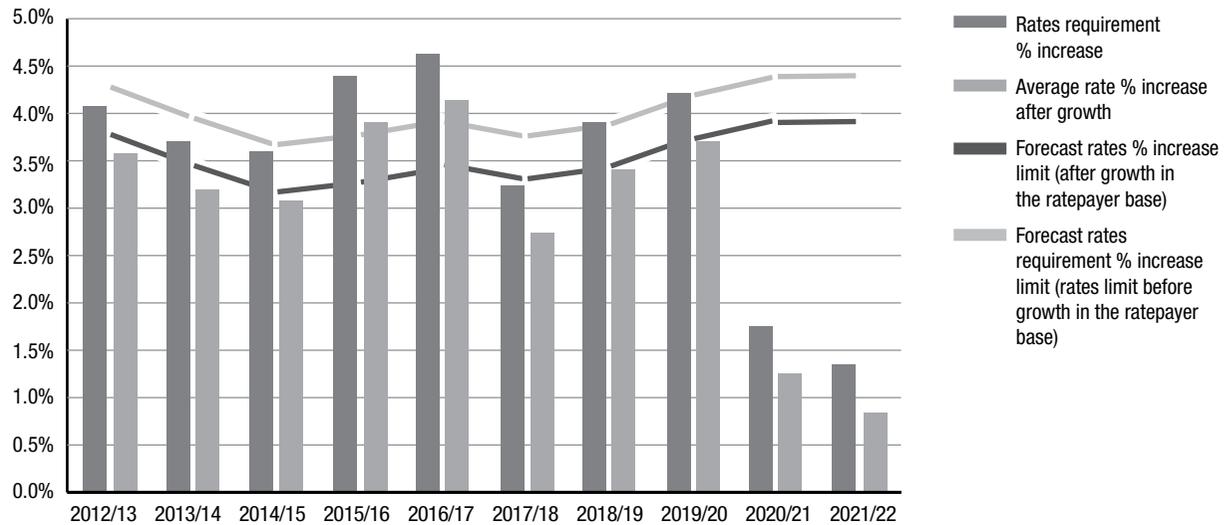
Your rates

For 2012/13, our total rates requirement is forecast to increase by 4.1% (3.6% average ratepayer impact after allowing for growth in the ratepayer base). Total rates are forecast to increase by a further 3.7% for 2013/14 and 3.6% 2014/15 before allowing for growth in the ratepayer base, but including inflation.

Rates on the average residential property (valued at \$522,570) are proposed to increase by 2.0% to \$1,951 in 2012/13, assuming no change in the capital value. An average rates increase of around 4.8% is proposed for commercial properties, including the impact of increases in metered water charges in 2012/13, assuming no change in capital value.

The following graph shows the forecast average rates increases across the 10 year long-term plan. Currently the planned rates increases (after growth in the ratepayer base) exceed the rates increase limits in four years. The Financial Sustainability Working Party will recommend options to reduce the rates requirement below the limits in those years. The actual impact on each ratepayer will vary depending on the change in their property value compared to the change in the total city valuation base, particularly when the new valuations will be used from 2013/14.

10 Year Average Rates Increase Forecast



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 appropriate for that group to be targeted to pay. There are two categories of general rates: the base sector general rate (residential) and the commercial sector general rate. The Council has a rates differential in place that decides how the general rate is shared between the residents and businesses in each category.

In 2012/13, the commercial sector general rate per dollar of capital value is proposed to be 2.8 times higher than the base sector general rate for a residential property of the same value. We will review this rating differential again next year after the September 2012 valuation is complete to check whether there is any significant shift in the relative proportion of capital value between the base and commercial sectors. We will consult on any recommended change arising from that review in the 2013/14 Annual Plan.

Targeted rates are used to fund activities where the Council is able to clearly identify a specific group of ratepayers who receive the benefit of the activity, and where it is appropriate that this group be targeted to pay. The Council sets targeted rates to fund costs associated with the Council's water, sewerage and stormwater systems. Separate targeted rates are also set for our base (residential) sector, commercial sector, downtown commercial sector, Marsden Village and Tawa driveways.

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 expenditure based on the budgeted costs included in this 10 year plan. For the majority of its rates the Council then uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in Wellington by setting a rate per dollar of capital value on your property.

The Council is on a 3-yearly valuation cycle and for the 2012/13 rating year the September 2009 valuations will be used to distribute the total rates requirement across all properties in Wellington. Therefore the proportional distribution of the total rates requirement to each property will remain relatively unchanged from 2011/12 – except for any growth in the ratepayer base arising from new development or property improvements in the last 12 months. Over the last year the average residential property capital value has increased by 0.5 percent from \$519,802 in 2011/12 to \$522,570 in 2012/13.

The next property valuation will be completed as of 1 September 2012 and will be used to distribute the total rates requirement for the 2013/14, 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 increase in the Council's rateable budget
- 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 (eg 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

The following table shows the indicative residential property rates exclusive of GST for properties without a water meter for 2012/13:

Capital value (\$)	2012/13 Rates (\$)	Increase over 2011/12 (%)
200,000	887	2.17%
300,000	1,217	2.06%
400,000	1,546	2.01%
500,000	1,876	1.97%
600,000	2,206	1.94%
700,000	2,536	1.92%
800,000	2,866	1.90%
900,000	3,195	1.92%

Proposed changes to rates or rating mechanisms

Funding our Weathertight Homes Liability (also known as leaky homes)

The Council's Weathertight Homes Liability has been estimated by actuarial calculations to be \$53.2 million. Our financial statements as at 30 June 2011 included a discounted provision of \$50.9 million for this liability. To date weathertight homes settlements have been funded through a mix of proceeds from insurance cover and operating surpluses.

For this long-term plan, the Council will fund weathertight homes settlements initially through borrowings. To repay those borrowings, we will incrementally increase rates by 0.75% per annum until such time as the Weathertight Homes Liability has been settled and the associated borrowings and funding costs are repaid. This is anticipated to be in 8 years (2019/20).

To allow for this funding, some changes to our Revenue and Financing Policy were required (as included in Part Three of this document);

To provide for the use of borrowings to fund the weathertight homes settlements the following paragraph has been inserted in the “Policy Statement on the funding of operational expenditure” section of the policy (Section 1):

- **Borrowings** *In general Council does not fund operating expenditure by borrowing. The exception is to fund the impacts on ratepayer’s equity from payments associated with liabilities arising from weathertightness payments. Any borrowings associated with the settlement of these liabilities will be repaid over time.*

To allow our rates to be set at a level to repay these borrowings and all associated costs the following paragraph has been inserted in the “Setting the level of revenue from rates” section of the policy (Section 3).

“The total level of revenue from rates will be established as the total revenue required to cover all projected operating expenditure after taking into account:”

- *an amount equal to the projected level of repayment of borrowings associated with the settlement of liabilities for weathertightness payments.*

To ensure that the funding of our Weathertight Homes Liability is fully transparent the associated settlement costs, borrowings and rates funding will be reported annually within our Annual Report.

Water Rates

We have set the following increases to our targeted water rates to ensure the cost increases in the associated water activity are appropriately recovered:

Targeted Water Rating Mechanism	Current (excluding GST)	Proposed for 2012/13 (excluding GST)
Water consumption charge for properties with a water meter	\$1.715 per cubic metre	\$1.73 per cubic metre
Annual administrative charge for properties with a water meter	\$100.00	\$103.50
Annual fixed charge for base (residential) sector properties without a water meter	\$119.75	\$127.25
New connection charges for new residential properties	\$60.00	\$62.00
New connection charges for new commercial properties	\$200.00	\$207.00

Downtown Levy

We have also introduced a new map detailing the area to which the downtown levy targeted rate is applied. This map (shown on page 194) includes some new areas not previously covered by our existing policy and is effective from 1 July 2012.

Rates remission and postponement policies

This long-term plan includes a new rates remission for voluntary residential metered water rates. This remission is to provide some relief to residential ratepayers who have a voluntary water meter for their property and are charged for their water on a usage basis, including water usage arising from a leak from pipes on their property. If this leak were to occur on a neighbouring property without a water meter, no additional charges would be incurred by that property owner.

This remission allows the Council to charge the estimated usage arising from the leak at the Greater Wellington Regional Council bulk water rate, rather than the normal Wellington City Council usage rate. For details of the remission please refer to section 2.4 of the Remission Policy in Part Three of this document.

Funding our activities

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

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

Our Revenue and Financing Policy outlines how we fund our activities and is detailed in Part Three of this document. In 2012/13 we have made the following changes to how our activities are funded in our Revenue and Financing Policy:

Activity	Change
3.1.2 Convention Venues	Decrease from 55% to 5% non-rates income, with 95% rates funding to be split 55% general rate and 40% downtown levy, to reflect change in the way this activity is delivered
3.1.7 Destination Wellington	New activity 100% rates funded (50% commercial targeted rate and 50% downtown levy)
4.1.5 Access and support for community arts	Increase from 0% to 10% non-rates income, in line with expected levels of revenue
4.1.7 Regional amenities	New activity 100% rates funded (general rate)
5.1.8 Municipal Golf Course	New activity 50% user charges, 50% rates funded (general rate)
5.2.6 Community Centres and Halls	Increase from 2% to 5% user charges to align with historic and expected revenue levels
7.1.1 Transport Planning	Increase from 0% to 15% non-rates income in line with historic and expected levels of NZTA revenue
7.1.4 Passenger transport network	Decrease from 70% to 65% non-rates funding, reflecting increasing costs but mainly fixed income
7.1.6 Network-wide Control and Management	Increase from 25% to 30% non-rates funding in line with historic and expected levels of income
7.1.3 Cycle Network	Decrease from 5% to 0% non-rates funding
7.1.7 Road Safety	Increase from 25% to 30% non-rates funding in line with historic and expected levels of income
6.2.4 Regulator – Building Control and Facilitation Weathertight Homes	New activity 100% rates funded (general rate)

User charges

For 2012/13, we have increased user charges in a number of areas. The majority of these increases are minor and reflect cost pressures on the underlying service provided by the Council. Increasing fees by a little each year ensures that ratepayers are not over-subsidising services the Council provides and helps to avoid larger catch up increases in future. Our fees are set in accordance with our Revenue and Financing Policy which is outlined in Part Three of this document. Areas where we have increased fees include:

- Sewage collection and disposal network
- Recycling and waste minimisation & disposal
- City archives
- Sports fields
- Synthetic turf sports fields
- Burials and cremations
- Public health
- Building regulation and facilitation
- Development control & facilitation

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

Understanding the council's budgeted surplus

The Council is forecasting a net operating surplus of \$37.4 million in 2012/13, \$33.1 million in 2013/14 and \$33.8 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

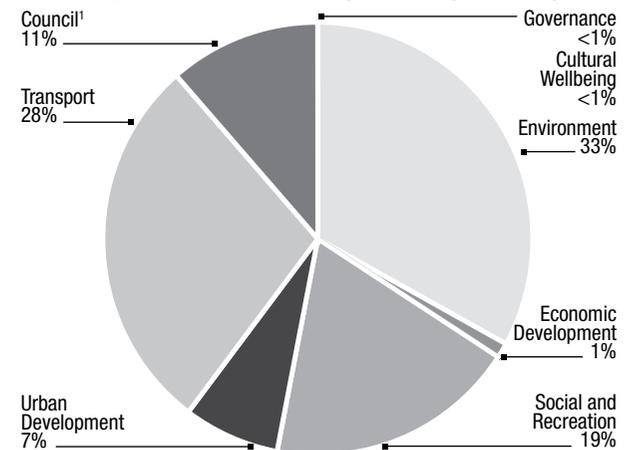
We're continuing to invest in our city's infrastructure while focussing on city resilience.

Capital expenditure pays for purchasing, building or developing the Council's assets (pipes, roads, libraries, swimming pools). Our capital expenditure (excluding carry forwards and loans to other organisations) is forecast to be \$136 million in 2012/13 and \$1.4 billion, including inflation, over the next 10 years.

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

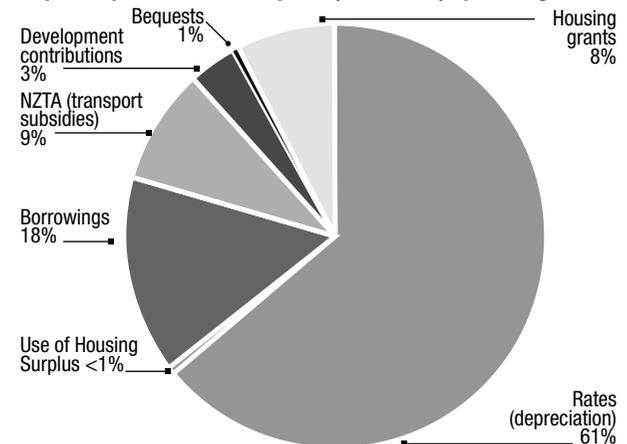
The following graphs show where our capital expenditure programme is being spent by strategy area, and how that expenditure is being funded, over the 10 years of the plan:

Capital expenditure over 10 years (\$1.4 billion) by strategy



¹ Council Projects predominately relate to capital expenditure on our technology infrastructure and replacement of vehicles and equipment.

Capital expenditure over 10 years (\$1.4 billion) by funding source



Borrowings

Total borrowings are forecast to be \$374 million at the end of 2012/13 increasing to \$532.4 million by 2021/22. Over the same period our forecast asset base totals \$6.8 billion in 2012/13, and increases to \$8.4 billion by 2021/22. We have changed our Revenue and Financing Policy to allow the funding of our Weathertight Homes Liability through borrowings, with repayments through annual incremental rates increases until such time as the borrowings and associated funding costs are repaid. Also impacting on our borrowings profile over the next 10 years are the costs to strengthen buildings and other infrastructure so that they can withstand earthquakes.

As borrowings are a consequence of capital expenditure, our financial strategy has also set a 'borrowings funded capital investment target' of **\$45 million**, and a 'borrowings funded capital investment limit' of **\$60 million** for each 3 yearly Council Long Term Plan. This will ensure our debt levels remain sustainable and affordable for years to come. The current plan breaches the \$60m Capex investment limit in the three trienniums, however the Council is committed to change this through the annual plan/long term plan process to enable compliance with this limit. The Financial Sustainability Working Party will work on this objective from mid 2012, to ensure compliance with this self imposed limit.

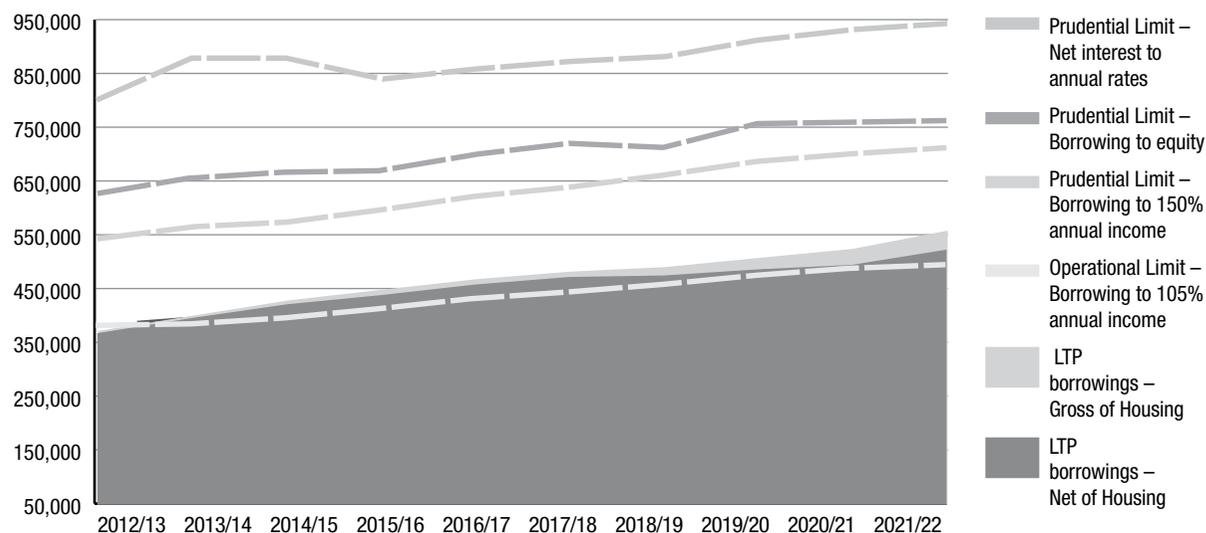
Wellington City Council currently holds an AA credit rating from Standard and Poor's. This credit rating should result in lower borrowing costs for the Council and greater access to debt markets.

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

Our Housing activity is forecast to generate a cash surplus over the ten years for re-investment in our housing stock upgrade.

This cash surplus is "ring-fenced" in our financial statements, but offsets our total borrowings. The graph also shows how our borrowings would increase if this cash surplus was excluded from our borrowings profile.

Forecast 10 Year Borrowings with Key Borrowings Limits (\$'000)



Insurance

The earthquakes in Christchurch resulted in a tightening in the insurance market both in New Zealand and overseas leading to increases in insurance rates, reductions in capacity and closer vetting of risks by insurers.

The existing Wellington City Council insurance programme includes cover for all above and below ground infrastructure, buildings, plant and equipment throughout the city.

In the event of a significant event in Wellington, the Council would fund any major infrastructure rebuild via a combination of:

- Insurance cover
- Self insurance reserve fund
- Reprioritisation of renewals capital and new capital, if required
- Loan funding in the event of any shortfall

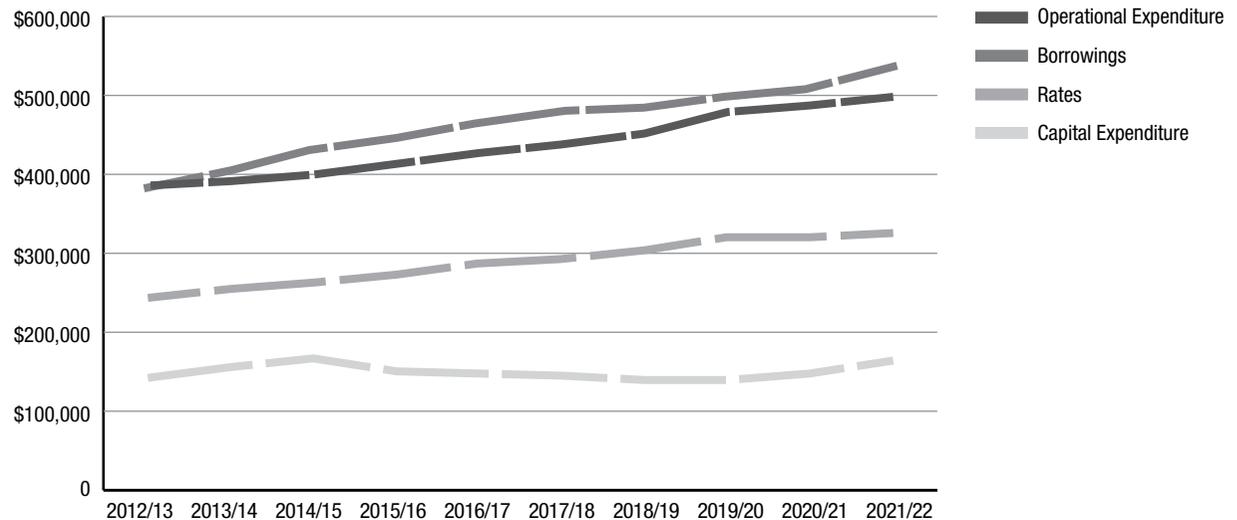
It should also be noted that there may be contributions from Central Government towards restoration of core infrastructure.

Financial indicators at a glance

Over the 10 year plan our forecasts show:

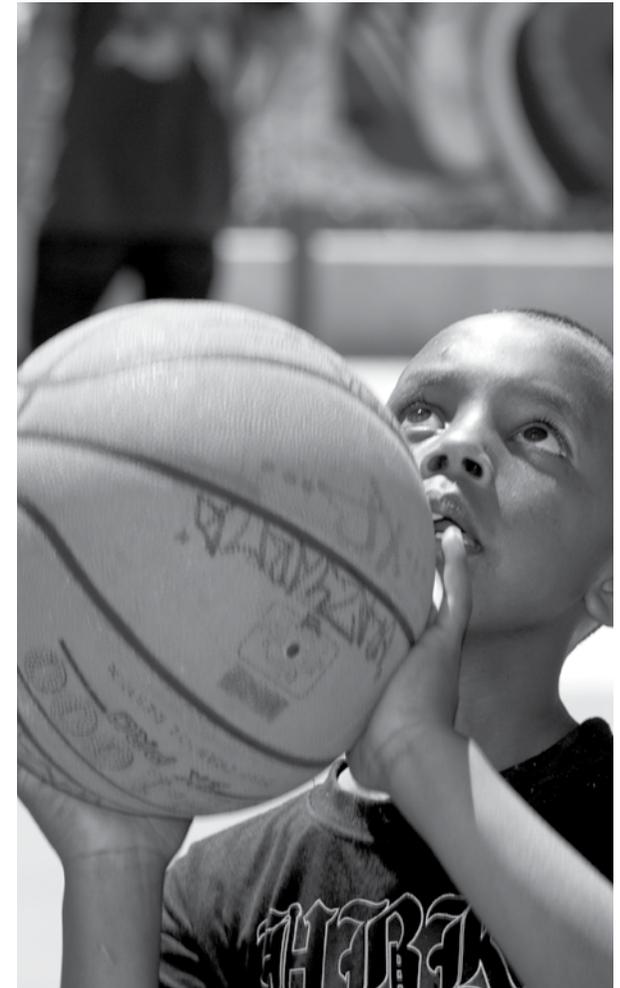
- operating expenditure will increase from \$379.2 million in 2012/13 to \$496.1 million in 2021/22
- capital expenditure will range between \$133 million and \$160 million each year
- total borrowings will increase from \$374 million in 2012/13 to \$532 million in 2021/22
- total rates revenue will increase from \$240 million in 2012/13 to \$323 million in 2021/22

Key Financial Indicators for 10 Year Long Term Plan (\$000)



The key reasons for the increasing trends across our 10 year plan are as follows:

- Operational expenditure and rates are impacted by inflationary assumptions around our underlying costs, and the operational impact of our capital expenditure programme
- Rates are also impacted by our annual incremental increase in rates of 0.75 percent to repay our weathertight homes borrowings liability
- Capital expenditure is largely influenced by the renewal profiles within our asset management plans, and our housing upgrade and earthquake strengthening programmes
- Borrowings are influenced by the timing and extent of our capital expenditure programme and estimated timing of payment of our weathertight homes liability





PART TWO
OUR WORK
IN DETAIL



How the following chapters are organised

In this section, you'll find detailed information about our plans for the next 10 years.

Our work is divided into seven activity areas: governance; environment; economic development; cultural wellbeing; social and recreation; urban development; and transport.

In each chapter, you'll find information about: what we do; why we do it; the challenges we face, how much we expect it to cost; how we expect to pay; and how we'll measure whether we're doing it well enough.

HOW OUR INFORMATION IS STRUCTURED

Activity area

- What we do
- Links to community outcomes
- What people have told us
- The challenges we face
- Three year focus
- Relevant Council policies, strategies and plans
- How we will know we've made a difference

Activities

- Our activities and why they are important
- Contribution to community outcomes
- What we'll provide – our levels of service
- Key projects
- Significant negative effects from our activities
- How the activities are funded
- What it costs
- How we'll measure performance



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)

Public trust and confidence in the decisions we make is very important for the health of our local democracy. This requires residents to have a high level of understanding about our plans for the future, and have opportunities to get involved and influence those decisions.

Engaging residents on key issues can be challenging. People who have views on Council activities and want to take active roles in the ongoing development and life of the city often want to do so outside of formal local government consultation structures and practices. The Council wants to respond to residents' changing demands about the ways they receive and respond to information, share their views about the city, and participate in decision-making.

A key focus for the future will be on harnessing new technology to better engage, communicate and deliver services. To achieve this we intend to improve our website, automating transactions to provide a 'self service' option for some services. We intend to grow use of social media to connect to communities, and to develop applications for smart technology devices to help us engage with people and receive feedback. This will not displace face-to-face communication with residents and ratepayers.

We will also continue to work closely with mana whenua. They have a special position in the city's history, present and future and are interested in working with us on a range of cultural, environmental, social and economic interests. We are also committed to ensuring all Māori have input into our decision-making.

WHAT WE DO	1.1 Governance, information and engagement 1.2 Māori and Mana Whenua Partnerships
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ Our consultation and decision making activities improve our decisions and enhances trust and confidence in civic decision-making and leadership. ■ They also enable and encourage the community to participate in city governance that is open and transparent. ■ Our Māori engagement activities enable us to respond to the needs and aspirations of tangata whenua and enhance the visibility of Māori culture and history in the city.
WHAT THE COMMUNITY HAS TOLD US	<ul style="list-style-type: none"> ■ People are looking for ways to meaningfully connect with Council and have a two-way discussion on issues. ■ Māori would like improved visibility of Māori in the city. ■ The Council could work more effectively with existing community groups – including religious organisations and clubs – and make more use of their connections and resources. ■ Council's role is to deliver impartial and reliable advice to Councillors, creating a climate of trust and confidence, thereby delivering an outcome that benefits the community as a whole. ■ People have strong but differing views on whether the region's Councils should be combined in the future
CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ A low level of participation in local elections. ■ Ensuring that all voices are heard, especially as the city becomes more diverse. ■ Raising understanding of Council decision-making processes and opportunities for input. ■ Engaging in ways that residents find meaningful and convenient. ■ People have busy lives and may not find the time to participate in our processes or make contact with the Council. ■ Demonstrating that decisions are made in the city's wider interests.

THREE YEAR FOCUS

- We will value Wellingtonians' knowledge and make more use of this knowledge to inform policy and decision making.
- We will use technology and tools to better communicate and engage with residents.
- We will place more services online to make it easier and more convenient for customers to do business with us.
- We will work in partnership with mana whenua with particular regard to the schedule of specific recognitions set out in our memoranda of understanding.
- We will increase opportunities for Māori to engage in dialogue with the Council so that their perspectives are reflected in Council decisions and actions affecting economic, environmental, social, and cultural well-being.

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.

Our activities

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

Our decisions shape the city of today and the future. These decisions need to reflect community priorities, 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 local authorities.

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

How these activities contribute to our community outcomes

These activities contribute to the following community outcomes:

■ People-centred city

These activities enhance trust and confidence in civic decision-making and encourage the community to participate in city governance.

■ Connected city

Providing information about our services allows people to use the city's services, facilities and activities.

What we'll provide – our level of service

The decisions required to run a city can be complex. Our processes are designed to ensure that Council decisions take account of emerging issues, communities' views, alternative options, technical and financial information, legislation, and our past performance. All of this takes time, research, analysis and debate, and it involves a range of people with different skills.

Our anticipated workload over the next three years is based on past demands and is set at a level sufficient to guide the implementation of the activities in this plan. We'll comply with legislation and respond to any proposed changes to the law that may affect Wellington residents. And we'll continue to talk with Wellingtonians about city matters.

The extent to which we consult will be determined by: legislation; our Engagement Policy; the significance and nature of the decision to be made; the level of public interest; the potential impact on affected and interested parties; the urgency of the matter; and the extent to which community views are already known to the Council.

We will:

- find new ways to talk with the community about key issues facing the city – changes in this area, for example the use of online forums, are already underway and we are committed to making further improvements
- keep residents informed through a wide variety of media, including newspapers, radio, Council publications, social media, the weekly Our Wellington page in the Dominion Post, and our website

- provide agendas for Council and committee meetings in advance, and make our meetings and briefings open to the public except on occasions where there is a legitimate reason for confidentiality
- provide information, answer queries and address complaints through our 24-hour-a-day Contact Centre, and give members of the public access to information on property values
- run elections every three years
- preserve and provide historical information at Wellington City Archives – while much of the material relates to the Council, the archives also hold records relating to some of the city's earliest European settlers, from the 1940 New Zealand Centennial Exhibition, and from many companies and organisations that have shaped the district.

Key projects

- We will look at ways to make it easier for communities to engage with the Council and have input into decision-making. Information and communication technologies (ICT) will be part of the solution, and we will look to grow 'e-governance' opportunities. The volume and range of information that ICT and social media can connect people with is also a challenge, as the Council tries to be heard among competing interests. Making good use of ICT and social media tools will be a focus. This work will be funded from existing budgets.
- We're increasing a range of fees and charges that apply to retrieving information from the City Archives – including residential and commercial plan searches and photocopying charges. See the appendix on fees and charges for more information.

- To reduce our costs in this area we will reduce the size of the 'Our Wellington' page in the dominion Post from one and a half pages to one page a week. This will have a modest impact on our communications and save \$50,000 per year. We will also develop a communications and marketing plan that will inform any future changes to the way we undertake communications and marketing.

Significant negative effects

There are no significant negative effects from our activities.

Where the money comes from

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
City governance and engagement	-	-	100%	100%	-	-	-
Civic information	5%	-	95%	95%	-	-	-
Archives	10%	-	90%	90%	-	-	-

What it will cost

1.1 GOVERNANCE, INFORMATION AND ENGAGEMENT	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
1.1.1 - City governance and decision-making	(12)	8,141	8,129	-
1.1.2 - Civic information	(198)	5,587	5,389	-
1.1.3 - City Archives	(174)	1,322	1,148	-
2012/13 1.1 Total	(384)	15,050	14,666	-
2013/14 1.1 Total	(695)	16,407	15,712	110
2014/15 1.1 Total	(408)	15,856	15,448	-
2011/12 1.1 Total	(398)	15,761	15,363	-

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To understand the extent to which the public is informed and engaged	Residents (%) satisfaction with the level of consultation (i.e. the right amount)	60%	60%	60%	60%	65%
	Residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	76%	80%	80%	80%	80%
	E-petitions participation – number of e-petitions and number of people that participate	34 e-petitions & 7,500 people	No target	No target	No target	No target
To measure how easy it is for residents to access information and whether that information is available in a timely manner	Council and committee agendas (%) are made available to the public within statutory timeframes (2 working days prior to the meeting)	New measure	100%	100%	100%	100%
	Council and committee agendas (%) that are made available to the public 5 days prior to the meeting	75%	75%	80%	80%	80%
	Residents (%) who agree that Council information is easy to access (i.e. from web centre, libraries, newspapers, etc)	74%	80%	80%	80%	85%
	Residents (%) who agree the council website is easy to navigate and get information from	New measure	80%	80%	80%	85%
	Contact Centre response times – calls (%) answered within 30 seconds and emails (%) responded to within 24 hours	Calls: 78% Emails: 91%	Calls: 80% Emails: 100%	Calls: 80% Emails: 100%	Calls: 80% Emails: 100%	Calls: 80% Emails: 100%
To measure success at protecting the city's historic information and making it available to the public	User satisfaction with City Archive services and facilities	Services: 96% Facilities: 94%	90%	90%	90%	90%

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.

Our activity

- Māori and mana whenua partnerships

We want to see the special position of mana whenua acknowledged and reflected in the way we make decisions about the city and its resources.

Treaty of Waitangi claims for both iwi groupings within the city, Ngāti Toa Rangatira and Taranaki Whānui ki te Upoko o te Ika have progressed.

Taranaki Whānui finalised their claims. They now own some prominent pieces of land in the city including Shelly Bay and Point Dorset recreation reserve. Ngāti Toa Rangatira are expecting their claims to be concluded in the next year.

Engagement with the wider Māori community recognises the special provisions for Māori within our legislative framework and their unique role.

Contribution to community outcomes

Our Māori engagement activities contribute to the following community outcomes:

- **People-centred city**

This activity promotes inclusiveness, celebrates social and cultural diversity, and enables us to respond to the needs and aspirations of Māori.

What we'll provide – our level of service

We work with the city's two mana whenua iwi, the Port Nicholson Block Settlement Trust (representing Taranaki Whānui) and Te Rūnanga o Toa Rangatira Incorporated, to ensure their views are represented in decisions about the city, and to ensure their contribution to Wellington's heritage is fully and publicly recognised. Our responsibilities to these organisations are outlined in memoranda of understanding.

The memoranda outline how they participate in decisions on policy, protocol, and regulatory and service delivery issues. Both entities have non-voting membership on the Council's Strategy and Policy committee. These obligations place administrative and time demands on the organisations. We provide each a grant to reflect their input.

Key projects and proposals

Specific projects that reflect Māori and mana whenua partnerships are delivered across the Council in many areas of Council activity.

We will concentrate on improving opportunities for Māori to contribute to Council decision-making.

In order to recognise and increase awareness of the Māori presence in Wellington, we will:

- work in partnership with mana whenua
- increase opportunities for Māori to engage in dialogue with the Council to ensure their perspectives are reflected in Council decisions and actions affecting economic, environmental, social, and cultural well-being.

How we plan to develop opportunities for Māori to contribute to our decision-making processes

We recognise and act on our obligations to develop opportunities for Māori to contribute to our decision-making processes. In addition to fostering partnerships with mana whenua we engage with and build relationships with the wider Māori community. We will continue to connect and build relationships with Māori networks and community groups.

- Our community grants assist Māori groups to undertake their own projects. Like all grant programmes, these projects must contribute to Council's high level priorities.
- We promote and celebrate Māori culture through significant dates in the Māori calendar such as Matariki and Māori Language Week, other events and in public art and heritage sites.
- *Te Raukura*, the wharewaka on the waterfront, used as the city's FANZONE during the Rugby World Cup and the welcoming of two new traditional carved waka, *Te Hononga* and *Te Rerenga Kōtare* are examples of increasing Māori presence in the heart of the city.
- The visible recognition of such projects will add to people's trust in the Council and demonstrate how engaging with us on decisions about projects and on wider issues can improve people's experiences of the city.

Significant negative effects

There are no significant negative effects arising from this activity.

Where the money comes from

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Māori and mana whenua partnerships	-	-	100%	100%	-	-	-

What it will cost

1.2 MĀORI AND MANA WHENUA PARTNERSHIPS	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
1.2.1 - Māori and Mana Whenua partnerships	-	237	237	-
2012/13 1.2 Total	-	237	237	-
2013/14 1.2 Total	-	244	244	-
2014/15 1.2 Total	-	252	252	-
2011/12 1.2 Total	-	237	237	-

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the health of our relationship with mana whenua	Mana whenua partner satisfaction with Council relationship (satisfied and very satisfied)	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied
To measure the engagement of the city's Māori residents	Māori residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	83%	85%	85%	85%	87%

Governance – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Residents (%) who agree that decisions are made in the best interests of the city	61%	60%
Residents (%) who state that they understand how the Council make decisions	51%	48%
Residents (%) who believe they have an influence on Council decision-making	65%	63%
Mana Whenua partner agreement that the use and protection of the city's resources for the future is appropriate	New measure	
Residents (%) who believe they have the opportunity to participate in city life	New measure	
Voter turnout in local elections	N/A	40%

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.

The world faces unprecedented environmental and resource challenges. The global population is growing. Oil reserves are declining. Many parts of the world face shortages of food, water and other resources. And the climate is changing and becoming more unpredictable.

Cities are uniquely placed to find local solutions to these environmental challenges. In cities, we can find new ways of living that achieve high quality of life without compromising the environment on which we rely.

Wellington has a head start at becoming an eco-city and adjusting to a low-carbon future. Wellington is a small and relatively compact city where many people get around on foot or by bus. Our economy is based on knowledge industries. We have an abundance of renewable energy sources such as wind power, and a green landscape which not only encourages residents to enjoy the outdoors but also gives the city access to carbon credits through forest sinks. We also have a population that values and is committed to the environment. Research shows that Wellingtonians demonstrate higher levels of concern for the environment than the average New Zealander. *Wellington Towards 2040: Smart Capital* demonstrates that these qualities will make Wellington an attractive place for people to live and do business.

In response, we will continue our efforts to protect and maintain open spaces, parks, gardens, eco-systems and biodiversity. This includes continuing to support community conservation groups who volunteer their time for the protection and restoration of green space. It also includes working with businesses and the community to promote energy conservation and greater understanding of environmental issues and supporting environmental attractions such as the Zoo and Zealandia. We will also undertake research to better understand how the city needs to adapt to climate change.

Our environment activities also include provision of services that are essential to the city. We remain committed to operating safe and efficient water supply, wastewater and stormwater systems. In line with our three-year priorities, we aim to increase the resilience of these systems to earthquakes and other natural disasters. As some of this infrastructure needs to be renewed because of its age or to meet the needs of a growing population, this will be a significant area of investment for us throughout the duration of this plan.

WHAT WE DO	<p>2.1 Gardens, beaches and green open spaces 2.4 Wastewater</p> <p>2.2 Waste reduction and energy conservation 2.5 Stormwater</p> <p>2.3 Water 2.6 Conservation attractions</p>
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ Natural open spaces enhance residents' well-being and protect the city's biodiversity as well as partially off-setting our carbon emissions. ■ The city's gardens, coast and green spaces all contribute to the city's green infrastructure. ■ Wellington's well-being is protected by well planned and well maintained infrastructure including a sustainable, reliable and adequate supply of safe water. ■ A resilient wastewater and stormwater network and effective maintenance programmes allow people to live and work in the city safely and without disruption. ■ Reduced waste and increased recycling decreases the use of landfills and promotes the sustainable management of resources. ■ More use of new and renewable energy will reduce the city's demand for energy and reduce its greenhouse gas emissions.
WHAT PEOPLE HAVE TOLD US	<ul style="list-style-type: none"> ■ Te Whanganui a Tara (Wellington harbour) is the most important part of the city. The life of the land is centred round the harbour and so it must be valued and cared for. ■ Wellington's natural attractions are important to Wellingtonians and many people volunteer their time to maintain and develop them. ■ Residents want us to provide, with existing community groups, education on the environment and recycling. ■ Residents want Council to make most of green technology and renewable energy opportunities. Some also want us to promote the use of home based water collection and energy generation methods where this is possible. ■ Residents want us to ensure that the city's water, wastewater and stormwater networks are resilient and reduce pollution of the environment.

CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ Increasing resilience of the water, wastewater and stormwater networks, including treatment and storage solutions. ■ Accurately assessing and adequately funding future maintenance and renewal of our water infrastructure. ■ Reducing the frequency and severity of overflows from sewerage system. ■ Managing supply and demand for potable water to accommodate future growth. Future decisions will need to be taken on managing demand for water and the timing of increased water supply. ■ Ongoing biodiversity protection and restoration across multiple land tenures and boundaries. ■ Understanding the implications of, and developing a response to, natural hazards and climate change and its impact on the city's key assets. ■ Influencing, and working with, communities and businesses so that they become more energy efficient.
THREE YEAR FOCUS	<ul style="list-style-type: none"> ■ Maintain the resilience of the city's water infrastructure. ■ Protect and maintain the city's open spaces, ecosystems and biodiversity. ■ Develop the city's open space network in response to future population and cultural needs. ■ Facilitate reductions in waste and resource use within business and communities. ■ Work with partners, particularly other Councils, to ensure the efficient and effective management of infrastructure.

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.

Our activity

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

From the green hills and the unique 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 unique 'sense of place' and provides attractive, safe and accessible places for leisure and recreation.

How these activities contribute to our community outcomes

Beaches, green open spaces and conservation activities contribute to the following community outcomes:

■ **People-centred city**

Wellington's high-quality natural environment enhances the city's unique 'sense of place', making it an even better place to live, work and play. It attracts visitors and provides safe and accessible opportunities for leisure and recreation.

■ **Connected city**

Accessible, high-quality green spaces encourage people to gather together, share activities and connect with each other. Networks of green spaces link the city with its coastline and beaches. Conservation connects people with the environment and links the present to the future.

■ **Eco-city**

High-quality natural and green environments protect and enhance the city's biodiversity and help to offset carbon emissions. They model Wellington's leadership role as capital city of a clean and green New Zealand and as a leading sustainable city of the 21st century.

■ **Dynamic central city**

High-quality natural and green environments within minutes of the central business district attract visitors, and are important for residents' quality of life.

What we'll provide – our levels of service

We will:

- protect the Town Belt, Outer Green Belt and other reserve land in the city – these areas benefit city residents and will be an asset for generations to come
- protect and make the most of the city's public gardens (Wellington Botanic Garden, Otari-Wilton's Bush, Bolton Street Memorial Park, and Truby King Park)
- provide access to the city's natural environment for outdoor recreation and commuting, including maintaining around 335km of walkways and tracks
- care for the city's beaches and coastline, from the wild south coast to Oriental Bay beach, including dune protection, planting, erosion control and maintenance of boat ramps, slipways and jetties
- maintain landscaped areas (including flower beds, shrub borders, mown areas and trees) ensuring attractive suburban centres and a desirable city centre
- protect and maintain heritage trees and trees in public places, and ensure public safety by removing hazardous trees
- protect key native ecosystems by controlling pest animals and weeds at priority sites as well as key pests across natural areas and rural land
- re-vegetate and restore native habitats by propagating native species in our Berhampore Nursery, planting them throughout the city, and providing them for planting by community volunteer groups
- manage roadside vegetation to ensure it is not creating hazards (for example, impairing motorists' line of sight, contributing to bank erosion, or blocking natural run-off channels)
- support volunteers to maintain and enhance the city's gardens, coastline, biodiversity and open spaces by providing tools, advice and training
- provide grants for projects that benefit the city's environment, promote sustainability, raise awareness of environmental issues, promote community involvement and volunteerism, or otherwise contribute to our environmental objectives.

Key projects

- We will complete a review of the Town Belt Management Plan, and develop a Suburban Reserves Management Plan covering reserves in the eastern, central and western areas. These actions are required to meet our statutory obligations under the Reserves Act, and also provide an opportunity to ensure that we manage and develop reserves appropriately.
- We are planning to develop a Concessions Policy for the management of commercial activities on reserve land. The development of a Concessions Policy will ensure a consistent approach to managing commercial activity on reserve land and ensure ratepayers are not subsidising private gain derived from commercial use of parks, coast and green open spaces.
- Continue development of the Open Space Framework. The framework guides investment and activities across all open spaces to align with community needs and identify gaps and opportunities.
- We will explore opportunities for partnerships with mana whenua to maximise environmental, social and cultural outcomes for specific places – this could include co-management of some parks.
- We will continue to implement the Open Space Access Implementation Plan. Major projects include:
 - renewal of Johnstons Hill tracks (Karori) with a focus on the track to the summit and Skyline connection and improving the track connecting to Karori Cemetery
 - renewal of the Piwakawaka Track in Odell Reserve in 2013/14
 - renewal of parts of the Southern Walkway in 2013/14
- improving links between Polhill and Waimapihi in 2012/13
- improving the summit track to Mt Victoria in 2013/14
- Otari to skyline in 2014/15
- Te Raekaihau and Makara peak in 2013/14
- We will construct a stream bund at the Prince of Wales Park (\$60,000 in 2012/13). This is stage 2 of a project to prevent flooding of the sports field and neighbouring residential properties. A total of \$220,000 will be spent in the first three years on asset renewals in Wellington parks.
- We will continue implementing projects that deliver on the South Coast Management Plan (2002). The focus of the work will be on coastal protection between Owhiro Bay and Point Dorset, including managing vehicle access, coastal dune protection, and upgrades of visitor facilities. We're spending \$50,000 per year on this work.
- We will reconfigure the Otari Wiltons Bush Curators house at a cost of \$316,000 in 2013/14 and 2014/15. The reconfigured Curators house will better meet the needs of staff and visitors
- The Lyall Bay Surf Club is building a new clubhouse. In 2010/11 we agreed to provide \$350,000 over two years for the clubhouse and for public toilets in the new facility. The surf club is not ready to draw down on our contribution for 2012/13 and therefore we will provide funding in 2013/14.
- We have agreed on an additional \$20,000 per year to Surf Life Saving New Zealand to extend patrol hours on Wellington beaches and provide a surf life saving service at Scorching Bay.
- The Evan's Bay Patent Slip jetty has limited use and is in poor condition, and public access has been blocked off. Demolition will be subject to resource consent as the structure is listed as a heritage item in the District Plan and the site is registered as a category 2 historic place by NZ Historic Places Trust. Demolition is planned for 2013/14 and will cost \$100,000.
- We will reinstate funding for the Biodiversity Action Plan programme by \$36,693 per year. The programme establishes key native eco-systems with operational 'pest management plans'.
- We will maintain our Environmental grants at \$80,000 per year to support key projects that align with our environmental goals.

The Charles Plimmer Bequest - bequeathed income from his residual estate to the Council for the benefit of the citizens of Wellington – is used primarily to beautify areas of the city. The following projects are scheduled over the next few years:

- *Watts Peninsula* – we're budgeting \$150,000 to be used to plan for and support the development of a park at Watts Peninsula in 2012/13. This work will be part of the first stage of the opening of the Defence Force land as a park and destination for Wellingtonians and visitors.
- *Grasslees Reserve in Tawa* – we have budgeted \$650,000 for the redevelopment of Grasslees Reserve in Tawa in 2012/13 and 2013/14. The redevelopment of this community park along with associated playground and toilet renewal will create a high quality community park within a recreation hub close to Tawa centre and linked by the new Tawa Shared Pathway. Work will include development of a new bridge linking the sections of the park, works to better relate the stream to the park, updated play spaces and development of a new picnic and horticultural area.

- *Alex Moore Park Community Walkway* – we have budgeted \$380,000 to be used to develop a community walkway and associated tree planting around Alex Moore Park in 2015/16. This will complement the construction of an artificial turf on the Park.
- *Children's Garden* – we have allocated \$750,000 to part fund the development of the Children's Garden at the Wellington Botanic Garden in 2013/14 and 2014/2015 subject to obtaining external funding for the balance of the construction and operating costs. The work will deliver a self directed interactive demonstration garden of horticulture for the home garden that will teach principles of plants and plant growth to children in fascinating, stimulating and challenging ways. The garden will demonstrate that all living things are dependent on plants.

We are also entering into a formal agreement with the Wellington Regional Council to manage Council land adjacent to Belmont Regional Park. The Belmont Reserve is a 105 hectare area of land adjacent to the Belmont Regional Park and accessed off Horokiwi Road. Greater Wellington Regional Council currently manage Belmont Reserve and include the land in their Parks Network Plan (a combined management plan for all of their parks and reserves) as part of Belmont Regional Park.

Significant negative effects from our activities

In our management of the city's green open spaces, we seek to balance recreation needs against environmental protection. While recreational use can have negative effects on the immediate environment, in most cases these are not significant.

We do not anticipate any other significant negative effects associated with our management of these assets, or from our other environmental well-being programmes.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Local parks and open spaces	5%	-	95%	95%	-	-	-
Botanical gardens	10%	-	90%	90%	-	-	-
Beaches and coast operations	-	5%	95%	95%	-	-	-
Roads open spaces	-	5%	95%	95%	-	-	-
Town belts	-	5%	95%	95%	-	-	-
Community environmental initiatives	-	-	100%	100%	-	-	-
Walkways	-	-	100%	100%	-	-	-
Biodiversity (pest management)	-	-	100%	100%	-	-	-

What it will cost

2.1 GARDENS, BEACHES AND GREEN OPEN SPACES	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.1.1 - Local parks and open spaces	(479)	8,052	7,573	947
2.1.2 - Botanical gardens	(446)	4,383	3,937	1,074
2.1.3 - Beaches and coast operations	(51)	1,042	991	146
2.1.4 - Roads open spaces	(552)	9,216	8,664	-
2.1.5 - Town belts	(209)	4,358	4,149	116
2.1.6 - Community environmental initiatives	-	408	408	-
2.1.7 - Walkways	-	511	511	339
2.1.8 - Biodiversity (pest management)	-	1,046	1,046	-
2012/13 2.1 Total	(1,737)	29,016	27,279	2,622
2013/14 2.1 Total	(1,790)	31,917	30,127	2,385
2014/15 2.1 Total	(1,843)	31,056	29,213	2,605
2011/12 2.1 Total	(1,687)	29,369	27,682	2,844

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the standard of the open spaces we provide	Residents' satisfaction (%) with the quality and maintenance of local parks and reserves	84%* for local parks only	90%	90%	90%	90%
	Residents' satisfaction (%) with the quality and maintenance of botanic gardens	97%	95%	95%	95%	95%
	Residents' satisfaction (%) with the quality and maintenance of beaches and coastal areas	88%	90%	90%	90%	90%
	Residents (%) who agree that green open spaces, gardens and beaches provide good value for money	88%	90%	90%	90%	90%
	Residents' satisfaction (%) with the quality and maintenance of walkways	88%	90%	90%	90%	90%
	Residents' satisfaction (%) with the quality and maintenance of green open spaces: roadside vegetation	82%	85%	85%	85%	85%
To measure the utilisation of the open spaces we provide	Residents' frequency (%) of usage of local parks and reserves (yearly and weekly)	Yearly: 88% Weekly: 29% for local parks only	Yearly: 90% Weekly: 30%			
	Number of visitors to the Botanic Gardens	New measure	1.2M	1.2M	1.2M	1.2M
	Residents' frequency (%) of usage of botanic gardens (yearly and weekly)	Yearly: 75% Weekly: 8%	Yearly: 75% Weekly: 10%			
	Residents' frequency (%) of usage of beaches and coastal areas (yearly and weekly)	Yearly: 93% Weekly: 25%	Yearly: 95% Weekly: 25%	Yearly: 95% Weekly: 25%	Yearly: 95% Weekly: 25%	Yearly: 95% Weekly: 25%
	Residents' frequency of usage (%) of walkways	Yearly: 66% Weekly: 15%	Yearly: 70% Weekly: 15%	Yearly: 70% Weekly: 15%	Yearly: 70% Weekly: 15%	Yearly: 70% Weekly: 15%
To measure the standard of the street cleaning service	Residents' satisfaction (%) with the quality and maintenance of green open spaces – street cleaning	84%	85%	85%	85%	85%
	Street cleaning (%) compliance with quality performance standards	99%	100%	100%	100%	100%
To measure our efforts to protect and enhance biodiversity and native species health	Total number of native plantings undertaken by WCC	No historical data	45,000	45,000	45,000	45,000
	Total number of native plants provided by WCC for community planting	No historical data	30,000	32,000	34,000	36,000
	High value biodiversity sites (%) covered by integrated animal pest control or weed control	No historical data	52%	60%	70%	Increasing trend
	Proportion of grants funds successfully allocated (through milestones being met)	No historical data	95%	95%	95%	95%

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.

Our activity

- 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.

How these activities contribute to our community outcomes

These activities contribute to the following community outcomes:

- **People-centred city**
Developing funding partnerships with key stakeholders to insulate Wellington homes improves the health and the quality of life of Wellington residents. Collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.

▪ Eco-city

Reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources. A focus on energy efficiency for the city's households and businesses will reduce costs and reduce greenhouse gas emissions. Developing partnerships and encouraging policies for continued development of renewable energy in the city will be crucial for the Council's Eco-city aspirations.

▪ Dynamic central city

Facilitating construction of Greenstar rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses, and the uptake of emerging "green" technologies will allow Wellington to showcase its Eco-city credentials.

What we'll provide – our levels of service

Our work programme over the next three years is based on past demands and set at a level to maintain existing levels of service taking into account projected population growth and other demand factors.

We will continue to:

- provide access to a user pays service for the collection of household rubbish – this service will be weekly for the vast majority of households but daily within the CBD – and for its transportation for disposal either to a landfill or recycling station
- provide a service to households for the collection and processing of paper, plastic, glass and aluminium packaging that is sorted by residents for recycling

- manage the Southern Landfill, including the tip face, transfer station, gas extraction system and Emissions Trading Scheme liabilities, recycling station, Second Treasure second hand shop, and the compost operation
- monitor the city's 30 closed landfills (most of which have been converted to reserves and parks) to ensure they aren't discharging hazardous gases or leachate into the environment
- provide residents with information about waste reduction, and make plans to reduce waste
- enforce waste bylaws which can include fines for disposing of waste in inappropriate ways
- facilitate energy efficiency and renewable energy projects and developments with residents and businesses
- provide funding support for initiatives that directly result in energy and emissions savings for households and businesses to existing energy efficiency programmes funded by central government.

From January 2013, our landfill activities will be included in the Emissions Trading Scheme. This will require us to measure the amount of greenhouse gas emissions produced by our landfills and purchase carbon credits to offset them. It will be important that we focus on cost effective ways to reduce the amount of organic materials disposed in landfills and improve our capture of the methane they produce.

There are no significant variances between the activities outlined in this long-term plan and the Waste Management and Minimisation Plan adopted under the Waste Minimisation Act 2008.

Key projects

- *Climate change programme* – We will continue to develop strategic partnerships to deliver on Wellington’s emissions reduction targets, and to continue to invest in existing climate change initiatives. In particular:
 - We will keep supporting the *Warm Up New Zealand: Heat Smart* programme which supports improved home insulation and heating. This programme also attracts central government funding. We will spend \$50,000 a year on this programme for the next 3 years.
 - We will extend the existing Home Energy Saver Programme which provides for free energy assessments and the preparation of tailored action plans for Wellington households. We’re spending \$50,000 a year on this programme for the next 3 years.
 - We will carry out further sea level rise risk assessments for developed parts of the city and establish a draft Climate Adaptation Strategy for managing these risks. We’re planning to spend \$100,000 a year on this programme for the next three years.
- *Waste Management* – During 2011 all eight local authorities in the Wellington region agreed to adopt a consistent approach towards managing waste. This regional collaborative approach is now described in the Wellington Region Solid Waste Minimisation and Management Plan. As part of that work, we investigated with Porirua City Council opportunities to manage waste activities together. It is noted that the Council voted to stop work on a joint waste management Council Controlled Organisation with Porirua City Council. We had planned to

carry out a review of Council’s future role in waste collection services in recognition of the popularity of recycling and that private operators now controlled a significant proportion of the market, but have decided that the Council will continue to manage the provision of the yellow rubbish bags and the waste collection service for the foreseeable future.

- *Rubbish bins* – we plan to undertake a comprehensive review of the city’s refuse bins in 2012/13. The review will look at the total number of bins and whether that number can be reduced, as well as the location and type of bins used. As part of the review, we plan to trial the use of wheelie bin stations as a replacement for the ‘eye-bins’ currently installed in public places. The wheelie bins would be able to hold more rubbish, be easier to empty and reduce health and safety risks to staff. We have allocated \$200,000 of capital funding to carry out the trial in the coming year. Subject to the trial being successful, the cost to implement the changes is budgeted at \$825,000 – provisionally scheduled for 2013/14. These changes would deliver up to \$500,000 in savings per year from 2014/15 through more efficient waste collection and disposal.
- *Rubbish bag costs* – we are increasing our rubbish bag prices and our landfill levy to recover the cost of providing this service as well as to fund the provision of the free recycling collection service without impacting on the rates. The increase will see the cost of a rubbish bag go from \$2.21 to \$2.52 per bag and our landfill levy per tonne will increase from \$105.00 to \$110.25. Note that the household recycling collection service will be provided free of charge.

Significant negative effects from our activities

The waste a city produces is in itself a negative effect on the environment. Our activity is aimed at dealing with these negative effects in ways that cause the least possible long-term harm.

Negative effects from landfills can include leachate and production of gases. We monitor these effects and we manage both open and closed landfills with the aim of reducing or mitigating these effects where possible. Hazardous wastes, for example, are collected and dealt with safely.

We are taking steps to reduce the amount of waste disposed of at landfills. Those steps include education, price signals, and sorting of rubbish at the landfill to remove recyclables and green waste.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Energy efficiency and conservation	-	-	100%	100%	-	-	-
Waste minimisation, disposal and recycling management	100%	-	-	-	-	-	-
Closed landfill aftercare	-	-	100%	100%	-	-	-

What it will cost

2.2 WASTE REDUCTION AND ENERGY CONSERVATION	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.2.1 - Waste minimisation, disposal and recycling management	(11,828)	11,845	17	1,069
2.2.2 - Closed Landfills Aftercare	-	479	479	-
2.2.3 - Energy efficiency and conservation	-	-	-	-
2012/13 2.2 Total	(11,828)	12,324	496	1,069
2013/14 2.2 Total	(11,207)	13,026	1,819	9,288
2014/15 2.2 Total	(11,436)	13,544	2,108	7,315
2011/12 2.2 Total	(10,055)	10,541	486	941

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure how well we provide and encourage the use of recycling services to divert valuable material from the waste stream	Residents (%) satisfaction with waste management services recycling collection	81%	85%	85%	85%	90%
	Total waste to the landfill (tonnes)	82,343 tonnes	No more than 84,000 tonnes	No more than 84,000 tonnes	No more than 84,000 tonnes	No more than 84,000 tonnes
	Waste diverted from the landfill (tonnes)	65,343 tonnes of waste recycled -46,340 tonnes contaminated soil	at least 16,500 tonnes of recyclable material			
	Residents' (%) weekly usage of waste collection services: recycling collection	87%	90%	90%	90%	95%
	Kerbside recycling collected (tonnes)	10,360 tonnes	13,125 tonnes	13,775 tonnes	14,125 tonnes	14,775 tonnes
To measure how efficiently we dispose of waste and its impact on the environment	Residents (%) satisfaction with WCC's waste management services: waste collection	91%	90%	90%	90%	90%
	Energy sourced from the Southern Landfill (GWh)	7.4 GWh	8 GWh	8 GWh	8 GWh	8 GWh
	Residents (%) who agree that WCC's waste management services provide good value for money	82%	85%	85%	85%	85%
To measure energy use at Council sites	WCC corporate energy use – WCC general	No historical data	Decrease in energy use from previous year	Decrease in energy use from previous year	Decrease in energy use from previous year	Declining trend
	WCC corporate energy use – WCC pools and recreation centres	No historical data	Decrease in energy use from previous year	Decrease in energy use from previous year	Decrease in energy use from previous year	Declining trend
	WCC corporate energy use – main CCOs (WVL, WWL, WMT, WZT)	No historical data	Decrease in energy use from previous year	Decrease in energy use from previous year	Decrease in energy use from previous year	Declining trend
To measure the reduction of the Council's environmental footprint	WCC corporate greenhouse gas emissions	Achieved 2001 level emissions of 1.1 million tonnes CO2	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050
	Number of carbon credits generated from Council reserves per annum	New measure	5,000	5,000	5,000	5,000

2.3 WATER

Wai

Clean, safe water is essential for residents' quality of life and well-being.

Our activity

- Water network
- Water collection and treatment

How these activities contribute to our community outcomes

Our water activities contribute to the following community outcomes:

■ People-centred city

A reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity.

■ Connected city

A reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

■ Eco-city

An efficient water supply network in which waste is minimised and demand is managed is an important part of being an eco-city

What we'll provide – our levels of service

We buy water in bulk from Greater Wellington Regional Council to supply the city's 65,000 homes and businesses. Domestic consumption is tracking down and was 297 litres per person per day in 2010/11.

Our water network includes 80 reservoirs, 33 water pumping stations, more than 7300 hydrants and about 1245km of underground pipes.

We ensure Wellingtonians have high-quality water available at all times for drinking and 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 includes:

- detecting and fixing leaks, installing commercial and area water meters, meter reading for billing purposes and promoting water conservation
- planning to meet anticipated future demand, including preparing for predicted climate change impacts
- managing and maintaining all parts of the network so water is constantly available and at an appropriate pressure (in part to meet fire fighting requirements)
- monitoring water quality to ensure it meets national standards and is not contaminated or a health risk
- promptly fixing all faults and leaks
- promoting and, where necessary, implementing water conservation measures (including applying water restrictions during summer).

Key projects

- *Assessing earthquake resilience* – We're providing additional funding to assess the ability of our water, stormwater, and wastewater services to cope with an earthquake. The additional funding will be used to carry out risk assessments to identify network weaknesses and then to plan for

appropriate remedial programmes. Such assessments include checking the current seismic strength of water reservoirs, pump stations, telemetry systems and critical pipeline fittings/fixtures. In total, we're providing an additional \$506,000 of operational funding over the next 10 years.

- *Strengthening Karori Dam* – We look after the Karori Dam. We will undertake regular safety inspections and valve strengthening on the dam. We're providing additional funding of \$26,000 in 2013/14, \$110,000 in 2014/15, and \$25,000 in 2017/18 to carry out this work.
- *Emergency preparedness* – We are planning 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. These valves are triggered through the sudden loss of stored water following an earthquake. We're spending \$3.3 million of capital funding on this work over the next three years and \$1.2 million over the following seven years.
- *Prince of Wales Park water reservoir* – We're planning to construct a new 35 million litre reservoir on the Prince of Wales Park. This will serve Wellington Hospital's emergency needs and meet the needs of the city's growing inner city population. We're planning to spend \$9.75 million of capital funding from 2015/16 on this work. This figure is net of a \$4.5 million contribution from the Greater Wellington Regional Council. Capital and Coast District Health Board will also contribute to the cost of the reservoir. We had originally planned to start this project in 2012/13 but now intend to start it in 2015/16.

- *New standards for fire fighting* – We're upgrading parts of the water network to meet new standards for fire fighting. A number of areas in the network do not meet new fire fighting regulations/standards. These areas are mainly in the older parts of the city including Queens Drive, The Esplanade (Houghton Bay), Cave Road (Houghton Bay), Durham St, Churchill Drive, Bendbrook Way, Glenside Road, Terawhiti Tce, Broomhill Road, Carey St and Ellerton Way. This work will cost \$2.2 million over the next three years and \$2 million over the following seven years.
- *Tasman Street water reticulation* – We are planning to upgrade the existing 450mm diameter water main to a 900mm diameter along this street. This is to provide a link from the Prince of Wales Park reservoir to the CBD and to provide sufficient water supply to the CBD. The design work was completed in 2011/2012 and in the previous long-term plan the project was programmed to start in 2012/2013. We now plan to start this work in 2015/16 with a budget of \$562,672.
- *Regional water services* – Wellington City Council and Hutt City Council have approved requests from Porirua City Council and Upper Hutt City Council to become shareholders in Capacity Infrastructure Services Ltd, our existing three-waters service management company. All shareholder customers will aim to move to a common outcomes-based business model. Under this model each Council will retain ownership of its water assets and opportunities for efficiency gains in the longer term will be investigated.
- *Water charges* – we're increasing water charges by an average of 1%. This will be done through changes to the various water rating mechanisms we operate.

Significant negative effects from our activities

We manage our water assets to avoid service failures by carrying out a programme of regular monitoring and maintenance, and by prioritising critical work. We do not anticipate any significant negative effects associated with our management of this asset network.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Water network	-	-	100%	-	60%	40%	-
Water collection and treatment	-	-	100%	-	60%	40%	-

What it will cost

2.3 WATER	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.3.1 - Water network	(32)	23,833	23,801	11,357
2.3.2 - Water collection and treatment	-	13,472	13,472	-
2012/13 2.3 Total	(32)	37,305	37,273	11,357
2013/14 2.3 Total	(33)	38,114	38,081	12,166
2014/15 2.3 Total	(34)	40,366	40,332	16,178
2011/12 2.3 Total	(31)	36,019	35,988	10,701

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the quality of water supplied to residents	Water compliance (%) with Drinking Water Standards for NZ (2005)	100%	100%	100%	100%	100%
	Residents (%) who agree that water services provide good value for money	85%	90%	90%	90%	90%
	Number of complaints about water quality (taste and odour)	289	Fewer than 200	Fewer than 200	Fewer than 200	Fewer than 200
	Customer satisfaction (%) with water quality and network service	94%	95%	95%	95%	95%
To measure the performance of services that ensure security of supply	Properties (%) with appropriate water pressure (a minimum of 250kPa)	96%	97%	97%	97%	98%
	Fire hydrants (%) tested that meet NZFS Code of Practice fire fighting water supply requirements	95%	95%	95%	95%	95%
	Water distribution network – quality grading (assessed by the Ministry of Health)	Achieved	Graded a to b			
	Response time to service requests (%) within one hour of notification	99%	97%	97%	97%	97%
	Unaccounted for water (%) from the network	14%	14%	14%	14%	14%
	Residential water consumption (per person per day)	297L	292L	290L	287L	285L
	Total city water consumption during the year	28.4 billion L	Less than 30 billion L			

2.4 WASTEWATER

Parawai

Maintaining public health and safety and having clean waterways is essential to the city's environmental well-being.

Our activity

- 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.

How these activities contribute to our community outcomes

Our wastewater activities contribute to the following community outcomes:

- **People-centred city**

A safe and reliable wastewater network provides protection against public health risks.

- **Eco-city**

A safe and reliable wastewater network provides protection against environmental harm.

- **Dynamic central city**

A safe, reliable and well maintained wastewater network will function effectively and not cause disruptions to inner city living and business activities.

What we'll provide – our levels of service

Our work programme over the next three years aims to maintain existing levels of service taking into account projected population growth and other demand factors, as well as environmental outcomes established through the Resource Management Act.

We will:

- maintain about 1058 kilometres of sewer pipes and tunnels, and more than 62 pumping stations that make up the city's wastewater network, which each year carries about 29 million cubic metres of sewage effluent to the Council's treatment plants at Moa Point and Karori and to Porirua City Council's treatment plant (in which the Council has a minority ownership stake) where it is treated before being disposed of
- renew and upgrade sewer pipes where necessary, flush drains, find and fix leaks, and carry out works to ensure sewage doesn't contaminate groundwater, streams or coastal waters
- monitor and regulate trade wastes (such as oil, grease, chemicals, and septic tank contents) to ensure that harmful substances don't enter the wastewater network, block sewers, damage treatment plants, pollute waterways, or put workers at risk
- work with private property owners to find and remove cross-connections between the wastewater and stormwater networks
- develop mechanisms to address stormwater inflow and infiltration into the wastewater network from the public and private networks

- ensure that sewage is treated and disposed of to comply with environmental standards set down in Greater Wellington Regional Council resource consents, which govern the discharge of treated effluent to sea and the land-filling/composting of bio-solids.

Key projects

- The city's wastewater infrastructure is in good condition, and overflows of untreated wastewater into the environment are rare. However, our current resource consent for this activity – secured for the continuous operation of our wastewater treatment plants over the next 20-25 years – requires that we further reduce the amount and frequency of untreated wastewater overflows. We're undertaking a pilot programme to investigate and evaluate how private drains contribute to these overflows, construct a hydraulic model to more accurately identify sources of excess flows, repair private drains that contribute to the problem (until a policy is developed), and complete the development of overflow containment standards. This will cost a total of \$4.8 million in operational expenditure over the next 10 years.
- We are increasing trade waste fees by an average of 6.4% to ensure we recover an appropriate proportion of the cost of providing this service. See the fees and charges appendix in this document for more information.

Significant negative effects from our activities

If not dealt with appropriately, wastewater can have significant negative public health and environmental effects. Our work in this activity is aimed at dealing with these negative effects in ways that cause the least possible harm.

Wastewater is treated to make it safe for disposal at sea. Bio solids are land-filled.

With these major infrastructure assets, the negative effects from service failure are far more serious than the effects from service provision. We manage our assets to avoid service failures by carrying out a programme of regular monitoring and maintenance, and by prioritising critical work.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Sewage collection and disposal network	5%	-	95%	-	60%	35%	-
Sewage treatment	5%	-	95%	-	60%	35%	-

What it will cost

2.4 WASTEWATER	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.4.1 - Sewage collection and disposal network	(595)	16,998	16,403	7,552
2.4.2 - Sewage treatment	(657)	21,590	20,933	-
2012/13 2.4 Total	(1,252)	38,588	37,336	7,552
2013/14 2.4 Total	(1,290)	40,187	38,897	7,411
2014/15 2.4 Total	(1,328)	42,551	41,223	8,395
2011/12 2.4 Total	(1,273)	35,443	34,170	7,918

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the standard of the wastewater service	Customer satisfaction (%) with wastewater network service	86%	90%	90%	90%	90%
	Response time to all service requests (%) within one hour of notification	91%	95%	95%	95%	95%
	Residents (%) who agree that wastewater services provide good value for money	71%	75%	75%	75%	75%
To measure the impact of wastewater on the environment	Freshwater – sites (%) within acceptable bacteria counts (E.Coli)	100%	95%	95%	95%	95%
	Sewage network – resource consent compliance	100%	100%	100%	100%	100%

2.5 STORMWATER

Wai-ua

The stormwater network keeps people and property safe from flooding.

Our activity

- 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.

How these activities contribute to our community outcomes

Our stormwater activities contribute to the following community outcomes:

- **People-centred city**

A safe and reliable stormwater network prevents avoidable disruptions to community living and minimises the risks of injury to people and damage to property.

- **Eco-city**

A safe and reliable stormwater network minimises the impacts – such as erosion – of stormwater on the environment.

- **Dynamic central city**

A safe and reliable storm water network allows people to live, work and play in the central city safely and without disruption.

- **Connected city**

A safe and reliable storm water network reduces the risk of avoidable surface flooding and environmental damage that may affect transport networks.

What we'll provide – our levels of service

Our work programme over the next three years aims to maintain existing levels of service taking into account projected population growth and other demand factors.

We will manage and maintain the more than 740 kilometres of pipes and tunnels that make up the city's stormwater network, which each year carries about 80 million cubic metres of run-off from kerbs, channels and household drains to local streams and to the harbour.

We will ensure that the network is managed effectively and complies with all statutory requirements so that public health and safety risks are minimised. This work includes maintaining the network and monitoring stormwater for contaminants to ensure that harmful substances don't enter streams and the harbour.

Key projects and proposals

- *Global stormwater consent* – Under stormwater discharge resource consents issued in 2011, we will undertake a programme of work to improve the quality of stormwater collected from the city's urban environment and discharged into Wellington's streams and coastal waters. This programme includes the development of integrated catchment management plans, cultural and ecological impact assessments, investigation of key polluting sites (such as Davis Street and Houghton Bay) as well as public education campaigns. This will cost \$1.49m in operating expenditure over the next 10 years.
- *Davis Street Culvert* – In 2012/13, at a cost of \$350,000, we are planning to upgrade the Davis Street Culvert. This is to ensure that the culvert can withstand the load from heavier freight trucks after the government increased weight limits in 2010.

Significant negative effects

Stormwater is not treated, but is monitored to ensure that contaminants do not exceed levels allowed under our resource consents.

The negative effects from service failure are far more serious than the effects from service provision. We manage our assets to avoid service failures by carrying out a programme of regular monitoring and maintenance, and by prioritising critical work.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Stormwater management			100%		77.5%	22.5%	

What it will cost

2.5 STORMWATER	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.5.1 - Stormwater management	(48)	17,411	17,363	3,793
2012/13 2.5 Total	(48)	17,411	17,363	3,793
2013/14 2.5 Total	(49)	17,454	17,405	4,012
2014/15 2.5 Total	(51)	18,808	18,757	4,613
2011/12 2.5 Total	(45)	17,016	16,971	3,675

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16-2022/23
To measure the standard of the stormwater service	Residents (%) who agree that stormwater services provide good value for money	71%	75%	75%	75%	75%
	Customer satisfaction (%) with stormwater network service	86%	85%	85%	85%	85%
	Response time to all service requests (%) within one hour of notification	91%	95%	95%	95%	95%
	Number of buildings reported to have been flooded as a result of a less than 1-in-50-year rain event.	No historical data	No properties	No properties	No properties	No properties
To understand the impact of stormwater on the environment	Bathing beaches (%) compliance with Ministry for the Environment guidelines (green status)	96%	95%	95%	95%	97%
	Stormwater resource consent compliance (includes the monitoring of overflows, stormwater outfall discharge and coastal water quality)	Achieved	100%	100%	100%	100%

2.6 CONSERVATION ATTRACTIONS

Ngā painga kukume Papa Atawhai

Nature is one of Wellington’s biggest attractions.

Our activity

- 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.

How these activities contribute to our community outcomes

Our activities contribute to the following community outcomes:

- **People-centred city**

These activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna, and attract people to the city.

- **Eco-city**

These facilities play important conservation roles, protecting native and exotic flora and fauna, They also contribute to the city’s identity as an Eco-city where the natural environment is valued.

What we’ll provide – our levels of service

We provide funding to the Zoo. It has more than 500 animals living in themed exhibits, and provides an attractive visitor and educational experience with high levels of visitor satisfaction. Zoo visitor numbers continue to increase to a record of 196,000 in 2010/11.

We support Zealandia – a unique eco-attraction that has a 500-year vision of restoring native forest and fauna life in a 225-hectare sanctuary. The sanctuary is located minutes from the city centre and tells the natural history of New Zealand through a state-of-the-art indoor exhibition. It has received numerous conservation and tourism awards for its work. We will work with Zealandia to improve the sanctuary’s visitor numbers and the experience enjoyed by visitors. Zealandia attracts around 90,000 visitors per year.

Key projects and proposals

- *Zoo upgrade programme* – we’re planning to continue with the Zoo upgrade programme over the next three years. Works planned include improvements to the bird breeding and care facility, and improvements to the monkey house which will provide better housing for the capuchin and spider monkeys and allow for breeding of the spider monkeys (which is not possible with the current housing arrangement). The programme will cost \$3.2 million over four years with work due to begin in 2012/13.

- *Zealandia* – we’ve agreed a refreshed governance and business model for the Karori Sanctuary Trust — an enhanced partnership model. The partnership model includes:
 - retaining the Trust as a separate entity
 - transferring some back office services to the council
 - undertaking a governance and business model review by the end of the year.
 We have budgeted \$350,000 in 2012/13, \$700,000 in 2013/14, and \$700,000 in 2014/15 to support Zealandia over the next three years.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Wellington Zoo	-	-	100%	100%	-	-	-
Zealandia	-	-	100%	100%	-	-	-

What it will cost

2.6 CONSERVATION ATTRACTIONS	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
2.6.1 - Conservation visitor attractions (Zoo and Zealandia)	-	5,378	5,378	794
2012/13 2.6 Total	-	5,378	5,378	794
2013/14 2.6 Total	-	5,751	5,751	1,892
2014/15 2.6 Total	-	5,839	5,839	812
2011/12 2.6 Total	(248)	5,361	5,113	4,531

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the success of our investments in promoting the city	Zoo – visitors	196,267	206,703	210,837	215,054	215,054
	Zealandia – visitors	89,627	89,000	94,516	94,859	Increasing trend
	Zealandia – education programme attendees	7,068	5,281	5,281	5,281	5,281

Environment – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Hectares of open space land owned or maintained by WCC, per capita (sqm per capita)	208.6m ² /person 4,078 hectares	206.7m ² /person 4,086 hectares
Residents' usage of the city's open spaces	Most days: 3% 1-2 times a week: 12% Every 2-3 weeks: 11% Once a month: 11% Once every 2-3 months: 13% Every 4-5 months: 6% Every 6 months or less: 13% Never: 31%	Most days: 5% 1- 2 times a wk: 16% Every 2-3 wks: 13% Once a month: 14% Once every 2-3 months: 15% Every 4-5 months: 6% Every 6 months or less: 16% Never: 34%
Residents' perceptions that the natural environment is appropriately managed and protected	84%	89%
Kilometres of managed tracks and walkways	337km	327km
Hours worked by recognised environmental volunteer groups and botanic garden volunteers	25,000 (volunteer groups)	28,000 (volunteer groups)
Bird counts – abundance and distribution	See footnote ¹	
Water consumption (commercial and residential combined)	New measure	
Renewable energy (GWH) generated in the city (and % of city's electricity) consumption	New measure	
City-wide greenhouse gas emissions	15704.57 tonnes CO ₂ -equivalent	
Freshwater biological health (macro invertebrates) – Makara, Karori, Kaiwharawhara and Porirua stream (note: data for Owhiro Stream not available)	Makara Stream: 112 Karori Stream: 82 Kaiwharawhara: 91	
Freshwater quality – Makara, Karori, Kaiwharawhara and Porirua streams (note data for Owhiro Stream not available)	Makara Stream: Good Karori Stream: Fair Kaiwharawhara: Fair	
Residents' (%) actions to reduce stormwater pollution	See footnote ²	See footnote ²
Total waste to landfill per capita	0.41 tonnes/person	0.42 tonnes/person

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Residents' (%) actions to reduce waste	See footnote ³	See footnote ³
New Zealanders' and residents' perceptions that Wellington is an eco-city	New measure	
Energy use per capita	7.2MWh/person	7.0MWh/person
Number/sqm of 'green star' buildings/space in the city	New measure	
% of residents who live in an insulated property ¹	New measure	

¹ homes reported to be cold, damp or hard to heat

2009/10	% of stations where species were recorded	average number of birds observed at each station
bellbird	3	0.19
fantail	51	7.44
grey warbler	68	9.84
hihi		0
kaka	6	0.44
kakariki		0
karearea		0
kingfisher	4	0.25
saddleback		0
shining cuckoo	29	3
silveryeye	55	11.62
tui	89	38.31
whitehead	1	0.18
woodpigeon	15	1.62

² 2009/10, 2010/11: Putting litter in a rubbish bin: 91%; 87%; Pouring all household liquid waste down inside sink, toilet or gully trap: 72%; 73%; Disposing of oil, paint, chemicals by putting them out with household rubbish or taking them for recycling: 69%; 67%; collect sweepings from driveway, paths or yard for composting or for disposal with your household rubbish: 62%; 60%; Wash the car at the car wash or on the lawn: 52%; 45%; Washing paint brushes in an inside sink: 48%; 52%; Pick up droppings left by dogs: 26%; 30%; Try to use natural/environmentally friendly detergents/products: 1%; -; Recycle/reuse where possible: 1%; -; Take care what goes down into drain/stormwater systems: 1%; 1%; Pick up rubbish in public places: -; 1%.

³ 2009/10, 2010/11: Use Council's kerbside recycling service: 90%; 91%; Donating things to second-hand shops/charities: 90%; 91%; Reusing plastic containers such as food containers: 88%; 92%; Buying refills: 73%; 74%; Avoiding using plastic bottles or bags/use green bags: 59%; 58%; Taking things to recycling stations: 52%; 48%; Home composting: 47%; 50%.



ECONOMIC DEVELOPMENT

Whanaketanga ōhanga

“Mauri mahi, mauri ora; mauri noho, mauri mate”

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

Our support for economic growth and development in Wellington goes beyond providing sound and reliable infrastructure on which businesses can grow. We also ensure the city is vibrant, creative and has high quality events. We are the arts and events capital, and our recreation and social facilities are of a high standard ensuring residents have a high quality of life. We also support visitor attractions and promote tourism for Wellington to overseas visitors and the rest of New Zealand.

The public sector currently accounts for nearly 20% of the jobs in the city. The business service sector is another significant employer, along with educational, research and financial organisations. Consequently, we have a very talented and knowledgeable workforce with educational attainment and GDP per person significantly higher in Wellington than the national average.

Wellington is also a business friendly city, where people and products can move around freely relative to other cities. People also find it easy to connect with each other, which is essential to innovation and the development of productive partnerships.

Currently however, the economy is fragile and significant effort is needed by all parties to regain our momentum. Investment in infrastructure will be essential to our economic future including investment in our airport, our transport networks and public transport.

Wellington Towards 2040; Smart Capital tells us that the economic future of cities is becoming more and more dependent on ideas and knowledge, much of which is driven by creative clusters and research organisations. Fortunately, we already have a creative and talented workforce and many new, innovative businesses are establishing themselves here. However, we believe we can become more active in enabling Wellington’s economy to take advantage of opportunities presented by the changing global economy, particularly in the “creative economy”.

Consequently, in 2011 we adopted a new Digital Strategy and an updated Economic Development Strategy. These identify a number of areas and activities for Council and our partners, to focus on, particularly business, innovation and growth. Our response to these strategies is detailed later in this chapter and in other areas of Council activities throughout this plan.

WHAT WE DO	3.1 City promotions and business support
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ A growing economy, which attracts and retains people and businesses, is key to achieving our community outcomes. ■ Enabling businesses to connect with each other locally, nationally and internationally will secure our future in a changing global environment. ■ Our events and venues are key to Wellington's appeal as a vibrant and inclusive place to live. ■ Wellington's story is promoted to the world through events and by Positively Wellington Tourism's marketing programmes.
WHAT PEOPLE HAVE TOLD US	<ul style="list-style-type: none"> ■ Council needs to keep its costs down to support small businesses. ■ Major events are key to Wellington's appeal. ■ Better international air connections are needed. ■ We need knowledge based employment opportunities in the city. ■ Access to communications infrastructure (eg WiFi and broadband internet) is important. However, some people do not see it as Council's role to provide cheap or free internet access. ■ There are more tourism opportunities that could be developed for economic reasons, including Maori cultural experiences.
CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ Connecting businesses internationally and capitalising on free-trade opportunities. ■ Competing for talented people and businesses. ■ Connecting our businesses with each other and with opportunities. ■ Ensuring central government recognises the value of the Wellington economy and businesses ■ Timely investment in infrastructure. ■ Harnessing the economic opportunities presented by new technologies.

THREE YEAR FOCUS GIVEN OUR PRIORITIES

- Better communicate Wellington's strengths internationally to tourists, migrants, businesses and investors.
- Encourage links between Wellington's tertiary education and research institutions and its business community.
- Support the growth and development of our creative, knowledge intensive industries and firms.
- Strengthen international business and trade connections, through both physical and virtual connectivity.
- Adopt an 'open for business' attitude in the way Council works and interacts with the business community.
- Strengthen the Council's links with Wellington businesses and economic stakeholders, underpinned by a strong understanding of the Wellington economy, collective intelligence of developments, opportunities and issues.

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT

Ngā whakatairanga tāone me ngā āwhina pakihi

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

Our activity

- Tourism promotions (Positively Wellington Tourism)
- Events attraction and support
- Convention venues
- Retail support (free weekend parking)
- Regional and external relations
- Grants and creative workforce
- Destination Wellington.

The economic prosperity of the city is closely linked to residents’ quality of life. Our activities contribute to the city’s economic well-being and take a lead in shaping Wellington’s future prosperity.

Our activities in this area complement the work of Grow Wellington. Working alongside Grow Wellington and other institutions in the region means we can make the most effective use of our limited resources towards shared goals.

How these activities contribute to our community outcomes

Our city promotions and business support activities contribute to the following community outcomes:

- **People-centred city**
They connect people with places and ideas, make Wellington an attractive place to live and do business and attract tens of thousands of visitors to the city every year.

- **Connected city**

Major events, and our performance spaces and conference venues, connect us to artists and events of national and international significance, and Wellington’s story is connected to the world by Positively Wellington Tourism’s marketing and promotion.

- **Dynamic central city**

Our events, festivals, spaces and venues anchor Wellington’s appeal as a place of creativity, exploration, innovation and excitement. Events such as WOW, the International Festival of the Arts and the Hertz Sevens are an integral part of our Dynamic Central City.

What we’ll provide – our levels of service

Positively Wellington Tourism markets Wellington as a vibrant visitor destination both domestically and internationally. Operating the Wellington i-SITE Visitor Centre, the Trust has a strong city focus in all its activities and works in partnership with other Council organisations and industry partners to ensure that Wellington lives up to its recognition by Lonely Planet as the world’s ‘Coolest Little Capital’. They are funded from rates collected from commercial ratepayers.

We will support a wide range of festivals and events every year, including the Hertz Sevens and WOW, to raise Wellington’s profile, attract visitors and spending to the city, and help increase the city’s economic competitiveness. Wellington’s vibrant central city and events scene are at the heart of the city’s distinctive character.

We support the Positively Wellington Venues Trust. Its 22 venues over three sites are flexible enough to cater for small groups or up to 4500 people at a time. The main auditoriums of the Town Hall

and the Michael Fowler Centre are two of New Zealand’s premier concert halls, are used for conferences, and the TSB Bank Arena is the city’s largest indoor concert venue.

We will help keep the city centre lively on weekends and support the service and retail sectors by providing free weekend parking. Time restrictions still apply but on-street parking is free.

We’ll also maintain relationships with key institutions towards the common goal of attracting and retaining a skilled workforce. And we’ll retain our sister city relationships with Beijing and Xiamen in the People’s Republic of China and with Sakai, Japan. These formal, long term relationships are based on diverse links – including cultural, educational and business links. They involve hosting and taking part in international delegations.

We have worked with sponsors to provide free wifi on the waterfront and through the CBD and will continue to provide this service. Over the next three years we will also continue to work with the Government on the roll-out of ultra-fast broadband to businesses, schools, hospitals and 75 percent of homes.

Key projects

- *Destination Wellington* – our economic development strategy aims to attract, retain and grow investment, business and talent, to create jobs, and to support economic growth in the city. Key targets within the strategy include: creating a net 10,000 new jobs across the economy by 2015; 50% increase in smart, knowledge-intensive businesses; increasing the number of new projects involving foreign direct investment in Wellington firms from the current base of 25 to 50 by 2021; and increasing exports by \$0.5 billion by 2021 (an average annual growth rate of 3.25%).

To achieve these goals we need to be more successful at attracting talent and investment. We're allocating funding of \$1m in 2012/13 and \$1.9m in the following nine years of the plan to carry out this work with key partners.

- *FIFA Under 20 Mens World Championships in 2015* – we're bidding to host a range of games in the city. This event will raise Wellington's profile internationally and attract visitors to the city. The costs are associated with bid preparation and liaising with sporting codes and FIFA. We're planning to spend \$88,000 in 2012/13, \$252,000 in 2013/14, \$365,400 in 2014/15 and \$554,400 in 2015/16 to carry out this work.
- *The Hobbit Premiere* – Wellington will host the world premiere of *The Hobbit* in late November 2012 by staging a parade, hosting guests and staging a festival. Wellington previously hosted the world premiere of *Lord of the Rings: Return of the King*. Over 100,000 people turned out to watch the preceding parade and the event generated significant overseas media interest. We are spending \$1.1m in 2012/13 to stage this event. We are also increasing the Events Development fund to meet increased logistical costs such as road closures, consents and health and safety requirements. We are planning an additional \$150,000 per year.
- *Positively Wellington Tourism Australia Marketing* – we are extending our contribution to this marketing campaign at a level of \$1m per year for the next three years. Visitor numbers from Australia have grown in recent years on the back of a successful marketing campaign. The funding is contingent on matching funding being secured from third parties. This work is funded from rates collected from the Downtown Levy – no residential rates are used to carry out this work.
- *Long-Haul Airline Attraction* – we will continue to support the attraction of a long haul carrier to Wellington in the near future at a level of \$200,000 per year. The Council will oversee the budget and work with the Wellington International Airport and Positively Wellington Tourism to achieve our long-haul objectives. Any costs associated with establishing a long-haul attraction fund as part of an agreement with an airline to provide long-haul services to Wellington, will in 2012/13 be met by retaining a portion of the Wellington International Airport Limited dividend, with future funding decided through the annual plan process.
- *Replacement venue for Town Hall* – we plan to fund Positively Wellington Venues to refurbish the TSB Arena and Shed 6 on the waterfront as replacement venues for the Town Hall while it is being earthquake strengthened. A lot of convention, cultural and community activity will be displaced from the Town Hall during the strengthening. Wellington would lose a minimum \$14.4 million in economic benefit over the three years if a fit-for-purpose venue is not provided. The refurbished waterfront venues would not only meet the temporary need but also cater for additional demand for convention spending in 2012/13 to carry out this work. Wellington Waterfront Limited's current Waterfront Development Plan outlines their intention in 2014/15 to receive commercial revenues from the sale of the lease or commercial development of Shed 6. The impact of Positively Wellington Venues' plans to develop Shed 6 as a replacement venue for the Town Hall will be the receipt of these commercial proceeds to Wellington Waterfront Limited to 2015/16 or later.

- *Sponsorship reduction* – we're planning to make a small reduction (\$36,000) to our discretionary sponsorship grants pool to help reduce our costs. This will have a small impact on the level of support we can provide organisations such as the World Class NZ Awards, Don Trow Fellowship, Wellingtonian of the Year, and the Sustainable Business Awards. We will continue to provide funding support for the Gold awards (\$20,000 per year)
- *Business Improvement Districts* – as part of our 'open for business' commitment we are exploring the development of a business improvement district policy. This work will look at how local business communities can be involved in local town centre investment and priorities.

Significant negative effects from our activities

We do not anticipate any significant negative effects arising from our economic development activities.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Tourism promotion	-	-	100%	-	-	-	100%
Events attraction and support	-	-	100%	-	-	100%	-
Convention venues ²	5%	-	95%	55%	-	-	40%
Retail support (free weekend parking)	-	-	100%	-	-	1%	99%
Grants and Creative workforce	-	-	100%	100%	-	-	-
Regional and external relations	-	-	100%	100%	-	-	-
Destination Wellington	-	-	100%	-	-	50%	50%
Long Haul Airline Attraction	-	-	100%	-	-	-	100%

² Although we no longer fund the Convention Centre directly through rates, Wellington Venues Ltd, as a CCTO, remains a key part of the Council's strategy for running city promotions and events activity. The Council continues to own the building and fund costs relating to maintenance and renewal.

What it will cost

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
3.1.1 - Tourism promotion (PWT)	-	5,740	5,740	-
3.1.2 - Convention venues	-	4,515	4,515	5,494
3.1.3 - Retail support (free weekend parking)	-	1,286	1,286	-
3.1.4 - Grants and creative workforce	-	1,718	1,718	-
3.1.5 - Events attraction and support	-	4,631	4,631	-
3.1.6 - Regional and external relations	-	514	514	-
3.1.7 - Destination Wellington	-	1,000	1,000	-
2012/13 3.1 Total	-	19,404	19,404	5,494
2013/14 3.1 Total	-	19,599	19,599	864
2014/15 3.1 Total	-	19,588	19,588	1,186
2011/12 3.1 Total	(248)	16,731	16,483	2,201

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the success of our investments in promoting the city	International visitors – guest nights	619,962 in the year to April 2011, 3.6% increase on same period in 2010	Maintain at 2011/12 level	Increase 1% from 2012/13	Increase 2% from 2013/14	Increasing trend
	Average length of stay – international and domestic	1.96	2	2	2	2
	New Zealand market visitors	Decrease by 3.6% to 1,080,368	Increase by 2% on the previous year	Increase by 2% on the previous year	Increase by 2% on the previous year	Increasing trend
	Positively Wellington Tourism – partnership funding	Council's funding amounted to 49.88% of total income	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income
	Events/activities held with formal international partnership cities (in Wellington and overseas)	32	No target	No target	No target	No target
To understand the reach of events and promotion activities	Wellington Venues occupancy	No historical data	Establish baseline	Increase on previous year	Increase on previous year	Increasing trend
	Estimated attendance at WCC supported events	No historical data	500,000	400,000	400,000	400,000
To measure the success of our investments in economic development	Residents' satisfaction with WCC supported events and festivals		95%	95%	95%	95%
	Events Development Fund – ratio of spend to economic impact	30:1, \$60M	20:1	20:1	20:1	20:1
	The proportion of grants funds successfully allocated (through milestones being met)	No historical data	95%	95%	95%	95%
To measure the standard of the provision of parking	On-street car park turn-over rates – weekdays and weekends	Week: 6.7 Weekend: 5.2	Week: 6.8 Weekend: 5.2	Week: 6.8 Weekend: 5.2	Week: 6.8 Weekend: 5.2	Week: 6.8 Weekend: 5.2

Economic development – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	Actual 2009/10	Actual 2010/11
Number of enterprises and jobs in the city and central city	New measure	
Number of domestic and international visitors	Domestic: 1,352,242 International: 692,202	Domestic: 1,280,162 International: 702,463
Accommodation rates (guest nights and occupancy)	Guest nights: 2,017,445 Occupancy: 64%	Guest nights: 1,982,625 Occupancy: 62% [year end April]
Number of major conferences	647	689 [year end March]
Number of A-level events held in Wellington and their economic contribution	9, \$34.8M	9, \$23.7M
New Zealand's top 200 companies based in Wellington	24	20
Business enterprises – births and growths (net growth in business)	1.30%	-2.10%
Growth in businesses and employees – 'smart' business	New measure	
Domestic and international airline passengers entering Wellington Airport	Domestic: 4,491,402 International: 626,365	Domestic: 4,479,664 International: 654,615
Free wifi usage (logons/day) – waterfront and central city	New measure	
Residents who have access to Broadband (%) including ultrafast	86%	86%
GDP (per capita) and regional economic activity growth	1.80%	
Educational achievement (degree level qualifications)	New measure	
Labour force participation rate and youth NEET rates	New measure	
Income – household and personal		
Ratio of income to cost of living for residents	New measure	
Pedestrian counts – average of various Lambton Quay sites	New measure	

Outcome Indicators	How we are currently performing	
	Actual 2009/10	Actual 2010/11
Total value of exports (value and estimated tonnage)	New measure	
Number of international air connections (by country)	New measure	
Businesses and employees in research and development sector	Business: 113 Employees: 4,400	
Secondary (international) and Tertiary (international and domestic) students enrolled per 1000 residents	New measure	



CULTURAL WELL-BEING

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.

Though Wellington is a relatively young city, it is filled with stories – from its history, from the people of diverse cultures who have settled here, and from Wellingtonians’ own sense of creativity. Consequently our culture, heritage and arts contribute significantly to Wellington’s sense of identity and give our city its own flavour and distinctiveness.

They tell us what we all have in common and what makes us unique. They give us a sense of continuity, reminding us where we have come from, and a sense of confidence, even as we look towards the future.

As cities become more global and increasingly uniform, such characteristics will make Wellington stand out. In addition to this, they also attract more creative people, who will be critical drivers of our future prosperity.

Wellington is renowned for its arts and creativity but we do not want to stand still. In December 2011, we adopted a new Arts and Culture Strategy which identified a number of challenges and opportunities for the future. A key challenge is how to maintain those foundations of our cultural capital status at a time of financial constraints and uncertainty. In this plan we have identified a number of activities to help support those key entities that contribute to our cultural ecology and support the aims of our new strategy.

In terms of new opportunities, *Wellington Towards 2040: Smart Capital* and our new Arts & Culture Strategy highlight areas for future focus including raising the visibility of Māori in the city, supporting activities that connect people within their neighbourhoods as well as profiling and increasing the use of new technology for creative purposes. Actions we are taking in response to these priorities are also outlined in the following pages.

WHAT WE DO IN THIS AREA	3.1 Arts and cultural activities
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ Active participation in the arts promotes inclusive, tolerant, connected and strong communities. ■ Our arts and culture activities shape Wellington's sense of place and identity. ■ They tell Wellington's diverse stories, in particular those of Māori, and help us understand ourselves and each other. ■ They enhance Wellington's vibrancy as a diverse, creative, active and eventful place where people want to visit, live, work and play. ■ They enhance and support Wellington's sustainable clean creative economy.
WHAT PEOPLE HAVE TOLD US	<ul style="list-style-type: none"> ■ People see Council facilitating connections between cultures, especially between Māori and other communities. ■ Council should continue to support arts activity and events that reflect diversity. ■ Local events and activities should be encouraged and supported this should include providing information, guidance and advice. ■ A combination of suburban and central city events/acts and facilities are all essential to increase connections between people and build a vibrant city.

CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ Developing a new relationship with both local iwi and the wider Māori population in Wellington, which will enable Māori to fulfil their obligations as kaitiaki (cultural guardians) towards their taonga. ■ Developing responses that meet the needs of increasingly diverse communities. ■ Responding to concerns that the city is not moving forward as a centre for cultural activity as: <ul style="list-style-type: none"> ▪ many arts and cultural organisations struggle to attract funding and maintain levels of service ▪ key cultural events and activities not taking place or being reduced in scale ▪ changes in technology challenging the traditional role of cultural entities ▪ the attraction and retention of talent, particularly young people ▪ the continuing relocation of creative industry infrastructure (such as television production, music recording, advertising and publishing services) to Auckland and resulting diminished employment and development opportunities in Wellington.
THREE YEAR FOCUS GIVEN OUR PRIORITIES	<ul style="list-style-type: none"> ■ Support and undertake projects to increase the visibility of Māori culture and history in the city. ■ Support activity that increases young and creative people's access to, and training in the use of, technology for creative purposes. ■ Support and undertake arts activity that builds connections within communities, particularly at a neighbourhood level. ■ Advocate and work more in partnership to achieve the goals of the Arts & Culture Strategy.

4.1 ARTS AND CULTURE 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.

Our activity

- 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 ensure Wellington builds on its reputation as New Zealand's arts and culture capital by continuing to be home to top-class museums and art galleries, orchestras, dance and theatre companies. 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.

How these activities contribute to our community outcomes

Our arts and culture activities contribute to the following community outcomes:

■ People-centred city

They shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and history. By enabling Wellington's creative communities to thrive, they promote inclusive, tolerant and strong communities.

■ Connected city

They provide ideas and places where people can connect, share what is common and explore what is different and new. Through events and collaborations they connect us with people, places and ideas here and abroad.

■ Dynamic central city

They enhance Wellington's vibrancy as a diverse and eventful place where people want to live work and play.

What we'll provide – our level of service

We will:

- Provide funding to support the work of the Wellington Museums Trust (a Council controlled organisation). This work includes providing access to high-quality experiences, events and exhibitions at the Museum of Wellington City and Sea, the City Gallery, Capital E, the Cable Car Museum,

Carter Observatory, and Colonial Cottage Museum. The Trust also provides services to the New Zealand Cricket Museum, which occupies the ground floor of the Old Stand at the Basin Reserve. These institutions provide exhibitions, events, public programmes and live performances targeted at a wide audience, including international and domestic tourists, students, residents and family groups.

- Support a wide range of cultural and arts events/festivals including: the Diwali Festival of Lights, Chinese New Year celebrations, Summer City, Santa Parade, Pasifika, Waitangi Day celebrations, the Sky Show, and dozens of other suburban fairs, cultural events, parades and community festivals.
- Provide grants to support community-based arts and culture organisations and initiatives – such as Arts Access Aotearoa, Eko Theatre, Vincent's Art Workshop, Creative Capital Arts Trust, Wellington professional theatres, and many more.
- Provide support to the cultural sector through our cultural grants. These will be split between one-off grants for special projects that meet our criteria and longer-term grants that contribute to our strategic objectives.
- Provide advice and guidance on funding arts and cultural projects.
- Support community groups through subsidised access to Wellington's venues through Positively Wellington Venues for their performances and events. The number of groups assisted by the subsidy can vary from year to year. We aim to support as many groups as possible within our budgetary limits.

- Provide access to rehearsal, meeting and exhibition spaces and arts programmes at Toi Pōneke – the Wellington Arts Centre.
- Support numerous community festivals and events, including the Diwali Festival of Lights, the Pasifika Festival, and celebrations for the Chinese New Year. We'll commemorate Waitangi Day and provide public entertainment events such as Summer City, the Teddy Bears Picnic, the Santa Parade and Carols at the Basin. Public sports events will include Culture Kicks – an annual community football tournament – and Beach Volleyball. Arts events include the popular Artsplash Festival – involving thousands of primary aged students from across the Wellington Region. Over 700,000 people attend the festivals and events each year.
- Provide advice both internally and externally on all arts-related activity from exhibitions and performances to funding and policy.
- Facilitate relationships that allow art and business collaborations.

Key projects

- *Establish a Regional Amenities Fund* – local authorities in the Wellington region are working together to establish a Regional Amenities Fund. The Fund works as a 'top up' funding mechanism for entities that provide regional benefits primarily in the arts, culture and environmental attractions and events sectors. This fund will ensure that regionally significant entities can be developed or sustained in the Wellington region to

contribute to the region's quality of life and attractiveness to residents and visitors. We have budgeted the following funding for this programme: \$594,000 in 2012/13; \$1.188m in 2013/14; \$1.336m in 2014/15; \$1.485m in 2015/16 and \$1.634m in 2016/17.

- *NZ International Arts Festival* – Held every two years, the country's premier arts festival attracts world class dance and opera companies, performers, singers, visual artists and theatre groups. The festival generates substantial funding from sponsors and ticket sales but it also offers a range of free events in the city. We have budgeted \$950,000 per year to support the Festival of the Arts.
- *Public art policy* – we're planning to review and update the Public Art Policy this year. The Public Art Fund will ensure the objectives of this policy are implemented.
- *Wellington Asia Residency Exchange (WARE)* – this programme is provided in partnership with Council's International Relations team and the Asia NZ Foundation. We support one resident artist (from Asia) and one exchange artist (a Wellington-based artist going to Asia) each year.
- *Cultural Grants funding increase* – we are planning to increase the Cultural Grants funding pool by \$150,000 per annum. This will allow us to respond to implement our new Arts & Culture Policy, which was adopted in December 2011. It will also enable us to respond to pressures on the pool, with the current amount granted to organisations and projects being 3.5 times less than the amount requested.
- *Wellington Museums Trust* – we are providing the Wellington Museums Trust with funding to undertake a feasibility study into the accommodation issues for Capital E. It has been based in the Council-owned Civic Square building since 1998. The Wellington Museums Trust has recently reviewed the Capital E concept and confirmed that it will continue to provide quality, entertaining, child-focused activities, including the Capital E National Theatre for Children, creative technology opportunities and the National Arts Festival for Children. It now needs to investigate whether and how its current home can meet its needs going into the future. We're budgeting \$100,000 in 2012/13 to carry out this work.
- *Te Papa funding* – we are continuing to fund Te Papa at \$2.25 million per year. We plan to develop a clear agreement on how our funding will be used on an annual basis and will encourage Te Papa to pursue funding from other Councils in the region. The funding contract will be reviewed every three years.
- *Gateway Sculpture project* – we are no longer proceeding with the Gateway Project – a gateway sculpture *Te Matau a Maui – the Hook of Maui and Receding Waters*. This project could not proceed due to technical and funding issues that could not be resolved. Subsequently, the Wellington Sculpture Trust ran a process to select an alternative sculpture, which included a second open call for proposals. This process did not identify a proposal that would meet all the criteria for this project. Wellington Sculpture Trust will return \$200,000 to Council that had been previously granted to it for this project.

- Public Art Fund** – We are planning to reduce the Public Art Fund permanently to \$200,000 per annum. The Fund supports the research, development, commissioning and installation of art activity in public spaces. This fund is distributed by the Public Art Panel – a group of professional contemporary arts advocates. The Council supports projects undertaken by the Wellington Sculpture Trust through this fund. In the 2009-19 Long Term Council Community Plan, the Public Art Fund was reduced to \$100,000 per annum, from \$300,000, for three years as a budget savings. The Smart Wellington and new Arts and Culture Strategies identify goals that public art can directly contribute to, for example ‘highlighting the relationship of mana whenua to the city’ and ‘reflecting the diverse communities based here’. Officers believe that such projects can be supported through the reduced funding level.
- Toi Pōneke** – we are planning to undertake a review of this arts centre to see how it delivers on the new Arts and Culture Strategy and whether the current building is fit for purpose. The lease on the current buildings in Abel Smith Street is due for renewal in 2015 and it is therefore timely to review the provision of this service. Any changes resulting from the review will be subject to further consultation with the community.

Significant negative effects from our activities

We do not anticipate any negative effects from our arts and culture activities.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
City galleries and museums	-	-	100%	75%	-	-	25%
Visitor attractions (Carter Observatory/Te Papa)	-	-	100%	30%	-	-	70%
Arts and cultural festivals	-	20%	80%	80%	-	-	-
Cultural grants	-	-	100%	-	100%	-	-
Access and support for community arts	-	10%	90%	90%	-	-	-
Arts partnerships (professional)	-	25%	75%	75%	-	-	-
Regional amenities	-	-	100%	100%	-	-	-

What it will cost

4.1 ARTS AND CULTURE ACTIVITIES	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
4.1.1 - Galleries and museums (WMT)	-	8,401	8,401	-
4.1.2 - Visitor attractions (Te Papa/Carter Observatory)	-	3,053	3,053	-
4.1.3 - Arts and cultural festivals	(398)	2,509	2,111	-
4.1.4 - Cultural grants	-	898	898	-
4.1.5 - Access and support for community arts	(129)	681	552	40
4.1.6 - Arts partnerships	(520)	1,762	1,242	-
4.1.7 - Regional Amenities	-	594	594	-
2012/13 4.1 Total	(1,047)	17,898	16,851	40
2013/14 4.1 Total	(1,075)	18,763	17,688	26
2014/15 4.1 Total	(1,107)	18,980	17,873	27
2011/12 4.1 Total	(1,042)	16,826	15,784	43

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the effectiveness of our arts and culture support activities	Satisfaction with Council supported arts and cultural festivals	92%	90%	90%	90%	90%
	Customer (%) satisfaction with the NZ International Arts Festival	N/A	N/A	80%	N/A	80%
	Total tickets sold (#) to the NZ International Arts Festival and the proportion sold to customers outside the region	N/A	N/A	130,000 & 30% outside the region	N/A	130,000 & 30% outside the region
	User (%) satisfaction with Toi Pōneke facilities and services	90%	90%	90%	90%	90%
	Economic contribution (\$) the NZ International Arts Festival makes to the city's economy (new spend)	N/A	N/A	At least \$40M	N/A	At least \$40M
	Cultural grants – % of applicants who are satisfied with support and advice received from council	New measure	95%	95%	95%	95%
	The proportion of grants funds successfully allocated (through milestones being met)	No historical data	95%	95%	95%	95%
	Proportion of outcomes delivered (previous projects – weighted by \$ value)	No historical data	90%	90%	90%	90%
To understand the reach of our arts and culture support activities	Te Papa visitors (by overseas visitors [OV] and NZ visitors from outside the region [NZOR])	1,337,041 : OV 490,395 & NZOR 355,946	1.35m : OV 495k & NZOR 352K			
	Total visits to museums and galleries (including Carter Observatory)	653,344	620,000	605,000	607,200	607,200
	Arts and cultural festivals estimated attendance	750K	750K	750K	750K	750K
	Venues Subsidy – Total number of performers and attendees at supported events	No historical data	Establish baseline	Increase on previous year	Increase on previous year	Increasing trend
	Cultural grants – % first time applicants who are successful	No historical data	50%	50%	50%	50%
	Number of artists involved in supported art projects delivered through the Public Art Fund	No historical data	No target	No target	No target	No target

Cultural wellbeing – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Residents frequency of engagement in cultural and arts activities	At least 1 a week: 11% At least 1 a month: 41% 1 every 6 months: 31% At least 1 a year: 8% Less often: 6%	At least 1 a week: 11% At least 1 a month: 36% 1 every 6 months: 33% At least 1 a year: 9% Less often: 8%
New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts scene'	85%	85%
Resident perceptions that Wellington's local identity (sense of place) is appropriately valued and protected	81%	81%
Events held at key city venues	1,514	1,489
New Zealanders' and residents' perceptions that 'Wellington is the arts capital of New Zealand'	81%	79%
New Zealanders' and residents' perceptions that 'Wellington is the events capital of New Zealand'	53%	42%
Residents' (%) agreement with the statement that 'Wellington is an easy place to get involved in the arts'	New measure	



SOCIAL AND RECREATION

Pāpori me te hākinakina

“Whāia ngā mahi a te rēhia”

Engage in the pursuit of pleasure

Cities are made up of communities – friends and families; people who share a neighbourhood; people who share common interests (such as sports, recreational interests, intellectual pursuits, creative endeavours, political beliefs); or people with a common occupation or professional interest, faith, or culture.

These communities hold a city together. They provide a sense of belonging and common purpose. They are the basis of ‘social cohesion’ – which is, put simply, that people care about each other and act accordingly. Experience shows that when times are tough, such as following the Canterbury earthquakes, those people with strong neighbourhood and community links are able to get by for longer without external assistance and are likely to be more resilient, even in the face of damaged infrastructure and disruption.

Transport and technology changes may change the nature of ‘community’ – for example, by making communities of interest more global as technology allows real-time conversation and collaboration with others around the world. Yet, at the same time, face-to-face contact and spontaneous exchanges will still be important for developing networks of trust within communities.

Wellington already stands out for its warmth, openness, friendliness and expressiveness of its people; and for its powerful sense of shared identity. Our aim is to continue to support or provide social and recreation services (and the necessary corresponding facilities) which build on these strengths to enhance or protect our sense of community, neighbourliness and identity.

In addition to this, we know that being a safe city is important to Wellingtonians and will be an important consideration for people thinking about moving here. We work to maintain the high sense of safety that people have within Wellington and continue to implement public health programmes.

WHAT WE DO IN THIS AREA	<p>5.1 Recreation promotion and support</p> <p>5.2 Community support</p> <p>5.3 Public health and safety</p>
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ Our community facilities and programmes bring people and communities together, enhance neighbourhoods and support whanaungatanga. ■ They also promote informed communities, with active and healthy lifestyles. ■ Through community support activities, we promote individual well-being as well as connected, engaged and inclusive communities. ■ Our public health and safety activities make Wellington a safe place for people to live, work and play.
WHAT PEOPLE HAVE TOLD US	<ul style="list-style-type: none"> ■ Involve communities as volunteers given the diverse talent and capability within the city. There need to be clearer avenues for people to direct their energy and expertise. ■ Libraries and community centres are important for the well-being of communities. ■ Inclusive communities and safe neighbourhoods are important. ■ Community resilience is important to prepare for emergencies & climate change. ■ People want strong communities where members feel a strong sense of attachment and are committed to its development. ■ The provision of services, facilities and information, as well as the encouragement of local initiatives, enable community members to come together, develop solid relationships and build dynamic communities.

CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ Ensuring social and recreation services / facilities continue to be fit for purpose in the face of technological changes and increasing community expectations. ■ Developing volunteer programmes that deliver outcomes for the Council and communities while also meeting the needs of the participants. ■ Forging new relationships with central government in response to its withdrawn or reprioritised support for social and recreation programmes. ■ Implementing public health, and other central government led, regulatory changes in an efficient manner that retains our high level of public health and safety.
THREE YEAR FOCUS GIVEN OUR PRIORITIES	<ul style="list-style-type: none"> ■ Maintain a range of leisure and recreation opportunities that contribute to Wellington's attractiveness as a place to live. ■ Maintain a sense of safety within the central city and suburban centres. ■ Use our social programmes and infrastructure to better facilitate connections and resilience within communities. ■ Support & undertake activity that builds connections within communities, particularly at a neighbourhood level. ■ Provide integrated services and facilities that target the social and recreational needs of Wellington's diverse communities. ■ Continue with our upgrade of the city's social housing portfolio

5.1 RECREATION PROMOTION AND SUPPORT

Ngā rauhangā hapori

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

Our activity

- Swimming pools
- Sportsfields
- Synthetic sportsfields
- Recreation centres
- Recreation partnerships
- Recreation programmes
- Playgrounds
- Marinas
- 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.

How these activities contribute to our community outcomes

Our activities contribute to the following community outcomes:

- **People-centred city**

Access to recreation opportunities is important for people's health and well-being.

- **Connected city**

Recreation and sport activities also bring people together, strengthening social cohesion, and by offering a wide range of facilities, the city becomes a more appealing place for people to live.

What we'll provide – our level of service

We'll provide:

- Seven swimming pools (five indoor and two outdoor) throughout the city that offer the opportunity to learn to swim, exercise, participate in aquatic sports, or simply have fun. Two of the pools - the Wellington Regional Aquatic Centre and the Freyberg Pool - provide fitness centres. The pools together attract more than 1.3 million visits each year.
- 46 sports grounds throughout the city that offer year-round opportunities for recreation and competitive sport for people of all ages. We manage and maintain a wide range of sportsfields, as well as pavilions and grandstands. We also have a number of synthetic sportsfields that are widely used, including one field installed in partnership with schools and the community. The fields are mainly used for cricket, softball, rugby, league, hockey, soccer and netball. Some of the facilities are also used for golf, athletics, American Football, touch, croquet and ultimate frisbee, as well as for training. High-use facilities include the National Hockey Stadium, Rugby League Park, Newtown Park and Hataitai Park.
- Four multi-purpose recreation centres along with the newly completed ASB Sports Centre that together attract more than 730,000 visits each year. They provide a range of recreation,

sport and leisure opportunities. The Tawa facility is owned by Tawa College and is leased by the Council for community use out of school hours.

- Over 100 neighbourhood playgrounds and skate parks throughout the city, giving families and young people safe places to play near home. Playgrounds are managed according to our Playgrounds Policy, which aims to ensure all communities have access to safe, enjoyable and stimulating playgrounds.
- Two marinas – the Evans Bay Marina and the Clyde Quay Boat Harbour. These provide public access to the harbour as well as supporting the recreational activities of a large number of boat owners. We also support life-saving services which are provided at the city's beaches at appropriate times.
- We'll host the Wellington Sports and Recreation Forum each year. This event brings together national, regional and local sporting codes, clubs, recreational organisations and sporting enthusiasts in a workshop environment to discuss demands on recreation facilities, trends in participation rates, and any proposals for enhancing recreation facilities and programmes that are being considered at that time.

Our work in this activity also includes liaising with national and regional sporting codes, and providing funding support to the Basin Reserve Trust to help ensure the Hawkins Basin remains New Zealand's premier test cricket venue.

We also provide dozens of sports, fitness and leisure programmes for children and adults, as well as informing residents about recreation opportunities through our website and guides.

We also look after an extensive network of tracks extending throughout the city's open spaces that offer opportunities for leisure and recreation. (More information on the tracks network can be found under activity 2.1 Gardens, Beaches and Green Open Spaces.)

Key projects

- *Reducing opening hours at low use times for swimming pools* – we are reducing opening hours at the Spray facility at times of low use. The facility will open at 9.00am instead of 8.00am and close at 6.00pm instead of 8.00pm. This will provide savings of \$26,000 per year.
 - *Keith Spry pool improvements* – we plan to improve the Keith Spry swimming pool in Johnsonville to meet the needs of a growing population in this area. This work will include replacing the existing roof, constructing new teaching and leisure pool space as well as building new changing facilities. It will cost \$2.6 million in 2012/13.
 - *Deep water pool* – we will work with proponents of a new deep water pool in the coming months and explore alternative funding sources for this proposal and report back to committee in December 2012.
 - *Artificial sportsfields* – we're planning to continue with our roll-out of more artificial surfaces throughout Wellington in the coming years. Artificial surfaces are not affected by wet weather and are more durable than grass fields meaning more games can be held on any given weekend – even in very wet weather. We're planning to construct the following artificial surfaces in the coming years
 - 2013/14 Alex Moore Park
 - 2014/15 Grenada North/Tawa area
 - 2016/17 Western Suburbs (site to be confirmed)
- We have allocated \$5.2 million in capital funding to plan and construct these artificial surfaces in the coming years. There is an expectation of external funding support of \$400,000 each for the artificial surfaces in Grenada and the western suburbs.
- *Increase in fees and charges* – we are increasing fees for sportsfields, courts, athletic tracks and pitches to ensure those that benefit from using these facilities contribute an appropriate portion of the rising costs of providing these services. We are not planning to increase fees for the use of our synthetic turf sport fields except a 10 % increase for the National Hockey Stadium.
 - *Couch/rye grass trial* – we are planning to trial a couch/rye mix grass on the Churton Park sports field. The new surface will provide a high quality playing surface that can sustain high levels of use. We are budgeting \$206,000 in 2013/14 to carry out this work.
 - *Basin Reserve* – we are increasing our financial support to the Basin Reserve Trust (from \$180,000 to \$355,000 per year) to meet increased operating costs.
 - *Nairnville Park* – We are bringing funding forward from 2016/17 to improve irrigation, drainage and install a sand carpet. The work will cost \$485,000 over two years with works beginning in 2013/14.
 - We are planning to renew the Newtown Park athletics track in 2012/13.

- We will renew playgrounds at Izard Park, Johnsonville and the Paddington Street play area in 2012/13. We will also build a new playground in Woodridge which will be funded from development contributions.

Significant negative effects from our activities

Our social well-being activities are often delivered through buildings and other assets such as swimming pools and recreation centres. There are negative effects from owning and managing buildings and other assets. These include waste (solid, liquid), direct energy use to operate the building, indirect energy use from people using transport to access the building/facility, the embodied energy of materials (lifecycle costs – eg the environmental cost of importing materials).

We seek to minimise these negative effects by ensuring our operations are managed effectively and that waste is minimised or recycled and energy and water is conserved. We also encourage the use of public transport and alternative modes of transport to the private motor vehicle such as walking and cycling as a means of getting around the city.

Our swimming pools pose the additional risks of drowning. We manage this through a number of steps, most notably through the continuous presence of trained lifeguards. We also offer learn to swim programmes.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Swimming pools	40%	-	60%	60%	-	-	-
Sports fields	10%	-	90%	90%	-	-	-
Synthetic sports fields	40%	-	60%	60%	-	-	-
Recreation centres	25%	-	75%	75%	-	-	-
Recreation partnerships	-	-	100%	-	100%	-	-
Recreation programmes	5%	-	95%	95%	-	-	-
Playgrounds	-	-	100%	100%	-	-	-
Marinas	100%	-	-	-	-	-	-
Golf Course	50%	-	50%	50%	-	-	-

What it will cost

5.1 RECREATION PROMOTION AND SUPPORT	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
5.1.1 - Swimming pools	(7,704)	18,562	10,858	4,680
5.1.2 - Sportfields	(342)	3,429	3,087	1,413
5.1.3 - Sportfields (Synthetic)	(393)	1,094	701	50
5.1.4 - Recreation Centres	(2,654)	9,475	6,821	80
5.1.5 - Recreation partnerships	-	850	850	124
5.1.6 - Playgrounds	-	805	805	341
5.1.7 - Marinas	(556)	572	16	102
5.1.8 - Municipal Golf Course	(61)	156	95	-
5.1.9 - Recreation programmes	(175)	891	716	-
2012/13 5.1 Total	(11,885)	35,834	23,949	6,790
2013/14 5.1 Total	(12,110)	37,570	25,460	4,788
2014/15 5.1 Total	(12,388)	37,837	25,449	4,607
2011/12 5.1 Total	(11,025)	35,178	24,153	9,762

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To understand the standard of the services we provide; and the value the public hold of them	User (%) satisfaction – swimming pools	90%	90%	90%	90%	90%
	User (%) satisfaction – recreation centres	89%	90%	90%	90%	90%
	User (%) satisfaction – ASB Centre	New measure	95%	95%	95%	95%
	User (%) satisfaction – playgrounds	87%	90%	90%	90%	90%
	User (%) satisfaction – sports fields	76%	85%	85%	85%	90%
	Residents (%) who agree that WCC recreation services and facilities provide good value for money	79%	80%	80%	80%	85%
To understand the reach and utilisation of the services we provide	Visits to facilities – swimming pools	1,335,605	1.37M	1.37M	1.4M	1.4M
	Visits to facilities – recreation centres	345,487	350K	350K	350K	350K
	ASB Centre Courts % utilisation - peak and off peak	New measure	Peak: 51% Off peak: 25%	Peak: 61% Off peak: 30%	Peak: 71% Off peak: 35%	Peak: 71% Off peak: 35%
	Visits to facilities – ASB Centre (peak and off peak)	New measure	Peak: 392,730 Off peak: 116,730	Peak: 453,150 Off peak: 145,350	Peak: 519,612 Off peak: 174,420	Increasing trend
	Sports fields – % of scheduled sports games and training that are played	No historical data	Winter: 80% Summer: 90%	Winter: 80% Summer: 90%	Winter: 80% Summer: 90%	Winter: 80% Summer: 90%
	Marinas occupancy	96%	96%	96%	96%	96%
	Artificial sports fields % utilisation – peak and off peak (summer and winter)	New measure	Peak winter: 80% Peak summer: 60% Off peak winter: 15% Off peak summer: 10%	Peak winter: 80% Peak summer: 60% Off peak winter: 15% Off peak summer: 10%	Peak winter: 80% Peak summer: 60% Off peak winter: 15% Off peak summer: 10%	Peak winter: 80% Peak summer: 60% Off peak winter: 15% Off peak summer: 10%
	College artificial sports fields % utilisation for WCC hours: (summer and winter)	New measure	Winter: 80% Summer: 60%	Winter: 80% Summer: 60%	Winter: 80% Summer: 60%	Winter: 80% Summer: 60%

5.2 COMMUNITY SUPPORT

Tautoko hapori

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

Our activity

- 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 welcomed – a city that supports diverse and inclusive communities.

To enable this we provide libraries, halls and community centres to enhance social connectedness and provide focal points for community events.

Our grant programmes enable the community to undertake a wide range of initiatives that respond to identified needs and align with the Council's strategies and priorities.

By providing social housing, we ensure the basic housing needs of many people are met. This service also builds social cohesion and contributes to Wellington's reputation as a close, caring community.

How these activities contribute to our community outcomes

Our community support activities contribute to the following community outcomes:

■ People-centred city

They promote individual well-being, safe neighbourhoods and cohesive, engaged and inclusive communities. They reflect and respond to a diversity of needs and promote active and healthy lifestyles. They provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

■ Connected city

They help people and communities connect and engage with each other and foster the exchange of knowledge and ideas through social, physical and virtual networks.

■ Dynamic central city

They respond to the diversity of individual and community needs and promote a diverse, safe and vibrant city.

What we'll provide – our level of service

Libraries

Our library services provide:

- Access to over 625,000 books, 139,000 magazines, and 98,000 CDs, DVDs and other items through the Central Library, 11 branch libraries and virtual website branch. The central library is our largest, with a substantial collection of reference information and a large and frequently updated selection of books, magazines and audio-visual material.

- Outreach programmes, including services to the housebound, to ensure that the benefits of libraries can be experienced by everyone.
- An online Migrant Communities Library Guide in over 20 different languages. We also have a dedicated staff member to liaise with these groups to encourage people from different backgrounds to make use of our library facilities.
- A range of library programmes designed to introduce children to the pleasure of reading. These include events such as our free preschool story time, Baby Rock and Rhyme sessions.

Community advocacy and support

- We'll offer Leisure Card holders reduced entry to our facilities and programmes. The scheme is available to Community Services Card holders, superannuitants, people with physical disabilities, mental health consumers, Green Prescription referrals, City Housing tenants and refugees. The scheme reduces cost as a barrier to participation in recreation and other programmes by those who otherwise might not be able to afford it and improves their health and well-being. Cardholders also get discounts at some non-Council facilities such as cinemas, theatres and video stores.
- We will support and build community resilience and capacity. This includes the development and implementation of projects that strengthen and support volunteers and local neighbourhoods as well as our diverse communities. The work aims to deal with homelessness and settlement issues, while population action plans help older persons and accessibility.

- We will provide and facilitate access to community spaces and resources including helping communities to access support through a variety of mechanisms including information and advice to a wide range of people and community groups.
- Provide a range of community centres and halls throughout the city. We also support community-owned centres in several suburbs. All community centres are run by independent management committees and operate in ways that meet the needs of their communities. We also assist some community groups by subsidising accommodation costs.
- We work with local organisations to respond to community needs. Through contract funding we support key organisations that contribute to our strategic objectives, for example those working with youth, disadvantaged communities and the homeless. These contracts are reviewed annually. Our one-off project grants support a range of projects which contribute to social and recreation outcomes.

We will continue to partner with Police and key social and health agencies to ensure there is a coordinated and sustainable city-wide approach to homelessness.

We continue to manage partnerships that support the Council's outcomes through funding streams that do not draw on the rates dollar. These include:

- The Department of Labour's Settlement Support Initiative
- Hosting the Neighbourhood Support officer (a partnership with police)
- Partners with Creative New Zealand for Creative Communities' Wellington local funding scheme.

Housing

We provide affordable housing to people on low incomes who face barriers to accessing housing by targeting priority groups. We also work with other agencies that provide housing assistance. We aim to provide homes where people feel safe and are of a good standard, providing a stable platform from which some 3,500 Wellingtonians can improve their wellbeing and contribute and benefit from living in Wellington.

We have 2,300 housing units and we allocate these homes according to need. The housing is provided at below market rates and rental income is ring-fenced for reinvestment in social housing.

We are part way through a 20-year upgrade programme of our housing units, aimed at improving the health, safety and security of our tenants including increasing the energy efficiency of our housing stock and ensuring it is of a good standard for modern living. A strength based community development programme runs alongside the project to help increase social cohesion and community spirit and pride within City Housing communities. The Housing Upgrade Project is the largest and most intensive social housing redevelopment project ever undertaken in New Zealand. The Council and the New Zealand Government are sharing the \$400 million cost of upgrading 2,300 homes.

Just five years into the 20-year programme, it has already received six awards for, among other things, sustainable architectural, project execution and innovation in engagement by involving tenants in the design of the new housing facilities.

Key projects

- *Housing upgrade programme* – the following upgrade work is being planned or underway for the next three years - Kotutiu, Marshall Court, Newtown Park, and Central Park and Berkeley Dallard apartments.
- *Johnsonville Library* – we're allocating funding in the long-term plan to make improvements to the provision of library services in Johnsonville. We have allocated \$18.5 million in capital expenditure over three years with work starting in 2015/16. The library would be located next to Keith Spry Pool and Johnsonville Community Centre and developed in a way that creates an integrated community facilities hub for Johnsonville.
- *Contract funding for grants* – we're inflation adjusting the grants we provide to organisations through three-year contracts. The demand on the grant pool has increased over the last few years, partly due to higher costs of delivering services but it also reflects a general tightness in the availability of other funds and inflationary pressures. Providing inflation adjusted three-year contract grants will help ensure service levels delivered by the organisations can be maintained. Inflationary pressures on annual grants - those that are not subject to three-year contracts - will be managed through prioritisation and allocation. This proposal will require increased funding over the next year as follows; \$69,695 in 2012/13, \$141,062 in 2013/14 and \$214,142 in 2014/15. The additional funding required will increase in subsequent years because the inflation adjustments are applied on an annual and compounding basis. This additional funding will be provided from general rates.

- *Community Preparedness Grants* – we are planning that the separate Community Preparedness Grants pool fund cease and the Social and Recreation grants pool be increased by \$25,000 with additional criteria developed for the pool to support community/neighbourhood resilience projects.
- *Grants reductions* – we are ceasing some grants pools having considered how well they are prescribed and whether applications could fit the criteria of other grant pools. The following is planned: cease the Sports Development Grants (\$50,000 per year) and the Sporting and Cultural Representatives Grants (\$15,000 per year) – applicants can apply to the social and recreation grants pool
- *Wadestown Community Centre/Vogelmorn Hall* – we had originally considered opportunities to deliver shared services from the Wadestown Library site and sell the community centre. We've decided to postpone this work in the short term and will review the future use of the community centre facility in 2017/18 after discussions have taken place with users. We will also defer any decision on the divestment of Vogelmorn Hall for at least two years to coincide with the end of the lease associated with land of the Vogelmorn bowling Club. We will also work with users of the hall and the local community to identify future options for the site.
- *Band Rotunda* – the Band Rotunda requires earthquake strengthening. We will consider the future use of the Band Rotunda as a community facility following earthquake strengthening which is scheduled to commence in 2012/3.
- *Community centres* – we're planning to upgrade a number of community centres in the coming years to ensure they serve the community's needs. The following upgrades are scheduled:
 - *Aro Valley Community Centre* – planning work will start in 2016/17 with construction in 2018/19. We're planning to spend just over \$1.3 million in capital funding to complete the upgrade.
 - *Newtown Community and Cultural Centre* – planning work will start in 2016/17 and construction over the following two years. We've allocated just over \$3.6 million over those three years to carry out the work.
 - *Strathmore Community Base* – planning work to upgrade this facility will start in 2017/18 and works are programmed over the following two years. We've allocated \$1.4 million of capital funding to carry out this work.
 - *Kilbirnie Community Centre* – we're planning to carry out planning work in 2021/22 (\$61,000) for upgrading this facility.
- *Library charges* – we are reducing the price of DVDs that have not been issued for 8 months to \$2.00. We believe this will increase their use.

Significant negative effects from our activities

We undertake these activities to enhance the quality of life of the city's residents and mitigate social harm.

While there are negative effects from owning and managing buildings and other assets through which the majority of these services are provided – we seek to minimise these negative effects by ensuring our operations are managed effectively and that waste is minimised or recycled and energy and water is conserved.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Libraries	10%	-	90%	90%	-	-	-
Access support (Leisure Card)	-	-	100%	100%	-	-	-
Community advocacy	-	-	100%	-	100%	-	-
Grants (social and recreation)	-	-	100%	100%	-	-	-
Housing	100%	-	-	-	-	-	-
Community centres and halls	5%	-	95%	-	95%	-	-

City Housing is 100% funded from rental income and the Crown grant. The Crown grant funds are drawn down on an annual basis as determined by the construction programme for that year.

What it will cost

5.2 COMMUNITY SUPPORT	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
5.2.1 - Libraries	(2,284)	20,683	18,399	1,993
5.2.2 - Access support (Leisure Card)	-	163	163	-
5.2.3 - Community advocacy	(100)	1,573	1,473	-
5.2.4 - Grants (Social and Recreation)	-	3,326	3,326	-
5.2.5 - Housing	(52,772)	20,934	(31,838)	37,580
5.2.6 - Community centres and halls	(246)	3,185	2,939	31
2012/13 5.2 Total	(55,402)	49,864	(5,538)	39,604
2013/14 5.2 Total	(49,150)	51,048	1,898	35,863
2014/15 5.2 Total	(48,629)	52,188	3,559	35,639
2011/12 5.2 Total	(63,787)	49,842	(13,945)	48,245

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To understand the standard of the services we provide; and the value the public hold of them	Libraries – user (%) satisfaction with services and facilities	95%	90%	90%	90%	90%
	Libraries – residents (%) satisfaction with range and variety of collection	94%	85%	85%	85%	85%
	Residents (%) who agree that library services and facilities provide good value for money	86%	85%	85%	85%	85%
To understand the reach and utilisation of recreation services	Users of programmes – recreation centre programmes	119,605	130K	130K	130K	130K
	Number of uses of Leisure Card	94,871	95K	96K	97K	100K
	Residents (%) rating of their ease (easy or very easy) of access to WCC recreation facilities and programmes	84%	85%	85%	85%	90%
To measure the standard of the housing services we provide	Tenant satisfaction (%) with services and facilities	92%	90%	90%	90%	95%
	Tenant rating (%) of the overall condition of their house/apartment (good and very good)	86%	85%	85%	90%	95%
	City Housing services and facilities comply with all legislative requirements (eg RTA, building WOF)	Met	To meet compliance	To meet compliance	To meet compliance	To meet compliance
	Tenant (%) sense of safety in their complex at night	75%	75%	75%	75%	80%
	Tenants who report positive social contact	62%	65%	65%	65%	67%
To measure the utilisation and demand of the social housing resource	Occupancy rate of available housing facilities	86%	90%	90%	90%	90%
	All tenants (existing and new) housed within policy	New measure	98%	98%	98%	98%
	Residents (%) who rate services and facilities as good value for money	83%	85%	85%	85%	85%

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To track the progress of the Housing Upgrade Project	Agreed milestones, design standards and budgets are met in accordance with the agreed works programme and Deed of Grant between the Crown and the Council	Achieved	To achieve	To achieve	To achieve	To achieve
To understand the effectiveness of our community support services	Community groups (%) satisfied with council relationships	83%	90%	90%	90%	90%
	Residents 'neighbourliness' behaviours	New measure	65%	65%	65%	70%
	Accessible Wellington Action Plan initiatives planned for year progressed or completed	New measure	80%	80%	80%	80%
To understand the effectiveness of our recreation support distribution	The proportion of grants funds successfully allocated (through milestones being met)	No historical data	95%	95%	95%	95%
	Proportion of outcomes delivered (previous projects – weighted by \$ value)	No historical data	90%	90%	90%	90%
To understand the reach and utilisation of the services we provide	Libraries – residents (%) who are registered members	78%	75%	75%	75%	75%
	Libraries – physical visits and website visits	Physical: 2,588,849 Web: 2,005,788	Physical: 2.4M, Web: 1.2M (technical change only)	Physical: 2.3M, Web: 1.3M	Physical: 2.3M, Web: 1.4M	Physical: 2.5M, Web: 1.5M
	Library programmes – estimated attendees	89,886	70K	70K	70K	70K
	Library items issued	3,074,305	3M	3M	3M	3M
	E-library users satisfaction (%) with the online library collection	New measure	67%	67%	67%	67%
	Occupancy rates (%) of Wellington City Council Community Centres and Halls	No historical data	60%	60%	60%	60%
	Homelessness – % of known homeless people supported by agencies	New measure	100%	100%	100%	100%

5.3 PUBLIC HEALTH AND SAFETY

Hauora tūmatanui me te haumanu

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

Our activity

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

Public confidence in the safety of the city's streets and suburbs is a top priority. Wellington enjoys a reputation as a safe city with a vibrant CBD.

Wellington's location makes earthquake-preparedness particularly important, though the city is also at risk of other civil emergencies such as flooding and tsunamis. WEMO works with all sectors of the community to ensure the city is well-prepared for such events.

We also 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, cemeteries and crematorium services as a vital public health function.

How these activities contribute to our community outcomes

Our public health and safety activities contribute to the following community outcomes:

- **People-centred city**
They make Wellington a safe city that is better able to cope with change.
- **Dynamic central city**
They make the central city a safe place for people to live work and play.

What we'll provide – our level of service

We operate two cemeteries, at Karori and Makara. There is also a crematorium at Karori Cemetery. The cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community. We also keep Wellington cemetery records dating back to 1849 available for public viewing.

We provide more than 60 public toilets throughout the city (and another 50 in sportsfield pavilions). They are cleaned daily. High-use facilities are cleaned more than once a day.

We regulate public health activities in accordance with legislation, bylaws and Council policies. We aim to do this in a way that is solution focused and demonstrates that Wellington is 'open for business'. This work includes licensing of food premises, licensing of liquor outlets, registration of dogs, licensing of businesses that discharge trade waste, and inspection of these activities to ensure compliance with standards.

We have over 1600 food and other registered health premises in Wellington. We ensure these premises are producing safe food for consumption. Our environmental health officers undertake investigations of infectious diseases, provide advice and investigate around 500 complaints each year, including those regarding odours, nuisances, and unsanitary buildings.

We license premises that sell liquor and issue certificates to the people who manage liquor sales. We ensure that licensed liquor premises have host-responsibility practices in place, and that people managing liquor sales have adequate knowledge of legal requirements for liquor sales.

We register close to 10,000 dogs every year and enforce Council bylaws that relate to animals in the city. Activities in the animal control area include providing advice to dog owners, promoting responsible dog ownership and providing enforcement measures where dogs and/or other animals are creating a nuisance or are a danger to the public.

We provide a 24/7 response to noise complaints from residential and commercial activities. We assess, monitor and resolve noise problems and ensure measures are taken to reduce or eliminate noise sources. We respond to around 6000 complaints annually.

Wellingtonians live with the risk of emergencies such as earthquake, fire and flooding. WEMO undertakes response and recovery planning activities and manages a network of volunteers and response agencies including emergency service providers, government agencies and lifeline utility providers. It regularly runs emergency training exercises and has ongoing public education and awareness programmes with all sectors of the community.

We are a designated International Safe Community and actively work alongside our crime, injury and road safety partners to retain this status.

We will continue to partner with Police, the Wellington Licensee Forum and other key social, health and education agencies to ensure there is a coordinated approach to alcohol related harm. We will focus on the development of an Alcohol Management Plan, the Stay Safe in the City social marketing campaign and support for the Capital Host Charter.

We will continue to focus on initiatives that support the safety and perception of safety in the city such as City Safety Officers, a coordinated approach to graffiti vandalism and input into safety issues through Crime Prevention Through Environmental Design.

Key projects and proposals

- *City safety programme* – We have reviewed this service and decided to deliver the service in future ‘in-house’ and will also start using volunteers from 2014/15. Delivering the service this way provides a high degree of flexibility and control, and will deliver \$2.1 million of savings over the next ten years.
- *Wellington Emergency Management Office (WEMO)* – local authorities in the region are planning to amalgamate the region’s emergency management offices into a single organisation to coordinate emergency management services for the region. The new organisation will come into existence on 1 July 2012 and will be administered under the Regional Council and governed by the Joint Committee of Councils (mayors). From then, the Council will contribute to the regional structure for its share of regional emergency management

costs, while retaining financial responsibility for maintaining an operational Emergency Operations Centre (EOC) and other emergency reduction and recovery work.

It may be that the funding mechanisms will change in the future, however, any further changes to emergency management funding will occur as part of future annual or long term plan processes.

- *Moving the SPCA to the Chest Hospital* – the SPCA offered to contribute to the cost of capital works on the former Chest Hospital so that they can relocate their services to that site. We have welcomed this proposal, which not only enables the SPCA to better deliver its services within Wellington, but also ensures an important heritage building on the edge of the Town Belt is productively used and well-maintained. As part of our commitment, we have allocated an additional \$493,000 of capital funding and \$264,000 of operational costs over the next ten years to ensure the building meets the standards required for the new tenants.
- *Burials and Cremations* – we’re planning to undertake essential work at the Karori and Makara cemeteries to provide services for the interment of the deceased. Priority work includes work on headstone beams and ash gardens to respond to demand. We’re allocating funding of \$418,000 over the next three years to carry out this work and \$1.2 million over the following seven years.
- We will be renewing the public toilets in the Newlands Town Centre and in Grasslees Reserve in 2012/13. We will also be renewing the sports pavilion change rooms at Martin Luckie Park in 2012/13. We are also providing for toilets in the new Lyall Bay Surf Life Saving complex in 2013/14.

We’re increasing some of our public health fees – including fees relating to animal control – please see the appendix for further information.

Significant negative effects from our activities

These activities exist to mitigate and manage significant risks – from natural disasters, personal safety in the city, to unhealthy food preparation practices.

These activities are necessary to ensure negative effects from other people’s activities or from a natural disaster are controlled and managed.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Burials and cremations	50%	-	50%	50%	-	-	-
Public toilets	-	-	100%	100%	-	-	-
Public health regulations	50%	-	50%	50%	-	-	-
City safety	-	-	100%	100%	-	-	-
WEMO	5%	-	95%	95%	-	-	-

What it will cost

5.3 PUBLIC HEALTH AND SAFETY	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
5.3.1 - Burials and cremations	(824)	1,680	856	109
5.3.2 - Public toilets	-	2,168	2,168	572
5.3.3 - Public health regulations	(2,483)	3,861	1,378	-
5.3.4 - City safety	(10)	2,127	2,117	-
5.3.5 - WEMO	(38)	1,934	1,896	-
2012/13 5.3 Total	(3,355)	11,770	8,415	681
2013/14 5.3 Total	(3,455)	12,309	8,854	1,224
2014/15 5.3 Total	(3,560)	12,589	9,029	934
2011/12 5.3 Total	(3,218)	12,348	9,130	960

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the progress towards minimising threats to public safety	Emergency management partner survey – satisfaction (%) with emergency preparedness and planning	Prep: 46% Planning: 39%	100%	100%	100%	100%
	Emergency management programmes – estimated attendees	8,389 people from businesses, schools, community groups and the public	8,500 people	8,500 people	8,500 people	8,500 people
	Number of trained civil defence volunteers	New measure	400	500	600	700
To understand the effectiveness of our public health and safety services and programmes	Dog control – complaints received (% of registered dogs)	No historical data	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
	Dog control – urgent requests responded to within one hour and non-urgent within 24 hours	Urgent 100% Non urgent 99%	Urgent 100% Non urgent 99%	Urgent 100% Non urgent 99%	Urgent 100% Non urgent 99%	Urgent 100% Non urgent 99%
	Food premises – number of cleaning notices and closures per year	No historical data	No target	No target	No target	No target
	Food premises with an inspection rating of excellent or very good that maintain or improve their inspection rating	98%	98%	98%	98%	98%
	Residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to the cleanliness of WCC public toilets	79%	80%	80%	80%	80%
	WCC public toilets – urgent requests responded to within four hours and non-urgent within three days	New measure	Urgent 100% Non urgent 95%			
	WCC public toilets (%) that meet required cleanliness and maintenance performance standards	99%	95%	95%	95%	95%
	Percentage of planned inspections carried out for high risk (category 3) premises	New measure	100%	100%	100%	100%
	Percentage of inspections of high risk premises (category 3) carried out during high trading hours	New measure	25%	25%	25%	25%

Social and recreation – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Residents' usage of WCC community and recreation facilities	Comm. Centre: 24%; Comm. Hall: 23%	Comm. Centre: 22%; Comm. Hall: 22%
Residents' perceptions that they feel a sense of community with others in their neighbourhood	90%	
Residents' perceptions that Wellington offers a wide range of recreation activities	91%	91%
Residents' frequency of physical activity	75%	77%
Residents' perceptions that there are barriers to participating in recreation activities	Too busy: 28%; poor health: 10%; Lack of motivation: 8%; Lack of parking/public transport/transport: 8%; Weather: 7%	Too busy: 26%; poor health: 8%; Lack of motivation: 7%; Lack of parking/public transport/transport: 6%; Weather: 5%
Residents' importance of sense of community in local neighbourhood	70%	77%
Residents' usage (%) of libraries and frequency of use	New measure	
Residents engaging in 'neighbourly' actions	New measure	
Types of social networks to which residents belong (i.e. community, sports, ethnic, etc)	See footnote ⁴	
Ethnic diversity of the city's population and residents' values regarding diversity	New measure	
Residents' perceptions of safety – inner city and neighbourhood (day and night)	Central city day: 99%; Central city night: 64%; Neighbourhood day: 100%; Neighbourhood dark: 87%	Central city day: 99%; Central city night: 74%; Neighbourhood day: 98%; Neighbourhood dark: 89%
Residents' perceptions of city safety issues of most concern	See footnote ⁵	See footnote ⁵
Recorded crime and resolution rates – by categories	Offences against the person (% resolved): 6,959 (76%) Burglary/ Theft: 26,897 (34%); Illicit drug offences: 1,907 (95%); Public order offences: 4,342 (86%)	
Residents with home emergency items and plan	Kit: 76%; Plan: 48%	Kit: 85%; Plan: 65%
Number of notifications of the most prevalent food and water-borne diseases	291	210
Residents' life expectancy	Census not updated	
Residents' perceptions of their 'quality of life'	92%	93%

⁴ 2009/10: school or work network:65%; hobby/interest group: 38%; online community groups (eg Facebook): 59%; sports club: 30%; church/spiritual group: 23%; community/voluntary group: 22%; Friends:7%

⁵ 2009/10; 2010/11: Alcohol and drug problems: 22%; 22%; Dangerous drivers (including speed, drunk drivers): 18%; 19%; Threatening people/people behaving dangerously: 13%; 10%; Poorly lit/dark public areas (streets, paths, parks): 13%; 10%; Traffic including busy roads/lack of pedestrian facilities: 9%; 14%; Car theft/vandalism: 7%; 5%; Graffiti: 5%; 10%; Vandalism (broken windows in shops): 3%; 1%; poorly maintained/dangerous public areas: 3%; 3%.



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

Wellington is recognised as being unique among New Zealand cities in the compactness and character of its urban form. The city centre is vibrant, attractive, walkable and easily accessible from all parts of the city. It is the heart of our city – a place of business and entertainment; a place where people come together. People particularly love the waterfront as a favoured place for recreation and celebrations, as well as an integral element of our urban space.

Recognising this, we have developed and consulted on a Central City Framework. Its aim is to create the physical environment to support our Dynamic Central City community outcome; a city that’s attractive and sustainable, with high quality buildings, parks and squares.

Surrounding the city centre, Wellington has neighbourhoods of various sizes, each with its distinct character – from heritage suburbs to areas of new growth; from vibrant inner-city suburbs to thriving suburban areas. Many of these neighbourhoods have diverse populations, with a wide range of ages, cultures and professions. It’s not rare, for example, for growing families, retired people, and students to share the same street.

Vibrant, distinctive, highly walkable, easily accessible and attractive urban spaces encourage the type of networking and creativity on which the knowledge economy thrives, both to attract more people and to spark new ideas and creativity. This in turn supports retail and business activity, which attracts people and businesses.

While Wellington has a head start in terms of its urban form, we also face significant challenges. The impacts of the earthquakes in Christchurch have focussed our efforts to mitigate and prepare for the impact of earthquakes and other natural hazards. This will be a focus for us as we assess and prioritise our own assets for strengthening. We will also assist others to address earthquake prone structures across the city.

Beyond this, we will continue to invest in the form and function of the Central Business District in line with the Central City Framework, as outlined later in this chapter.

In terms of suburban centres, we will continue to invest in centres that require improvements to meet the needs of the people living there. In addition to this, Council will continue to refresh each suburban centre over time through its renewal of paved areas, gardens, street furniture etc.

A further focus of our work this year will be to implement ways we can use technology to make our building and resource consent processes more efficient and user-friendly.

WHAT WE DO IN THIS AREA	6.1 Urban planning, heritage and public spaces development 6.2 Building and development control
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ We shape a city where people can safely be themselves, where creativity and ideas can flourish and business can thrive. ■ We make it easy for people to move around the city. ■ We connect people with spaces where people can meet and play. ■ We ensure development work complies with the Resource Management Act and does not harm the environment. ■ We encourage the incorporation of sustainable design features and principles into residential and commercial buildings. ■ We protect our unique buildings and places, and consequently, Wellington's sense of place and heritage.
WHAT PEOPLE HAVE TOLD US	<ul style="list-style-type: none"> ■ The waterfront is very important to people's experience of the city. The connections between it and the city need further development. ■ Public spaces are key to attracting people to work and play in Wellington. ■ The city should be designed to meet needs of people with physical impairments and there needs to be more spaces for young people. ■ People want their local suburban centres to be more lively and attractive. ■ There should be emphasis on planning and preparing for the impacts of natural hazards and climate change. ■ New housing development needs to be good quality and contribute to the city's attractiveness and diversity.

CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ Ensuring the built environment supports the economic needs of the city. ■ Increasing the resilience of the city's built environment (its buildings, infrastructure, places and spaces, connections) to earthquakes and other natural hazards. ■ Maintaining the quality of the city's built environment and its contribution to the city's character, attractiveness, diversity and uniqueness. ■ Managing pressures facing the city's diverse heritage resource, and ensuring heritage is appropriately valued and protected in place and in time. ■ An economic outlook where growth and development prospects are low. ■ Responding to changes to key legislation like the Resource Management Act and Building Act. ■ Promoting greater collaboration between councils on a range of planning and regulatory activities, including consenting and licencing information.
THREE YEAR FOCUS GIVEN OUR PRIORITIES	<ul style="list-style-type: none"> ■ Ensure quality of place which retains and attracts people and businesses. ■ Continue to invest in the vibrant urban environment of the central city. ■ Increase the resilience of the city's urban form. ■ Maintain and enhance the role, character and distinctiveness of Wellington's suburbs and communities. ■ Strengthen and refine the Council's regulatory and approval processes to assist business efficiency and affordability. ■ Ensure our key policies and plans support good quality urban development. ■ Respond to central government led regulatory changes.

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.

Our activity

- Built heritage development
- Urban planning and policy development
- Public space and centres developments
- Waterfront development.

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'.

Contribution to community outcomes

Our activities contribute towards the following community outcomes:

■ People-centred city

They promote built form and safe open spaces that welcome and engage people and encourage them to stay. They tell our stories and reflect who we are and the things we care about, helping us understand ourselves and each other.

■ Connected city

They connect people with places and make them easy to find and functional.

■ Eco-city

They promote intensive development, rather than sprawl into green spaces, and encourage the greening of streets, buildings and places. They promote walking and riding on buses and bikes.

■ Dynamic central city

They promote accessible and safe places where people want to live, work, and play, and where they can meet to share events and ideas. They encourage a built form and urban culture that reflects the energy of diversity, and they shape a place where ideas, innovation and difference can be expressed and supported.

What we'll provide – our level of service

Our overall aim is to develop high-quality urban areas by ensuring we focus growth in a way that makes the city more sustainable, while also preserving the city's character.

We do this by ensuring that future development is planned to be along the 'growth spine' of the city which runs from the north through the city and Kilbirnie. We're aiming to cluster development around the key town/suburban centres along this 'spine' to ensure the city's land is used wisely and its transport systems are as

efficient as possible. This vision will help make the city more sustainable, as well as helping us to preserve the character of other parts of the city.

We will also start work on implementing the Central City Framework. The framework plans for the growth and enhancement of the CBD for the next 30 years. The central city is a vital 'economic engine' to both the city and the region and we have to plan properly for its future.

While growth is focused in those two key areas, our suburban centres are also important parts of the city fabric. Where there are opportunities to co-invest with partners – such as the work in the Newlands town centre – we will contribute and help revitalise the area.

We will continue to look after the city's heritage by continuing our review of the city's heritage lists to make sure they're up to date and by providing heritage grants.

The city's heritage lists are a record of items that have an official heritage status with the Council. These are protected under the District Plan. The list contains items that have significant aesthetic, historic, scientific or social value, or are significant to tangata whenua and other Māori. Heritage preservation is also supported by the Council through heritage grants.

We also look after the city's public spaces. These are important elements of any city – they make it more liveable, help retain its character, and provide a 'sense of place'.

Wellington Waterfront Limited – the Council agency charged with looking after the development of the waterfront – will continue to consult with the public through the Waterfront Development Plan on the development of this space. The Council-appointed Technical Advisory Group (TAG) will ensure that any development along the waterfront adheres to the values, principles and objectives of the Waterfront Framework.

Key projects

- *Central City Framework and Parks* – we're planning to deliver a range of projects in the coming years to deliver on our Central City Framework. The priority projects we will undertake in the next few years include:
 - *Parliamentary precinct* – public space enhancements and improved connections timed to align with the National Library reopening and ahead of the 150 year anniversary of Wellington becoming New Zealand's capital city. We're spending \$1.5 million of capital funding over two years to carry out this work (2012/13 - 2013/14).
 - *Laneways* – we're planning to make improvements to Opera House Lane and Eva Street. The work is timed to coincide with the redevelopment of an adjacent building. We're budgeting to spend \$500,000 of capital funding in 2012/13 and \$516,000 in 2013/14 on this work.
 - *Memorial Park* – we're co-investing with central government and other parties including the Australian Government on constructing this high quality park. We're contributing \$2.122 million of capital funding to this work in 2013/14. The timing of the work will ensure the park will be complete for ANZAC commemorations and ahead of the anniversary of the capital city status in 2015.
 - *Victoria Precinct* – we're planning to make public space enhancements and connections from Dixon St. to Ghuznee St. The work is timed to take advantage of a unique opportunity to leverage off private developments in the area. We're spending \$639,000 of capital funding in 2014/15 and \$2.09m in 2015/16 on this work.
 - *Inner city park* – as the population in the inner city increases, we're keen to ensure that there are sufficient green spaces where people can congregate and relax. We're planning to spend \$3.2 million across 2014-16 to provide an additional park space in the central city. The funding is also subject to development contributions.
 - *Miramar Town Centre* – we're budgeting \$900,000 in 2012/13 to upgrade Miramar Town Centre. The public space improvements will include improved parking and pedestrian safety, creation of public space, and the relocation of the public toilets. This will be done in a way that co-ordinates with Greater Wellington's bus review.
 - *Kilbirnie Town Centre upgrade* – We have budgeted \$559,000 in 2014/15 for stage two of the Kilbirnie Town Centre upgrade. The work will include public space improvements on the corner of Coutts Street and Onepu Road. We will work with the bus barn owner on a potential contribution to the upgrade as part of developing the bus barn master plan.
- We had planned a project that would 'green' Taranaki Street to improve its appeal and catalyse development on this major street and provide part of a processional route between parliament and Memorial Park. It would cost \$3.6 million. We have decided not to do this project within the timeframe of this plan.
- *Heritage Grants* – we will continue funding our Heritage Grants pool at the level of \$329,000 annually for the next 3 years. The focus of the fund will be on remedying earthquake prone related features or securing conservation plans / initial reports from engineers. We also preserve the city's heritage through District Plan provisions and by providing grants to offset resource consent fees for minor changes to elements of heritage listed buildings. This acknowledges that protecting a heritage building by listing it in the District Plan can impose costs on building owners by restricting what they can do with the building.
- *Clyde Quay Marina* – we're spending \$208,000 in 2012/13 on public access improvements. During 2012/13 we will also consider the scope of a feasibility study for the Clyde Quay Restoration Plan, including the management and marina upgrade business case. Council has been working in partnership with the Royal Port Nicholson Yacht Club on the development of a long term master plan for Clyde Quay. The plan aims to provide:
 - improved public amenity, and heritage celebration
 - an events and social venue at the harbours edge
 - an upgraded marina
 - a new ocean water sports and 'powered by wind' education centre.
 - *Waterfront projects* – the waterfront company is planning to undertake the following capital works in the coming years:
 - *The Promenade* – improve connection from the Meridian building through to Shed 21 and the railway station.
 - *Wharf pile Maintenance* – complete the third stage of the waterfront-wide pile repair and refurbishment programme
 - *Waitangi Precinct* – the redevelopment of the Overseas Passenger Terminal and public space will be the central activity in this area over the next three years.
 - *Taranaki Street Wharf Precinct* – we are planning to install a diving platform in the cut-out space by the Free Ambulance building in 2012/13.
 - *Frank Kitts Park Precinct* – we will continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden society regarding their fundraising initiatives
 - *Queens Wharf Precinct* – carry out new public space development in 2014/15

- *North Kumutoto* – a design brief will be developed to guide the future of this area (inline with Environment Court’s decision on Variation 11). This anticipates buildings on sites 9 and 10, with site 8 retained as open space. The commercial proceeds from sites 9 and 10 will pay for public space developments.

The three year Waterfront Development Plan is included in the appendices.

Significant negative effects from our activities

Population growth and urban development, if not well managed, can have negative effects on a city’s environment and on social well-being. Left unchecked, growth can result in a reduction of open and green spaces with consequences for recreational opportunities, amenity and even some ecosystems.

Development in the wrong areas, or the wrong types of development, can place strain on infrastructure and reduce people’s ability to access services and enjoy the opportunities the city offers. Poorly-planned growth and poor development and construction of individual buildings can reduce the attractiveness of the city and the ‘sense of place’ that people identify with and it can have a direct impact on people’s safety. As explained above, we aim to avoid or mitigate these negative effects by guiding future development into areas where the benefits are greatest and the negative effects least.

The tools we use include planning, working with landowners, direct investment in development of public spaces, and using our regulatory powers under legislation such as the Building Act and Resource Management Act.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Waterfront development	-	-	100%	100%	-	-	-
Public space and centres developments	-	-	100%	100%	-	-	-
Built heritage development	-	-	100%	100%	-	-	-
Urban planning and policy development	-	-	100%	100%	-	-	-

What it will cost

6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
6.1.1 - Urban planning and policy	(20)	2,388	2,368	-
6.1.2 - Waterfront development	-	2,275	2,275	4,460
6.1.3 - Public spaces and centres development	-	1,229	1,229	2,108
6.1.4 - Built heritage development	-	1,168	1,168	-
2012/13 6.1 Total	(20)	7,060	7,040	6,568
2013/14 6.1 Total	(21)	7,181	7,160	6,583
2014/15 6.1 Total	(21)	6,948	6,927	11,574
2011/12 6.1 Total	(33)	6,018	5,985	6,197

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure our effectiveness at facilitating high quality urban development	Residents (%) who agree the city is developing in a way that takes into account its unique urban character and natural environment	74%	80%	80%	80%	80%
	Percentage of District Plan change appeals resolved and those still outstanding	No historical data	90%	90%	90%	80%
	Residents (%) who agree the central city is lively and attractive	86%	87%	87%	87%	90%
	Residents (%) who agree their local suburban centre is lively and attractive	60%	60%	65%	65%	65%
	Residents (%) who rate their waterfront experience as good or very good	90%	90%	90%	90%	90%
	The proportion of grants funds successfully allocated (through milestones being met)	New measure	95%	95%	95%	95%
To measure our effectiveness at protecting the built heritage of the city	District Plan listed items that are removed or demolished	Nil	Nil	Nil	Nil	Nil
	Residents (%) who agree heritage items are appropriately valued and protected in central city and suburban areas	CC: 69% SA: 61%	CC: 75% SA: 70%	CC: 75% SA: 70%	CC: 75% SA: 70%	CC: 75% SA: 70%

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.

Our activity

- 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.

How these activities contribute to our community outcomes

Our activities contribute to the following community outcomes:

■ People-centred city

They promote the adequacy and safety of our homes and buildings and reduce the risks of injury and damage from earthquakes.

■ Eco-city

They encourage the incorporation of green design features and principles into urban development and promote the preservation and greening of character built landscape rather than destruction and redevelopment

■ Dynamic central city

They contribute to Wellington being a safe and good place to do business through continuously reviewed and informed policy and cost-effective and timely services.

What we'll provide – our level of service

Resource consents

We'll ensure resource consents are considered in a consistent way and to a high standard. This means ensuring developments are in line with the policy goals of the District Plan. These are to contain urban form, with intensification in appropriate areas, concentrate mixed land activities around a vibrant city centre, key suburban centres and major transport corridors. Our aim is to be efficient in the way we process consents.

The work also includes ensuring landowners comply with resource consent conditions. These can include height restrictions and

reducing noise or other nuisances that arise from development and construction work that can impact on neighbours.

As part of our commitment to ensure developments are of a quality that meet the District Plan and can be processed on time, we offer pre-application meetings. Our staff meet with applicants to discuss requirements and the reasons for them. They are designed to facilitate the smooth processing of applications.

Building consents

We regulate building activity in the city to ensure it complies with the Building Act, the Building Code and other requirements. We aim to do this in a way that is solution focused and demonstrates that we are 'here to help'. This work includes approving building consents, inspections, issuing code compliance certificates, running the building warrants of fitness process and investigating building-related complaints.

Our work programme over the next three years is based on expected demands and set at a level to continue existing levels of service taking into account possible changes in legislation.

Our work also includes providing information to raise public awareness of the need for and benefits of the consenting processes. We will ensure that our published material reflects any changes to legislation and provides clear guidance to lead customers through the building consent and inspection processes.

We'll also continue to offer home-buyers and others access to land information memoranda (LIMs) and other property information. LIMs are comprehensive reports containing everything the Council knows about a property or section. Our archives also offer building plan search services online.

Earthquake-prone buildings

We assess earthquake-prone buildings in line with the Building Act and the Council's Earthquake-prone Building Policy. Changes to the Act arising from the 2010 and 2011 Christchurch earthquakes are expected to expand the requirements for strengthening buildings. The expected changes are likely to reflect the significant advances in building techniques in the past few decades. The impact is that a number of existing buildings may now fall short of the standards required for new buildings. This may mean additional buildings will have to be checked and, where necessary, strengthened.

In certain circumstances this will place substantial costs on property owners. We are reviewing our policy to reach a suitable balance between ensuring at-risk buildings are identified and that owners have sufficient time to plan and undertake the strengthening work.

While not required by legislation, we are also looking to increase the level of advice and guidance we provide for residential home owners. There are some potential quake-prone features on residential homes (eg chimneys) that can be relatively quickly and cheaply fixed (by the owner) with significant benefit in terms of safety.

The Council's buildings are also subject to the policy. We have not yet completed assessments of all our buildings, however we know that the Town Hall, Thistle Hall in Upper Cuba Street, Civic Administration Building and the Municipal Office Building in Civic Square, the Opera House, and the Old Stand at the Basin Reserve among others require work ahead of 2020.

Weathertight homes

We will work with home owners to fix their leaky homes through the Financial Assistance Package. The long-term plan has made provision of \$68.3 million over the first 8 years of this plan to go towards settlement costs associated with the repair of leaky homes.

Key projects

- *Preparing for Building Act changes* – we will implement any changes that come out of the amendments to the Building Act that are being considered by Parliament. Changes being considered would see a move towards a risk-based approach to building control with more emphasis placed on licensed building practitioners taking responsibility for the work they carry out. Council officers will have less involvement in building projects for low-risk residential work and large commercial projects involving industry professionals. These changes may mean the Council becomes more involved in enforcement action where licensed building practitioners have failed to meet their responsibilities.
- *Online building consent system* – customers will be able to apply for building consents and make payments online in coming years. Automating these transactions will provide savings and efficiencies for applicants.
- *Improved building inspection processes* – new technology will allow our building inspectors access to records, to capture the result of inspections electronically and notify customers of the result of the inspection. This will reduce administration and improve customer knowledge of the process.
- *Regional consistency in building consents* – we will continue to work alongside other councils to minimise the impact on customers of councils having different requirements and systems.
- *Earthquake Strengthening Council buildings* – We plan to earthquake strengthen Council's portfolio of properties. This programme of activity is to meet legislative requirements and to ensure the safety of structures for users and the general public. Key buildings to be strengthened in the first three years include the Town Hall, the Opera House (initial work), the Band Rotunda and Thistle Hall. The work also includes demolition of a disused toilet block at the rear of Brooklyn Community Centre and the potential demolition of the Museum Stand at the Basin Reserve. Further strengthening of the Municipal Office Building has been deferred until 2015/16. Initial strengthening work of the Council Administration Building will be undertaken in 2012/13. The programme will cost \$35m in capital spending over the next three years and \$14.7m over the following seven years. Further detailed engineering assessments are being undertaken and these will inform the full programme of work in the coming years – see below.
- *Earthquake strengthening assessments programme* – We are planning to continue with our programme of detailed assessments of the city's key earthquake prone assets. Funding is required to manage and coordinate the large volume of strengthening work being undertaken to position Wellington for the future. This will cost \$2.04 million in operational funding over the next three years and \$4.26 million over the following seven years.

- *Earthquake interventions* – we are aiming to develop and implement a strategy to help make the city safer and more resilient in a major earthquake event. To do this we need to better understand the variety of building structures in the city, investigate partnership models that facilitate building owners access to funding for strengthening work, consider how we can take a precinct approach to heritage related buildings and investigate potential new technologies for strengthening (in partnership with Government and other agencies). We've budgeted \$550,000 in 2012/13; \$361,200 in 2013/14, \$372,750 2014/15; \$110,100 in 2015/16 and \$113,900 in 2016/17 to carry out this work.
- *Wellington - It's Our Fault* – we are continuing our funding to the *Wellington: It's Our Fault* project for one more year. This research project is designed to determine the likely impact of a major earthquake on the city and will provide a better understanding on the region's vulnerability to large earthquakes. The project is led by government owned research company GNS Science, in collaboration with a number of public and private sector organisations. We're allocating \$100,000 in 2012/13 for this work.
- We are planning to change how we charge for Resource Management Act checks of Building Consents. Currently there is a fixed fee of \$150.00 for the assessment of a building consent against the District Plan or for compliance with resource consent conditions. We now plan to charge an initial deposit fee of \$150.00 to cover the first hour. Any additional time over the first hour will be charged at a rate of \$150.00 per hour. For applicants who have provided all the necessary and correct information, this should not change how much they will pay.

- We're also increasing some building consent fees – see the appendix for further information.

Significant negative effects from our activities

These activities exist to mitigate and manage risks from development, construction, weathertight homes issues and from earthquakes.

Development and construction, if not well managed, can have negative effects on a city's environment and on social well-being, and on the safety of individuals.

Development in the wrong areas, or the wrong types of development, can place strain on infrastructure and reduce people's ability to access services and enjoy the opportunities the city offers.

Poorly-planned growth, and poor development and construction of individual buildings, can reduce the attractiveness of the city and the 'sense of place' that people identify with and it can have a direct impact on people's safety.

Our quake-prone building assessment programme is focused on ensuring quake-prone buildings are strengthened to required standards to ensure the safety of those that occupy the building and its surrounds.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Earthquake risk mitigation	-	-	100%	100%	-	-	-
Building control	65%	-	35%	35%	-	-	-
Development Control	50%	-	50%	50%	-	-	-
Weathertight homes	-	-	100%	100%	-	-	-

What it will cost

6.2 BUILDING AND DEVELOPMENT CONTROL	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
6.2.1 - Building control and facilitation	(7,660)	11,663	4,003	-
6.2.2 - Development control and facilitation	(3,005)	6,033	3,028	-
6.2.3 - Earthquake risk mitigation - built environment	-	1,022	1,022	2,977
2012/13 6.2 Total	(10,665)	18,718	8,053	2,977
2013/14 6.2 Total	(10,985)	19,320	8,335	17,595
2014/15 6.2 Total	(11,316)	19,645	8,329	14,454
2011/12 6.2 Total	(11,131)	19,017	7,886	491

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the timeliness of our legislative compliance processes and related services	Building consents issued within 20 working days	94%	100%	100%	100%	100%
	Code of Compliance Certificates issued within 20 working days	99%	100%	100%	100%	100%
	Land Information Memorandums (LIMs) issued within 10 working days	100%	100%	100%	100%	100%
	Resource consents (non-notified) issued within 20 working days	100%	100%	100%	100%	100%
	Resource consents that are monitored within 3 months of project commencement	90%	90%	90%	90%	90%
	Subdivision certificates – Section 223 certificates issued within 10 working days	100%	100%	100%	100%	100%
	Noise control (excessive noise) complaints investigated within one hour	98%	90%	90%	90%	90%
	Environmental complaints investigated within 48 hours	98%	98%	98%	98%	98%
To measure the satisfaction of the services we provide	Customers (%) who rate building control services as good or very good	43%	70%	70%	70%	75%
	Customers who rate development control services as good or very good	64%	70%	70%	70%	75%
To measure the standard of the services we provide	Building Consent authority (BCA) accreditation retention (2 yearly)	Retained	To retain	N/A	To retain	N/A
To measure our progress on earthquake risk mitigation	Initial assessments of earthquake-prone buildings completed (% of identified potentially earthquake prone buildings)*	510 assessments	85% (700 assessments completed per year)	100% (700 assessments completed per year)	N/A	N/A
	Earthquake prone building notifications (section 124) (%) that are issued without successful challenge*	100% - 79 notifications issued, none challenged	100%	100%	100%	100%
	Earthquake strengthened Council buildings – programme achievement*	New measure	On target	On target	On target	On target
To measure uptake of the Financial Assistance Package (FAP)	Weather-tight houses – Financial Assistance Package (number of claims accepted and number of remediations claimed)	New measure	No target	No target	No target	No target

* Measure may be subject to changes, following the report from the Royal Commission of Enquiry into the Christchurch Earthquakes.

Urban development – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Residents' perceptions that Wellington is a great place to live, work and play	Live: 94% Work: 75% Play: 90%	Live: 96% Work: 74% Play: 91%
Value of residential and commercial building consents	Commercial: \$307.9M Residential: \$210.8M	Commercial: \$263.8M Residential: \$265.9M
Population – growth and density (central city, growth spine)	Census not updated	Census not updated
Residents' perceptions of the city centre as an easy place to get to, use and enjoy	New measure	
Residents' perceptions of urban design/urban form safety issues (i.e. graffiti, vandalism, poorly lit public spaces, etc)	New measure	
% of city's population who reside in the central city	New measure	
Building density throughout the city	Central Area- 1,904 (7.85 buildings/ha); Inner Residential- 10,652 (34.60 buildings/ha); Outer Residential- 76,699 (21.84 buildings/ha); Suburban Centres- 2,217 (7.37 buildings/ha); Growth Spine- 10,172 (13.93 buildings/ha)	Central Area- 1,884 (7.76 buildings/ha); Inner Residential- 10,633 (34.54 buildings/ha); Outer Residential- 76,818 (21.88 buildings/ha); Suburban Centres- 2,207 (7.34 buildings/ha); Growth Spine- 10,153 (13.90 buildings/ha)
Proportion of houses within 100m of a public transport stop	48%	47%
Identified earthquake-prone buildings that have been strengthened/demolished	4 strengthened	11 strengthened
Residents' perceptions that heritage items contribute to the city and local communities' unique character	80%	77%
New Zealanders' perceptions that Wellington is an attractive destination	82%	75%
Residents sense of pride in the look and feel of the city/central city	86%	91%

TRANSPORT

Waka

“He ihu waka, he ihu whenua”

“A canoe bow, a headland”

(This saying is related to a desire to safely reach a landing place)

Wellington Towards 2040: Smart Capital tells us that as economies become more and more dependent on knowledge and creativity, the cities that are most likely to succeed will be those where it's easy for people to get together – because that is how innovation occurs – as well as those cities with strong connections for moving people and goods.

Wellington already has a well-performing transport network. The inner city is pedestrian-friendly, and by national standards residents are high users of public transport. Rail and road provide connections from the city to other parts of the Wellington region. The port, airport and state highway network provide connections to other cities and regions throughout New Zealand and to other countries for goods and visitors.

We undertake much of our transport work in partnership with others. During the timeframe of this plan, the New Zealand Transport Agency (NZTA) will undertake significant work across our region on the State Highway network. The Agency will also provide funding for much of the work Council undertakes to improve our local network including our efforts to provide walking and cycling infrastructure.

We will also work with the Greater Wellington Regional Council to provide an efficient and attractive public transport system.

In keeping with our priorities, increasing the resilience of our transport infrastructure will be a key focus for investment as we try and ensure our network continues to operate in the case of earthquakes and slips. Another challenge is to ensure people can travel safely around our network. Again in partnership with NZTA, we will invest in safety measures and education programmes to help achieve this goal.

WHAT WE DO IN THIS AREA	7.1 Transport 7.2 Parking
LINKS TO OUR COMMUNITY OUTCOMES	<ul style="list-style-type: none"> ■ Provides a network of accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for business. ■ Reflects a commitment to sustainable, safe and efficient transport choices including, walking and cycling. ■ Parking allows people choosing to travel by car to connect with people and places in the central city for businesses, work or leisure.
WHAT PEOPLE HAVE TOLD US	<ul style="list-style-type: none"> ■ Create a streamlined and integrated public transport system for efficiency and simplicity. ■ People want Wellington to be a more pedestrian and cycling friendly city. ■ Council should lobby central government for resources. ■ Council should coordinate resources together with other Councils. ■ Invest in public transport. ■ Increase the resilience of infrastructure including by investigating regional alternatives. ■ Make the most of green technology and renewable energy. ■ Provide education on reducing emissions.

CHALLENGES WE FACE	<ul style="list-style-type: none"> ■ As the city grows congestion is likely to become a concern, particularly if levels of car ownership increase or remain as they are. ■ We are experiencing increasing numbers of cyclists on our roads and potentially more public transport. Therefore we need to manage and balance the needs of different users of the road corridor. ■ Safety, particularly for cyclists and pedestrians, is a growing issue. ■ Natural hazards can occur at any time with little or no warning. Our challenge is to create a transport network which is resilient to unexpected events.
THREE YEAR FOCUS GIVEN OUR PRIORITIES	<ul style="list-style-type: none"> ■ Align transport infrastructure with areas of growth. ■ Continue to encourage a shift towards public transport and other alternatives to private cars, and provide infrastructure that supports a range of different modes. ■ Manage assets effectively, including a focus on increasing the resilience of the transport network to natural hazards. ■ Work with NZTA to achieve appropriate capacity in the state highway network and ensure that the city transport system functions effectively.

7.1 TRANSPORT

Waka

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

Our activity

- 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. This number includes city residents, workers commuting from neighbouring cities, and visitors to the city. 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 also walk and cycle to work instead of using private cars.

How these activities contribute to our community outcomes

Our transport activities contribute to the following community outcomes:

- **People-centred city**
They provide people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- **Connected city**
They provide a fit-for-purpose transport network and accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- **Eco-city**
They reflect a commitment to sustainable, safe and efficient transport choices including walking and biking.
- **Dynamic central city**
They provide for easy and affordable movement to and around the central city, especially by walking. They link people with places, events and activities and with commerce, business and trade.

What we'll provide – our level of service

We manage the existing transport network to ensure it meets the needs of the city. The transport network consists of 684km of urban and rural roads, 858km footpaths, 26km of cycleways, 67km accessways, 130km handrails, 88 bridges, 5 tunnels, 2566 retaining walls, 638 culverts, 111 traffic signals, 21,860 traffic signs, 1323 bus stops and 17,359 street lights.

Our work to look after the network includes:

- Maintaining and renewing existing roading infrastructure to the required standards. This – over the next three years – will include 191 km of road resurfacing and resealing.
- Managing traffic flow to increase the efficiency of the road network and minimise congestion at busy periods. Our traffic control system includes traffic lights, closed circuit television camera systems and a central traffic control computer system. This system is integrated with the NZ Transport Authority traffic monitoring system.
- Keeping roadside retaining walls structurally sound and remove all graffiti from such walls within 48 hours of notification (offensive material is normally removed within two hours).
- Providing and maintaining bus shelters, bus stops and park and ride areas (commuter car parks alongside bus and train stations leading to the central city).
- Maintaining our footpaths and accessways, steps, subways, bridges, canopies, seats, bollards, and pedestrian malls, all of which require regular attention and eventual renewal. We will maintain them to recognised national standards for the safety and convenience of pedestrians and other users.

- Improving kerb installations at intersections to make crossing easier for the sight-impaired and those in wheelchairs or pushing prams.
- Improving road safety in the city through various programmes. We will use a combination of education, enforcement and traffic calming measures to achieve safety improvements. We will use infrastructure changes such as installation of traffic lights, pedestrian crossings, guardrails, traffic islands and roundabouts to moderate traffic and protect pedestrians. We will encourage use of safe walking routes around schools. Also under this activity, we will provide and maintain street lighting which helps to keep people safe and discourage street crime. We will provide and maintain guardrails and handrails to assist and protect pedestrians.

While the transport network is performing well, in Wellington as in any city, there are challenges. Our roads are near capacity at peak times and building new roads isn't a viable or desirable option, so other ways have to be found to maintain the efficiency of the roading system. Our work in this area includes:

- working to reduce demand by encouraging use of alternative transport modes to the private car such as cycling, walking, and the use of public transport.
- working with the Greater Wellington Regional Council, the Government and other agencies to ensure Wellington's transport needs are taken into account in regional and national transport decisions.
- working to enhance the public transport network through implementing bus priority measures.

- ensuring the transport network is well integrated with the wider regional networks through long-term planning and co-ordination with the Regional Council and central government agencies.
- Planning for improvements to the transport network to ensure it develops in ways that meet future needs. This work includes traffic modelling, identifying factors that affect travel mode choices and any long-term trends that would impact on the mix of roading network services we provide.

Key projects

- *Tunnels and Bridges Improvements* – we will carry out strengthening or rebuilding works for tunnels and bridges throughout the city. Many of these structures are old, with a few over 100 years old. Therefore, they require either strengthening or rebuilding to comply with the current building code, to withstand earthquakes and increased traffic loadings. We're spending \$3.2 million of capital expenditure over the next three years on this work which will be focused on completing the Hataitai Bus Tunnel strengthening work, investigation, design and tender for the Northland Tunnel strengthening (construction to be completed in 2015/16), and undertaking Aotea Quay Bridge strengthening works. We have budgeted to spend another \$9.5m over the following seven years for such projects. This will be funded 54% by NZTA and 46% by all rates payers.

- *Minor Safety Projects* – we want to address black spot crash locations and undertake minor safety projects to reduce crashes at a variety of sites throughout Wellington. The minor safety work programme is aligned to NZTA Safer Journey 2010-2020 criteria that address accident black spots where fatal and serious crashes have occurred. It involves a number of smaller projects, most of which are low cost, but have high benefit for the community. We're spending \$2.7 million of capital upgrade funding over the next three years to carry out this work.
- *Safety Street Lighting* – we're undertaking improvements to street lighting. The focus will be on areas where existing lighting does not comply with the required standards. We'll also be upgrading lighting in public walkways and prioritise high volume pathways and those that lead to public transport stops (eg bus stops and trains stations). We've allocated \$202,532 of capital funding in 2014/15 to carry out this work.
- *Give Way rule* – the new Give Way Rule, came into effect on 25 March 2012, requires modifications to the signal settings and phasings at traffic light controlled intersections. These changes are necessary to ensure that traffic congestion and vehicle queuing for left and right turning traffic are properly managed and mitigated on the transport network. Council will be making some changes prior to 25 March to minimise and mitigate potential high risk locations but will roll-out further changes over a period of 12 months. We're allocating \$250,000 in 2012/13 to carry out this work.

- *Fences & Guardrails* – we’re providing additional funding to build 900 metres of hand rails per year. This is required for health and safety reasons where there is a drop of more than 1 metre. We’re allocating an additional \$100,000 per year to carry out this work.
- *Johnsonville roading improvements* – we’ve allocated funding for roading improvements in Johnsonville starting in 2013/14. We’ve budgeted \$5.7 million of capital funding to carry out the work over the next three years to align with the Johnsonville Shopping Centre Redevelopment.
- *Cycleway improvements* – In 12/13 and 13/14 we will continue implementing the Tawa shared walking/cycling path project. In 12/13 the focus will be connections at the northern end to Kenepuru Station and then onto Porirua. In 13/14 the focus will shift to completing the southern section of the path connecting Redwood Station to Takapu Station. This project has the agreed funding contribution from NZTA.

The Council will take a collaborative leadership role on the Great Harbour Way. In the coming year we’re planning to carry feasibility studies on the southern cycleway and the Greater Harbour walk/cycleway. Each study will cost \$50,000. We have allocated \$7.73 million in capital funding over the next seven years to carry out work to complete these strategic cycleways.

We’re also going to carry out on-going cycle safety improvement works at various parts of the network in order to minimise the risk crashes involving cyclists. We are budgeting \$3.49 million over the next 10 years with agreed NZTA funding contribution.

- *Port and Ferry Access* – we’ve brought funding forward (\$1 million) from 2017/18 to 2012/13 for land acquisition along Aotea Quay to allow for port and ferry access improvements.
- *Bus Shelters* - we have increased funding for new bus shelters to \$1.9 million over the next ten years.
- *Seatoun Wharf Upgrade* – in the coming year we will investigate options to improve the Seatoun Wharf to allow for all weather berthing by the ‘East by West’ commuter ferry. A decision on whether to upgrade the Wharf will be made as part of the 2013/14 Draft Annual Plan process.

Significant negative effects from our activities

With any transport system, the potential negative effects are significant. In particular, there are environmental costs, ranging from air and noise pollution to surface water runoff from roads that may carry contaminants (by-products of tyres, brakes and engines and deposition from exhaust gases) into the stormwater system. This environmental impact is linked to the number of vehicles on the road, however the dominant impact is the surrounding land uses, which direct stormwater run off to the road. There are also potential negative effects from individual projects: for example, construction of any new road has effects on neighbours and neighbourhoods.

Dealing with these effects is complex. Some issues, such as vehicle emission standards, are properly dealt with at a national level. Others, such as air and water quality, are regional issues. Of those issues that can be dealt with at a local level, we seek to reduce the cause of the negative effects where possible.

At present there are few statutory requirements for road controlling authorities to mitigate contaminants in road runoff before it is discharged to the receiving environment.

This Council does monitor the effects of stormwater run off on aquatic receiving environments to ensure that adverse effects are avoided, remedied or mitigated.

Other potentially significant negative effects we must consider include:

- The timing of road works and other improvements. These can impact on local businesses but may also affect growth opportunities. Our transport planning is designed to minimise the impact and focus our work in growth areas.
- Safety. The transport network brings pedestrians, cyclists and vehicles together. This presents hazards to users. We’ve developed road safety programmes and design solutions to reduce the likelihood and severity of accidents.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Transport planning	-	15%	85%	85%	-	-	-
Vehicle network.	-	5%	95%	95%	-	-	-
Passenger transport network	-	65%	35%	35%	-	-	-
Network-wide control and management	15%	15%	70%	70%	-	-	-
Cycle network	-	-	100%	100%	-	-	-
Pedestrian network	-	-	100%	100%	-	-	-
Road safety	-	30%	70%	70%	-	-	-

What it will cost

7.1 TRANSPORT	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
7.1.1 - Transport planning	(96)	567	471	-
7.1.2 - Vehicle network	(1,120)	21,234	20,114	21,135
7.1.3 - Cycle network	(3)	309	306	1,300
7.1.4 - Passenger transport network	(1,040)	1,563	523	100
7.1.5 - Pedestrian network	(38)	6,125	6,087	4,811
7.1.6 - Network-wide control and management	(1,869)	6,232	4,363	2,519
7.1.7 - Road safety	(1,570)	5,673	4,103	2,393
2012/13 7.1 Total	(5,736)	41,703	35,967	32,258
2013/14 7.1 Total	(5,993)	43,275	37,282	30,840
2014/15 7.1 Total	(6,194)	47,707	41,513	37,003
2011/12 7.1 Total	(5,765)	41,804	36,039	37,464

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the efficient movement of people and goods	Residents (%) who agree the transport system allows easy movement around the city – vehicle users and pedestrians	Vehicles: 60%, Ped: 93%	Vehicles: 70% Ped: 95%	Vehicles: 70% Ped: 95%	Vehicles: 70% Ped: 95%	Vehicles: 70% Ped: 95%
	Average peak travel times (am and pm combined) – between CBD and suburbs: Miramar	9.0–19.0 minutes	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
	Average peak travel times (am and pm combined) – between CBD and suburbs: Karori	8.0–20.0 minutes	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
	Average peak travel times (am and pm combined) – between CBD and suburbs: Island Bay	8.0–16.0 minutes	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
	Average peak travel times (am and pm combined) – between CBD and suburbs: Johnsonville	7.0–24.0 minutes	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
To measure the movement towards more sustainable transport options	Mode of transport to access the central city (weekdays) – bus	31%	35%	36%	37%	38%
	Mode of transport to access the central city (weekdays) – train	5%	6%	6%	6%	6%
	Mode of transport to access the central city (weekdays) – walking	26%	20%	22%	24%	25%
	Mode of transport to access the central city (weekdays) – cycling	4%	5%	5%	5%	6%
	Cyclists and pedestrians entering the CBD (weekdays)	Cyclists: 700 Ped: 4470	Increase from previous Year			
	Primary school children who walk to and from school daily	40%	45%	45%	45%	50%
	Cable car passenger numbers	1,056,718	1,073,700	1,084,400	1,095,200	Increasing trend

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the standard of the transport infrastructure and service	Residents condition (%) rating of the network – roads and footpaths (good or very good)	R: 71%; F: 76%	R: 75%; F: 75%			
	Requests for service response rate – urgent (within 2 hours) and non-urgent (within 15 days)	Urgent: 100% Non-urgent: 100%				
	Roads (%) which meet smooth roads standards (smooth roads – measured by Smooth Travel Exposure based on NAASRA counts)	73%	70%	70%	70%	70%
	Footpath (%) condition rating (measured against WCC condition standards)	97%	97%	97%	97%	97%
	Street lighting (%) for major roads (arterial, principal and collector roads) meets national standards	93%	100%	100%	100%	100%
	Residents' satisfaction (%) with street lighting in the central city and suburban areas	Central: 86% Suburbs: 71%	Central: 85% Suburbs: 75%	Central: 85% Suburbs: 75%	Central: 85% Suburbs: 75%	Central: 85% Suburbs: 75%
	User satisfaction (%) with the safety and maintenance of cycleways	Safety: 40% Maintenance: 60%	Safety: 50% Maintenance: 60%	Safety: 50% Maintenance: 60%	Safety: 50% Maintenance: 60%	Safety: 50% Maintenance: 60%
	Residents (%) who agree that WCC transport network services provide good value for money	70%	75%	75%	75%	75%
	Sea wall and retaining wall condition rating – walls (%) rated 3 or better (1 very good, 5 very bad)	92%	90%	90%	90%	90%
	Quarry – legislative compliance		Compliant	Compliant	Compliant	Compliant
To measure progress towards increasing transport safety	Road casualties (per 10,000 population): vehicles	15.2	Maintain or reduce	Maintain or reduce	Maintain or reduce	Maintain or reduce
	Road casualties (per 10,000 population): pedestrians	4	Maintain or reduce	Maintain or reduce	Maintain or reduce	Maintain or reduce
	Road casualties (per 10,000 population): cyclists	3.3	Maintain or reduce	Maintain or reduce	Maintain or reduce	Maintain or reduce

7.2 PARKING

Ratonga tūnga waka

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

Our activity

- Parking

We provide about 10% 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.

How this activity contributes to our community outcomes

Our parking services contribute to the following community outcomes:

- **People-centred city**

Through short term parking they promote convenience for people choosing to travel by car to shop, visit or do business. Through long term parking they provide convenience for people choosing to travel by car for work or extended business or leisure in the city.

- **Connected city**

They allow people choosing to travel by car to connect with people and places in the central city for businesses, work or leisure.

- **Dynamic central city**

By encouraging people to travel into the central city, they enhance its vibrancy and promote retail and other business activity.

What we'll provide – our level of service

We'll continue to provide more than 12,000 on-street parking spaces in the CBD and surrounds. In addition we'll provide off-street parking at Clifton Terrace, the Michael Fowler Centre and beneath Civic Square.

We regulate and enforce parking provision through pay-and-display machines and fees/permits to ensure as many people as possible can access parking spaces, and that the roading network is free of obstructions. The revenue derived from parking fees contributes to maintenance and improvements to the roading network.

On the fringes of the CBD, we'll continue to operate coupon parking zones and resident parking areas to balance the needs of residents, visitors, shoppers and commuters.

Key projects

- We'll implement Smartpark Mark 2, an independent personal parking meter device. The current Smartpark device uses a pre-paid card to pay for parking. The Smartpark Mk 2 device uses a USB cable and the user goes on line to top up the account, using a credit card.
- We'll trial in-ground sensors. Three types are currently available, which would initially be trialled to get data of traffic volumes and time periods of stay in certain areas around the CBD and in the suburbs.

- We'll investigate installing Snapper cards into all pay and display machines as a further alternative option to pay for parking.
- We'll review our parking services, including on street enforcement, back office processing of infringements and permits, and contract management.
- We're introducing four parking zones in the CBD with different fees. They are:

- Zone 1: Lambton – premium parking fees
- Zone 2: Te Aro – daytime and evening parking charges
- Zone 3: Fringe CBD – low parking fee to encourage park and ride/cycle/walk
- Zone 4: All other areas to retain existing fee structure.

The parking fees within these zones is based on the following criteria:

- Increase or introduce fees where the occupancy exceeds 95% for extended periods including weekday evenings
- Reduce fees where the occupancy is less than 20% for extended periods
- Retain existing fees and hours of operations elsewhere
- No changes to the free parking (2 hour time limit) are planned for Saturday and Sunday
- Introduce a minimum fee of \$1
- Allow the use of unexpired payment time and park anywhere in the CBD where the fee is similar or less than paid for.
- Parking fees across the city range from a minimum of \$1.00 (minimum charge) to a maximum of \$4.00 per hour.

Significant negative effects from our activities

The primary significant negative effects we consider under the parking activity are safety congestion and inconvenience to the public. Some driver behaviour when waiting for, entering, or exiting a car park can present a hazard or cause delay and inconvenience to other motorists, cyclists or pedestrians. We've developed road safety programmes and design solutions to reduce the likelihood and severity of accidents. We also ensure safe practices through enforcement by issuing fines to motorists who park illegally. Setting our parking charges and time limits properly can reduce street congestion and maximise the turnover/availability of parking.

How these activities are funded

Activity component	User fees	Other income	Rates	General rate	Residential target	Commercial target	Downtown/ other
Parking	100%	-	-	-	-	-	-

What it will cost

7.2 PARKING	Operating expenditure 2012-2015			Capital expenditure 2012-2015
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
7.2.1 - Parking	(27,664)	12,034	(15,630)	-
2012/13 7.2 Total	(27,664)	12,034	(15,630)	-
2013/14 7.2 Total	(28,634)	12,502	(16,132)	-
2014/15 7.2 Total	(29,496)	13,110	(16,386)	-
2011/12 7.2 Total	(27,541)	12,043	(15,498)	1,316

How we'll measure our performance

Purpose of measure	Measuring our performance	Targets				
		Baseline 2011	2012/13	2013/14	2014/15	2015/16–2022/23
To measure the standard of the provision of parking	On-street car park turn-over rates – weekdays and weekends	Week: 6.7 Weekend: 5.2	Week: 6.8 Weekend: 5.2	Week: 6.8 Weekend: 5.2	Week: 6.8 Weekend: 5.2	Week: 6.8 Weekend: 5.2
	On-street car park average occupancy	76%	75%	75%	75%	75%
	On-street car park compliance – time restrictions and payment	Time: 96% Payment: 91%	Time: 95% Payment: 90%	Time: 95% Payment: 90%	Time: 95% Payment: 90%	Time: 95% Payment: 90%
	Residents' satisfaction with the availability of on-street car parking	Week: 35% Weekend: 49%	Week: 45% Weekend: 60%	Week: 45% Weekend: 60%	Week: 45% Weekend: 60%	Week: 45% Weekend: 60%
	Residents' perceptions (%) that parking enforcement is fair	New measure	Baseline	Increase from previous year	Increase from previous year	Increasing trend

Transport – long-term outcomes we seek for the city

How we'll know we've made a difference

Outcome Indicators	How we are currently performing	
	2009/10	2010/11
Residents' perceptions that peak traffic volumes are acceptable	66%	75%
Total fuel used on Wellington roads (litres)	2,012L/person	1,934L/person
Residents' perceptions that the transport system allows easy access to the city	80%	77%
Mode of transport to access the central city (i.e. car, bus, train, walking, cycling)	Car: 35% Bus: 38% Walking: 16% Train: 4% Cycle: 4%	Car: 29% Bus: 31% Walking: 26% Train: 6% Cycle: 4%
Residents' perceptions of quality and affordability of public transport services	New measure	
Uses of public transport: buses, trains	New measure	
Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter peaks)	Nitrogen: 101.1 max Carbon Monoxide: 2.9 max	Nitrogen: 105.4 max Carbon Monoxide: 3.2 max
Number of road crashes resulting in injury	433	372
Social cost of crashes	\$110M	\$105M
Residents perceptions of transport related safety issues (i.e. issues of most concern)	Traffic/busy roads: 43% Car theft/ vandalism: 53% Poorly lit/dark public areas: 57% Dangerous driving: 58%	Traffic/busy roads: 46% Car theft/ vandalism: 47% Poorly lit/dark public areas: 47% Dangerous driving: 58%



PART THREE
OUR
FINANCES



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FINANCIAL STRATEGY

1.0 INTRODUCTION

The *Local Government Act 2002* requires the Council to adopt a financial strategy that covers every year of the long-term plan.

Our financial strategy is intended to guide the decisions we make now and in the future to ensure they contribute to our Community outcomes and the vision and strategic goals of *Wellington Towards 2040: Smart Capital* so Wellington can continue to grow as a creative, inclusive and vibrant city where people choose to live, work, study and play. The Financial Strategy aids in delivering a financially sustainable city in the long term, one in which its citizens can afford to live in the near future, but also in 50 and 100 years from now

It also will help us consult with you about what we plan to do by making it clear how those plans will affect our services, rates, borrowings and investments.

2.0 CURRENT FINANCIAL SITUATION AND FORECAST

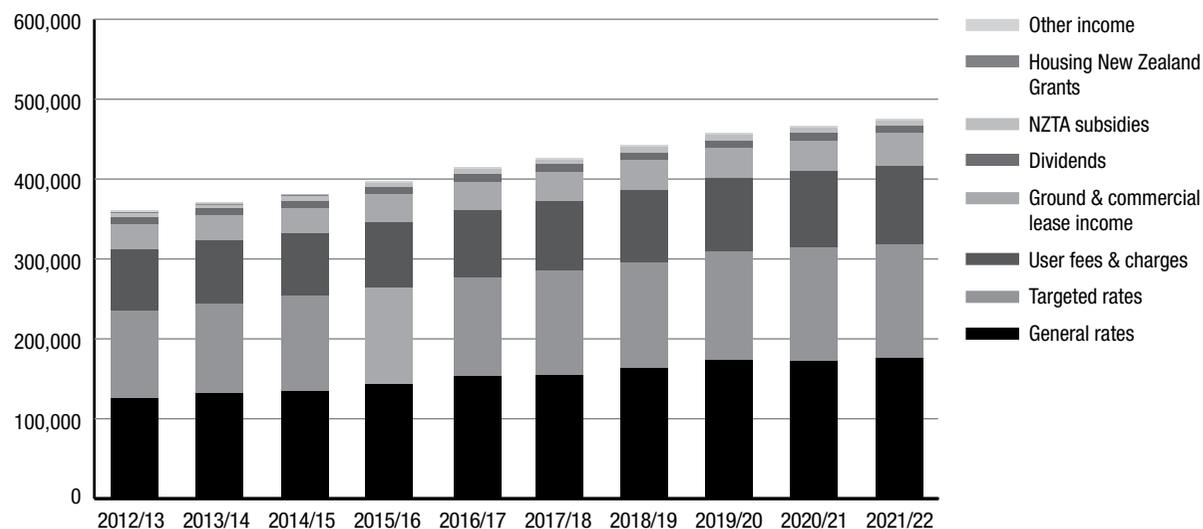
The council is in a strong financial position. At 30 June 2011 we had assets of \$6.7billion and total liabilities of \$472million. While a lot of our assets have a low market value (underground pipes, for example), we maintain a portfolio of investments with a current market value of \$363million, which is around the level of our net borrowings.

In the past, the proceeds from rates increases and borrowings increases as well as asset sales have allowed us to fund significant expenditure on new projects, assets and services.

The next five years, and into the future it will be much more challenging and it is unlikely we will have the same level of funds to spend from these sources.

Over the last 10 years, our expenditure on meeting demand for new capital assets has increased our borrowings. This level of capital expenditure is unsustainable in the long term, especially if it is increasing faster than the growth in our ratepayer base and the growth in our ratepayers' disposable incomes.

Funded operating expenditure and funding sources (\$000) – 2012-22



	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total Funded Operating Expenditure	365,289	375,736	386,376	402,734	419,411	431,793	446,830	463,694	472,797	481,245

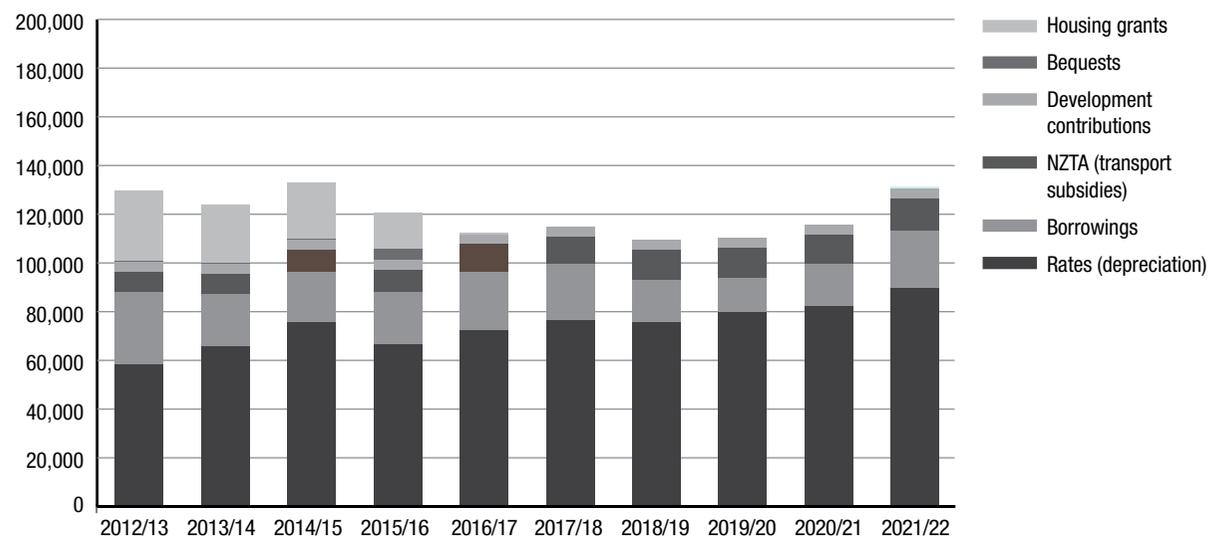
Operational Expenditure

The Council's forecast funded Operational Expenditure of \$4.2 billion (10 yr total) is shown in the graph on the previous page. This level of expenditure shows the cost of continuing with councils programme to prioritise spend based on the *Wellington Towards 2040: Smart Capital*, and also taking into account a number of items, other than inflation, that are impacting on councils budget which are explained in section 4 below. The two most immediate and significant of these pressures is the operational impact of funding for weathertight homes and earthquake strengthening Councils assets to improve Wellington's resilience.

Capital Expenditure

The Council is forecasting a capital expenditure programme of \$1.4bn over the next ten years. The cost of this programme and the funding sources are shown on the graph to the right. This expenditure includes the cost of renewing existing assets that are coming to the end of their useful lives, as indicated by asset management plans. It also includes the cost of improving existing assets and investing in new assets.

Capital expenditure by funding source (\$000) – 2012-22



	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total Forecast Capital Expenditure	136,137	149,477	160,343	145,100	140,761	140,124	133,145	133,536	140,811	159,390
Total Forecast Closing Borrowings	373,668	401,997	428,931	445,220	465,198	479,124	482,752	494,611	504,856	532,355

3.0 GUIDING PRINCIPLES

The following principles guide the councils funding of expenditure. These principles are already embedded in our existing financial and funding policies such as the Revenue and Financing Policy, Investment and Liabilities Management policies, Rates Remission Policy, Rates Postponement Policy and Development Contributions Policy. The Financial Strategy clarifies the meaning of these principles and how they should be applied in decision making and policy:

3.1 Fairness and Equity

Fairness and equity relates primarily to ensuring that the funding of expenditure is fair, both across present ratepayers and to future ratepayers (intergenerational equity).

3.1.1 Ability to pay

Ratepayers ability to pay means they have sufficient income to pay for rates expenditure without unreasonably compromising other expenditure.

Determining affordability requires consideration of a number of factors including:

- The cost of rates relative to income and also relative to wealth (to the extent that wealth can be converted into income)
- The potential for ratepayers to earn greater income as a result of council investment in infrastructure, services and economic development.
- The impact of changes in other household costs, electricity, fuel and food for example.

Where a service is deemed to be essential or very important in terms of contributing to wellbeing, consideration is given to ensuring that people are not excluded from using a service because they cannot afford to pay.

3.1.2 Intergenerational equity

The principle of intergenerational equity is that ratepayers should not be required to pay the costs when they enjoy the associated benefits of a service eg a swimming pool. This is reflected in matching capital repayment to asset lives, which then allows future Councils to more easily fund the replacement of those assets, as it is assumed that the debt principal incurred in the initial purchase has been repaid through the depreciation charge.

3.1.2.1 Balanced Budget

Council maintains the practice that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. This ensures the current ratepayers are paying the right amount of costs for the service they receive and are neither subsidising future ratepayers or transferring current operating costs to future ratepayers.

3.1.2.2 Borrowings funding

Council's debt is used to fund the purchase of assets that Council has agreed, after consultation with the public, will add sufficient value to the city to more than compensate for the expenditure incurred on that asset. Council's financial policies require that new assets are to be funded by debt, with assets being replaced to be funded from depreciation. This is consistent with the intergenerational equity principle.

3.1.2.3 Depreciation funding

The depreciation funding principle is reflected in matching capital repayment to asset lives, which then allows future Councils to more easily fund the replacement of those assets, as it is assumed that the debt principal incurred in the initial purchase has been repaid through the depreciation charge.

3.1.2.4 Asset Management Planning

If depreciation funding is a means of ensuring today's ratepayers meet the cost of their 'consumption' of the asset, then Asset Management Planning and considering the useful lives of assets effectively plans for the period over which the consumption occurs.

This will be crucial over the next 30 years, particularly as key infrastructure assets near the end of their life cycles.

3.1.3 Distribution of benefits

Consideration is given to each activity of the distribution of the benefits (of the activity) over identifiable parts of the community, the whole community or individuals (users). This then informs the consideration of who should pay for the activity. The distribution of benefits is explained in detail in the Revenue and Financing Policy.

3.1.5 Development Contributions

The Development Contributions Policy provides the Council with a method to recover funding for additional infrastructure required for population and workforce growth in the city.

3.1.6 'Polluter' and 'Exacerbater' Pays

'Polluter' pays and 'exacerbater' pays principles can be explained as 'those whose actions or inactions give rise to a need to undertake a particular activity should meet part of the cost of that particular activity'. In other words, those creating a need for a service should pay for the cost of providing it.

3.1.7 Market Neutrality

The impact of Councils funding mechanisms on commercial markets should be neutral where possible, and where appropriate.

3.2 Willingness to pay

Ratepayer concerns often reflect unwillingness rather than inability to pay.

This reflects relative satisfaction with perceived value for money from rates or with council decision making/consultation. Willingness to pay may reflect the real or perceived benefit from rates and may reflect private v public good issues (ratepayers may perceive that they are paying for services that largely benefit others, for example). The following are factors of willingness to pay:

3.2.1 Limits on rates

The limits on rates are the amount of rates income forecast to be collected by Council based on the increase set by the rates increase limit which references the Local Government Cost Index (LGCI) annually. As an indication based on the 10 year forecast of the LGCI, this would equate to:

	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast Rates Limit	240,161	249,671	258,834	268,592	279,121
	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Rates Limit	289,616	300,853	313,459	327,220	341,618

The rates limit includes the forecast for each subsequent year for estimated growth in the ratepayer base.

3.2.2 Limits on rates increases¹

We have set a limit and a target for rates increases to be clear about our intentions.

Limits should not be confused with targets. 'Targets' are a level that is intended to be achieved. 'Limits' are a level that is not intended to be breached

Limits on rate increases:

The limits on rate increases is set as an indexation based on the Local Government Cost Index (LGCI)². The base year is the 2011/12 rates income³.

Target on Rates Increases:

The target for 2012/13 equates to the increase of the local Government Cost index (LGCI). The 2013/14 target is the average of the Local Government Cost Index and the Consumer Price index⁴. From 2014/15 to 2021/22 the target is based on the Consumer Price index (CPI)⁵. It will be set annually with the updated forecast of the relevant indexation for the subsequent year, and will be net of growth in the ratepayer base.

An indication based on the current year on year forecasts for these increases are:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast rates requirement % increase target (rates limit before growth in the ratepayer base)	4.3%	3.4%	2.9%	2.9%	3.0%	3.0%	3.1%	3.1%	3.2%	3.1%
Rates Target – After Growth	3.8%	2.9%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.7%	2.6%
Forecast rates requirement % increase limit (rates limit before growth in the ratepayer base)	4.3%	4.0%	3.7%	3.8%	3.9%	3.8%	3.9%	4.2%	4.4%	4.4%
Rates Limit – After Growth	3.8%	3.5%	3.2%	3.3%	3.4%	3.3%	3.4%	3.7%	3.9%	3.9%
Forecast Rates Limit (\$000)	240,161	249,671	258,834	268,592	279,121	289,616	300,853	313,459	327,220	341,618

¹ The limits will be the amount published as a forecast for the year prior to the striking of the rates.

² Local Government Cost Index as Published by Business and Economic Research Limited (BERL) for the Society of Local Government Managers (SOLGM) and Local Government NZ.

³ It will be set annually with the updated LGCI forecast for the subsequent year, and will be expressed as the impact on the average rates paid so is considered 'net' of forecast growth in the ratepayer base.

⁴ Average of LGCI and CPI, as published by Business and Economic Research Limited (BERL) for SOLGM and Local Government NZ

⁵ As published by Business and Economic Research Limited (BERL) for SOLGM and Local Government NZ

The rates increase limits are based on the forecast rate of inflation applied to the Council's current operational expenditure. These limits are not intended to be breached.

The rates increase limits only apply to average rates increases, and not rates increases for individual properties, as these depend on a number of factors outside the Council's control, like changes in property valuations or remission status changes, for example.

3.3 Value for money

Value for money considers:

- The contribution of a proposal to the community
- The degree of outcome contribution per dollar of cost
- That the total cost is reasonable

It also considers the means chosen to fund the expenditure is the most cost effective. This analysis includes the cost of financing an initiative, market maturity and demand analysis, an assessment of risks, and ensuring market neutrality where appropriate.

3.4 Risk management and assessment

Risk management is important when managing public services and assets and includes consideration of insurance, self insurance reserves and any other provisions and/or reserves (Weather-tight homes provision for example).

Risk assessments consider the likelihood and consequence of risks associated with an expenditure proposal. Following a risk assessment consideration needs to be given to risk mitigation. In a financial context this can include insurance and provisions.

3.5 Good financial governance and stewardship

Good Stewardship of Council's assets and finances requires Council to ensure that its actions now do not compromise the ability of future Councils to fund their needs. Under this principle:

- assets are not rundown for future generations to pay for;
- debt is not used to fund operating expenditure other than specific exceptional circumstances;
- the level of debt is regularly reviewed to ensure it is at a level that is both aligned with Council's assets and rating base, and that it will not restrict a future Council's ability to fund new assets through debt;
- the operational expenditure implications of capital expenditure decisions are considered .

3.5.1. Borrowing limits

We control our borrowing levels by self imposed 'prudential borrowing limits'. These limits are consistent with the liabilities management policy.

There are five measures which are set to control both the cost of borrowings and level of borrowings.

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

Operational borrowing target

The operational borrowing target is that net borrowings (net of cash and housing funding) will be maintained at a level no higher than 105% of our operating income.

This is closely aligned with the Council's independently assessed credit rating. These will help ensure that we are able to maintain a strong externally assessed credit rating

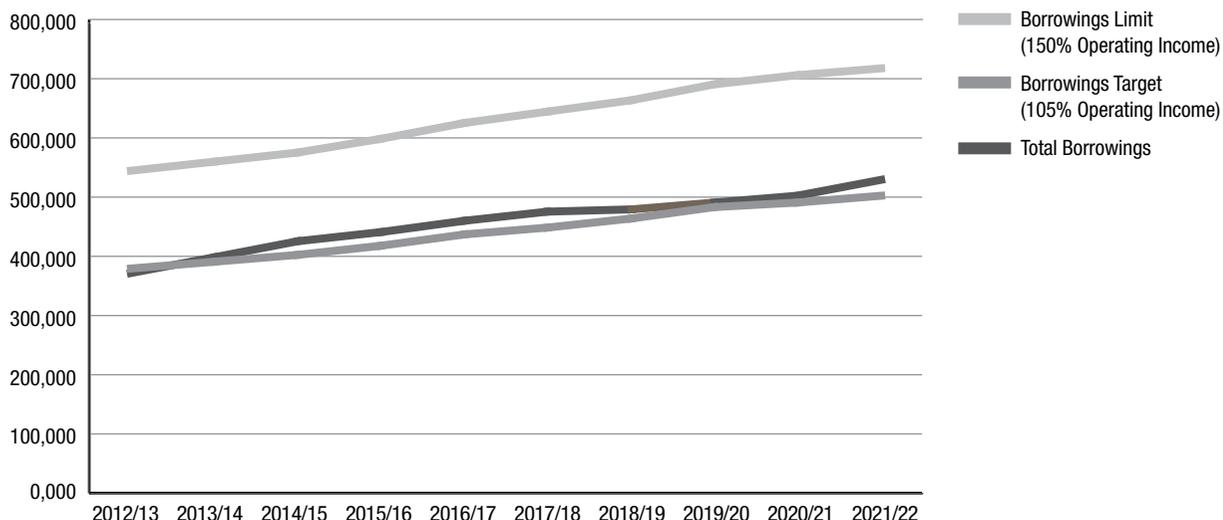
As an indication the operational borrowing limit is shown as a forecast below for the next 10 years.

Capital Investment Limit (funded by borrowings)

A 'new⁶ Borrowings funded Capital Investment target and Limit' will control the cost of new capital expenditure funded by the Council over each three year statutory Long Term Plan period. This also includes loans for the purpose of capital expenditure eg to CCO's.

Target	at or under \$45 million over each three year statutory Long Term Plan period
Limit	\$60 million over each three year statutory Long Term Plan period

Current 10 Year Borrowings (\$000) – 2012-22



Living within this Capital investment limit will require the Council to prioritise its investment decisions.

This limit does not include the level of asset replacements ('renewals') that occur annually when existing assets are at the end of their useful lives.

3.5.2 Security for borrowings

Our borrowings are secured by a debenture trust deed which creates a charge over our rates revenue (something akin to a mortgage security). This security relates to any borrowing and to the performance of any obligation we have that relates to the borrowing.

3.5.3 Investment Management

Council holds and manages a range of investments. These are broadly:

- Cash and Cash Equivalents;
- Income generating debt instruments;
- Income generating equity investments;
- Income generating property investments; and
- Non-income generating investments.

⁶ 'New' refers to a net increase in borrowings, net of any other funding from non income producing asset sales and include new loans

4.0 OPERATING ENVIRONMENT AND FINANCIAL CHALLENGES

3.5.3.1 Objectives

The primary objective of holding and managing investments is to optimise the return on the overall investment portfolio. Investments are also held for the purpose of achieving Council’s strategic objectives and to provide diversity to the Council’s revenue sources.

3.5.3.2 Targets for returns

For those investments held for other than primarily strategic reasons the target return for investment is to achieve an average return on investment over time greater than Council’s long term cost of funds. This is currently forecast to be 6.75% per annum.

The Council’s Investment Policy sets out in greater detail the mix of investments, strategies and other policy considerations.

We are forecasting a challenging operating environment over the next ten years. The following are the key factors expected to have a significant impact on our operating environment and on the management of our finances over the next decade –

- The global debt crisis
- Earthquake strengthening costs and city resilience
- Population and workforce growth, and changes in land use
- Rates affordability and willingness to pay
- Increasing asset ownership and replacement costs
- Weathertight homes liability
- Central government budget reductions, shift of responsibility for services from central to local government and increased regulation.

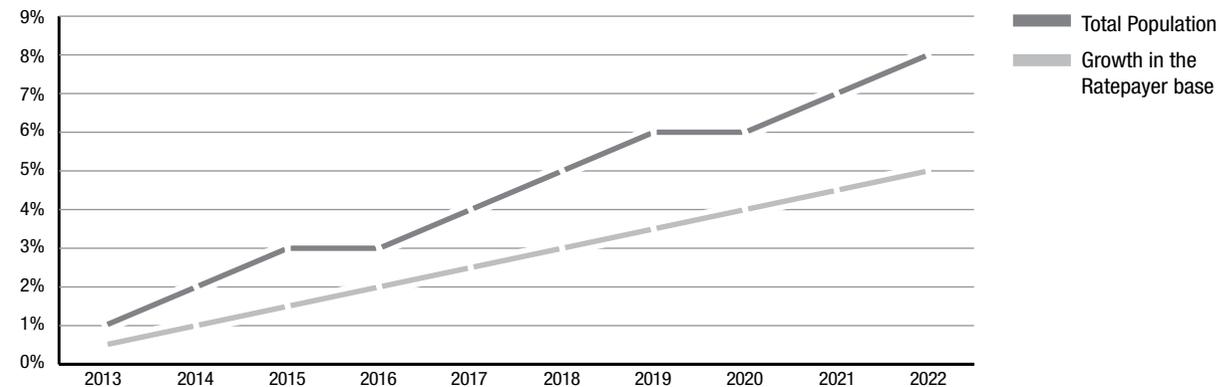
4.1 The global debt crisis

The global debt crisis will continue to impact on the New Zealand economy and will impact directly on the Council’s access to funding and funding costs. Council’s recent support and subsequent investment in the NZ Local Government Funding Agency is a response to this.

4.2 Earthquake strengthening and city resilience costs

The cost of ensuring the Council’s infrastructure is resilient to the impact of natural disasters will also impact on the Council’s cost base in the next ten years. This includes the cost of strengthening Council owned buildings and improving network infrastructure with more resilient materials, and including automatic shut off valves for water reservoirs for example.

Forecast Growth 2012-2022 (refer to section 4.3)



4.3 Population and workforce growth, and changes in land use

The 2012 resident population of Wellington City is estimated to be 200,100⁷. This is forecast to grow at a rate of 0.76% per annum⁸ on average to reach 216,478 in 2022. Refer to graph on previous page – Forecast Growth 2012-2022.

This limited population growth will make continuing economic growth more difficult. However, the Council must deliver projects to ensure there is sufficient capacity in Wellington's network of infrastructure and social and recreational facilities to maintain levels of service to the growing population and related changes in land use. The Northern Growth Management Plan provides for the limited amount of change in land use that is expected to occur over the next 10 years.

The capital costs to provide for these changes are forecast at \$42.8m over the ten years and the expected operating costs are \$15.6m over the same period. Further details are provided in the Funding Impact Statements.

4.4 Rates affordability and willingness to pay

4.4.1 Rates affordability

Current economic conditions have restricted household and commercial incomes, as well as increasing some expenditure items eg fuel, which is putting pressure on budgets across the sectors which impacts rates affordability.

Although a recent ratepayer survey indicated that for most, rates approximating 2.3% of average household income was regarded as affordable, we recognise that household costs are rising and that, for some residents, rates and the fees we charge for the use of some of our facilities are becoming less affordable.

⁷ Statistics New Zealand

⁸ Source Forecast.id

⁹ 2006 Census adjusted for CPI.

¹⁰ Statistics New Zealand

The median annual household income in Wellington is \$76,804⁹. This is 15% higher than the national median at \$64,272. Our aim is to keep rates at a level that does not exceed 3% of average household income. This will ensure that, through rates, our costs do not become a larger part of household expenditure.

Affordability for Wellington's commercial sector is impacted by the economy and profitability of the businesses. The sector is made up of around 24,915 businesses and it employs around 152,930 people. The sector generates around \$46.5 billion a year in total income, which is about 9% of total business income in New Zealand.

Its annual net profit of \$6.138 billion represents 12% of the net profit of the whole New Zealand commercial sector even though Wellington has only 4.5% of the national population¹⁰. Our aim is to keep rates at an affordable level when compared to profitability of the sector.

4.4.2 Ratepayer willingness to pay

Willingness to pay is influenced by ratepayer perceptions of the value they get for the rates they pay and their attitudes towards the Council's decision making and ratepayer consultation. Research shows that there is a reduction in the willingness to pay more for Council services.

Activity area	Activity grouping	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Environment	Wastewater and stormwater	11,722	12,104	13,710	16,657	19,133	23,012	25,178	27,870	28,434	33,534
	Water	11,356	12,166	16,178	22,658	25,904	21,907	24,236	23,952	25,220	27,078
Transport		32,258	30,841	37,002	35,050	38,186	39,508	42,581	43,727	551,713	49,698

4.5 Increasing asset ownership and replacement costs

A significant portion of Council's operating costs are fixed because they relate to the cost of owning assets (eg depreciation, interest and maintenance costs). These costs are locked in for the life of the asset and add a significant amount to the operational costs that need to be funded.

Another factor that is increasingly impacting the operating expenditure is the timing of the replacement of assets. These costs are increasing over the next 10 years and beyond, and relate to the timing of periods of development in the city and the useful lives of the assets.

4.5.1 Capital Expenditure on network infrastructure

The proportion of assets that are at the end of their useful life that need to be replaced is increasing over the next ten years. The table below highlights the forecast expenditure on network infrastructure.

5.0 IMPACT OF OUR STRATEGY ON SERVICES

4.6 Weather-tight Homes Liability

The Council has provided for a significant liability of around \$53.2m to settle claims associated with weather-tight homes issues. The funding of this liability will take place progressively over the next 8 years. This will require Council to increase borrowings in the first instance to meet these costs, with the associated borrowing subsequently being repaid through rate funding.

4.7 Central government budget reductions, shift of responsibility for services from central to local government and increased regulation.

Central Government budget reductions, the continued moving of responsibilities to local government and increasing of standards by the government are also anticipated to have an impact on the Councils expenditure.

Key impacts include¹¹:

- Costs of implementing new legislation.
- Costs of meeting increased environmental standards (one in 50 year flood protection, for example).
- Costs of community programmes where the government has reduced funding and shifted costs for community wellbeing to local government (building regulations standards earthquake strengthening and reduced funding to the creative sector, for example).
- Risk of reduced capital funding for our roading network.

The financial strategy will enable the transition to the strategic outcomes of *Wellington Towards 2040: Smart Capital*, rather than limit change in the city, by guiding the financial impact of the Council's decisions. Decisions requiring significant investment will require prioritisation of services and levels of service in order to maintain the sustainable and affordable levels of rates and borrowings outlined within the strategy.

No significant changes in our services or levels of service are proposed for 2012/13. Where prioritisation decisions require some lower priority services and/or service levels to be reduced, the Council will consult with the public through our Annual Plan process.

Over the next 10 years Council faces significant challenges around funding prioritisation because the costs of earthquake strengthening, leaky homes and insurance are rising at a rate higher than average Council inflation. Council feels that in order to ensure we also deliver on our strategic outcomes and continue to invest in Wellington's future some focused effort needs to take place.

A Financial Sustainability working party with Councillors and staff has been established to develop options that will deliver financial sustainability into the future for Wellington City Council. These options will consider the future role of local government and the following key issues:

- Current service levels and alternatives to reduce, re-phase or discontinue.
- Current assets, their strategic alignment and options for reduction or reconfiguration.

- Alternative governance and management options for services (these include regionalisation initiatives such as shared services, configuration of Council Controlled Organisations and partnership opportunities).
- Future revenue options including looking at the level of user charges received to fund each activity.
- Strategies for debt reduction.
- Developing a balanced investment approach.

In addition to this working party, Council will be focused on ensuring we minimise the effects of prioritisation decisions on our services. Strategies we will use include:

- Every year Council will seek efficiencies and cost reductions.
- Ongoing review and alignment of our future projects to our new Wellington towards 2040 strategic direction.
- Focus on growing Wellington's economy through our economic development strategy and continue to foster a creative educated workforce.
- Optimally managing income from our investments and looking for ways to increase our revenue from other sources.
- Smart asset management and utilisation.

Asset replacement (Renewals)

Another significant consideration during the development of this plan was a review of how the Council plans and budgets to replace assets when they come to the end of their useful life. This is a significant area of expenditure and we looked at several options to reduce it. In submissions on the draft plan, and in the survey responses, people said that we should make the proposed reductions in expenditure and reduce rates as a result.

¹¹ Local Government Rates Inquiry – August 2007

After considering other options to reduce expenditure in this area during the consultation period, the Councillors have decided to reduce rate-funded depreciation by \$4 million per year for the duration of this plan. This means we will not collect this money, and so rates rises will be kept lower.

However, it also means we will have less money to spend on renewing our assets. This increases the risk of assets failing, as it is estimated that around 5% of assets ready for renewal will be kept in active service longer. The Council will manage the impact of this in two ways. Firstly, it will continue to focus expenditure on renewing the most critical assets across all our asset groups. A risk assessment process will be used to make sure that we do renew those assets where failure would result in significant risks to people's safety, major costs or disruption. Secondly, if failures do occur to less critical assets, the Council is committed to responding rapidly to minimise the potential risks.

In parallel to this, the Council will undertake a detailed analysis of its assets to identify those that could be divested, not renewed or modified (to increase their life) in both the short-term and the longer-term. This could be technology assets, equipment or assets that are not essential to the delivery of our services. These will be presented to Councillors, and where appropriate to the public, for a final decision on their future. Depreciation will no longer be rated for on those assets that remain on the schedule. Council may subsequently choose to divest itself of those assets or run them until they fail.

The aim of this strategy is to reduce the impact of asset ownership to the ratepayer

Financial Strategy

A majority of people who completed our submission form, and participated in our long-term plan survey, felt that the proposed rates targets and limits in our Financial Strategy were 'about right'. Both were adopted by the Council as proposed in the draft, along with the other aspects of our Financial Strategy, which you can find in the Finances section of this plan.

The rates limits are set as an indexation based on the Local Government Cost Index (LGCI) and these are currently forecast between 3.3% and 3.9% over the ten years. Currently the forecast rates increases exceed the planned limits by up to 0.6% in years 4 and 5. We acknowledge this temporary breach but have established a number of measures, including the set up of the financial sustainability working party to work towards bringing these increases below the limits by year four. We acknowledge that there may be impacts on service levels in the future to achieve rates at a level below our limits. Our goal is to find more efficient ways to deliver current services, however if there will be any impact on service levels, we will not implement any changes without consultation.

The planned capital expenditure sets projected borrowings at a level within the borrowings limits we set. We are planning to spend \$68.966m, \$80.275m and \$61.198m on improvements to existing assets and new assets in years 1-3, 4-6 and 7-9 respectively. While this is higher than the \$60m goal we set for each of the three year periods, we are committed to significant resilience projects including earthquake strengthening and the constriction of the Prince of Wales Reservoir and believe this is the best decision for the people of Wellington in the Long Term.

The Council is committed to comply with these limits, by making changes during the annual plan process. The Financial Sustainability Working Party will work on achieving compliance with these limits.

FUNDING IMPACT STATEMENT

WHOLE OF COUNCIL

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	124,615	127,147	133,395	136,353	144,763	154,304	157,893	165,923	175,552	174,982	176,284
Targeted rates (other than a targeted rate for water supply)	93,095	99,740	102,343	108,242	110,759	113,522	118,917	122,090	124,999	130,988	133,895
Subsidies and grants for operating purposes	6,323	6,831	6,935	6,873	6,189	6,181	6,389	6,605	6,810	7,066	7,292
Fees, charges, and targeted rates for water supply ¹	107,465	110,101	111,360	112,956	118,797	122,823	125,658	128,768	132,497	135,524	139,124
Interest and dividends from investments	9,308	9,308	9,308	9,308	9,308	9,308	9,308	9,308	9,308	9,308	9,308
Local authorities fuel tax, fines, infringement fees, and other receipts	13,271	12,162	12,396	12,645	12,918	13,273	13,628	14,136	14,528	14,929	15,342
Total operating funding (A)	354,077	365,289	375,737	386,377	402,734	419,411	431,793	446,830	463,694	472,797	481,245
Applications of operating funding											
Payments to staff and suppliers	230,640	235,262	240,510	241,197	247,935	258,278	260,078	270,594	297,141	297,969	305,331
Finance costs	22,195	22,647	22,859	25,096	28,482	30,486	31,911	32,881	33,177	33,519	34,728
Other operating funding applications	28,496	29,568	30,671	30,488	29,325	29,109	29,195	29,284	29,380	29,482	29,581
Total applications of operating funding (B)	281,331	287,477	294,040	296,781	305,742	317,873	321,184	332,759	359,698	360,970	369,640
Surplus (deficit) of operating funding (A - B)	72,746	77,812	81,697	89,596	96,992	101,538	110,609	114,071	103,996	111,827	111,605

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of capital funding											
Subsidies and grants for capital expenditure	58,501	45,765	39,967	39,746	34,726	14,834	14,249	14,690	14,295	14,866	16,184
Development and financial contributions	5,753	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Increase (decrease) in debt	23,439	14,919	25,873	25,109	25,053	28,635	27,758	20,832	17,071	21,334	28,594
Gross proceeds from sales of assets	-	-	9,000	15,075	400	5,400	400	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	87,693	65,684	79,840	84,930	65,179	53,869	47,407	40,522	36,366	41,200	49,778
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	2,589	2,702	1,590	3,957	5,249	4,243	4,127	3,250	3,338	5,263	9,065
▪ to the improve level of service	76,480	54,491	61,255	57,776	50,624	40,964	36,367	30,483	26,143	28,967	34,018
▪ to replace existing assets	74,453	78,944	86,632	98,610	89,227	95,554	99,630	99,412	104,055	106,581	116,307
Increase (decrease) in reserves	6,917	7,359	12,060	14,182	17,071	14,646	17,892	21,448	6,826	12,216	1,993
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	160,439	143,496	161,537	174,526	162,171	155,407	158,016	154,593	140,362	153,027	161,383
Surplus (deficit) of capital funding (C - D)	(72,746)	(77,812)	(81,697)	(89,596)	(96,992)	(101,538)	(110,609)	(114,071)	(103,996)	(111,827)	(111,605)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	86,349	91,703	94,155	101,138	104,933	107,278	113,784	116,475	118,552	126,214	126,441

¹ Included in this figure is the targeted metered water rates. In all other financial and funding statements the metered water rates are included as rates income.

GOVERNANCE

1.1 GOVERNANCE, INFORMATION AND ENGAGEMENT

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	15,362	14,666	15,711	15,449	16,248	17,108	16,832	17,492	18,498	18,508	19,171
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	398	384	694	407	420	759	445	459	829	487	501
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	15,760	15,050	16,405	15,856	16,668	17,867	17,277	17,951	19,327	18,995	19,672
Applications of operating funding											
Payments to staff and suppliers	8,090	7,892	8,772	8,217	8,519	9,504	8,900	9,281	10,353	9,717	10,158
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	7,377	7,034	7,544	7,574	8,093	8,308	8,306	8,601	8,911	9,221	9,468
Other operating funding applications	135	10	10	10	10	10	10	10	10	10	10
Total applications of operating funding (B)	15,602	14,936	16,326	15,801	16,622	17,822	17,216	17,892	19,274	18,948	19,636
Surplus (deficit) of operating funding (A - B)	158	114	79	55	46	45	61	59	53	47	36

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	-	-	-	-	-	-	-	-	-	-	-
▪ to replace existing assets	-	-	110	-	-	122	-	-	134	-	-
Increase (decrease) in reserves	158	114	(31)	55	46	(77)	61	59	(81)	47	36
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	158	114	79	55	46	45	61	59	53	47	36
Surplus (deficit) of capital funding (C - D)	(158)	(114)	(79)	(55)	(46)	(45)	(61)	(59)	(53)	(47)	(36)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	158	114	79	55	46	45	61	59	53	47	36

1.2 MĀORI AND MANA WHENUA PARTNERSHIPS

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	237	237	244	252	261	270	279	288	298	308	319
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	237	237	244	252	261	270	279	288	298	308	319
Applications of operating funding											
Payments to staff and suppliers	235	229	236	243	252	261	270	278	288	298	308
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2	8	8	9	9	9	9	10	10	10	11
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	237	237	244	252	261	270	279	288	298	308	319
Surplus (deficit) of operating funding (A - B)	-	-	-	-	-	-	-	-	-	-	-

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	-	-	-	-	-	-	-	-	-	-	-
▪ to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	-	-	-	-	-	-	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	-	-	-	-	-	-	-	-	-	-	-

ENVIRONMENT

2.1 GARDENS, BEACHES AND GREEN OPEN SPACES

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	27,306	26,648	29,484	28,560	29,961	30,990	31,928	32,898	33,983	35,065	36,302
Targeted rates (other than a targeted rate for water supply)	376	408	418	427	439	450	460	472	484	496	509
Subsidies and grants for operating purposes	512	549	566	583	600	618	636	656	675	696	716
Fees, charges, and targeted rates for water supply ¹	1,174	1,188	1,224	1,261	1,299	1,338	1,377	1,419	1,462	1,506	1,551
Internal charges and overheads recovered	5,101	5,207	5,332	5,457	5,598	5,749	5,879	6,019	6,170	6,342	6,514
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	34,469	34,000	37,024	36,288	37,897	39,145	40,280	41,464	42,774	44,105	45,592
Applications of operating funding											
Payments to staff and suppliers	16,909	16,453	18,432	17,269	17,887	18,552	19,271	19,897	20,576	21,373	22,195
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	13,647	13,444	14,405	14,689	15,653	16,320	16,841	17,481	18,111	18,741	19,472
Other operating funding applications	80	100	100	100	100	100	100	100	100	100	100
Total applications of operating funding (B)	30,636	29,997	32,937	32,058	33,640	34,972	36,212	37,478	38,787	40,214	41,767
Surplus (deficit) of operating funding (A - B)	3,833	4,003	4,087	4,230	4,257	4,173	4,068	3,986	3,987	3,891	3,825

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of capital funding											
Subsidies and grants for capital expenditure	380	250	700	600	380	-	-	-	-	-	-
Development and financial contributions	1,284	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099
Increase (decrease) in debt	(472)	(1,206)	(1,695)	(1,591)	(1,367)	(753)	(564)	(384)	(627)	(484)	4,020
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,192	143	104	108	112	346	535	715	472	615	5,119
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	39	49	52	53	55	91	143	97	100	104	3,912
▪ to the improve level of service	1,153	94	52	55	57	255	392	618	372	511	1,207
▪ to replace existing assets	1,652	2,479	2,280	2,498	1,827	1,364	1,779	1,574	1,489	1,853	1,797
Increase (decrease) in reserves	2,181	1,524	1,807	1,732	2,430	2,809	2,289	2,412	2,498	2,038	2,028
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	5,025	4,146	4,191	4,338	4,369	4,519	4,603	4,701	4,459	4,506	8,944
Surplus (deficit) of capital funding (C - D)	(3,833)	(4,003)	(4,087)	(4,230)	(4,257)	(4,173)	(4,068)	(3,986)	(3,987)	(3,891)	(3,825)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	3,833	4,226	4,313	4,456	4,483	4,399	4,294	4,212	4,213	4,117	4,051

2.2 WASTE REDUCTION AND ENERGY CONSERVATION

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	485	496	1,819	2,108	2,423	3,008	3,319	3,639	4,016	4,419	4,789
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	10,055	11,821	11,200	11,429	11,664	11,906	12,143	12,395	12,654	12,917	13,186
Internal charges and overheads recovered	258	296	303	310	318	327	334	342	351	360	370
Local authorities fuel tax, fines, infringement fees, and other receipts	-	7	7	7	8	8	8	8	9	9	9
Total operating funding (A)	10,798	12,620	13,329	13,854	14,413	15,249	15,804	16,384	17,030	17,705	18,354
Applications of operating funding											
Payments to staff and suppliers	9,028	10,817	11,728	12,180	12,667	13,184	13,705	14,255	14,831	15,452	16,105
Finance costs	807	953	775	871	729	567	532	512	499	488	456
Internal charges and overheads applied	91	(29)	(9)	(15)	19	20	10	14	17	16	7
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,926	11,741	12,494	13,036	13,415	13,771	14,247	14,781	15,347	15,956	16,568
Surplus (deficit) of operating funding (A - B)	872	879	835	818	998	1,478	1,557	1,603	1,683	1,749	1,786

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	941	204	802	-	110	114	117	121	125	129	134
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	941	204	802	-	110	114	117	121	125	129	134
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	941	204	802	-	110	114	117	121	125	129	134
▪ to replace existing assets	-	865	8,486	7,315	1,123	1,698	724	1,642	688	861	3,770
Increase (decrease) in reserves	872	14	(7,651)	(6,497)	(125)	(220)	833	(39)	995	888	(1,984)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,813	1,083	1,637	818	1,108	1,592	1,674	1,724	1,808	1,878	1,920
Surplus (deficit) of capital funding (C - D)	(872)	(879)	(835)	(818)	(998)	(1,478)	(1,557)	(1,603)	(1,683)	(1,749)	(1,786)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	872	879	835	818	998	1,478	1,557	1,603	1,683	1,749	1,786

2.3 WATER

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	24,169	23,536	24,651	26,902	28,186	29,197	31,499	32,470	33,424	35,922	36,968
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	11,850	12,854	12,855	12,856	12,857	12,858	12,859	12,860	12,861	12,863	12,864
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	36,019	36,390	37,506	39,758	41,043	42,055	44,358	45,330	46,285	48,785	49,832
Applications of operating funding											
Payments to staff and suppliers	18,865	19,816	20,560	21,298	22,148	22,931	23,710	24,531	25,381	26,295	27,251
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,239	3,665	3,853	4,260	4,770	5,018	5,171	5,332	5,430	5,534	5,724
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	23,104	23,481	24,413	25,558	26,918	27,949	28,881	29,863	30,811	31,829	32,975
Surplus (deficit) of operating funding (A - B)	12,915	12,909	13,093	14,200	14,125	14,106	15,477	15,467	15,474	16,956	16,857

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	4,973	-	-	-	-	-	-
Development and financial contributions	1,437	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231
Increase (decrease) in debt	895	1,899	973	3,947	3,706	10,420	6,029	6,722	5,566	5,776	6,325
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,332	3,130	2,204	5,178	9,910	11,651	7,260	7,953	6,797	7,007	7,556
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	254	274	399	591	1,346	1,254	604	735	760	835
▪ to the improve level of service	2,332	2,876	1,930	4,779	9,319	10,305	6,006	7,349	6,062	6,247	6,721
▪ to replace existing assets	8,369	8,226	9,962	11,000	12,748	14,253	14,647	16,283	17,155	18,213	19,522
Increase (decrease) in reserves	4,546	4,683	3,131	3,200	1,377	(147)	830	(816)	(1,681)	(1,257)	(2,665)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	15,247	16,039	15,297	19,378	24,035	25,757	22,737	23,420	22,271	23,963	24,413
Surplus (deficit) of capital funding (C - D)	(12,915)	(12,909)	(13,093)	(14,200)	(14,125)	(14,106)	(15,477)	(15,467)	(15,474)	(16,956)	(16,857)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	12,915	13,824	13,701	14,808	14,733	14,714	16,085	16,075	16,082	17,564	17,465

¹ Included in this figure is the targeted metered water rates. In all other financial and funding statements the metered water rates are included as rates income.

2.4 WASTEWATER

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	30,937	33,433	34,667	36,676	37,381	38,347	40,300	41,161	42,148	43,971	44,695
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1,272	1,252	1,289	1,328	1,368	1,410	1,451	1,495	1,540	1,586	1,634
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	32,209	34,685	35,956	38,004	38,749	39,757	41,751	42,656	43,688	45,557	46,329
Applications of operating funding											
Payments to staff and suppliers	14,767	16,863	18,218	19,017	19,164	19,835	20,483	21,081	21,837	22,585	23,343
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	8,731	8,741	8,982	9,378	9,965	10,280	10,640	10,878	11,096	11,330	11,648
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	23,498	25,604	27,200	28,395	29,129	30,115	31,123	31,959	32,933	33,915	34,991
Surplus (deficit) of operating funding (A - B)	8,711	9,081	8,756	9,609	9,620	9,642	10,628	10,697	10,755	11,642	11,338

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,176	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007
Increase (decrease) in debt	(1,017)	(818)	(822)	(797)	(763)	(241)	1,833	2,076	2,203	(354)	(305)
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	159	189	185	210	244	766	2,840	3,083	3,210	653	702
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	4	189	185	210	244	285	368	406	443	416	456
▪ to the improve level of service	155	-	-	-	-	481	2,472	2,677	2,767	237	246
▪ to replace existing assets	7,759	7,363	7,226	8,185	9,510	10,649	11,861	13,152	14,514	15,975	17,525
Increase (decrease) in reserves	952	1,718	1,530	1,424	110	(1,007)	(1,233)	(2,455)	(3,759)	(4,333)	(6,187)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	8,870	9,270	8,941	9,819	9,864	10,408	13,468	13,780	13,965	12,295	12,040
Surplus (deficit) of capital funding (C - D)	(8,711)	(9,081)	(8,756)	(9,609)	(9,620)	(9,642)	(10,628)	(10,697)	(10,755)	(11,642)	(11,338)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	11,944	12,984	12,986	14,156	14,167	14,189	15,524	15,565	15,581	16,421	15,589

2.5 STORMWATER

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	16,972	17,363	17,405	18,757	19,754	20,439	21,584	22,150	22,730	24,009	24,770
Subsidies and grants for operating purposes	36	39	40	42	43	44	45	47	48	50	51
Fees, charges, and targeted rates for water supply ¹	8	9	9	9	10	10	10	10	11	11	11
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	17,016	17,411	17,454	18,808	19,807	20,493	21,639	22,207	22,789	24,070	24,832
Applications of operating funding											
Payments to staff and suppliers	4,761	5,356	5,083	5,223	5,392	5,589	5,746	5,912	6,144	6,332	6,542
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,602	5,573	5,914	6,579	7,429	7,935	8,322	8,744	9,090	9,469	10,027
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	10,363	10,929	10,997	11,802	12,821	13,524	14,068	14,656	15,234	15,801	16,569
Surplus (deficit) of operating funding (A - B)	6,653	6,482	6,457	7,006	6,986	6,969	7,571	7,551	7,555	8,269	8,263

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	189	-	-	-	-	-	-	-	-	-
Development and financial contributions	124	107	107	107	107	107	107	107	107	107	107
Increase (decrease) in debt	236	(35)	(7)	8	950	1,071	1,193	1,135	1,798	2,887	5,774
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	360	261	100	115	1,057	1,178	1,300	1,242	1,905	2,994	5,881
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	9	95	100	115	154	174	188	203	233	274	360
▪ to the improve level of service	351	166	-	-	903	1,004	1,112	1,039	1,672	2,720	5,521
▪ to replace existing assets	3,315	3,532	3,912	4,498	5,119	5,788	6,234	6,898	7,410	7,953	8,537
Increase (decrease) in reserves	3,338	2,950	2,545	2,508	1,867	1,181	1,337	653	145	316	(274)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	7,013	6,743	6,557	7,121	8,043	8,147	8,871	8,793	9,460	11,263	14,144
Surplus (deficit) of capital funding (C - D)	(6,653)	(6,482)	(6,457)	(7,006)	(6,986)	(6,969)	(7,571)	(7,551)	(7,555)	(8,269)	(8,263)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	6,653	6,482	6,457	7,006	6,986	6,969	7,571	7,551	7,555	8,269	8,263

2.6 CONSERVATION ATTRACTIONS

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	4,907	5,378	5,751	5,839	5,181	5,200	5,264	5,279	5,297	5,323	5,085
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,907	5,378	5,751	5,839	5,181	5,200	5,264	5,279	5,297	5,323	5,085
Applications of operating funding											
Payments to staff and suppliers	96	122	132	145	149	154	158	162	167	174	179
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,075	1,031	1,040	1,064	1,115	1,128	1,178	1,187	1,191	1,196	944
Other operating funding applications	2,839	3,164	3,499	3,499	2,799	2,799	2,799	2,799	2,799	2,799	2,799
Total applications of operating funding (B)	4,010	4,317	4,671	4,708	4,063	4,081	4,135	4,148	4,157	4,169	3,922
Surplus (deficit) of operating funding (A - B)	897	1,061	1,080	1,131	1,118	1,119	1,129	1,131	1,140	1,154	1,163

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	1,072	155	412	133	134	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	3,217	467	1,239	400	406	-	-	-	-	-	-
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,289	622	1,651	533	540	-	-	-	-	-	-
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	4,289	622	1,651	533	540	-	-	-	-	-	-
▪ to replace existing assets	242	172	241	279	267	230	237	244	251	259	267
Increase (decrease) in reserves	655	889	839	852	851	889	892	887	889	895	896
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	5,186	1,683	2,731	1,664	1,658	1,119	1,129	1,131	1,140	1,154	1,163
Surplus (deficit) of capital funding (C - D)	(897)	(1,061)	(1,080)	(1,131)	(1,118)	(1,119)	(1,129)	(1,131)	(1,140)	(1,154)	(1,163)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	897	1,061	1,080	1,131	1,118	1,119	1,129	1,131	1,140	1,154	1,163

ECONOMIC DEVELOPMENT

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	5,233	5,032	5,175	4,997	5,134	5,193	5,078	5,394	5,399	5,540	5,455
Targeted rates (other than a targeted rate for water supply)	11,450	14,572	14,630	14,804	14,131	13,813	13,831	14,155	14,252	14,457	14,505
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	248	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	16,931	19,604	19,805	19,801	19,265	19,006	18,909	19,549	19,651	19,997	19,960
Applications of operating funding											
Payments to staff and suppliers	5,712	5,755	5,844	5,639	6,274	6,350	6,243	6,846	6,934	7,172	7,422
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2,275	2,428	2,545	2,638	2,812	2,910	2,966	3,063	3,155	3,254	3,015
Other operating funding applications	7,236	9,178	9,077	9,160	8,290	7,840	7,840	7,840	7,840	7,840	7,840
Total applications of operating funding (B)	15,223	17,361	17,466	17,437	17,376	17,100	17,049	17,749	17,929	18,266	18,277
Surplus (deficit) of operating funding (A - B)	1,708	2,243	2,339	2,364	1,889	1,906	1,860	1,800	1,722	1,731	1,683

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding		-									
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	4,011	-	-	-	-	-	-	-	-	-
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	4,011	-								
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	-	4,011	-	-	-	-	-	-	-	-	-
▪ to replace existing assets	2,201	1,483	864	1,186	1,827	796	1,008	287	834	832	859
Increase (decrease) in reserves	(493)	760	1,475	1,178	62	1,110	852	1,513	888	899	824
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,708	6,254	2,339	2,364	1,889	1,906	1,860	1,800	1,722	1,731	1,683
Surplus (deficit) of capital funding (C - D)	(1,708)	(2,243)	(2,339)	(2,364)	(1,889)	(1,906)	(1,860)	(1,800)	(1,722)	(1,731)	(1,683)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	1,708	2,243	2,339	2,364	1,889	1,906	1,860	1,800	1,722	1,731	1,683

CULTURAL WELL-BEING

4.1 ARTS AND CULTURE ACTIVITIES

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	10,834	11,716	12,567	12,778	12,914	13,169	13,254	13,372	13,482	13,577	13,712
Targeted rates (other than a targeted rate for water supply)	4,950	5,135	5,121	5,095	5,000	5,011	5,015	5,049	5,047	5,022	5,049
Subsidies and grants for operating purposes	419	420	430	443	457	470	484	499	514	529	545
Fees, charges, and targeted rates for water supply ¹	623	626	645	664	684	705	725	747	770	793	817
Internal charges and overheads recovered	147	162	166	170	174	179	183	188	192	198	203
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	16,973	18,059	18,929	19,150	19,229	19,534	19,661	19,855	20,005	20,119	20,326
Applications of operating funding											
Payments to staff and suppliers	2,939	3,256	3,254	3,359	3,354	3,465	3,568	3,684	3,797	3,923	4,058
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,690	1,760	1,830	1,847	1,934	1,974	2,000	2,047	2,097	2,150	2,194
Other operating funding applications	11,509	12,177	12,981	13,139	13,298	13,457	13,469	13,480	13,493	13,506	13,518
Total applications of operating funding (B)	16,138	17,193	18,065	18,345	18,586	18,896	19,037	19,211	19,387	19,579	19,770
Surplus (deficit) of operating funding (A - B)	835	866	864	805	643	638	624	644	618	540	556

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	43	40	25	25	25	25	32	134	25	25	25
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	43	40	25	25	25	25	32	134	25	25	25
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	43	40	25	25	25	25	32	134	25	25	25
▪ to replace existing assets	-	-	1	2	3	3	6	29	6	8	9
Increase (decrease) in reserves	835	866	863	803	640	635	618	615	612	532	547
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	878	906	889	830	668	663	656	778	643	565	581
Surplus (deficit) of capital funding (C - D)	(835)	(866)	(864)	(805)	(643)	(638)	(624)	(644)	(618)	(540)	(556)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	835	866	864	805	643	638	624	644	618	540	556

SOCIAL AND RECREATION

5.1 RECREATION PROMOTION AND SUPPORT

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	23,494	23,011	24,507	24,478	25,970	26,748	26,870	27,403	27,527	28,049	28,965
Targeted rates (other than a targeted rate for water supply)	657	850	863	883	940	969	985	1,063	1,076	1,062	1,118
Subsidies and grants for operating purposes	222	396	397	120	127	128	130	127	129	136	138
Fees, charges, and targeted rates for water supply ¹	10,803	11,490	11,713	12,267	12,716	13,224	13,671	13,931	14,423	14,844	15,368
Internal charges and overheads recovered	989	1,025	1,049	1,074	1,102	1,131	1,157	1,185	1,214	1,248	1,282
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	36,165	36,772	38,529	38,822	40,855	42,200	42,813	43,709	44,369	45,339	46,871
Applications of operating funding											
Payments to staff and suppliers	16,557	16,484	17,459	17,418	18,205	19,087	19,571	20,126	20,547	21,369	22,187
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	13,108	13,063	13,509	13,738	14,435	14,822	15,191	15,594	15,906	16,207	16,478
Other operating funding applications	225	400	400	400	400	400	400	400	400	400	400
Total applications of operating funding (B)	29,890	29,947	31,368	31,556	33,040	34,309	35,162	36,120	36,853	37,976	39,065
Surplus (deficit) of operating funding (A - B)	6,275	6,825	7,161	7,266	7,815	7,891	7,651	7,589	7,516	7,363	7,806

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	659	466	466	466	466	466	466	466	466	466	466
Increase (decrease) in debt	3,957	3,563	1,935	1,757	373	2,410	772	241	94	96	100
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,616	4,029	2,401	2,223	839	2,876	1,238	707	560	562	566
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	1,706	1,502	871	908	184	919	167	144	47	48	50
▪ to the improve level of service	2,910	2,061	1,064	849	189	1,491	605	97	47	48	50
▪ to replace existing assets	5,147	3,227	2,853	2,851	3,104	4,244	2,396	2,685	2,610	2,876	3,085
Increase (decrease) in reserves	1,128	4,064	4,774	4,881	5,177	4,113	5,721	5,370	5,372	4,953	5,187
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	10,891	10,854	9,562	9,489	8,654	10,767	8,889	8,296	8,076	7,925	8,372
Surplus (deficit) of capital funding (C - D)	(6,275)	(6,825)	(7,161)	(7,266)	(7,815)	(7,891)	(7,651)	(7,589)	(7,516)	(7,363)	(7,806)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	6,275	6,913	7,250	7,355	7,904	7,980	7,740	7,678	7,605	7,452	7,895

5.2 COMMUNITY SUPPORT

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	24,654	21,744	22,424	22,978	24,733	25,602	26,158	27,479	28,411	29,868	30,061
Targeted rates (other than a targeted rate for water supply)	4,337	4,410	4,555	4,665	4,895	5,263	5,210	5,537	5,805	6,016	6,248
Subsidies and grants for operating purposes	902	1,124	1,050	1,082	196	3	2	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	19,192	18,650	18,688	18,937	22,331	23,505	24,214	24,923	25,655	26,407	27,183
Internal charges and overheads recovered	987	1,222	1,259	1,289	1,208	1,160	1,186	552	566	582	598
Local authorities fuel tax, fines, infringement fees, and other receipts	991	1,029	964	904	857	883	909	1,069	1,101	1,134	1,168
Total operating funding (A)	51,063	48,179	48,940	49,855	54,220	56,416	57,679	59,560	61,538	64,007	65,258
Applications of operating funding											
Payments to staff and suppliers	24,374	25,034	25,603	26,315	26,950	27,455	27,735	29,264	30,142	31,286	33,130
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	10,921	11,049	11,031	10,824	11,277	11,486	11,150	11,665	11,476	11,363	11,388
Other operating funding applications	5,050	3,524	3,588	3,162	3,236	3,309	3,382	3,457	3,538	3,624	3,709
Total applications of operating funding (B)	40,345	39,607	40,222	40,301	41,463	42,250	42,267	44,386	45,156	46,273	48,227
Surplus (deficit) of operating funding (A - B)	10,718	8,572	8,718	9,554	12,757	14,166	15,412	15,174	16,382	17,734	17,031

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of capital funding											
Subsidies and grants for capital expenditure	42,702	34,600	28,448	27,705	17,568	971	490	(93)	(93)	21	697
Development and financial contributions	-	88	88	88	88	88	88	88	88	88	88
Increase (decrease) in debt	267	(88)	(88)	(89)	1,162	7,118	11,139	4,315	995	(76)	(16)
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	42,969	34,600	28,448	27,704	18,818	8,177	11,717	4,310	990	33	769
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	157	949	1,392	-	-	-	-
▪ to the improve level of service	43,023	34,293	28,416	27,730	17,706	12,129	11,777	5,698	2,289	1,254	2,272
▪ to replace existing assets	5,222	5,311	7,447	7,909	7,342	5,218	9,538	6,886	9,322	6,906	7,280
Increase (decrease) in reserves	5,442	3,568	1,303	1,619	6,370	4,047	4,422	6,900	5,761	9,607	8,248
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	53,687	43,172	37,166	37,258	31,575	22,343	27,129	19,484	17,372	17,767	17,800
Surplus (deficit) of capital funding (C - D)	(10,718)	(8,572)	(8,718)	(9,554)	(12,757)	(14,166)	(15,412)	(15,174)	(16,382)	(17,734)	(17,031)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	10,484	11,480	12,086	13,174	14,638	15,298	15,494	15,968	16,439	17,227	17,531

5.3 PUBLIC HEALTH AND SAFETY

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	9,130	8,409	8,848	9,023	9,471	9,766	10,035	10,460	10,841	11,217	11,629
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	10	10	10	11	11	11	12	12	12	13	13
Fees, charges, and targeted rates for water supply ¹	3,134	3,287	3,385	3,487	3,593	3,701	3,809	3,925	4,043	4,164	4,289
Internal charges and overheads recovered	646	666	682	698	716	736	752	770	789	811	833
Local authorities fuel tax, fines, infringement fees, and other receipts	74	57	59	61	63	65	67	69	71	73	75
Total operating funding (A)	12,994	12,429	12,984	13,280	13,854	14,279	14,675	15,236	15,756	16,278	16,839
Applications of operating funding											
Payments to staff and suppliers	7,923	7,364	7,688	7,877	8,106	8,388	8,751	9,017	9,321	9,603	9,942
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,420	4,388	4,629	4,703	5,007	5,147	5,185	5,355	5,531	5,727	5,866
Other operating funding applications	17	25	25	26	27	28	28	29	30	31	32
Total applications of operating funding (B)	12,360	11,777	12,342	12,606	13,140	13,563	13,964	14,401	14,882	15,361	15,840
Surplus (deficit) of operating funding (A - B)	634	652	642	674	714	716	711	835	874	917	999

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	424	-	450	-	-	-	-	-
Development and financial contributions	5	15	15	15	15	15	15	15	15	15	15
Increase (decrease) in debt	573	33	135	(232)	89	(314)	241	35	164	148	950
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	578	48	150	207	104	151	256	50	179	163	965
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	19	9	33	25	15	24	29	21	25	26	322
▪ to the improve level of service	559	39	117	182	89	127	227	29	154	137	643
▪ to replace existing assets	381	633	1,074	728	791	1,293	1,599	1,312	1,228	1,286	1,203
Increase (decrease) in reserves	253	19	(432)	(54)	(77)	(577)	(888)	(477)	(354)	(369)	(204)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,212	700	792	881	818	867	967	885	1,053	1,080	1,964
Surplus (deficit) of capital funding (C - D)	(634)	(652)	(642)	(674)	(714)	(716)	(711)	(835)	(874)	(917)	(999)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	634	658	648	680	720	722	717	841	880	923	1,005

URBAN DEVELOPMENT

6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	5,985	7,040	7,159	6,927	6,860	7,267	7,500	7,905	8,267	8,638	9,014
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	33	20	21	21	22	23	23	24	25	25	26
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	6,018	7,060	7,180	6,948	6,882	7,290	7,523	7,929	8,292	8,663	9,040
Applications of operating funding											
Payments to staff and suppliers	1,518	1,895	1,950	2,005	2,069	2,132	2,076	2,139	2,203	2,273	2,347
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,095	3,709	3,774	3,487	3,686	4,031	4,320	4,663	4,962	5,263	5,567
Other operating funding applications	1,405	1,455	1,455	1,455	1,126	1,126	1,126	1,126	1,126	1,126	1,126
Total applications of operating funding (B)	6,018	7,059	7,179	6,947	6,881	7,289	7,522	7,928	8,291	8,662	9,040
Surplus (deficit) of operating funding (A - B)	-	1	-								

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	6,197	1,208	3,668	638	5,389	-	-	-	-	-	-
Gross proceeds from sales of assets	-	-	9,000	15,075	400	5,400	400	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	6,197	1,208	12,668	15,713	5,789	5,400	400	-	-	-	-
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	3,299	-	-	-	-	-	-
▪ to the improve level of service	6,197	1,208	3,668	638	2,090	-	-	-	-	-	-
▪ to replace existing assets	-	5,360	2,915	10,936	6,021	6,307	3,538	1,605	1,487	1,576	1,667
Increase (decrease) in reserves	-	(5,359)	6,086	4,140	(5,620)	(906)	(3,137)	(1,604)	(1,486)	(1,575)	(1,667)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	6,197	1,209	12,669	15,714	5,790	5,401	401	1	1	1	-
Surplus (deficit) of capital funding (C - D)	-	(1)	-								
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	-	1	-								

6.2 BUILDING AND DEVELOPMENT CONTROL

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,886	8,053	8,335	8,329	8,695	8,866	8,872	9,132	9,417	9,766	9,981
Targeted rates (other than a targeted rate or water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	11,111	10,611	10,929	11,258	11,597	11,947	12,298	12,669	13,051	13,444	13,847
Internal charges and overheads recovered	-	90	92	94	97	99	102	104	107	110	113
Local authorities fuel tax, fines, infringement fees, and other receipts	20	55	56	58	60	61	63	65	67	69	71
Total operating funding (A)	19,017	18,809	19,412	19,739	20,449	20,973	21,335	21,970	22,642	23,389	24,012
Applications of operating funding											
Payments to staff and suppliers	11,017	10,733	10,791	11,062	11,199	11,514	11,799	12,102	12,425	12,787	13,153
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	7,988	8,005	8,556	8,616	9,205	9,417	9,493	9,825	10,173	10,556	10,812
Other operating funding applications	-	35	36	37	39	40	41	43	44	46	47
Total applications of operating funding (B)	19,005	18,773	19,383	19,715	20,443	20,971	21,333	21,970	22,642	23,389	24,012
Surplus (deficit) of operating funding (A - B)	12	36	29	24	6	2	2	-	-	-	-

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	491	2,977	17,595	14,454	10,142	3,163	1,368	(2)	(2)	(3)	(3)
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	491	2,977	17,595	14,454	10,142	3,163	1,368	(2)	(2)	(3)	(3)
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	491	2,977	17,595	14,454	10,142	3,163	1,368	(2)	(2)	(3)	(3)
▪ to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	12	36	29	24	6	2	2	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	503	3,013	17,624	14,478	10,148	3,165	1,370	(2)	(2)	(3)	(3)
Surplus (deficit) of capital funding (C - D)	(12)	(36)	(29)	(24)	(6)	(2)	(2)	-	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	12	36	29	24	6	2	2	-	-	-	-

TRANSPORT

7.1 TRANSPORT

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	26,766	27,666	28,534	32,565	35,046	36,169	39,891	41,305	42,879	46,913	48,415
Targeted rates (other than a targeted rate for water supply)	-	33	33	33	33	33	33	33	33	33	33
Subsidies and grants for operating purposes	4,002	4,166	4,315	4,465	4,628	4,780	4,953	5,137	5,305	5,515	5,702
Fees, charges, and targeted rates for water supply ¹	1,888	2,057	2,181	2,246	2,314	2,384	2,454	2,528	2,604	2,682	2,763
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	32,656	33,922	35,063	39,309	42,021	43,366	47,331	49,003	50,821	55,143	56,913
Applications of operating funding											
Payments to staff and suppliers	11,220	11,526	12,070	13,165	13,723	13,915	14,406	15,022	15,628	16,406	17,114
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	10,330	10,086	10,646	11,603	12,945	13,655	14,129	14,693	15,133	15,618	16,316
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	21,550	21,612	22,716	24,768	26,668	27,570	28,535	29,715	30,761	32,024	33,430
Surplus (deficit) of operating funding (A - B)	11,106	12,310	12,347	14,541	15,353	15,796	18,796	19,288	20,060	23,119	23,483

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	14,347	10,101	10,407	10,884	11,671	13,413	13,759	14,783	14,388	14,845	15,487
Development and financial contributions	1,068	987	987	987	987	987	987	987	987	987	987
Increase (decrease) in debt	7,814	3,134	2,113	6,589	3,430	4,014	3,944	4,739	4,983	11,406	9,741
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	23,229	14,222	13,507	18,460	16,088	18,414	18,690	20,509	20,358	27,238	26,215
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	812	604	75	2,247	550	455	586	1,775	1,755	3,635	3,130
▪ to the improve level of service	13,739	5,900	5,935	8,531	8,053	10,262	10,605	11,023	10,885	15,878	15,353
▪ to replace existing assets	22,914	25,754	24,831	26,224	26,447	28,099	28,317	30,053	31,087	32,200	33,362
Increase (decrease) in reserves	(3,130)	(5,726)	(4,987)	(4,001)	(3,609)	(4,606)	(2,022)	(3,054)	(3,309)	(1,356)	(2,147)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	34,335	26,532	25,854	33,001	31,441	34,210	37,486	39,797	40,418	50,357	49,698
Surplus (deficit) of capital funding (C - D)	(11,106)	(12,310)	(12,347)	(14,541)	(15,353)	(15,796)	(18,796)	(19,288)	(20,060)	(23,119)	(23,483)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	20,710	20,093	20,560	22,939	23,552	24,207	27,008	27,711	28,490	31,591	31,926

7.2 PARKING SERVICES

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	(15,498)	(16,785)	(16,588)	(16,842)	(17,040)	(17,352)	(17,671)	(17,921)	(18,041)	(18,152)	(18,286)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	17,408	17,814	18,488	19,044	19,619	20,211	20,803	21,432	22,078	22,742	23,424
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10,133	9,850	10,146	10,451	10,766	11,092	11,417	11,761	12,116	12,480	12,855
Total operating funding (A)	12,043	10,879	12,046	12,653	13,345	13,951	14,549	15,272	16,153	17,070	17,993
Applications of operating funding											
Payments to staff and suppliers	10,785	11,075	11,472	12,048	12,734	13,353	14,050	14,794	15,579	16,430	17,336
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	581	586	617	626	662	676	685	698	723	745	762
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	11,366	11,661	12,089	12,674	13,396	14,029	14,735	15,492	16,302	17,175	18,098
Surplus (deficit) of operating funding (A - B)	677	(782)	(43)	(21)	(51)	(78)	(186)	(220)	(149)	(105)	(105)

¹ Included in this figure is the metered water rates.

	Annual Plan 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	297	-	-	-	-	169	177	183	189	182	201
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	297	-	-	-	-	169	177	183	189	182	201
Applications of capital funding											
<i>Capital expenditure</i>											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to the improve level of service	297	-	-	-	-	169	177	183	189	182	201
▪ to replace existing assets	1,020	-	-	-	-	-	200	941	64	-	1,260
Increase (decrease) in reserves	(343)	(782)	(43)	(21)	(51)	(78)	(386)	(1,161)	(213)	(105)	(1,365)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	974	(782)	(43)	(21)	(51)	91	(9)	(37)	40	77	96
Surplus (deficit) of capital funding (C - D)	(677)	782	43	21	51	78	186	220	149	105	105
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/ amortisation charge	677	373	413	435	405	378	270	236	307	351	351

FUNDING IMPACT STATEMENT – OPERATING EXPENDITURE

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
365,461	Total project expenditure	379,180	388,194	397,922	410,676	425,153	434,968	449,236	478,251	487,185	496,082
2,221	Weathertight Homes funding	3,331	4,996	6,662	8,327	9,992	11,658	13,323	400	-	-
500	Self-insurance	750	750	750	750	750	750	750	750	750	750
368,182	Total operating expenditure	383,261	393,940	405,334	419,753	435,895	447,376	463,309	479,401	487,935	496,832
234	Add back City housing ring-fenced surplus	(2,761)	(3,220)	(3,472)	(1,732)	(985)	66	(647)	91	655	(352)
	Less expenditure not funded under section 100 of LGA:										
(9,605)	NZTA Transport funded projects	(7,665)	(7,438)	(7,623)	(7,424)	(7,636)	(7,437)	(7,648)	(7,655)	(7,697)	(7,668)
-	General	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
(3,029)	Clearwater sewerage treatment plant	(3,325)	(3,325)	(3,624)	(3,624)	(3,624)	(3,956)	(3,956)	(3,920)	(3,864)	(3,354)
(204)	Decommissioned Living Earth joint venture plant	(221)	(221)	(239)	(239)	(239)	(256)	(228)	(223)	(232)	(213)
355,578	Total operating expenditure to be funded	365,289	375,736	386,376	402,734	419,411	431,793	446,830	463,694	472,797	481,245
	Funded by:										
124,568	General rates	127,147	133,395	136,353	144,762	154,304	157,892	165,923	175,552	174,984	176,285

FUNDING IMPACT STATEMENT – OPERATING EXPENDITURE (CONTINUED)

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Targeted rates:										
30,936	Sewerage rates (including trade waste)	33,433	34,667	36,677	37,382	38,348	40,300	41,161	42,148	43,971	44,695
35,988	Water rate	36,358	37,473	39,725	41,008	42,020	44,321	45,292	46,246	48,745	49,790
16,972	Stormwater rate	17,363	17,405	18,757	19,754	20,439	21,584	22,150	22,730	24,009	24,770
6,109	Base (residential) sector targeted rate	6,566	6,743	6,891	7,201	7,619	7,604	8,033	8,337	8,559	8,873
4,386	Commercial sector targeted rate	5,131	4,662	4,821	5,042	4,682	4,768	4,864	4,964	5,067	5,178
11,276	Downtown levy	13,664	14,168	14,147	13,148	13,189	13,116	13,365	13,349	13,410	13,363
33	Tawa driveways levy	33	33	33	33	33	33	33	33	33	33
14	Marsden Village levy	14	14	14	14	14	14	14	14	14	14
105,714	Total targeted rates	112,562	115,165	121,065	123,582	126,344	131,740	134,912	137,821	143,808	146,716
230,282	Total rates to fund operating expenditure	239,709	248,560	257,418	268,344	280,648	289,632	300,835	313,373	318,792	323,001
75,321	User charges	77,120	78,315	79,610	82,275	85,387	87,775	90,577	93,861	96,439	99,567
	Other income										
31,519	Ground and commercial leases	31,213	31,424	31,710	35,179	36,463	37,283	38,109	38,961	39,837	40,740
9,298	Dividends	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298
4,548	Transfund subsidies	4,751	4,917	5,085	5,267	5,438	5,630	5,835	6,024	6,255	6,465
798	Housing grants	1,024	1,050	1,082	196	3	2	-	-	-	-
1,300	Petrol tax	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164
1,012	Miscellaneous	1,010	1,008	1,009	1,011	1,010	1,009	1,012	1,013	1,012	1,010
1,500	Prior year surplus	-	-	-	-	-	-	-	-	-	-
355,578	Total funding for operating expenditure	365,289	375,736	386,376	402,734	419,411	431,793	446,830	463,694	472,797	481,245

FUNDING IMPACT STATEMENT – BORROWING

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
323,985	Opening Gross Borrowings – total	334,406	373,668	401,997	428,931	445,220	465,198	479,124	482,752	494,611	504,856
	New borrowings to fund capital expenditure and loans to other organisations										
	- Housing capital expenditure										
23,439	- Other capital expenditure	14,919	25,873	25,109	25,053	28,635	27,758	20,832	17,071	21,334	28,594
28,000	- Carry forward capital expenditure	20,000									
51,439	Total	34,919	25,873	25,109	25,053	28,635	27,758	20,832	17,071	21,334	28,594
	Other movements to borrowings:										
0	Asset proceeds	0	(9,000)	(15,075)	(400)	(5,400)	(400)	0	0	0	0
(234)	Ring-fenced housing surpluses - opex	2,761	3,220	3,472	1,732	985	(66)	647	(91)	(655)	352
(3,273)	Ring-fenced housing surpluses - capex	(4,351)	(2,923)	(5,471)	(5,423)	(2,082)	(1,433)	(5,545)	(5,613)	(5,657)	(5,883)
0	Depreciation fund										
(500)	Self insurance fund contribution	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
0	Leaky homes	7,621	8,772	8,593	(769)	(4,754)	(8,348)	(9,832)	462	378	146
1,500	Use of prior year surplus										
(4,409)	Depreciation reserve movement	(1,223)	2,853	10,772	(3,436)	3,060	(3,119)	(2,008)	493	(4,691)	4,755
498	Other movements	285	284	284	282	284	284	284	287	286	285
369,006	Closing Gross Borrowing	373,668	401,997	428,931	445,220	465,198	479,124	482,752	494,611	504,856	532,355

FUNDING IMPACT STATEMENT – CAPITAL EXPENDITURE AND LOANS TO OTHER ORGANISATIONS

Annual Plan		Forecast									
2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
74,453	Renewal capital expenditure	78,944	86,632	98,610	89,227	95,554	99,630	99,412	104,055	106,581	116,307
79,067	Upgrade capital expenditure	57,193	62,845	61,733	55,873	45,207	40,494	33,733	29,481	34,230	43,083
28,000	Capital expenditure carried forward from 2010/11	-	0	0	0	0	0	0	0	0	0
-	Capital expenditure carried forward from 2011/12	20,000	0	0	0	0	0	0	0	0	0
181,520	Total capital expenditure to be funded	156,137	149,477	160,343	145,100	140,761	140,124	133,145	133,536	140,811	159,390
-	Loans to other organisations	-	-	-	-	-	-	-	-	-	-
181,520	Total capital expenditure and loans to be funded	156,137	149,477	160,343	145,100	140,761	140,124	133,145	133,536	140,811	159,390
	Funded by:										
65,773	Depreciation	70,453	78,637	90,462	80,321	87,391	91,665	91,235	95,871	98,390	108,109
54	Use of housing surplus	0	0	26	0	4,901	1,452	1,388	1,299	1,221	1,503
14,347	NZTA transport subsidies	10,289	10,407	10,884	11,671	13,413	13,759	14,783	14,388	14,845	15,487
42,702	Housing grants	34,600	28,448	27,705	17,568	971	490	(93)	(93)	21	697
5,753	Development contributions	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
1,452	Bequests & grants	876	1,112	1,157	5,487	450	0	0	0	0	0
51,439	Borrowings	34,919	25,873	25,109	25,053	28,635	27,758	20,832	17,071	21,334	28,594
181,520	Total funding for capital expenditure and loans to other organisations	156,137	149,477	160,343	145,100	140,761	140,124	133,145	133,536	140,811	159,390

FUNDING IMPACT STATEMENT (HOUSING) – OPERATING EXPENDITURE

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Operating Statement										
11,992	Total project expenditure	13,603	13,426	13,271	13,438	13,238	12,726	13,375	13,231	13,280	14,377
6,247	Depreciation	7,331	8,097	8,800	9,358	9,748	9,873	10,597	10,687	10,776	11,411
18,239	Total operating expenditure	20,934	21,523	22,071	22,796	22,986	22,599	23,972	23,918	24,056	25,788
	Funded by:										
17,675	User charges (rental income)	17,149	17,253	17,517	20,868	21,998	22,663	23,325	24,009	24,711	25,436
	Other income										
798	Housing grants	1,024	1,050	1,082	196	3	2	0	0	0	0
18,473	Total funding for operating expenditure	18,173	18,303	18,599	21,064	22,001	22,665	23,325	24,009	24,711	25,436
234	Ringfenced Operating funding surplus	(2,761)	(3,220)	(3,472)	(1,732)	(985)	66	(647)	91	655	(352)

This information is incorporated into and forms part of the Funding Impact Statement - Operating Expenditure

FUNDING IMPACT STATEMENT (HOUSING) – CAPITAL EXPENDITURE

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
2,920	Renewal capital expenditure	3,287	5,206	3,303	4,890	2,765	6,988	3,664	3,775	3,898	4,025
42,756	Upgrade capital expenditure	34,293	28,416	27,731	16,613	5,872	1,942	1,295	1,206	1,242	2,200
45,676	Total capital expenditure and loans to be funded	37,580	33,622	31,034	21,503	8,637	8,930	4,959	4,981	5,140	6,225
	Funded by:										
6,247	Depreciation	7,331	8,097	8,800	9,358	9,748	9,873	10,597	10,687	10,776	11,411
42,702	Housing grants	34,600	28,448	27,705	17,568	971	490	(93)	(93)	21	697
48,949	Total funding for capital expenditure and loans to other organisations	41,931	36,545	36,505	26,926	10,719	10,363	10,504	10,594	10,797	12,108
3,273	Ringfenced Capital funding surplus	4,351	2,923	5,471	5,423	2,082	1,433	5,545	5,613	5,657	5,883

FUNDING IMPACT STATEMENT (HOUSING) – BORROWING/INVESTMENTS

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
2,009	Opening Gross Borrowings/ Investments - total	(1,498)	(3,088)	(2,791)	(4,790)	(8,481)	(9,578)	(11,077)	(15,975)	(21,679)	(27,991)
(234)	Ring-fenced housing operating surplus	2,761	3,220	3,472	1,732	985	(66)	647	(91)	(655)	352
(3,273)	Ring-fenced housing capital funding surplus	(4,351)	(2,923)	(5,471)	(5,423)	(2,082)	(1,433)	(5,545)	(5,613)	(5,657)	(5,883)
(1,498)	Closing Gross Borrowings/Investments	(3,088)	(2,791)	(4,790)	(8,481)	(9,578)	(11,077)	(15,975)	(21,679)	(27,991)	(33,522)

This information is incorporated into and forms part of the Funding Impact Statement - Borrowings

2012/13 – RATES FUNDING STATEMENT (EXCLUDING GST)

Rate	Factor	Differentiation	Total Value of Factor	Rate/charge	Rates yield GST Exclusive
General Rate	Capital Value	Base differential use	\$35,659,692,000	¢0.191985	\$68,461,260
	Capital Value	Commercial, industrial & business use	\$10,947,401,000	¢0.536072	\$58,685,951
	Total				\$127,147,211
Sewerage Rate	Fixed charge	Base differential use / connection status	66039 properties	\$100.00	\$6,603,900
	Capital Value	Base differential use / connection status	\$37,792,096,000	¢0.036550	\$13,813,011
	Capital Value	Commercial, industrial and business use / connection status	\$9,534,942,000	¢0.136508	\$13,015,959
	Total				\$33,432,870
Water rate	Fixed charge	Base differential use/connection status (without water meter)	59040 properties	\$127.25	\$7,512,840
	Capital Value	Base differential use/connection status (without water meter)	\$30,980,961,000	¢0.044579	\$13,811,003
	Consumption unit charge	Base differential use/connection status (water meter)	n/a	\$1.730 / m ³	\$418,382
	Fixed charge	Base differential use/connection status (water meter)	n/a	\$103.50	\$72,243
	Capital Value	Commercial, industrial and business use /connection status(without water meter)	\$761,547,000	¢0.290461	\$2,211,997
	Consumption unit charge	Commercial, industrial and business use /connection status (water meter)	n/a	\$1.730 / m ³	\$12,025,162
	Fixed charge	Commercial, industrial and business use /connection status (water meter)	n/a	\$103.50	\$306,153
Total					\$36,357,780
Stormwater rate	Capital Value	Base differential use (excluding rural)	\$35,170,173,000	¢0.038260	\$13,456,108
	Capital Value	Commercial, industrial and business use (excluding rural)	9,902,511,000	¢0.039455	\$3,907,036
	Total				\$17,363,144

2012/13 – RATES FUNDING STATEMENT (EXCLUDING GST) (CONTINUED)

Rate	Factor	Differentiation	Total Value of Factor	Rate/charge	Rates yield GST Exclusive
Base sector targeted rate	Capital Value	Residential use	\$35,659,692,000	¢0.018413	\$6,566,019
Commercial sector targeted rate	Capital Value	Commercial, industrial & business use	\$10,947,401,000	¢0.046870	\$5,131,047
Downtown levy	Capital Value	Commercial, industrial & business use / central city location	\$7,703,157,000	¢0.177382	\$13,664,014
Tawa driveways levy	Fixed charge	Shared residential access driveways in the suburb of Tawa and maintained by the Council	251 properties	\$133.33	\$33,467
Marsden Village levy	Capital Value	Commercial, industrial & business use located in Marsden shopping village	\$11,549,000	¢0.121538	\$14,036
Total rates requirement (excluding GST)					239,709,588

RATING MECHANISMS

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 2009. This revaluation remains effective for the 2012/13 rating year, except where subsequent maintenance valuations have been required under valuation rules or Council's rating policies. City wide revaluations are performed every three years. The next city-wide revaluation will be carried out as at 1 September 2012 and will be effective for the 2013/14 rating year and the two consecutive rating years (subject again to subsequent maintenance valuations).

Our Revenue and Financing Policy details the policy objectives in relation to setting our rates.

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 are used principally to 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 Council, but excluding any rating unit that is zoned rural industrial
- 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.

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.

Annual uniform general charge

The Council does not assess a Uniform Annual General Charge.

Differential rating category conditions

- In accordance with our Revenue and Financing Policy, the Council will modify the differential apportionment so that the commercial, industrial and business sector pay 2.8 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential.
- 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.

Sewerage rate

A targeted sewerage rate is to be apportioned 60 percent: 40 percent 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 of \$100 (+ GST) and a rate per dollar of capital value on all rating units connect 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 fixed water meter charge of \$1.73 0(+ GST) per cubic meter of water used by all rating units connected to the public water supply with a water meter installed, plus an administrative charge of \$103.50 (+ GST) per annum

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 fixed water meter charge of \$1.730 (+ GST) per cubic meter of water used by all rating units connected to the public water supply with a water meter installed, plus an administrative charge of \$103.50 (+ GST) per annum

Or

- b) A fixed amount of \$127.25 (+ GST) per rating unit and 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 operative 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 activities:

- 100% of the cost of the events attraction and support activity.
- 50% of the destination Wellington activity

This rate is levied 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% of the facilitation of community environmental initiatives, cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 95% of the provision of community centres and halls activities.

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

Downtown levy

This rate pays for tourism promotion (PWT) and 99% of the retail support (free weekend parking). It also pays for 70% of the visitor attractions activity, 50% of the Destination Wellington activity, 40% of the Convention Venues activity and 25% of galleries and museums (WMT) activity.

The rate is levied 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 following Downtown Levy Area map:

Downtown Levy Area Map



Tawa driveways levy

- This rate pays for the maintenance of a specified group of residential access driveways in the suburb of Tawa, overseen by the Council. This rate is levied on a specific group of rating units in the former Tawa Borough at a fixed amount of \$133.33 (+ GST) per annum.

Marsden village levy

This rate pays for 1% of the retail support activity (which specifically relates to a rolling programme of improvements at the Marsden Village in Karori). This rate is collected by the Council on behalf of the Marsden Village Association on all commercial, industrial and business properties in the Marsden shopping village and is calculated on a rate per dollar of capital value.

Rates remission and postponement policies

Refer to the Council Rates Remission and Postponement Policies.

Indicative Rates

The following table shows the indicative residential and commercial property rates exclusive of GST for a selection of billing categories.

Indicative Rates

Indicative residential property rates exclusive of GST (for properties without a water meter)		Indicative suburban commercial property rates exclusive of GST (for properties without a water meter)		Indicative downtown commercial property rates exclusive of GST (for properties without a water meter)		Indicative Marsden village commercial property rates exclusive of GST (for properties without a water meter)	
Capital Values \$	2012/13 Total Rates \$	Capital Values \$	2012/13 Total Rates \$	Capital Values \$	2012/13 Total Rates \$	Capital Values \$	2012/13 Total Rates \$
200,000	887	250,000	2,623	250,000	3,067	200,000	2,342
300,000	1,217	500,000	5,247	500,000	6,134	300,000	3,513
400,000	1,546	750,000	7,870	750,000	9,201	400,000	4,684
500,000	1,876	1,000,000	10,494	1,000,000	12,267	500,000	5,855
600,000	2,206	1,250,000	13,117	1,250,000	15,334	600,000	7,025
700,000	2,536	1,500,000	15,740	1,500,000	18,401	700,000	8,196
800,000	2,866	1,750,000	18,364	1,750,000	21,468	800,000	9,367
900,000	3,195	2,000,000	20,987	2,000,000	24,535	900,000	10,538
1,000,000	3,525	2,250,000	23,611	2,250,000	27,602	1,000,000	11,709
1,100,000	3,855	2,500,000	26,234	2,500,000	30,669	1,100,000	12,880
1,200,000	4,185	2,750,000	28,858	2,750,000	33,736	1,200,000	14,051
1,300,000	4,514	3,000,000	31,481	3,000,000	36,802	1,300,000	15,222
1,400,000	4,844	3,250,000	34,104	3,250,000	39,869	1,400,000	16,393
1,500,000	5,174	3,500,000	36,728	3,500,000	42,936	1,500,000	17,564
1,600,000	5,504	3,750,000	39,351	3,750,000	46,003	1,600,000	18,734
1,700,000	5,834	4,000,000	41,975	4,000,000	49,070	1,700,000	19,905
1,800,000	6,163	4,250,000	44,598	4,250,000	52,137	1,800,000	21,076
1,900,000	6,493	4,500,000	47,221	4,500,000	55,204	1,900,000	22,247
2,000,000	6,823	4,750,000	49,845	4,750,000	58,271	2,000,000	23,418
		5,000,000	52,468	5,000,000	61,337		

FORECAST FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE FINANCIAL PERFORMANCE

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Income										
196,789	Revenue from rates	226,603	235,268	244,025	255,522	267,826	276,810	288,013	300,551	305,970	310,179
33,493	Revenue from water rates	12,822	12,822	12,822	12,822	12,822	12,822	12,822	12,822	12,822	12,822
2,686	Revenue from development contributions	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
56,272	Revenue from grants and subsidies	52,596	46,903	46,618	40,914	21,016	20,639	21,295	21,105	21,931	23,477
108,982	Revenue from operating activities	99,395	101,022	103,031	107,423	112,421	115,592	119,210	123,330	126,764	130,777
18,417	Revenue from investments	18,464	18,516	18,455	19,603	18,987	19,007	19,006	19,005	19,002	19,001
511	Finance income	562	562	562	562	562	562	562	562	562	562
1,680	Other income	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164
418,830	Total income	416,606	421,257	431,677	443,010	439,798	451,596	467,072	483,539	493,215	502,982
	Expense										
22,195	Finance expense	22,647	22,859	25,096	28,482	30,486	31,911	32,881	33,177	33,519	34,728
259,139	Expenditure on operating activities	264,830	271,180	271,688	277,261	287,389	289,273	299,880	326,519	327,452	334,913
86,348	Depreciation and amortisation	91,703	94,155	101,138	104,933	107,278	113,784	116,475	118,552	126,214	126,441
367,682	Total expense	379,180	388,194	397,922	410,676	425,153	434,968	449,236	478,248	487,185	496,082
51,148	Total operating surplus	37,426	33,061	33,756	32,337	14,646	16,626	17,838	5,291	6,031	6,900
-	Income tax expense	-	-	-	-	-	-	-	-	-	-
51,148	Net surplus for the year	37,426	33,061	33,756	32,337	14,646	16,626	17,838	5,291	6,031	6,900
	Other comprehensive income										
45,500	Revaluations - fair value movement on property, plant and equipment - net	-	277,020	76,419	-	293,035	100,633	-	356,666	120,056	-
-	Fair value through other comprehensive income	(432)	-	-	-	-	-	-	-	-	-
45,500	Total other comprehensive income	(432)	277,020	76,419	-	293,035	100,633	-	356,666	120,056	-
96,648	Total comprehensive income for the year	36,994	310,081	110,175	32,337	307,681	117,259	17,838	361,957	126,087	6,900

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Annual Plan 2011/12 \$000	Assets	Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Current assets										
2,349	Cash and cash equivalents	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641
		-	-	-	-	-	-	-	-	-	-
42,674	Trade and other receivables	38,090	38,090	38,090	38,090	38,090	38,090	38,090	38,090	38,090	38,090
3,874	Prepayments	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869
837	Inventories	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
		-	-	-	-	-	-	-	-	-	-
49,734	Total current assets	64,734									
	Non-current assets										
1,460	Derivative financial assets	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
7,070	Other financial assets	6,814	7,366	7,918	8,470	9,022	9,574	10,126	10,678	11,230	11,782
11,144	Intangibles	8,350	10,552	13,036	12,931	14,236	16,470	18,152	21,222	19,658	19,607
213,127	Investment properties	203,742	203,742	203,742	203,742	203,742	203,742	203,742	203,742	203,742	203,742
6,395,878	Property, plant & equipment	6,533,338	6,859,507	6,985,012	7,029,317	7,353,151	7,479,994	7,498,917	7,869,243	8,006,982	8,041,363
6,509	Investment in subsidiaries	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809
19,556	Investment in associates	19,519	19,519	19,519	19,519	19,519	19,519	19,519	19,519	19,519	19,519
6,654,744	Total non-current assets	6,776,847	7,105,770	7,234,311	7,279,063	7,604,754	7,734,383	7,755,540	8,129,488	8,266,215	8,301,097
6,704,478	Total assets	6,841,581	7,170,504	7,299,045	7,343,797	7,669,488	7,799,117	7,820,274	8,194,222	8,330,949	8,365,831

PROSPECTIVE STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

Annual Plan 2011/12 \$000	Liabilities	Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Current liabilities										
377	Derivative financial liabilities	26	26	26	26	26	26	26	26	26	26
49,720	Trade and other payables	60,435	60,435	60,435	60,435	60,435	60,435	60,435	60,435	60,435	60,435
8,876	Revenue in advance	10,320	10,320	10,320	10,320	10,320	10,320	10,320	10,320	10,320	10,320
100,105	Borrowings	92,067	92,067	92,067	92,067	92,067	92,067	92,067	92,067	92,067	92,067
6,464	Employee benefit liabilities	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694
10,184	Provision for other liabilities	11,708	11,708	11,708	9,603	6,951	4,746	3,808	3,324	3,113	3,023
175,726	Total current liabilities	180,250	180,250	180,250	178,145	175,493	173,288	172,350	171,866	171,655	171,565
	Non-current liabilities										
5,923	Derivative financial liabilities	10,062	10,062	10,062	10,062	10,062	10,062	10,062	10,062	10,062	10,062
268,901	Borrowings	281,601	309,929	336,864	353,153	373,131	387,057	390,685	402,544	412,789	440,288
1,614	Employee benefit liabilities	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
20,677	Provision for other liabilities	38,651	29,165	20,596	18,827	19,511	20,160	20,789	21,405	22,011	22,584
297,115	Total non-current liabilities	331,914	350,756	369,122	383,642	404,304	418,879	423,136	435,611	446,462	474,534
472,841	Total liabilities	512,164	531,006	549,372	561,787	579,797	592,167	595,486	607,477	618,117	646,099
	Equity										
5,055,739	Accumulated funds and retained earnings	4,907,650	4,940,735	4,974,489	5,006,823	5,021,482	5,038,105	5,055,943	5,061,231	5,067,275	5,074,174
1,163,115	Revaluation reserves	1,414,606	1,691,626	1,768,045	1,768,045	2,061,080	2,161,713	2,161,713	2,518,379	2,638,435	2,638,435
(4,465)	Hedging reserve	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)
-	Fair value through other comprehensive income reserve	316	316	316	316	316	316	316	316	316	316
17,248	Restricted funds	16,018	15,994	15,996	15,999	15,986	15,989	15,989	15,992	15,979	15,980
6,231,637	Total equity	6,329,417	6,639,498	6,749,673	6,782,010	7,089,691	7,206,950	7,224,788	7,586,745	7,712,832	7,719,732
6,704,478	Total Equity And Liabilities	6,841,581	7,170,504	7,299,045	7,343,796	7,669,488	7,799,117	7,820,274	8,194,222	8,330,949	8,365,831

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Annual Plan 2011/12 \$000	Equity	Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Opening balances										
5,004,591	Accumulated funds and retained earnings	4,870,224	4,907,650	4,940,735	4,974,489	5,006,823	5,021,482	5,038,105	5,055,943	5,061,231	5,067,275
1,117,615	Revaluation reserves	1,414,606	1,414,606	1,691,626	1,768,045	1,768,045	2,061,080	2,161,713	2,161,713	2,518,379	2,638,435
(4,465)	Hedging reserve	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)
0	Fair value through other comprehensive income reserve	748	316	316	316	316	316	316	316	316	316
17,248	Restricted funds	16,018	16,018	15,994	15,996	15,999	15,986	15,989	15,989	15,992	15,979
6,134,989	Total equity – opening balance	6,292,423	6,329,417	6,639,498	6,749,673	6,782,010	7,089,691	7,206,950	7,224,788	7,586,745	7,712,832

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY *(CONTINUED)*

Annual Plan 2011/12 \$000	Changes in Equity	Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Retained earnings										
52,648	Net surplus attributable to the current year	37,426	33,061	33,756	32,337	14,646	16,626	17,838	5,291	6,031	6,900
-	Transfer from restricted funds	765	791	765	765	778	765	765	765	779	765
-	Transfer to restricted funds	-	-	-	-	-	-	-	-	-	-
(14)	Transfer to restricted funds	(765)	(767)	(767)	(768)	(765)	(768)	(765)	(768)	(766)	(766)
-	Transfer from revaluation reserves	-	-	-	-	-	-	-	-	-	-
(1,500)	Funded from previous year surplus	0	0	0	0	0	0	0	0	0	0
	Revaluation reserves										
45,500	Share of other comprehensive income	-	277,020	76,419	-	293,035	100,633	-	356,666	120,056	-
	Fair value through other comprehensive income reserve										
-	Movement in fair value	(432)	-	-	-	-	-	-	-	-	-
	Restricted Funds										
14	Transfer from retained earnings	765	767	767	768	765	768	765	768	766	766
0	Transfer to retained earnings	(765)	(791)	(765)	(765)	(778)	(765)	(765)	(765)	(779)	(765)
96,648	Total comprehensive income	36,994	310,081	110,175	32,337	307,681	117,259	17,838	361,957	126,087	6,900

Annual Plan 2011/12 \$000	Equity – Closing balances	Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
5,055,739	Accumulated funds and retained earnings	4,907,650	4,940,735	4,974,489	5,006,823	5,021,482	5,038,105	5,055,943	5,061,231	5,067,275	5,074,174
1,163,115	Revaluation reserves	1,414,606	1,691,626	1,768,045	1,768,045	2,061,080	2,161,713	2,161,713	2,518,379	2,638,435	2,638,435
(4,465)	Hedging reserve	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)
-	Fair value through other comprehensive income reserve	316	316	316	316	316	316	316	316	316	316
17,248	Restricted funds	16,018	15,994	15,996	15,999	15,986	15,989	15,989	15,992	15,979	15,980
6,231,637	Total equity – closing balance	6,329,417	6,639,498	6,749,673	6,782,010	7,089,691	7,206,950	7,224,788	7,586,745	7,712,832	7,719,732

PROSPECTIVE STATEMENT OF CASH FLOWS

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Cash flows from operating activities										
196,789	Receipts from rates and levies - Council	226,745	235,503	244,310	255,522	267,826	276,810	288,013	300,551	305,970	310,179
33,493	Receipts from water rates - Council	12,822	12,822	12,822	12,822	12,822	12,822	12,822	12,822	12,822	12,822
107,094	Receipts from activities and other income	105,417	106,951	108,909	118,560	118,585	121,756	125,374	129,494	132,928	136,941
5,097	Receipts from grants and subsidies - operating	6,831	6,936	6,871	1,215	6,182	6,390	6,604	6,810	7,065	7,292
57,429	Receipts from grants and subsidies - capital	45,765	39,967	39,747	34,726	14,834	14,249	14,691	14,295	14,866	16,185
9,599	Receipts from investment property lease rentals	9,166	9,218	9,157	10,305	9,689	9,709	9,708	9,707	9,704	9,703
(226,567)	Cash paid to suppliers and employees	(240,674)	(256,162)	(258,450)	(257,357)	(265,226)	(265,068)	(275,746)	(299,652)	(299,992)	(307,099)
(27,993)	Grants paid	(29,328)	(30,427)	(30,232)	(29,056)	(28,835)	(28,917)	(29,004)	(29,093)	(29,189)	(29,283)
154,941	Net cash flows from operating activities	136,744	124,808	133,134	146,737	135,877	147,751	152,462	144,934	154,174	156,740
	Cash flows from investing activities										
5,250	Dividends received	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298
10	Interest received	10	10	10	10	10	10	10	10	10	10
(4,128)	Purchase of Intangibles	(4,563)	(5,664)	(7,276)	(5,296)	(6,775)	(8,076)	(8,174)	(10,312)	(5,978)	(7,310)
(192,885)	Purchase of property, plant and equipment	(151,574)	(134,812)	(137,992)	(139,402)	(128,586)	(131,648)	(124,971)	(123,227)	(134,835)	(152,081)
(191,753)	Net cash flows from investing activities	(146,829)	(131,168)	(135,960)	(135,390)	(126,053)	(130,416)	(123,837)	(124,231)	(131,505)	(150,083)

PROSPECTIVE STATEMENT OF CASH FLOWS *(CONTINUED)*

Annual Plan 2011/12 \$000		Forecast									
		2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
	Cash flows from financing activities										
-	Decrease in borrowings	-	-	-	-	-	-	-	-	-	-
71,984	Increase in borrowings	31,662	28,328	26,934	16,289	19,978	13,927	3,628	11,859	10,245	27,499
(20,341)	Interest paid on borrowings	(21,577)	(21,968)	(24,108)	(27,636)	(29,802)	(31,262)	(32,253)	(32,562)	(32,914)	(34,156)
51,643	Net cash flows from financing activities	10,085	6,360	2,826	(11,347)	(9,824)	(17,335)	(28,625)	(20,703)	(22,669)	(6,657)
14,831	Net increase/(decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
2,349	Cash and cash equivalents at beginning of year	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641
17,180	Cash and cash equivalents at end of year	19,641									

PROSPECTIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS

	Opening balance 2012/13 \$000	Deposits \$000	Expenditure \$000	Closing balance 2021/22 \$000	Purpose
Special reserves and funds					
Reserve purchase and development fund	1,199	-	-	1,199	Used to purchase and develop reserve areas within the city.
Early Settlers Memorial Park reserve	44	-	-	44	Used to upgrade and maintain the Bolton Street Cemetery and surrounding park and walkways.
Total special reserves and funds	1,243	-	-	1,243	
Council created reserves and funds					
Self insurance reserve	10,138	7,500	(7,500)	10,138	Allows the Council to meet the uninsured portion of insurance claims
Other reserves	4,243	-	-	4,243	
Total Council created reserves and funds	14,381	7,500	(7,500)	14,381	
Trusts and bequests					
A Graham Trust	2	1	-	3	For the upkeep of a specific area of Karori Cemetery
A W Newton Bequest	257	149	(135)	271	For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	6	-	-	6	For the benefit of the public library
E Pengelly Bequest	10	5	-	15	For the purchase of children's books
F L Irvine Smith Memorial	5	2	-	7	For the purchase of books for the Khandallah Library
Greek NZ Memorial Association	5	-	-	5	Should be used towards Lambton Quay sculptures
Kidsarus 2 Donation	2	1	-	3	For the purchase of children's books
Kirkaldie and Stains Donation	17	-	-	17	For the beautification of the BNZ site
QEII Memorial Book Fund	19	4	(23)	-	For the purchase of books on the Commonwealth
Schola Cantorum Trust	5	3	-	8	For the purchase of musical scores
Stanley Banks Trust	31	-	(31)	-	Available for bursaries for children of World War servicemen
Terawhiti Grant	10	-	-	10	To be used on library book purchases
W G Morrison Estate	11	-	-	11	For development of "green" amenities in the city centre (the Terrace Gardens)
Wellington Beautifying Society Bequest	14	-	(14)	-	Used towards "the Greening of Taranaki Street" project
Total trusts and bequests	394	165	(203)	356	
Total restricted funds	16,018	7,665	(7,703)	15,980	

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002¹. For the purposes of financial reporting Wellington City Council is a public benefit entity.

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

Basis of Preparation

Statement of compliance

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 comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The reporting period for these prospective financial statements is the 10 year period ending 30 June 2022. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand, unless otherwise stated.

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 BERL forecasts and the discount rate is the Council's forecast long term cost of borrowing.

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

Judgements and Estimations

The preparation of prospective financial statements using NZ IFRS 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.

Income

Income comprises revenue, gains and finance income and is measured at the fair value of consideration received or receivable. Specific accounting policies for major categories of income 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 proportionately throughout the year.

Operating Activities

Grant and subsidies and reimbursements

Grants and subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (eg New Zealand Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Development contributions

Development contributions are recognised as income when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide, the service, development contributions are recognised as liabilities.

¹ 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 purpose of financial reporting, Wellington City Council is a public benefit entity.

Fines and penalties

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

Rendering of services

Revenue from the rendering of services (eg building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Sale of goods

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 are recognised when the shareholders' rights to receive payment have been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease.

Other Income

Specific accounting policies for major categories of other income are outlined below:

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income 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 Income*Interest*

Interest income is 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 (eg 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 prospective financial statements.

Expenses

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

Operating Activities*Grants*

Expenditure is classified as a grant 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 are distinct from donations which are discretionary or charitable gifts. Where grants and subsidies 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 to 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.

Good 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 income), 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 is dependent upon 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 Council 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 income.

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 less than three months.

Trade and other receivables have fixed or determinable payments. They arise when the Council 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 income 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 income 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 income is recognised within surplus or deficit.

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with a 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 a 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 income while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive income 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 income or for capital growth or both. These include the Council's ground leases, land and buildings and the Wellington Waterfront Project's investment properties.

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 Council's control and there is sufficient evidence that the Council remains committed to sell the asset; and
- Actions required to complete the sale indicate that it is unlikely that significant changes to the plan will be made or that 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, 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 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 sub-division). Vested assets are recognised within their respective asset classes as above.

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

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 cost¹. 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. 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. 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 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.

¹ Zoo animals are stated at estimated cost

Revaluations

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive income 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 off-sets 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 income 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 carrying amounts of property, plant and equipment 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 income.

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 of the major classes of property, plant and equipment are as follows:

Land	unlimited
Buildings	10 to 100 years
Civic Centre complex	10 to 100 years
Plant and equipment	3 to 100 years
Library collections	3 to 10 years
Restricted assets (excluding buildings)	unlimited

Infrastructure assets

Land (including land under roads)	unlimited
<i>Roading</i>	
Formation/earthworks	unlimited
Pavement	13 to 40 years
Traffic Islands	80 years
Bridges and tunnels	3 to 150 years
Drainage	15 to 120 years
Retaining walls	30 to 100 years
Pedestrian walkway	10 to 50 years
Pedestrian furniture	8 to 25 years
Barriers & lighting	10 to 50 years
Cycle-way network	25 to 40 years
Parking equipment	8 to 10 years
Passenger transport facilities	25 years
Traffic infrastructure	3 to 30 years
<i>Drainage, waste and water</i>	
Pipework	40 to 100 years
Fittings	7 to 100 years
Water pump stations	10 to 100 years
Water reservoirs	40 to 100 years
Equipment	25 years
Sewer pump stations	20 to 80 years
Tunnels	150 years
Treatment plants	3 to 100 years

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 of these assets are as follows:

Computer software	3 to 5 years
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Carbon credits are allocations of emission allowances granted by the Government. Carbon credits are recognised at cost at the date of allocation.

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 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 Council leases investment properties and a portion of land and buildings. Rental income is recognised on a straight line basis over the lease term.

Finance leases

Finance leases transfer to the Council (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 at the greater of the average or current hourly earnings in accordance with section 21(2) of the Holidays Act 2003.

Long Service Leave and Retirement Gratuities

Long-service leave (not yet qualified for) and 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 their agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, 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 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.

Equity

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

The components of equity are accumulated funds and retained earnings, revaluation reserves, a hedging 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 income sources of the Council 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 income. Financing activities relate to activities that change the equity and debt capital structure of the Council 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 Council and key management personnel, including the Mayor and Councillors, the Chief Executive and all members of the Management Board. The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity.

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; and
- 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.

Financial reporting standard 42: prospective financial statements (FRS 42 disclosures)

The Council has complied with FRS 42 in the preparation of these prospective financial statements. In accordance with 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 Long Term 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 10 years and include them within the Long Term 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 Long Term 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 3 April 2012 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 Long Term Plan is prospective and as such contains no actual operating results.

SIGNIFICANT FORECASTING ASSUMPTIONS

Budget and Forecasting Assumptions and Risk Assessment

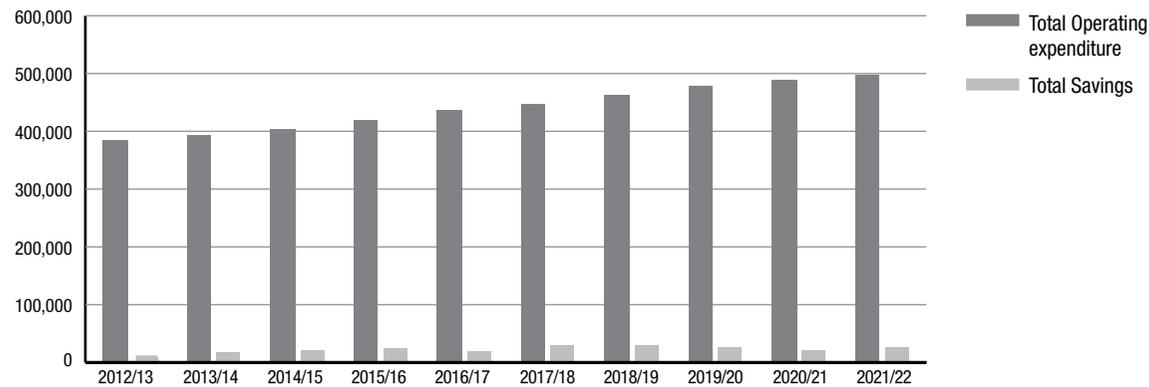
Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the ten year Long Term Plan (LTP). Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

The Council has made a number of significant assumptions in the preparation of the financial forecasts in this LTP. These assumptions are necessary as the LTP covers a 10 year period and to ensure that there is a consistent and justifiable basis for the preparation of the financial forecasts. The significant forecasting assumptions used in developing the financial forecasts in the LTP are detailed in the table below.

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
General assumptions			
<p>Strategic direction</p> <p>The strategic direction set out in the <i>Wellington 2040: Smart Capital</i> strategy will influence the way the Council delivers services and infrastructure to Wellington's residents.</p> <p>Achieving the strategic directions will ensure Wellington thrives and prospers and is resilient against threats, both natural and economic. The strategy will be supported by Wellington's residents.</p> <p>Four strategic goals:</p> <ul style="list-style-type: none"> ■ People City ■ Eco City ■ Connected City ■ Dynamic Central City 	<p>That the strategic directions will not lead to Wellington prospering and thriving.</p>	<p>Low</p>	<p>The <i>Wellington 2040: Smart Capital</i> strategy is based on a significant body of research predicting six major global trends which will impact on the city between now and 2040. Thorough and comprehensive engagement with Wellington's residents show the vision and goals in the strategy are widely supported.</p> <p>The Strategy builds on strengths and mitigates against threats. The strategy's overarching vision and goals guide the development of the Long Term Plan, specific strategies to achieve outcomes, how the Council's activities can best align to a smart green future, and the setting of meaningful long-term targets to measure progress.</p>

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Projected growth change factors:</p> <ul style="list-style-type: none"> ■ Residents ■ Households ■ Household size ■ Household make-up ■ Age profile <p>City growth assumptions underpin the Council's Asset Management Plans and capital expenditure budgets in the LTP.</p> <p>This year our assumptions are informed by the ID Forecast for Wellington City modelling land development, housing markets and the role of suburbs. It is based on Statistics NZ data from the 2001 and 2006 censuses, converting usual resident data to estimated resident population for each neighbourhood. It is also mindful of larger economic and migration trends which are likely to effect the region. It provides a realistic projection based on current policy settings and how they are playing out.</p> <p>See our website www.wellington.govt.nz for the population forecast for the city as a whole and for each neighbourhood together with a list of assumptions that have been incorporated in the forecast.</p>	<p>That growth is higher than forecast thereby putting pressure on Council to provide additional infrastructure and services.</p> <p>That growth is lower than forecast, resulting in surplus capacity in existing or planned infrastructure and services.</p>	<p>Low</p>	<p>Low to Moderate growth can be accommodated within the present level of Council infrastructure. Where growth requires additional infrastructure, Council will collect development contributions to meet a portion of the costs of new or upgraded investment. Capital costs over this amount will result in additional Council expenditure which will need to be funded through new borrowings.</p> <p>Negative growth may not necessarily result in a lower number of ratepayers as on average the number of people per household is decreasing. A consistent and significant decline in population would likely result in moderate increase in rates.</p>
<p>Growth in ratepayer base:</p> <p>The estimated growth in the City's ratepayer base is:</p> <p>2012/13 0.5%</p> <p>2013/14 0.5%</p> <p>2014/15 0.5%</p> <p>2015/16 0.5%</p> <p>2016/17 0.5%</p> <p>2017/18 0.5%</p> <p>2018/19 0.5%</p> <p>2019/20 0.5%</p> <p>2020/21 0.5%</p> <p>2021/22 0.5%</p> <p>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 currently property information from its valuation service provider (Quotable Value) to assess the level of growth in rating units, together with longer term projections from the ID Forecast modelling used in the LTP. The projected growth for 2012/13 is considered robust, with a higher level of estimation for out-years.</p>

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Forecast cost savings and efficiencies</p> <p>The Council is forecasting that efficiency gains and cost savings of equivalent to 5% of average funded operating expenditure over the ten years will be made.</p> <p>This ongoing review will focus on:</p> <ul style="list-style-type: none"> i. A review of the options, impacts and potential risks of reducing the renewals budget ii. The future need for assets and their ongoing strategic alignment. iii. The future capital programme, service levels, alternative service models, holdings and potential income-generating opportunities. iv. Organisational alignment to delivering on the ten year plan. 	<p>That Council does not achieve the forecast level of savings. Note that in making any decisions the Council will:</p> <ul style="list-style-type: none"> ■ consider the need to appropriately maintain assets so that an unsustainable future financial liability does not result ■ comply with legislation ■ ensure the potential adverse impacts on the health and safety of staff and the public are adequately mitigated ■ outline levels of service impacts and any associated monitoring framework to ensure that changes are sustainable and do not cause unacceptable impacts or disruption to the services that the assets support. 	Low – medium	<p>The general rates requirement would increase or decrease by the difference between the actual and projected general rates reductions from savings. This would require the council to adjust rates, debt, fees and charges, and/or expenditure requirements where savings differ from those forecasted. The council has achieved additional savings targets in each of the past three years of between \$4m and \$8m. This provides confidence that further cost savings can be made, although the actual timing and impact will subject to a number of factors.</p>



	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Total Operating expenditure ¹	383,261	393,940	405,334	419,753	435,895	447,376	463,309	479,401	487,935	496,832
Total Savings	10,694	16,846	21,176	21,779	19,000	29,425	30,267	25,060	20,473	24,409
Savings to Find as a % Operating Expenditure	-3%	-4%	-5%	-5%	-4%	-7%	-7%	-5%	-4%	-5%

¹ This includes the funding for weathertight homes and the self-insurance reserve per Funding Impact Statement - Operating Expenditure.

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Levels of Service</p> <p>Demand for Council services and customer expectations regarding levels of service will not significantly change and therefore there will be no significant effect on asset requirements or operating expenditure.</p>	<p>There are significant changes in customer expectations regarding demand for services or levels of service.</p>	<p>Low</p>	<p>The Council has well defined service levels for its planned activities which have been reviewed as part of the LTP process.</p> <p>Customer satisfaction surveys and other engagement strategies generally support this key assumption and therefore there are currently no areas of the Council's service that require significant modification.</p>
<p>Resource consents</p> <p>Conditions for existing resource consents held by Council will not be significantly altered. Any resource consents due for renewal during the 10 year period will be renewed accordingly.</p>	<p>Conditions of resource consents are altered significantly. Council is unable to renew existing resource consents upon expiry.</p>	<p>Low</p>	<p>The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance. Generally, the Council considers that it is fully compliant with existing Resource Consents and does not contemplate any material departure from these requirements over the next 10 years.</p>
<p>Development Contributions</p> <p>Significant assumptions in relation to development contributions are included within the Development Contributions Policy.</p>	<p>If growth is higher or lower than forecast, the level of development contributions collected could be insufficient to cover the costs of additional infrastructure required to meet the needs of Wellington's future population.</p>	<p>Low</p>	<p>The growth assumptions within the Development Contributions Policy are considered robust as they are based on the ID Forecast modelling on population, assumptions used across the LTP. The policy is adopted by Council after a robust process including the Special Consultative Procedure and external audit.</p>

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Civil Defence and Emergency Preparedness</p> <p>The LTP is prepared on the basis that the city is continually improving its emergency preparedness, and whilst the impact of a major natural disaster cannot be accurately predicted (and therefore the response required), increased community preparedness and regional consistency are cornerstones of our approach.</p> <p>In line with the rest of NZ, we follow the “4Rs”:</p> <ul style="list-style-type: none"> ■ Reduction of risk ■ Readiness for an event ■ Response when it occurs; and ■ Recovery, post-event. <p>The focus areas within our plan are:</p> <ul style="list-style-type: none"> ■ Earthquake prone buildings ■ Water ■ Wastewater ■ Transportation ■ Electricity ■ Gas ■ Telecoms ■ Welfare ■ Community preparedness <p>Most hazards we prepare for have an expected probability. For example, maximum size tsunami once every 2,500 years; major quake on the Wellington fault, 10% chance in the next 100 years.</p>	<p>That a significant event occurs (eg. a major earthquake) and:</p> <ul style="list-style-type: none"> ■ insufficient risk reduction measures are in place to prevent large numbers of casualties, or ■ the city is unable to recover sufficiently or quickly enough in order to prevent long-term adverse effects on population or local economy. 	<p>Medium</p>	<p>The September 2010 and February 2011 Canterbury earthquakes showed the magnitude of effects of a moderate to severe emergency event across urban and rural areas. The range and breadth of effects (short and long term) have influenced all areas of life and social, economic, environmental and cultural wellbeing. Emergency assistance was required not only from local organisations, but a national and international response was required.</p> <p>Although the probability of a major earthquake or other natural disaster within the lifespan of the LTP is low, we do take Emergency Preparedness very seriously with the aim to be as prepared as possible. We believe that preparedness activities are never finished and therefore aim for continuous improvement. Although we do consider ourselves capable of dealing with a large event now, we will never know how adequate our plans are until the day they are tested for real. Regardless of preparedness levels, in a major event it will always be likely that regional, national and international assistance will be required.</p> <p>Similarly, the financial impact of such an event is unknown until such an event occurs. However, it is likely to have a significant impact to the current planned expenditure within the LTP.</p>
<p>Government Policy</p> <p>That the Government policy framework will continue to provide a stable working and statutory framework.</p>	<p>That Government policy framework shifts, resulting in new or amended legislation either requiring significant response and cost to administer by Council; or results in a change to the services delivered by the Council.</p>	<p>High</p>	<p>The current Government has indicated it will pursue a course of local government reform, but no change has yet been passed into legislation. Council will be required to respond to any changes, assess the impact on service delivery and financial budgets.</p>

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty							
<p>Regional Governance Review</p> <p>The Wellington local authorities will continue to work with the public toward a common view of regional governance. This will strengthen the opportunities for authorities to propose and drive any reform agreed with or by Central Government.</p>	That councils in the region fail to lead a public discussion on the issue of governance reform leading to inappropriate and/or rushed change is imposed by central government	Medium	An initial public review and discussion is underway around governance reform in the Wellington Region. Various possible options are being considered, however decisions have yet to be made. Any financial impact will need to be factored into future Annual Plans.							
Significant Financial Assumptions:										
<p>Inflation</p> <p>The Council has adjusted base financial projections to reflect the estimated impact of inflation.</p>	That actual inflation will be significantly different from the assumed inflation.	Low -Medium Years (1-3) Medium - High Years (4-10)	Inflation is affected by external economic factors, most of which are outside of the Council's control and influence. 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>Inflation Rates Applied:</p> <p>Inflation rates have been estimated using the BERL "Forecasts of Price level Change Adjustors to 2022." The applicable rates are (shown cumulative):</p>			While individual indices will at times vary from what has been included in this LTP, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.							
INDEX	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Roading	1.000	1.030	1.067	1.101	1.133	1.170	1.211	1.255	1.299	1.344
Property	1.000	1.029	1.059	1.091	1.125	1.156	1.189	1.225	1.265	1.306
Water	1.000	1.039	1.075	1.115	1.158	1.198	1.241	1.288	1.341	1.396
Energy	1.000	1.048	1.098	1.153	1.212	1.268	1.325	1.392	1.466	1.544
Staff	1.000	1.024	1.048	1.075	1.104	1.129	1.156	1.185	1.218	1.251
Other Expense	1.000	1.032	1.065	1.101	1.139	1.177	1.217	1.258	1.302	1.348
Other Income	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
Application of the Inflation Rates:			
The inflation rates above have been applied across all items within the financial statements with the exception of:	That the revenue streams identified are influenced by changes in prices or the rate of inflation.	Low	The assumption is considered reasonable in these cases due to the specific circumstances noted.
Revenue from investment properties – not inflated as most ground leases are subject to fixed rentals across the period.	That the revenue streams identified fluctuate annually as a result of external factors outside the control of the Council.	Low – Mod	Although the revenue streams may vary annually due to factors outside the control of the Council (eg, petrol consumption may vary and therefore affect the revenue received from Petrol Tax) it is not considered that annual variances will have a material effect on the financial forecasts in the LTP.
Petrol tax – forecast to remain constant. Revenue from petrol tax is driven by tax rates and volumes – both of which are expected to remain constant over the 10 year period.			
Interest revenue and expenditure – Interest rates do not increase annually in line with rates of inflation. Interest rates have been forecast to remain constant. Refer section below.			
Grants – Our grant schemes and grants to other organisations do not increase with inflation and remain constant until Council make a decision to change the level of the grants. Therefore our assumption is there will be no change to the value of our grants over the 10 year period.			
Dividends – Although rates of inflation will affect the revenues and expenditures of those entities distributing dividends to the Council it is not anticipated that the level of dividend will be influenced by rates of inflation in the future.			
Expected return on investments:			
Council has forecast the following returns for significant investments:			
Wellington International Airport Limited shareholding			
It is assumed that the Council will retain its existing investment in WIAL of 34% and that a regular flow of revenue will be received by way of dividend.	That Council will not achieve the forecast level of dividends	Mod	The forecast annual dividend from Wellington International Airport Limited is \$9 million. Wellington International Airport Limited does not have a dividend policy in place. The level of dividend is dependent on the financial performance of the company. The Council has utilised historical results and future projections of the company to determine the forecast return.

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Wellington Cable Car Limited</p> <p>It is assumed that the Council will retain its existing investment at the same level. Dividends are assumed to remain constant across the 10 year period.</p>	That Council will not achieve the forecast level of dividends	Mod	The forecast dividend from Wellington Cable Car Limited is \$250,000 per annum. The level of dividend is dependent on the financial performance of the company. The Council has utilised historical results and future projections of the company to determine the forecast return.
<p>Wellington Regional Stadium Trust loan</p> <p>In accordance with the terms of the loan, no interest has been forecast across the 10 year period.</p> <p>The loan is due to be repaid once the Trust has repaid all of its other liabilities and borrowings. The Trust may return part of its annual operating surplus to the Council to repay all or part of the outstanding loan.</p>	The loan will not be repaid	Low	As the Trust is currently servicing its other loan obligations to commercial lenders, the Council considers that it is unlikely that the Trust will make an annual repayment of the outstanding loan. Once these commercial loans have been repaid the Council expects that the Trust will be in a position to repay the loan advanced by the Council. There is currently no information / reason to suggest that the Trust will not be in a position to repay the Council's loan.
<p>Expected interest rates on borrowings</p> <p>Interest is calculated using the following interest rates:</p> <p>2012/13 6.00% per annum 2013/14 6.00% per annum 2014/15 6.20% per annum 2015/16 6.50% per annum 2016/17 6.50% per annum 2017/18 6.75% per annum 2018/19 6.75% per annum 2019/20 6.75% per annum 2020/21 6.75% per annum 2021/22 6.75% per annum</p>	That prevailing interest rates will differ significantly from those estimated.	Mod	Interest rates are largely driven by factors external to the NZ economy. Council manages its exposure to adverse changes in interest rates through the use of interest rate swaps. At any time Council policy is to have a minimum level of interest rate hedging equivalent to 50% of core borrowings. Based on the minimum hedging profile, a 1% movement in interest rates will increase/decrease annual interest expense by between \$1.5 and \$2.0m per annum.
<p>NZTA funding</p> <p>NZTA requirements and specifications for the performance of subsidised work and subsidy rates will not alter to the extent that they impact significantly on operating costs.</p>	NZTA make changes to the subsidy rate, the funding cap or the criteria for inclusion in the subsidised works programme.	Low	NZTA funding priorities may change as a result of the Land Transport Management Act 2003 or the National Land Transport Programme 2012/13 – 2015/16 yet to be finalised. <p>Variations in the subsidy rates of approx 1% would not impact the Council's funding income stream due to current eligible expenditure being in excess of the current funding cap.</p>

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Vested assets No vesting of assets is forecast across the 10 year period.</p>	That Council will have assets vested thereby increasing the depreciation expense in subsequent years.	High	<p>The level of vested assets fluctuates considerably from year to year. Historical levels have not been material. The recognition of vested assets in the income statement is non-cash in nature and will have no effect on rates.</p> <p>The financial effect of the uncertainty is expected to be low.</p>
<p>Sources of funds for the future replacement of significant assets Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy (refer page xx)</p>	That sources of funds are not achieved	Low	<p>User charges have been set at previously achieved levels. Depreciation is funded through rates. The Council is able to access borrowings at levels forecast within the LTP.</p>
<p>Useful lives of significant assets The useful lives of significant assets is shown in the Statement of Accounting Policies (refer page xx). It is assumed that there will be no reassessment of useful lives throughout the 10 year period.</p>	That assets wear out earlier or later than estimated.	Low – Asset lives are based upon estimates made by engineers and registered valuers.	<p>The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.</p> <p>However, these impacts could be mitigated as capital projects could be reprioritised in the event of early expiration of assets.</p>
It is assumed that assets will be replaced at the end of their useful life.	<ul style="list-style-type: none"> ■ That Council activities change, resulting in decisions not to replace existing assets. ■ Reliability of data – We're continuing to improve our asset information – including condition information – to give greater certainty to our forecasts 	Low	<p>Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.</p>
Planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.	That more detailed analysis of planned capital projects may alter the useful life and therefore the depreciation expense.	Low	<p>Asset capacity and condition is monitored, with replacement works being planned accordingly. Depreciation is calculated in accordance with accounting and asset management requirements.</p>

Forecasting assumptions	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
<p>Revaluation of property, plant and equipment</p> <p>These forecasts include a three yearly estimate to reflect the change in asset valuations for property, plant and equipment in accordance with the Council's accounting policies. The following assumptions have been applied to projected asset revaluations:</p> <ul style="list-style-type: none"> ■ Revaluation movements shall equate the inflation rates applied for all depreciable property, plant and equipment (refer section "Inflation") ■ The depreciation impact of inflation shall be in the year following revaluation. ■ The value of non-depreciable assets (eg land) is forecast to remain constant. 	That actual revaluation movements will be significantly different from those forecast	Mod	<p>The majority of Council's depreciable property, plant and equipment assets is valued on a depreciated replacement cost basis. Therefore, using the projected inflation rate as a proxy for revaluation movements is appropriate and consistent with the treatment of price changes generally within the LTP.</p> <p>For land assets valued at market value (based on sales evidence), values have been assumed to remain constant. This reflects the wide disparity in views on the sustainability of current residential market prices. This assumption has no impact on depreciation as these assets are not depreciated.</p>
<p>Revaluation of other assets</p> <p>It is assumed that the value of all other assets (eg investment properties) accounted for at fair/market value will remain constant across the 10 year plan.</p>	That actual revaluation movements will be significantly different from those forecast	Mod	For assets valued at market value (based on sales evidence), values have been assumed to remain constant. This reflects the wide disparity in views on the sustainability of current residential market prices. This assumption has no impact on depreciation as these assets are not depreciated.
<p>LGFA Guarantee</p> <p>Each of the shareholders of the LGFA is a party to a deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and the guarantee obligations of other participating local authorities to the LGFA, in the event of default.</p>	In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantors relative rates income.	Low	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is low. The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge.
<p>Renewal of External Funding</p> <p>It is assumed that Council will be able to renew existing borrowings on equivalent terms.</p>	That new borrowings cannot be accessed to fund future capital requirements	Low	<p>The Council minimises its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Investment and Liability Management Policy.</p> <p>In accordance with the Liability Management Policy the Council must maintain its borrowing facilities at a level that exceeds 110% of peak borrowing levels over the next 12 months.</p>
<p>Weathertight Homes</p> <p>Council's weathertight homes liability is assumed to be paid within the 10 years of the LTP.</p>	That the level of the claims and settlements is higher than provided for within the LTP.	Low	The weathertight homes liability is an actuarial calculation based on the best information currently available. The liability provided for within the Council's financial statements is \$51m, a 1% change in this figure would equate to \$0.5m.

REVENUE AND FINANCING POLICY

INTRODUCTION

The Local Government Act 2002 (the Act) requires Councils to adopt a Revenue and Financing Policy that provides detail on the funding of operational and capital expenditure. This policy illustrates which parts of the community contribute to paying for Council's activities.

We have set out our policy under the following headings:

1. Policy statement on the funding of operating expenditure.
2. Policy statement on the funding of capital expenditure.
3. Setting the level of revenue from rates.
4. Council's application of the requirements of the Act.
5. The general rates differential.
6. Summary of operating revenue funding sources by activity.
7. Individual activity analysis by strategy area.

1. Policy Statement on the funding of operational expenditure

Establishing the level of operating revenue required to fund operating expenditure

Operating expenditure pays for the Council's day-to-day operations and services, from collecting rubbish and providing street lighting to maintaining gardens and issuing building consents.

The Council will set its projected operating revenue at a level sufficient to meet the current year's projected operating expenditure, except where the Council resolves that it is financially prudent not to do so.

When setting projected operating revenue at a level that is different from the level of projected operating expenditure the Council will have regard to:

- The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the LTP, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- The funding and financial policies adopted under section 102 of the Local Government Act 2002.

In accordance with these principles, the Council has determined that the following items will not be funded:

Accounting for fair value changes. Under New Zealand International Financial Reporting Standards (NZIFRS), changes in the fair value of certain assets must be accounted for within the Statement of Financial Performance. In accordance with Section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.

Non-funding of depreciation on Council assets. The Council may elect not to fund all or part of the depreciation expenditure on specific assets in those circumstances where it is not financially prudent to do so. In accordance with section 100 of the Local Government Act 2002, the Council considers that it is not financially prudent to fund depreciation in the following circumstances:

- Where the original asset purchase was not funded by borrowings, or the original borrowings have been repaid, and
- Where, on an ongoing basis, the replacement of the asset at the end of its useful life will be funded by a third party, or
- Where the Council has elected not to replace the asset at the end of its useful life.
- Where a third party has a contractual obligation to either maintain the service potential of the asset throughout all or part of its useful life (or to replace the asset at the end of its useful life) and the Council already effectively funds this through operating grants/tariffs payable to the third party.

Options available for funding Council services

The Council uses the following mechanisms to fund operational expenditure requirements:

- *General rates.* General rates are used to fund public goods where it is not possible and/or practical to clearly identify customers or users. The general rate is also used to fund activities where, for reasons of fairness, equity and consideration of the wider community good it is considered that this is the most appropriate way in which to fund an activity.
- *Targeted rates.* This form of rate is used where an activity benefits an easily identifiable group of ratepayers (such as the commercial or residential sectors) and where it is appropriate that only this group be targeted to pay for some or all of a particular service. For example, sewage disposal, water supply and the downtown levy.
- *Fees and charges.* User charges are direct charges to people and/or groups who use certain Council services such as swimming pools. In these instances, an identifiable benefit exists to clearly identifiable people and/or groups and they are required to pay for all or part of the cost of using that service. It is noted that since 2006 Councils have been required to inflation adjust all income and expenditure within their LTP. Where appropriate and with consideration to 'ability to pay' principals, user charges will be increased by the rate of inflation to achieve continued alignment with the proposed funding policy targets.

- *Grants and subsidies.* Grants and subsidies apply to some activities when income from external agencies is received to support that particular activity.
- *Borrowings.* In general Council does not fund operating expenditure by borrowing. The exception is to fund the impacts on ratepayer's equity from payments associated with liabilities arising from weathertightness payments. Any borrowings associated with the settlement of these liabilities will be repaid over time.
- *Other sources of funding.* The Council also funds operating expenditure from other sources, including income from interest and dividends from investments held by the Council, lease income and proceeds from asset sales. Other sources of funding include:

Use of surpluses from previous financial periods.

Where the Council has recorded an actual surplus in one financial period it may pass this benefit on to ratepayers in a subsequent financial period. A surplus arises from the recognition of additional income or through savings in expenditure. Council considers that passing this benefit on to ratepayers in future financial periods improves the principle of intergenerational equity, in that any financial benefit is passed on to those ratepayers who shared the rates-funding burden in the financial period that the surplus was generated.

The amount of any surplus carried forward from previous financial periods will be accounted for as an operating deficit in the year the benefit is passed on to ratepayers. A surplus will be available for use in future financial periods if the actual surplus/ (deficit) is improved when compared to the budgeted surplus/ (deficit). In

calculating the level of surplus to be carried forward, consideration will be given to the nature of the factors giving rise to the surplus (for example, whether they are cash or non-cash in nature). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward.

The Council will not carry forward surpluses in relation to:

- The sale of assets. Such surpluses shall be used for repayment of borrowings.
- Trust and bequest revenue. Such surpluses shall be applied in accordance with the terms on which they are provided.
- Revenue received for capital purposes. Such surpluses shall be retained to fund the associated capital expenditure.
- Unrealised gains arising from fair value adjustments to assets and liabilities. These gains are unrealised accounting adjustments in the period in which they are recognised.

Funding of expenditure from restricted or special funds.

Certain operating and capital expenditure may be funded from restricted or special funds. Restricted and Special Funds are those reserves within the Council's equity that are subject to special 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 a third party.

Transfers may be made only for specified purposes or when specified conditions are met.

The following restricted and special funds are available for use by Council:

- *Self Insurance Reserve.* The Self Insurance Reserve is used to fund any damages or losses that would otherwise be covered by the Council's insurance policies except for the fact that the Council has elected to set an insurance excess at a level greater than the damage or loss suffered. Each financial period the Council will provide, through funding from rates and levies, an amount intended to reimburse estimated damages or losses not otherwise covered by the Council's insurance policies. Actual expenditure incurred as a result of damages or losses where no claim is made under the Council's insurance policies as a result of the level of excess set will be transferred from retained earnings to the Self Insurance Reserve at the end of the financial period.
- *Trusts and bequests.* The Council is the recipient/holder of a number of trusts and bequests. These funds can only be used for the express purposes for which they were provided to the Council. Each year, the Council may expend money, of an operating or capital nature, from its trusts and bequests in accordance with the specified conditions of those funds. For the avoidance of doubt, the Council does not fund the expenditure from its trusts and bequests from any of the sources of operating revenue.
- *NZTA funding.* Each year the Council receives funding from NZTA as part of the overall replacement and renewal programme for the City's roading infrastructure. The Council recognises the funding as income in accordance with GAAP. As the funding is received for capital purposes, it cannot be used to offset the rates requirement. Therefore the Council shall recognise a surplus equivalent to the amount of NZTA funding for capital purposes, to be applied against funding the depreciation expense that results on completion of the associated asset.
- *Development Contributions.* In accordance with the Council's Development Contributions Policy, development contributions are required to fund capital expenditure where development requires the construction of additional assets or increased capacity in network infrastructure, community infrastructure and reserves. Development Contributions will result in an operating surplus being generated for the year. This shall flow through to a Development Reserve within the Council's equity.
- *Other reserves and ring-fenced funds.* Restricted funds also include other reserves, reserve purchase and development reserve, any sub-division development reserve and ring-fenced cumulative surpluses/deficits from City Housing and Marina Operations activities. Subject to meeting any specified conditions associated with these reserves the Council may expend money, of an operating or capital nature, from these reserves.
- *Regional Amenities.* Local authorities in the Wellington region are proposing the establishment of a Regional Amenities Fund. The Fund is intended as a 'top up' mechanism for entities that provide regional benefits primarily in the arts, culture and environmental attractions and events sectors. This proposal would ensure that regionally significant entities can be developed or sustained. Section 4.1.7 outlines how this fund will be funded by Council.

Should Wellington City Council be nominated to hold the Regional Amenities Fund, all Regional contributions will result in an operating surplus being generated. This shall flow through to a Regional Amenities Reserve to be administrated and distributed by agreement of the Regional Mayoral Forum.

Having established its sources of operating revenue, the Council has determined that operational expenditure will be funded through the following mechanisms:

Operating expenditure Funding mechanism	Approximate proportion of funding for 2012/13
General Rate	35%
Targeted rates	
▪ Sewage rate	9%
▪ Water rate	10%
▪ Stormwater rate	5%
▪ Base (residential)	2%
▪ Commercial sector	1%
▪ Downtown levy	3%
▪ Other minor rates	<1%
Total targeted rates	31%
Total fees and charges	21%
Other sources	
▪ Ground and commercial lease	9%
▪ Dividends	3%
▪ Miscellaneous	1%
Total other income	13%

Note: Decisions on the use of other funding sources i.e. use of prior period surpluses, non-funded depreciation, special and other reserves are project-specific and made on an annual basis. In such circumstances, revenue from these sources reduces the level of funding provided through the General Rate.

2. Policy Statement on the funding of capital expenditure

Capital expenditure represents expenditure on property, plant and equipment. Property, plant and equipment are tangible assets that are held by the Council for use in the provision of its goods and services (for example: bridges, libraries, swimming pools), for rental to others or for administrative purposes, and may include items held for the maintenance or repair of such assets.

Capital expenditure is funded from depreciation, development contributions, capital funding, and restricted funds or through new or extended borrowings as outlined below:

- If the capital expenditure relates to the replacement (renewal) of an existing asset, that expenditure will be funded by depreciation. Funding for depreciation comes from rates. Any surplus depreciation, after paying for the replacement of Council assets, will be used to repay borrowings.
 - If the capital expenditure relates to the construction or purchase of a new asset or to the upgrade or increase in service potential of an existing asset, that expenditure will usually be funded from new or extended borrowings. Borrowing is the most cost-effective and equitable way to do this as it spreads the cost of the asset over all the generations who will benefit from it, making it affordable to ratepayers today.
 - On projects where on the basis of financial prudence, the Council considers it appropriate to do so, it may impose a targeted rate to repay borrowings on an asset at a faster rate than over the full life of the asset.
- The Council will use capital funding from third parties to fund investment in new or upgraded assets (eg funding received from NZTA).
 - The funding of capital expenditure from the sale of surplus assets is decided on a case-by-case basis. Funds received from the sale of surplus assets that are not applied to the funding of capital expenditure shall be used to repay borrowings.
 - The funding of capital expenditure from restricted or special funds is decided on a case-by-case basis and is subject to the specified purposes and conditions governing the use of those restricted funds.
 - If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period to enable the project to be completed.
 - The Council has agreed that Development Contributions are to be used as the primary funding tool for capital expenditure resulting from population and employment growth for water, wastewater, stormwater, roads, reserves and community infrastructure. The Council will continue to collect residual RMA based Financial Contributions on developments consented prior to 2005/06. In some circumstances. Funds collected under either the Development Contributions Policy or the Financial Contributions Policy in the District Plan will result in a corresponding decrease in the amount to be funded from new borrowings.

Capital expenditure Funding mechanism	Approximate proportion of funding for 2012-22
Rates funded depreciation	61%
NZTA transport subsidies	9%
Bequests	1%
Development contributions	3%
Borrowings	18%
Housing grants and surplus	8%

3. Setting the level of revenue from rates

The total level of revenue from rates will be established as the total revenue required to cover all projected operating expenditure after taking into account:

- The projected operating revenue from those sources of other revenue identified above.
- The level of operating surpluses carried forward from previous financial periods and agreed to by Council.
- The level of revenue received for capital purposes is (including development contributions) recognised as income for accounting purposes but required to be made available for the funding of capital expenditure.
- An amount equal to the level of depreciation expenditure on Council assets where the Council considers that it is not financially prudent to pass the funding requirement on to ratepayers.
- An amount equal to the level of reimbursement of the Council's self insurance reserve.

- An amount equal to the projected level of repayment of borrowings associated with the settlement of liabilities for weathertightness payments.
- Any other amount that the Council considers not financially prudent to pass (the funding requirement) on to ratepayers.

4. The Council's application of the requirements of the Act

This section shows how the operating expenditure associated with each of the Council's activities are funded through applying the requirements of section 101 (3) of the Act. Our activity analysis is organised under the following headings:

Community outcome

The Council has four community outcomes:

- Connected city
- Dynamic central city
- People centred city
- Eco City

We make reference to the community outcome to which each activity relates in our analysis.

Activity Area

The Council's activity areas consolidated into seven strategic areas in which we provide a service to the community. These are:

- Governance
- Environment
- Economic development
- Cultural wellbeing

- Social and recreation
- Urban development
- Transport

Activity Group

- The Council's activities are those areas in which we provide a service to the community. Our activity analysis starts with a statement of what activity we are assessing, and a brief description of the service provided by the Council.

Activity

- A summary of all operating projects that the Council delivers within a particular activity. Any one activity may have more than one operating project which, when combined, provides the total level of service provided by the Council.

Who Benefits?

This analysis looks at the benefits that flow from the activity to individuals, identifiable parts of the community and the community as a whole. The Council acknowledges that this analysis is in part subjective, and that it has used some basic principles to assist in its decision making.

- When discussing benefits to the whole community, we are referring to all members, ratepayers and the general public of the city. Benefits to the whole community accrue when individual users cannot be easily identified or cannot be easily excluded from entry (such as the use of the Town Belt and other open spaces), or where the community in general derives benefit from our activities (such as the provision of citizen information and advice). While it is not possible to charge for some activities, it is also not appropriate to charge for certain activities that benefit the community as a whole. In instances

such as these, it is considered appropriate that funding is predominantly provided through the general rate.

- Where individuals or an identifiable part of the community can be identified, it is then possible to consider the use of targeted rates or user charges. Obvious examples of this include services such as pools and recreation centres, but also include activities such as our building consent and licensing services and many of our waste management services. In these instances, it is possible to exclude users who do not wish to use and pay for an activity. Those users who choose to pay accrue a particular level of service over and above that available to the community as a whole.

Who should pay?

This section of our analysis looks at a variety of factors that may influence our decision-making when establishing a final decision as to who should pay for an activity. Through this analysis it is possible for the nominal funding split derived under the Who Benefits? Analysis to be 'modified' based on a consideration of factors including:

- The period of benefit provided by each activity. For instance, investment in the city's roading and stormwater infrastructure provides a long-term and ongoing benefit to the city, whereas a one-off grant for a particular activity will typically be short-term and temporary in nature.
- Whether or not there is an identifiable exacerbator who should pay ('polluter pays' principle).

- The costs and benefits of distinct funding. This includes an assessment of how we fund each individual activity taking into account issues such as transparency and accountability, and the impacts of a chosen funding mechanism. For instance, where a service is deemed to be essential or very important in terms of contributing to the general health and wellbeing of the community, consideration will be given to ensuring that people are not excluded from access to the service because they cannot afford to pay.
- The overall impact of the funding of the activity on the current and future social, economic, environmental and cultural well-being of the community.

While each of these areas were considered when assessing who should pay, not all were relevant to each activity, while some had more weight than others in relation to a certain activity.

- *Our funding targets.* This provides the final analysis of how we will fund our activities after consideration of the issues outlined under "Who should pay?"

5. The general rates differential

The general rate is split between the base differential rate, which applies to residential ratepayers, community organisations and rural land, and the commercial, industrial and business differential rate.

Historically, the Council has applied a modifier to alter the rates differential (the rates split) that decides the share of general rate paid by residents (base differential) and by businesses (commercial, industrial and business differential). In setting the level of the differential, the Council has considered the requirements of the Local Government Act and number of factors including:

- The benefits each sector derives
- The ability of ratepayers within each sector to pay
- The historic relationship between various groups of ratepayers and the existing level of the differential
- Ensuring any change to the differential, or rate of any change, does not impact unreasonably on any particular group of ratepayers
- To determine equity and fairness, the entire rating system for Wellington City must be considered and it is not appropriate to focus on the differential only
- The impact on the Social, Cultural, Economic and Environmental well-being of the community.

In 2012/13 the Council proposes no change in the rates differential. This means that a commercial sector ratepayer will contribute 2.8 times more to the general rate than residential ratepayer for each dollar of property capital value.

6. Summary of operating expenditure funding sources by activity

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Governance	Governance, information and engagement	1.1.1	City governance and engagement	0%	0%	100%	100%	0%	0%	0%
		1.1.2	Civic information	5%	0%	95%	95%	0%	0%	0%
		1.1.3	City Archives	10%	0%	90%	90%	0%	0%	0%
	Maori and Mana whenua Partnerships	1.2.1	Maori and Mana Whenua partnerships	0%	0%	100%	100%	0%	0%	0%
Environment	Gardens, Beaches and Green Open Spaces	2.1.1	Local parks and open spaces	5%	0%	95%	95%	0%	0%	0%
		2.1.2	Botanical gardens	10%	0%	90%	90%	0%	0%	0%
		2.1.3	Beaches and coast operations	0%	5%	95%	95%	0%	0%	0%
		2.1.4	Roads open spaces	0%	5%	95%	95%	0%	0%	0%
		2.1.5	Town belts	0%	5%	95%	95%	0%	0%	0%
		2.1.6	Community environmental initiatives	0%	0%	100%	100%	0%	0%	0%
		2.1.7	Walkways	0%	0%	100%	100%	0%	0%	0%
		2.1.8	Biodiversity (pest management)	0%	0%	100%	100%	0%	0%	0%
	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2	Closed landfills aftercare	0%	0%	100%	100%	0%	0%	0%
		2.2.3	Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	0%
	Water	2.3.1	Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2	Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
	Wastewater	2.4.1	Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%
		2.4.2	Sewage treatment	5%	0%	95%	0%	60%	35%	0%
	Stormwater	2.5.1	Stormwater management	0%	0%	100%	0%	77%	23%	0%
	Conservation attractions	2.6.1	Conservation visitor attractions	0%	0%	100%	100%	0%	0%	0%

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other
Economic Development	City promotions and business support	3.1.1	Tourism promotion (PWT)	0%	0%	100%	0%	0%	100%
		3.1.2	Convention venues	5%	0%	95%	55%	0%	40%
		3.1.3	Retail support (free weekend parking)	0%	0%	100%	0%	<1%	99%
		3.1.4	Grants and creative workforce	0%	0%	100%	100%	0%	0%
		3.1.5	Events attraction and support	0%	0%	100%	0%	100%	0%
		3.1.6	Regional and external relations	0%	0%	100%	100%	0%	0%
		3.1.7	Destination Wellington	0%	0%	100%	0%	50%	50%
		3.1.8	Long-Haul Airline Attraction	0%	0%	100%	0%	0%	100%
Cultural Wellbeing	Arts and Culture Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	70%
		4.1.3	Arts and cultural festivals	0%	20%	80%	80%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%
		4.1.6	Arts partnerships	0%	25%	75%	75%	0%	0%
		4.1.7	Regional Amenities Fund	0%	0%	100%	100%	0%	0%

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	40%	0%	60%	60%	0%	0%	0%
		5.1.2	Sportsfields	10%	0%	90%	90%	0%	0%	0%
		5.1.3	Sportsfields (Synthetic)	40%	0%	60%	60%	0%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7	Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	50%	0%	50%	50%	0%	0%	0%
		5.1.9	Recreation programmes	5%	0%	95%	95%	0%	0%	0%
	Community support	5.2.1	Libraries	10%	0%	90%	90%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
	Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%
		5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.3.3	Public health regulations	50%	0%	50%	50%	0%	0%	0%
		5.3.4	City safety	0%	0%	100%	100%	0%	0%	0%
		5.3.5	WEMO	5%	0%	95%	95%	0%	0%	0%

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	50%	0%	50%	50%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
		6.2.4	Regulator – Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%
Transport	Transport	7.1.1	Transport planning	0%	15%	85%	85%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	0%	100%	100%	0%	0%	0%
		7.1.4	Passenger transport network	0%	65%	35%	35%	0%	0%	0%
		7.1.5	Pedestrian network	0%	0%	100%	100%	0%	0%	0%
		7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7	Road safety	0%	30%	70%	70%	0%	0%	0%
	Parking services	7.2.1	Parking	100%	0%	0%	0%	0%	0%	0%

7. INDIVIDUAL ACTIVITY ANALYSIS BY STRATEGY AREA

GOVERNANCE

Delivering confidence in civic decision-making

One of our key responsibilities is to ensure that decisions about the city are made in ways that are democratic and inclusive. This means making sure residents are kept informed about what we're doing, are able to have their say, and feel confident that their views and votes count.

Operating activities

The funding sources for this area are illustrated in the graph below.

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Governance capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Strategy	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other
Governance	Governance, information and engagement	1.1.1	City governance and engagement	0%	0%	100%	100%	0%	0%
		1.1.2	Civic information	5%	0%	95%	95%	0%	0%
		1.1.3	City Archives	10%	0%	90%	90%	0%	0%
	Maori and Mana whenua Partnerships	1.2.1	Maori and Mana Whenua partnerships	0%	0%	100%	100%	0%	0%

1.1 GOVERNANCE, INFORMATION AND ENGAGEMENT

Activity 1.1.1: City Governance and Engagement

This covers our decision-making and accountability processes. It includes managing the local elections every three years, and holding meetings of the Council and its committees. It also includes developing plans and strategies to promote the city's well-being, such as the annual plan.

Community outcome

This activity contributes to the following community outcome:

- *People-centred city* – it enhances trust and confidence in civic decision-making and encourage the community to participate in city governance.

Who benefits?

Whole community	100%
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The whole community benefits from this activity. Policy formulation, consultation and planning are essential Council services. They enable elected members to set policies and manage resources to benefit the whole community. Along with elections, they also allow people to influence the Council. These decision-making and accountability processes enhance residents' well-being by improving the quality of Council decisions and by giving them a sense of empowerment arising from the fact they can have their voices heard.

Who should pay?

Whole community	100%
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Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 1.1.2: Civic Information

This activity provides for the community to easily access Council information and services such as the Council's 24 hour call centre, the city's service centres, and maintenance of the property system. It also includes the cost of the contract for valuation services.

Community outcome

This activity contributes to the following community outcome:

- *People-centred city* – providing information about the city and its services allows people to use the city's facilities and provides access to information.

Who benefits?

Whole community	50%
Individuals	50%

The whole community benefits from this activity. Providing information and services to the community and having points of contact where residents can contact us are essential Council services. They enable Council to rapidly respond to information received from the public regarding service problems and other customer feedback.

Individuals may also benefit from access to Council information like valuation and property systems. But these remain core components of the Council's ratings systems and are utilised by the Greater Wellington Regional Council.

Who should pay?	
Individual	5%
Identifiable part of the community	5%
Whole community	90%

The Council receives revenue from the Greater Wellington Regional Council for access to our property and valuation databases. This data sharing arrangement provides cost savings for both organisations.

Although individuals receive significant benefits from this activity and it would be possible to increase user fees, the Council believes the benefit to the community as a whole out-weighs this. For the city to run efficiently it is important there is a constant two-way flow of information and the Council does not wish to limit this with the introduction of further charges. It is therefore appropriate that this activity is mostly funded by the general rate.

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
Total	100%

Activity 1.1.3: City Archives

This activity covers the operations of and community access to the City Archives.

Community outcome

This activity contributes to the following community outcome:

- People-centred city** – the City Archives is a guardian of Wellington’s memory. It preserves and makes available a huge range of primary information about the city’s history. This is valuable for historians, genealogists, students and other members of the public. It is also valuable for businesses and property owners.

Who benefits?	
Whole community	50%
Individuals	50%

The whole community benefits from this activity. Maintaining the City Archives collection for posterity and ensuring that it can be easily accessed is an important community service.

The City Archives contribute to our understanding of the past and to forging a strong local community – it contributes to our sense of place. Individuals who choose to use the City Archives can be seen to benefit directly from their access to the collection. The collection is used for private study and for research. Staff provide assistance with searches and with photocopying and with copying of archived photographs.

Who should pay?	
Individual	10%
Whole community	90%

Although the individuals that access the collection receive benefits from this activity, the Council believes that preserving aspects of the city’s past are of significant benefit to the community as a whole.

Nevertheless it is considered appropriate that individual users should bear a small cost for any staff research and associated copying costs that they may generate.

The user charges for these services are broadly in line with those charged by the Alexander Turnbull Library and Archives New Zealand.

Our funding targets: operating expenses	
User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
Total	100%

1.2 MĀORI AND MANA WHENUA PARTNERSHIPS

Activity 1.2.1: Māori And Mana Whenua Partnerships

The Council recognises and acts on its obligations under the Treaty of Waitangi and its specific responsibilities under the local government act. We foster partnerships with mana whenua (local iwi) and consultation relationships with the wider Māori community. The relationship between the Council and mana whenua is supported by a dedicated directorate which provides us with advice and administrative support on Treaty-based relationships.

Community outcome

This activity contributes to the following community outcome:

- *People-centred City* – this activity promotes inclusiveness, celebrates social and cultural diversity and enable us to respond to the needs and aspirations of Māori. Our work aims to enhance the visibility of Māori culture and history in the city by telling the story of Wellington's Māori.

Who benefits?	
Whole community	50%
Individuals	50%

The benefits of this activity are equally spread between the whole community and the Council's mana whenua partners. Mana whenua partners benefit by having a direct input into Council decisions and therefore the future direction of the city. The community benefits because the partnership leads to better understanding and cooperation between local Māori and the wider community. These benefits contribute to the general cultural, economic, social and environmental wellbeing of the city.

Who should pay?

Whole community	100%
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Though the benefits of this activity accrue to both Māori and the whole community, the Council believes it is appropriately funded from general rates. There reasons for this are that since this activity is about meeting treaty obligations, it is appropriate for this activity to be funded from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

ENVIRONMENT

Protecting and enhancing our natural environment

Under this area of activity we seek to protect and enhance our natural environment. Wellington is a city shaped by nature. From bush-clad hills to sparkling harbour to rugged coastline, the city's unique character derives from the land. As the city grows, the challenge is to preserve this natural beauty and drama. Part of protecting the environment is looking after the city's water supply, rubbish and recycling operations, and sewage and stormwater networks. This is by far our biggest area of operation.

Operating activities

The funding sources for this area are illustrated in the graph on the next page.

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Environmental capital expenditure projects are funded through a combination of rates funded depreciation, and borrowings.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other
Environment	Gardens, Beaches and Green Open Spaces	2.1.1	Local parks and open spaces	5%	0%	95%	95%	0%	0%
		2.1.2	Botanical gardens	10%	0%	90%	90%	0%	0%
		2.1.3	Beaches and coast operations	0%	5%	95%	95%	0%	0%
		2.1.4	Roads open spaces	0%	5%	95%	95%	0%	0%
		2.1.5	Town belts	0%	5%	95%	95%	0%	0%
		2.1.6	Community environmental initiatives	0%	0%	100%	100%	0%	0%
		2.1.7	Walkways	0%	0%	100%	100%	0%	0%
		2.1.8	Biodiversity (pest management)	0%	0%	100%	100%	0%	0%

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Environment	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	
		2.2.2	Closed landfills aftercare	0%	0%	100%	100%	0%	0%	
		2.2.3	Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	
	Water	2.3.1	Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2	Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
	Wastewater	2.4.1	Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%
		2.4.2	Sewage treatment	5%	0%	95%	0%	60%	35%	0%
	Stormwater	2.5.1	Stormwater management	0%	0%	100%	0%	77%	23%	0%
	Conservation attractions	2.6.1	Conservation visitor attractions	0%	0%	100%	100%	0%	0%	0%

2.1 GARDENS, BEACHES AND GREEN OPEN SPACES

Activity 2.1.1: Local Parks And Open Spaces

The Council owns and looks after the city's parks and reserves, horticultural plantings and street trees. We aim to provide a high-amenity, safe open space environment that gives people a wide range of recreation opportunities. Our work includes the upkeep of grass areas, sports pavilions and other buildings on reserve land. (For information on sports fields, see activity 5.3.2).

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – local parks and open spaces enhance Wellington's unique 'sense of place', making it a great place to live, work and play.
- *Connected City* – accessible and high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *Eco-city* – high quality natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions.

Who benefits?

Whole community	90%
Identifiable part of the community	10%

The city's parks and reserves benefit the whole community. They give all residents and visitors access to high-quality open spaces for a wide range of recreation activities, such as walking or mountain biking. This encourages healthy lifestyles. They also make the city's environment greener and more pleasant for all residents, and provide focal points for communities. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

While those who choose to use the city's open spaces receive a direct benefit, they cannot be readily identified or excluded from these areas. From time to time our park pavilions are leased to sports and community groups who benefit from their exclusive use.

The provision of parks and reserves brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?

Whole community	95%
Identifiable part of the community	5%

Since the community as a whole is the main beneficiary from this activity, it should bear most of the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of parks and reserves and the opportunity for residents to use them for recreational activities.

The exception is the lease of park pavilions to sports and community groups. In these situations, the group concerned receives an exclusive benefit and therefore should bear a share of the cost. While our analysis suggests these groups receive 10 percent of the benefit, we have decided they should bear only 5 percent of the cost. This is because the Council wants to ensure that the pavilions are not priced out of reach of these groups. We want to see high levels of participation in recreation activities and encourage people to use the city's open spaces, and we believe raising user charges on the parks and pavilions could work against that outcome.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
Total	100%

Activity 2.1.2: Botanical Gardens

Wellington has four botanic gardens: Wellington Botanic Garden, Otari-Wilton's Bush, Bolton Street Memorial Park and Truby King Park (in Melrose). The Council maintains these gardens with the help from community groups and trusts which help provide voluntary guides, fund new development and carry out practical work such as planting.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – Botanical Gardens enhance Wellington's unique 'sense of place'
- *Connected City* – the botanical gardens encourage people to gather together, share activities and connect with each other.
- *Eco-city* – the botanical gardens enhance our biodiversity and contribute to off-setting our carbon emissions.
- *Dynamic Central City* – the Botanic Garden is accessible within minutes from the central business district, is important for residents' quality of life, and attracts visitors.

Who benefits?

Whole community	90%
Individuals	10%

The city's four botanic gardens benefit the whole community. They are of international quality, providing residents and visitors with access to open spaces for recreation and relaxation, as well as opportunities to learn. They play a valuable conservation role, preserving native and exotic plants. By attracting visitors to Wellington they help its economy, and by making the city's environment more pleasant for all residents they improve quality of life and adds to people's sense of pride in the city.

While those who choose to use the gardens receive the most direct benefit, in most instances these people cannot be identified and nor can they be excluded from these areas.

The gardens do provide a few services which exclusively benefit individual people or organisations. These include:

- the shop and cafe at the Begonia House in the Botanic Garden
- function rooms at Begonia House, Tree House and Otari-Wilton's Bush
- sale of plants at the Otari-Wilton's Bush annual open day
- lease of a house at Truby King Park to the Biology Institute
- provision of memorial seats in the Botanic Gardens

The gardens also provide educational seminars and programmes which have some private benefit. However, as these programmes help people learn about the environment, the Council believes the principal benefit is to the community as a whole.

The provision of the botanic gardens brings long-term benefits to the city, which is reflected in the Council's commitment to fund them on an ongoing basis.

Who should pay?

Whole community	90%
Individuals	10%

Since the principal benefits of the city's botanic gardens are to the community as a whole, it is appropriate for general ratepayers to bear the majority of costs. The Council views the gardens as public amenities and is committed to maintaining free public access.

These costs are offset by some income-generating activities (as above). These are generally commercial activities; the beneficiaries include souvenir hunters and groups renting function rooms. It is appropriate that these activities are carried out on a user-pays basis.

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
Total	100%

Activity 2.1.3: Beaches And Coast Operations

A well maintained coast, with strong natural values and secure structures, is important for public safety and enjoyment. The Council is responsible for the upkeep of many of the city's wharves, breakwaters, jetties and public boat ramps, as well as the Carter Fountain in Oriental Bay.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – Wellington's beaches and coastal areas provide high quality natural environments for leisure and recreation.

Who benefits?	
Whole community	100%

Wellington's coastline is a distinct part of the city's identity. By ensuring people have safe access to the coast, the Council is increasing the range of recreation opportunities available to people and encouraging healthy lifestyles, as well as protecting public safety. By beautifying the coast and protecting it from erosion, the Council is enhancing the city's environment, improving quality of life and adding to people's sense of the city as an attractive place to live.

While those who use the city's wharves, jetties and breakwaters receive a direct benefit, in most instances these people cannot be identified. Nor can they be excluded from using the coast. The one exception is boat ramps, which directly benefits an identifiable part of the community: recreational boat users. However, the Council regards these facilities as part of its provision of safe, secure access to the coast and encouraging outdoor recreation.

The Council's work on the city's beaches and coastline brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?	
Whole community	100%

Since the whole community benefits from this activity, it is appropriately funded through general rates.

This activity also derives modest rents from club houses on or adjacent to beaches and that revenue is reflected here.

Our funding targets: operating expenses	
User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
Total	100%

Activity 2.1.4: Roads Open Spaces

Roads that are clean and have clear edges help make the city attractive and safe. We look after the city's roadside plants – removing or pruning overgrown ones, planting new ones, spraying weeds and supplying free plants to residents for them to plant on road reserves. We also clean city and residential streets, empty rubbish bins in the central city and remove spills and litter.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – management of roadside vegetation ensures hazards are removed - for example, impairing motorists' line of sight, contributing to bank erosion or blocking natural run-off channels.

Who benefits?	
Whole community	100%

This work benefits anyone who lives in or moves around the city by ensuring footpaths and roadside verges and open spaces are safe, attractive and free of litter. This work has benefits for the city's environment and for residents' safety, health and enjoyment of their surroundings.

Who should pay?	
Whole community	95%
Identifiable part of the community	5%

A small part of our roads open spaces costs are covered by a subsidy from the Government roading funding agency New Zealand Transport Agency (NZTA), which passes on funding from the fuel taxes it gathers. Of the remaining costs, as the community as a whole benefits, the fairest and most efficient way to fund this is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets: operating expenses	
User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
Total	100%

Activity 2.1.5: Town Belts

Wellington's Town Belt, Outer Green Belt and reserves offer fantastic recreation venues for the public, but they need a lot of care. The Council manages the Town Belt, the Outer Green Belt and other reserves to ensure they are maintained to high standards. This includes custodial duties, operational planning and implementation, education programmes and upgrade projects.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – A high quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible opportunities for leisure and recreation.
- *Eco-city* – the Town Belt enhances our biodiversity and contributes to off-setting our carbon emissions.

Who benefits?

Whole community	100%
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The Town Belt and Outer Green Belt benefit the whole community. They give all residents and visitors access to high-quality open spaces for recreation activities, encouraging healthy lifestyles. They also make the city's environment greener and more pleasant for all residents, and provide focal points for communities. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

While those who choose to use the Town Belt and Outer Green Belt receive a direct benefit, in most instances these people cannot be practically identified and nor can they be excluded from these areas.

The provision of the Town Belt and Outer Green Belt brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?

Whole community	100%
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Since the community as a whole benefits from the provision of the Town Belt and Outer Green Belt, it should bear the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of these open space areas and the opportunity for residents to use them for recreational activities.

Through this activity we receive modest revenue from the rental we charge for use of facilities such as Scout Clubs that are housed on Town Belt land.

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
Total	100%

Activity 2.1.6: Community Environmental Initiatives

This activity covers initiatives that directly support the community's engagement in advancing environmental well-being. The Council provides grants for projects that promote environmental sustainability or greater understanding of environmental issues. It also covers environmental education initiatives and our community greening programmes.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – community environmental initiatives improve the quality of our natural environment, making the city a better place to live, work and play.
- *Connected City* – by supporting community environmental initiatives we support bringing people together and encouraging community spirit.
- *Eco-city* – community environmental initiatives raise awareness of environmental issues and improves environmental outcomes.

Who benefits?	
Whole community	100%

This activity benefits the community as a whole. While individuals or groups can apply for the grants, the work they fund helps enhance the environment and provides educational benefits for all city residents.

The activity has long-term benefits, as the projects it funds are aimed at ensuring future generations can enjoy a cleaner and more pleasant environment.

This work contributes directly to the Council's long term goal of pursuing a collaborative, participatory approach towards environmental kaitiakitanga (guardianship), by sharing information within the community and establishing partnerships to achieve environmental goals.

Who should pay?	
Whole community	100%

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 2.1.7: Walkways

The Council encourages public use of the Town Belt and reserves, and recognises that tracks are important for people's access to and enjoyment of the city's bush and open spaces. We currently maintain over 100km of track.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – walkways allow residents to explore Wellington's beautiful natural environment improving the quality of life of the city's residents
- *Connected City* – walkways provide attractive, safe and accessible opportunities for leisure and recreation, connecting people with each other and the environment.

Who benefits?	
Whole community	100%

The whole community benefits from the Council's provision of walkways. The walkways give all residents and visitors access to the Town Belt and reserves, encouraging them to enjoy the city's bush and lead healthy lifestyles.

While those who choose to use the walkways receive a direct benefit, in most instances these people cannot be practically identified and nor can they be excluded from these areas.

The provision of walkways brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?

Whole community	100%
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Since the community as a whole benefits from the provision of the walkways, it should bear the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of the walkways and the opportunity for residents to use them.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 2.1.8: Biodiversity (Pest Management)

The Council runs programmes to control animal pests and weeds on the 3,000 plus hectares of open space land we own and manage.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – protecting biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *Eco-city* – pest management is important for biodiversity and protects native fauna and flora.

Who benefits?

Whole community	100%
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This activity benefits the whole community by helping ensure the city's open space land is safe and pleasant to use. While there are direct benefits to those who choose to use the city's open spaces, these people cannot easily be identified or excluded from using those areas. There may also be benefits to certain communities within the city – for example, from a programme to eradicate possums from a particular suburb – but, in general, the benefits of this activity are to the community as a whole.

This activity has long-term benefits. For example, eliminating a pest from an area means future generations are less likely to have to deal with the problems that pests cause. The work aids the health of the environment by protecting and restoring land- and water-based ecosystems to sustain their natural processes, and to provide habitats for a range of indigenous and non-indigenous plants and animals.

The long-term nature of these benefits is reflected in the Council's decision to fund this activity on an ongoing basis.

Who should pay?

Whole community	100%
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This activity benefits the community as a whole. Therefore, the fairest and most effective way of funding it is from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

2.2 WASTE REDUCTION AND ENERGY CONSERVATION

Activity 2.2.1: Waste Minimisation, Disposal And Recycling

The Council operates the Southern Landfill. As well as the day-to-day management of the landfills, we are involved in landscaping, erosion control, resource consent compliance and water quality monitoring. The Council also collects refuse and household hazardous waste which is sent for safe disposal. This ensures hazardous wastes such as oils and solvents do not contaminate the landfills.

We encourage recycling by providing most residents with recycling bins and bags for weekly kerbside collection

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.
- *Eco-city* – reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources.

Who benefits?	
User	90%
Whole community	10%

People using the landfills receive the main benefit from this activity, as they are able to dispose of their waste in a safe and efficient manner that also ensures the harm to the environment is kept to a minimum.

There are also benefits to the whole community. Without the landfills, people would have nowhere safe to dispose of their waste. That would clearly pose a major hazard to public health and harm the city’s environment.

In 2003 the Council adopted the Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill’s life.

Also the direct beneficiaries of this work are the householders who have recyclable goods collected or who use our recycling stations. These people are able to dispose of their recyclable and reusable waste in a safe, efficient and environmentally-friendly manner.

The whole community receives the environmental benefits from having less waste deposited in landfills.

Who should pay?	
User	100%

Though the benefits of this activity are shared between individuals and the community as a whole, the Council believes users of the city’s landfills should bear the costs. The Council believes it is appropriate to take a “polluter pays” approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste. This approach is justified by the significant

benefits to the city’s environment from reducing the amount of waste dumped in landfills. Landfill fees are set in accordance with the Life Cycle Costing Model, which determines the cost of operating a landfill over the full term of its life.

Though the benefits of this activity are split between the community and individuals, the Council believes it is appropriate for users of the city’s landfills to bear the costs. The Council believes it is appropriate to take a “polluter pays” approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste. This approach is justified by the significant benefits to the city’s environment from reducing the amount of waste dumped in landfills.

The Council has adopted a Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill’s life.

The Council also receives a small amount of income from the sale of recycling bins.

Our funding targets: operating expenses	
User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
Total	100%

Activity 2.2.2: Closed Landfills Aftercare

We provide aftercare of our closed land fill sites.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – the majority of closed landfills are green open spaces enjoyed by local communities for leisure and recreation. Looking after these sites provides a valuable community asset for community enjoyment.

Who benefits?

Whole community	100%
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This activity benefits to the whole community. Without the safe management of the closed landfills, pose a major hazard to public health and harm the city's environment.

The whole community receives the environmental benefits from having close and safe management of the cities closed landfills.

Who should pay?

Whole community	100%
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Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 2.2.3: Energy Efficiency and Conservation

One of the Council's long term aims is for it and Wellington to be more sustainable. This means that Wellington will reduce its environmental impact by making efficient use of energy, water, land and other resources; shifting towards renewable energy resources; conserving resources; and minimising waste. Our immediate focus is on developing an energy management plan for the Council itself. This work will be supported by promotion of energy efficiency.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – developing funding partnerships with key stakeholders to insulate Wellington homes improves the health and the quality of life of Wellington residents.
- *Eco-city* – a focus on energy efficiency for the city's households and business will reduce costs and reduce its greenhouse gas emissions. Developing partnerships and encouraging policies for continued development of renewable energy in the city will be crucial for the Council's Eco-City aspirations.
- *Dynamic Centre City* – facilitating construction of Greenstar rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses as well as the uptake of emerging "green" technologies will allow Wellington to showcase its Eco City credentials.

Who benefits?

Whole community	100%
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The whole community benefits from the Council's commitment to and promotion of sustainability. By definition the work is of benefit to current and future generations. By reducing environmental impacts and making more efficient use of existing resources more opportunities will be open to the whole community in the future.

It should also be noted that it is expected that the costs of this project will be met by savings over time.

Who should pay?

Whole community	100%
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Since the community as a whole benefits from this activity, it is considered appropriate that it be funded from the general rate.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

2.3 WATER

Activity 2.3.1: Water Network

The Council owns a water network of over 80 reservoirs, 30 pumping stations, more than 7,000 hydrants and about 900 odd kilometres of underground pipes. We maintain this network to ensure Wellingtonians have high-quality drinking water available at all times. Our work includes monitoring water quality to ensure it meets the required standards, and cleaning reservoirs and pipes.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred city* – a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* – a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

Who benefits?

Identifiable parts of the community	75%
Whole community	25%

Water supply is a fundamental Council service. Residents need clean drinking water, as well as water for washing. Water is also vital for industry and commerce. The benefits to commercial users are entirely private and exclusive. The benefits to individual people are mainly private, but there are also significant benefits to the community as a whole in terms of public health and safety, and economic well-being.

Who should pay?

Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	40%

While it is recognised that there is a whole community benefit from the provision of the water supply activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply.

The division of costs between the two sectors is based on a water consumption split, modified on the basis of the additional maintenance and service response required in the commercial sector, to a 60% residential 40% commercial split.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed charge of \$125.00 (incl. GST), to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

The 40% of costs funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge of \$1.78 (incl. GST) per cubic metre of water consumed. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential 60% Commercial 40%)	100%
General rate	0%
Total	100%

Activity 2.3.2: Water Collection and Treatment

We buy water for the city in bulk from the Greater Wellington Regional Council. The regional council treats the water at four sites in the Hutt Valley – Te Marua, Waterloo, Gear Island and Wainuiomata – to ensure it meets New Zealand drinking water standards. We pay based on how much water the city uses. Some of our costs are recovered from customers with water meters, while the rest is covered by water rates. Responsibility for water supply is vested in the Council under the Local Government Act.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred city* – a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* – a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

Who benefits?

Identifiable parts of the community	75%
Whole community	25%

Water supply is a fundamental Council service. Residents need clean drinking water, as well as water for washing. Water is also vital for industry and commerce. Though water supply is essential in a modern city, the benefits are largely private.

There is also some benefit to the community as a whole from the Council's provision of clean, drinkable water. This includes public health benefits, provision of water for fire-fighting, and the benefits of a reliable water supply for the economy.

Who should pay?

Identifiable parts of the community:

Base (residential) sector	60%
Commercial sector	40%

While it is recognised that there is a whole community benefit from the provision of the water supply activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply.

The division of costs between the two sectors is based on a water consumption split, modified on the basis of the additional maintenance and service response required in the commercial sector, to a 60% residential 40% commercial split.

The 60% residential share is funded through a targeted rate.

The majority of properties (those that do not have a water meter) are charged a fixed charge, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

The 40% of costs for activities funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge of per cubic metre of water consumed and an administration fee. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential 60% Commercial 40%)	100%
General rate	0%
Total	100%

2.4 WASTEWATER

Activity 2.4.1: Sewage Collection/Disposal Network

The Council is responsible for more than 1,000 kilometres of sewer pipes and tunnels, of which almost half are over 50 years old. The sewage network also includes 62 pumping stations which need regular maintenance and ultimately replacement once they have come to the end of their economic life.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – a safe and reliable wastewater network provides protection against public health risks.
- *Eco-city* – a safe and reliable wastewater network provides protection against environmental harm.
- *Dynamic Central City* – a safe, reliable and well maintained wastewater network that will function effectively and not cause disruptions to inner city living and business activities is a core component of every successful city in the 21st Century.

Who benefits?

Identifiable parts of the community	80%
Whole community	20%

The sewage network mainly benefits individuals by providing for the safe, sanitary removal of sewage waste from their homes and businesses, and ensuring that waste is treated and disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the system, and it would have to exist for public good reasons regardless of the individual benefits.

The sewage system benefits the whole community by protecting public health and the overall state of the environment. The system is a fundamental part of the city's infrastructure. Without it Wellington could not operate as a modern efficient city.

Who should pay?

Identifiable parts of the community:

Base (residential) sector	60%
Commercial sector	35%
User charges	5%

While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60/40 split.

The 60% residential share is collected through a targeted rate. This rate incorporates a fixed charge, with the balance of the sector share funded through a rate per dollar of capital value.

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value (35%) and trade waste charges (5%).

Our funding targets

User charges	5%
Other revenue	0%
Targeted rate (Residential 60% Commercial 35%)	95%
General rate	0%
Total	100%

Activity 2.4.2: Sewage Treatment

Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste treatment plants at Moa Point and Karori are financed by the Council and operated by United Water. Sewage from Wellington's northern suburbs is transferred to the Porirua plant, in which the Council has a 27.6% stake. Once sewage is treated at Moa Point and Karori, waste water is piped into the Cook Strait and the sludge is taken to the Southern Landfill, where it is combined with green waste to make high-quality compost.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – a safe and reliable wastewater network and treatment facility provides protection against public health risks.
- *Eco-city* – a safe and reliable wastewater network and treatment facility provides protection against environmental harm.
- *Dynamic Central City* – a safe, reliable and well maintained wastewater network and appropriate treatment of waste is a core component of every successful city in the 21st Century.

Who benefits?

Identifiable parts of the community	80%
Whole community	20%

The sewage treatment system mainly benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the sewage system, and sewage would have to be treated for public good reasons regardless of the individual benefits.

The sewage treatment system benefits the whole community by protecting public health and the overall state of the environment. The system is a fundamental part of the city's infrastructure. Without it, Wellington could not operate as a modern, efficient city.

Who should pay?

Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	35%
User	5%

While it is recognised that there is a whole community benefit from the provision of this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60/40 split.

The 60% residential share is collected through a targeted rate. This rate incorporates a fixed charge of \$112.50 (incl. GST) per property, with the balance of the sector share funded through a rate per dollar of capital value.

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value (35%) and trade waste charges (5%).

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate (Residential 60%, Commercial 35%)	95%
General rate	0%
Total	100%

2.5 STORMWATER

Activity 2.5.1: Stormwater Management

Each year, Wellington’s stormwater network carries around 80 million cubic metres of runoff from gutters and drains to the harbour and city streams. This drainage network helps protect the city from flooding. This network is made up of over 600 kilometres of stormwater pipes and tunnels.

Because stormwater is discharged into the city’s streams, harbour and coastal waters, it needs to be as clean as possible. Stormwater can be contaminated by sewage leaking from sewerage pipes, runoff from roads, and by waste such as oil, paint and litter being tipped or washing into drains. The Council has resource consents from the Greater Wellington Regional Council for our stormwater discharges, and we are required to meet the standards set out in these consents. While we do not treat stormwater runoff, we monitor stormwater quality at more than 80 sites, to ensure it meets the required standards.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – a safe and reliable storm water network and effective maintenance and operation programmes prevents avoidable disruptions to community living and minimises the risk of injury and the risk of damage to property from storm water.
- *Eco-city* – a safe and reliable storm water network minimise the impacts – such as erosion - of storm water on the environment.

- *Dynamic Central City* – a safe and reliable storm water network and effective maintenance and operations programmes allows people to live work and play in the central city safely and without disruption.
- *Connected City* – a safe and reliable storm water network and effective maintenance and operations programmes reduces the risk of avoidable surface flooding and environmental damage that may affect transport networks.

Who benefits?

Identifiable parts of the community	50%
Whole community	50%

The stormwater system provides significant benefits to individual property owners by protecting their property from flooding. Though these benefits are private, they are not exclusive – all homes and businesses benefit, and the network would have to exist for public good reasons regardless of the individual benefits.

The stormwater system benefits the whole community, both by protecting public property and by protecting public health and safety. The system is a fundamental part of the city’s infrastructure. Without it, Wellington could not operate as a modern, efficient city, and both economic and social well-being would suffer.

Who should pay?

Identifiable parts of the community:	
Residential (urban) sector	77%
Commercial sector	23%

While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on the residential (urban) sector and the commercial sector.

Some stormwater runoff may be the direct result of new developments or other land works, or individual actions such as people tipping paint down drains. In these cases, there is a clear “polluter pays” argument for the people or businesses responsible to meet some of the costs. However, identifying those responsible and assessing the costs are difficult.

The Council has decided to exclude rural areas from paying for this activity as this service is not provided to them and as a result they receive no individual benefit. It is therefore appropriate to fund this activity from targeted rates, excluding the rural sector.

The 77.5% residential share is collected through a targeted rate. This rate is funded through a rate per dollar of capital value.

The 22.5% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential 77% Commercial 23%)	100%
General rate	0%
Total	100%

2.6 CONSERVATION ATTRACTIONS

Activity 2.6.1 Conservation Visitor Attractions (Zoo And Zealandia)

The Council funds the Wellington Zoo Trust and has provided funding support to Zealandia – the Karori Sanctuary Trust. While each of these organisations has specific goals and approaches to conservation and education they all provide attractions for residents and visitors.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – these activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.
- *Eco-city* – these facilities play important conservation roles, protecting native and exotic flora and fauna.

Who benefits?	
Individuals	40%
Whole community	40%
Identifiable part of the community	20%

These facilities benefit the individuals that choose to attend by providing them with a high-quality recreational and educational experience. These benefits are private and exclusive.

These facilities provide significant benefits to the whole community. They play a major conservation role by protecting endangered species and educating the public about conservation and biodiversity issues.

Their existence is also of benefit to those who are not visitors generally but have the option of going.

The facilities also aim to attract tourists to the city, contributing to the local economy.

Who should pay?	
Whole community	100%

Each of these trusts operate separately from the Council. User charges, which in the case of the Zoo account for about 45 percent of the trust's income, reflect the private benefits to people who visit these facilities. These user charges do not appear in the Council's books.

The Council's contribution to these facilities reflects the benefits to the community as a whole. For this reason, it is appropriate for the Council's contribution to be funded from general rates.

Rates funding is also justified because these facilities contribute to the Council's long term goal that the city's high quality natural environment will attract visitors, residents and visitors.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

ECONOMIC DEVELOPMENT

Growing the regional economy for a prosperous community

The Economic Development Activity is about achieving long-term and sustainable growth in Gross Domestic Product per capita. With a dynamic growing economy, Wellington is able to offer residents prosperity and an outstanding quality of life. Our economic activities include funding tourism promotions and visitor attractions, support for the regional economic development agency, and maintaining relationships with other agencies to foster economic growth.

Operating activities

The funding sources for this area are illustrated in the graph below.

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Economic development capital expenditure projects generally relate to renewals and are funded through rates funded depreciation.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Economic Development	City promotions and business support	3.1.1	Tourism promotion (PWT)	0%	0%	100%	0%	0%	100%	
		3.1.2	Convention venues	5%	0%	95%	55%	0%	40%	
		3.1.3	Retail support (free weekend parking)	0%	0%	100%	0%	0%	<1%	99%
		3.1.4	Grants and creative workforce	0%	0%	100%	100%	0%	0%	0%
		3.1.5	Events attraction and support	0%	0%	100%	0%	0%	100%	0%
		3.1.6	Regional and external relations	0%	0%	100%	100%	0%	0%	0%
		3.1.7	Destination Wellington	0%	0%	100%	0%	0%	50%	50%

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT

Activity 3.1.1: Tourism Promotions (PWT)

The Council funds Positively Wellington Tourism – the city’s official visitor marketing agency. It works alongside the accommodation and retail sectors to promote Wellington as a visitor destination.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – Positively Wellington Tourism markets the city as an attractive place to live and do business and attracts tens of thousands of visitors to the city every year.
- *Connected City* – major events, and performances connect us to artists and events of national and international significance, and Wellington’s story is connected to the world by Positively Wellington Tourism’s marketing and promotion.

Who benefits?

Identifiable parts of the community	100%
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The direct beneficiaries of Positively Wellington Tourism’s work are the retailers, restaurants, bars, hotels and other businesses located in the downtown area. The marketing and promotional work funded through this activity brings people to the central city, where their spending benefits businesses. While there are some benefits to the community, as tourism benefits the economy and adds to the vibrancy of the inner city, the principal purpose of this activity is to directly assist the downtown business sector. The effects of tourism promotion are cumulative and have positive long-term benefits for the inner-city economy.

Who should pay?

Identifiable parts of the community	100%
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As the downtown sector benefits directly from this activity, it is appropriate they should pay. This activity is funded from the downtown levy, which is a targeted rate levied on businesses in the downtown area.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	100%
General rate	0%
Total	100%

Activity 3.1.2: Convention Venues

On September 29th 2010 Council agreed to establish Wellington Venues Limited to manage the Michael Fowler Centre, Wellington Town Hall, TSB Arena, St James Theatre and the Opera House.

The majority of the revenue and expenditure has been transferred into the new CCTO and so is reflected through the budgets of the CCTO.

The expenditure which remains relates to the costs of managing the building assets which will remain within the Council’s budgets. Additional expenditure will be incurred in 2012/13. This is due to the refurbishment of temporary space to accommodate events and activities during the closure of the Town Hall for earthquake strengthening.

Community outcome

This activity contributes towards the following outcomes:

- *Connected City* – Positively Wellington Venues offers auditoriums and event spaces that are not provided for in the private sector, providing access for residents and visitors to world class performances.
- *Dynamic Central City* – convention venues are places of events, festivals, conferences and concerts. They anchor Wellington’s appeal as a place of creativity, exploration, innovation and excitement.

Who benefits?

Users	50%
Whole community	25%
Identifiable parts of the community	25%

The direct beneficiaries are those who attend the events and activity housed by these venues. The benefits of attending are private and exclusive. These are recognised in large part by the ticket/entry price that people pay. This revenue is received by the promoter and the Venues Trust (and is accounted for separately to this activity). The income from the adjacent car park is recognised under this activity. The user of those is the exclusive benefactor for the time that they occupy the space.

The community as a whole benefits in a number of ways from the Council owning these buildings. The venues contribute to the economy and to Wellington’s vibrant cultural life by helping attract events and visitors to the city. They provide performance spaces for major attractions including the New Zealand Symphony

Orchestra and New Zealand Festival, which might otherwise have difficulty finding homes in Wellington. The facilities existence therefore means people have the option of attending events there if they wish. In addition, the Michael Fowler Centre and Town Hall are major city landmarks and focal points, which contribute to civic pride.

There are also direct benefits to the businesses located in the downtown area. The events, conventions and performances housed by these facilities bring people into the central city, providing custom for hotels, restaurants, retailers and other city businesses. These benefits can be measured through increases in the number of “visitor nights” spent in the city during major events.

Who should pay?	
Users	5%
Whole community	55%
Identifiable parts of the community	40%

Though the main beneficiaries of this activity are the individuals who choose to take part in the performances and events that are offered, the Council does not believe it is viable or appropriate to charge them directly for these benefits. The Council's provision of the facilities reflects the collective benefit to the wider public, while any private benefit received by people attending shows is reflected in the tickets they purchase to attend.

There are strong arguments for the Downtown sector to bear a cost of this activity as they benefit directly from the funding of it. The venues are the infrastructure that provides for the performances that are an integral part of the Council's goal to maximise the economic value from promoting and hosting high profile events. The location of these draws people into the downtown area and boosts local businesses, particularly those in the tourism, hospitality and retail sectors.

While the accommodation and entertainment sector receives a part of the benefit, the Council's view is that general ratepayers should also bear a portion of the costs. This is because of the benefit to the community as a whole, through an enhanced cultural offering and stronger economy.

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate (Downtown levy)	40%
General rate	55%
Total	100%

Activity 3.1.3: Retail Support (free weekend parking)

A number of the Council's activities contribute to the vitality of the city and suburban centres. This activity covers two specifically targeted projects.

The Council manages a rolling programme of improvements on behalf of the proprietors at the Marsden Village in Karori. The Council also provides its car parks free on weekends to attract custom to the inner city. This forms part of a wider retail strategy.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – free weekend parking makes Wellington an attractive place to live and do business, and attracts thousands of shoppers to the city every weekend.
- *Dynamic Central City* – a thriving retail sector in the heart of the city is an important part of Wellington's appeal, and free parking at the weekends encourages residents and visitors into the city to shop.

Who benefits?	
Identifiable part of the community	50%
Individuals	50%

The direct beneficiaries of the free weekend parking policy are the people who get to make use of the parks. Their benefit is private and exclusive – two cars obviously cannot use the same park at once.

The other beneficiaries of the free weekend parking policy are the retailers, restaurants and other businesses located in the downtown area. Free parking brings people to the central city, where their spending benefits businesses.

The Marsden Village levy is managed by the Council on behalf of the proprietors and is of direct benefit to them.

Who should pay?

Identifiable parts of the community	100%
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The main purpose of this activity is to encourage people into the city by subsidising their car parking. Clearly, this means someone other than the people using the car parks has to pay. Since the other beneficiaries of this policy are downtown businesses, it is appropriate they should bear the cost so long as the free weekend parking policy continues. Free weekend parking is funded from the downtown levy, which is a targeted rate levied on businesses in the downtown area.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	99%
General rate (Marsden)	<1%
Total	100%

Activity 3.1.4: Grants and Creative Workforce

The Council maintains four grants pools. This activity covers the grants to community groups and organisations whose projects seek to promote economic wellbeing. The grants process is overseen by a subcommittee of Council.

The core aim of this activity is to attract and retain an increasing diversity of vibrant, internationally competitive people, businesses and industries to Wellington.

Our work includes marketing the city as an inclusive place where talent wants to live.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – our grants support the attraction and retention of talented people, and support the creative business sector in Wellington.

Who benefits?

Identifiable part of the community	80%
Whole community	20%

The groups and organisations that receive grants clearly benefit from this activity. But the community as a whole also benefits. The grants pool itself is not exclusive - it is open so that anyone has the opportunity to apply. And the projects of the successful applicants will have flow on benefits for the wider community.

Individuals and employers are also likely to receive benefits as a result of the programme.

Who should pay?

Whole community	100%
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While grants recipients benefit directly from this activity seeking to recoup the cost from them would defeat the purpose of the grants pool. Given this and that there are benefits to the community as a whole, the Council believes the fairest and most effective way to fund it is from general rates.

Although there is some benefit to individuals, the principal benefit is to the community. Identifying the individual beneficiaries and the level of benefit they receive is not practicable. Furthermore, if it were practicable charging people who benefit from the activity would tend to defeat its purpose by discouraging people from taking part.

For these reasons, the Council believes the fairest and most effective way of meeting the costs of this activity is through general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 3.1.5: Events Attraction and Support

Through this activity the Council attracts and supports major events in the city. Major events such as the Rugby Sevens and the World of WearableArt show attract visitors and add a spark of vitality to the city. From 2009/10 the Festival of the Arts funding is also incorporated within this activity. The additional spending that these events bring boosts the local economy and is an important part of maintaining Wellington’s place as the “events capital”.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – festivals and events make Wellington a vibrant and entertaining place to live.
- *Connected City* – major events, and performances connect us to artists and events of national and international significance.
- *Dynamic Central City* – our events anchor Wellington’s appeal as a place of creativity, exploration, innovation and excitement.

Who benefits?	
Individuals	50%
Whole community	30%
Identifiable parts of the community	20%

The direct beneficiaries are those who attend the events funded through this activity. These benefits are private and exclusive.

The community as a whole benefits in a number of ways. They have the opportunity to attend high-quality events that arguably wouldn’t come without the Council’s support. Major events, such as the Rugby Sevens, also contribute to social cohesion – they are an opportunity for people to mix and celebrate together. The events also play vital roles in Wellington’s vibrant cultural life, contributing to its image as New Zealand’s arts capital.

There are also direct benefits to the businesses located in the downtown area. The events funded by this activity bring people into the city, providing custom for hotels, restaurants, retailers and other city businesses. These benefits can be measured through increases in the number of “visitor nights” spent in the city during major events.

Who should pay?	
Identifiable parts of the community	100%

Though the main beneficiaries of this activity are the individuals who choose to take part in the events, the Council does not believe it is viable or appropriate to charge them directly for these benefits. Council’s contribution to the hosting of the events reflects the collective benefit to the wider public, while any private benefit received by people attending shows is reflected in the tickets they purchase to attend.

There are strong arguments for the commercial sector to bear the cost of this activity as they benefit directly from the funding of it. The events bring people and visitors into the city. They also provide an important connection to the world, which is seen as a critical factor in attracting and retaining a highly-skilled creative workforce. The activity is an integral part of the Council’s goal to maximise the economic value from promoting and hosting high profile events. The activity also strongly supports our overall economic strategy of building a strong economy based around an environment that fosters innovation and entrepreneurship. To this end the Council considers it appropriate that the commercial sector pays for the activity.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Commercial)	100%
General rate	0%
Total	100%

Activity 3.1.6: Regional and External Relations

The Council works to make Wellington's economy more competitive and innovative by promoting the city's interests to central government, local authorities, the business community, and to educational providers. We also maintain relationships offshore to promote the region.

Community outcome

This activity contributes towards the following outcome:

- *Connected City* – Improving access to Asian markets is particularly important with New Zealand's free trade agreement with China, for instance, providing local businesses with new opportunities to access large markets.

Who benefits?

Whole community	50%
Identifiable parts of the community	50%

The benefits of this activity are split between the community as a whole and institutions that benefit from our efforts. The core aim of this work is to help the city and regional economy grow through innovation. This benefits residents directly by providing jobs, raising incomes, providing a wider range of career choices, and making the city more prosperous. Our work in this activity also benefits some business sectors, such as export education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in foreign markets.

Though the benefits to the community are immediate and relate to economic well-being, our efforts to improve the city's prosperity and in particular any partnerships with the training and educational sector have positive, long-term spin-offs both for the economy and social well-being.

Who should pay?

Whole community	100%
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Though the benefits are split between the community and certain sectors, the Council believes this activity is most appropriately funded from general rates. This is because in most situations it would be impractical to identify the individuals or business that benefit directly from our activity. For example, it would not be possible to identify the direct beneficiaries of a sister city relationship or a trade delegation. Furthermore, the Council's and relationship-building efforts complement the efforts of businesses or institutions themselves. The Council's contributions can fairly be seen as reflecting the public benefits only.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	0%
General rate	100%
Total	100%

Activity 3.1.7: Destination Wellington

We want to create jobs and support economic growth in Wellington City.

Our research has identified a set of activities that are critical to attracting the talent and investment required for the future growth of the city. We are planning to deliver these through specialist Council controlled agency which will work in close partnership with others. This is a new activity.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – Destination Wellington will develop the city's 'value proposition' and work to attract talent and investment to the city
- *Connected City* – ensuring the city has a presence nationally and internationally will be vital to creating jobs and grow the local economy.
- *Dynamic Central City* – attracting business, talent and investment to the central City will be critical to ensuring it remains vibrant and a competitive advantage for Wellington

Who benefits?

Whole community	50%
Identifiable parts of the community	50%

The benefits of this activity are split between the community as a whole and sectors that will benefit from our efforts. The core aim of this work is to attract investment and grow the local economy. This potentially benefits residents by providing jobs, raising incomes, providing a wider range of career choices, and making the city more prosperous. Our work in this activity also aims to benefits commercial sectors, such as export education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in growing markets.

By attracting talent, businesses and investment directly to the city there are also expected to be direct benefits to the Downtown sector. As with tourism, commercial visitors will spend and consume services offered in the inner city.

Who should pay?

Downtown levy	50%
Commercial sector	50%

Though the benefits are split between the community and certain sectors, the Council believes this activity is most appropriately funded from those that directly benefit – the commercial sector and those that contribute to the Downtown levy.

It is proposed that this activity is funded by the downtown levy (50%) and commercial targeted rate (50%). The primary beneficiaries of the activity are likely to be the commercial sector in the downtown area, however it is expected that other commercial sectors outside of the downtown area will also benefit directly.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	
■ Commercial	50%
■ Downtown	50%
General rate	0%
Total	100%

Activity 3.1.8: Long-Haul Airline Attraction

The airport and the seaport are important factors in any city's economy. Ensuring they are readily accessible and connected locally, nationally and globally are central to their continued viability. Given its role in the city the Council can play a useful part in facilitating elements of this.

The Council is supporting an initiative aimed at attracting more long haul airlines to the city. This activity covers the cost of that project.

Community outcome

Connected City - Improving direct access internationally will provide local businesses with new opportunities to access large markets.

Who benefits?

Identifiable parts of the community	80%
Individual users	20%

The port, the airport and the users of those facilities benefit from Council's funding of this activity. The purpose of the activity is to facilitate ease of access to these gateways so that the movement of freight and of their customers remains efficient over time.

Individual Users benefit from this activity. These major transport gateways are central components of the local economy. The connections they offer to other markets and places are also important to the social fabric of the community.

Who should pay?

Whole community	100%
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Though the benefits of this activity are split between the businesses and users of the gateways and the wider community, the Council believes the activity is most appropriately funded from Downtown Levy rates. The main reason for this is that identifying individual beneficiaries and requiring them to pay would be impractical. It also believes that any of these benefits are outweighed by those to the community as a whole.

Funding the activity from the Downtown Levy is considered the fairest and most effective way of funding this.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown levy)	100%
General rate	0%
Total	100%

CULTURAL WELL-BEING

Shaping Wellington's unique identity

The Council supports a wide range of cultural and artistic activity in Wellington. The aim is to foster a lively and creative city that offers rich and varied cultural experiences to residents and visitors. We fund galleries, museums, arts organisations, and art and sculpture in public spaces. We also provide grants to community programmes that foster diversity and encourage people to participate in the arts.

Operating activities

The funding sources for this area are illustrated in the graph below.

Capital expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Cultural wellbeing capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Cultural Wellbeing	Arts and Culture Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3	Arts and cultural festivals	0%	20%	80%	80%	0%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6	Arts partnerships	0%	25%	75%	75%	0%	0%	0%

4.1 ARTS AND CULTURAL ACTIVITIES

Activity 4.1.1: Galleries and Museums (WMT)

The Council is the main funder of the Wellington Museums Trust, which operates the Museum of Wellington City and Sea, the City Gallery, Capital E, the Wellington Cable Car Museum and the Colonial Cottage Museum.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – museums shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories and help us understand ourselves and each other.
- *Connected City* – museums provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas here and abroad.
- *Dynamic Central City* – museums enhance Wellington’s vibrancy as a diverse, active and eventful place attractive to visitors.

Who benefits?

Individuals	70%
Identifiable parts of the community	15%
Whole community	15%

The individuals who attend the exhibitions and shows at the galleries and museums clearly benefit from their attendance.

The various venues are also important attractions for visitors and residents alike. The location of these draws people into the

downtown area and boosts local businesses, particularly those in the tourism, hospitality and retail sectors.

The museums and galleries funded by this activity also benefit the whole community in many ways. They help make the city vibrant and interesting, preserve its heritage, form a vital part of Wellington’s image as a creative city, and are a source of civic pride. The exhibitions run by the galleries and museums also foster community identity. These benefits are felt even by people who choose not to visit the facilities.

Who should pay?

Whole community	75%
Downtown sector	25%

The Council funds the museums and galleries to encourage greater participation in the arts and because it believes that high quality cultural amenities add to a vibrant city life.

While there are clearly direct benefits to people who choose to visit the galleries and museums, the Council believes these are outweighed by the overall community benefit and the benefits that flow to the businesses in the downtown sector.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	25%
General rate	75%
Total	100%

Activity 4.1.2: Visitor Attractions (Carter Observatory/Te Papa)

Through this activity the Council funds attractions and facilities that bring visitors to the city. It includes an ongoing commitment to the Carter Observatory located at the top of the Cable Car and funding for Te Papa.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – they shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories, in particular those of our Māori, and help us understand ourselves and each other.
- *Connected City* – they provide ideas and places where people can connect, share what is common and explore what is different and new.
- *Dynamic Central City* – museums enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to visitors.

How we approach funding this activity

The overarching purpose of this activity is to have visitor attractions. The principal expenditure under this activity is the funding which the Council provides to the Carter Observatory and Te Papa.

External attractions

Who benefits?	
Individuals	50%
Whole community	30%
Identifiable parts of the community	20%

The direct beneficiaries are those who visit the attractions and attend other events funded through this activity.

These attractions bring visitors to the city and boost the economy, increasing prosperity for residents. They also play vital roles in Wellington's vibrant cultural life, contributing to its image as New Zealand's arts and cultural capital.

There are also direct benefits to the businesses located in the downtown area. The attractions funded by this activity bring people into the city, providing custom for hotels, restaurants, retailers and other city businesses. These benefits can be measured through increases in the number of "visitor nights" spent in the city during major events.

Who should pay?	
Identifiable parts of the community	70%
Whole community	30%

Though the main beneficiaries of this activity are the individuals who choose to visit Te Papa the observatory the Council does not believe it is viable or appropriate to charge them directly for these benefits.

There are strong arguments for the downtown sector to bear a portion of the cost of this activity as they benefit directly from the funding of this activity. The events and attractions bring people and visitors into the city. These people provide business for the retailers, and the wider hospitality sector in the city. The projects funded by this activity make major contributions to the Council's goal that Wellington will be a prime tourist destination.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Downtown)	70%
General rate	30%
Total	100%

Activity 4.1.3: Arts and Cultural Festivals

The Council runs and supports artistic and cultural events that encourage Wellingtonians to get out and enjoy themselves. These include Summer City, the Sky Show, the Diwali festival and more than 70 other events, all of which are provided free to the public.

We aim to use the Civic Square as the stage for a large number of these events. As the civic and cultural heart of the city the Square offers a safe and accessible venue.

Community outcome

- *People-centred City* – cultural festivals shape Wellington's sense of identity. They bring people together and celebrate creativity.
- *Connected City* – festivals provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas from here and abroad.
- *Dynamic Central City* – museums festivals enhance Wellington's vibrancy as a diverse, inclusive, creative, active and eventful place attractive to residents

Who benefits?	
Whole community	100%

While the people attending these events obviously benefit from the enjoyment they receive, the events are generally run outdoors in public areas making it impossible to identify individual beneficiaries. The benefits, in any case, are not exclusive.

There are generally no limits on the number of people who attend these events and, as the intention is to encourage participation, it would not be appropriate or acceptable to charge for entry.

The principal benefits are to the community as a whole. These events bring people together, encouraging community identity and cohesion. They help build a sense of pride in the city and add to Wellington's reputation as an "events capital". Many events attract people to the city centre, bringing economic benefits.

Who should pay?

Whole community	100%
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Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

The Council receives significant sponsorship for this activity from organisations such as the New Zealand Community Trust.

Our funding targets: operating expenses

User charges	0%
Other revenue	20%
Targeted rate	0%
General rate	80%
Total	100%

Activity 4.1.4: Cultural Grants

The Council maintains a cultural grants pool to allow community organisations access to funding.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – cultural grants support the creative sector of Wellington ensuring that the city is lively and full of festivals, performances and shows throughout the year.
- *Dynamic Central City* – cultural grants support Wellington cultural institutions that are integral to our cultural and events capital status. They provide shows and performances that make the central city a lively place to visit, play and do business.

Who benefits?

Individuals and Identifiable part of the community	50%
Whole community	50%

The direct beneficiaries of this activity are the individuals and groups who receive funding. The grants provide them with opportunities for artistic and cultural expression. This activity gives individuals the opportunity to participate, even though they may choose not to. Though these benefits are private, they are not exclusive – all residents are able to apply for funding.

Funding cultural initiatives also benefits all city residents by making the city a more vibrant place, enhancing community identity, and contributing to the city's reputation as New Zealand's arts and culture capital.

Who should pay?

Whole community	100%
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The purpose of this activity is to add to the mix of cultural events in the city and to encourage participation. Clearly, this means that someone other than the grant recipients has to pay. This activity has no benefit, economic or otherwise, to the commercial sector. Funding is directed to residents, and as such, the Council believes it is appropriate to fund the cost of this activity from rates targeted to the residential sector.

The people and groups who receive funding also contribute their own resources to initiatives that benefit the city's cultural and social well-being.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
General rate	0%
Total	100%

Activity 4.1.5: Access and Support for Community Arts

This activity covers the wide range of community arts programmes that the Council runs every year. It also covers a subsidy for non-profit community groups using the Wellington Venues. This ensures the venues are open to a wide range of organisations.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – support for community arts programmes and venue supports Wellington’s creative communities to put on festivals, performances and shows throughout the year.

Who benefits?	
Whole community	50%
Individuals	50%

Both the individuals that take part in the arts programmes and the non-profit groups that make use of the venue subsidy directly benefit from this activity. But the activity also benefits the community as a whole. The arts programmes are open events and the groups who are supported by the subsidy help make the city a vibrant place and foster cultural identity.

Who should pay?	
Whole community	90%
Identifiable parts of the community	10%

The purpose of this activity is to promote tolerance and, celebrate through the arts, people’s differences to create a sense of belonging. The provision of the community arts programme eliminates cost as a barrier as does the venue subsidy. Clearly, the cost of this support has to be met elsewhere. The Council believes the cost is most appropriately funded from general rates.

Our funding targets: operating expenses	
User charges	0%
Other revenue	10%
Targeted rate	0%
General rate	90%
Total	100%

Activity 4.1.6: Arts Partnerships

The Council maintains a number of partnerships with artistic organisations that call Wellington home.

The Council also houses a number of independent artists at the Wellington Arts Centre, which is covered by this activity.

Community outcome

This activity contributes towards the following outcomes:

- *People centred City* – the Arts Centre provides places where people can connect, and share creative ideas. Our partnership with organisations such as the NZ Symphony Orchestra means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case.

- *Dynamic Central City* – We support these institutions as they build on the city’s reputation as New Zealand’s arts and culture capital and they attract thousands of visitors to the city.

Who benefits?	
Identifiable parts of the community	60%
Whole community	30%
Downtown sector	10%

The artists and organisations are clearly the direct beneficiary of these partnerships. These benefits are private and exclusive to the extent that the Council’s support cannot be transferred.

The community also benefits from this activity in many ways. Through our support we help ensure these organisations remain viable and based in Wellington. In the example of the orchestra this means the city is home to one of the nation’s foremost arts institutions, which contributes to Wellington’s vibrancy and its image as a creative city. It also means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case.

These partnerships add to the city’s exceptional range of artistic and cultural amenities that cater to all tastes, which in turn add to an environment that fosters a vibrant city life and boosts the local economy.

Who should pay?	
Whole community	75%
Individuals	25%

The overall aim of this activity is to encourage greater engagement and participation in the arts. By supporting these organisations and artists we are ensuring that their work continues and can be experienced by residents and visitors. The Council believes that the majority of the cost is most appropriately funded from general rates.

It is also considered appropriate that those artists that are housed at the Arts Centre should make a contribution to the cost of the space that they have exclusive use over.

Our funding targets: operating expenses

User charges	0%
Other revenue	25%
Targeted rate	0%
General rate	75%
Total	100%

Activity 4.1.7: Regional Amenities Fund

The Regional Amenities Fund is a 'top up' regional funding mechanism for entities that provide regional benefits primarily in the arts, culture and environmental attractions and events sectors. Contributions to the Fund by Councils in the Wellington region would be based on population, using a distance differential which recognises that currently most regional amenities are located in Wellington City. An independent selection panel will select appropriate entities or projects for regional support. A Joint Committee made up of the Mayors of the region ratify the panel's recommendations.

Community outcome

- *People-centred City* – arts, culture and environmental attractions and events make Wellington a more attractive place to live and do business, and attracts thousands of visitors to the city every year
- *Connected City* – attractions and events provide ideas and places where people can connect and explore what is different and new, from both here and overseas
- *Dynamic Central City* – arts, culture and environmental attractions and events anchor Wellington's appeal as a place of creativity, exploration, innovation and excitement They also enhance Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.
- *Eco City* – environmental attractions and events raise awareness of environmental issues and improves environmental outcomes

Who benefits?

Whole community	100%
Identifiable parts of the community	0%

The direct beneficiaries are those who attend the events and attractions funded through this activity.

The community as a whole benefits in a number of ways. They have the opportunity to enjoy high-quality events that arguably wouldn't happen without the Council's support which contributes to social cohesion as they are an opportunity for people to mix together.

They also serve the business sector because some of the attractions and events funded by this activity will be located in Wellington City. They bring people into the city, providing custom for city businesses as well as enhancing Wellington City's place as New Zealand's arts capital, attracting people to the City to live, work and play.

Who should pay?

Whole community	100%
Identifiable parts of the community	0%

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	0%
Targeted rate (Commercial)	0%
General rate	100%
Total	100%

SOCIAL AND RECREATION

Building strong, safe and healthy communities for a better quality of life

A city is only as strong as its people. Wellington is built on strong communities. It's a safe city where people have plenty of opportunities to fulfil their potential and engage with each other. As the city's biggest provider of recreation facilities and social housing, we aim to promote healthy lifestyles and build strong communities.

Operating activities

The funding sources for this activity area are illustrated in the graph below.

Capital expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Social and Recreation capital expenditure projects are funded through a combination of grants/subsidies, rates funded depreciation and borrowings.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	40%	0%	60%	60%	0%	0%
		5.1.2	Sportsfields	10%	0%	90%	90%	0%	0%
		5.1.3	Sportsfields (Synthetic)	40%	0%	60%	60%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%
		5.1.7	Marinas	100%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	50%	0%	50%	50%	0%	0%
		5.1.9	Recreation programmes	5%	0%	95%	95%	0%	0%

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Social and Recreation	Community support	5.2.1	Libraries	10%	0%	90%	90%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
	Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%
		5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.3.3	Public health regulations	50%	0%	50%	50%	0%	0%	0%
		5.3.4	City safety	0%	0%	100%	100%	0%	0%	0%
		5.3.5	WEMO	5%	0%	95%	95%	0%	0%	0%

5.1 RECREATION PROMOTION AND SUPPORT

Activity 5.1.1: Swimming pools

This activity covers the cost of providing the Council's seven swimming pools: Wellington Regional Aquatic Centre (Kilbirnie); Freyberg Pool (Oriental Bay); Karori Pool; Thorndon Pool; Khandallah Pool; Keith Spry Pool (Johnsonville); and Tawa Pool.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?

Individuals	80%
Whole community	20%

Our swimming pools mainly benefit the people who use them. These people gain access to high-quality facilities for recreation, fitness and relaxation. The benefits are private and exclusive. It is appropriate and acceptable to charge people to use the pools.

However, there are also benefits to the community as a whole. By providing recreation facilities, the pools help increase the overall levels of residents' health, providing economic and social benefits. Pools provide important community focal points as well as health and recreation programmes that bring people together.

Most people regard the pools as important facilities and are prepared to contribute to the costs through their rates. Many people also like to have the option of using the pools even if they do not choose to do so.

Who should pay?

Whole community	60%
Individuals	40%

While individuals receive the direct benefits, the Council believes it is appropriate for the community as a whole to bear just over half of the costs of running the city's swimming pools.

The benefits to the community as a whole and the widespread community support for the facilities justify a significant ratepayer contribution. Though there are other pools in the city, the Council-operated ones are unique for the size and scale of their operations; they are not in direct competition with the private sector and can legitimately be seen as public facilities.

It would not be desirable to raise fees to levels that discouraged people from using them or provided barriers to people on low incomes.

Our funding targets: operating expenses

User charges	40%
Other revenue	0%
Targeted rate	0%
General rate	60%
Total	100%

Activity 5.1.2: Sportsfields

This activity covers the costs of providing the city's sports fields, excluding artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?

Individuals	30%
Identifiable part of the community	30%
Whole community	40%

The city's sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and partially exclusive. While the fields are booked out at certain times for organised sports such as club football, they are also often available for members of the public to use for informal recreation.

The Council estimates individual people receive about 30 percent of the benefits from sports fields and sports clubs receive about the same benefit.

The sports fields also benefit the community as a whole. By providing recreation facilities they help increase the overall levels of residents' health, providing economic and social benefits. They also provide important community focal points. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

Who should pay?

Whole community	90%
Individuals	10%

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs of operating the city's sports fields.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated sports fields are not in competition with private sector providers and can legitimately be seen as public facilities.

It is not always possible or desirable to identify individual users. While sports clubs who book sports fields can be identified and are charged, many other people use the fields informally and cannot be charged. It would not be desirable to raise fees to levels that discouraged organised sports. Nor would it be desirable to raise fees to levels that provided barriers to people on low incomes taking part in organised sports.

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
Total	100%

Activity 5.1.3: Sportsfields (Synthetic)

This activity covers the costs of providing the city's synthetic turf sports fields, including their artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?

Individuals	40%
Identifiable part of the community	40%
Whole community	20%

Synthetic turf sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and mainly exclusive. It is appropriate to charge people to use the facilities.

Council officers estimate individuals receive about 40% of the benefits from the synthetic turf sports fields and sports clubs receive 40%.

There are also benefits to the community as a whole from our provision of synthetic turf sports fields. These facilities help increase overall levels of residents' health, providing economic and social benefits. They also provide community focal points and recreation programmes that bring people together.

Who should pay?	
Whole community	60%
Individuals	40%

While it is individuals and sports clubs that receive most of the benefits, it is appropriate for the community as a whole to bear some of the costs of operating the city's synthetic turf sports fields. A synthetic turf sports field's weekly hourly usage is only restricted by demand and resource consent limitations regarding the hours of use of flood lighting. This is in contrast to a conventional pitch which has a limited number of recommended hours of use (5-6hrs for soil with drainage, 10-12hrs for sand carpet) in order to allow the pitch to recover. Synthetic turf also provides a higher level of service due to all weather accessibility and consistent playing performance.

Our funding targets: operating expenses	
User charges	40%
Other revenue	0%
Targeted rate	0%
General rate	60%
Total	100%

Activity 5.1.4: Recreation Centres (including ASB Sports Centre)

This activity covers the costs of providing the Council recreation centres in Karori, Kilbirnie, Khandallah (Nairnville), Tawa and the ASB Sports Centre. These multi-purpose centres provide a range of recreational opportunities while also helping build a sense of community. They host inter-club competitive leagues and social leagues as well as college, intermediate and primary school sport.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?	
Individuals	80%
Whole community	20%

Our recreation centres mainly benefit the people who use them. These people gain access to high-quality facilities for sports, recreation and fitness. These benefits are private and exclusive. It is appropriate and acceptable to charge people to use the centres.

However, there are also benefits to the community as a whole from our provision of recreation centres. These facilities help increase overall levels of residents' health, providing economic and social benefits. Recreation centres also provide community focal points and recreation programmes that bring people together.

Who should pay?	
Whole community	75%
Individuals	25%

While individuals receive most of the benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs of running the city's recreation centres.

The benefit to the community and the significant role these centres play in their local areas justifies a significant ratepayer contribution. The accumulated health benefits to the community as a whole from organised and recreational physical activities at their centres also suggests the whole community should bear the majority of the cost.

In addition, it would not be desirable to raise fees to levels that discouraged people from using the centres or provided barriers to people on low incomes. Ability to pay issues limits the opportunity to recover the cost of this activity through user charges.

Our funding targets: operating expenses	
User charges	25%
Other revenue	0%
Targeted rate	0%
General rate	75%
Total	100%

Activity 5.1.5: Recreation Partnerships

The Council maintains relationships with a number of groups that seek to provide publicly accessible facilities that contribute to both passive and active recreation.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?

Individuals	80%
Whole community	20%

The organisations we fund and the people that take part in their programmes also receive direct benefits.

Through the development of recreational partnerships, the Council aims to promote the benefits of sport and recreation to Wellingtonians. This has benefits for residents' overall levels of health and fitness, which in turn helps economic and social well-being. In addition, by supporting recreation partners, the city receives the economic benefits from having sport and recreation organisations located here.

Who should pay?

Whole community	100%
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While the individuals who choose to access these facilities receive some benefits, the Council believes it is appropriate for the residential sector to bear the costs of our recreation partnerships.

The Council is just one source of funding for its recreation partners. The Council's contribution represents the public benefits to Wellington residents while the other funding sources represent the private benefits to participants and other organisations.

In this context the benefits to the community clearly outweigh the benefits to individuals. These benefits include healthier lifestyle and overall additions to social wellbeing.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
General rate	0%
Total	100%

Activity 5.1.6: Playgrounds

The Council provides more than 100 neighbourhood playgrounds across the city to give families a safer place to play near home. This activity covers the cost of providing those.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to recreation opportunities and physical play for younger people which is important for their development and their health and wellbeing.
- *Connected City* – these facilities bring people together, are a place where parents with young children connect and provide support, and makes the city a more appealing place for people to live.

Who benefits?

Individuals	80%
Whole community	20%

The city's playgrounds provide safe, entertaining places for children to play. The benefits to the children and their families are significant. These benefits are private but not exclusive. It would not be desirable or acceptable to charge people for using playgrounds. The Council's playgrounds policy states that access to playgrounds is a basic right of all children.

The playgrounds also benefit the community as a whole. Playgrounds not only encourage recreation and healthy lifestyles but are also important community focal points. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

Who should pay?

Whole community	100%
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While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running the city's playgrounds.

Even if the individual beneficiaries could be identified it would not be desirable or acceptable to charge them. The Council believes access to playgrounds is a fundamental right for children.

The benefits to the community as a whole and the widespread community support for the playgrounds justifies ratepayer funding. The Council believes the vast majority of ratepayers would strongly support ratepayer funding of this activity. The playgrounds are public facilities and are not in competition with private sector providers.

Playgrounds make a significant contribution to our goal that Wellington will offer excellent access to a sound social infrastructure that supports high levels of social cohesion.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 5.1.7: Marinas

The Council owns two marinas at Evans Bay and Clyde Quay. These provide private storage facilities for boat owners as well as supporting the recreational activities of a large number of boat owners. This activity covers the cost of providing these.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to the harbour and the coast for recreation, fishing and enjoyment

Who benefits?

Individuals	100%
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The marinas benefit the people who use them by providing boat sheds for safe storage, moorings and access by marina piers. These benefits are private and exclusive and it is appropriate and acceptable to charge for this service.

Who should pay?

Individuals	100%
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As identifiable individuals receive private benefits from this activity, it is appropriate for them to meet the costs. The benefits accrue to a narrow sector of the community who use these facilities and the user charges are set at appropriate market rates.

Our funding targets: operating expenses

User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
Total	100%

Activity 5.1.8: Golf Course

This activity covers the costs of providing the city's municipal golf course

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who benefits?

Individuals	40%
Whole community	20%
Identifiable part of the community	40%

The city's municipal golf course provides significant benefits for private individuals and the club itself. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and partially exclusive. While the course is booked out at certain times for organised club competitions, they are also often available for members of the public to use for informal recreation. The Council estimates individual people receive about 60 percent of the benefits from the golf course.

The golf course also benefits the community as a whole. By providing recreation facilities it helps increase the overall levels of residents' health, providing social benefits. It also provides an important community focal point.

Who should pay?	
Whole community	50%
Individuals	50%

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the costs of operating the city's municipal golf course, the main reason being that the golf course is located on town belt land with free public access to the area.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated municipal golf course is in competition with private sector providers and can legitimately be seen as public facilities.

Our funding targets: operating expenses	
User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
Total	100%

Activity 5.1.9: Recreation programmes

The Council organises programmes to encourage people into leisure activities. These include organised walks and recreation programmes such as KiwiTri and Artsplash aimed at children. This activity covers the cost of providing those.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who benefits?	
Individuals	50%
Whole community	50%

The Council's recreation programmes benefit the individuals who take part by providing them with access to recreation and leisure opportunities. The programmes not only promote health but can also boost participants' overall sense of well-being.

The recreation programmes also benefit the community as a whole. They not only encourage recreation and healthy lifestyles but also operate as community events, helping bring people together. The programmes are targeted at people who may have difficulty organising their own recreation activities.

Who should pay?	
Whole community	95%
User	5%

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running these programmes.

The benefits to the community as a whole justify ratepayer funding and it would not be desirable to impose fees as that may discourage participation and provide barriers to people on low incomes taking part.

Sponsorship funding for the Push Play programme has been discontinued from 2009/10, resulting in the ceasing of the programme. As this was the major funding source for this activity, this has lowered the non-rates funding proportion from 25%, and we reflect this in our overall funding target.

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
Total	100%

5.2 COMMUNITY SUPPORT

Activity 5.2.1: Libraries

The Council provides a network of libraries including the Central Library, branch libraries, and a highly-popular website.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – libraries are more than just places to borrow books. They are neighbourhood institutions that anchor community life and bring people together.
- *Connected City* – libraries are places of learning and allow readers to connect with others and exchange knowledge.

Who benefits?	
Individuals	80%
Whole community	20%

Libraries mainly benefit the people who use them. These people gain free or low-cost access to books, videos, magazines, music and other items. The breadth of the network means that the services it provides are easily accessed by those opting to use it. They use these services for recreation or business and to enhance their knowledge and overall well-being.

We monitor the use of libraries. Our indicators suggest that the vast majority of use is for recreational and personal use while up to 30 percent is in part used for business purposes.

The libraries also provide significant benefits to the community as a whole. By providing access to information, the libraries enhance the overall levels of skill and knowledge in the city, providing economic and social benefits. They act as important community centres. And they host events and outreach services that bring people together, as well as information for immigrants and information about local communities and their history.

The library network adds to residents' quality of life. The vast majority of Wellingtonians are library members or users - even those who are not regular users generally like to have the option of using library services. The branch libraries draw people in to suburban centres bringing vitality to those areas and added custom to local businesses. The Central Library is a significant city landmark which contributes to civic pride.

Who should pay?	
Whole community	90%
Individuals	10%

While individuals receive many of the direct benefits, the Council believes it is appropriate that most of the cost of running libraries should be met by the wider community. Some user charges will apply for some 'added' services and through penalty fines for late returns.

The community benefits as a whole and the widespread community support for the facilities justifies a significant ratepayer contribution. Libraries are among the most popular of Council services and there is strong support for them to be free at the point of use. The libraries are significant public facilities that are not in direct competition with the private sector.

It would not be desirable to raise fees to levels that discouraged people from using the library services or provided barriers to people on low incomes. It would not be desirable or acceptable to impose user charges for entry to the libraries or basic book lending services.

Fees are imposed on services that are provided in addition to the core services of the library. For instance modest fees apply for the rental of videos. Penalty fees also apply to the late return of items.

Since the vast majority of residents are also library users, the application of a uniform targeted rate is considered an effective way of funding the portion of the service that is known to be used by residents.

As it is not possible to distinguish a direct beneficiary of the remaining portion of users, it is considered fair and efficient that a significant portion of the library service be paid for by the whole community.

Our funding targets: operating expenses	
User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
Total	100%

Activity 5.2.2: Access Support (Leisure Card)

The Council offers discounted access to recreation facilities for holders of our Passport to Leisure card, which is issued free to all residents on low incomes.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – we provide subsidised access to our recreation programmes and facilities through our Leisure Card programme to encourage active and healthy lifestyles for all Wellingtonians without unreasonable hardship.

Who benefits?	
Individuals	75%
Whole community	25%

The Passport to Leisure programme benefits individual participants by giving them affordable access to recreation and leisure opportunities. The programme helps boost participants' health, fitness and overall well-being.

The programme also benefits the wider community by encouraging healthy lifestyles, which enhances social and economic well-being. It adds to social cohesion by reducing barriers to people on low incomes.

Who should pay?

Whole community	100%
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While the programme mainly benefits individuals the Council believes it is appropriate for the whole community to share the costs.

The programme is aimed at increasing access to recreation and leisure for people on low incomes, by making facilities available at reduced cost. Clearly, this means someone else has to pay. The benefits to all wider community justify the costs being drawn from the general rate.

This programme makes a significant contribution to the Council's goal that Wellington residents will be more actively engaged in their communities, and in recreation and leisure activities.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	0%
General rate	100%
Total	100%

Activity 5.2.3: Community Advocacy

We encourage people to contribute to their community and participate in city activities. Our City Communities advisors support a wide range of community groups such as senior citizens, Māori, youth, Pacific Islanders, refugees and migrants, and people with disabilities. This work aims to ensure that Wellington's diverse population is supported and embraced by a tolerant, caring and welcoming community.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – we support the development of individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities.
- *Connected City* – we help people and communities connect and engage with each.

Who benefits?	
Individuals	60%
Whole community	40%

The projects funded under this activity benefit all Wellington residents. They strengthen people's sense of identity, and enhance community cohesion and social well-being. Some projects, such as provision of concerts and other youth activities, may help prevent crime and improve public safety.

There are also some private benefits from these activities. The very nature of this work is targeted towards discrete communities. However while the support we provide to these individuals or groups may be tailored to their needs often this will not constitute a greater level of service than that provided to the wider community. For instance tailoring a consultation document for someone who is blind allows that person to contribute to the same extent as those that are sighted.

Who should pay?

Whole community	100%
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The Council believes it is appropriate to fund the majority of costs for this activity from rates targeted to the residential sector. This is because the benefits accrue to all residents.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
General rate	0%
Total	100%

Activity 5.2.4: Grants (Social and Recreation)

The Council maintains four grants pools. This activity covers the grants to community groups and organisations whose projects seek to promote recreational activity and overall social wellbeing. The grants process is overseen by a subcommittee of Council.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – our grants support community groups that promote individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities. The grants also support active and healthy lifestyles through support of recreation and sporting groups.

Who benefits?

Identifiable part of the community	50%
Whole community	50%

The groups and organisations that receive grants clearly benefit from this activity. But the community as a whole also benefits. The grants pool itself is not exclusive – it is open so that anyone has the opportunity to apply. And the projects of the successful applicants will have flow on benefits for the community.

Who should pay?

Whole community	100%
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While grants recipients benefit directly from this activity seeking to recoup the cost from them would defeat the purpose of the grants pool. Given this and that there are benefits to the community as a whole, the Council believes the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 5.2.5: Housing

The Council owns over 2000 housing units, which we rent to low income people whose housing needs are not met by the private sector. We allocate these homes according to need. Tenants are charged 70 percent of the estimated market rent for their property.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – they provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

Who benefits?	
Individuals	90%
Whole community	10%

The main beneficiaries of this activity are the tenants, who receive accommodation at below market rent. Their benefits are private and exclusive. While the Council's rental housing units are aimed at meeting needs that the market does not or cannot meet, to some extent these housing units are in competition with properties provided by private landlords.

However, there are also some benefits to the community as a whole. By providing homes for people who otherwise may be unable to afford them, the Council also contributes to community cohesion and may have benefits for public health and safety.

Who should pay?

Individuals	100%
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As the main beneficiaries, it is appropriate for tenants to pay most or all of the costs involved in providing community housing. The Council's current policy is to provide homes at 70 percent of market rental. The Community Housing activity is ring-fenced with user charges through rental income funding 100% of operating expenses. The opportunity cost of not obtaining market rentals is not included in this funding analysis.

Our funding targets: operating expenses

User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
Total	100%

Activity 5.2.6: Community Centres and Halls

The Council owns 15 community centres and halls, and support another six community-owned centres. These centres provide places for people to hold meetings and other events. Eight of them also provide locations for crèches.

We also maintain an accommodation assistance fund that provides community groups with access to subsidised office space.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – these facilities are important anchors in our communities. They are places for groups to come together, strengthening social cohesion, and making the city a more appealing place for people to live.

Who benefits?	
Individuals and identifiable part of the community	60%
Whole community	40%

The people and groups who use community facilities receive a clear and direct benefit. Though the facilities are available to all, this benefit is private and exclusive – only one group can use a room in a community centre at any one time.

However, the provision of these facilities also has benefits for the wider community. Not only do the facilities help bring people together, the groups that use them often make significant voluntary contributions to community well-being.

Who should pay?

Individuals and identifiable part of the community	5%
Whole community	95%

The purpose of providing these facilities is to encourage community groups and support the benefits they bring to the city. Clearly, this means someone other than the people using the facilities has to bear most of the costs. The Council believes it is appropriate to fund this activity mostly from rates targeted to the residential sector.

However it is also fair and reasonable that the people and groups using these spaces and offices meet some part of the costs by paying fees. These should be kept at nominal levels as charging more would mean some people and groups could not afford to use the facilities.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate (Residential)	95%
General rate	0%
Total	100%

5.3 PUBLIC HEALTH AND SAFETY

Activity 5.3.1: Burials and Cremations

We operate the crematorium and cemetery at Karori and the cemetery at Makara.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – the cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community.

Who benefits?

Whole community	50%
Identifiable part of the community	50%

The cemeteries provide families of the deceased with access to appropriate burial or cremation facilities, allowing them to farewell their loved ones with dignity.

They also have significant benefits to the community as a whole. These include the public health benefits of ensuring burials and cremations are conducted appropriately, the contribution made by the cemeteries to the city's heritage, the social benefits of ensuring a wide range of religious and cultural needs are catered for, and the provision of park-like surroundings that benefit not only families of the deceased but also all members of the community. Members of the public expect cemeteries to be properly maintained and accessible to all.

The provision of these services can also be seen to benefit funeral homes and other private businesses in this field.

Who should pay?

Whole community	50%
Identifiable part of the community	50%

Since the benefits of this activity are split between individuals and the community as a whole, it is appropriate for the costs to also be split.

It should be noted that historically we have been able to recover less than 50 percent of the cost of this activity through user charges. Recent efforts to improve this rate of cost recovery have resulted in some improvements; however due to price elasticity we anticipate that on occasions we will not meet this target. The remaining costs are appropriately met through general rates.

Our funding targets: operating expenses

User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
Total	100%

Activity 5.3.2: Public Toilets

We own and maintain around 100 public toilets throughout the city, located at public places such as parks, playgrounds, sports fields, and shopping centres and in the central business district. This activity includes ensuring they are kept clean and fit for public use.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – these facilities are located conveniently throughout the city protecting against public health risks.

Who benefits?

Whole community	60%
Individuals	40%

Council-owned public toilets clearly benefit people who use them. Their provision also benefits everyone who lives and works in the city, by protecting people in public places from the health hazards that would arise if there were no facilities or if facilities were not kept clean.

Who should pay?

Whole community	100%
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Since this activity benefits the whole community, the fairest and most effective way to fund it is through the general rate. Though individuals also benefit, the Council does not believe it would be appropriate to refuse access to people who cannot or will not pay.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Residential)	0%
General rate	100%
Total	100%

Activity 5.3.3: Public Health Regulations

This activity covers the Council's role in licensing and monitoring food outlets, licensing liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, and handling infectious disease investigations and the sorting and processing of dangerous goods.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity protects against public health risks.

Who benefits?

Whole community	50%
Individuals	50%

The Council's public health work is required under several laws including the Liquor Act, the Resource Management Act and legislation covering hazardous substances. It provides significant benefits to the community as a whole, including protection of the public from hazards such as dangerous chemicals, unsafe food, excessive noise and diseases.

Most of this work involves protecting the public from hazards created or potentially created by identifiable businesses and people. There are benefits to individual businesses which could not legally operate without the Council providing these services, and there are benefits to individuals who have their complaints dealt with or otherwise are protected from a hazard or nuisance.

There are also a number of users who benefit from this activity. Businesses use Council services to monitor and licence their food and liquor outlets. Dog owners benefit from the dog licensing scheme. These users are charged a fee for the benefits they receive.

Who should pay?

Whole community	50%
Individuals	50%

As this work largely protects the community from harm, it is appropriate that the people or businesses causing the harm should pay. The Council's public health activities include a range of user charges. For example, licensing and monitoring of food outlets is carried out on a full cost-recovery basis, while user charges recover about 75 percent of animal control costs. Some charges, such as those for liquor licensing, are determined by statute.

For some services, it is not appropriate or possible to charge users. For example, the cost of responding to public complaints about noise, nuisance, litter, animals and other public health issues cannot be recovered as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard. Overall, user charges recover about 50 percent of the cost of providing these public health services. Accordingly, the Council's target is to fund 50 percent of the cost of this activity through user charges. However, we plan to raise this target over time.

Since the benefits to the community as a whole are significant, it is appropriate for the remaining costs to be funded from general rates.

Our funding targets: operating expenses	
User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
Total	100%

Activity 5.3.4: City Safety

This activity covers our efforts that are directed at making the city safe and ensuring people feel safe. This includes patrols by city safety officers, closed circuit television monitoring of some inner-city streets, and safety audits which identify necessary improvements such as better street lighting.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity promotes individual wellbeing, safe neighbourhoods and a safe inner city.

Who benefits?	
Whole community	100%

Our city safety initiatives benefit the whole community. By preventing crime, these initiatives have a clear and tangible effect on residents' well-being. This, in turn, has several other positive spin-offs. Increased safety levels encourage people into the city centre, which makes the city more vibrant and also benefits retailers and other businesses. These efforts also contribute to civic pride by enhancing Wellington's reputation as a very safe city by national and international standards.

Though individuals benefit from reduced crime, the benefits are felt community-wide and are not exclusive to individuals. As a lot of this work is directed at the inner city it may be argued that there are greater benefits to those who live and work in the city than to residents who do not use the inner city often. However, making the city safer means even those who don't use the inner city are more likely to feel they have the option to safely access the inner city.

Who should pay?	
Whole community	50%

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 5.3.5: WEMO

We operate the Wellington Emergency Management Office (WEMO). Its role is to help the city prepare for disasters such as earthquakes and floods, and to co-ordinate the city's response in the event of a disaster. WEMO works with government agencies, other councils in the region and international agencies.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this agency works with all sectors of the community to ensure the city is well-prepared for earthquakes and other natural disasters.

Who benefits?

Individuals	10%
Whole community	90%

All residents and businesses benefit from preparation work to alleviate and cope with disasters like fires, floods and earthquakes. WEMO is a focal point for help and gives the entire community some comfort that a ready response is available to cope with disasters and quickly return the community to normality.

Individual property owners benefit from the availability of a fire-fighting service. This reduces the potential for total loss in the event of a fire. This service is also available to individuals to help with other emergencies such as major earthquakes and storm/wind damage to homes and property.

WEMO's emergency management and fire-fighting roles are required under the Civil Defence Act.

Who should pay?

Whole community	95%
User	5%

While individuals benefit from this work in the event of a disaster, the benefit to the whole community far outweighs this. The Council believes the fairest and most effective way to fund this activity is from general rates.

From time to time, WEMO may receive income in the form of grants from the National Rural Fire Authority (based on the number and size of fires fought in a season), funding from the Ministry of Civil Defence and Emergency Management, and other sources. However, this income varies significantly from year to year. We anticipate 5 percent revenue over the foreseeable future.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
Total	100%

URBAN DEVELOPMENT STRATEGY

Directing growth and delivering quality

Nestled between harbour and hills, Wellington is a compact and dynamic city. We aim to preserve its special character, making sure developments are safe and in harmony with the environment. Our work in this area includes urban planning, building and development regulation, heritage protection and the development of public spaces.

Operating activities

With the exception of regulatory services, the majority of activities in this area are funded by the whole community via the General Rate. The funding sources are illustrated in the graph below.

Capital expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Urban development capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	50%	0%	50%	50%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
		6.2.4	Regulator – Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%

6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT

Activity 6.1.1: Urban Planning and Policy

The Council wants to ensure the city grows in ways that encourage high-quality development and produce the best long-term result for everyone. To do this, we will use appropriate controls to guide development, particularly in key areas of the city. This includes guiding development in the northern part of the city where rapid growth is expected in coming years and implementing the District Plan. An important component of our overall urban planning and policy work is how we manage infill developments. This is a priority for the Council as we work on the 'growth spine concept'.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity ensures the city's built form is developed in appropriate ways
- *Eco-city* – urban planning is focused on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices.
- *Dynamic Central City* – this activity shapes how the built form and urban culture of the city is developed into the future

Who benefits?

Whole community	100%
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Urban planning ensures the city grows in a controlled way that is environmentally sustainable, enhances community cohesion, and encourages high-quality developments. While the Northern Growth Management Framework is obviously specific to that area, the benefits of improved infrastructure and co-ordinated growth will be felt city-wide.

Who should pay?

Whole community	100%
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The Council seeks to build stronger communities through funding this activity. Our aim is to make Wellington even more liveable – making it a great place to be by offering a variety of places to live, work and play within a high quality public environment. Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 6.1.2: Waterfront Development

The Wellington waterfront is a key area of the city. We oversee its development in line with a guiding policy, the Wellington Waterfront Framework. Management of waterfront development is carried out by a Council controlled organisation, Wellington Waterfront Limited. Our role includes preparing an annual work plan that outlines short and long- term development proposals for the waterfront and funding the operations of Wellington Waterfront Limited.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – the waterfront offers safe open spaces that welcome and engage people and encourage them to stay.
- *Dynamic Central City* – the waterfront is an accessible and unique component of the inner city that offers opportunities for relaxation, recreation and leisure.

Who benefits?

Whole community	100%
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This work benefits the whole community by making the city more attractive and vibrant, and providing valuable recreation opportunities. Through development of public spaces that complement the natural beauty of the waterfront, the image and the "sense of place" that people have for the city is enhanced. Waterfront development attracts people into the city, supporting social cohesion and aiding the economy.

While the direct beneficiaries are mainly people who choose to visit the waterfront, these benefits are not exclusive. When one person visits Queen's Wharf or Frank Kitts Park, that doesn't stop anyone else from being in the area too. Nor would it be practical or acceptable to identify users of the waterfront and require them to pay. Similarly, though people living in the inner city benefit from better access to the waterfront, this is outweighed by the benefits to all people in the city.

The operational spending for this activity covers planning and public consultation. All residents benefit from the opportunity to have their views heard.

Who should pay?

Whole community	100%
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Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 6.1.3: Public Spaces and Centres Development

We fund work to develop the street environments, urban parks and squares, and other public areas in the city and suburban centres.

We aim to make these areas safe, accessible and attractive, with plenty of green space. This activity includes maintenance of the city's public artworks and consultation, planning and co-ordination of suburban centre upgrades.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – development of public squares and parks enhances people's enjoyment of the city and contributes to our civic pride and our 'sense of place'.
- *Dynamic Central City* – public spaces are an important component of the inner city providing accessible opportunities for relaxation, recreation and leisure for residents and visitors. High-quality developments make the city a more attractive place to live, attract visitors and support business opportunities.

Who benefits?

Whole community	100%
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This work benefits the whole community by enhancing the urban environment, making the city safer and contributing to the vibrancy of Wellington. All residents and visitors to the city are able to enjoy its public spaces. While those who use city or suburban shopping areas, urban parks, squares and other public areas receive direct benefits, these benefits are not exclusive and it would not be desirable or acceptable to require people to pay for them directly.

Similarly, though individual suburbs benefit from work on suburban centres, these upgrades are not restricted to particular areas of the city – upgrades either have been carried out recently or are timetabled across many suburbs.

As well as enhancing the environment, development of city and suburban centres benefits the economy and enhances people's pride in the city.

Who should pay?

Whole community	100%
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While centre development provides a clear benefit to geographical suburban areas, targeted rates to fund these activities are not considered appropriate given the broad benefit to the community as a whole, and that centre upgrades are scheduled to occur throughout the city. The public good benefit over-rides any direct benefit to individual communities. However, if a suburban community asks for a higher standard of upgrade, or an earlier timeline than the Council has planned, the Council may consider imposing a targeted rate.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 6.1.4: Built Heritage Development

In order to promote Wellington as a place that celebrates its landmarks and heritage, we work to help protect and restore the city's heritage assets.

The District Plan ensures heritage buildings, trees, monuments and other assets, and sites of significance to tangata whenua, are recognised and that controls are in place to manage changes to or removal of these assets.

Our work in this area includes maintaining an inventory of heritage sites, restoring significant heritage buildings in public ownership and upgrading heritage sites.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – heritage buildings contribute to the city's distinct identity and enhance its sense of place.

Who benefits?

Whole community	100%
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This work benefits the whole community by protecting the city's heritage. Preservation of city landmarks enhances the city's image, makes it more attractive, and contributes to people's sense of history and community pride. The community also benefits from enhancement of publicly-owned heritage assets.

Who should pay?

Whole community	100%
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Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 6.2.1: Building Control and Facilitation

The Council has a statutory responsibility under the Building Act and the Resource Management Act to control building developments. This includes ensuring buildings are safe and sanitary, and do not threaten environmental quality or public health.

Work includes issuing and monitoring building consents – we have guidelines to make sure buildings meet the required standards. We also have responsibilities under the Fencing of Swimming Pools Act to ensure all swimming pools are adequately fenced.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – All cities control building work according to the provisions of the Building Act and codes. These controls are necessary to protect public health and safety, and to protect future users of land and buildings.
- *Eco-city* – we promote intensive development, rather than sprawl into green spaces, and encourage the greening of streets, buildings and places.

Who benefits?

Individuals	80%
Whole community	20%

6.2 BUILDING AND DEVELOPMENT CONTROL

Our building control work benefits private individuals – the people and companies that build or redevelop homes, offices and other buildings. Our work ensures these buildings are safe and meet legal requirements. These benefits apply to buildings which, in almost all cases, are for private and exclusive use. The people who use our building consent services are clearly identifiable and can be stopped from using the service if they refuse to pay.

Similarly, the beneficiaries of our efforts to ensure swimming pools are adequately fenced are private individuals – those people who own and use swimming pools and those who are kept safe because pools are fenced.

Who should pay?	
Individuals	65%
Whole community	35%

While individuals receive the benefits of our building control work, we are constrained in our ability to recover costs from those individuals. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all.

In addition, to meet all the costs of building consents through user charges we would need to raise the charges to a level that may create an incentive for homeowners to avoid the consent process and carry out illegal building work.

These factors mean that, historically we have been able to recover only about half the cost of this activity through user charges. Recent efforts to improve this rate of cost recovery have resulted in some improvements, however additional costs accruing from the Building Act have off-set these gains. Accordingly, the Council's target is to fund 65 percent of the cost of this activity through user charges. However, we plan to raise this target over time.

Our funding targets: operating expenses	
User charges	65%
Other revenue	0%
Targeted rate	0%
General rate	35%
Total	100%

Activity 6.2.2: Development Control and Facilitation

The Council has a statutory responsibility under the Resource Management Act to ensure land and other resources are used sustainably. The District Plan, adopted in 2001 after public consultation, contains specific policies relating to land and resource use in the city. We administer the District Plan, regulating developments to ensure they are safe, sustainable and meet public expectations. Specific activities, including issuing resource consents, monitoring compliance and dealing with complaints about environmental matters, are covered by this activity.

Community outcome

This activity contributes towards the following outcome

- People-centred City** – All cities control development work according to the provisions of the Resource Management Act and District Plan. These controls are necessary to ensure 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.

Who benefits?	
Individuals	60%
Whole community	40%

The main beneficiaries of this work are the individual people and businesses involved in land subdivision and development or use of other resources. This work helps ensure the developments are safe, sustainable and meet legal obligations.

There is also a significant public benefit. By controlling the safety and environmental effects of developments, we help prevent harm to members of the public both now and in the future.

Who should pay?

Individuals	50%
Whole community	50%

While individuals receive an estimated 60 percent of the benefit from the Council's development control work, our ability to recover costs from those individuals is limited. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all. In addition, while individuals causing damage to the environment should bear the costs of dealing with their actions, it is not always possible to identify them.

To meet 60 percent of the costs of resource consents through user charges would require raising them to a level that may create a disincentive for growth and development of the city, potentially harming the economy.

These factors mean that, historically, we have been able to recover only about a third of the cost of this activity through user charges. Further initiatives are being investigated to improve this rate in the future.

Our funding targets: operating expenses

User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
Total	100%

Activity 6.2.3: Earthquake Risk Mitigation – Built Environment

Earthquake Resilience is a key focus for Wellington City Council. The Council has a statutory responsibility under the Building Act to mitigate the risks that earthquakes may have on structures. This activity covers that work and also the contribution that the Council may make to a localised earthquake assessments.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 6.2.4: Building Control and Facilitation – Weathertight Homes

Community outcome

This activity contributes to a ‘People Centred City’ by providing resolution to the weathertight homes issue, by supporting repairs to provide healthier and more resilient homes.

Who benefits?

Whole community	100%
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Resolving weathertight homes issues provides benefits to the Community as a whole. Through no fault of their own, individuals are stuck with leaky homes which can, in the worst circumstances, affect the health and well being of those living there. Ensuring homes get fixed improves the health and well being of individuals and reduces the call on the Community’s health services. It also ensures the quality of housing stock available to residents in the City.

It is not considered that the actions or inactions of any individuals or group have directly contributed to the requirement to address the resolution of weathertight homes issues.

Who should pay?

Whole community	100%
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Since the activity benefits the community as a whole, the fairest and most effective way to ultimately fund it is from general rates. The quantum of the liability required to be funded will likely necessitate the use of borrowings to spread the cost and ensure that the affordability of any rates funding requirement is considered and managed.

Given the specific nature of the cost it is important that any borrowing and rate funding associated with this activity are transparent and that these funds are effectively ring fenced and only used for the specific purpose of settling weathertight homes claims and the associated interest costs from any related borrowings. There are minimal costs associated with a decision to fund this activity distinctly from other activities.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

TRANSPORT

Providing quality connections

We're responsible for Wellington's extensive transport network, and for planning for the city's future transport needs. We see a high-quality transport system as critical to the city's economy and quality of life. Our transport activities include looking after hundreds of kilometres of city roads, as well as accessways, footpaths, cycleways, parking facilities, traffic signs and signals, street lighting and pedestrian crossings. We also manage parking areas and have an ongoing programme of safety promotion.

Operating activities

The funding sources for this area are illustrated in the graph below.

Capital expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Transport capital expenditure projects are funded through a combination of NZTA subsidies, rates funded depreciation and borrowings.

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Levy/Other	
Transport	Transport	7.1.1	Transport planning	0%	15%	85%	85%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	0%	100%	100%	0%	0%	0%
		7.1.4	Passenger transport network	0%	65%	35%	35%	0%	0%	0%
		7.1.5	Pedestrian network	0%	0%	100%	100%	0%	0%	0%
		7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7	Road safety	0%	30%	70%	70%	0%	0%	0%
	Parking services	7.2.1	Parking	100%	0%	0%	0%	0%	0%	0%

7.1 TRANSPORT

Activity 7.1.1: Transport Planning

The mixed modes and changing demands on transportation means that transportation planning becomes increasingly important. The Council's work in this area is closely linked to the work that we carry out under urban development. We also incorporate travel demand management planning as a component part of our overall transport and urban planning work.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* – a network that is efficient means fewer cars are stuck in traffic meaning less emissions are produced
- *Dynamic Central City* – A network that allows easy movement of people and goods is vital for business and a significant competitive advantage.

Who benefits?

Whole community	100%
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This activity is of benefit to the whole community.

A well planned transportation network plays an important part in making the city more liveable. It provides for the efficient movement of freight and it allows for people to be better connected, aiding social cohesion.

Who should pay?

Whole community	85%
Other	15%

A part of the cost of this activity is funded by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. As the activity is of benefit to the whole community it is considered fair and appropriate that the remainder be funded from the general rate.

Our funding targets: operating expenses

User charges	0%
Other revenue	15%
Targeted rate	0%
General rate	85%
Total	100%

Activity 7.1.2: Vehicle Network

We manage a network that includes 88 bridges, five tunnels, and more than 684 kilometres of urban and rural roads, as well as all related pavements and service lanes. Upkeep of these roads includes resurfacing and major structural works, such as maintenance and earthquake-strengthening of bridges and tunnels.

This activity also covers port access. The efficient movement of freight to and from the port is an important contributor to the city's economy. We work alongside the port authorities to ensure we can find appropriate solutions to the movement of freight so that these reduce any negative impacts on other users of the vehicle network.

As steward of the roads in a harbour city, we also have a responsibility to maintain sea walls, as well as the walls on dry land that make up the 'road corridor'.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* – the network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.

- *Dynamic Central City* – the network provides for easy and affordable movement to and around the central city, especially by walking.

Who benefits?

Whole community	100%
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The city's vehicle network is a vital public asset. Roads are available for all residents and visitors to use and, under the current law; we cannot charge anyone for using them. The vehicle network is not in competition with any privately-provided alternative. It benefits all residents by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. For example, an efficient vehicle network allows people to get to work, visit friends and family, and get their children to school. This 'public good' aspect of the vehicle network is reflected in the fact that the Council's responsibility for providing and maintaining the network is enshrined in law.

The direct beneficiaries of the vehicle network are road users.

This includes businesses that use roads for commercial purposes such as transporting goods. It also includes everyone who drives cars. But there are also many indirect beneficiaries, including people who never leave their homes but receive meals on wheels or mail deliveries.

It may be argued that the commercial sector receives a higher direct benefit than city residents. Heavy commercial vehicles cause more wear and tear on the roading network than private cars. However, it is not possible to reasonably assess how much benefit falls to each group.

Who should pay?

Whole community	95%
Other	5%

A significant part of our vehicle network costs are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. Of the remaining costs, as the community as a whole benefits from the vehicle network, the fairest and most efficient way to fund this activity is from general rates. While there may be arguments for imposing some direct costs on road users and, in particular, on heavy vehicles which cause a significant amount of wear and tear, the Council currently has no legal means of charging road users.

The amount of the NZ Transport Agency subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
Total	100%

Activity 7.1.3: Cycle Network

The Council maintains cycleways in the city and suburbs. These require regular upkeep to ensure they have smooth surfaces, clear lane markings and signage, as well as cycle stands at appropriate parking points.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the cycle network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the cycle network provides transport choices that connect people with each other and with places locally.
- *Eco-city* – the cycle network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* – the cycle network provides for easy and affordable movement to and around the central city.

Who benefits?

Whole community	100%
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The cycleways provide significant benefits to the whole community. By encouraging people to walk and use cycles, they benefit the environment and improve residents' overall levels of health. By reducing the amount of traffic, they make the city's roads safer. Also, though not all residents use them, the opportunity is available for all. As an integral part of the transport network, the cycleways are a public asset.

The direct beneficiaries of the city’s cycleways are clearly the people who use them. This includes both cyclists and pedestrians who use the cycleways as de facto walkways. The cycleways provide these people not only with transport but recreational opportunities. However, it would be impractical to levy a fee on these users.

Who should pay?

Whole community	100%
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Because the community as a whole benefits from our provision of the cycleway network, the fairest and most efficient way to fund this activity is from general rates. Identifying individual users and charging them for their use would not be practical. Charging would also discourage people from using the cycleways, meaning the benefits from their use to the city’s social and environmental well-being would be lost.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 7.1.4: Passenger Transport Network

Support for the city’s public transport network is a major commitment for the Council. Our aim is to encourage greater use of the buses and rail, as this would improve energy efficiency and reduce pollution.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the passenger transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure
- *Connected City* – the passenger transport network provides accessible and safe transport choices that connect people with each other and with places locally
- *Eco-city* – the passenger network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* – the passenger transport network provides for easy and affordable movement to and around the central city, especially by walking.

Who benefits?

Whole community	100%
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The whole community benefits from this activity through improved access to public transport and provision of public shelters and transport information. While individual users of public transport receive the most direct benefit, the Council-provided services such as bus shelters are available to all. Encouraging use of public transport has wider community benefits including a cleaner environment and less congested roads.

Who should pay?

Whole community	35%
Other	65%

While the whole community benefits from this activity, the Council receives income for advertising on bus shelters. This income covers the majority of the cost of providing the Council’s passenger transport network services, however this is dependant on advertising demand and revenue.

The funding target has been set in line with current forecasts for advertising revenue.

The Greater Wellington Regional Council also funds projects as a part of its statutory responsibilities for public transport.

Our funding targets: operating expenses

User charges	0%
Other revenue	65%
Targeted rate	0%
General rate	35%
Total	100%

Activity 7.1.5: Pedestrian Network

Pedestrian safety is a crucial aspect of the transport network. The Council maintains more than 800 kilometres of footpaths, as well as pedestrian subways, bridges, canopies, seats, bollards and fountains.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the pedestrian network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the pedestrian network provides transport choices that connect people with each other and with places locally.
- *Eco-city* – the pedestrian network reflects our commitment to sustainable, safe and efficient transport choices.
- *Dynamic Central City* – the pedestrian network provides for easy and affordable movement to and around the central city.

Who benefits?

Whole community	100%
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This work benefits the whole community by ensuring that footpaths and access-ways are safe and well maintained. While it might be argued the individuals who use footpaths are the direct beneficiaries, in practice that includes most residents, visitors to the city and therefore businesses. It would not be practical to assess benefits on an individual basis.

Who should pay?

Whole community	100%
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Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs. A small amount of user charge income is received from the operators of street-side commercial activities. However, this income is not consistent or predictable and is therefore not included in our targets.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
Total	100%

Activity 7.1.6: Network Control And Management

Traffic flows need to be managed to minimise congestion at busy periods. We run a control system based on over 100 sets of traffic lights, and a dozen closed circuit television camera systems and a central traffic computer system. This activity also covers traffic sign maintenance and road marking maintenance.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the network provides transport choices that connect people with each other and with places locally.
- *Eco-city* – the network reflects our commitment to sustainable, safe and efficient transport choices.

Who benefits?

Whole community	100%
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Network management is crucial in a modern, efficient vehicle network. The beneficiaries of our work in this area are the whole community. By controlling traffic flows, we make the city's roads safer, more efficient and help reduce travel times.

This work also has benefits for the whole community, as a safe, efficient transport system benefits the economy and is important for public health and social connectedness.

Who should pay?

Whole community	70%
User Charges	15%
Other	15%

The main elements of this activity benefit the whole community. A significant part of these activities are funded by subsidy from the Government New Zealand Transport Agency (NZTA), derived from fuel taxes.

There are also User Charges for individual users of the Transport Network. We are constrained in our ability to recover total costs from all individuals particularly when the whole community benefits from these activities on the network. In these cases the fairest and most efficient way to fund these activities is from general rates.

Our funding targets

User charges	15%
Other revenue	15%
Targeted rate	0%
General rate	70%
Total	100%

Activity 7.1.7: Road Safety

We make ongoing improvements to the safety of our road network. This work involves a wide range of measures including improving lighting, widening footpaths, installing 'traffic calming' measures such as speed humps, and installing barriers and handrails to protect pedestrians.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices that are safe and accessible from their homes to shops, for work, recreation and pleasure.

Who benefits?

Whole community

This work helps reduce accidents and ensures the transport network is safe. The benefits are felt by the whole community, including all road users, pedestrians, cyclists and all others who benefit from the city having a safe, efficient transport network.

Who should pay?

Whole community	70%
Other	30%

A significant part of our costs for this activity are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from the fuel taxes it gathers. We also receive some income in relation to this activity from the Land Transport Safety Authority. Of the remaining costs, as the community as a whole benefits from a safe vehicle network, the fairest and most efficient way to fund this activity is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets

User charges	0%
Other revenue	30%
Targeted rate	0%
General rate	70%
Total	100%

7.2 PARKING

Activity 7.2.1: Parking

The Council provides short-term, metered roadside car parks in the city centre. We aim to have a high turnover of these parks. We also operate coupon and resident parking in areas to give city dwellers on the fringe of the central business district some relief from the daily influx of commuters.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – central city car and motorbike parking is important for shoppers, people working in the city, visitors to the city, and people coming in to the city for recreational activities. It is also necessary to allow for goods to be picked up and delivered throughout the city. The provision of car parking helps make Wellington a liveable, prosperous city.

Who benefits?

Individuals	75%
Whole community	25%

The direct beneficiaries of the Council's parking services are clearly those people who use car parks. These benefits are private and exclusive. Two people cannot use the same car park at the same time and it is appropriate to charge people for using car parks. The Council's parking services operate in competition with other private sector providers.

It might also be argued that retailers benefit directly from the Council's provision of car parks. However, there is no practical way of assessing whether people are using car parks to go shopping or for other purposes such as recreation.

The community as a whole also receives benefits from the Council's parking activities. On-street car parking is time limited to encourage a high turnover of parks, as this helps bring people into the city and benefits the commercial sector. All ratepayers benefit from the income derived from this activity, as it offsets the cost of providing the vehicle network.

Who should pay?

Individuals	100%
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Since the principal benefit from the Council's parking services is to identifiable individuals it is appropriate for them to bear the costs through user charges.

While it might be argued general ratepayers should meet 25 percent of the costs, reflecting the benefit to the community as a whole, this would be inappropriate for a number of reasons. First, the level of demand for car parks suggests people using them believe they represent good value. As the principal benefit is to these individuals, it is appropriate to set user charges at a level the market will accept. Second, the Council's parking services operate in competition with private car park operators and setting lower fees would unfairly disadvantage those operators and potentially reduce the supply of off-street parking in the city. Third, the individuals using car parking spaces also benefit through being able to use ratepayer-funded roads and footpaths, and their contribution through parking fees offsets the cost of providing these services.

This activity recovers significantly more revenue, through enforcement and meter charges than the operating costs. The Council believes this is appropriate as it supports our transport and retail policies. These policies aim to improve access to on-street parking and increase turnover of parking.

Our funding targets: operating expenses

User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
Total	100%

INVESTMENT AND LIABILITY MANAGEMENT POLICIES

General policy objectives

The Council's general policy objectives relating to its investment and liability management are to:

- Minimise the Council's overall costs and risks associated with its borrowing activities and the general management of its other liabilities.
- Manage its borrowings and cash assets on a "net debt" basis in order to reduce the overall net cost to the Council.
- Optimise the return on its investment portfolio and other financial assets.
- Manage the Council's exposure to adverse interest rate movements.
- Borrow and invest funds and transact risk management instruments within an environment of control and compliance.
- Regularly review and consider the performance of the Council's financial assets and investments. Where appropriate, the Council will dispose of under performing assets or those assets and investments that are not essential to the delivery of services and activities set out in the Council's Long Term Plan (LTP).

More detail on the Council's investment and borrowing policies, operating procedures and associated internal controls is contained in the Treasury Management Policy and Guidelines.

Investment policy

Policy Statement

The Council operates on a "net debt" basis, and does not separately maintain significant long term cash investments. The general policy with respect to surplus short term cash is to invest any short term surplus cash or to utilise it to reduce borrowings.

The Council currently maintains an equity interest in Wellington International Airport Limited (WIAL) and an ownership and financial interest in ground leases and investment properties. The Council will continue to review the level of investment as well as the return it receives on these investments.

Where appropriate, the Council may choose to dispose of investments/financial assets that no longer meet our investment objectives.

Investment Mix and Associated Objectives

The Council categorises its investments into 5 broad categories:

Cash and Cash Equivalents

The Council may invest funds with approved registered banking institutions. These investments generally mature in less than one year, and are held primarily for working capital/liquidity purposes or the pre-funding of debt maturing within twelve months.

Income generating commercial debt instruments

These are principally loans to other organisations (on commercial terms) which deliver a cash-flow return to the Council.

Income generating commercial equity investments

Equity investments arise from the Council owning or controlling an equity holding (eg shares) in another entity.

The Council currently maintains a 34% shareholding in Wellington International Airport Limited (WIAL) for the purpose of achieving the Council's strategic objectives, to provide diversity to the Council's revenue sources and to contribute to the economic well-being of Wellington. In the event that a call for capital is made by WIAL the Council's objective is to maintain its shareholding at 34% unless a specific resolution is passed not to do so. As a result, should the

Council be required to inject additional capital in WIAL to maintain its existing shareholding, it will do so without further consultation.

The Council currently maintains a 8% shareholding and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA).

The Council's objective in maintaining the investment in the LGFA is to:

- a) obtain a return on the investment;
- b) reduce the cost of borrowing for Council; and
- c) ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these multiple objectives, the Council has invested in LGFA shares in circumstances in which the return on the investment is potentially lower than the return it could achieve with alternative investments.

Income generating commercial property investments

Investment properties are the Council's ground leases and land and buildings held for the purposes of; achieving the Council's strategic objectives; and for investment purposes to provide diversity to Council's revenue sources and to provide investment returns which over time exceed the Council's long term cost of borrowing. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in comparison to other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership to the City and in terms of the most financially viable method of achieving the delivery of Council services.

Non income generating investments

This includes loans to other organisations, and equity investments in Council Controlled Organisations. The Council may consider the provision of loans to Community groups but only in exceptional circumstances. The Council's non-income generating investments are held for strategic or ownership reasons.

In addition to the above investment categories, the Council may assume financial risk associated with providing contributions, guarantees and underwrites, where these meet the Council's strategic objectives and outcomes. Such undertakings require a Council resolution.

Investment Acquisition/Addition/Disposal

With the exception of the day to day investment of short term cash and cash equivalents, all new investments, additions to existing investments, and/or disposals of existing investments must be approved by the Council. The day to day management and investment of short term cash and cash equivalents may be made by Council officers in accordance with the Treasury Management Policy.

The Council will continue to maintain its current level of investment in WIAL (being a 34% equity interest) unless it considers that it is strategically, financially and economically prudent to dispose of the investment. Council may reduce its current level of investment in LGFA in the event where other Local Authorities wish to join as shareholders of the LGFA.

Proceeds from the sale of investments will be used to repay existing borrowings, unless the Council specifically directs that the funds be put to another use.

Reporting

Investments in CCOs

Monitoring of the Council's equity investment and ownership interest in Council Controlled Organisations (CCOs) is undertaken by the Council Controlled Organisation Performance Sub-Committee. The Sub-Committee reports to the Strategy and Policy Committee and is responsible for:

- monitoring Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), and Council Organisations (COs),
- reviewing the above organisations' quarterly reports, annual reports, business plans, strategic plans and statements of intent, and
- monitoring the performance of appointed members on CCOs.

All other investments

The Strategy and Policy Committee is responsible for monitoring all other investments and providing recommendations to the Council in regard to strategies, policy and guidelines in relation to those investments. The Strategy and Policy Committee will receive and review the quarterly Treasury report contained within the consolidated quarterly report.

Risk Management

The Council's principal exposure on its financial investments is credit risk. Credit risk is minimised by the Council investing in approved institutions with satisfactory credit ratings which are assessed and reviewed by independent credit rating organisations. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

Assessment and management of specific risks associated with the Council's investment in WIAL, LGFA and investment properties will be performed on a regular basis. Any significant changes in the risk profile for these investments will be reported to the Strategy and Policy Committee.

Investment Ratios

For the purposes of setting its Borrowing and Investment Ratios, the Council defines investments as assets which are cash or readily convertible to cash (either through fixed repayment and maturity profiles, or through sale or exchange) and assets which are held primarily for investment purposes (either for capital growth, commercial rental or interest). This is likely to include:

- Cash and cash equivalents (e.g. term deposits),
- Income generating commercial debt instruments
- Income generating commercial equity instruments
- Income generating commercial property instruments

Liability management policy

In broad terms, the Council manages both current and term liabilities.

Current liabilities

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day to day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

Term liabilities

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months. Borrowings comprise the majority of the Council's term liabilities.

The Council approves the borrowing programme for each financial year as part of the LTP or Annual Plan. Additional borrowings may be approved by Council on a case by case basis. The Council primarily borrows to fund its new and upgraded capital expenditure programme. In approving new borrowings the Council considers the impact of the proposed level of borrowings on its overall borrowing limits and impact on rates and rates limits.

Policy objectives

The Council primarily borrows to pay for the upgrading of existing assets and the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing is therefore considered the most cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. In addition, Council borrows to meet the costs associated with settling liabilities arising with respect to weathertight homes issues, and the borrowings are repaid from future rates revenues. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment or weathertight homes liabilities affordable to today's ratepayers. Borrowings are maintained at a prudent level, in accordance with the Council's overall financial strategy and specific borrowing limits.

Power to borrow

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002 and its Treasury Management Policy. The Council approves the level of new borrowing in general terms as part of the LTP or Annual Plan. The Council delegates the authority to officers to raise the approved borrowing during the financial year as and when the funding is required. Any additional borrowing beyond that approved in the LTP or Annual Plan must be approved by the Council.

Interest rate exposure

Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest-rate risk. The Council manages its cash flow interest-rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Council has set the following specific limits for its interest rate exposure:

Master fixed/floating interest rate risk control limit

Minimum Fixed Rate	Maximum Fixed Rate
50%	95%

The level of fixed interest rate cover at any point in time must be within the following maturity bands:

Fixed rate maturity profile limit

Period	Minimum Cover	Maximum Cover
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	20%	60%

Liquidity

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 110% of projected peak borrowing levels over the following twelve months. The Council will only drawdown or borrow against these facilities as required.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity risk by managing the maturity of its borrowing programme within the following maturity limits:

Borrowing maturity profile limits

Period	Minimum	Maximum
0 to 3 years	20%	60%
3 to 5 years	20%	60%
5 years plus	15%	60%

Credit exposure

The Council borrows from approved institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of credit risk. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

Local government funding agency

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, will enter into the following related transactions to the extent it considers necessary or desirable:

- a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA; and
- b) secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

The Council is a party to a deed of guarantee which guarantees the indebtedness of other local authorities to the LGFA, and the indebtedness of the LGFA itself.

Borrowing repayment

The Council will repay borrowings from a combination of excess depreciation over and above renewals, sale of surplus or underperforming assets, operating surpluses, and any rates specifically set to repay borrowings associated with settling weathertight homes liabilities, or from the renewal of borrowings.

Specific borrowing limits

In determining a prudent level of borrowings the Council assesses the level of net borrowing against the Council's recognised total realisable assets and net interest expense per annum against operating revenues.

Total Council Net Borrowings will be managed within the following macro prudential limits:

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

Security

Council borrowings are secured by way of a Debenture Trust Deed (representing a charge over Council rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over its physical assets.

Credit rating

To provide an independent assessment of the Councils' credit quality, Council maintains a credit rating with an independent rating agency.

RATES REMISSION POLICY

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 downtown levy targeted rate on property under development

Remission statement

The Council may remit part or all of the Downtown Levy targeted rate on land classified under the Council’s commercial, industrial and business differential and located in the “downtown area” as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be ‘not fit for purpose’.

Policy objective

To provide rates relief for downtown commercial property temporarily not fit for purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown Levy targeted rate.

Conditions and criteria

A remission of the Downtown Levy targeted rate may be granted to rating units that are classified under the Council’s commercial, business and industrial differential and located in the “downtown area” as defined within our Funding Impact Statement Rating Mechanisms where the property is temporarily not fit for purpose. 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, 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 base.

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 ratepayer'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 4 readings. The full water rate will be charged on the average daily usage over the last 4 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, 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.

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 Manger Financial Transactions Bureau.

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 Transactions Bureau.

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.

RATES POSTPONEMENT POLICY

Policy objective

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

Conditions and criteria

For residential and other land rated at the Base differential:

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i) the applicant must be unable to pay their rates bill because of personal circumstances, and
- ii) the applicant must have tried all other avenues (including seeking a reverse mortgage from their bank) to fund their rates, and
- iii) the applicant must have no significant assets (other than their family home), and
- iv) the applicant must accept a legal charge to the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form. An application fee of \$200 (including GST) will be charged and added to the total value of rates postponed on the first successful postponement application granted on each rating unit. Before applications are processed, applicants must be provided

with information that clearly sets out the long term effect of postponing rates on their estate. Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

For land rated at the Commercial, Industrial and Business differential

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

- i) the applicant must be unable to pay their rates because of business circumstances, and
- ii) the applicant must have tried all other avenues (including obtaining a loan from their bank) to fund their rates, and
- iii) the net value of an applicant's property (after the value of all mortgages on the property and the total value of the rates postponed) must exceed 10 percent of the market value of the property i.e. the Council will not postpone rates where there is a significant risk that the rates will not be paid at some time in the future, and
- iv) the applicant must accept the Council's legal charge over the property.

Approval of rates postponement is a one-off event. A one-off application fee of \$200 (including GST) will be charged on all successful postponement applications. Rates postponed on

commercial, industrial or business property must be paid in full by the start of the Council's next financial year (ie 1 July). Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

Delegation

Decisions relating to the postponement of rates are delegated to the Chief Executive, Chief Financial Officer and Manager Financial Transactions Bureau.

SIGNIFICANCE POLICY

1 Introduction

1.1 The Council must ensure that its processes and decision-making comply with the Local Government Act 2002 (the Act). The Act gives Council discretion to decide the appropriate level of attention, consideration, disclosure, and consultation given to decisions, based on their relative importance to the district or region (section 79).

1.2 The Council must therefore consider the degree of significance of every matter; and ensure its consultation and decision-making processes are in proportion to the significance of the matters affected by the decision (section 79).

1.3 The Act requires that councils adopt a significance policy that sets out how the significance of a decision will be determined. Significance is defined within section 5 of the Act as:

...the degree of importance of any issue, proposal, decision, or matter, which concerns or is before a local authority, in terms of its likely impact on, and likely consequences for, –

- (a) The current and future social, economic, environmental, or cultural well-being of the district or region.
- (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter.
- (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.

The use of 'significant', for example in 'significant activity' or 'significant decision', refers to an activity or decision which has a high degree of significance, in relation to the above definition.

1.5 This Significance Policy is required to show:

- a) The Council's general approach to determining the significance of proposals and decisions.
- b) Procedures, thresholds and criteria the Council will use in determining which proposals and decisions are significant.
- c) A list of strategic assets owned by the Council.

2 General Approach

2.1 The Council will consider each proposal or decision in relation to issues, assets or other matters on a case-by-case basis to determine its significance. The significance of a decision will be assessed according to the likely impact of that decision on:

- a) The current and future social, economic, environmental, or cultural wellbeing of the city.
- b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter.
- c) The capacity of the Council to perform its role, and the financial and other costs of doing so.

2.2 The Act requires that any decision that significantly alters the level of service provided by the Council of a significant activity (including a decision to commence or cease such an activity), or transfers ownership or control of a strategic asset to or from Council, can only be taken if "explicitly provided for" in the Long Term Plan (section 97). Usually, decisions assessed to be of high significance to the Council and community will be proposed within the Long Term Plan process so they:

- a) are linked to desired community outcomes
- b) are proposed in context with other major decisions

- c) are put before the community using established processes and timing
- d) meet legislative requirements.

2.3 There will be circumstances where a decision of high significance must be made outside of the Long Term plan process. In such circumstances, Council will ensure a consultation and decision-making process is followed in proportion with the high significance of the decision.

2.4 Every report to the Council or Council Committee must include a statement indicating whether or not the matter has been identified as significant.

2.5 For any matter considered significant, the report will address Council's responsibilities under sections 77, 78, 80, 81 and 82 of the Act (as applicable). In general, these sections of the Act require the Council to:

- a) Consider all reasonably practical options, including the costs and benefits of those options, the extent to which they achieve desired community outcomes in an integrated and efficient manner, and their impact on the capacity of the Council to meet its statutory obligations.
- b) Consider the views and preferences of persons likely to be affected or have an interest in the matter.
- c) Identify and explain any significant inconsistency between the decision and any policy or plan adopted by the Council.
- d) Provide opportunities for Maori to contribute to the decision-making process.
- e) Promote compliance with the principles of consultation, including giving interested persons a reasonable opportunity to present their views.

2.6 Council will ensure that in fulfilling the above requirements, the level of attention, consideration, disclosure, and consultation taken is in proportion to the significance of the decision.

3 Procedures for Assessing Significance

3.1 In general, the significance of an issue lies somewhere on a continuum from low to high. The Council has identified criteria to assess the degree of significance for the following areas:

- community well-being
- community interest
- consistency and variability
- impact on Council’s capacity and capability

When a high degree of significance is indicated by factors or thresholds under two or more criteria, the issue is likely to be significant.

3.1 The criteria merely provide a trigger for identifying whether a matter is likely to be significant – they are provided to assist in the assessment of significance.

3.2 Criteria and Thresholds

Criterion	<p>3.3.1 Community Well-being</p> <p>The extent to which the matter under consideration impacts on the social, economic, environmental, or cultural well-being of the community, now and in the future (Large impacts would indicate high significance).</p>
Factors and Thresholds	<p>Factors that might impact on community well-being are:</p> <ul style="list-style-type: none"> a) A decision that would significantly alter the level of service provided by the Council of a significant activity (including a decision to commence or cease such an activity). b) The extent of costs, opportunity costs, externalities and subsidies. c) Uncertainty, irreversibility, and the impact of the decision in terms of the community’s sustainability and resilience.
<p>High Degree of Significance Low</p> <p>Large Impact ← → Little Impact</p>	

Criterion	<p>3.3.2 Community Interest</p> <p>The extent to which individuals, organisations, groups and sectors within the community are particularly affected by the matter.</p>
Factors and Thresholds	<p>Factors that would indicate a high degree of significance are:</p> <ul style="list-style-type: none"> a) High levels of prior public interest, or the potential to generate high levels of interest or controversy. b) Large divisions in community views on the matter. c) A moderate impact on a large proportion of the community. d) A large impact on a moderate number of persons.
<p>High Degree of Significance Low</p> <p>Large divisions in Community views ← → Good community agreement</p>	

3.2 Criteria and Thresholds (continued)

Criterion	3.3.3 Consistency and Variability The extent to which the matter is consistent with Council’s current policy and strategy.
Factors and Thresholds	Factors that would indicate a high level of significance are: a) Decisions which are substantially inconsistent with current policies and strategies.
High Degree of Significance Low Inconsistent with other strategy and policy ← → Consistent with other strategy and policy	

Criterion	3.3.4 Impact on Council’s Capacity and Capability The impact of the decision on the Council’s ability to achieve the objectives set out in its Long-term Financial Strategy, Long-term Plan and Annual Plan.
Factors and Thresholds	Factors that would indicate a high level of significance are: a) Transfers of strategic assets to or from council. b) High capital or operational expenditure. c) A financial transaction with a value of greater than 10% of rates revenue in the year of the decision.
High Degree of Significance Low Large Impact ← → Little Impact	

4 Strategic Assets

4.1 Any decision that transfers ownership or control of a strategic asset to or from Council, can only be taken if “explicitly provided for” in the Long-term Plan.

4.2 Definition: Strategic assets are defined in section 5 of the Act as:

...an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority, and
- (b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy, and
- (c) any equity securities held by the local authority in
 - (i) a port company within the meaning of the Port Companies Act 1988:
 - (ii) an airport company within the meaning of the Airport Authorities Act 1966.

4.3 List Criteria: From the definition above, strategic assets to be listed in this policy include any asset of group of assets that Council determines to be important to achieving its community outcomes, or must be listed under clauses (b) and (c) above. In addition, asset or groups of assets will be listed as strategic if Council ownership or control is essential to the long-term provision of the associated service.

4.4 The Council will take a group or whole of asset approach.

Without limiting the application of this provision to other assets, the following examples of the application of the Policy to group assets are given:

- a) Water supply network assets, means those group assets as a whole and not each individual pipeline, reservoir, and pump station. The Council does not consider that addition or deletion of parts of that group asset (being a part of the group asset as a whole) will affect the overall group assets strategic nature.
- b) Roading and reserve assets (respectively), means those group assets as a whole. Therefore if the Council acquires land for a new road (or the formed road itself) or new reserve lands as a result of subdivision, these additions are part of the day to day business of managing the roading and reserves assets.

4.5 List of Strategic Assets

Asset	Strategic Importance
Equity in Wellington International Airport Limited	Listed under section 5 of the Act.
The public rental housing held by Council to maintain affordable housing	Strategic importance for social and economic well-being.
The sewage collection, treatment and disposal system, including the sewer network, pump stations and treatment works	Strategic importance for the delivery of all outcomes and well-beings.
The land drainage system, including the storm water pipe network, waterways, and retention areas.	
The water supply system, including reservoirs, pump stations and reticulation	
The roading network including the public transport infrastructure system	
The Council's brand, Absolutely Positively Wellington	
The core data set used to deliver Council services	
Waterfront land and assets held on trust by Wellington Waterfront Limited for Council	Assets of strategic importance for delivering social, cultural or environmental well-being.
The Town Hall and Convention Centre complex	
St James Theatre and Opera House, Embassy Theatre	
Artwork and literature collections, including public art and collections held by libraries	Services provided to the community include access to heritage, art, information and recreation.
The buildings and collections of the Museum of the City and Sea, City Gallery, Plimmer's Ark Gallery, Colonial Cottage Museum, Wellington Cable Car Museum and the Carter Observatory	
Reserves lands, including the Town Belt, land held under the Reserves Act and land used for parks, cemeteries, gardens, sports fields and recreational areas	Linked to Connected City, People-centred City, Dynamic Central City and Eco-City outcomes.
Swimming Pool Facilities	
The ASB Sports Centre	
Community Centres	
Wellington Zoo	
The Quarry	Strategic importance for social and economic well-being.



PART FOUR
APPENDICES



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FEES AND USER CHARGES

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.

These fees will be implemented as of 1 July 2012 and are inclusive of GST unless otherwise stated. For more information see www.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 which have changed and will come into effect 1 July 2012

Recycling, Waste Minimisation and Disposal

Recycling, Waste Minimisation and Disposal	New fee
Landfill levy (per tonne inclusive of recycling levy)	\$110.25
Rubbish Bags (RRP each)	\$2.52

City Archives

City Archives	New fee
Residential plan search – first item	\$27.50
Residential plan search – additional items	\$5.50
Commercial plan search – first item	\$38.50
Commercial plan search – additional items	\$7.70
Student plan search – first item	\$7.00
Student plan search – additional items	\$3.00
Historic research fee (per ½ hour)	\$27.50
A0 photocopy	\$8.50
A1/A2 photocopy	\$4.50
A3 photocopy	\$0.80
Digital photograph (low res)	\$18.50
Digital photograph (high res)	\$37.50

Sportsfields

Sportsfields	New fee
Cricket	
<i>Casual</i>	
Level 1	\$379.00
Level 2	\$251.00
Artificial pitch on concrete base	\$162.00
Artificial pitch on grass base	\$162.00
<i>Seasonal</i>	
Level 1	\$2,862.00
Level 2	\$2,388.00
Level 3	\$1,392.00
Artificial pitch on concrete base	\$955.00
Artificial pitch on grass base	\$760.00
Rugby, League, Soccer, Aussie Rules	
<i>Casual</i>	
Level 1	\$139.00
Level 2	\$105.00
Level 3	\$81.00
<i>Seasonal</i>	
Level 1	\$1,971.00
Level 2	\$1,505.00
Level 3	\$1,274.00

Sportsfields	New fee
Softball	
<i>Casual</i>	
Level 1	\$173.00
Level 2	\$122.00
<i>Seasonal</i>	
Level 1	\$725.00
Level 2	\$487.00
Touch, 5-a-side, Ultimate Flying Disk, Gridiron	
<i>Casual</i>	
Level 1	\$182.00
Level 2	\$146.00
<i>Seasonal</i>	
Level 1	\$1,505.00
Level 2	\$1,163.00
Netball – per Court	
Court per season	\$139.00
Off-season or organised	\$11.00
Casual	\$42.00
Tennis	
Court per season	\$189.00
Off-season or organised	\$18.00
Casual	\$42.00
Cycling	
Casual	\$170.00
Seasonal	\$1,713.00

Sportsfields	New fee
Athletics	
Casual	\$621.00
WRFU Speed Trials	\$138.00
Seasonal	\$10,360.00
Croquet – One Lawn	
Casual	\$168.00
Seasonal	\$787.00
Training	
<i>Ground Only</i>	
1 night	\$105.00
1 night (season)	\$376.00
2 nights (season)	\$753.00
3 nights (season)	\$1,128.00
4 nights (season)	\$1,505.00
5 nights (season)	\$1,880.00
Training	
<i>Ground and Changing Rooms</i>	
1 night	\$189.00
1 night (season)	\$792.00
2 nights (season)	\$1,582.00
3 nights (season)	\$2,373.00
4 nights (season)	\$3,164.00
5 nights (season)	\$3,955.00

Sportsfields	New fee
Elite Parks	
Rugby League Park	\$627.00
Newtown Park	\$627.00
Picnics	\$57.00
Marquees	
Booking Fee (non-refundable)	\$84.00
Marquee up to 50m ²	\$502.00
Marquee up to 100m ²	\$835.00
Marquee > 100m ²	\$1,330.00
Add-Ons	
Groundsman – hourly rate (minimum 2 hours)	\$35.00
Toilets Open	\$35.00
Toilets and Changing Rooms Open	\$84.00
Litter collection	

Synthetic Turf Sports fields

Synthetic Turf Sports Fields	New fee
Nairville Synthetic Turf	
Peak (per hour)	\$51.50
Off Peak (per hour)	\$32.00
Junior/College (per hour)	\$25.50

Synthetic Turf Sports Fields	New fee
Full Size Synthetic Turf	
Peak (per hour)	\$75.00
Off Peak (per hour)	\$50.00
Junior/College (per hour)	\$37.50
Winter Weekend Daily Rate	\$750.00
National Hockey Stadium	\$34,485.00

Notes: Charges for events, tournaments and commercial activities are by quotation. Charges for charity events will be charged at the Operation Manager's discretion.

Library fees

Library	New fee
Discounted DVDs	\$2.00

Burials and Cremations

Burials and Cremations	New fee
Karori Cemetery	
<i>Rose Garden Plots</i>	
Ash Plots (2 interments)	\$918.00
Memorial Plots	\$515.00
Granite Book Memorial	\$357.00
Memorial Plaques	
Bronze Columbarium Wall (135x95)	\$296.00
Niches	
Old Single Niche (Bronze)	\$867.00
Plaque (Name, Date of Death, Age)	\$326.00
New Single Niche (Bronze)	\$1,000.00

Burials and Cremations	New fee
Plaque (Name, Date of Death, Age)	\$326.00
New Double Niche (Bronze)	\$1,148.00
Plaque (Name, Date of Death, Age)	\$413.00
New Single Niche (Granite)	\$938.00
Plaque-Enquire Monumental Mason	
New Double Niche (Granite)	\$1,566.00
Plaque - Enquire Monumental Mason Soldiers (In Perpetuity) (When Available)	\$209.00
Plaque	\$434.00
Second Inscription	\$230.00
Interment Fees	
Second interment	\$1,148.00
Ashes	\$153.00
Niche placement/removal	\$153.00
Vault placement	\$311.00
Indigent	\$204.00
Serviceman/Woman's	\$581.00
Extras	
Disinterment	\$1,877.00
Ash disinterment	\$255.00
Extra width (per 300mm)	\$189.00
Extra depth (per 300mm)	\$250.00
Breaking concrete floor	\$209.00
Concrete cutting floor	\$260.00
Grave plot probe	\$51.00

Burials and Cremations	New fee
Core drilling ash interments (Karori only)	\$230.00
Muslim Boards (adult)	\$173.00
Muslim Boards (child)	\$102.00
Change of deed	\$61.00
Plaque placement/removal	\$82.00
Plaque polishing	\$31.00
Permit fee for monument work	\$82.00
Permit fee for monument work – Karori Rose Gardens	\$51.00
Non-compliance fee for no permit	\$71.00
Outside district fee – casket plot *	\$887.00
Outside district fee – ash plot *	\$418.00
Outside district fee – indigent burial *	\$138.00
Outside district fee – 2nd interment into existing plot *	\$571.00
Outside district fee – ash scatter *	\$41.00

* applies to all plot purchases, where deceased has lived outside Wellington City for the last 5 years or more

Makara Cemetery

Adult Plot (Plaque Lawn)

Plot	\$908.00
Maintenance fee	\$557.00
Interment fee	\$622.00
Beam fee	\$153.00

Burials and Cremations	New fee
Engraved plaque &	
1st inscription	\$612.00
2nd inscription	\$230.00
Embossed plaque (for up to 100 letters – \$1/letter thereafter)	\$745.00
Second Interments	
All sections	\$1,148.00
Denominational Areas	
Plot	\$1,122.00
Maintenance Fee	\$778.00
Interment fee	\$627.00
Beam fee	\$153.00
Natural Burial	
Plot	\$1,250.00
Maintenance Fee	\$624.00
Interment fee	\$938.00
Miscellaneous	
Temporary Grave Marker (13mth lease)	\$138.00
Funerals booked after 3:30pm	\$189.00
Public Holiday Fee	\$836.00
Cancellation Fee	\$102.00
Overtime	
Casket Interment w/end	\$627.00
Ash Interment w/end	\$209.00

Burials and Cremations	New fee
Ash Plots	
<i>Ash Beam</i>	
Plot	\$286.00
Maintenance	\$158.00
Beam fee	\$153.00
Interment fee	\$153.00
<i>Ash Circle</i>	
Plot	\$490.00
Maintenance	\$158.00
Interment fee	\$153.00
Cremations, Ashes & Chapel Hire	
<i>Adult</i>	
Delivery Only	\$685.00
Committal Service (1/2 Hour)	\$838.00
Full Service (1 Hour)	\$894.00
Funerals booked after 3.30pm	\$189.00
Indigent	\$122.00
Chapel Hire	
Per 1/2 hour	\$189.00
Chapel Hire for Burials & Cremations per 1/2 hour	\$204.00
Chapel hire for cremation elsewhere	\$233.00
Ashes	
Interment of Ashes	\$153.00
Disinterment of Ashes	\$255.00

Burials and Cremations	New fee
Ash Scattering	\$77.00
Ash Scattering Overtime	\$189.00
Niche Placement/Removal	\$153.00
Certificate of Cremation	\$51.00
Miscellaneous	
Cremation Overtime	\$311.00
Cleaning chapel/crematorium	\$51.00
Chapel only overtime	\$204.00
Express Ash (Weekend Collection)	\$209.00
Viewing Casket Charge	\$82.00
Public Holiday Fee	\$592.00
URNS – wooden ADULT	\$66.00
URNS – wooden INFANT	\$31.00
URNS – plastic	\$10.00
Book of Remembrance	
2 Lines – name, date of death, age	\$92.00
Per Line – up to 4 lines	\$41.00
Per Line – up to 8 lines	\$82.00

Public Health Regulations

Health Licensing and Inspection	New fee
New food premises (1st yr set up)	\$480.00
New Non Food Premises (1st yr set up)	\$240.00
Change of occupiers fee base fee	\$185.00
Change of occupiers fee base fee – additional over 1 hr	\$125.00
Inspections (per hr) for legal action	\$125.00
Late payment	+10%
Annual Licence for registered food premises	
Excellent grade	\$180.00-\$595.00
Very good grade	\$300.00-\$840.00
Ungraded	\$360.00-\$1,080.00
Ungraded – high risk	\$480.00-\$1,845.00
VIP registration and verification	\$470.00-\$1,795.00
Additional inspections (over 3hrs) per hr	\$125.00
Re-grading of premises (per hr)	\$125.00
Health licence	
Sports clubs (min. food prep)	\$150.00
Unregistered eating houses	\$210.00
Temporary License	
Temporary/mobile food stalls base fee	\$180.00
Temporary/mobile food stalls base fee – charge over 1hr (per hr)	\$125.00

Health Licensing and Inspection	New fee
Fairs: "small"	\$150.00
One day food stall	\$125.00
Fairs "large"	\$360.00
Annual Licence for registered premises	
Animal boarding	\$240.00
Camping grounds	\$240.00
Hairdressers	\$125.00
Mortuaries/Funeral Directors	\$150.00
Offensive Trades	\$300.00
Poultry farm/Piggeries	\$150.00
Annual Licence	
Pools: commercial pools/spas	\$240.00
Saunas only	\$105.00
Health Check	
Building consent for food premises base fee	\$250.00
Per hour fee (over 2hrs)	\$125.00

Annual Licence for Registered Premises	New fee
Trade Waste	
<i>Trade waste licence fee</i>	
Initial inspection fee	\$185.00
High risk	\$1,845.00
Medium risk	\$920.00
Low risk	\$307.50
Minimal risk	\$133.50
Monitoring (lab charges)	Actual costs
Grease & Grit traps	
Initial application fee	\$185.00
Grease traps	\$133.50
Shared grease trap (per premises)	\$66.75
Grease converter	\$307.50
Grit traps	\$133.50
Collection & Transport of Trade Waste	
Initial application fee	\$155.00
Charge after first hr (per hr)	\$130.00
Annual licence fee	\$185.00
Conveyance & Transport of Trade Waste	
Processing fee (per hr of part thereof)	\$130.00
Assessment of building consent including trade waste element	\$130.00

Annual Licence for Registered Premises	New fee
Volume	
Up to 100m ³ /day	\$0.25/m ³
Between 100m ³ /day and 7000m ³ /day	\$0.11/m ³
Above 7000m ³ /day	\$0.80/m ³
Suspended Solids	
Up to 3150kg/day	\$0.27/kg
Above 3150 kg/day	\$0.61/kg
B.O.D.	
Up to 1575kg/day	\$0.26/kg
Above 1575kg/day	\$0.49/kg
Animal Control	New fee
Registration per animal	
Entire	\$165.00
Neutered/spayed (with proof)	\$118.80
Working dogs	\$48.00
Approved responsible owner	\$57.00
Charge for late payments	+50%
Licence for 3 or more dogs	\$33.00
Application for RDO status or change of RDO address	\$57.00

Impounding Fees	
* First per animal	\$102.50
* Subsequent impounding	\$164.00
* Sustenance per day	\$18.00
* Destruction fee	\$34.00
Collection or delivery of dog on behalf of owner	\$28.00
After hours callout for collection of delivery of dog	\$28.00
Replacement of registration tag	\$11.00
Infringements	\$100.00-\$750.00
Micro-chipping	Actual costs
Pavement Permissions	
Initial application	\$184.50
Renewal	\$92.50
Special application	\$260.00
Extension of liquor licensing area	\$90.00
Central city (per m ²)	\$87.00
Suburbs (per m ²)	\$56.50
Gambling Permissions	
Initial application & renewal	\$123.00

Building Control and Facilitation

Building Consent Fees	New fee
Small Works fees	
Drainage/plumbing (value to \$2000)	\$290.00
Free standing fireplace	\$192.50
In-built fireplace	\$405.50
Additional inspection fee	Replaced
Additional inspection charge (per hr)	\$154.00
Customer Services	
Pre-application meetings: consent officer / expert / compliance officer (2 hours total officer time free, then a charge per hour thereafter).	\$154.00
Monthly report of Issued Building Consents	\$73.00
Official information requests (property): Disbursements – 1st 20 A4 sheets free – 20c per additional sheet	See text
Administration Fee (refunds/cancellations)	\$97.50
Time extension initial fee (0.5 hr admin, 0.5 hr inspector). Any time spent over this initial time will be charged at the relevant hourly rate	\$122.00
Time extension – additional inspectors time, hourly rate	\$154.00
Administration fee (other) – hourly rate	\$97.50
Restricted building work check (per Licensed Building Practitioner)	\$48.75

Building Consent Fees	New fee
Lodging fee	
Lodging Fee for building consents	\$97.50
Code Compliance Certificate (for category 1 applications)	\$97.50
Code Compliance Certificate (for category 2 applications)	\$97.50
Code Compliance Certificate (for category 3 applications)	\$122.00
PIM (if lodged with building consent)	
PIM only – single resident dwelling including accessory buildings	\$385.00
PIM only – other	\$462.00
Building Consent Fees	New fee
Plan Check Fees	
<\$10,000 (Category 1)	\$346.50
<\$10,000 (Category 2)	\$539.00
<\$10,000 (Category 3)	\$693.00
\$10,001 - \$20,000 (Category 1)	\$770.00
\$10,001 - \$20,000 (Category 2)	\$770.00
\$10,001 - \$20,000 (Category 3)	\$770.00
\$20,001 - \$100,000 (Category 1)	\$847.00
\$20,001 - \$100,000 (Category 2)	\$847.00
\$20,001 - \$100,000 (Category 3)	\$847.00
\$100,001 - \$500,000 (Category 1)	\$924.00
\$100,001 - \$500,000 (Category 2)	\$1,386.00

Building Consent Fees	New fee
\$100,001 - \$500,000 (Category 3)	\$1,386.00
\$500,001 - \$1,000,000 (Category 1)	\$2,156.00
\$500,001 - \$1,000,000 (Category 2)	\$2,464.00
\$500,001 - \$1,000,000 (Category 3)	\$2,772.00
\$1,000,001 + (Category 1)	N/A
\$1,000,001 + (Category 2)	\$2,849.00
\$1,000,001 + (Category 3)	\$2,849.00
For each \$500K or part thereof over \$1,000,000	\$731.50
Consent Suspend Fee (to review additional information. Charged per additional hour of office reassessment time)	\$154.00
Plan Check for National Multi-use approval fees (NMUA)	
Building Consent Fee, for applications using a NMUA (approved by Dept. of Building & Housing). Initial fee of 3 hours, then hourly rate and charges apply after this.	\$462.00
Plan Check for Fast Track Consents	
Fast Track – consents only – issued within 10 days (criteria applies, and applications will only be accepted on a case by case basis) Applies to all fees related to approval of consent.	2 x consent approval charges

Building Consent Fees	New fee
Fast Track – consents only – issued within 5 days (criteria applies, and applications will only be accepted on a case by case basis). Applies to all fees related to approval of consent.	3 x consent approval charges
Building Certificate (pre-requisite for liquor licence application)	
Where application for building certificate received with application for town planning certificate	\$154.00
Where application received independently	\$250.00
Additional charge per hour for processing Building Certificate. Where processing times exceeds 1 hr.	\$154.00

Building Consent Fees	New fee
Certificates of Acceptance	
Lodgement fee* (* In 2011/12 the lodgement fee was included in the individual fees below.)	\$97.50
If the certificate is NOT for work carried out under urgency (or other special circumstances) a surcharge applies to all COA fees. Fees include plan check and initial fee for inspections. Additional inspections charged at \$154 per hour.	50.00%
<\$10,000 (Category 1)	\$654.50
<\$10,000 (Category 2)	\$847.00
<\$10,000 (Category 3)	\$1,001.00
\$10,001 - \$20,000 (Category 1)	\$1,078.00
\$10,001 - \$20,000 (Category 2)	\$1,078.00
\$10,001 - \$20,000 (Category 3)	\$1,078.00
\$20,001 - \$100,000 (Category 1)	\$1,463.00
\$20,001 - \$100,000 (Category 2)	\$1,463.00
\$20,001 - \$100,000 (Category 3)	\$1,463.00
\$100,001 - \$500,000 (Category 1)	\$1,540.00
\$100,001 - \$500,000 (Category 2)	\$2,002.00
\$100,001 - \$500,000 (Category 3)	\$2,002.00
\$500,001 - \$1,000,000 (Category 1)	\$2,772.00
\$500,001 - \$1,000,000 (Category 2)	\$3,080.00
\$500,001 - \$1,000,000 (Category 3)	\$3,388.00
\$1,000,001 + (Category 1)	N/A
\$1,000,001 + (Category 2)	\$3,465.00

Building Consent Fees	New fee
\$1,000,001 + (Category 3)	\$3,465.00
For each \$500k or part thereof over \$1,000,001	\$731.50
Inspections over initial fee at hourly rate	\$154.00
S77 Fees (building over two or more allotments)	
Processing time per hour	\$154.00
Amended Plan	
Lodging fee	\$73.00
Initial fee (includes 1 hour processing time)	\$154.00
Processing time over 1 hour	\$154.00
Certificate of Public Use	
Lodging fee	\$73.00
Initial fee (includes 1 hr processing time)	\$154.00
Process time over 1 hour	\$154.00
Compliance Schedule/Building Warrant of Fitness	
New compliance schedule (linked with Building Consent). This is the minimum charge (based on one hour of processing), additional charges will apply for time taken over this, at \$154 per hour for additional hours	\$231.00
Alterations & Amendments to compliance schedule (linked to Building Consent or application for amendment to CS Form 11) will be charged on a time taken basis. At \$154 per hour of officer time	\$154.00

Building Consent Fees	New fee
Additional charge per hour for new compliance schedule (linked with Building Consent)	\$154.00
Minor Compliance schedule amendment – change of owner/ agent, minor change to draft CS	\$38.50
IQP Registration Fee (New & Renewal)	\$154.00
Additional charge for each new competency registered	\$73.00
Building Warrant of Fitness – Annual Certificate. This is the base charge for 1 specified system. Additional charges will apply for time over 0.5 hours	\$77.00
Building Warrant of Fitness – Annual Certificate. This is the base charge for 2 - 10 specified systems. Additional charges will apply for time taken over 1 hour	\$154.00
Building Warrant of Fitness – Annual Certificate. This is the base charge for 11+ specified systems. Additional charges will apply for time taken over 1.5 hours	\$231.00
Building Warrant of Fitness Inspection (per hour)	\$154.00
Fire Service	
Fire Service Review admin	\$73.00

Building Consent Fees	New fee
LIM and Information Services	
LIM: Residential	\$314.00
Fast Track residential LIMs	\$471.00
LIM: Commercial Base Fee	\$733.00
LIM: Commercial per hour after 10 hrs	\$97.50
Property Reports: Building Consents	\$146.50
Property Reports: Resource Management	Replaced
Property Reports: Public Drainage	Replaced
Property Report: Multi-residential 3 - 8 unit property	\$214.00
Property Report: Multi-residential 8+ unit property	\$227.00
Building Consent printout (site specific)	\$26.00
Certificate of Title	\$25.00
Building Consent Fees	New fee
Structural Fee Deposits & Additional Charges	
Structural fee for checking elements of specific design on projects comprising structural works, supported by a producer statement from a Chartered professional engineer	
Deposit for Category 1 structural work (on Plan reviews)	\$275.00

Building Consent Fees	New fee
Deposit for Category 2 structural work (on Plan reviews)	\$375.00
Deposit for Category 3 structural work (on Plan Reviews)	\$685.00
Deposit for Category 1 structural work (for Amended Plans)	\$310.00
Deposit for Category 2 structural work (for Amended Plans)	\$310.00
Deposit for Category 3 structural work (for Amended Plans)	\$410.00
Hourly Charge for Engineers (including internal overheads), over and above deposit	\$276.25
Hourly charge for Contract Management, over and above deposit	\$131.75
Deposit for all categories for structural checking not supported by a producer statement from a Chartered professional engineer	\$685.00
Swimming Pool	
Pool fencing inspection per hour. Fees charged on actual time spent.	\$154.00
Exemptions: Base fees (including 5.5 hours of processing time)	\$847.00
Exemptions: processing costs after the initial 5.5 hours	\$154.00
Building Inspections	

Building Consent Fees	New fee
Hourly charge: Deposit based on estimate of inspections required. Charges on basis of actual time.	\$154.00
Engineering inspections (not covered by a Producers Statement), including fire, engineering, structural engineering for unusual proposal, specific design	Actual costs plus \$97.50
Special Activity and Monitoring	
Hourly charge for officer time considering proposals and monitoring compliance	\$154.00
Development, Control and Facilitation	
RMA Checking Service of Building Consents	
Initial Fee for the assessment of building consent against the District Plan or for compliance with resource consent conditions.	Replaced
Initial Fee for the assessment of building consent against the District Plan or for compliance with resource consent conditions. (Charge for first hour, then additional charges apply per hour of processing time above this)	\$150.00
Additional hours (per hour):	\$150.00
Outline Plan Waiver	\$300.00

Road Encroachment Fees

Road Encroachment Fees	New fee
<i>One-off fees</i>	
Application fee for new encroachment	\$460.00
Administration fee	\$74.75
<i>Annual fees</i>	
Annual rental fee (per m2)	\$14.11
Minimum fee	\$103.50

Parking

Parking	Current fee	New fee
Hourly Parking Charge – Fee area 1	\$4.00	Parking fees across the city range from a minimum of \$1.00 (minimum charge) to a maximum of \$4.00 per hour.
Hourly Parking Charge – Fee area 2	\$3.00	
Hourly Parking Charge – Fee area 3	\$1.50	

Changes to parking – we have introduced four parking zones in the CBD with different fees. They are:

- Zone 1: Lambton – premium parking fees
- Zone 2: Te Aro – daytime and evening parking charges
- Zone 3: Fringe CBD – low parking fee to encourage park and ride/cycle/walk
- Zone 4: All other areas to retain existing fee structure.

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 deliver 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.

WELLINGTON REGIONAL STADIUM TRUST

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC).</p> <p>As at 1 January 2012, they are Paul Collins (Chair), Councillor Chris Laidlaw (GWRC), Chris Moller, Sir John Anderson, Liz Dawson, Sue Elliott, Mark McGuinness and Councillor John Morrison (WCC). The Chief Executive is David Gray.</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"> ■ Operates the Stadium. ■ Manages the event programme and seeks opportunities to provide regular quality events. ■ Ensures the Stadium is provided to the community for appropriate usage. ■ Administers the Trust assets and the Stadium on a prudent commercial basis. 	<ul style="list-style-type: none"> ■ Number of events ■ Total revenue ■ Event revenue ■ Net surplus 	<ul style="list-style-type: none"> ■ 47 ■ \$15.13 million ■ \$4.69 million ■ \$2.32 million

Note: the Wellington Regional Stadium Trust is not formally defined as a Council Controlled Organisation. This plan for their activities is presented to recognise the interest that Wellington city ratepayers have in the Trust and its activities.

BASIN RESERVE TRUST

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington.</p> <p>As at 1 January 2012, the two trustees appointed by the Council are Councillor John Morrison and Sir John Anderson. The two trustees appointed by Cricket Wellington are Don Neely and Douglas Catley (Chair). The Chief Executive is Peter Clinton.</p>	<p>The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.</p>	<p>The Trust:</p> <ul style="list-style-type: none"> ■ Manages the Basin Reserve for recreational activities and the playing of cricket for the residents of Wellington. ■ Contributes to the events programme for Wellington. ■ Operates as a successful not-for profit undertaking. ■ Preserves and enhances the heritage value of the Basin Reserve. 	<p>Number of events</p> <ul style="list-style-type: none"> ■ Cricket ■ Other sports ■ Community <p>Number of event days</p> <ul style="list-style-type: none"> ■ Cricket ■ Other sports ■ Community ■ Attendance figures 	<ul style="list-style-type: none"> ■ 15 ■ 6 ■ 2 ■ 34 ■ 6 ■ 2 ■ 34,800

PARTNERSHIP WELLINGTON TRUST (TRADING AS POSITIVELY WELLINGTON TOURISM)

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>All trustees are appointed by the Council. As at 1 January 2012, they are John Milford (Chair), Glenys Coughlan, Councillor Coughlan, Howard Greive, Mike O'Donnell, Peter Monk and Ruth Pretty. The Chief Executive is David Perks.</p>	<p>The Partnership Wellington Trust markets and adds value to Wellington to achieve sustainable economic growth for the people of the city.</p> <p>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.</p> <p>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.</p>	<p>The Trust:</p> <ul style="list-style-type: none"> ■ Promotes Wellington as a visitor destination in national and international markets. ■ Markets Wellington as a convention and conference destination. ■ Provides visitor information services. ■ Runs initiatives that promote retail growth, including the downtown retail campaign. ■ Profiles Wellington's strengths in arts, sport and education attractions, and conducts development of an ongoing events profile for the city. ■ Facilitates the development of new tourism and event product, and the development of the Visiting Friends and Relatives (VFR) market. ■ Manages Wellington's destination profile on the internet. ■ Conducts research and analysis of the tourism industry. 	<ul style="list-style-type: none"> ■ International direct arrivals to Wellington Airport from Australia 	<ul style="list-style-type: none"> ■ Increase Australian visitor arrivals by 7% over 2011/12 levels
			<ul style="list-style-type: none"> ■ International visitor nights 	<ul style="list-style-type: none"> ■ Maintain international visitor room nights relative to 2011/12 levels
			<ul style="list-style-type: none"> ■ New Zealand visitor nights 	<ul style="list-style-type: none"> ■ Domestic visitor nights increased by 2% relative to 2011/12 levels
			<ul style="list-style-type: none"> ■ Weekend occupancy in partner hotels (capacity aligned) 	<ul style="list-style-type: none"> ■ Increased by 2% relative to 2011/12 levels
			<ul style="list-style-type: none"> ■ Downtown weekend visitation 	<ul style="list-style-type: none"> ■ Maintained at 2011/12 levels
			<ul style="list-style-type: none"> ■ i-Site revenue 	<ul style="list-style-type: none"> ■ Maintained at 2011/12 levels
			<ul style="list-style-type: none"> ■ Cost effectiveness 	<ul style="list-style-type: none"> ■ Maintain Council's funding at 50% or less of Wellington's marketing activity investment
			<ul style="list-style-type: none"> ■ Visits to WellingtonNZ.com 	<ul style="list-style-type: none"> ■ 10% increase over 2011/12 levels
			<ul style="list-style-type: none"> ■ Online Revenue 	<ul style="list-style-type: none"> ■ Generate \$680k of bookings through the site

WELLINGTON ZOO TRUST

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council. As at 1 January 2012, 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 plant and animal species, and supports the conservation and educational activities of other organisations.</p>	<ul style="list-style-type: none"> ■ Cares for resident animals and manages the animal collection. ■ Provides a high-quality visitor experience ■ Participates in captive management breeding and breed-for-release programmes. ■ Develops and maintains high quality animal exhibits. ■ Delivers educational material and learning experiences. ■ Contributes to zoological, conservation and facilities management research projects. 	<ul style="list-style-type: none"> ■ Number of visitors 	<ul style="list-style-type: none"> ■ 206,703
			<ul style="list-style-type: none"> ■ Conservation Programme Managed Species (% of total collection) 	<ul style="list-style-type: none"> ■ 41%
			<ul style="list-style-type: none"> ■ Average WCC subsidy per visitor 	<ul style="list-style-type: none"> ■ \$13.54
			<ul style="list-style-type: none"> ■ Annual fundraising target for ZCP 	<ul style="list-style-type: none"> ■ \$468,693
			<ul style="list-style-type: none"> ■ Average income per visitor (excluding WCC grant) 	<ul style="list-style-type: none"> ■ \$14.88
			<ul style="list-style-type: none"> ■ Ratio of generated Trust income as % of WCC grant 	<ul style="list-style-type: none"> ■ 110%

WELLINGTON MUSEUMS TRUST

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>All trustees are appointed by the Council. As at 1 January 2012, they are Quentin Hay (Chair), Councillor Ahipene-Mercer, Philip Shewell, Jo Bransgrove, Jackie Lloyd and Alick Shaw. The Chief Executive is Pat Stuart.</p>	<p>The Wellington Museums Trust (WMT) 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, the New Zealand Cricket Museum and the Carter Observatory.</p> <p>It manages and develops the Trust programmes and services, and acquires and manages collections for the benefit of Wellington. It provides 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.</p>	<ul style="list-style-type: none"> ■ Delivers high quality experiences, events and exhibitions at its facilities. ■ Manages conservation and care for the objects of its collections, and conducts research and development to enhance visitors' experiences. ■ Offers quality education experiences to children and young people. ■ Promotes and protects the heritage of venues. ■ Develops and operates the Soundhouse Studio. ■ Works with national and international artists and collectors. 	<p>Attendance targets:</p> <ul style="list-style-type: none"> ■ City Gallery ■ Capital E ■ Museum of Wellington ■ Colonial Cottage ■ Cable Car Museum ■ NZ Cricket Museum ■ Carter Observatory ■ Subsidy per customer (excludes Plimmer's Ark, but includes rental subsidy) ■ Carter Observatory subsidy per customer ■ Percentage of visitors to all trust institutions who rate the quality of their experience as good or very good ■ Percentage of visitors to all Trust institutions are repeat visitors ■ Percentage of all residents are aware of Trust institutions 	<ul style="list-style-type: none"> ■ 143,000 ■ 102,000 ■ 93,800 ■ 2,100 ■ 227,000 ■ 2,100 ■ 50,000 ■ \$13.04 ■ \$7.78 ■ 90% on average ■ 27% ■ Approximately 88% (across all institutions)

WELLINGTON VENUES LIMITED

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>All trustees are appointed by the Council.</p> <p>As at 1 January 2012, they are Chris Parkin (Chair), Councillor Ngaire Best, Councillor Paul Eagle, Sam Knowles, Mike Egan, Samantha Sharif, Lorraine Witten and Linda Rieper. The Chief Executive is Glenys Coughlan.</p>	<p>Wellington Venues Limited exists to manage and promote Wellington's major Events venues, including the Michael Fowler Centre, Town Hall, TSB Arena, Shed 6, St James Theatre and Opera House as venues, and to help establish Wellington as the premier city for events and conferences.</p>	<p>Wellington Venues Ltd.:</p> <ul style="list-style-type: none"> ■ 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. 	<ul style="list-style-type: none"> ■ Venue hire days increase over 2011/12 level ■ Performance days and revenues ■ Convention and events days and revenues ■ Maintain appropriate mix of commercial and community hires ■ Pan-venue asset management ■ Reduced environmental footprint targets ■ Joint marketing with PWT and other partners ■ Contingency plan for seismic strengthening of Town Hall 	<ul style="list-style-type: none"> ■ Establish baseline occupancy rate, and increase hired days across all venues relative to 2011/12 levels ■ Achieve budgeted number of performance days and revenue ■ Achieve budgeted number of convention and events days and revenue ■ Establish baseline of total number of performers and attendees at supported events, and establish baseline rate of community hires by days utilised ■ Completion of update of pan-venue health and safety policies and procedures, including reporting ■ Achieve ISO 9001 Quality Management Systems accreditation (Q2) ■ Achieve ISO 14001:2004 Environmental Management System certification ■ Implement at least two new sustainability initiatives within the ISO 14001 framework ■ At least three successful joint marketing ventures with PWT and other partners ■ Wellington Venues Ltd will successfully manage the implementation of an alternative venue facility

Please note that Positively Wellington Venues has noted in its final Statement of Intent that it is reviewing its utilisation measures and is establishing a number of baseline measures now that the Company is nearing the end of its first year of operation.

WELLINGTON CABLE CAR LIMITED

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 1 January 2012, they are Roger Drummond (Chair), Nicki Cranford, and Anthony Briscoe. The Chief Executive is Des Laughton.</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.</p> <p>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"> ■ 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. ■ Manages the cable car passenger service operation. ■ Markets the cable car. ■ Identifies options for enhancing the cable car travel and tourism experience. ■ Specifies and controls the contract for the inspection, maintenance and repair of the trolley bus overhead wiring system. 	<ul style="list-style-type: none"> ■ Cable car passenger numbers ■ All cable car vehicles and associated buildings and equipment are maintained to required safety standards ■ Cable car service reliability ■ Percentage of residents who have used the cable car in the last 12 months ■ Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good 	<ul style="list-style-type: none"> ■ 1,073,700 ■ Achieve ■ Greater than 99% ■ 30% ■ 95%

LAMBTON HARBOUR MANAGEMENT LIMITED (TRADING AS WELLINGTON WATERFRONT LIMITED)

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 1 January 2012, they are Robert Gray (Chair), Councillor Justin Lester, Derek McCorkindale and Jane Black. The Chief Executive is Ian Pike.</p>	<p>Wellington Waterfront Limited acts as the implementation manager for the waterfront development area. This means ensuring that the waterfront area is recognised locally and internationally for its design; is attractive; caters for a wide range of activities; is readily accessible to all people; and is both safe and perceived to be safe. Wellington Waterfront Limited also acts to protect significant heritage buildings on the waterfront, and makes sure that activities on the waterfront are integrated with those on the harbour.</p>	<p>The company:</p> <ul style="list-style-type: none"> ■ Implements the objectives of the Waterfront Framework as outlined in the Waterfront Development Plan. ■ Demonstrates willingness to engage with the public about how the waterfront is developed ■ Manages day to day operations on the waterfront, including cleaning, security and maintenance. ■ Negotiates and manages contracts for the design and construction of the waterfront's public spaces. ■ Negotiates and manages contracts and leases for all building development sites, and the refurbishment and re-use of existing buildings. ■ Owns and manages the marina. 	<ul style="list-style-type: none"> ■ Percentage of residents visiting the waterfront ■ Percentage of residents satisfied with the waterfront ■ Number of project milestones achieved on time 	<ul style="list-style-type: none"> ■ 95% ■ 90% ■ All project milestones achieved ■ Complete wharf pile refurbishment of Queen's Wharf ■ Complete the urban design proposal for OPT public space and achieve TAG sign-off ■ Deliver design brief for the Kumutoto Precinct (to be considered by Council) ■ Deliver the proposed Diving platform within the Circa cut-out space ■ Complete seismic upgrade work on Shed 11

CAPACITY INFRASTRUCTURE SERVICES LIMITED

Structure	Objectives	Activities	Performance measures	Target 2012/13
<p>Wellington City Council and Hutt City Council are equal 50% 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 two Councillors (one from each council) and four independent directors (two are appointed jointly by the councils). 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 1 January 2012, the Councillor appointees are Andy Foster (Wellington City Council) and David Bassett (Hutt City Council). The four independent Directors are Peter Allport (Chair), Peter Leslie, Ian Hutchings and John Strahl. The Chief Executive is David Hill.</p> <p>Wellington, Hutt and Upper Hutt City Councils have now approved the proposal that Capacity's existing client councils consider a governance model change to incorporate an outcomes-based model and for Upper Hutt City Council and Porirua City Council to become shareholders. Porirua City Council is not expected to consider this issue before July.</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 and Upper Hutt 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.</p> <p>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 also the Environment strategic area for more information on water, storm water and waste water services.</p>	<ul style="list-style-type: none"> ■ Provide a reliable water supply, wastewater and storm water service. ■ Develop and complete asset management plans ■ Deliver budgeted capital expenditure projects for respective councils ■ Deliver budgeted operating and maintenance activities for respective councils ■ Manage and operate Capacity within its budget ■ Comply with relevant standards, legislation and resource consents 	<ul style="list-style-type: none"> ■ Fewer than 4 unplanned supply cuts (pipe bursts) per 1000 connections ■ Within agreed timeframe ■ Within agreed timeframes and budget ■ Within agreed timeframes and budget ■ Within agreed budget ■ Achieve full compliance

3 YEAR WATERFRONT DEVELOPMENT 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 the next three years. The implementation is undertaken by a Council Controlled Organisation; Wellington Waterfront Ltd (The Company). The plan is reviewed on an annual basis.

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 *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
- **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, the area 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 three years:

The Promenade: Development of the promenade as the spine that connects the waterfront is on-going. A particular focus over the next 3 years 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 will take place in 2013/14 with the fourth and final infrastructural upgrade scheduled to be completed in 2017/18.

	2012/13	2013/14	2014/15
Projected public space development contribution (\$000):	\$1,482	\$0	\$2,035

Waitangi Precinct: The redevelopment of the Overseas Passenger Terminal and public space will be the central activity in this area over the next three years. Construction began in 2012 and is expected to be completed in 2014. Work will continue on the feasibility of the proposed transition building adjacent to Te Papa. Work on the Overseas Passenger Terminal for 2014/15 includes \$2.5 million of new work on wharf and seawall upgrades.

	2012/13	2013/14	2014/15
Projected public space development contribution (\$000):	\$100	\$750	\$4,440

Taranaki Street Wharf Precinct – Although this area is essentially complete, we are developing a new initiative to install a diving platform in the cut-out space by the Free Ambulance building. Target date for completion is 2012/13.

	2012/13	2013/14	2014/15
Projected public space development contribution (\$000):	\$100	\$0	\$0

Frank Kitts Park Precinct – The Company will continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden society regarding their fundraising initiatives. It is neither practicable nor desirable to construct the Chinese Garden separately from the remainder of Frank Kitts Park. The redevelopment is now scheduled for 2016/17.

Queens Wharf Precinct – Master planning for this area was completed and presented to the Council in 2011. Shed 5 is being marketed ahead of its lease expiry in October 2012. The Company is keen to see a design concept that gives the building a new ‘lease on life’ and position the building for the medium term. The Company will work corroboratively with Wellington Venues Limited to establish a temporary convention centre facility within shed 6 for the period of the seismic strengthening of the Town Hall.

	2012/13	2013/14	2014/15
Projected public space development contribution (\$000):	\$0	\$0	\$0

Kumutoto Precinct – The Company will work collaboratively with the Council and key interest groups in the revision of a design brief for the north Kumutoto area (inline with the Environment Court’s decision on variation 11) and will then progress design and resource consent planning for sites 9 and 10. Preparatory work will be undertaken in the 2012/13 year. A sum of \$2 million for upgrading the public space in the north Kumutoto precinct has been budgeted in 2014/15 and wider works occur in the subsequent year. Seismic upgrade is required on Shed 11 with the work scheduled for 2012/13.

	2012/13	2013/14	2014/15
Projected public space development contribution (\$000):	\$600	\$0	\$2,000

Other Capital Renewals: An ongoing programme of repairs and maintenance, capital expenditure and renewals has been identified in the company’s Asset Management Plan. By way of example, during the 2012/13 year the company expects to replace the roof on Shed 5 and put in measures to stem the corrosion on the Lagoon Bridge.

	2012/13	2013/14	2014/15
Projected public space development contribution (\$000):	\$384	\$392	\$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 be monitored by our Technical Advisory Group, an independent provider of design advice for the Council. Drawing on the architecture, landscape architecture and urban design expertise of its members, they ensure that the Waterfront Framework principles have been applied consistently in all the design of buildings and public space.

The achievement of milestones inline with this three year plan and residents us and perceptions of their experience on the waterfront will also be monitored (see the Council Controlled Organisations section).

Beyond the next three years the following activities are proposed:

- Frank Kitts park refurbishment incorporating a Chinese garden – 2016/17 (\$5 million)
- Wharf strengthening programme stage 3 – 2017/18 (\$2.035 million)
- Completion of public space enhancements in north Kumutoto – 2015/16 (\$4 million)
- Shed 6 lease/redevelopment – 2016/17 (commercial proceeds)
- Ongoing maintenance, renewals and management of leases (\$2.742 million over seven years).

How we manage our assets that support this activity

The Company maintains an Asset Management Plan (2011). They comply 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. The Company actively engages 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.

WHAT IT WILL COST

	2012/13	2013/14	2014/15
Waterfront Operating costs (\$000)	6,227	4,965	4,648
Public Space Developments (\$000)	2,666	1,142	9,384
	2012/13	2013/14	2014/15
Proceeds from Operating receipts & Commercial developments (\$000)		9,000	15,075
	2012/13	2013/14	2014/15
Loan Financing Balance			
- Wharf repiling (cumulative) (\$000)	5,720	5,720	7,755
- Public space (cumulative) (\$000)	20,582	14,482	9,717

The table illustrates the importance and impact of revenue from commercial developments in the next three years. If these revenues were delayed then additional interest expense would need to be funded. While the \$24.075 million in proceeds over the next three years is positive, the on-going maintenance and renewals work mean that the loan balance continues to increase with no anticipated offset from commercial proceeds forecast in the out years. The Council will review this long term situation and consider sustainable funding for the Waterfront project in the coming year.

INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington City Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor General is the auditor of Wellington City Council (the City Council). The Auditor General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the City Council's LTP dated 27 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the City Council's LTP dated 27 June 2012 provides a reasonable basis for long term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the City Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 27 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the City Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, the implications it faces, and provides for participation by the public in decision making processes;
- the City Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;

- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the City Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the City Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the City Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

During the year we undertook a review of the Clifton Terrace Car Park managed by the City Council on behalf of the New Zealand Transport Agency. Other than this report, the review of the Clifton Terrace Car Park and in conducting the annual audit, we have no relationship with or interests in the City Council or any of its subsidiaries.



A P Burns

Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

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GLOSSARY

Capital Expenditure – Expenditure that results in the creation of a new asset, or increases the life or capacity provided by an existing asset.

Depreciation (amortisation) – an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to ‘intangible’ assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Fair value – essentially reflects the market value of assets or liabilities.

Investment properties – these are properties that are primarily held by the Council to earn rental income.

Operating Expenditure – Expenditure related to providing Council Services. This excludes any capital expenditure.

Prudential limits – these are limits applied to the level of borrowings to ensure we are managing the Council’s assets and liabilities prudently. These limits are outlined in the Investment and Liability Policy and Financial Strategy in the Long Term Plan.

Renewal – A renewal is capital expenditure that relates to the replacement of existing assets.

Ring-fenced – funds that can only be used for a specific purpose.

Upgrade Capital Expenditure – Capital expenditure that improves the level of service or meets additional demand for a service.

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