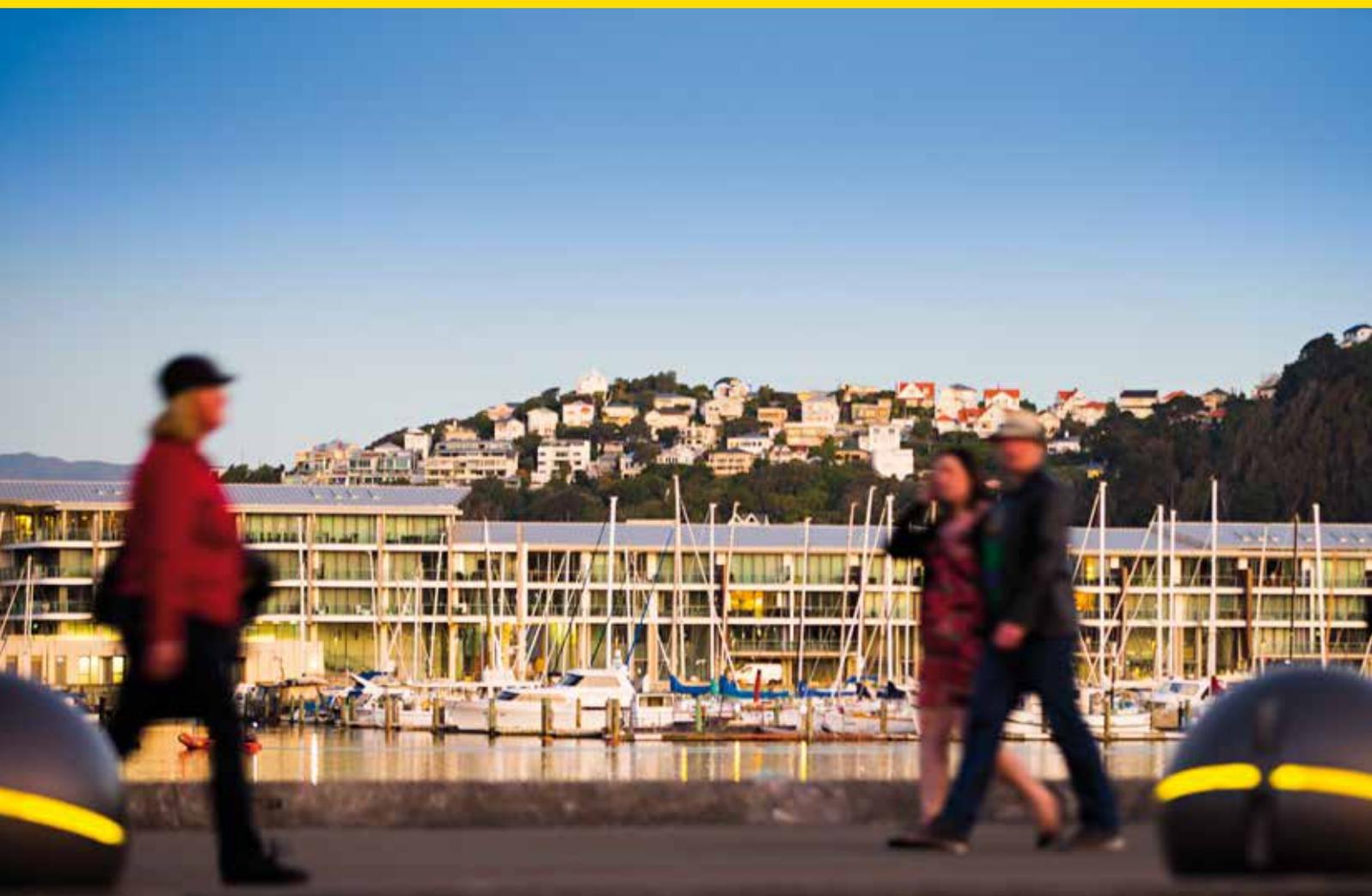

Annual Plan 2016/17

CONSULTATION DOCUMENT



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Mayoral overview



Contribute to the 2016/17 Annual Plan

There is a new energy and liveliness in Wellington City as we enjoy economic growth, job creation, increased tourism, upgraded social housing, strengthened heritage buildings, new playgrounds, parks and flourishing biodiversity. In 2015 the city's population grew by 2 percent - double the 10-year rate - house prices climbed 6.8 percent, and residential building consents increased by 18 percent.

Visitor numbers are contributing \$6 million a day to the economy of Wellington City. Attendance at Zealandia, Wellington Zoo, Cable Car Museum and Wellington Museum have all shown increases in the past year.

Jobs grew by 3300, mainly in public administration, professional, scientific and technical services, plus the accommodation and food services sectors. This reflects expanded opportunities in the areas of knowledge-based industries, including hi-tech, and more visitors to the city.

Continuing this growth, so we can collectively afford great facilities and quality of life, is the aim of Wellington City Council's 2015-25 Long-term Plan

(LTP). The LTP is our bold plan to stimulate the Wellington economy and ensure the city gains maximum value from Council investment in physical and community infrastructure. The Council also commits to maintain and improve the services Wellingtonians receive from us. No cuts.

I'm encouraged by progress on several long-term projects aimed at growing Wellington and sharing the benefits of economic gains. The first suggested change to our LTP was to bring the Movie Museum forward to 2016/17 with a modern purpose-built building to house both the Movie Museum and the Wellington Convention Centre.

The 2016/17 Annual Plan outlines how we will deliver on Year 2 of the LTP and ensure Wellington remains one of the most liveable cities in the world. It includes the Johnsonville Library, Arlington social housing upgrade, Harbour Escarpment walkway, starting the Town Hall strengthening and various transport initiatives.

This consultation document is a key part of developing the 2016/17 Annual Plan. It identifies the proposed changes to the LTP and new spending initiatives



we believe will add value to Council's activities and suite of services.

In this consultation document we are seeking your views on Council proposals for change not already in the LTP, including:

- establishment of an Urban Development Agency to be a catalyst for good-quality development and urban renewal
- changes to the governance of Zealandia to ensure the financial viability of the sanctuary for generations to come
- adoption of a Low-Carbon Capital Action Plan to reduce emissions in a constructive and business-friendly way
- a new targeted rate for the Kilbirnie Business Improvement District
- changes to our fees in response to the new Food Act.

Your feedback is also sought on a range of new spending proposals across a variety of Council activity areas, including sports, arts, place-making and community grants. These could be included in the Council's 2016/17 Annual Plan along with projects already agreed for Year 2 of the LTP.

The proposals up for consultation would increase rates by 3.8 percent. The Council still aims for the target of 3.6 percent rates rise as agreed in the LTP, so we are keen to get your feedback and priorities on what is being proposed.

I encourage you to have your say in the future of our wonderful capital.

Ngā mihi mahana

Celia Wade-Brown

Resilience pledge

Wellington has been selected from around 1000 global applicants as one of the Rockefeller Foundation-pioneered 100 Resilient Cities (100RC). Under the 100RC arrangement, Wellington will develop and start implementation of a resilience strategy. In return for the support provided, 100RC participants pledge to commit 10 percent of their funding to resilience projects.

Over 10 percent of the 2016/17 funding is for resilience projects, which meets the pledge. This is spread over different areas of the budget. The resilience strategy currently being developed. The strategy has strong linkages to other Council priorities and outcomes, including infrastructure, economic and social policy areas.

See: resilientwellington@wcc.govt.nz

Executive summary

This is the first Annual Plan Consultation Document produced by Wellington City Council under the new statutory requirements of the Local Government Act 2002. It identifies the significant proposed changes to the Council's work programme and finances identified in the Long-term Plan 2015-25 (LTP) that will occur in 2016/17.

The LTP is the Council's key strategic planning statement for the next 10 years. It sets the financial parameters for ten years and identifies the key work programmes for a 3-year period. Annual plans give effect to LTPs in that they identify in detail the proposed activity for a given year. This consultation document identifies the changes proposed to the LTP that will occur in 2016/17, which is the second year of the LTP.

There are six proposed changes that vary the parameters of the LTP on which Wellington City Council is seeking the views of ratepayers and service users. These changes are:

- **Draft Low-Carbon Capital Plan** - this is the Council's new action plan to reduce the city's and Council's emissions.
- **Urban Development Agency** - this proposal is to create an Urban Development Agency for the city as a tool to help deliver the Wellington

Urban Growth Plan and regenerate key parts of the city.

- **Food Act fee changes** - this proposal is to change the fee structure from that outlined in the LTP.
- **Zealandia governance changes** - this proposal is to create a new Council-controlled organisation (CCO) that was not specified in the LTP.
- **Kilbirnie Business Improvement District** - this proposal is to set a new targeted rate that was not identified in the LTP.
- **Private wastewater connections** - consult on Council consideration of ownership of private connections to the sewage system.

Councillors have agreed a number of other initiatives to be considered for funding in 2016/17 covering a variety of Council activities.

The reasons for, and impact of, each of these changes is summarised in this document, as are the key questions we would like your feedback on regarding each proposed change.

A website containing supporting information that provides more detail on each of the proposed changes has been created and links to this information have also been provided in this document. See wellington.govt.nz/ap2016-17

2016/17 is year 2 of the 2015-25 LTP and

a summary of the activities and budgets already planned for 2016/17 is provided.

A series of consultation events are planned for between 29 March and 29 April 2016. These will provide more information on the LTP and its objectives, and the proposed changes embodied in this consultation document. They will also provide stakeholders with an opportunity to discuss the future needs of their interest area.

A submission form is included in this document and on our website so you can provide feedback on the proposed changes. If you provide a submission you can also present it orally to Wellington City Councillors at a hearing process in May 2016.

Following the hearings, Councillors will make final decisions on the content of the 2016/17 Annual Plan and agree the rate levels for 2016/17.

Note that the Movie Museum and Wellington Convention Centre proposal was recently consulted on separately from the 2016/17 Annual Plan process. The impact of the business and financial changes associated with the proposed Movie Museum and Wellington Convention Centre required that an amendment to the 2015-25 LTP was required. This amendment is being finalised and the changes proposed in this document will apply to the amended 2015-25 LTP.

Overview

The Local Government Act 2002 requires us to plan in 3-year cycles. Every 3 years, we consult the community on a draft Long-term Plan (LTP). This sets out our intentions for the decade ahead – what we’ll do, how we’ll do it, how much we’ll spend, who will pay, the levels of service we’ll provide, and how we’ll measure the quality and effectiveness of our work.

Long-term Plan 2015-25

The Council’s 2015-25 LTP was adopted in June 2015 and its key objectives are:

- “investing to grow” through establishing a programme of major projects that grow the economy and deliver return on investment
- investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient
- increasing the use of existing assets rather than spending on new infrastructure
- improving asset management practices to better manage risk and timing of asset replacement
- achieving ongoing efficiencies from shared services and improved customer experiences.

To fund this proposed investment, the Council has developed a financial strategy that:

- limits rates increases to 3.9 percent annually, on average, over the next 10 years, and 4.5 percent annually, on average, for the first 3 years of the LTP
- caps Council debt at a maximum of 175 percent of annual operating income.

Detail on the 2015-25 LTP is available at our10yearplan.co.nz

LTP amendment

The Council is separately considering an amendment to the LTP that will bring forward expenditure on the Movie Museum to 2016/17. This is to allow for the Movie Museum and Wellington Convention Centre to be co-located.

Both the convention centre and movie museum are already in the LTP, however, the proposal to co-locate them is different, as is the ownership model and the timing of construction. As a result, \$54.0 million of additional capital expenditure is now planned for 2016/17 that was not in the original 2015-25 LTP.

The changes proposed in this consultation document will therefore apply to the amended 2015-25 LTP if Council agrees to the proposal.

Annual Plan 2016/17

Under s95 of the Local Government Act 2002 (LGA), the Council is required to prepare and adopt an annual plan for each financial year. It is also now the statutory role of the Mayor to lead the development of the Council’s policies and plans, including the annual plan¹.

Annual plans give effect to long-term plans in that they identify in detail the activity to be undertaken by the Council and identify how expenditure will be funded in any given year. A summary of what is to occur in each of the 3 years of a local government planning cycle is provided in each LTP. Under recent legislative changes, any proposed variations to the activities and budgets contained in the relevant LTP require explanation and justification in a consultation document that is the basis for engagement with the Council’s stakeholders on an annual plan. It is therefore not a draft annual plan that the Council is required to consult stakeholders on, as occurred previously, but a consultation document on changes.

¹ See s41A(2) of the Local Government Act 2002

The Council is required to consult those in the community “who will or may be affected by, or have an interest in” the annual plan before the plan is adopted, if the proposed plan includes “significant or material differences from the content of the LTP for the financial year to which the proposed annual plan relates”. This consultation document highlights the six key proposals for change we want to bring to your attention and get your feedback on. These issues have been identified as either significant and/or material in nature and are different from what was proposed in the 2015-25 LTP.

To provide context for the change proposals in this consultation document, the new Council activity for 2016/17 proposed in the original 2015-25 LTP is outlined. This “Year 2 of the LTP” work programme identifies the new capital and operational projects (added while setting the LTP), as well as new business as usual activity, along with their estimated costs.

To provide context for the change proposals in this consultation document, the new Council activity for 2016/17 proposed in the original 2015-25 LTP is outlined. This “Year 2 of the LTP” work programme identifies the new capital and operational projects (added while setting the LTP), as well as new business as usual activity, along with their estimated costs.

2016/17 Finances at a glance

As a result of the proposals for change contained in this document, the Council’s budgeted costs are changing from that in the amended 2015-25 LTP.

Operational expenditure provides for all of our day-to-day operations and services, and the Council plans to spend \$464.7 million on operational expenditure in 2016/17. This is \$6.1 million or a 1.3 percent increase on the \$458.6 million forecast for 2016/17 in the amended LTP.

	2016/17 Annual Plan	Amended 2015-25 LTP
Operating expenditure	\$464.7 million	\$458.6 million
Capital expenditure	\$243.6 million	\$226.5 million
Average rates increase after growth	3.8 percent	3.6 percent
Forecast year-end borrowings	\$552.4 million	\$567.4 million
Operational expenditure funded by rates	65 percent	65 percent

About 65 percent of our operational expenditure is funded from a combination of general rates (paid on all rateable 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.

Capital expenditure pays for purchasing, building or developing the Council’s assets. Our capital expenditure is currently forecast to be \$243.6 million in 2016/17, \$17.1 million more than in the amended LTP - a 7.5 percent increase, mainly due to the Zealandia Visitor Centre purchase.

We fund capital expenditure from depreciation, borrowings, government 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.

Total borrowings are forecast to be \$552.4 million at the end of 2016/17. This equates to 129 percent of operating income, which is well within the 175 percent debt limit.

For 2016/17, after allowing for expected growth in capital value, our total rates are forecast to increase by 3.8 percent. Rates on the average residential property (valued at \$568,049) are to increase by 5.3 percent to \$2,324 (excluding GST) in 2016/17. For commercial properties, including the impact of increases in metered water charges in 2016/17, an average rates increase of around 4.3 percent is forecast. These increases average to a 3.8 percent rates impact overall, which is 0.2 percent above the increase signalled in the original LTP. It therefore breaches the forecast rates increase percentage limit by 0.1 percent. Council has agreed to prioritise spending when making final decisions on the Annual Plan with a view to returning to below this limit.

Setting limits on our rates and borrowings requires prioritisation of spending decisions and ongoing review of the costs of existing services.

Consultation proposals

In the following pages the proposed changes to the activities and budgets of the 2015-25 LTP that we are seeking your feedback on are summarised, along with the reasons why they are proposed

and an overview of the impact on rates, debt and/or levels of service.

In some cases, we have indicated the option we currently prefer, whereas in others there is only a single option

proposed. In any case, key questions on the proposal are identified to help guide your feedback.

We are putting forward the following six proposals:

Proposal	Why we are consulting
Draft Low-Carbon Capital Plan	Proposing a new programme of work to reduce the city's emission profile.
Urban Development Agency	Creating a new Council-controlled organisation (CCO) to help deliver the city's Urban Growth Plan.
Food Act fee changes	Changing fee structures from that outlined in the LTP.
Zealandia governance changes	Creating a new Council-controlled organisation (CCO) not identified in the LTP.
Kilbirnie Business Improvement District	Setting a new targeted rate not identified in the LTP.
Other initiatives	Proposing to fund a set of new initiatives not previously identified in the LTP.
We are also consulting on:	
The future of private connections to the sewage system	Consult on whether the Council might assume ownership of private wastewater connections.

Proposal 1: Draft Low-Carbon Capital Plan 2016–18

Proposal

This draft action plan contains a range of initiatives aimed at making Wellington the “low-carbon capital”. It focusses on three pillars that will offer us the most value in terms of immediate climate change action, as well as building a foundation that supports our low-carbon aspirations.

Pillar 1: Greening Wellington’s growth

With the expectation of at least 50,000 new residents by 2050, it’s important we manage Wellington’s growth profile. This will help us ensure we can support low-carbon lifestyles and maintain the city’s liveable centres, while growing our “weightless” knowledge economy. In this area we intend to:

- explore phasing out the minimum parking requirement for new buildings - where it makes sense - starting in parts of Wellington City where car ownership is already at central city levels
- continue to run the Smart Energy Challenge
- incentivise sustainable building solutions such as recycling, electric vehicle infrastructure and green roofs

- investigate and implement a regional solution to sewage sludge
- continue Home Energy Saver and Warm Up Wellington, as well as investigating how we can broaden these programmes
- expand the Smart Buildings Challenge
- continue towards our goal of planting 2 million trees by 2020.

Pillar 2: Changing the way we move

The largest source of emissions in Wellington City is transport, accounting for around 56 percent of our overall emissions profile. We are making substantive progress with our financial commitments towards cycling and public transport. We need to make further progress in making real and sustainable choices available to all our residents, whether through a different way of getting around, or with a different fuel powering that movement. In this area we intend to:

- allocate 100 car parks over the next 3 years, based on demand, for car sharing or electric vehicle charging stations, including central city and non-central city locations

- participate in regional partnerships to support electric charging deployment
- support car sharing in all its forms
- investigate bike sharing as we complete our cycleway network
- continue our investment in the cycleway and public transport networks
- advocate for lower public transport fares
- advocate for biofuels to replace liquid fossil fuels.

Pillar 3: Leading by example

It is important that Wellington City Council itself shows leadership across our business in reducing emissions, promoting energy efficiency, and sharing knowledge with our partners and other councils. As a result, our third pillar is leading by example, and in this area we aim to:

- invest in energy savings across the business
- continue our Certified Emissions Management and Reduction Scheme certification and emissions benchmarking

- include more electric vehicles in our vehicle fleet
- implement and run behaviour change efforts for Council staff
- deliver Love Food Hate Waste with national partners - a programme that has resulted in a 21 percent reduction in food waste across the UK.

Building resilience

The action plan does not address climate change adaptation, as it focusses on mitigation: the reducing of carbon emissions. However, we believe we need to effectively plan for the coming threats posed by climate change². We therefore intend to engage with communities on building a broadly-supported and effective resilience strategy through our funding from the Rockefeller Foundation’s 100 Resilient Cities network that will address climate adaptation as well as other resilience issues.

Rationale

Climate change is now a clear and present global threat. Wellington, like 90 percent of global cities, is on the coast, vulnerable to threats driven by climate change like sea level rise and increasingly severe storms. It is imperative that we act to limit the damage climate change will impose on human settlements worldwide - and our own city.

At a recent global climate change conference in Paris, cities emerged as key non-state actors, given they are responsible for 70 percent of overall greenhouse gas (GHG) emissions globally. The New Zealand Government has committed to an 11 percent reduction on 1990 levels of GHG emissions, and Wellington City Council has committed to a target of 80 percent reduction in our GHG emissions relative to 2001 by 2050.

As a city that emits just 5.32 tCO₂e per person, the lowest in Australasia,

Wellington is starting from a good base. The Low-Carbon Capital Plan will deliver emissions reductions, help shape the future growth of the city, and support the knowledge economy we need to achieve our goals. The Low-Carbon Capital Plan also builds on our recent work to improve the information about emissions available to city decision-makers.

- The recently completed Greenhouse Gas Inventory for the city measured the emissions generated across a number of different sectors.
- The citywide energy calculator allows users to explore how energy and transport choices impact on emissions.
- The attainment of CEMARS by the Council means we now have confidence the emissions data we collect is accurate and comprehensive and measures how we are performing.

Impacts

The Low-Carbon Capital Plan can be delivered through existing budgets with one notable exception. We will forego parking revenue, based on demand, to support the growth of car sharing. While it is planned that these car parks will be charged for once these car sharing businesses reach scale, we don’t know how quickly demand will grow so can’t clarify the immediate budget impacts.

Becoming the “low-carbon capital” will also have challenges for the way Wellington City Council operates (eg waste deposited at landfills accounts for more than 80 percent of the Council’s emissions). However, there is better information available to us to analyse the potential impact of different interventions and identify the best mix of activities for the Council to reduce its emissions.

Supporting information

For more information and a copy of the Council’s Draft Low-Carbon Capital Plan 2016-18 go to:
wellington.govt.nz/ap2016-17

Consultation questions:

Do you support Wellington City Council’s aspiration to be the “low-carbon capital”?

Will the activities proposed in the draft Low-Carbon Capital Plan contribute to a meaningful reduction in emissions? If not, what else could be done?

Do you agree with the recommended emission reduction targets for the city?³

2020: 10 percent reduction

2030: 40 percent reduction

2040: 65 percent reduction

2050: 80 percent reduction

² Councils have recently been asked to plan for sea level rise of 0.5-0.8 metres by the New Zealand Government.
³ Base year is 2000/01.

Proposal 2: Urban Development Agency

Proposal

This proposal is for the Council to establish an Urban Development Agency for Wellington. The primary purpose of the Urban Development Agency would be to unlock development potential in the city by removing barriers to development (through land assembly and master-planning) where this will support Council objectives on urban renewal, housing delivery and affordability, and economic development.

Rationale

Wellington City is physically constrained - bordered by the harbour and the hills, it lacks flat land for expansion as the city grows. This has always been the case and as a result we have a very compact and highly liveable city. Redevelopment in existing urban areas of Wellington currently represents the majority of development activity in the city. However, it is increasingly complicated by legacy issues, such as land fragmentation and lack of infrastructure capacity, and therefore development opportunities are diminishing and becoming more difficult. This is

particularly the case in established suburbs and “brownfield” areas.

At the same time, readily developable “greenfield” land has always been in short supply because of Wellington’s steep topography. Current estimates, based on historic growth rates, are that our last remaining “greenfield” land zoned for development (in the Churton Park and Grenada area) will be fully developed in about 20 years.

The Urban Development Agency would be a Council-controlled organisation and be set up as a means to unlock development potential in the city and deliver on the objectives of the Urban Growth Plan. It would purchase and assemble land to create viable development parcels, prepare design briefs and masterplans, enter into agreements with developers, and actively advocate for quality development in the city. The Council has taken a relatively passive, regulatory role to urban development in the past, and left it to the market to respond. There have been some significant successes, notably the proliferation of apartment development in the central city, but in many other areas the market response has been lukewarm or non-

existent. This has particularly been the case in areas where the Council has hoped to catalyse significant change or “urban regeneration”. The establishment of an Urban Development Agency would let the Council be more active in unlocking development potential in the city by removing barriers to development. The Urban Development Agency would undertake the following types of activities.

1. *Lead and co-ordinate the regeneration of strategic precincts* - assemble and prepare land for development, procure private partners and undertake other co-ordinating actions to deliver broad-scale urban regeneration in key parts of the city.
2. *Increase supply of affordable housing* - support delivery of new medium-density and affordable housing in strategic locations (eg around suburban shopping centres).
3. *Deliver large-scale Council development projects* - deliver Council development projects above a specified value threshold that would otherwise be delivered from in-house.

4. *Catalyse the market through demonstration projects* - conceptualise and lead delivery of demonstration projects to catalyse the market in support of Council objectives (quality medium-density housing, high-quality urban design, green buildings).
5. *Optimise development outcomes on strategic sites* - intervene and take a leadership role in strategic areas where earthquake-prone building issues are preventing a timely market response.

Setting aside some local variations, these activities reflect those of urban development agencies in the United Kingdom, Canada and Australia, as well as those performed by Auckland Council's urban development agency Panuku Development Auckland and those proposed for a recently formed urban development agency in Christchurch.

The Urban Development Agency should seek to leave as light a footprint as possible based on the principle of "bridging the gap to the market and no more". This would be achieved by acting in partnership with the private sector to harness its abilities rather than compete against it.

Impact

Over time it is expected that the Urban Development Agency's activities will become self-funding so that direct, ongoing Council funding is not required. However, in the initial stages funding from the Council will be required to support its activities and build its operations to a stage where it can be self-funding.

Options for how the Urban Development Agency could be funded will be explored in detail over the coming 6 to 12 months, and these will be considered as part of the next annual plan process (2017/18).

We are currently interested in community feedback on whether there is support for the establishment of an Urban Development Agency in Wellington to carry out the functions and activities outlined above.

Supporting information

For more details on this proposal see: wellington.govt.nz/ap2016-17

Consultation questions

Should the Council establish an Urban Development Agency to:

- *lead and co-ordinate the regeneration in strategic parts of physical city*
- *parcel land together and increase the supply of affordable housing?*
- *deliver large-scale Council development*
- *demonstrate good practice in housing development urban design and sustainability*
- *take a leadership role in areas where earthquake-prone building issues are preventing a timely market response?*

Council-controlled organisations

Under the Local Government Act 2002 councils can set up organisations to undertake particular activities on their behalf or to acquire voting interests in an organisation outside the council. Councils can also appoint a director or trustee to an outside organisation. These may include companies, partnerships, trusts, an arrangement for sharing profits, unions of interest, cooperatives, joint ventures or similar arrangements. Different reporting rules may apply depending on the trading nature of the organisation and the level of council ownership.

Council organisations are any organisation in which one or more council owns or controls any portion

of the voting rights, or has the right to appoint one or more of the directors, trustees etc.

Council-controlled organisations (CCOs) were formerly known as local authority trading enterprises (LATEs) and have a majority council shareholding, a majority of council votes or a majority of council-appointed trustees. CCOs pay tax to central government, and are unlike the internal activities of councils, which are tax-free. More than one council may be represented in a CCO. The principal objectives of CCOs, according to the Local Government Act 2002, are to:

- achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent

- be a good employer
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Council-controlled trading

organisations (CCTOs) are for-profit CCOs and have been seen as the local government equivalent of state-owned enterprises. Under the Local Government Act 2002, CCTOs are to conduct their affairs in accordance with sound business practice.

Proposal 3: Food Act fee changes

Proposal

The Food Act 2014 came into effect on 1 March 2016 and requires people who trade in food to take responsibility for the safety and suitability of that food. The coverage of the Act has been extended so that a number of food premises in Wellington may now be required to register with the Council that previously were not required to, notably Early Childhood Education Centres.

The new Act also seeks to provide certainty for food businesses in relation to how the requirements of the Act will affect their activities - particularly around the cost recovery aspects. Under the provisions of the Act, the model for cost recovery is different from previous legislation. Food businesses will be required to pay an annual registration fee and there will be a set fee for both registration and verification activities (like audits of food premises). An additional fee will be charged for all further visits for opening inspections, education and compliance. Thus the frequency of verifications will be a key

driver of fees, as their cost is recovered from food businesses.

Councils are allowed to recover all direct and indirect costs for any registration, verification and/or compliance and monitoring activities, but may not recover more than the reasonable cost incurred to perform that function. Wellington City Council is proposing to introduce a fee structure to ensure the recovery of all direct and indirect costs incurred by the Council in performing their functions under the Food Act from 1 March 2016.

Rationale

As part of its Revenue and Financing Policy the Council has estimated the volumes of food business registrations, verification and compliance visits it will carry out by reviewing data and performance from previous years and linking them to the proposed fee model. Charges reflect an analysis of direct costs such as salary and operational expenditure, as well as indirect costs such as support functions, IT and property cost. The Council also aligned

the prices per hour with Ministry for Primary Industries, Auckland City Council and Christchurch City Council pricing (based on comparable sized operations with similar direct, indirect and corporate support charges).

It is considered there are three options for the recovery of costs associated with Food Act changes.

- **Option 1:** Minimum fixed fee based on average time, with the ability to recover additional costs as required.
- **Option 2:** Subsidising cost recovery with rates funding to lower the hourly rate.
- **Option 3:** Charging by the hour (no fixed, upfront fee).

A minimum fixed fee is considered to be the most equitable of these options as it will ensure that funding for the Council's functions under the Act are from users or beneficiaries of these functions and not from rates and other general funding sources. Option 1 is the Council's preferred option.



Impact

By adopting a full cost recovery model there will be no financial impacts for the Council when the new Food Act is fully implemented.

Food businesses will however transition to the new Food Act over a 3-year period. During this transitional period a portion of businesses will be charged under the Food Act 2014 and the remaining businesses will continue to be charged under the existing fees set pursuant to the Health Act 1956 and the Food Hygiene Regulations 1974. High-risk food service businesses with an alcohol on-license (such as hotels, restaurants, bars and cafes) will be among the first to transition to the new Act.

The new Food Act splits food business into those that will be subject to a Food Control Plan and those that will be part of a national programme. The impact of this is that higher risk businesses that are subject to the requirements of a Food Control Plan will be audited at anything between 3-month

and 18-month intervals, depending on their performance. Good performers will be audited less frequently than poor performers. Low-risk businesses that are subject to national programmes will have an audit frequency of between 3 months and 3 years, depending on their performance. National programme businesses are also only required to register with the Council once every 2 years, unlike food control plan businesses who must register on an annual basis.

Supporting information

In setting fees under the Food Act 2014, the Council must use the special consultative procedure set out in section 83 of the Local Government Act 2002. It is being undertaken as part of the 2016/17 Annual Plan development process (ie by including it in this consultation document).

The full schedule of proposed cost changes is attached as Appendix 1.

A statement of proposal drafted to fulfil Local Government Act 2002 and Food Act 2014 requirements is available

on the Council's website at:

Food Act 2014 - Fees: Statement of Proposal

For further information on the new Food Act go to: <https://www.mpi.govt.nz/food-safety/food-act-2014/>

Consultation questions

The Council's preferred option for Food Act fee increases is to charge a fixed fee at a level to recover all costs. Do you support this approach? If not, what is your preferred approach?

Proposal 4: Zealandia governance

Proposal

The Board of the Karori Sanctuary Trust has proposed that the Council purchase the Zealandia Visitor Centre from them in return for the Trust repaying its loan to Council.

Under the proposal the Council will purchase the building for \$10.34 million (the value of the loan it is owed by the Trust) but will not purchase the chattels or building fit out: they will continue to be owned, maintained and renewed by the Trust. In addition Zealandia will meet the annual maintenance costs of the Visitor Centre, currently estimated to be \$65,000 per annum, and the cost of the building insurance.

The Trust also seeks Council's approval for an amendment to its Trust Deed to allow the Guardians of the sanctuary to provide nominations for future Trust Board members, with the Council appointing future Trust Board members. At the moment, Wellington City Council appoints up to two members of the Board and the Guardians three. In addition, another two members can be co-opted by the Trust's Board.

The proposed Trust Deed changes would alter the designation of the Trust,

in terms of the Local Government Act 2002, from a Council organisation to a Council-controlled organisation, where the Council has overall governance control.

Rationale

The Council is the most significant financial stakeholder in Zealandia, providing the Trust with an annual operating grant of \$875,000 plus other financial support of \$675,000, making a total financial commitment of \$1.55 million per annum. The Council is likely to remain committed to this activity for the long term and this is recognised in the 2015-25 Long-term Plan (LTP). The current level of funding reflects the fact that there is no long-term future for Zealandia that does not involve an ongoing and material financial commitment to the Trust by the Council.

The Trust Board has indicated to Wellington City to Council that it wishes to address balance sheet pressures and to amend its governance arrangements. These discussions began soon after the appointment of the current Trust Board in 2012 and have progressed to a formal proposal from the Trust Board to the Council's Chief Executive.

In 2007, the Council agreed a 25-year limited recourse loan for \$10.34 million to the Trust to fund the building of the Visitor Centre at Zealandia. This was intended to be repaid by 2040 from any "surplus funds" of the Trust. Since the loan was advanced, the Council has not received any repayment of the loan by the Trust. The Trust Board has advised the Council that it cannot foresee the Trust being able to repay the loan. Moreover, the Trust expects that its liabilities will soon exceed its assets on its balance sheet as a result of depreciation causing the book value of the Visitor Centre to diminish annually. The Trust therefore proposed that the Council acquire the Visitor Centre in consideration of the amount of its loan to the Trust, which would be repaid under this arrangement.

The Trust Board believes the proposed governance changes will provide a stronger and more cohesive framework for the future governance of the Trust, and, if required, the Guardians are willing to approve the proposed Trust Deed changes that have been approved by the Council for consultation. The Trust Board also believes that the governance changes will help forge a deeper operating



partnership between the Council and the Trust, reflecting the Trust's position as an essential part of the city's natural infrastructure, which serves the city's strategic aims.

Impact

The building purchase transaction results in a \$10.34 million capital spend not currently budgeted in the 2015-25 LTP, but does not increase Council's debt funding requirements.

In the Council's financial statements to 30 June 2015, the Council's loan to the Trust has a nominal value of \$10.34 million and a fair value of \$4.68 million. The proposal would result in a non-cash gain of \$5.66 million, as a result of the write up of the loan in Council's balance sheet.

The capital renewals costs of the Visitor Centre will be funded by the Council and the resultant annual depreciation cost of owning the Visitor Centre building will be rates funded at an estimated cost of \$260,000.

The proposed governance changes aim to strengthen the relationship between the Trust Board and the Council while retaining a distinctive

role for the Guardians⁴. The proposed amendment to the Trust Deed would allow the Guardians to provide nominations for the future Trust Board members with the Council appointing the future Trust Board members. The proposal does not bind the Council to appoint the Guardian's nominees, but to engage the Guardians in the process of appointing the future board members. This process has been agreed with the Guardians and will be documented by way of a Memorandum of Understanding between the Guardians and the Council.

It is the view of the Trust Board that the proposed changes support the continuation of the Trust as a flourishing community enterprise that actively seeks and fosters community support and participation through membership and volunteering. The proposal has been communicated to the membership and volunteers by the Trust Board. The Trust believes that the members and volunteers understand and value the Trust's close working partnership with the Council as an enduring feature of the Trust's future.

Supporting information

The creation of a Council-controlled organisation in terms of Section 56 of the LGA 2002 requires public consultation and this is being undertaken as part of the 2016/17 Annual Plan development process (by including it in this consultation document).

A policy paper on the proposed change is available on the Council's website. See wellington.govt.nz/ap2016-17

For further information on Zealandia's current governance and operations go to <http://www.visitzealandia.com/karori-sanctuary-trust/>

Consultation questions:

Do you support the Trust Board's proposed governance arrangements, which would define Zealandia as a Council-controlled organisation? If not, what should happen to the governance of Zealandia?

Do you support the Council's intention to buy the Zealandia Visitor Centre for \$10.34 million? If not, how should the Trust's balance sheet pressures be addressed?

⁴ The main role of the Guardians is to safeguard the founding vision and strategic direction of the Trust.

Proposal 5: Kilbirnie Business Improvement District

Proposal

It is proposed that a new targeted rate be included in the Annual Plan 2016/17 under the terms of the Business Improvement District (BID) Policy to be applied to commercially rated properties in the Kilbirnie BID area.

Rationale

Wellington City Council adopted its BID policy in March 2013 and this has led to the establishment of BIDs in Miramar and Khandallah. BIDs involve a local business community within a defined geographical area developing projects and services that support local economic development.

Kilbirnie Business Network has undertaken a process to determine whether a BID should be established in its area and, on 2 October 2015, a poll of businesses gained majority support to establish a BID in Kilbirnie. Under the terms of the BID policy, the Kilbirnie Business Network was grant funded to establish a BID in the Kilbirnie commercial area. The Kilbirnie

Business Network undertook interviews and conducted public workshops, from which a business plan has been developed. The plan provides the foundation from which the proposed BID would operate.

A Special General Meeting was held in November 2015 at which the proposed budget was ratified and it was agreed to establish a legal entity under which the BID will operate. At the Special General Meeting a resolution was passed to apply to the Council for a targeted rate to fund the BID.

Impact

This new rate is expected to generate \$80,000 in 2016/17.

For each commercial rating unit there will be a fixed charge of \$500 (excluding GST). Plus a rate per dollar of rateable capital value for any capital value over \$1 million per rating unit. Taken together these two rates will generate the \$80,000 being sought to support the Kilbirnie BID.

This rate has been incorporated into the Council's Financial and Funding

statements and the draft Funding Impact Statements presented as part of the Annual Plan 2016/17 supporting documentation.

Supporting information

Information on Wellington City Council's BID policy is available at:

<http://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/business-improvement-district-policy>

For further information on the Kilbirnie BID see: <http://kilbirnie.org.nz/>

Consultation questions:

The BID process allows businesses in an area to collectively agree on solutions to issues they face and agree to fund these solutions via targeted rates. Do you support the use of a targeted rate for the Kilbirnie Business Network to be able to fund the establishment of their BID? If not, how should the BID be funded?



Targeted rates

Rates are the main way councils fund their activities and the Local Government (Rating) Act 2002 (LGRA) provides councils with flexible powers to set, assess and collect rates from landowners. Mechanisms are set out in the LGRA to allow councils to raise revenue through rates from the community generally, specified groups or categories of ratepayers, and those who use or generate the need for particular services or amenities.

One of these mechanisms is targeted rates. Targeted rates are designed to fund a function or group of functions. Factors that can be used for calculating targeted rates include: land value; improvement value; capital value; annual value; total land area; area of land paved, sealed or built on; area of floor space of buildings; number of connections; and extent of provision of services.

Where any targeted rate is calculated as a fixed amount per rating unit, a council cannot collect more than 30

percent of its total rates revenue by way of a combination of those targeted rates and the uniform annual general charges (which are fixed charges applied to every rating unit, no matter the value of the property).

Proposal 6: New initiatives

Proposal

As a result of deliberations on the content of this consultation document, Councillors have agreed a number of other initiatives to be considered for funding in 2016/17. These initiatives cover a variety of Council activities and range in cost from around \$30,000 to \$1 million.

These initiatives have been included in this consultation document so Councillors can gauge the level of public support for them before making any final decisions on the content of the Annual Plan 2016/17.

Rationale

A pre-engagement process was undertaken prior to the development and publication of this consultation document. This gave Wellingtonians the opportunity to share their ideas on how to grow Wellington's economy, be a smart resilient city, and make better use of infrastructure like parks, roads and libraries. For Councillors, it provided valuable insight into the services and community infrastructure that local people and community groups are concerned about. It was this insight that informed Councillors deliberations

on what new initiatives could be undertaken in 2016/17.

Impact

Should all the proposed initiatives be funded, rates will increase in 2016/17 by 0.2 percent more than proposed in the LTP. The LTP proposed a rates increase of 3.6 percent for 2016/17 and this would move to a 3.8 percent increase.

Note that every \$2.7 million of rates-funded expenditure will lead to an increase in rates of 1 percent. Generally speaking, operational expenditure is funded by rates and capital expenditure is funded by debt (please see page 7 for further details).

Supporting information

The following new spending initiatives have been proposed:

Lyall Bay Foreshore Resilience Plan

\$1,000,000

It is proposed that \$1 million of capital expenditure could be undertaken in 2016/17 to complete stage one of the Lyall Bay Foreshore Resilience plan. This proposal includes the following investments:

- Surfers Corner carpark repairs - \$236,000

- new block wall for the middle beach - \$100,000
- sand ladder fencing - \$70,000
- pipe extensions and rock riprap at the western end of the beach - \$594,000.

Toitu Poneke Sports Hub

\$750,000

It is proposed that a grant of \$750,000 be granted to Toitu Poneke for the redevelopment of a community and sports hub building at Kilbirnie Park.

This will be funded by the reallocation of grants included in the LTP to Alex Moore Park Development project (\$600,000) and Lyall Bay Surf Club redevelopment (\$150,000). Neither the Alex Moore Park nor Lyall Bay Surf Club projects are anticipated to meet the conditions to draw on the funding allocated in the LTP in 2016/17. Re-establishment of these grant funding allocations will be considered as part of the 2017/18 Annual Plan.

Ngauranga to Airport - minor capital projects

\$375,000

The Ngauranga to Airport Project aims to improve the flow of traffic through Wellington City. It is proposed to repurpose some existing funding from bus priority planning to improve pedestrian flow in the Central Business District.

Johnsonville Library - Kindergarten purchase

\$350,000

The Council is developing a new library in Johnsonville. As part of that project it is proposed to buy the neighbouring kindergarten site and use that land to ensure the library can be located in a position that does not compromise future roading improvements (eg traffic lights, walkways, cycleways). Consideration will be given to integrating the kindergarten within the library development.

Living Wage

\$250,000

The LTP included an increase in the budget to further the implementation of the Living Wage policy. It is proposed to increase that provision by \$250,000.

Community Grants changes

\$255,000

Wellington City Council allocates funding to community groups and projects through a range of grants that have an annual allocation of funding. The following increases to grants are proposed:

- Arts Culture and Community Grants by \$120,000 pa and \$40,000 for Katherine Mansfield Trust
- Social and Recreation Grants by \$75,000 (Refugee and new settler initiatives - \$20,000 and Wellington Night Shelter - \$55,000)
- Our Living City Fund increase of \$20,000 for “Warm-up Wellington” funding - \$20,000

New Outdoor Events Series

\$200,000

It is proposed that \$200,000 be provided in 2016/17, as additional funding for the Council’s City Events team, for a new flagship Outdoor Event Series. The events would be scheduled throughout the year, focussed on the central city, and free and accessible to all. The content would range across a number of creative fields - music, dance, theatre, circus, and digital art.

Arts sector activation programme

\$160,000

It is proposed to increase the funding of Toi Poneke Arts Centre by \$140,000 a year, beginning in 2016/17. The majority of this funding - \$120,000 - will be used for temporary contracts for programming advisors from different art sector disciplines. This is to increase the connectivity to Wellington’s arts sector and artists. The remainder - \$20,000 - will be used to purchase art gallery consumables and equipment to support the delivery of 12 exhibitions a year.

A one-off capital investment of \$20,000 is also proposed for 2016/17 to purchase external signage and artworks for the Toi Poneke building.

Placemaking

\$155,000

It is proposed that \$140,000 of capital expenditure is undertaken in 2016/17 to create public spaces that will attract people. This proposal includes the following investments:

- suburban beautification - \$100,000
- heritage building plaques - \$20,000
- Tinakori Road plaques stage 2 - \$15,000
- street identity signs - \$10,000
- historic character pedestrian traffic lights - \$10,000

Middleton Road

\$40,000

The development of the Middleton Road cycleway/walkway in Churton Park-Glenside is scheduled for the near future. In the interim, sealing the gap between the edge of the white line of the tarmac and the fence at the eastern side of the road would improve pedestrian safety and create more room for cyclists.

Council art collection

\$29,500

The Wellington City Council art collection is valued at around \$5 million and includes about 500 works. It is proposed to increase the annual funding for the art collection by \$29,500 for:

- ongoing conservation work - \$15,000
- an increase in Arts Collection Advisor hours - \$14,500

Consultation questions:

Feedback questions on these initiatives are provided on the online submission form at wellington.govt.nz/ap2016-17

For consultation: Private wastewater pipes (laterals)

Situation

The Council is considering whether it should assume ownership of the portion of wastewater pipes (wastewater laterals) that are in road reserve (mainly roads and verges) and are currently owned by adjacent private landowners. Wastewater laterals connect the plumbing in homes and businesses to public sewer mains.

Property owners in Wellington are currently responsible for the repair and renewal of wastewater laterals all the way to the connection with the public sewer main, including any parts in road reserve.

If the Council assumes ownership of wastewater laterals in road reserve, it is likely there would be a staged implementation for this proposal, possibly over several years. Property owners would still be liable for the portion of the wastewater lateral within private property boundaries.

The Council recently directed that further work be undertaken on the implications and options for funding the maintenance and renewal of wastewater

laterals in the road reserve. This will lead to a recommendation on whether or not it is practical to introduce a new policy in 2016/17.

Option

The Council is interested in the community's view on the principle of Council assuming ownership of the part of wastewater laterals in road reserve, currently owned by private landowners. An alternative option is that responsibility for maintaining and renewing wastewater laterals in road reserve is transferred to the Council (without ownership), through changes to Council policy.

The complexity for private property owners of working in the road reserve can be significant. In addition, there are network management efficiencies from having a single entity responsible for the laterals across the city. This would also transfer the costs from a private property owner (user pays) basis to all ratepayers funding this activity.

Impact

If the Council responsibility for wastewater laterals in road reserve is agreed, it is estimated the annual cost to the Council would be around \$1 million.

It is also anticipated that there may be a spike in the costs associated with laterals in first few years of the Council assuming responsibility as a result of deferred maintenance.

Assuming Council responsibility for the maintenance and renewal of the part of wastewater laterals in road reserve will therefore lead to a transfer of cost from private landowners to all Council ratepayers.

Supporting information

For more details on the Council's current laterals policy see wellington.govt.nz/ap2016-17

Consultation questions:

Should the Council take responsibility for the maintenance and renewal costs of private wastewater connections in the road reserve?



The 2015-25 LTP

Year 2 work programme

Introduction

Annual plans give effect to Long-term Plans in that they identify in detail the activity to be undertaken by the Council and identify how expenditure will be funded in any given year.

This section outlines what new activity was proposed for Year 2 of the Long-term Plan 2015-25 (LTP). It contains summaries of the following activities and their budgets:

- new capital projects and initiatives
- operational - business as usual (BAU)
- operational projects - improvements

Table 1 - Summary of total expenditure

Activity area	
New capital projects	\$65.8m
Operational BAU	\$3.5m
Operational - projects	\$7.9m
TOTAL	\$77.6m

New capital projects

A number of new capital projects have been earmarked in the LTP.

Table 2 - Summary of new capital projects (2016/17 spend)

No.	Project	Cost
1	Adelaide Road redevelopment	\$406,000
2	Playground upgrades	\$185,000
3	Arlington Apartments upgrade	\$17,897,000*
4	Basin Reserve	\$3,085,000*
5	Cycleway implementation	\$12,002,000
6	Dog exercise areas	\$72,000
7	Earthquake-strengthening the Town Hall	\$2,563,000
8	Frank Kitts upgrade	\$2,050,000
9	Harbour escarpment walkway	\$350,000
10	National Hockey Stadium artificial turf	\$1,343,000
11	Johnsonville Library redevelopment	\$6,372,000*
12	Lombard Lane redevelopment	\$1,537,000
13	North Kumutoto public space	\$3,075,000
14	Parking sensors	\$387,000
15	Safer Speeds	\$1,297,000
16	Urban Activation Fund	\$1,095,000
17	Waters hydraulic modelling	\$5,399,000
18	Freyberg Pool renewal	\$1,757,000
19	Stormwater upgrades	\$4,081,000



1. Adelaide Road redevelopment

This is an urban intensification project. Work will begin on the initial planning stage of redeveloping Adelaide Road during 2016/17.

Although Wellington has a vibrant central business district, parts of the inner city remain underdeveloped. Fragmented ownership and a shortage of capital combine to slow development that could otherwise unlock economic potential and bring social and environmental benefits. Of particular significance is the “growth spine”, which links the northern suburbs to the central city, the Basin Reserve, Newtown and Kilbirnie. By focussing future development along this spine, we can significantly increase housing supply and create vibrant, new, mixed-use city and suburban areas.

Focussing growth is also better for the environment, as it ensures that land is used efficiently, and reduces dependence on private cars.

Redeveloping the north end of Adelaide Road will deliver a vibrant, mixed-use neighbourhood with high-quality public spaces, rapid bus links, and new developments featuring apartments, workplaces, shops and cafes.

2. Playground upgrades

We are undertaking the renewal of playgrounds at:

- Lyall Bay Parade Play Area
- Alexandra Road Play Area in Hataitai
- Allington Road Play Area in Karori
- Redwood/Brasenose Reserve Play Area in Tawa

We are also building a new community playground around the Wakefield Park precinct in Berhampore.

3. Arlington Apartments upgrade

Arlington Apartments form an important part of the Council’s social housing portfolio and to the wider affordable rental housing capacity in central Wellington. The 2.3 hectare site is located in Mt Cook and is close to many educational facilities and Wellington Hospital. Out of the total 811 bed spaces on this site, 675 are in units that are in poor condition, do not adequately support contemporary standards of living, and are in need of investment if they are to remain operational.

The existing Arlington units have been subject to a number of studies

under the Housing Upgrade Project and a decision has been made to replace the existing buildings with a new build modular solution. Arlington Apartments are dissected by Hopper Street, which constitutes a common boundary and essentially separates the project into two distinct sites.

Limited Council funds have determined that Site 2, Arlington East will proceed being totally funded by City Housing as part of the Housing Upgrade Programme. Site 1, Arlington West will be treated as a separate future project.

Demolition, siteworks and construction of housing blocks makes up the majority of expenditure.

4. Basin Reserve

The Basin Reserve is regarded as one of the world’s top 10 cricket venues, but faces competition from an increasing number of grounds around the country.

It needs significant investment to address a range of essential maintenance issues and a general upgrade of facilities.

The Basin Reserve Trust has developed a master plan to present a 25-year vision for the future of the ground. The key features of the vision



are to keep the premiere test status of the ground and to enhance the Basin Reserve as a local recreation space for the community.

The plan outlines \$21 million of spending over the next 10 years for the upgrade. Implementation of the plan began in July 2015. The Council is also considering a business case for lights, and making a decision on the future of the Museum Stand.

5. Cycleway implementation

Building cycleways in Wellington has its challenges because we are retrofitting them into established streets. Because of the city's narrow and winding streets, some road or footpath space must be reallocated. This may mean prioritising cycle lanes or cycle parking over on-street car parking in some areas.

Hutt Road cycleway

Wellington's busiest cycle route, and one of its busiest bus corridors, will be made safer and more efficient with a new cycleway and transport improvements planned for the Hutt Road between Ngauranga and the central city. Work is scheduled to start this year and will be completed in 2018.

We have plans to build a new high-

quality cycle path/footpath to make this route safer for pedestrians, cyclists and motorists. Two-thirds of the indicative \$9 million cost will be paid by the Government through the new Urban Cycleways Fund and the National Land Transport Fund. The Council's budgeted share is \$3.12 million.

The Hutt Road pathway is part of the Council's planned \$34.7 million investment in cycling over the first 3 years of the 2015-25 LTP, to encourage sustainable and affordable transport, healthy exercise, fewer emissions and reduce congestion. Two-thirds of that investment will be made by the Government and one-third by the Council.

6. Dog exercise areas

We propose to construct fences around three dog exercise areas over the next 3 years. This will cost \$200,000 in capital expenditure.

These areas make it possible to have dogs off their leash so they can run free, while keeping them and the public safe. The parks earmarked for this upgrade are:

- Sinclair Park (part of)
- Taylor Park

7. Earthquake-strengthening the Town Hall

The Council is currently working on a number of earthquake-strengthening projects across the city. The Wellington Town Hall earthquake-strengthening project is on hold while we reconsider issues relating to ground conditions and the building's proposed foundation design.

As part of confirming the proposed base-isolation system and to manage costs wisely, we commissioned further detailed geotechnical investigations late last year. Geotechnical engineers advised that the building's proposed foundations will need considerably more strengthening than earlier thought to counteract the impact of liquefaction.

We have chosen to have our engineers review our strengthening design to evaluate alternative options. There are various ways of approaching the issue; we're taking the time to properly consider them all.

To find out more, visit <http://wellington.govt.nz/your-council/projects/earthquake-strengthening-projects/town-hall-strengthening/about-the-project>

8. Frank Kitts Park upgrade

Frank Kitts Park plays an important role in the city as a gathering place and site for waterfront events.

The park was completed in the 1980s, with a design aimed at allowing spectators to safely watch the annual waterfront street car race that ran at the time.

The Council is proposing to redevelop the park, re-orienting its focus towards the harbour and including a long-planned Chinese Garden. The park will keep large areas of open lawn, along with a much improved children's play area.

The redeveloped park is due for completion in 2018 and will cost \$5.5 million during 2015/16 and 2016/17. The redevelopment will create a more diverse and attractive harbour-front space, suitable for a range of uses including events, walking, relaxing and play.

9. Harbour escarpment walkway

The Harbour Escarpment Walk will eventually link Waihinahina Park in Newlands to Kaiwharawhara, running through Newlands along the coastal escarpment.

It was identified in the Northern Reserves Management Plan (2008). Some components have already been developed, but this new work will significantly improve the connectivity through here and be a great asset for both locals and visitors.

10. National Hockey Stadium artificial turf

We will install a third artificial turf sportsfield at the National Hockey Stadium in Berhampore to accommodate growing demand and improve the stadium's capacity to host hockey tournaments and events. The total cost of this project is \$1.5 million. The project is planned to start this year, with the turf ready for use in 2017.

Participation in hockey has grown significantly in the last decade, to a point where the stadium is now operating at capacity with a 95 percent winter utilisation rate.

11. Johnsonville Library redevelopment

The new library will be located between Keith Spry Pool and the Johnsonville Community Centre, allowing the three facilities to operate as an integrated community hub. It is likely to include a cafe and possibly other community spaces in addition to the library facilities.

Design work for the new library has started and we are keen to involve the community in the design process. For more information see newjohnsonvillelibrary.co.nz

12. Lombard Lane redevelopment

We are working with others to increase levels of economic activity and pedestrian movement along inner city lanes and streets. This project is all about cheering up streets and laneways.

The works will include physical improvements such as lighting in key locations and a rolling programme of low-cost, pop-up activities at changing locations across the city. Improvements to Lombard Lane are part of this wider programme of street and laneway upgrades and \$1.5 million has been budgeted in 2016/17 for this work.

13. North Kumutoto public space

The North Kumutoto precinct is located around the entrance to the car and motor home park area at the corner of Whitmore Street and Waterloo Quay. This area is north of the Meridian building and south of the Shed 21 Apartments.

There is a preliminary design proposal for a building on Site 10 and the associated development of public space, subject to the following design issues being taken forward:

- undertake wind effect investigation, so it can inform planning and location of shelter for public open space users
- undertake shade diagrams, so these can inform planning and location of shade for public open space users
- continue to seek input from iwi and the Council's Accessibility Advisory Group

- ensure that the Creative Business Hub feature is retained as the building design is developed
- ensure that issues of vehicle and pedestrian movement, lighting and safety are addressed.

14. Parking sensors

We are implementing the use of smart technology that will make it easier for people to find car parks and pay for parking.

Wireless sensors fitted into the road surface can provide information on whether a car park is occupied. This information can be used to tell drivers (either through signs or online apps) where car parks are available, as well as the price for parking. The sensors can also be incorporated with online payment systems, making it easy for drivers to pay for their parking, and ensuring they only pay for the time they use.

Sensors can also help with parking enforcement, by making sure drivers comply with time limits, and don't park without paying or park in areas they are not permitted to (such as disability parks or loading zones).







15. Safer speeds

The proposal to reduce vehicle speeds will make these roads safer and more pleasant for all road users. Studies show that reducing vehicle speeds significantly reduces the number and severity of injuries. There will be little effect on motorists' travel times.

What we proposed and why:

- The proposals to reduce vehicle speeds will make those streets safer and more pleasant for all road users.
- The new speed limits would apply to all vehicles at all times.
- Studies show that reducing vehicle speeds significantly reduces the number and severity of injuries.
- In the areas where the speed limit proposed is 30km/h, there will be little effect on motorists' travel times, as the average speed in these areas is already close to that speed.

16. Urban Activation Fund

The Urban Activation Fund is aimed at transforming our streets and laneways with a variety of projects that will

enhance the city's vibrancy and unique character.

This year we will improve Lukes Lane, Holland and Garrett streets and Cable Car Lane. Laneway and streetscape upgrades will improve the safety, quality and connectivity of pedestrian spaces, support local businesses, art and community services, promote sustainable development, and future-proof Wellington.

Building on the success of pop-up projects in Civic Square and Bond Street, funding has also been allocated to small-scale "activation" projects so that residents and visitors can make the most of the city and share our urban spaces.

17. Waters hydraulic modelling

The Council needs to better understand the existing capacity of the network, where and to what extent we are providing flood protection to a 1-in-5-year severity event, and where the areas exposed to high flood risk are.

The hydraulic modelling projects will address this over the ten years of the 2015-25 LTP; planning controls will also

play an important and increasing role in reducing flood risk. There are some known problem areas and we propose progressive improvement in these areas whilst still advancing our understanding of citywide issues.

18. Freyberg Pool renewal

The Freyberg Pool will be undergoing its 5-year maintenance closure.

19. Stormwater upgrades

The Council manages the network that collects, transports and disposes of stormwater. We work hard to reduce the risks of flooding and pollution.

Stormwater is discharged - untreated - into Wellington harbours and streams. That's why it's important to keep it as clean as possible. The Council commits resources each year to improving water quality in the inner harbour and along the south coast. We have an established programme of stormwater modelling.

Operational projects - business as usual

Table 3 - Operational projects - business as usual additional 2016/17 spend

No.	Project	Cost
1	Biodiversity Action Plan	\$202,000
2	Building Heritage Incentive Fund increase	\$500,000
3	CEMARS membership	\$31,000
4	Cycleway planning	\$1,037,000
5	Digitisation of information	\$348,000
6	Graffiti management	\$188,000
7	New Zealand Festival	\$500,000
8	School pools funding	\$250,000
9	Smart energy	\$420,000

1. Biodiversity Action Plan

Our Natural Capital - Wellington's Biodiversity Strategy and Action Plan is our vision for the city's indigenous biodiversity.

The Biodiversity Strategy and Action plan aims to:

- protect the city's indigenous biodiversity, restore significant areas, create safe buffer zones around them and connect them together
- reduce pest numbers throughout Wellington City to a point where our native species can survive and populations can expand
- focus on raising awareness of the issues facing indigenous biodiversity and connecting people to their natural environment.

Learn more about our Biodiversity Strategy and Action Plan

- When? Ongoing
- How much? \$3.7 million (\$3.2 million operational and \$457,000 capital expenditure over the next 10 years)

2. Building Heritage Incentive Fund

The Council's Built Heritage Incentive Fund helps owners maintain their heritage building. The fund has \$3 million to allocate over 3 years. The fund recognises the importance of conserving, restoring, protecting and caring for Wellington's heritage-listed buildings, objects, and buildings in

heritage areas as in the Wellington City District Plan Heritage List or Heritage Areas.

Fifteen percent of the fund is reserved for conservation-specific work, while 85 percent is intended for work related to earthquake strengthening. Earthquake strengthening work can be:

- an initial engineering report or assessment
- a grant towards the actual strengthening work.

The proposed work should maintain or enhance the building's heritage values.

See <http://wellington.govt.nz/services/community-and-culture/funding/council-funds/built-heritage-incentive-fund>

3. CEMARS membership

We achieved CEMARS (Certified Emissions Management and Reduction Scheme) accreditation in December following a 2-day audit of the energy and emissions data collected by Wellington City Council and CCOs. Accreditation means that we can now have confidence that the data we collect is accurate and comprehensive and a precise measure of how we are performing. This enables us to start measuring our energy and greenhouse gas emissions reduction progress against this original audit or "baseline year" and make more informed decisions about our energy management and emissions reduction work programmes.

4. Cycleway planning

An efficient transport network is important for health and wellbeing, for connections between people, and for the environment.

Like other well-connected cities, we plan to encourage a greater uptake of cycling. Cars can provide flexibility for many journeys, but can also be inefficient, requiring parking space and creating congestion, especially at peak times. A cycling network would increase the carrying capacity of our roads while improving our health and environment. By encouraging people to use active modes such as cycling, we reduce the congestion for other road users.

Implementing cycleways in Wellington has its challenges because we are retrofitting them into established streets. Because of the city's narrow and winding streets, some road or footpath space must be reallocated. This may mean prioritising cycle lanes or cycle parking over on-street car parking in some areas.

The network will span the city with routes connecting suburbs to the central city. The plan is to roll it out over the next decade.

- When? Ongoing
- How much? \$5 million operating cost (over 10 years)

5. Digitisation of information

We have a requirement to digitise paper files so we can respond to internal and external requests with digital documents and move to design and delivery of end-to-end digital services.

Council digitisation is delivered by a digitisation service established on-site at City Archives that will operate through to at least 30 June 2020. This service specialises in digitising paper files that need to be digitised and the paper original preserved. These types of files are being digitised as they are used or if they are at risk from overuse. At the same time an off-site outsourced arrangement with Desktop Imaging Limited is used for one-off digitisation projects where the paper originals are no longer required.

6. Graffiti management

In our Residents' Monitoring Survey, 98 percent of Wellingtonians perceive their city to be safe, and we would like to keep it that way. While only 40 percent of our residents voiced concerns over graffiti, the overall perception is that graffiti contributes to people feeling unsafe when walking in town.

7. New Zealand Festival

The festival is New Zealand's premier arts and cultural event. It's currently held every 2 years and attracts a world-class line-up of performers. We have increased our grant to the festival by \$500,000 to secure "off-year" events or shows in the city. This complements the New Zealand Festival's own success at raising the majority of its funding from ticket sales and other sources.

8. School pools funding

The fund aimed to improve access to and uptake of Learn to Swim, aquatic education, sport and enjoyment by local communities of Wellington City by increasing the total available pool capacity and aquatic programme opportunities throughout the city.

<http://wellington.govt.nz/services/community-and-culture/funding/council-funds/school-pools-partnership-fund>

9. Smart energy

The Smart Energy Capital programme creates partnerships where the Council matches funds dollar-for-dollar with strategic partners. The programme aims to reduce city-level greenhouse gas emissions by initiating or scaling up projects that achieve the following outcomes:

- reduction in energy use
- increase in renewable energy
- increase in alternatives to fossil fuels.

Though reducing greenhouse gas emissions is the primary aim, the Smart Energy Capital programme also looks to achieve co-benefits in the following areas:

- smart and healthy homes - projects that aim to improve the energy efficiency and health of households
- efficient commercial buildings - projects that aim to improve the energy efficiency/performance of our commercial building stock and business
- distributed renewable energy - projects involving the installation of distributed renewable energy systems (particularly solar and wind)
- fuel switching - products that introduce low-carbon alternatives (such as biofuels or electric vehicles) to standard transport fuels
- innovation - projects that are addressing Wellington and New Zealand's future energy challenges and opportunities (eg smart grid and smart home technologies).



Operational projects - improvements

Table 4 - Operational projects - improvements

No.	Project	Cost
1	Circa Theatre	\$100,000
2	Community halls	\$115,000
3	Cultural grant funding	\$969,227
4	Enviroschools	\$45,000
5	Free CBD Wi-Fi	\$153,000
6	Social and Recreation Grant	\$3,323,405
7	Te Mahana programme	\$60,000
8	Trails upgrades	\$640,000
9	Zealandia (grant)	\$875,000
10	Electronic voting trial	\$100,000
11	Other operational improvements projects	\$1,330,000

1. Circa Theatre

We will support another of the city's cultural institutions - Circa Theatre. We have budgeted a grant of \$250,000 over the next 3 years to support the theatre and \$15,000 per annum over the first 3 years of the LTP for technical support of external groups.

2. Community halls

We fund a citywide network of community centres that support community wellbeing. Services and activities developed and delivered locally from these assets help bring people together, and improve and strengthen neighbourhoods, community resilience and community safety.

We are planning to upgrade a number of community centres in the coming years to ensure they serve the community's needs. This year we will begin the planning work for Aro Valley Community Centre and Newtown Community and Cultural Centre, with construction in 2018/19.

3. Cultural grant funding

In coming years, the Council will continue to encourage and celebrate diversity by supporting arts and cultural

events and small arts organisations ranging from Tawata, Randell, Orpheus, Matariki and Diwali to WOW and the New Zealand Festival.

We have also increased our cultural grants fund from 2016/17 to increase our level of support to the capital's arts and cultural institutions.

See <http://wellington.govt.nz/services/community-and-culture/funding/council-funds/arts-and-culture-fund>

4. Enviroschools

Enviroschools is a national programme that involves students taking action to create healthier, more peaceful and sustainable communities. It's about the wellbeing of the whole school, community and eco-system, and working out how to live so that our communities and our economy nourish the natural systems that give us life.

Some of the benefits of the Enviroschools programme to schools include action-based learning, deepening knowledge about ecological sustainability and community resilience, creating genuine leadership opportunities for students, and cost-savings through more efficient school-wide practices.

5. Free CBD Wi-Fi

CBDFree is a free to use, high-capacity wireless service, available through most of Wellington's CBD area. The network is used by large numbers of Wellingtonians as well as visitors to the city and helps support Wellington's reputation as a technology and visitor-friendly city, internationally. The Wi-Fi is provided by CityLink, a Wellington-based technology company.

6. Social and Recreation Grant

This fund aims to foster strong, sustainable communities and support building capacity in the community. Applications for any project meeting the criteria will be accepted; however, the priority for the March 2016 round will be for classes teaching English as a second language (ESOL).

<http://wellington.govt.nz/services/community-and-culture/funding/council-funds/social-and-recreation-fund>

7. Te Mahana programme

Te Mahana is a community-driven strategy that is focussed on ending homelessness in Wellington. We are establishing a strategic partnership group to be chaired by the Mayor. This group will focus on an interagency approach to ensure services are aligned and resources are shared.

Te Whakamura, launched in July 2015, is a collaborative project funded by the Council. It comprises DCM, Ngati Kahungunu Whanau Services and the Soup Kitchen and provides joined up services that respond to the needs of homeless people by connecting them to housing and support services. The street outreach team is now coordinated by Te Whakamura. The Council will continue to work with Te Whakamura to help build on the project's initial success.

8. Trails upgrades

We deliver ongoing renewals and upgrades of trails as outlined in the Open Spaces Access Implementation Plan and Our Capital Spaces. The purpose of the renewals and upgrade programme is to:

- ensure safe, accessible and sustainable trails are provided, which enable all trail users to be active and healthy
- meet the local trail user community's expectations regarding ongoing trail works throughout the Council's reserve network
- meet the objectives of Our Capital Spaces by ensuring beginner riders have the opportunity to ride within the Council's reserve network, and that a family ride, easy-walk resource is provided within the reserve network.

9. Zealandia Grant

The Council will maintain its grant funding and will continue its in-kind support for the activities and initiatives Zealandia provides to visitors and residents.

10. Electronic voting trial

During the local authority elections in September and October this year, the Council is participating in an online voting pilot along with other councils. The Council must meet a number of requirements regarding risk management, the security of the system and ensure that voters understand and have confidence in the system.

Online voting will have benefits including making voting faster and easier, making it easier to vote for people who are overseas, and encouraging youth to vote and participate. It will also hopefully assist in lowering the number of errors on papers and invalid votes.

11. Other Operational improvement projects

- Cable Car - we are funding some renewal work associated with replacing a drive mechanism.
- Iwi support.
- Zoo health and safety we are increasing the number of zoo keepers.

Engagement and consultation process

Tell us your ideas

In January 2016, we asked people to tell us their ideas on how to grow Wellington's economy, be a smart resilient city, and make better use of infrastructure like parks, roads and libraries.

The Council received 131 submissions and 184 ideas through our website's online form, social media, email and by post. Forty-seven submitters spoke to Councillors at the panel hearings held on Monday 22 and Wednesday 24 February 2016. The panel hearings were a new initiative to give an opportunity for people to highlight new ideas and to do it in a less formal way prior to the development and publication of this consultation document.

For Councillors, this exercise was valuable, providing insight into the services and community infrastructure that matters to local people and community groups.

Suggestions ranged from making better use of parks and public spaces, increasing and improving walking tracks and exercise areas, graffiti walls, car-free areas in the central city, simplifying and consolidating services, smarter ways of reducing fossil fuels to funding more

environmental education campaigns.

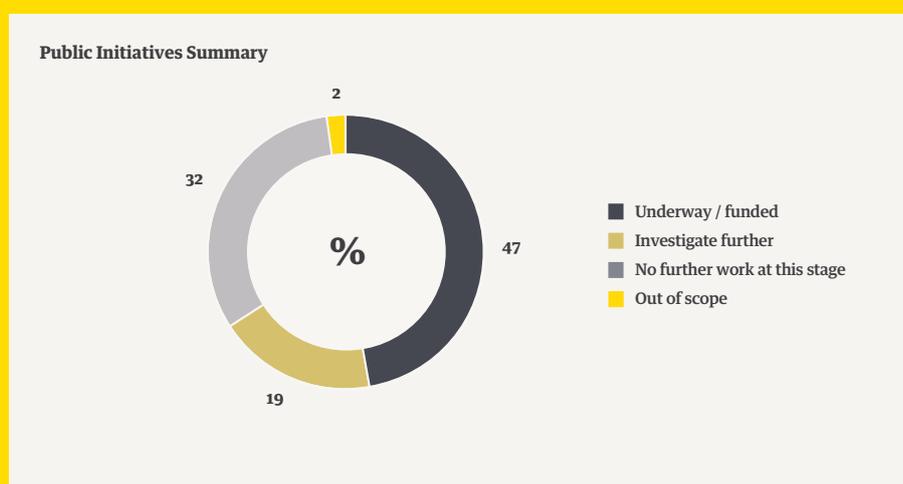
Many of the ideas received are already part of the Council's current or scheduled programme of work - for example, improvements to roads and recreational facilities; funding has been made available for fencing improvements for popular dog exercise areas, which was also suggested by submitters.

The Council is committed to continuous engagement with the community, and submitters will have an opportunity to engage directly with their specific interests in relevant upcoming project work. Future engagement opportunities include

a review of conservation sites, civic precinct proposals, the Ngauranga to airport corridor, playgrounds policy, open space plans, speed limits and the development of a social strategy.

Some of the ideas received require more investigation to better understand the costs and benefits they could have, while for others Council decisions have already been made not to proceed. People who gave their ideas received feedback about the next steps.

In summary, the Council received 131 submissions and 184 ideas. Forty-seven submitters spoke to Councillors at the panel hearings in February 2016.





Annual Plan 2016/17 Consultation Document

As well as seeking feedback on the issues in the consultation document, we want to increase awareness of the Annual Plan and Long-term Plan and their importance in helping us achieve our Wellington Towards 2040: Smart Capital vision.

This Annual Plan 2016/17 Consultation Document was launched by the Mayor on 29 March. The special consultative process runs until 29 April 2016. The consultation document and supporting information is available on our website. The document is also available in the Council's Service Centre and other Council facilities. Formal feedback on questions in the consultation document will be received online and by mail.

A programme of engagement, planned in conjunction with the Council's advisory groups, will be publicised through media channels including Council publications and social media, and is available on our website. See wellington.govt.nz/ap2016-17

Because a greater number of people are choosing to engage with the Council through social media, we will have a

continuous conversation approach on our Facebook and Twitter accounts, and our other channels. Our face-to-face events will use a mix of techniques to encourage participation and conversation. This includes round table discussions, virtual elements, panel Q&A sessions and guest speakers.

People who make a submission on the consultation document will be able to speak at oral hearings held during the second week of May 2016. The Annual Plan 2016/17 will be adopted by Council on 29 June 2016.

New Food Act fees

PROPOSED FEE SCHEDULE

Model Food Control Plan	Time included	Fixed cost
Registration	1 hour	\$155.00
Renewal/re-register	half hour	\$77.50
Amendment		
Significant	1 hour	\$155.00
Minor	half hour	\$77.50
Change of circumstances	half hour	\$77.50
Voluntary suspension	half hour	\$77.50
Verification		
1st verification	2.5 hours	\$387.50
2nd verification	2.5 hours	\$387.50
Compliance		
Notice	1 hour	\$155.00
Application for review	1 hour	\$155.00
Statement of compliance	half hour	\$77.50
Opening inspections	1 hour	\$155.00
Additional hours	per hour	\$155.00

National Programme	Time included	Fixed cost
Registration	1 hour	\$155.00
Renewal/re-register	half hour	\$77.50
Amendment		
Change of circumstances	half hour	\$77.50
Voluntary suspension	half hour	\$77.50
Verification		
1st verification	1 hour	\$155.00
2nd verification	1 hour	\$155.00
Compliance		
Notice	1 hour	\$155.00
Application for review	1 hour	\$155.00
Statement of compliance	half hour	\$77.50
Opening inspections	1 hour	\$155.00
Additional hours	per hour	\$155.00

DIRECTORY

The website and Contact Centre are your first points of contact for all Council services. This includes building and resource consents, complaints and queries, liquor licensing, animal control, food safety, parks and recreation facilities, Council meetings and consultation, cemeteries, landfills, transport issues, rubbish and recycling collection, parking, rates, events, archives and community services.

WEBSITE

wellington.govt.nz

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