
ORDINARY MEETING

OF

GOVERNANCE, FINANCE AND PLANNING COMMITTEE

AGENDA

Time: 9.15 am
Date: Wednesday, 1 June 2016
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown
Councillor Ahipene-Mercer
Councillor Coughlan
Councillor Eagle
Councillor Foster
Councillor Free
Councillor Lee
Councillor Lester (Chair)
Councillor Marsh
Councillor Pannett
Councillor Peck
Councillor Ritchie
Councillor Sparrow
Councillor Woolf
Councillor Young

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The Governance, Finance and Planning Committee is responsible for long-term planning, setting the strategic direction for the city, agreeing outcomes, priorities, performance frameworks and annual budgets. The Committee is responsible for the long-term plan, annual plan, annual report, and quarterly reports. The Committee also makes sure residents are kept informed about what the Council is doing, are able to have their say, and feel confident that their views count.

Quorum: 8 members

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1 Meeting Conduct

1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.3 Confirmation of Minutes

The minutes of the meeting held on 9 May 2016 will be put to the Governance, Finance and Planning Committee for confirmation.

1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Governance, Finance and Planning Committee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Governance, Finance and Planning Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Governance, Finance and Planning Committee for further discussion.

2. General Business

REPORT ON ANNUAL PLAN 2016/17 CONSULTATION PROCESS

Purpose

1. To describe the Annual Plan 2016/17 engagement and consultation process.
2. To provide a summary of the feedback received during the consultation to inform Annual Plan 2016/17 decision making.

Summary

3. The Annual Plan 2016/17 describes year 2 of the 2015-25 Long-term Plan (LTP). The Annual Plan focuses on ensuring the Council's 2016/17 budgeting and planning processes continue to deliver the work programme set in the LTP.
4. Consultation on the Annual Plan took place from 29 March until 29 April 2016. The Consultation Document sought feedback from the community on:
 - five proposals that varied the parameters of the LTP: Draft Low Carbon Capital Plan; establishing an Urban Development Agency; changing the fee structure for Food Act fees; the purchase of the Zealandia Visitor Centre and setting a targeted rate to fund the Kilbirnie Business Improvement District
 - responsibility for private water connections (laterals)
 - funding 11 initiatives identified by Councillors in March 2016 not previously included in the LTP.
5. An engagement programme was agreed by the Governance, Finance and Planning Committee (GFP) in December 2015.
6. 808 written submissions were received and 74 people presented their submissions to GFP in May 2016.
7. Of the 808 written submissions 565 were form submissions (largely similar submissions on one topic) addressing three issues:
 - 340 supporting the Living Wage
 - 96 supporting the retention of funding for the redevelopment of Lyall Bay Surf Lifesaving Club
 - 129 in support of the proposal to establish a sports hub – Toitu Pōneke - at Kilbirnie Park.
8. All submissions have been provided to elected members and have also been made available to the public online.
9. This report provides for the formal receipt of the written submissions, outlines the consultation process and provides a summary of issues raised by submitters.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Receive the submissions that were lodged as part of the consultation process for the 2016/17 Annual Plan.
3. Note that the Mayor's recommendations in response to the submissions are contained in the accompanying paper *Mayor's proposals for the Annual Plan*

The Consultation Process

10. The Council is required to develop an Annual Plan each year to give effect to its LTP and to describe any proposed variations to the activities and budgets contained in the LTP. The Annual Plan 2016/17 describes year 2 of the 2015-25 LTP.
11. A consultation programme was agreed by the GFP in Dec 2016. The programme was designed to raise awareness and ensure people had the opportunity (and were encouraged) to make submissions. This year engagement with the community on the Annual Plan 2016/17 had two distinct phases: pre-consultation and engagement during the consultation period.
12. The first, pre-consultation, started in January 2016 with the Council asking the public for their ideas and initiatives that would contribute to the objectives of the 2015-2025 Long-term Plan. This was a new process to give an opportunity for people to highlight new ideas prior to the development and publication of the Consultation Document. The Council received 131 submissions and 184 ideas. Forty-seven submitters spoke to Councillors at panel hearings held in February 2016. 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.
13. Many of the ideas received are already part of the Council's current or scheduled programme of work – for example, funding has been made available for fencing improvements for popular dog exercise areas, which was suggested by some submitters. 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 on their suggestion and information about the Annual Plan 2016/17 at the end of March 2016.
14. In March GFP agreed to consult on the Annual Plan, with a Consultation Document as the basis for that process. The Consultation Document was developed and was available online and, in limited numbers, on request. Copies were available for viewing at libraries and at the service centre. Submissions could be made online, by email and by post.
15. The following tools and techniques were used to support the consultation and sustain the dialogue that had been developed through the pre-consultation:

Launch of the Annual Plan Consultation Document

16. The Consultation Document was launched by the Mayor to a range of stakeholders on 29 March at the Paramount Theatre in Courtenay Place.

Special interest groups forums

17. There were seven engagement events focusing on different communities and areas of interest.
18. The events aimed to:
- explain the key changes proposed in the Annual Plan Consultation Document
 - increase understanding of the Annual and the Long-term Plan processes and their importance
 - further develop relationships between different stakeholder groups and the Council – bringing new people into the conversation and maintaining existing relationships.
19. The events were:
- 5 April 2016 - Te Tumu Herenga -ā-Tau – Māori Special Interest Group
 - 11 April 2016 - Influencing a Smart Capital – Tech business in Wellington
 - 13 April 2016 - Arts, Culture and Council – Arts sector in Wellington
 - 14 April 2016 - Young Wellington – Young Wellingtonians between 16-24 years of age
 - 19 April 2016 - Inspiring Pasifika Leaders – Pasifika Community in Wellington
 - 21 April 2016 - Influencing an accessible Capital – People with disabilities and interested in access
 - 27 April 2016 - Sustainability and resilience virtual forum – aimed at people online with an interest in sustainability issues.
20. All face-to-face forums had an overview of the State of the City from the Mayor or Deputy Mayor. Posters of the proposed 11 councillor funding initiatives were on display and participants were encouraged to vote for their top five – replicating the process for these initiatives in the online submission form.
21. The results for these are incorporated into the Results Section of this report.
22. The events used a range of engagement tools including panel discussions; Q&A sessions; interactive world café voting on councillor-led initiatives; facilitated table sessions; and an online virtual forum.
23. Questions from attendees and feedback from the facilitated table sessions at each event were collected and summarised. The majority of feedback did not directly relate to the content of the Annual Plan Consultation Document and has been provided to relevant business units and Council advisory groups to inform future work.

Social Media

24. Over the consultation period a range of tweets and Facebook posts were made by Council about the Annual Plan and the proposed changes to the LTP.

25. These social media posts were used to raise awareness of the consultation process and to encourage people to make submissions. Social media was also used to pose questions on the main proposals in the Consultation Document and to invite people to events.
26. The following table summarises the social media channels and unique clicks to each.

Channel	Number of posts	Reach	Unique link clicks
Facebook	17	13,499	100
Twitter	28	54,703	158
E-Newsletters	9	71,928	269
Instagram	3	NA	52 (Engagement)
Total	57	140,130	579

Other

27. Other awareness raising activities included an email to over 1200 stakeholders, four media releases, a feature article in the Council publication Our Wellington and advertisements in both the Dominion Post and Wellingtonian newspapers.
28. A video fronted by the Mayor was created and loaded onto the website. It was used at events and posted onto Facebook.
29. There were nine articles on the Annual Plan in Council publications during the consultation period.

Consultation Results

30. This section on the results from the consultation is divided into two parts – the first describes the characteristics of the submissions received and the second part describes the main themes and content of the submissions.

Submissions on the Consultation Document

31. 808 written submissions were received and 74 people presented their submissions to GFP in May 2016. This compares with 1,017 submissions received for the LTP and 633 submissions received for the 2014/15 Annual Plan. The number of submissions and who makes them tend to reflect the nature of the proposals included in the Consultation Document and the level of interest and/ or impact on the community or section of the community.
32. Of the 808 written submissions 565 were form submissions (largely similar submissions on one topic) addressing three issues:
- 340 supporting the Living Wage
 - 96 supporting the retention of funding for the redevelopment of Lyall Bay Surf Lifesaving Club
 - 129 in support of the proposal to establish a sports hub – Toitu Pōneke - at Kilbirnie Park.
33. Submissions were filed online using the submission form by 114 submitters, while 341 submissions were sent by email and 353 were posted.
34. Copies of all submissions have been made available to elected members and have also been made available to the public online.

35. Demographic information is not included in this report because data is only available for 105 submissions and is unlikely to be representative of all submitters.

Consultation Results

36. This section describes the information and comment that submitters provided through the consultation process. Advice and recommendations are contained in the accompanying paper *Mayor's Proposals for the Annual Plan*.
37. The Consultation Document focussed on five proposals:
- The Low Carbon Capital Plan
 - Establishment of an Urban Development Agency
 - Food Act fee changes
 - Zealandia governance changes
 - Kilbirnie Business Improvement District targeted rate.
38. The Consultation Document also sought feedback on whether the Council should assume ownership of private wastewater connections (laterals) in the road reserve and take responsibility for the maintenance and renewal costs.
39. The Consultation Document outlined 11 new initiatives that GFP agreed in March 2016. The submission form asked submitters to indicate their support or opposition to each proposal and rank their preferred top five of the new initiatives.
40. The submission form also asked where savings should be found if the rates increase was limited to 3.6%.

Summary of submission comments

41. Officers have reviewed all of the submissions and note that many cover more than one topic.
42. The following section focusses on the submissions made on each of the six proposals. This is followed by submissions on the 11 Councillor Initiatives and then a description of miscellaneous and other comments.

Draft Low Carbon Capital Plan

43. Approximately 157 submissions were received on the draft LCCP. 86% of submitters overall supported the LCCP, with 9% stating no preference, and 3% opposing the plan. Of the 86% supporting the plan 3% offered conditional or tentative support. The remaining 2% of submissions were unable to be clearly classified.
44. Of the submissions 71% were received from individual submitters, 20% from community, volunteer and resident's organisations, and 9% from professional and business organisations.
45. The most common thread throughout submissions was that urgent action on climate change is necessary and that WCC has a key role to play in emissions reduction activities and strategies.
46. A number of submitters expressed frustration at the lack of engagement with the general public about climate change issues and wanted WCC to put some resource towards a solution.

47. A number of submitters felt that the emission targets should be more ambitious and that Wellington City should aspire to be Carbon Zero by 2050. Some submitters acknowledged the difficulties in meeting interim targets but urged greater ambition in longer-term targets.
48. Further detail on LCCP submissions is attached as Appendix 1.

Urban Development Agency

49. Approximately 130 submissions have been received on the proposal. 74% of these were received from individual submitters, 22% from community, volunteer and resident's organisations, and 9% from professional and business organisations.
50. Some of the organisations represented include the Sustainability Trust, Wellington Civic Trust, Property Council, Victoria University, Generation Zero, Architectural Centre, New Zealand Institute of Architects and Council's own Environmental Reference Group.
51. 64% of submissions supported the proposal, another 3% offered conditional or tentative support and 23% were opposed. The remaining 10% were unable to be clearly classified.
52. There was a high-level of support for the UDA in submissions made by organisations, with most of the opposition coming from individual submitters.
53. From those submissions opposed to the UDA the following main themes emerged:
 - Council should not be involved in property development and partnerships
 - development activities should not be exercised by an arms' length entity
 - concern about costs and financial risks
 - Council should not consider partnering with private developers
54. Further detail on UDA submissions is attached as Appendix 2.

Food Act Fee Changes

55. New fees to be set as an outcome of the Food Act 2014 received 65 responses – 46 (71%) supported the proposal.
56. Of the 13 comments made, the main issues raised were:
 - the fees appear to be quite high for small food businesses
 - that one off charity, church and school events should not be adversely affected
 - further clarity is sought around the proposed hourly rate
 - the proposals do not make it clear in relation to the impact on Early Childhood Education Centres (ECEs).

Zealandia Governance

57. The submission form asked two questions in relation to Zealandia – the first was “Do you support the Trust Board's proposed governance arrangements, which would define Zealandia as a Council-controlled organisation?”
58. There were 100 submissions with 74% in support, 20% opposing and 6 that were unclear (because the respondents have not indicated support or opposition and any

comment did not indicate a clear position). The opposing feedback focussed primarily on:

- the historic financial concerns around the Trust
- the potential to diminish the support provided by volunteers, members and sponsors.
- precipitating more changes in future and the Trust should be given more time (5 years) under the current structure.

59. The submission form also asked “Do you support the Council’s intention to buy the Zealandia Visitor Centre for \$10.34 million?”
60. There were 100 submissions with 57% in support; 31% opposed and 12% unclear.
61. Of those opposing the purchase of the visitor centre most comment indicated a view that the Council decision to help fund the construction of the visitor centre was poor. It was also suggested by some submitters that the loan be written off and the visitor centre remain in the ownership of the Trust.

Kilbirnie Business Improvement District

62. Sixty one submissions were received on the Kilbirnie Business Improvement District targeted rate. Forty eight supported the initiative while nine were opposed to it. Comment was provided by 11 submitters.
63. Some of the submitters were of the view that public money was being used and this is not the case.
64. The Chamber of Commerce supported the target rate, but challenged the need to consult, given approval had been reached through the BID establishment process. They noted a small uptake and called for a review of the engagement in the setup process.

Private waste water connections (laterals)

65. We consulted on whether the Council should assume ownership of private waste water connections. 85 submissions were received with 75 (88 percent) expressing support for the proposal.
66. 10 submissions did not support the proposal. One of the submissions opposing the proposal was from an organisation (Porirua Harbour Catchment and Community Trust Board / Growlock Trustees Ltd) with the remaining 9 submissions being from individuals.
67. Key themes in the expressions of support for the proposal were:
 - cases of damage in road reserve often comes from tree roots in road reserve, out of control of property owner, outside private property boundary should be council responsibility
 - infrastructure in road reserve is too complex for private landowners to manage, council is better equipped to do this
 - having one manager or owner could lower the overall costs of maintenance and repair, the nature of the asset is a good fit with other Council assets
 - lack of care could impact the main system

- private property owners feel threat of large unforeseen expenses, seems fairer to share as a public expense spread across all rates
- rates should cover wastewater systems, including the provision of services to the property boundary, and
- some respondents noted that a small rates increase for this work would be acceptable (and/or noted it is better to have a small cost for everyone, than some owners having very high bills).

68. Key comments from the submissions not in support of the proposal were:

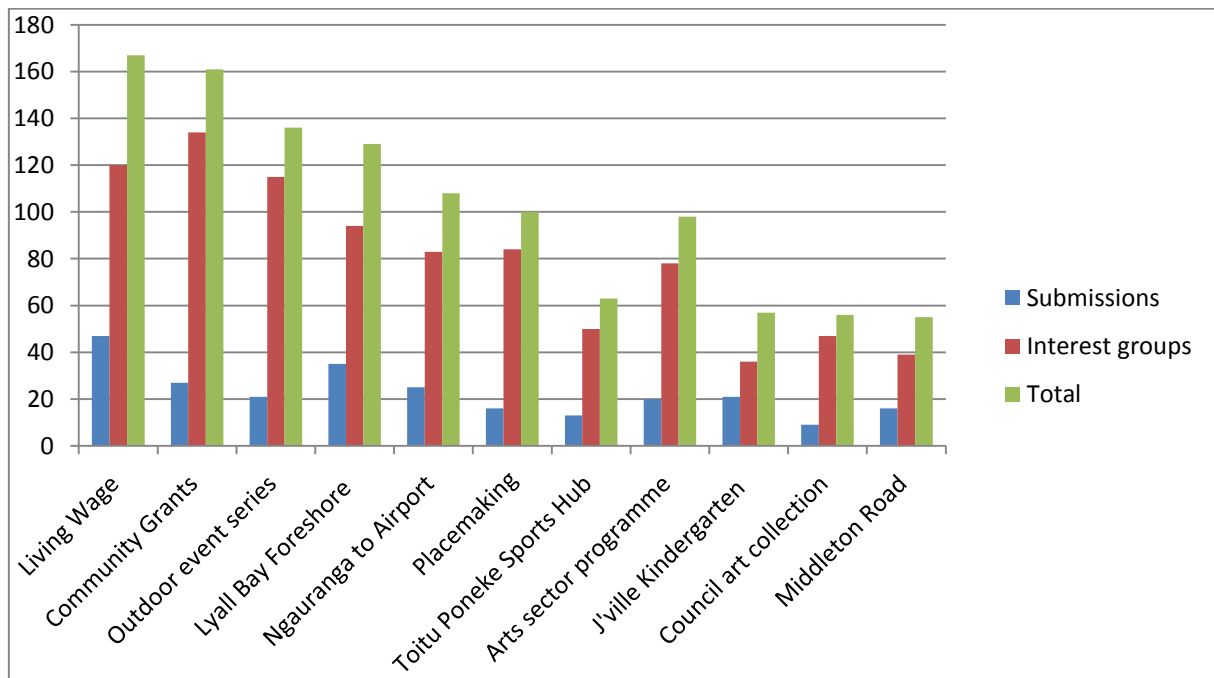
- the Council should not take on an additional private problem, but should do more to connect users with their own responsibilities
- responsibility for laterals helps to connect users with their other responsibilities (like what to put/not put into the wastewater system and water conservation)
- councils should address problems where lateral performance causes pollution and get costs back through individual properties rates
- water use should be metered and all costs funded from metered water use, otherwise people become removed from considering conservation and connection.

Councillor initiatives

69. In March 2016 the Council agreed it would like to gauge the level of community support for a set of 11 new initiatives not currently included in the LTP.
70. The submission form asked submitters to identify whether or not they supported the initiative. 100 submitters indicated their support for the various initiatives as shown in ranked order on the following table:

Initiative	Rank	No
Lyall Bay Foreshore Resilience Plan	1	62
Living Wage	2	60
Ngauranga to Airport – minor capital projects	3	47
Community Grants changes	4	46
Johnsonville Library Kindergarten purchase	5=	40
New Outdoor Events Series	5=	40
Toi Pōneke support	7=	38
Middleton Road	7=	38
Placemaking	9	36
Toitu Pōneke Sports Hub	10	32
Council art collection	11	27

71. With a view to gathering greater prioritisation information, the submission form then asked submitters to indicate their top five preferred initiatives. Participants at the Annual Plan special interest group events were also asked to identify their preferred top five initiatives.
72. The following bar graph shows how many “votes” each initiative received in the preferred top five. There were 246 participants at the special interest group events and 90 people voting on the submission form. The overall votes are shown as “total”. Note that not all people made five “votes”.



73. The living wage and community grants initiatives attracted the most support. Because more people participated at the special interest groups than made a submission, the special interest groups' votes have more influence on the overall result. It can be noted that there was variability across the groups as shown in the following table (top ranking in **bold** for each group):

	Maori	Tech	Arts	Youth	Pasifika	Access
1. Lyllall Bay Foreshore Resilience Plan	15	11	7	23	12	6
2. Toitu Poneke Sports Hub	24	7	0	5	12	3
3. Ngauranga to Airport - minor capital projects	9	16	3	18	19	18
4. Johnsonville Library - Kindergarten purchase	5	5	0	5	9	12
5. Living Wage	12	11	22	39	36	9
6. Community Grants changes	24	11	36	20	22	21
7. New Outdoor Events Series	21	12	30	23	13	16
8. Arts sector activation programme	17	10	30	2	10	9
9. Placemaking	4	7	23	30	11	9
10. Middleton Road	7	8	3	15	6	0
11. Council art collection	8	3	15	6	7	8

74. In addition the Inner City Association polled its members asking which of the initiatives were supported and what members considered the priority of each initiative. The Inner City Association survey received 35 responses (10% of its members).

75. The Inner City Association advised that:

“Responses indicated support for six of the 11 proposed new initiatives. Of these, only two were ranked as high priority: Ngauranga to Airport minor capital

projects and living wage. The remaining four (Lyll Bay Foreshore Resilience Plan, Community Grants changes, Johnsonville Library Kindergarten purchase, Middleton Road cycleway/ walkway) were ranked as medium priority. The remaining five proposed initiatives (which respondents did not support) were ranked as low priority: arts sector activation programme, new outdoor event series, Toitu Pōneke Sports Hub, Council art collection, place making.”

76. As well as receiving indications of preferences for each of the initiatives the Council also received comments on some of the initiatives.

Initiative	Comments
Toitu Pōneke	135 submissions of which 129 were form submissions. Five submissions opposed the expenditure and one supported it in principle providing issues between users were resolved. Opposition to this proposal was concerned with a preference for a Kilbirnie and Evans Bay Park Community Sports Hub and that Toitu Pōneke excluded some major users. It was submitted that it is not feasible for two major rugby clubs to share facilities and that a two facility structure was preferred.
Living wage	In addition to the 340 form submissions supporting the living wage, there were 13 submissions concerning the living wage. Two of those were in opposition – the Chamber of Commerce noted that it did not need to reiterate its concerns but expected that with a \$250,000 budget increase an expectation of at least, a return as a result of improved productivity by living wage recipients. It requested a report on performance, namely an outline of the improvements to retention rate and performance of staff who are recipients of the living wage. Tawa Community Board considers it is a role for central government. The submissions supporting the living wage noted that the Council should match the living wage rate to the current NZ living wage rate; it should extend the living wage to contractors and CCOs and it should implement a plan to become a fully accredited living wage employer by 2018.
Ngauranga to Airport	One submission sought clarification on the reprioritisation.
New outdoor event	Newtown Resident’s Association qualified its support by noting that the Newtown festival should be a higher priority.
Middleton Road	Glenside Progressive Association supported in principle noting that it had not been consulted and would prefer a low fence or visual barrier to separate the walkway from the road.
Art collection	Six submissions supported the expenditure with one noting that the art collection should be reduced.

77. GFP proposed that Toitu Pōneke could be funded by reallocating grants included in the LTP of \$600,000 for Alex Moore Park redevelopment and \$150,000 for **Lyll Bay Surf Club**. 96 submissions were received (94 form submissions) asking that the Lyll Bay Surf Club money not be reallocated.

78. The Lyall Bay Surf Club submitted that construction on the project could commence in August 2016 with a completion date of March 2017. The Club submitted that the project will not be viable if the funding is reallocated.

Suggestions for savings

79. The submission form also asked where savings should be found if the rates increase was limited to 3.6%. Thirty nine submissions included comment on this item and responses included:
- five submitters noted they were comfortable with the rates increase
 - eight were non-specific for example “where do you start?” and “stop grandiose schemes”
 - ten suggested savings could be found by reducing staff salaries, councillor salaries and in corporate efficiencies including shared services
 - seven opposed the extension to the runway
 - five suggested a greater focus on core business
 - three opposed the convention centre
 - Others suggested not funding sporting events, introducing a car tax, ceasing cycle ways expenditure, spend only on economic growth and resilience and either getting more money from the government or not spending on issues that were central government responsibility (for example the living wage and emissions).

Other matters

80. A number of submissions made comment on issues that are out of scope. Those submissions have been provided to the relevant business unit.
81. **Cycle ways:** 23 submissions were received that commented on cycle ways, 13 supported the Council spend on cycle ways with one opposing that expenditure and one suggesting a reduction in spending. The remaining eight were neutral although the tenor of the comments suggested some support. Comments included the need for better planning, comments on individual cycling lanes and a request for clarification on the expenditure.
82. **Civic precinct:** fifteen submissions were received on the civic precinct. Nine opposed the sale of Jack Illot Green, eight were concerned that earthquake strengthening of the Town Hall was not happening fast enough and one supporting the transformation of Civic Square into a creative arts and music hub.
83. **Airport runway extension:** 12 submissions were received on the airport runway extension. One was in support of the extension; ten were opposed with two noting their opposition of funding to support airlines using the airport. One submission supported the extension in principle but suggested that a neutral body be commissioned to consider the economic and environmental impacts.
84. **Convention Centre and Film Museum:** eight submissions opposed the Convention Centre and Film Museum proposal, one submission supported it and one suggested postponing the project. Comments were largely concerned with whether there was a need for a convention centre and whether it was a local government role.

85. **Consultation Document:** six submissions were received commenting on the Consultation Document. Three noted concerns that hard copies were not readily available and four considered the Consultation Document to be unclear. A further submission asked why names of submitters should be publicly available.
86. **Fluoridation:** four submissions were received seeking a stop to the fluoridation of Wellington's water.
87. **Newtown Festival:** there were three submissions supporting additional funding for the Newtown Festival.
88. **Transport:** several submitters made suggestions regarding roading and transport including speed limits and crossings in Berhampore, light rail and transport planning.
89. A number of submissions suggested other projects or initiatives that the Council could consider funding. The following table lists those suggestions.

Proposal	Submitter	Comment
Additional funding of \$290k for artificial turf for Karori training field.	Waterside Karori Association Football Club	Council agreed to support artificial turf in the Annual Plan 2015/16. The funding was underestimated. WKAFC wish to recommend to Council that they commit to fund the shortfall \$290K and staff (1) request tenders from suppliers now for an artificial turf development, and a hybrid alternative, (2) that Council approve the artificial turf as a clearly better long term solution, but if that cannot be supported, then (3) the hybrid proposal be implemented.
Improvement in free wi-fi services.	Alan Probert	Open tender and expand to suburbs. This could include add on services such as cctv and help economic activity in those suburbs.
A welcome to 'BERHAMPORE' sign located on Adelaide Road and on Rintoul Street.	Merio Marsters	
Undergrounding of overhead lines	David Edmonds	
Funding to install hand dryers and to increase the level of service of toilets in the Churton Park Reserve.	Churton Park Community Association	Hand dryers are necessary for better hygiene outcomes for users of the toilets. Provision for 7-day a week use of the toilets. The funding will allow better use of this public asset. We note the successful trial of opening the toilets during the day.
Request that \$1m in LTP for an upgrade in Tawa is	Vibrant Tawa	The LTP includes funding (\$1m) for upgrading the Tawa Town Centre

<p>brought forward to 2016/17.</p>		<p>scheduled to be available in 2018/19. Vibrant Tawa has been exploring a Business Improvement District (BID) being established in Tawa. They aim to have the BID process underway before end June 2016. Bringing forward the funding for the upgrade will assist in garnering strong business operator and property owner support for Tawa Town Centre becoming a BID and will maintain momentum now established.</p>
<p>Request for funding for maintenance of the Wellington BMX Track; sealing of berms on the track; improved amenity in Ian Galloway Park (toilets and car parking)</p>	<p>Capital BMX</p>	<p>Maintenance: Under Capital BMX's lease with the WCC, the obligation to maintain the Track is the responsibility of Capital BMX. Given the very high level of community use and the resulting wear and tear, Capital BMX is finding the level of maintenance a considerable challenge. Capital BMX proposes the WCC provide support in 2016-17 to assist Capital BMX maintain the Track. Proposal 1(a): that the WCC provide funding of \$13,500 purchase lime and polymer. OR WCC provide \$15,000 to engage a contractor to roll the track using Capital BMX's quad bike, with the balance of \$1,500 to be paid to Capital BMX for use of the quad bike.</p>
		<p>Sealing: Stage 2 of the Track development involves sealing the 3 berms (the banked corners) in asphalt. Sealing will reduce maintenance and the hosting of BMX 'significant' events. Capital BMX and the Wellington Regional BMX Association are presently investigating making an application to host the 2019 North Island titles. The Norths typically attract (i) 650 to 750 riders; (ii) 1000 (or more) associated supporters; and (iii) 200 to 300 public spectators. The 2015 Norths were held in Taupo and the Taupo Council assessed the economic benefit to Taupo from the event was approximately \$600,000. Capital BMX has received a quote of \$43,400</p>

		<p>(excl. GST) to asphalt all 3 berms (\$14,465 per berm). The quote also provides for the sealing of 1 or 2 berms at a cost of \$15,650 (excl. GST) per berm. Capital BMX seek funding for one, two or three berms.</p> <p>Ian Galloway Park Public toilets: the southern end of Ian Galloway Park has had a dramatic increase in community use as a result of the completion of the Track and the fenced dog exercise area. There are currently no public toilets in the park. Park users are going to the toilet in the bushes behind the first berm and in the bushes at the northern end of the Track. This is highly undesirable. Capital BMX asks that the WCC build a public toilet at the southern end of Ian Galloway Park Car parking: The Track, the fenced dog exercise area, and the skate ramps, and the existing car parking at the southern end of Ian Galloway Park is inadequate for the number of people who use these park amenities. Capital BMX proposes the WCC extend the car park at the southern end of Ian Galloway Park.</p>
<p>Proposed advisory role to help Body Corporate progress earthquake strengthening projects.</p>	<p>Inner City Association</p>	<p>This is proposed in response to a growing need for advisory services to help progress earthquake strengthening projects in a body corporate environment. The proposal put to members was that the service would develop guidance, contract templates, deliver seminars, etc at an estimated cost of \$120 - \$150,000 pa. In a survey of members this was supported by 66% (23) of respondents with 34% (12) not in support. 47% ranked it as high priority, 32% medium priority and 21% low priority.</p>
<p>Funding of up to \$50,000 to review the asset plan</p>	<p>Renouf Tennis Centre</p>	<p>Tennis Central Region has a long-term asset plan that identifies future requirements in relation to court and capital expenditure maintenance. However the capital maintenance</p>

		aspect of the plan has been prepared by staff and volunteers and it would be highly beneficial to have a professional costed asset maintenance report prepared that either validates the current plan or proposes alternate timeframes and even projects to ensure the facility remains fit for purpose in the future
Funding of \$20,000 to meet the cost of the developed design phase and associated community engagement for the Vogelmorn Precinct.	Vogelmorn Precinct Steering group	In 2014/15, the Kaka Project, a community led and WCC supported consultation process, sought input and ideas from the wider Brooklyn community about how best to manage and organise its community facilities. Most submitters were supportive of a community precinct being developed around existing facilities in the Vogelmorn area. An independent Quantity Surveyor will be contracted to prepare a rough order of costs for implementing the concept design. This cost estimate is yet to be carried out. The Group also ask that Council resolve to retain permanently the Vogelmorn Hall property as a community facility and the adjacent former bowling green as open space for public use. .
A walking track along Marshall's ridge.	Glenside Progressive Association	Marshall Ridge is a ridgeline separating the Glenside and Stebbings Valleys and is protected by WCCs Ridgeline and Hilltops policy. A walking track would provide a wonderful recreational opportunity for residents of the three suburbs and visitors from elsewhere. The GPA recognises that Wellington City is generally well endowed with walking tracks. However there is a big gap in the track network in the rapidly expanding northern suburbs.
Small Reserves	Glenside Progressive Association	The Glenside Restoration Group is engaged in ridding a number of areas along the Stebbings Stream of invasive weeds and planting these areas with natives. A large portion of it is on private land where we must gain the approval of the landowner. Generally, we have been supported

Item 2.1

		<p>by the relevant landowners but liaison with them imposes an additional burden on us and carries the risk as to what could happen to our efforts if the land is sold. In such cases, and where there is community interest, we urge Council to try to purchase these pockets of land and vest them in small Council reserves. We urge Council to make an annual provision for this type of purchase.</p>
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Attachments

- Attachment 1. Low-Carbon Capital Plan Consultation Page 24
- Attachment 2. Urban Development Agency Consultation Page 31

Author	Helen Walker, Senior Strategy Advisor
Authoriser	Jeremy Baker, Director Strategy and Communications

SUPPORTING INFORMATION

Consultation and Engagement

This paper reports on the consultation process for the Annual Plan.

Treaty of Waitangi considerations

There are no Treaty of Waitangi implications. Te Tumu Herenga -ā-Tau – Māori Special Interest Group was held on 5 April with 38 people attending (excluding Councillors and staff).

Financial implications

There are no financial implications. See accompanying paper *Mayor's Proposals for Annual Plan*.

Policy and legislative implications

There are no policy and legislative implications.

Risks / legal

The consultation programme meets legislative requirements.

Climate Change impact and considerations

There are no climate change implications.

Communications Plan

Submitters will be advised of the decisions taken by the Council on the Annual Plan.

Appendix 1

DRAFT LOW CARBON CAPITAL PLAN

SUMMARY OF SUBMISSIONS AND NEXT STEPS

Introduction

The draft Low Carbon Capital Plan (LCCP) was included for consultation in the Draft Annual Plan (DAP).

Cities have a strong role to play as the source of 70% of greenhouse emissions and with 90% of them vulnerable to coastal impacts. Wellington City is no exception and we have already positioned ourselves as a leader on climate change with the lowest per capita emissions in Australasia.

However we need to keep moving forward by setting ambitious science-based targets and identifying a pathway to meet them. This is what the 2016 LCCP aims to achieve and we have invested significantly in improving the information that underlies our action planning. Building on the success of the 2013 Climate Change Action Plan the LCCP aims to continue some programs while adding significant action in three key areas: greening Wellington's growth; changing the way we move; and leading by example.

Reducing emissions is just one reason to invest in carbon-friendly action. Wellington consistently places high in quality of life measures, the highest in New Zealand by some surveys, partially because of its compact and liveable city centre. By investing in climate-friendly infrastructure, we can further promote compact, healthy, and liveable communities which also benefit our economy.

Submissions received

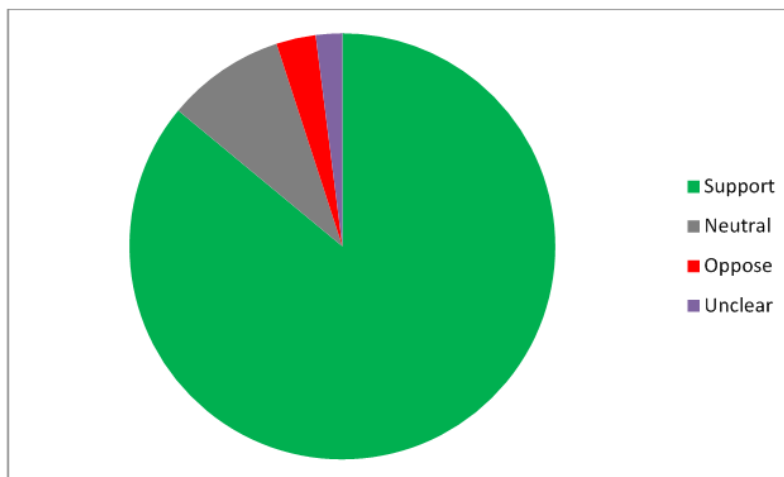
Approximately 157 submissions were received on the draft LCCP. Of these submissions 71% were received from individual submitters, 20% from community, volunteer and resident's organisations, and 9% from professional and business organisations. Some of the organisations represented include the Wellington Chamber of Commerce, the Sustainability Trust, Victoria University, Sustainable Business Network, the Property Council, OraTaiao New Zealand Climate and Health Council, Greater Wellington Regional Council and Generation Zero. We also received submissions from Wellington City Council's (WCC) Environmental Reference Group and Youth Council.

Submission analysis

Overall level of support for the LCCP

86% of submitters overall supported the LCCP, with 9% stating no preference, and 3% opposing the plan. Of the 86% supporting the plan 3% offered conditional or tentative support. The remaining 2% of submissions were unable to be clearly classified.

Fig 1: Overall support for the plan



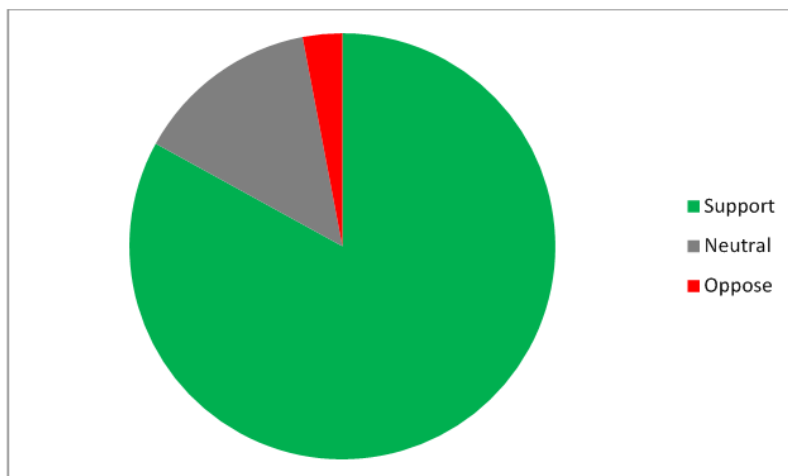
Questions posed in the proposal document

The draft LCCP included with the DAP posed three questions regarding the direction, actions, and targets in the plan.

Do you support Wellington City Council's aspiration to be the "low-carbon capital"?

83% of submissions supported WCC's aspiration to be the "low-carbon capital", 14% stated no preference, and 3% did not support this aspiration. 69% of submitters chose to answer this question.

Fig 2: Support for aspiration



Of those in support of the low-carbon capital aspiration 68% were from individual submitters, 22% from community, volunteer and resident's organisations, and 10% from professional and business organisations.

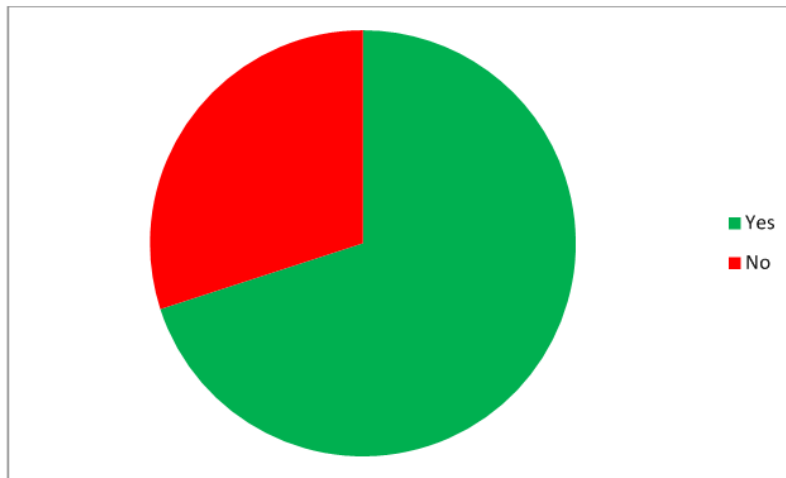
Of those opposing or remaining neutral regarding the aspiration all were individual submitters apart from one community organisation.

Will the activities proposed in the draft Low-Carbon Capital Plan contribute to a meaningful reduction in emissions?

70% of submitters agreed the proposals in the LCCP would contribute to a meaningful reduction in emissions and 30% did not. Of the 30% of submitters who did not believe meaningful emissions reductions would occur two-thirds stated in their written comments that the activities proposed in the LCCP were not ambitious enough.

54% of submitters chose to answer this question.

Fig 3: Will activities result in a meaningful reduction

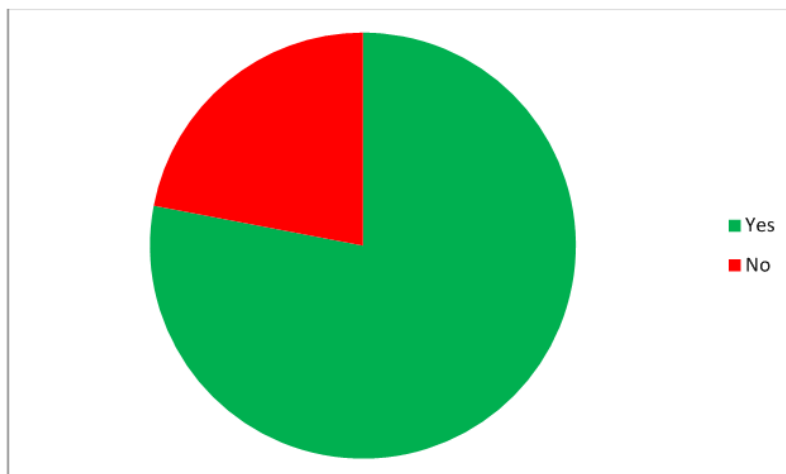


Of those in agreement that the LCCP would result in meaningful emissions reductions 80% were from individual submitters, 9% from community, volunteer and resident's organisations, and 2% from professional and business organisations.

Of those who disagreed 88% were from individual submitters and 12% from community organisations.

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

78% of submitters agreed with the recommended emission reduction targets for the city and 22% disagreed. Of the 22% who disagreed 53% stated in their written comments that the targets were not ambitious enough.



56% of submitters chose to answer the question. Of those in with the recommended emission reduction targets for the city 77% were from individual submitters, 12% from community, volunteer and resident's organisations, and 4% from professional and business organisations. Of those who disagreed 95% were from individual submitters and 5% from community organisations.

Key themes

Wellington showing leadership on urgent action to mitigate climate change

The most common thread throughout submissions was that urgent action on climate change is necessary and that WCC has a key role to play in emissions reduction activities and strategies.

"Unless we get this one right nothing else really matters because over time problems relating to climate change will dwarf any other problems that Wellington has." Submitter 161

These submitters also strongly felt that Wellington had a leadership role to play and could also share our experiences and expertise with other cities.

There was strong support for existing programmes.

A number of submitters believed council should play a much larger role in advocating for stronger action from central government.

Greater public engagement on climate change

A number of submitters expressed frustration at the lack of engagement with the general public about climate change issues and wanted WCC to put some resource towards a solution.

"A team of people dedicated to working with the community to provide accurate data, and positive options for Wellingtonians to contribute at a personal, local and national level to slow the rate of climate change." Submitter 156

Many of these submitters advocated for some kind of personal carbon calculator tool or app to be developed in order for individuals to be able to ascertain the impact of their behaviours and choices on their carbon footprint. Some mentioned the tool/app must include aviation and diet.

"This route of behaviour change campaign has been successful in reducing power use overseas and gives people a more practical understanding of what they can do to reduce their emissions and help meet the goal" Submitter 204

Integration with climate change adaptation and 100RC work-stream

Some submitters believed the climate change mitigation work outlined in the LCCP and the climate change adaptation work being developed as part of the 100RC resilience strategy should not be separate workstreams.

“The challenge here is to ensure we are getting the optimal mix of mitigation (low carbon) and adaptation (resilience).” Submitter 73

The 2020, 2030, 2040, and 2050 emissions reduction targets for Wellington City and WCC

A number of submitters felt that the targets should be more ambitious and that Wellington City should aspire to be Carbon Zero by 2050. Some submitters acknowledged the difficulties in meeting interim targets but urged greater ambition in longer-term targets.

“We support the revised 2020 carbon emissions reduction goal of a 10% reduction, reluctantly accepting that only small emissions reductions have been achieved to date. The 2050 target could be strengthened to 100% - this would signal awareness that the latest scientific evidence suggest that the world needs to aim for net zero carbon emissions by around 2050.” NZ Centre for Sustainable Cities (700)

A small number of submitters felt the targets should be checked by outside scientific experts for robustness. Some also felt that pathways should be set in each emissions sector showing how targets would be met. A couple of submitters expressed concern that baselines years for the targets had changed and did not want to see this become common practice.

Some submitters wanted to see accountability mechanisms developed to ensure the targets are met. These include measures around monitoring and reporting on progress.

Some submitters made the point that as the science on climate change impacts develops and evolves targets may need to be reviewed in light of new evidence.

Leading by example

A number of submitters thought Council could do a lot more to lead by example by accelerating transition of our vehicle fleet to EVs, discouraging air travel and promoting alternative communication methods such as video-conferencing and skype, engaging in sustainable procurement practices, and encouraging council staff to avoid travel by car in the CBD and favour walking, cycling, and public transport use.

Some submitters felt the Council could lead by example by ensuring council projects be treated as opportunities for demonstration projects (e.g. the Johnsonville library) using sustainable products, practices, and technologies.

Sustainable transport options

A large number of submitters supported efforts to facilitate the transition to private and public electric vehicle fleets.

Submitters supported the roll out of visible EV charging infrastructure as a means of increasing EV uptake by reducing “range anxiety” (the fear that an EV battery may run flat because there are no nearby charging facilities).

“ChargeNet agrees that one of the biggest contributions Councils can make to reduce range anxiety is streamlining the process for visible and accessible infrastructure in all of its capacity, including but not exclusive to consent processes and access to public spaces.” ChargeNet (312)

Some submitters stated that the aim should be to get cars off the road so while EVs were better than ICE vehicles they could still add to congestion.

Submitters supported car share schemes as a way of removing vehicles from the road.

“With greater density, public transport, walking and cycling options the need to own a car is reduced and less attractive. With encouragement, publicity, and promotion from WCC car shares like Cityhop would be seen as a viable alternative to car ownership.” Cityhop (561)

There was strong support for electrification of the public transport (PT) fleet with many submitters opposing the scrapping of the trolley buses until a fully electric alternative could be found. Many submitters also believed council should take a much stronger role in advocating for lower PT fares and more frequent, reliable, and accessible PT services and more park-and-ride facilities. A number of submitters wanted to see cycle facilities on buses and trains. Some submitters wanted to see further investigations into light rail.

Many submitters supported the rollout of the cycleway network and urged cyclist safety to be a key driver of this rollout. A number of submitters wanted to see improvement in the signage and quality of pedestrian routes in the city. Some submitters felt the LCCP did not pay enough attention to walking and cycling.

Some submitters supported congestion charging in order to discourage vehicle use in the CBD. The issue of “school drop-off” congestion was also raised by some submitters.

Waste, aviation and other miscellaneous comments

Feedback was also received on recycling/organic waste collection/sewage sludge and the role of aviation in climate change. A number of submitters spoke strongly against investment in the runway extension as it would result in additional emissions and was contrary to the overall goal of the LCCP. Comments were also received in support of more tree planting and leverage existing expertise in community.

Appendix 2

PROPOSED URBAN DEVELOPMENT AGENCY

SUMMARY OF SUBMISSIONS AND NEXT STEPS

Introduction

A proposed Council-led urban development agency (UDA) was included for consultation in the Draft Annual Plan (DAP). The idea of a UDA with broad ranging application has been discussed within Council since at least 2006 and was consulted on as part of the Long-Term Plan and with the adoption of the *Urban Growth Plan* (UGP) last year.

The UDA proposal in summary

The proposal put forward in the consultation document was for a council-controlled organisation (CCO) which is active in the property market by purchasing and assembling land parcels, preparing development briefs and procuring private development partners to deliver to those briefs. It would also actively work with other parts of Council to align Council policy and capital works projects. These actions would be carried out to support Council's strategic direction, particularly as set out in the UGP, and including:

- Regeneration of strategic precincts identified in the UGP (e.g. Adelaide Road).
- Increasing supply of affordable housing.
- Delivers large-scale Council development projects.
- Demonstration / catalyst projects (e.g. medium density housing).
- Optimising development on strategic sites (e.g. EQPB precincts).

Overall the proposal was developed to sufficient level of detail to obtain meaningful public feedback. More detailed work on the UDA's organisational mandate and structure would need to occur at a later date subject to Council support to proceed further with the proposal.

Feedback received

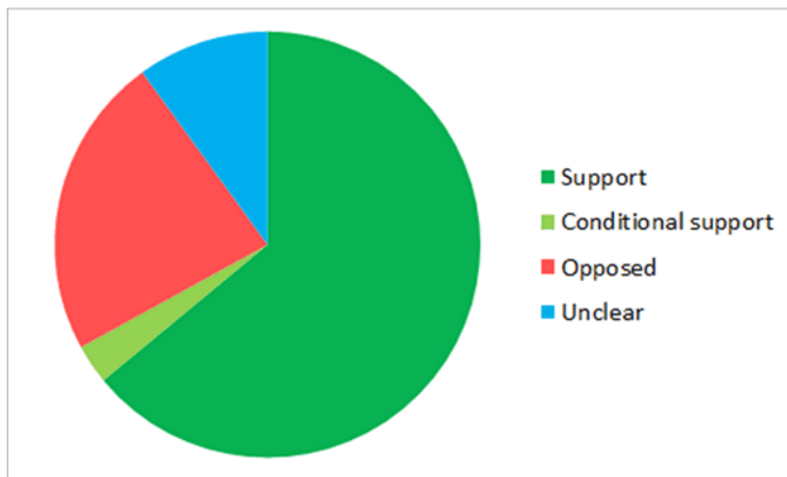
Submissions received

Approximately 130 submissions have been received on the proposal. 74% of these were received from individual submitters, 22% from community, volunteer and resident's organisations, and 9% from professional and business organisations. Some of the organisations represented include the Sustainability Trust, Wellington Civic Trust, Property Council, Victoria University, Generation Zero, Architectural Centre, New Zealand Institute of Architects and Council's own Environmental Reference Group. Special interest groups from within the City included the Brooklyn Community Association, Save Jack Illot Green,

Creswick Valley Residents Association, Enterprise Miramar Peninsula, Khandallah Business Association, Johnsonville Community Association and Newtown Residents Association among others.

Overall level of support for the UDA

64% of submissions supported the proposal, another 3% offered conditional or tentative support and 23% were opposed. The remaining 10% were unable to be clearly classified.

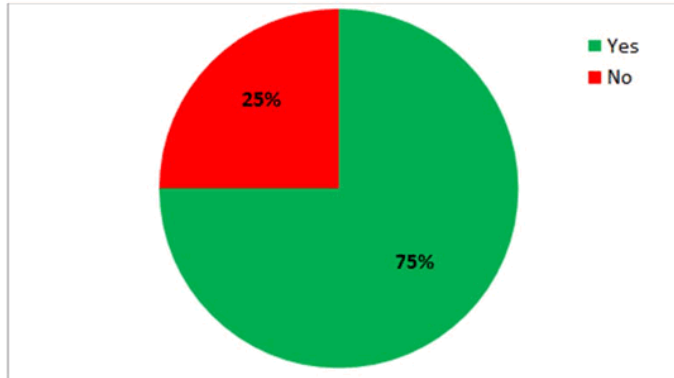


There was a high-level of support for the UDA in submissions made by organisations, with most of the opposition coming from individual submitters.

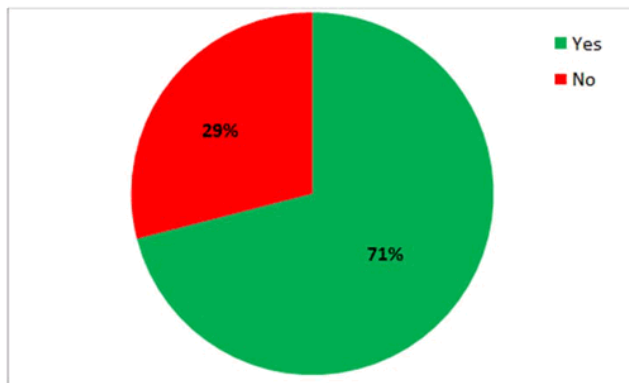
Questions posed in the proposal document

The consultation proposal document posed five questions to test the level of community support for key workstreams the UDA could be involved in. Not all submitters chose to answer these questions, but between 85 and 95 answers were received for each. The five questions and level of support for each type of activity is shown below. The comments received on the website have been incorporated into the 'key themes' section of this paper.

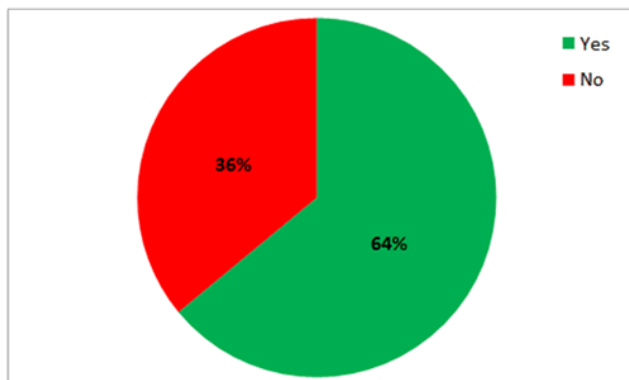
Question 1: Should Council establish a UDA to lead and co-ordinate the regeneration of strategic parts of the City?



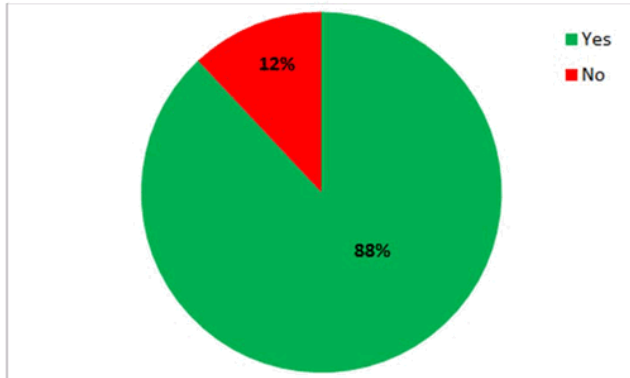
Question 2: Should Council establish a UDA to parcel land together and increase the supply of affordable housing?



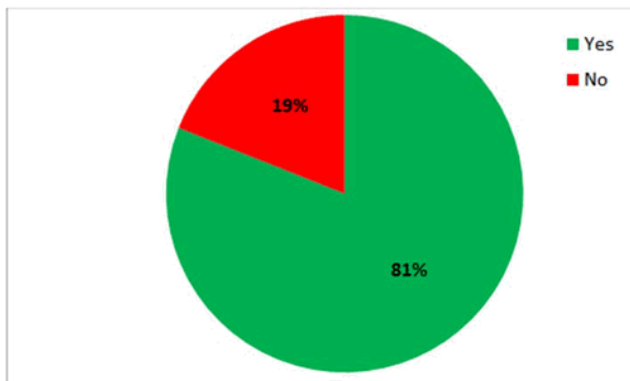
Question 3: Should Council establish a UDA to deliver large-scale Council projects?



Question 4: Should Council establish a UDA to demonstrate good practice in housing development, urban design and sustainability?



Question 5: Should Council establish a UDA to take a leadership role in areas where earthquake-prone building issues are preventing a timely market response?



Key themes

Submissions in support

Overall, issues raised in written feedback reflected the feedback on the five specific questions (see above). Expanding upon this the following themes emerged most strongly in written feedback from those submitters in support of the proposal.

Improving urban design and architecture in the City

Submissions noted that a UDA could undertake projects with exemplar urban design and architecture which could “lift” local areas and demonstrate to the private market how better built form outcomes can be achieved. Submissions of this nature were received from the Architectural Centre, Victoria University School of Architecture and Design, New Zealand Institute of Architects and a private architectural firm (Solari Architects). Some of these

submitters identified the potential of land aggregation undertaken by a UDA because of the design flexibility and potential created by larger sites.

Promoting environmental sustainability

In a similar vein submissions were received noting that the UDA could lead projects at the leading edge of sustainability and green building practices. This including using the UDA as a key tool in the delivery of the *Low Carbon Capital* plan also consulted on through the DAP process. Submissions of this nature were received from a number of individual submitters as well as community and volunteer groups such as Generation Zero, Council's Environmental Reference Group and the Khandallah Business Association.

Resilience and resolving earthquake prone building issues

A number of submissions noted that UDA projects should promote city resilience against natural hazards and climate change and also resolve earthquake prone building issues. Submissions of this nature were received from individual submitters and body corporates. An issue identified for body corporates was the requirement to strengthen EQPBs but being unable to raise the capital to do so because banks won't lend to them.

Supporting economic and physical growth in the City

The Wellington Chamber of Commerce and Wellington Branch of the Property Council submitted in favour of the UDA proposal and noted that it has the potential to stimulate growth in the city by promoting economic development projects (e.g. Film Museum and Convention Centre) and assembling larger development parcels that the private sector alone could not create (land fragmentation was cited as a major impediment to private sector led development in the City).

Submitters in support of the proposal generally saw a role for the UDA in realising better outcomes in the areas described above but there were some caveats to their support, as outlined below.

Board representatives must be carefully chosen

Submitters promoted the appointment of board members with a wide range of backgrounds including commercial property, social impact assessment, Māoridom and architecture. In addition, submitters with business and property backgrounds emphasised the importance of board members independent of Councillors (i.e. not Councillors). Some individual submitters and community / volunteer groups emphasised that the board should not be dominated by people with commercial / development backgrounds and must be carefully chosen to avoid conflicts of interest. Council's Environmental Reference Group expressed a view that people with social and environmental impact assessment backgrounds should be considered for board appointments.

UDA staff must be carefully chosen

Submissions from commercial organisations including the Wellington Chamber of Commerce and Stratum Management (one of Wellington's biggest residential developers) stressed the importance of employing decisive, high-calibre staff to carry out the UDA's activities. One submitter said in the DAP hearing "if you employ a fence sitter to run the UDA you'll very shortly wonder why you even bothered to set it up".

UDA must be subject to strong fiscal discipline

Submissions from the Chamber of Commerce and Property Council emphasised a firm preference for a UDA to have no upwards impact on rates, or if it does, to ensure that the benefits of the UDA's activities represent a clear return on rates investment. A number of submissions in opposition (see below) expressed concern about the potential financial impact of the UDA.

Submissions in opposition

From those submissions opposed to the UDA the following main themes emerged:

Council should not be involved in property development and partnerships

A number of individual submitters expressed the view that property development and partnership is not an activity Council should be involved in. One reason given by these submitters was that property development should be an exclusively private sector activity.

Development activities should not be exercised by an arms' length entity

A number of submissions, including from the Wellington Civic Trust, expressed the view that the types of activities in the UDA proposal should be undertaken from within Council, if at all. A related view was that undertaking these activities via an arms' length organisation would not provide sufficient accountability or transparency back to Council and ratepayers.

Concern about costs and financial risks

A number of submissions opposed to the UDA expressed concern that it would impose unnecessary costs on ratepayers and expose Council to an unjustified level of financial risk. Included in some of these submissions was a view that Council should focus on its "core business" (generally not defined but understood to include activities such as infrastructure provision and regulatory functions).

Council should not consider partnering with private developers

A number of individual submissions expressed the view that Council's public role cannot be easily reconciled with the profit seeking focus of private developers. Some of these raised a related concern that private partners would gain large margins off projects at the expense of the UDA / ratepayers.

Iwi consultation

Officers consulted with Port Nicholson Block Settlement Trust, Wellington Tenth Trust and Ngāti Toa Rangatira, all being entities representing the mana whenua interests in Wellington City. None of these entities made a formal submission, but positive feedback was received from each. Each entity expressed interest in having an influence on the UDA's activities, including through board representation.

Summary

Overall, submissions showed a high-level of support for the proposal. Feedback also outlined the importance of undertaking further work in critical areas to ensure that the UDA:

- has a clear mandate and defined focus areas;
- is properly accountable to and monitored by Council;
- has the right governance arrangements; and
- operates with a clear and financially sustainable business model.

This is consistent with advice in the UDA business case and the pathway recommended by officers.

With a broad level of support now identified further work can be undertaken to flesh out the relationship of a UDA to Council, organisational design, and more specificity arrived at for the focus areas for the UDA (e.g. design quality, housing delivery etc.). The submission process has proved useful for introducing new ideas and solutions which can be considered in this next stage of work. For example, a range of views were put forward about the required skills and background of board members.

2016/17 ANNUAL PLAN: FEES AND CHARGES AND OTHER FUNDING CONSIDERATIONS

Purpose

1. The purpose of this report is to provide an overview of the feedback received through public consultation on the proposed 2016/17 Annual Plan fees and charges, the new Kilbirnie Business Improvement District (BID) targeted rate, and other funding considerations, and make recommendations on these.

Summary

2. Wellington City Council undertook public consultation on the proposed 2016/17 Annual Plan from 29 March to 29 April 2016, which included changes to Council fees and charges and the introduction of a new targeted rate for the Kilbirnie BID.
3. The fee changes that were consulted on cover the following areas:
 - Burials and Cremations
 - Trade Waste
 - Landfill
 - Swimming Pools
 - Recreation Centres
 - Public Health Regulations (Food Act fees)
4. In total, 66 submissions were received on the proposed changes to fees and charges (including Food Act Fees) and 61 submissions on the proposed Kilbirnie BID targeted rate. The details of the submissions are discussed in the Mayor's Proposals for the Annual Plan report (Item 2.3) of this agenda, but the key points relating to fees and charges and funding mechanisms are summarised below.
5. The report also seeks to clarify that no changes are being proposed to the Development Contributions Policy, and therefore the current policy adopted by Council on 24 June 2015 (effective from 1 July 2015) will apply until it is reviewed again within the three-year statutory time limit.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Recommend to Council to adopt the fees and charges (including Food Act Fees) in attachment 1.
3. Recommend to Council to include in the 2016/17 Annual Plan, a targeted rate totalling \$80,000 (excluding GST) to be applied to the commercial rated properties in the Kilbirnie Business Improvement District Area.
4. Recommend to Council to maintain the general rate differential at 2.8:1 (Commercial:Base) for the 2016/17 Annual Plan.
5. Note that the existing Development Contributions Policy adopted by Council on 24

June 2015, effective from 1 July 2015, will apply until it is reviewed again within the three-year statutory time limit.

Background

6. Wellington City Council undertook public consultation through the special consultative procedure on the 2016/17 AP from 29 March to 29 April 2016.
7. Over 750 written submissions were received during the consultation process, with around 70 people presenting at the oral hearings held during 2nd week of May 2016.

Discussion

Food Act Fees

8. There were 65 responses received in relation to proposals for new fees to be set as an outcome of the Food Act 2014 which came into effect on 1st March 2016. Of those 65 responses, 46 submitters agreed with the proposals (71%).
9. The detailed feedback on the Food Act fees are summarised in the Mayor's Proposals for the Annual Plan report (Item 2.3) of this agenda.
10. The following changes to the Food Act Fees are being proposed as a result of consultation on the 2016/17 Annual Plan:
 - Introduction of a reduced Food Control Plan verification fee (\$155) for businesses with a reduced scope of operations.
 - Waiving the verification fee for licensed Early Childhood Education Centres (ECEs).

Other fees and charges (non-Food Act Fees)

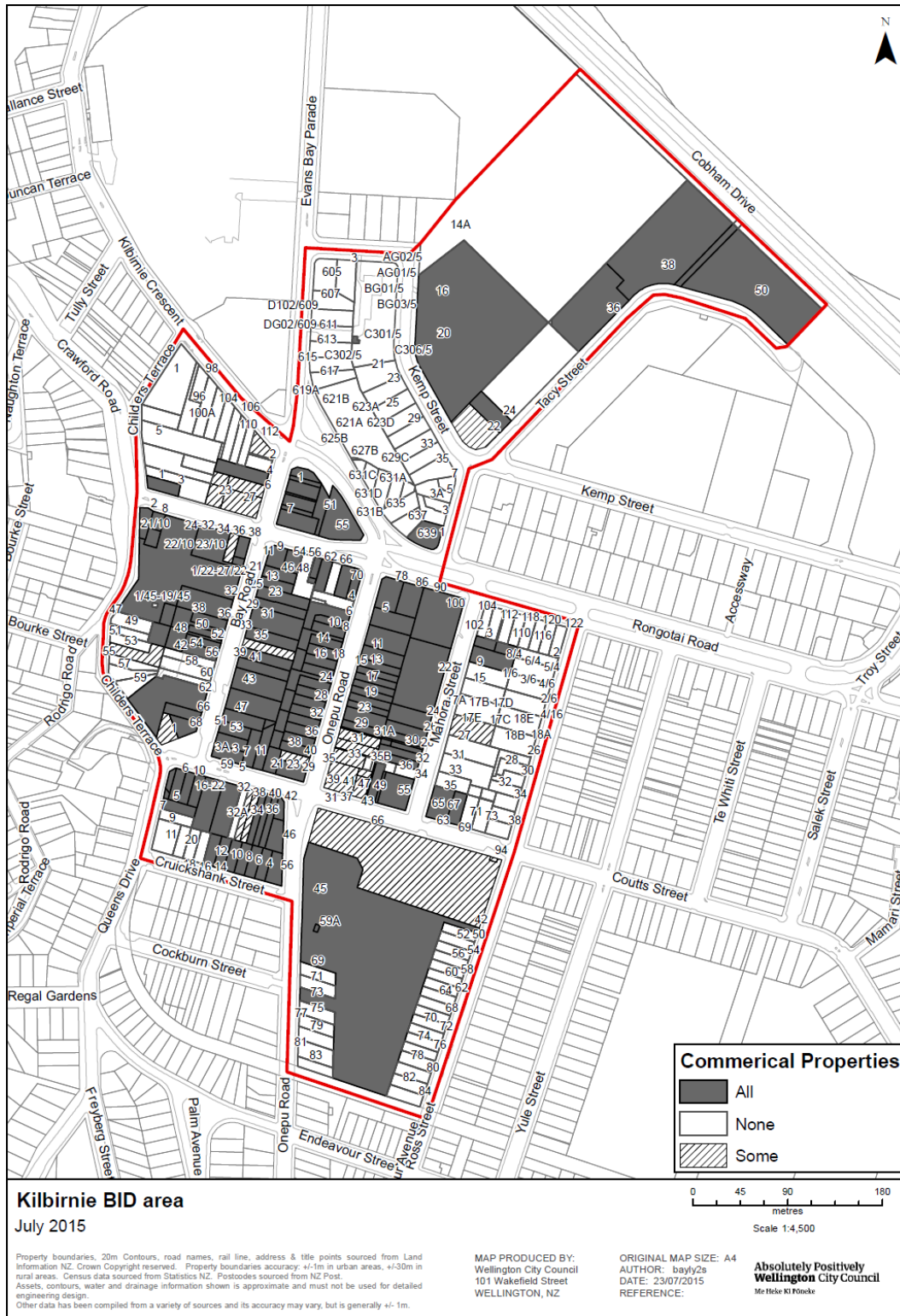
11. Other fee changes were proposed for the following areas:
 - Burials and Cremations
 - Trade Waste
 - Landfill
 - Swimming Pools
 - Recreation Centres
12. Only one submission was received during the consultation process for fees and charges that are not related to the Food Act. The submitter expressed concern over the fees charged for recreation activities at the ASB Centre, and suggested free entry to swimming pools for children under 5 years old with 'token' payment for supervising adults.
13. The changes to fees and charges were proposed after revenue and financing workshops with Councillors where consideration was given to who benefits and who should pay for services and other revenue and financing matters.
14. Given we are continually working to make the delivery of our services more efficient, there are only two other options for funding these services. Either:
 - Reduce the levels of service, or

-
- Charge ratepayers to enable further subsidy of these services (irrespective of whether they use the service or not).
15. If the proposed increases to fees and charges are not accepted, the funding considerations and beneficiaries in the revenue and financing policy may need to be revisited and the equivalent value potentially reverting back to rates funding.
 16. Due to the above reasons, the sound principles of the policy, and the low number of submissions received, officers are not recommending any changes to proposed fees and charges as a result of consultation.

Rating Mechanisms

New targeted rate for Kilbirnie Business Improvement District

17. A new targeted rate is being proposed to be included in the AP under the terms of the Business Improvement District Policy, for \$80,000 (excluding GST) to be applied to commercially rated properties in the Kilbirnie Business Improvement District area (please refer to map below).
18. Liability for this rate will be calculated as a fixed amount of \$500 (excluding GST) per rating unit, plus a rate per dollar of rateable capital value for any capital value over \$1 million per rating unit.
19. 61 submissions were received with 48 submissions supporting the proposal. The detailed feedback on the proposed BID targeted rate is summarised in the Mayor's Proposals for the Annual Plan report (Item 2.3) of this agenda.



Other funding considerations

Rating levels and rates increase

20. There were a small number of submissions expressing concern over the proposed rates increase (3.8%) for the 2016/17 Annual Plan, and the difference to the increase anticipated in the Long-term Plan (3.6%). Officers note that it is Council's intention to bring the rates back within the limits set in the LTP as part of the Annual Plan deliberations process.

General Rates Differential

21. Overall there was very low level of feedback from consultation specifically relating to the general rating differential.
22. A submission from the Property Council of New Zealand stressed that projects being proposed to be funded out of commercial rates need to demonstrate the economic benefits to Wellington and the majority of the commercial ratepayers who are funding it. It is the Property Council's view that the Annual Plan does not necessarily reflect the benefits derived by the sector.
23. The main purpose of applying a general rates differential is to reflect the different ability of groups of ratepayers to pay, maintaining the affordability of rates to all sectors. It can also be used to reflect different services or levels of service received by different rating sectors.
24. The level of the differential needs to take into account the full rating impost on each sector, as total rates impost varies across sectors based on targeted rates as well. The focus on a cost benefit analysis to determine rating impost would not meet the legislative requirements as it focuses on general rates being akin to a 'user charge' rather than as a form of property taxation.
25. The impact of this level of rating including the effect on the commercial sector and the impost on households, was reviewed during the 2015-25 Long-term Plan and discussed as part the funding workshops with Councillors during February 2016.
26. After considering the current level of general rate differential, the impost of the differential and all other rates on each sector, and the affordability of the rates on each sector the maintenance of the general rate differential at 2.8:1 (Commercial: Base) imposes rates at a level deemed affordable to all sectors, and at a level of minimal change to current rating.
27. This ratio also maintains the historical purpose (and the transfer of funding) of the differential after considering the affordability of rates, and the ability to pay.

Development Contributions Policy

28. The existing Wellington City Council Development Contributions (DC) Policy was adopted by Council on 24 June 2015 as part of the 2015-25 LTP process.
29. No changes are being proposed to the DC Policy and charges as part of the 2016/17 Annual Plan.
30. For consistency with previous practice, the existing Development Contributions Policy adopted by Council on 24 June 2015, effective from 1 July 2015, will apply until the time a review of the policy is done and consulted on at a future point in time.

Attachments

Attachment 1. 2016/17 Annual Plan Fees and Charges

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Authors	Alina Shpirt, Funding Analyst Su Mon, Specialist Funding Advisor, Finance Strategy and Planning Martin Read, Manager Financial Strategy and Planning
Authoriser	Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Consultation and Engagement

The proposed fees and charges have been consulted on with the community through the 2016/17 Annual Plan special consultative procedure under the Local Government Act 2002.

Treaty of Waitangi considerations

Targeted consultation was undertaken with Iwi as part of the 2016/17 Annual Plan consultation process using existing relationship channels.

Financial implications

This report discusses the key funding policy considerations for the 2016/17 Annual Plan. These underpin the financial forecasts in the AP and therefore decisions made on these documents will impact on our operational and capital expenditure forecasts. The impact of these decisions and recommendations of this report are significant.

Policy and legislative implications

This report meets all statutory requirements under the Local Government Act 2002, and is consistent with Council policy.

Risks / legal

This report meets all statutory requirements under the Local Government Act 2002.

Climate Change impact and considerations

Implications of climate change have been considered in relation to the 2016/17 Annual Plan, and therefore funding implications as related to the strategy and policies.

Communications Plan

Communication will be through the 2016/17 Annual Plan communication plan.

2016/17 Annual Plan: Fees and User Charges

The 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 set 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.

In line with that policy, we have made some changes to fees and charges in the following areas:

- Burials and Cremation
- Trade Waste
- Landfill
- Swimming Pools
- Recreation Centres

In addition, new Food Act fees and fee structure have been incorporated through Public Health Regulations, with the introduction of the Food Act 2014 which passed into law in June 2014.

New fees will be implemented as of 1 July 2016 and are inclusive of GST. For more information see www.Wellington.co.nz

Burials and cremation

Listed below are the increases to some of our fees for burials and cremations.

Burials and Cremation Fees	2015/16 Fee	2016/17 Fee
Adult Plot: Plaque Lawn Beam fee	\$158.00	\$166.00
Children's Section Beam fee	\$158.00	\$166.00
Denominational Areas Beam fee	\$158.00	\$166.00
Ash Plots Beam fee	\$158.00	\$166.00
Extras – Concrete stand large	\$80.00	\$85.00
Extras – Late service fee	-	\$50.00
Miscellaneous – Wooden adult urns	\$68.00	\$78.00
Miscellaneous – Wooden infant urns	\$32.00	\$40.00

Trade Waste

Listed below are the increases to our fees for trade waste.

Conveyance and Transport of Trade Waste	2015/16 Fee	2016/17 Fee
Volume		
Up to 100m ³ /day	\$0.28/m ³	\$0.29/m ³
Between 100m ³ /day and 7000m ³ /day	\$0.13/m ³	\$0.13/m ³
Above 7000m ³ /day	\$0.89/m ³	\$0.91/m ³

Conveyance and Transport of Trade Waste	2015/16 Fee	2016/17 Fee
B.O.D (Biochemical Oxygen Demand)		
Up to 3150kg/day	\$0.30/m3	\$0.31/m3
Above 3150kg/day	\$0.68/m3	\$0.69/m3
Suspended Solids		
Up to 1575kg/day	\$0.29/m3	\$0.30/m3
Above 1575kg/day	\$0.55/m3	\$0.56/m3

Landfill

Listed below are the increases to our fees for the landfill.

Landfill Fees	2015/16 Fee	2016/17 Fee
Green Waste Disposal (per tonne)	\$56.40	\$58.10
General Waste Disposal (Domestic) – per tonne	\$121.80	\$158.00
General Waste Disposal (Domestic) – minimum charge	\$8.00	\$10.00

Swimming Pools

Listed below are the increases to some of our fees for swimming pools. For a full listing of all fees, see <http://wellington.govt.nz/recreation/get-active-indoors>.

Pool and Programme Fees – General POS	2015/16 Fee	2016/17 Fee
Adult Swim	\$5.90	\$6.00
Adult 10 concession card	\$48.80	\$54.00
Adult 20 concession card	\$97.60	\$108.00
Adult 30 concession card	\$146.00	\$162.00
Child Swim	\$3.60	\$3.70
Child 10 concession card	\$29.90	\$33.30
Child 20 concession card	\$59.80	\$66.60
Child 30 concession card	\$89.70	\$99.90
Leisure Card Child Swim	\$1.70	\$1.90
Child Swim & Spa	\$4.70	\$4.90
CP Child Spa 10 Concession	\$22.50	\$23.40
CP Leisure Card Sauna	\$2.40	\$2.50
CP Leisure Card Sauna/Spa 10 trip	\$24.00	\$25.00
CP Leisure Card Spa	\$2.40	\$2.50
CP Sauna	\$4.80	\$5.00
CP Sauna & Swim	\$7.00	\$7.20
CP Spa	\$4.80	\$5.00
CP Spa 10 Concession	\$43.20	\$45.00
CP Spa Child	\$2.50	\$2.60
CP Swim & Spa	\$7.00	\$7.20
Sauna/Spa 10 Concession	\$43.20	\$45.00
Spa Top-up	\$1.10	\$1.20
Spa Under 5	\$1.20	\$1.30
Spectator child swim meet 10 - 16 years	\$2.00	\$2.10
Spectator Swim Meet	\$2.00	\$2.10
Shower	\$2.30	\$2.50
Freyberg Hotspot	\$15.00	\$15.50
Freyberg Hotspot 10 concession	\$43.20	\$45.00
Freyberg Nutrition Workshop - Member	\$10.00	\$10.50
Freyberg Nutrition Workshop - Non Member	\$20.00	\$20.50

Pool and Programme Fees – General POS	2015/16 Fee	2016/17 Fee
Leisure Card Steamroom	\$2.40	\$2.50
Karori Ocean Swim	\$11.00	\$11.50
Khandallah Adult	\$3.00	\$3.10
Khandallah Child	\$1.50	\$1.60
KSP Ocean Swim	\$11.00	\$11.50
Tawa - Adult Offpeak Swim	\$3.00	\$3.10
Tawa - Child Swim (August deal)	\$3.00	\$3.10
Tawa Toddler Day	\$1.20	\$1.30
Tawa WeetbixTRY Training	\$3.60	\$3.70
WRAC Club Active Class	\$10.70	\$11.00
WRAC Club Active Class Leisurecard	\$5.40	\$5.50
WRAC Spa Exclusive Access (30min) in addition to entry fee		\$6.00
WRAC Spa/Sauna/Swim Adult (Hotspot)		\$8.80
WRAC Spa/Sauna/Swim Adult (Hotspot) 10 pass		\$79.20
WRAC Spa/Sauna/Swim Adult (Hotspot) 10 pass LC		\$39.60
WRAC Spa/Sauna/Swim Adult (Hotspot) LC		\$4.40
WRAC Spa/Sauna/Swim Child (Hotspot)		\$4.40
WRAC Spa/Sauna/Swim Child (Hotspot) 10 pass		\$39.60
25m Lane Hire 1hr Commercial	\$16.00	\$16.50
25m Lane Hire 1hr Non Commercial	\$8.00	\$8.20
50m Lane Hire 1hr Commercial	\$32.00	\$33.00
50m Lane Hire 1hr Non Commercial	\$16.00	\$16.40
Aquafitness	\$10.70	\$11.00
Aquafitness 10 session	\$96.30	\$99.00
Aquafitness Leisure Card	\$5.40	\$5.50
Aquafitness Leisure Card 10 concession	\$54.00	\$55.00
BBQ Hire	\$26.50	\$27.00
Bike Only	\$3.00	\$3.10
Coffee - Tawa Pool	\$3.00	\$3.10
Diving Comp	\$5.00	\$5.20
Diving Competition	\$5.00	\$5.20
Diving Family	\$10.00	\$10.20
Diving Spec Adult	\$5.00	\$5.20
Diving Spec Child	\$2.00	\$2.10
Duathlon	\$10.00	\$10.20
Extension Course	\$25.60	\$26.00
F/C Mat hire	\$2.00	\$2.10
F/C small group booking	\$100.00	\$102.00
Family Pass	\$15.40	\$15.90
Fat Blast Fitness Centre	\$20.00	\$20.50
Flippaball	\$3.60	\$3.70
Flippaball Comp entry	\$59.00	\$60.00
Funk Party	\$5.90	\$6.00
LTS Karori Swim Meet	\$8.00	\$8.20
LTS KSP Swim Meet	\$5.50	\$5.70
LTS Tawa Swim Meet	\$5.50	\$5.70
Mah jong	\$1.60	\$1.70
Police Test	\$17.00	\$20.00
Programme Finals	\$2.50	\$2.60
Programme heats sessions	\$10.00	\$10.20
Recreation Evening \$5.00	\$5.00	\$5.20

Pool and Programme Fees – General POS	2015/16 Fee	2016/17 Fee
Replacement Card \$5.40	\$5.40	\$5.50
Replacement Card Coaches	\$16.00	\$16.50
School Swim	\$1.20	\$1.30
School Zones	\$1.10	\$1.20
Seniors Week - Aqua Therapy KSP	\$2.00	\$2.10
Speed Zone	\$15.00	\$15.50
Spin - 10 Trip	\$112.50	\$115.00
Spin - Casual	\$12.50	\$13.00
Spin - Member	\$2.00	\$2.10
Spin 10x member card	\$20.00	\$20.50
Starts and Turns Clinic (LTS)	\$10.00	\$10.20
Steamroom	\$4.80	\$5.00
Swim Meet programme session	\$2.00	\$2.10
Swim meet all heats sessions programme	\$8.00	\$8.20
Swim Meet Programme Karori Meet	\$2.00	\$2.10
Swim Under 5 yrs	\$1.20	\$1.30
Tama Ora - Aquafit	\$5.40	\$5.50
Tama Ora - Swim	\$3.00	\$3.10
Weet-bix Tri	\$10.00	\$10.20

Pool Fees – Rental Fees	2015/16 Fee	2016/17 Fee
Pools - BBQ	\$26.50	\$27.00
Freyberg - Aerobics Room - Commercial	\$41.80	\$42.60
Freyberg - Aerobics Room - NC	\$20.90	\$21.30
Pool - whole (excl WRAC)	\$83.50	\$85.20
Pool - whole (excl WRAC) - Commercial	\$167.00	\$170.40
Pool Hire 30 metre set up	\$72.00	\$73.50
Pool Hire 30 metre set up - Commercial	\$144.00	\$147.00
Pool Hire 50 metre - Commercial	\$240.00	\$367.20
Pool Hire 50 metre Pool	\$120.00	\$183.60
Pools - Group Fitness Room	\$28.00	\$30.00
Pools - Group Fitness Room - Commercial	\$56.00	\$60.00
Pools - Hourly Massage room	\$10.00	\$11.00
Pools - Kayak	\$34.70	\$35.40
Pools - Lane Hire 25m	\$8.00	\$8.20
Pools - Lane Hire 25m - Commercial	\$16.00	\$16.40
Pools - Lane Hire Thorndon	\$13.30	\$13.60
Pools - Massage room (4hr session)	\$40.00	\$40.80
Tawa Pool - whole (Tawa Pool only)	\$50.00	\$51.00
Tawa Pool - whole (Teaching pool only)	\$25.00	\$25.50
Trestle Tables	\$14.00	\$15.00
WRAC - Events office	\$10.00	\$11.00
WRAC - Lane Hire 50m	\$18.00	\$18.50
WRAC - Lane Hire 50m - Commercial	\$36.00	\$37.00
WRAC - Office	\$10.00	\$11.00
WRAC - Storeroom	\$10.00	\$11.00

Pool Fees – Other Rental Fees (non POS items)	2015/16 Fee	2016/17 Fee
Freyberg - Aqua Instructor charge	\$55.10	\$56.20
Freyberg - PST 1 child	\$6.80	\$6.90

Pool Fees – Other Rental Fees (non POS items)	2015/16 Fee	2016/17 Fee
Freyberg - PST 2 child	\$10.00	\$10.20
Freyberg - PST 3 child	\$13.40	\$13.70
Freyberg - Spa Pool Hire	\$104.00	\$106.50
Karori - Aquatic Activity Instructor	\$28.00	\$30.50
Karori - Inflatable	\$65.00	\$66.50
Karori - Schools Instructor	\$25.00	\$25.50
Khandallah - Adult Swim	\$3.00	\$3.10
Khandallah - Child Swim	\$1.50	\$1.60
KSP - Aquatic Activity Instructor	\$30.00	\$30.50
KSP - Flippaball registration fee	\$59.00	\$60.20
KSP - Schools Instructor	\$25.00	\$25.50
Sound System / Underwater speakers Full Day	\$160.00	\$164.00
Sound System 1/2 day	\$80.00	\$82.00
Tawa - Aquatic Activity Instructor	\$30.00	\$30.50
Tawa - Inflatable	\$60.00	\$61.50
Tawa - Schools Instructor	\$25.00	\$25.50
WRAC - Aqua Instructor charge	\$60.00	\$61.50
WRAC - Aquatic Activity Instructor	\$30.00	\$30.50
WRAC - Birthday Party Child	\$4.50	\$4.70
WRAC - Events Passes - Adult	\$5.50	\$6.00
WRAC - Events Passes - Child	\$2.50	\$3.70
WRAC - Fitness Class	\$10.60	\$11.00
WRAC - Inflatable	\$60.00	\$80.00
WRAC - Lifeguard non commercial	\$30.00	\$45.00
WRAC - Massage Space	\$33.10	\$35.00
WRAC - Police Swim Test	\$17.00	\$18.00
WRAC - Rugby Recovery	\$7.40	\$7.60
WRAC - Schools Instructor	\$25.00	\$25.50
WRAC - Scoreboard/BigScreen	\$120.00	\$125.00
WRAC - Showers	\$2.30	\$2.50
WRAC - Staff Hire	\$42.00	\$45.00

Pool Fees – Swim Memberships	2015/16 Fee	2016/17 Fee
Adult Monthly	\$59.25	\$60.50
Adult Yearly	\$710.45	\$724.60
Child Monthly	\$35.45	\$36.20
Child Yearly	\$426.30	\$434.80
Adult Monthly LC	\$29.63	\$30.25
Adult Yearly LC	\$355.23	\$362.30
Child Monthly LC	\$17.73	\$18.10
Child Yearly LC	\$213.15	\$217.40
Adult Monthly Swim Club	\$50.36	\$51.40
Adult Yearly Swim Club	\$603.88	\$615.90
Child Monthly Swim Club	\$30.13	\$30.70
Child Yearly Swim Club	\$362.36	\$369.60

Pool Fees – Aquatic Programme	2015/16 Fee	2016/17 Fee
Beg School age (Up to Adv 1)	\$13.50	\$14.00
Int School age (Adv 2-3)	\$14.50	\$15.00
Adv School age (Mini squad / sport fit)	\$15.00	\$15.50

Pool Fees – Other Programmes	2015/16 Fee	2016/17 Fee
Adult Swim	\$14.50	\$15.00
Adult Kayak	\$28.10	\$28.70
Adult Kayak WRAC	\$19.00	\$19.40
Child Diving KSP	\$15.10	\$15.40
Child Diving WRAC	\$15.50	\$15.80
Child Kayak	\$15.10	\$15.40
Child Snorkelling	\$15.10	\$15.40
Aquatic Club	\$15.10	\$15.40
Private lesson	\$60.00	\$61.50
Tai Chi	\$9.50	\$9.70
Multisport Adult	\$21.60	\$22.00
Multisport Child	\$16.20	\$16.50
CART	\$6.00	\$6.10

Recreation Centres

Listed below are the increases to some of our fees for Recreation Centres. For a full listing of all fees, see <http://wellington.govt.nz/recreation/get-activeindoors>.

Recreation Fees – Community Recreation Centres	2015/16 Fee	2016/17 Fee
Facility Court Hire - Off Peak	\$27.00	\$30.00
Facility Court Hire - Peak	\$48.00	\$50.00
Facility Court Hire - Kilbirnie Rec Peak (one off events)	\$58.50	\$60.00
Facility Court Hire - Kilbirnie Rec (Commerical)	\$100.00	\$105.00
Facility Room Hire-Rec Centre Meeting Room - Semi Comm	\$21.00	\$25.00
Facility Room Hire-Rec Centre Meeting Room - Non Comm	\$16.00	\$18.00
Casual Play – Adult	\$3.20	\$3.50
Casual Play – Child	\$1.60	\$2.00
Casual Play – Leisure Card	\$1.60	\$1.80
Badminton – Casual	\$1.80	\$2.00
Tinytown – Preschool	\$4.20	\$4.50
Tinytown – Leisure Card	\$2.10	\$2.20
Tinytown – Earlybird	\$6.70	\$6.80
Tinytown – Earlybird Leisure Card	\$5.30	\$5.50
Programmes		
Active Fun Play / Gym Jam	\$4.50	\$5.50
Preschool 0-2	\$7.00/\$8.50 Casual	\$7.00/\$9.50 Casual
2 to 5	\$7.00/\$8.50 Casual	\$7.00/\$9.50 Casual
School Age Programmes	\$8.50	\$9.00
Kilbirnie Rec Centre (skateboarding/rollerskate/rollerblade etc)	\$9.40	\$10.50
Kilbirnie Rec Centre LC (skateboarding/rollerskate/rollerblade etc)	\$7.50	\$8.40
Social Netball League (adult)	\$55.00 per week	\$60.00 per week
Miniball League	\$225.00 per team/per term	\$300.00 per team/per term
Basketball League	\$262.50 per team/per term	\$300.00 per team/per term

Recreation Fees – Community Recreation Centres	2015/16 Fee	2016/17 Fee
Parkour (Karori)		\$12.50
Ezy Movers	\$5.00	\$5.50
Holiday Programme	\$32.00/\$42.00 Casual	\$35.00/ \$45.00 or \$50.00 Casual

Recreation Fees – Indoor Community Sports Centre (ASB)	2015/16 Fee	2016/17 Fee
Facility Court Hire - Off Peak	\$37.00	\$40.00
Facility Court Hire - Peak	\$55.00	\$60.00
Facility Room Hire - Matairangi Room 1hr	\$40.00	\$41.00
Facility Room Hire - Ngake Room 1hr	\$20.00	\$20.50
Facility Room Hire – Ngake/Whataitai Room 1hr	\$40.00	\$41.00
Facility Room Hire - Whataitai Room 1hr	\$20.00	\$20.50
Casual Play – Adult	\$3.20	\$3.50
Casual Play – Child	\$1.60	\$2.00
Casual Play – Leisure Card	\$1.60	\$1.80
Badminton – Off Peak	\$9.00	\$11.00
Badminton –Peak	\$14.00	\$16.00
Volleyball – Off Peak	\$24.00	\$24.50
Volleyball –Peak	\$37.00	\$38.00
Table Tennis – Off Peak	\$9.00	\$10.00
Table Tennis –Peak	\$14.00	\$16.00
Programmes – Preschool 0-2	\$6.00	\$7.00
Programmes – Preschool 2-5	\$6.00	\$7.50

Public Health Regulations

New fees and fee structure for Food Act fees under the new Food Act 2014 have been introduced and are listed below.

Public Health Food Act 2014 Fees – Food Control Plan	Time Included	2016/17 Fee
Registration	1 hour	\$155.00
Registration 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		
1 st verification	2.5 hours	\$387.50
2nd verification	2.5 hours	\$387.50
Reduced verification	1 hour	\$155.00
Compliance		
Notice	1 hour	\$155.00

Public Health Food Act 2014 Fees – Food Control Plan	Time Included	2016/17 Fee
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

Public Health Food Act 2014 Fees – National Programme	Time Included	2016/17 Fee
Registration	1 hour	\$155.00
Registration renewal/Re-register	half hour	\$77.50
Amendment		
Change of circumstances	half hour	\$77.50
Voluntary suspension	half hour	\$77.50
Verification		
1 st 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

MAYOR'S PROPOSAL FOR THE 2016-17 ANNUAL PLAN

Purpose

1. This paper provides the Mayor's recommendations for the Annual Plan 2016/17 regarding:
 - Change proposals included in the Annual Plan Consultation Document
 - Other new initiatives in the Annual Plan Consultation Document
 - Initiatives arising from submissions on the Annual Plan Consultation Document
 - Other funding and budget phasing proposals
2. A proposal for maintaining the 2016/17 rates increase at 3.6% as set out in the Council's 2015-2025 Long-term Plan (LTP) is also outlined.

Summary

3. Through its Annual Plan 2016/17 Consultation Document (AP CD) the Council has consulted with the community on a number of proposed variances from year two (2016/17) of the LTP. Feedback received on these proposals is summarised in a separate report on the Annual Plan 2016/17 Annual Plan Consultation Process.
4. The submission process showed general support for the initiatives in the AP CD. After some minor alterations due to feedback through the consultation process all proposals included in the AP CD are included in this proposal. Also included are a small number of additional initiatives arising through the consultation process, funded from reprioritised savings, lower depreciation expense (as a result of rephased capex) and a lower rates requirement for the City Growth Fund in 2016/17.
5. Recommendations in this report are grouped into five areas relating to:
 - the five proposals that varied the parameters of the LTP, included in recommendations 2 to 7.
 - other new initiatives included in the AP CD, included in recommendations 8 to 10.
 - additional initiatives in response to submissions and other information received during the consultation process in recommendations 11 to 12.
 - other proposed changes to funding and budget phasing from the AP CD included in recommendations 13 to 16.
 - recommendations relating to the full suite of projects and programmes to be incorporated in the Annual Plan 2016/17 included in recommendations 17 to 21.
6. In their entirety these recommendations result in:
 - a proposed rates increase of 3.6%, in-line with that proposed for 2016/17 in the 2015-25 Long-term Plan.
 - total closing borrowing of \$473.2 million for 2016/17, compared to a \$492.0 million forecast for 2016/17 in the 2015-25 Long-term Plan.

Recommendations

That the Governance, Finance and Planning Committee:

1. **Receive** the information.
2. **Low Carbon Capital Plan**
 - a. **agree** that the proposed changes to the Draft Low Carbon Capital Plan (LCCP) resulting from feedback received are made and brought back to Council for adoption in June 2016;
 - b. **note** that key performance indicators (KPIs) for each of the LCCP action area and a reporting framework will be developed and taken to the Environment Committee in August 2016;
 - c. **agree** as a result of the car sharing initiative there is an reduction in car parking revenue for 2016/17 estimated to be \$50,000;
 - d. **agree** to recommend to Council to reprioritise \$65,000 of funding for energy efficiency initiatives from operational expenditure to capital expenditure.
 - e. **note** as part of the fleet review Council will increase its central pool of electric vehicle (EV) light vehicles during 2016/17;
 - f. **agree** that for 2016/17 there is a \$100,000 increase in operating costs from an increase in the value of carbon credits the Council has to purchase to offset landfill emissions;
 - g. **agree** to recommend to Council the increased operational costs associated with participation in the Emissions Trading Scheme.
3. **Urban Development Agency**
 - a. **agree** to recommend to Council that it agree in principle to the establishment of an Urban Development Agency (UDA);
 - b. **agree** that a detailed proposal for the establishment of a UDA be developed, with the following matters to be specifically addressed: The type of entity to be established;
 - i. A draft constitution;
 - ii. Accountability, monitoring and review arrangements with Council;
 - iii. Focus areas for UDA activity;
 - iv. The funding model;
 - v. Risk management framework; and
 - vi. Project examples, including financial modelling.
4. **Food Act fee Changes**
 - a. **note** that recommendations on changes to the Food Act fees as discussed in paragraphs 37 to 41 of this report are included in Agenda Item 2.2 2016/17 *Annual Plan: Fees and Charges and Other Funding Considerations*.
5. **Zealandia governance**
 - a. **agree** to recommend to the Council that it agrees amendments to the Karori Sanctuary Trust deed to allow the Guardians of the Sanctuary to provide

nominations for future Trust Board members to Council, which will appoint Trust Board members;

- b. **agree** to recommend to Council that given that the Trust Deed changes referred to in recommendation 5a) alter the designation of the Trust, Council resolve to adopt the Karori Sanctuary Trust as a Council Controlled Organisation (CCO);
- c. **agree** to recommend to Council that it purchase the Zealandia Visitor Centre for \$10.34 million in return for the Karori Sanctuary Trust repaying its loan of \$10.34m to Council;

6. **Kilbirnie Business Improvement District (BID)**

- a. **note** the recommendations relating to the Kilbirnie BID targeted rate discussed in paragraphs 41 to 45 of this report are included in Agenda Item 2.2 2016/17 *Annual Plan: Fees and Charges and Other Funding Considerations*.

7. **Private wastewater pipes (laterals)**

- a. **agree** to recommend to Council that it note there is significant support for Council to assume ownership of wastewater laterals in the road reserve and;
- b. **agree** that work be commenced to determine feasibility and identify a potential implementation path including:
 - condition of laterals and associated long-term costs
 - broader consequence of assuming ownership of laterals, especially regarding stormwater laterals, and their likely financial impact; and
 - policy changes and associated consultation required to give effect to any change in responsibility for wastewater laterals in road reserve
- c. **note** that ownership of wastewater laterals can only be consulted on during the development of a long-term plan;
- d. **agree** that Council officers report back to the Environment Committee on the feasibility and implementation path to allow a decision about whether a detailed consultation on the ownership of laterals can be included in the 2018-28 Long-term Plan process.

8. **Other new capex initiatives incorporated in the AP CD**

agree to recommend to Council to include additional/amended capital expenditure as consulted on as part of the 2016/17 Annual Plan :

	Description	Project	2016/17 Capex \$
a)	Lyall Bay Foreshore resilience plan	Various	\$1.000m
b)	Johnsonville library	CX358	\$0.350m
c)	Placemaking –public space creation	Various	\$0.155m
d)	Ngaruanga to airport minor capital projects	CX492	\$0.375m
e)	Bus rapid transport	CX492	(0.375m)
f)	Middleton Road pedestrian and cycling improvements	CX112	\$0.040m

9. **Other new opex initiatives incorporated in the AP CD**

agree to recommend to Council to include additional/amended operating expenditure as consulted on as part of the 2016/17 Annual Plan:

	Description	Project	2016/17 Opex \$
a)	Enhanced implementation of living wage policy	Various	\$0.250m
b)	Community grants	C130A	\$0.255m
c)	New outdoor arts event series	C130E	\$0.160m
d)	Art sector activation programme	Various	\$0.160m
e)	Council art collection management	Various	\$0.0295m
f)	Toitu Pōneke Sports Hub grant	C678	\$0.750m
g)	Alex Moore Park development grant (decrease)	C678	(\$0.600m)
h)	Lyll Bay Surf Club development grant	C298	(\$0.150m)

10. **note** that grant funding of \$600,000 for Lyall Bay Surf Club remains budgeted for 2016/17 and that Council officers will make a subsequent recommendation to this Committee, should the project progress to a point where Council's full contribution of \$750,000 as identified in the 2015-25 LTP is required in the 2016/17 year.

11. **Additional capital expenditure initiatives arising from the consultation process**

agree to recommend to Council to include additional/amended capital expenditure arising from consultation:

	Description	Project	2016/17 Capex \$
a)	Terawhiti artificial surface – additional funding	CX507	\$0.390m
b)	Commonwealth walkway roundel installation	CX406	\$0.045m

12. **Additional operating expenditure initiatives arising from the consultation process**

agree to recommend to Council to include additional/amended capital expenditure arising from consultation:

	Description	Project	2016/17 Opex \$
a)	Smokefree Draft Action Plan	C532	\$0.047m

13. **Other operating expenditure and budget phasing adjustments**

agree to recommend to Council additional operating expenditure adjustments for inclusion in the 2016/17 Annual Plan:

	Description	Project	2016/17
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			Opex \$
a)	Increased operations cost for parking officer hours	C290	\$0.722m
b)	Councillor remuneration adjustment	C534	\$0.030m
c)	Reduction in City Growth Fund funding requirement	C696	(\$0.600m)

14. **Other capital expenditure and budget phasing adjustments**

agree to recommend to Council additional capital expenditure adjustments for inclusion in the 2016/17 Annual Plan:

	Description	Project	2016/17 Opex \$
a)	Bring forward of Tawa Town Centre upgrade from 2019/20	CX446	\$1.000m
b)	CBD drinking water fountains	CX552	\$0.021m
c)	Rephasing of cycleway capex from 2016/17 to subsequent years	CX112	(\$4.158m)
d)	Rephasing of Movie Museum and Convention Centre project to subsequent years	CX536	(\$39.400m)
e)	Rephasing of Civic Campus refresh project	CX528 and CX529	(\$12.600m)
f)	Rephasing of Frank Kitts Park upgrade	CX131	(\$1.000m)
g)	Basin Reserve precinct rephasing	CX503	(1.490m)

15. **note** that negotiations are underway with the New Zealand Transport Authority (NZTA) around the potential to carry forward any unspent Crown cycleways funding from June 2018;
16. **note** that the funding for the Movie Museum and Wellington Convention Centre project is contingent on Council approving the project on 29 June 2016; and that until this project is approved the Long-Term Plan comparative information for the 2016/17 Annual Plan remains as per the 2015-2025 Long-term Plan.
17. **note** the 2016/17 Annual Plan includes in excess of 10% funding on resilience projects;
18. **note** any funding requirements that result in a breach of any of the Financial Strategy limits agreed within the 2015-25 Long-term Plan will be reported on as part of the Pre-election report.
19. **agree** to recommend to Council that it is prudent to forecast a surplus in 2016/17 of \$12.8 million as detailed in Attachment 2.
20. **agree** to recommend to Council the projects and programmes, as attached to this report in Attachment 1.
21. **note** any changes arising from this meeting will be reflected in the projects and programmes for adoption by Council;
22. **agree** to delegate the Chief Executive to prepare the final Annual Plan 2016/17 document for approval by Council on 29 June 2016 based on the above

recommendations.

Background

Annual Plan 2016/17 Consultation Document (AP CD)

7. On 29 March Council released the AP CD which included information on five proposed changes to the activities and spending of the Council that were not identified in the 2015-25 LTP. Feedback questions for each of the proposed changes were identified in the Consultation Document and were included in the online submissions form.
8. Also included in the AP CD were 11 new initiatives that Council agreed should be considered for funding in 2016/17. Feedback questions on these initiatives were provided in the online submissions form along with a question about where Council should find savings if rates increases were to continue to be limited to the 3.6% stated in the LTP.
9. In the new initiatives section of the AP CD also discussed the issue of whether the Council should take responsibility for the maintenance and renewal costs of private wastewater connections (laterals) in the road reserve. A feedback question on the laterals issue was identified in the AP CD and included in the online submissions form.
10. Each of the proposed changes to the LTP and the new initiatives are discussed below and this report makes recommendations to Council.

Annual Plan Submissions

11. All those providing written submissions on the AP CD were able to present in support of their submission at an oral hearing. These oral hearings were held in the week beginning 9 May and while some submitters provided feedback on issues raised in the AP CD, some submitters sought funding for a range of community initiatives not in the AP CD. A number of these initiatives were the subject of submissions during the panel hearings process undertaken in February. Those community initiatives that seem to have the support of Councillors are discussed below and a recommendation is made to Council.

Other Funding Issues

12. The AP CD contained a proposed rates increase of 3.8% after growth. A number of funding changes and budget phasing considerations have arisen since the AP CD was issued that require a response, and these are discussed below along with proposed recommendations.
13. This proposal returns the average rates increase back to 3.6% after growth, which is again compliant with the Financial Strategy set as part of the 2015-25 Long-term Plan.

Discussion

14. The Financial Strategy set rates increase limits at an average of 4.5% over the first 3 years and at average of 3.9% over the ten years of the LTP. The LTP was adopted with rates increases within these parameters. The Financial Strategy specifies a debt limit for the Council to work within. This was set at a ratio of 175% of debt over operating income. The LTP was adopted with debt within this ratio.
15. Year two of the LTP was adopted with total rates of \$282.9 million and a rates increase of 3.6% after growth. The proposed 2016/17 Annual Plan has total rates of \$282.9

million and a rates increase of 3.6% after growth. The proposed plan is compliant with the Financial Strategy in the Long-term Plan. This proposed Annual Plan results in a 2016/17 closing borrowing forecast of \$473.262 million and a debt to operating income ratio of 108.6%. This compares to year two of the LTP closing borrowing position of \$492.0 million and a debt to operating income ratio of 112.7%.

Change proposals

Draft Low Carbon Capital Plan

16. Consultation showed evidence of widespread and strong support for the LCCP and no significant amendments are recommended to the Plan based on the feedback received. Officers do however propose that as a result of feedback received the following changes are made to the LCCP before it is brought back to Council for adoption in late June:
- Make it clear that climate change mitigation is part of the 100RC work programme and that Council will work to align the two work-streams as much as possible;
 - Make it clear that while the baseline year for Council has changed to align with our CEMARS certification, the baseline year for Wellington City has not changed;
 - The LCCP will be updated to include the latest data from the City's Greenhouse Gas Inventory which shows a 2.1% reduction in gross emissions since 2001.
 - More information on current Council's walking and cycling projects and plans will be included in the LCCP.
 - That council will explore developing a personal carbon calculator or on-line application that can be used to inform individuals about the impact of their behaviours and choices on their personal carbon footprint. Such a tool must include the impact of food and travel choices.
17. Officers will also develop KPIs in each of the LCCP action areas with a view to reporting quarterly on these KPIs. Officers will bring a suggested framework for reporting to the Environment Committee in August.
18. There is a potential financial impact from adopting the LCCP which is associated with the foregoing of car parking revenue as a part of the car sharing initiative. At this point in time this is estimated to be a maximum of \$50,000 for 2016/17. There is however also a change in the treatment of \$75,000 of energy savings costs that were previously included as operational expenditure in the AP CD supporting information. \$65,000 of this expenditure is now for capital purchases. The net effect of these changes is that there is now no impact on the rates increase from the LCCP.
19. To lower its carbon footprint WCC has an ongoing commitment to electric vehicle (EV) and alternative fuel technologies. It is proposed that alternative fuels and EV technology for its 'Type 1 - small car' and 'Type 2 – large car' vehicles will be considered as part of the current fleet review. Council's Fleet Asset Manager will undertake analysis of existing vehicle usage patterns; distance travelled, fuel consumption, travel time and locations, in order to project Council's EV requirements. This analysis will aid Council in determining the actual number of EVs that can effectively become part of the current fleet, meet our business demands and ensure that we have sufficient accessible charging infrastructure in place.

20. Once the projected numbers are known, and as budgets and business needs allow, Council will increase its central pool of EV light vehicles during 2016/2017. This incremental approach is recommended as it enables Council to take advantage of emerging EV technologies, vehicle availability, Government purchasing and transport incentives, as well as managing risks associated with charging infrastructure limitations and electricity price fluctuations.
21. The Council is legally required to purchase carbon credits to offset its emissions from the Southern Landfill. For 2016/17 there is a \$100,000 increase in operating costs as a result of an increase in the value of carbon credits the Council has to purchase to offset landfill emissions. Funding for this new operational expenditure for 2016/17 of \$100,000 therefore needs to be found. Specific financial savings have been identified that can be used to offset the proposed new operating expenditure in 2016/17. These savings consist of reprioritised savings, a transfer from the City Growth Fund and reduced depreciation costs and are outlined in the Financial Impacts section below.

Conclusion

22. It is recommended that GFP:
 - a. agree that the proposed changes to the draft LCCP resulting from feedback received are made and brought back to Council for adoption in June 2016;
 - b. note KPIs for each of the LCCP action area and a reporting framework will be developed and taken to the Environment Committee in August 2016;
 - c. note as a result of the car sharing initiative there is an estimated \$50,000 reduction in car parking revenue for 2016/17 which is offset by a change in the treatment of energy savings costs;
 - d. note as part of the fleet review Council will increase its central pool of EV light vehicles during 2016/17;
 - e. note that for 2016/17 there is a \$100,000 increase in operating costs from an increase in the value of carbon credits the Council has to purchase to offset landfill emissions;
 - f. agree to recommend to Council that the increased operational costs associated with participation in the Emissions Trading Scheme can be funded from reprioritising savings, a transfer from the City Growth Fund and from reduced depreciation costs.

Urban Development Agency

23. The AP CD proposed the establishment of a Urban Development Agency (UDA) as a new Council-controlled organisation (CCO) to help deliver the city's Urban Growth Plan.
24. Overall, submissions showed strong support for the proposal including the focus areas identified for it (e.g. strategic regeneration, land parcelling, best-practice design etc.). Feedback also outlined the importance of undertaking further work in critical areas to ensure that the UDA:
 - has a clear mandate and defined focus areas;
 - is properly accountable to and monitored by Council;
 - has the right governance arrangements; and
 - operates with a clear and financially sustainable business model.

25. These areas of interest were consistent with concerns raised by opposing submitters, and we have recommended that risk areas identified in the business case require further investigation. The feedback received has also given better definition to the risks and introduced new ideas and solutions to identified problems.
26. The next steps are to develop in more detail aspects of organisational design and more clearly specify the focus areas for the UDA. In particular a specific proposal for the establishment of a UDA will be developed for approval that covers the following:
 - i. The type of entity to be established;
 - ii. A draft constitution;
 - iii. Accountability, monitoring and review arrangements with Council;
 - iv. Focus areas for UDA activity;
 - v. The funding model;
 - vi. Risk management framework; and
 - vii. Project examples, including financial modelling.

Conclusion

27. It is recommended that GFP:
 - a. agree to recommend to Council that it agree in principle to the establishment of a UDA;
 - b. agree that a detailed proposal for the establishment of a UDA be developed for approval by Council, with the following matters to be specifically addressed:
 - i. The type of entity to be established;
 - ii. A draft constitution;
 - iii. Accountability, monitoring and review arrangements with Council;
 - iv. Focus areas for UDA activity;
 - v. The funding model;
 - vi. Risk management framework; and
 - vii. Project examples, including financial modelling.

Food Act fee changes

28. The APCD noted that as a result the Food Act 2014, the Council's cost recovery model is to change and a wider range of food businesses were now required to register with the Council, particularly Early Childhood Education Centres (ECEs) and proposed an amended fee structure to reflect this.
29. 65 submission responses were received on this initiative with (71%) agreeing with the proposals. The main issues raised were:
 - a. The fees appear to be quite high for small food businesses
 - b. One-off charity, church and school events should not be adversely affected;
 - c. Further clarity was needed around the proposed hourly rates; and
 - d. Greater clarity needed on the impact on Early Childhood Education Centres.
30. It is proposed to mitigate these concerns by:

- a. An additional reduced fee for Food Control Plans for lower risk businesses based on 1 hour's work @ \$155 per hour. This reflects the fact that some smaller businesses will be subject to a Food Control Plan due to the nature of the food they produce, but the scope of their food production is much smaller than other businesses.
 - b. The development of communications plan that is targeted at organisers of charity events so that organisations that trade at events for charitable purposes on no more than 20 occasions per year. This is to ensure they are aware they are exempt from registering and therefore will not incur a fee.
 - c. The development of communications messages on the *operator funded: rates funded* ratio for food businesses. The \$155 hourly rate lines up with the hourly rates charged by the Ministry for Primary Industries and the Councils in both Christchurch and Auckland. The proposed fees, based on predicted volumes of registrations is consistent with 60:40 income: rates ratio previously agreed by GFP.
 - d. That licensed ECEs (ie that receive a government subsidy) be exempt from paying a verification fee, but be required to pay the registration fee (\$155 every 2 years). This reinforces the fact that ECEs must recognise that they are subject to the same requirements as other businesses in terms of their responsibilities under the Food Act 2014.
31. The recommended changes to Council's fees are detailed in the "2016/17 Annual Plan: Fees and Charges and Other Funding Considerations" report as a separate item on this Agenda.

Conclusion

32. It is recommended that GFP:
- a. agree the proposed fees, with the addition of a reduced Food Control Plan verification fee (of \$155) for businesses with a reduced scope of operations;
 - b. agree the verification fee for licensed ECEs is waived.

Zealandia Governance

33. The AP CD noted that the Board of the Karori Sanctuary Trust has proposed that the Council purchase the Zealandia Visitor Centre in return for repaying its \$10.34 million loan to Council. The Trust also proposed Trust Deed changes that would change its designation to a Council controlled organisation.
34. The majority of submitters on this initiative supported the change in governance arrangements. While some submitters raised concerns, it is noted that in developing its proposed governance arrangements, the Trust Board has consulted with its membership and volunteer base via the Guardians to gauge any likely impact from its proposal. The Trust Board considers the potential risk of diminishing community support to be a small and manageable risk which is outweighed by the benefits of its proposal.
35. The Guardian's Trust Deed protects from future changes. This is a unique feature of this Trust Deed and provides a high level of future protection against changes to the Trust.
36. On the proposal to buy the Visitor Centre, 57 submitters supported the proposal and 31 opposed. There were also 12 submissions where it was unclear whether they were in support or against the proposal.

37. Some of the opposing submissions reflected a view that the decision to fund the construction of the Visitor Centre was poor as the loan could never be repaid; others suggested writing-off the loan and leaving the Visitor Centre in the hands of the Trust in its existing form.
38. Revisiting the decision to fund the construction of the Visitor Centre does not provide any insight on how to address the Trust's balance sheet pressures and maintain this asset so that it continues to support the Trust's activities in future.
39. Writing off the loan was discussed in the AP CD and it noted that while it would provide an immediate balance sheet benefit to the Trust by increasing equity, it would continue to burden the Trust's operational cash flow which is ultimately supported by Council via the operating grant. This scenario would therefore perpetuate the reliance of the Trust on Council for operational funding and would not leverage Council's property management capability to deliver a cost-effective long-term ownership solution. On balance this solution does not appear to provide an optimum long-term solution for the Trust or Council.

Conclusion

40. It is recommended that GFP:
 - a. agree to recommend the Council approves the proposed amendments to the Karori Sanctuary Trust Deed that allows the Guardians of the sanctuary to provide nominations for future Trust Board members to Council, which will appoints Trust Board members;
 - b. agree to recommend to Council that given the Trust Deed changes recommended alter the designation of the Trust, Council resolve to adopt the Karori Sanctuary Trust as a CCO.
 - c. agree to recommend to Council that it purchase the Zealandia Visitor Centre for \$10.34 million in return for the Karori Sanctuary Trust repaying its loan to Council.

Kilbirnie Business Improvement District - targeted rate

41. The AP CD proposed that a new targeted rate be included in the 2016/17 Annual Plan to be applied to commercially rated properties in the Kilbirnie Business Improvement District (BID) area.
42. Of the 61 submissions received on this initiative 79% supporting the proposal. Of those opposing, some were not clear that general ratepayers were not contributing to this targeted rate, while others questioned why there was a need to consult given approval had been reached through the BID establishment process. There was also some reference to the small number of Kilbirnie businesses that voted in the BID establishment process and a suggestion that a review of the business engagement in the set up process was needed.
43. The requirement to consult is part of the Local Government Rating Act. The minimum threshold for approval (25% of businesses) was set by Council and a simple majority is needed to agree to approach Council to implement a target rate.
44. The recommended changes to Council's rates are detailed in the *2016/17 Annual Plan: Fees and Charges and Other Funding Considerations report as a separate item on this Agenda.*

Conclusion

45. It is recommended that GFP agree to recommend to Council that a new targeted rate for commercially rated properties in the Kilbirnie BID area be included in the 2016/17 Annual Plan.

Private wastewater pipes (laterals)

46. The responses from consultation on whether Council should assume responsibility for privately owned waste water pipes on council owned land is summarised in a separate agenda item “*Report on Annual Plan Consultation Process*”. From the consultation responses there is evidence to suggest that the majority of ratepayers are likely to support a change from ‘user pays’ to cost sharing through rates for repairs and maintenance of wastewater laterals in the road reserve.
47. The Council has two options for taking responsibility for wastewater laterals in the road reserve: assuming responsibility for repairs and maintenance, and assuming ownership (which includes the responsibility for repairs and maintenance). To give effect to the former would require an amendment to the Laterals Policy 2005 to indicate that the Council will repair and maintain the portion of wastewater laterals in road reserve. For the latter to occur the Council would have to make an irreversible declaration under the Local Government Act 1974 that it is taking ownership of wastewater laterals in the road reserve.
48. The annual cost of assuming responsibility for repairs and maintenance is estimated to require an expanded annual operational budget of up to \$1 million for:
- annual maintenance costs (repairs) \$200,000 based on current work and reimbursements for the once-only tree root clearing under current policy; and
 - annual renewal costs: \$800,000 estimated based on standard asset valuation methods (for owned assets) to calculate depreciation costs.
49. It should be noted that these figures are only indicative, as the actual condition of many laterals is not known, but assumed to be similar to the condition of the water mains.
50. Under the s97(1) of the Local Government Act 2002 if the Council intends to acquire or dispose of a “strategic asset” it can only consult ratepayers as part of developing a Long-Perm Plan. Drainage systems are listed in the Council’s Significance and Engagement Policy as strategic assets and the Council would therefore have to consult on the ownership of laterals in the road reserve through a Long-term Plan process.
51. It is therefore not considered practical to introduce an ownership change in the 2016/17 financial year because of the timeframes required to amend bylaws and policies, and consult through a Long-term Plan process. Moreover a clearer understanding of the condition of laterals and associated long-term costs is needed, prior to taking the irreversible step of assuming ownership. In addition, there are broader consequences of assuming ownership that have not fully be worked through, for example what should happen with stormwater laterals in the road reserve.
52. Officers therefore propose that further work is undertaken on the:
- condition of laterals and associated long-term costs;
 - broader consequence of assuming ownership of laterals, especially regarding stormwater laterals, and their likely financial impact; and
 - policy changes and associated consultation required to give effect to any change in responsibility for wastewater laterals in road reserve

53. It is proposed that this work be completed in time to allow a decision about whether a detailed consultation on the ownership of laterals can be included in the 2018-28 Long-term Plan process scheduled to begin in 2017/18. Note that any decisions made to take ownership of laterals outside of a LTP process will trigger a Long-term Plan amendment.

Conclusion

54. It is recommended that GFP:
- a. agree to recommend to Council that there is significant support for Council to assume ownership of wastewater laterals in the road reserve and work needs to be commenced to determine feasibility and identify a potential implementation path;
 - b. note the estimated \$1 million annual cost of assuming responsibility for repair and maintenance of laterals in the road reserve is only indicative, as the actual condition of many laterals is not known;
 - c. note that ownership of wastewater laterals can only be consulted on during the development of a Long-term Plan;
 - d. agree to that officers undertake further work on the:
 - condition of laterals and associated long-term costs;
 - broader consequence of assuming ownership of laterals, especially regarding stormwater laterals, and their likely financial impact; and
 - policy changes and associated consultation required to give effect to any change in responsibility for wastewater laterals in road reserve;
 - e. agree that officers report back to the Environment Committee on the findings on the findings in order to allow a decision about whether a detailed consultation on the ownership of laterals can be included in the 2018-28 Long-term Plan process.

New Initiatives

55. For each of the 11 new initiatives outlined in the AP CD the submission form sought feedback as to whether Council should fund each of these initiatives.
56. Data on individual's top five of the 11 initiatives was also collected from participants at a series of stakeholder events held during the Annual Plan Engagement and Consultation period.
57. The results of these feedback processes is summarised in a separate Agenda Item "*Report on Annual Plan Consultation Process*". In summary, there was support for all initiatives with different levels of support depending on which method preferences were gained.
58. These new initiatives can be classified into whether they required new capital, new operational expenditure or reprioritisation of existing funding.

Additional capital expenditure included in Consultation

59. The following new capital initiatives for 2016/17 were included in the Consultation Document:
- Lyall Bay Foreshore Resilience Plan - \$1 million to complete stage one of the Plan;
 - Johnsonville Library Kindergarten - \$350,000 allocated to potential acquisition of the kindergarten site next to the Johnsonville library site for future roading improvements;
 - Placemaking - \$155,000 to create public spaces that will attract people;
 - Middleton Road - \$40,000 to be spent on improving pedestrian and cyclist safety on Middleton Road in Churton Park-Glenside.
60. Consultation on the Johnsonville library proposed an additional capital expenditure requirement of \$2.5 million above that included in 2015-2025 LTP to reflect scope changes and a change in treatment of demolition costs which will provide for acquisition of the kindergarten site and other capital works. \$350,000 of this additional expenditure is budgeted in the 2016/17 year. The balance will be considered in subsequent plans.

Conclusion

61. It is recommended that GFP:
- a. agree to recommend to Council to include \$1.505 million of additional capital expenditure consulted on as part of the 2016/17 Annual Plan for:
 - Lyall Bay Foreshore Resilience Plan - \$1 million;
 - Johnsonville Library Kindergarten site acquisition - \$350,000;
 - Placemaking - \$155,000;
 - Middleton Road pedestrian and cycling improvement - \$40,000.

Additional operational expenditure included in Consultation

62. The following new operating expenditure initiatives for 2016/17 were included in the Consultation Document:
- Living Wage - \$250,000 increase to the budget for the implementation of the Living Wage policy for office cleaners and core security staff.
 - Community Grants changes - \$255,000 increase to the funding available to community groups in 2016/17 through a range of grants;
 - New Outdoor Events series - \$200,000 for a new flagship Outdoor Events Series;
 - Art sector activation programme - \$160,000 increase in the annual funding for Toi Pōneke for programming advisors, art gallery consumables and equipment, and for external signage and artworks;
 - Council art collection - \$29,500 increase in annual funding for the Council's art collection for increased staff time and conservation work.
63. It is recommended that the New Outdoor Event series budget for 2016/17 be reduced to \$160,000 to allow \$40,000 to be transferred to provide additional support for the Newtown Festival.

Conclusion

64. It is recommended that GFP agree to recommend to Council that the additional funding for following initiatives be included in the 2016/17 Annual Plan:
- Living Wage - \$250,000;
 - Community Grants changes – \$255,000;
 - New Outdoor Events series - \$160,000;
 - Art sector activation programme – \$160,000;
 - Council art collection - \$29,500.

Funding reprioritisation

65. It was proposed in the AP CD that the following new initiatives be funded by reprioritising existing budgeted expenditure:
- Toitu Pōneke Sports Hub - \$750,000 be granted to Toitu Pōneke for the redevelopment of a community and sports hub building at Kilbirnie Park by a reallocation of grants to the Alex Moore Park redevelopment project (\$600,000) and Lyall Bay Surf Club redevelopment (\$150,000);
 - Ngauranga to Airport: minor capital projects - \$375,000 of existing funding for bus prioritisation be repurposed to improve the pedestrian flow in the Central Business District.
66. Since the release of the AP CD the Lyall Bay Surf Club (LBSC) has indicated that it will need all the funding promised by Council in 2016/17 as LBSC plan to begin work on the redevelopment of its building in August 2016. While the club does not yet have all the funding in place for their redevelopment, it has indicated it needs to begin construction in 2016/17 so as not to lose some of the grants funding it has already received from another source.
67. The Council has previously committed \$700,000 to the LBSC redevelopment, including the \$150,000 reprioritised. LBSC will be providing monthly updates to Council on progress with funding and construction and if the project progresses to point where Council's full contribution is required officers will make a subsequent recommendation to this Committee.

Conclusion

68. It is recommended that GFP:
- a. agree to recommend to Council to approve the \$1.125 million of reprioritised funding as consulted on as part of the 2016/17 Annual Plan for;
 - Toitu Pōneke Sports Hub - \$750,000; reprioritised from funding grants to Alex Moore Park and Lyall Bay Surf Life Saving Club
 - Ngauranga to Airport: minor capital projects - \$375,000, reprioritised funding from Bus Rapid Transport money signalled in the 2015-25 Long-term Plan
 - b. agree that if LBSC needs to draw down the reprioritised funding in 2016/17 officers will make a subsequent recommendation to this Committee.

Initiatives arising from submissions

69. As part of the Annual Plan process the Council received over 800 written submissions. A number of which were spoken to during the oral hearings in early May. In some of

these submissions there were requests for funding for community events and infrastructure. The following appear to have support from Council for funding during 2016/17.

Newtown Festival

70. The organisers of Newtown Festival have requested an additional \$187,000 in annual operational funding to help them run the Festival. At their oral hearing they cited increased costs around health and safety and that despite their dependence on volunteer labour, they were effectively running at a loss. They also noted there was support from Council's Economic Growth and Arts Committee for an increase in funding.
71. For 2016/17 \$80,000 in additional funding has already been earmarked to support the Newtown Festival from the Arts and Cultural Grants Pool. It is proposed to allocate a further \$60,000, with \$40,000 being reprioritised from the proposed new Outdoor Events series (originally set at \$200,000 in the Consultation Document) and \$20,000 from the Arts and Cultural Grants Pool. While the total funding will be \$47,000 less than Festival organisers are seeking, this allows a level of additional support to be provided within the proposed 3.6% overall rates increase for 2016/17.

Conclusion

72. It is recommended that GFP agree to recommend to Council that \$20,000 be allocated from the Arts and Cultural Grants Pool to the organisers of the Newtown Festival and \$40,000 from the new Outdoor Events series funding;

Karori artificial surface

73. The Waterside Karori Association Football Club (WKAFC) is seeking additional capital funding from Council for the development of an artificial playing surface at the former Terawhiti Bowling Club that was originally budgeted at \$700,000. During the 2015-25 Long-term Plan process \$350,000 was allocated by Council for the artificial surface and WKAFC was tasked with raising the balance. WKAFC have secured funding promises of \$290,000, but revised estimates now forecast the total capital cost of the artificial surface at \$990,000.
74. Based on the latest cost estimate prepared by Council's quantity surveyor, an additional \$390,000 is now required to build the artificial surface. Note that this estimate does not allow for a pedestrian bridge between Karori Park (the home ground of WKAFC) and the former Terawhiti Bowling Club. It is estimated that a bridge could add up to another \$80,000 (a design and accurate cost estimate are not currently available). While the bridge would improve access to the artificial surface, it is not considered absolutely necessary at this point, nor is it expected to be a condition of the resource consent required for this development.
75. While the artificial surface project is still subject to a resource consent process, it is expected that the Council will still be in a position to deliver the project in 2016/17.

Conclusion

76. It is recommended that GFP agree to recommend to Council that \$390,000 of extra capital expenditure is undertaken in 2016/17 for the development of an artificial playing surface at former Terawhiti Bowling Club.

Tawa Town Centre

77. Vibrant Tawa has requested that the \$1 million in capital funding for the Tawa Town Centre upgrade currently scheduled to begin in 2019/20 be brought forward to 2016/17.

Officers have advised that this work can be delivered in 2016/17 as concept design and costing have been completed. The community has been consulted and are supportive of an early start to the upgrade.

78. The funding for this development could be found from within existing capital budgets and will not impact on the proposed rates increase.

Conclusion

79. It is recommended that GFP agree to recommend to Council that \$1,000,000 of extra capital expenditure is undertaken in 2016/17 to bring forward the Tawa Town Center upgrade currently scheduled to begin in 2019/20.

Other Funding and Budget Phasing Issues

Cycleway funding

80. The Cycleways Programme is currently funded from three sources: a third from the National Land Transport Fund; a third from Urban Cycleways Fund; and a third from Wellington City Council. It was initially agreed that Council would complete the first tranche of the proposed cycleways projects by June 2018 or else central government funding via the Urban Cycleways Fund could be withdrawn. A recent analysis of current progress suggest that it is unlikely that all proposed cycleway projects would be completed by June 2018. Accordingly \$4.18 million of capital expenditure originally budgeted for 2016/17 has been deferred into subsequent years. The amended capital expenditure budget for 2016/17 \$7.52 million.
81. Recent discussions with NZTA have indicated that as long as Council can show substantial progress on the cycleway programme by June 2018, NZTA have indicated that they are willing to allow the National Land Transport funding to be carried forward from 2017/18. That is, Council has to spend the Urban Cycleways funding allocation (\$9.5 million) by June 2018.
82. Negotiations with NZTA are currently underway and it is hoped that this arrangement can be confirmed by the end of June 2016 at which time advice will then be provided to Council on the outcomes of these negotiations and the implications for the 2016/17 and 2017/18 cycleways work programme.

Conclusion

83. It is recommended that GFP recommend to Council that it approve the rephrasing of \$4.18 million of capital expenditure and note that negotiations are underway with NZTA around the potential to carry forward any unspent Crown cycleways funding from June 2018.

Commonwealth Walkway

84. The Commonwealth Walkway is a network of walkways across the Commonwealth established with the aim of inspiring young people to walk for their physical and mental wellbeing. Wellington is to be the home to the first Commonwealth Walkway in New Zealand. When completed the Walkway will connect 32 monuments, parks, buildings and historic places along a 9km loop.
85. For 2016/17 \$45,000 of capital expenditure is required for the purchase and installation of 31 roundels that would mark the Walkway.

Conclusion

86. It is recommended that GFP agree to recommend to Council that \$45,000 of capital expenditure is undertaken in 2016/17 to purchase and install 31 roundels on the Commonwealth Walkway;

Smoke free

87. On 13 April 2016 the Community Sport and Recreation Committee agreed the Smokefree Draft Action Plan. The plan aims to support Smokefree initiatives in Wellington by increasing marketing activity and providing increased signage. This will require \$47,000 of new operational spending in 2016/17 and 2017/18.

Conclusion

88. It is recommended that GFP agree to recommend to Council that \$47,000 of increased operational expenditure for 2016/17 associated with the Smokefree Action Plan be included in the Annual Plan.

Parking officers

89. Parking Services was bought in house in 2014 and as a result of the positive outcomes, demand for parking services has grown. In order to provide service levels similar to those from when the function was outsourced, additional staff are now required to meet this demand. The increase in staffing levels will enable the continuation of quality service levels, including supporting the implementation of parking sensors.
90. The total net increase in the salary budget for 2016/17 from the increased parking officer staffing levels will be \$722,000.

Conclusion

91. It is recommended that GFP agree to recommend to Council that \$722,000 of increased operational costs for 2016/17 associated with the increase in parking officer hours be included in the Annual Plan.

Martin Luckie Park maintenance costs

92. \$12,000 in extra operation funding is needed in 2016/17 for maintenance at Martin Luckie Park. This was not included in the 2015-25 LTP and relates to an increase in service level required for the use of the park by elite sport.

Councillor remuneration

93. As a result of changes to Councillor remuneration recommended by the Higher Salaries Commission, \$30,000 in extra operational expenditure is required in 2016/17.

Drinking water fountains

94. The Healthy Future Families Trust requested that the Council install more public water fountains in the Central Business District. They have proposed that three new water fountains are installed - Midland Park, Civic Square and Lower Cuba St. It is proposed that this occur during 2016/17.
95. It is estimated that \$21,000 in capital expenditure is needed in 2016/17 to install these three water fountains.

Conclusion

96. It is recommended that GFP agree to recommend to Council extra capital expenditure of \$21,000 in 2016/17 for the installation of three new water fountains in the Central Business District.

Movie Museum and Wellington Convention Centre

97. A review of the construction timeframes for the proposed Movie Museum and Convention Centre has been completed and a planned start date of January 2017 has been identified. Capital expenditure budgets have been rephrased accordingly. The funding required for 2016/17 has been reduced by \$39.4 million and rephased into subsequent years leaving an anticipated funding requirement of \$14.5m in 2016/17.
98. For the 2016/17 Annual Plan the operating cost (primarily interest) relating to the Movie Museum and Wellington Convention Centre project is budgeted to be funded through the City Growth Fund. The rephasing of the capital expenditure originally budgeted for 2016/17, results in a reduction in the operating funding requirement for the project in 2016/17 of approximately \$600,000. It is therefore proposed to reduce the City Growth Fund rates requirement from \$3 million to \$2.4 million for 2016/17, providing capacity to fund the other recommendations contained within this report.
99. The overall funding for the Movie Museum and Convention Centre project is still subject to Council approving the project on 29 June 2016 where latest designs and costings will be presented. At this Council meeting a resolution for developing the associated Long-term Plan amendment will be sought.

Conclusion

100. It is recommended that GFP:
- note that the capital funding required for the Movie Museum and Convention Centre in 2016/17 has been rephased and \$39.4 million is now forecast into 2017/18 and subsequent years;
 - note that the funding for the Film Museum and Convention Centre project is contingent on Council approving the project on 29 June 2016; and that until this project is approved the Long-Term Plan comparative information for the 2016/17 Annual Plan remains as per the 2015-2025 Long-term Plan.
 - agree to recommend to Council to reduce the City Growth Fund operating expenditure budget for 2016/17 by \$600,000

Resilience strategy

101. Wellington has been selected as one of the Rockefeller Foundation-pioneered 100 Resilient Cities (100RC). Under the 100RC arrangement, Wellington is provided with support to develop a Resilience Strategy, and to commence implementation. The Strategy has strong linkages to other Council priorities and outcomes, including infrastructure, economic and social policy areas.
102. The final 2016/17 Annual Plan will include in excess of 10% funding on resilience projects, which is consistent with the pledge Council has made as part of its participation in 100RC. The 10% is spread over different areas of the budget, and this will be outlined in the Resilience Strategy.

Conclusion

103. It is recommended that GFP note the 2016/17 Annual Plan includes in excess of 10% funding on resilience projects.

Funding impacts

104. The cumulative impact of the operational and capital expenditure recommendations proposed for 2016/17 and incorporated within this report are summarised on the table below.

	Capex	Opex	Rates Impact
	\$'000	\$'000	%
Rates increase for Year 2 of the 2015-25 Long-term Plan			3.6%
Five proposals consulted on as part of the 2016/17 Annual Plan			
Urban Development Agency			0.00%
Low Carbon Capital Plan			0.00%
Food Act Fee changes			0.00%
Zealandia governance changes	10,340	290	0.11%
Zealandia loan repayment	(10,340)	(290)	(0.11%)
Kilbirnie Business Improvement District		80	0.03%
Cumulative subtotal			3.6%
Other new initiatives included in the Consultation Document			
Toitu Pōneke Sports Hub		750	0.28%
Alex Moore Park		(600)	(0.22%)
Lyllall Bay Surf Life Saving Club		(150)	(0.06%)
Ngauranga to Airport - minor capital projects	375	11	0.00%
Bus Rapid Transport	(375)	(11)	(0.00%)
Johnsonville Library – Kindergarten site acquisition	350	250	0.09%
Living wage		250	0.09%
Community grants changes		255	0.09%
New outdoor events series		200	0.07%
Arts sector activation programme		160	0.06%
Placemaking	155	4	0.00%
Middleton Road	40	1	0.00%
Council art collection		30	0.01%
Corporate savings while maintaining level of service - inflation, depreciation and interest		(687)	(0.25%)
Cumulative subtotal per AP consultation document			3.8%
Additional initiatives in response to submissions			

	Capex	Opex	Rates Impact
	\$'000	\$'000	%
Smoke free Wellington - Community Sports and Recreation committee recommendation		47	0.02%
Terawhiti synthetic increase in required funding	390	11	0.00%
Commonwealth Walkway	45	1	0.00%
Tawa Town centre (bring forward from 2019/20)	1,000	28	0.01%
Newtown festival increased funding		60	0.02%
reprioritised from Cultural Grants pool and Outdoor events series funding		20	0.01%
		(40)	(0.01%)
Parking officer increased hours to meet historical patrol hours and improve parking turnover rates		722	0.27%
Emissions trading scheme - carbon price increases		100	0.04%
Martin Luckie - operational cost increases		120	0.04%
Councillor remuneration		30	0.01%
CBD Drinking water fountains	21	3	0.00%
City Growth Fund 2016/17 reduction		(600)	(0.22%)
Cumulative subtotal			4.0%
Proposed changes to budget phasing from that included in the Consultation Document			
Lyall Bay foreshore Resilience Plan	1,000	28	0.01%
Cycling capital expenditure rephasing	(4,158)		0.00%
Movie Museum schedule changes	(25,154)		0.00%
Convention Centre schedule changes	(14,286)		0.00%
Basin Reserve Western Precinct	(1,490)		0.00%
Civic Campus refresh project	(12,600)		0.00%
Frank Kitts Park	(1,000)		0.00%
Earthquake Resilience – various	(3,370)		0.00%
Johnsonville Library treatment changes		(240)	(0.09%)

	Capex	Opex	Rates Impact
	\$'000	\$'000	%
Depreciation expense reduction from rephasing provisional 2015/16 capex carry-forwards		(702)	(0.26%)
Low carbon capital plan implementation costs - change in allocation of funds	65	(13)	(0.00%)
Proposed 2016/17 Annual Plan			3.6%

105. As a result of the changes proposed in this paper, the proposed 2016/17 Annual Plan has a closing net debt position of \$473.262 million and a debt to operating income ratio of 108.6%.

Risk and savings

106. The proposal outlined in this report carries a degree of risk that includes efficiency savings, challenging revenue targets and sale of assets yet to be identified. The Council is also potentially exposed to volatile market pricing. Current conditions reflect a favourable economic environment (e.g. interest rates, inflation and insurance premiums).

107. Efficiency savings have already been built into the underlying plans and budgets for 2016/17. Notwithstanding this there are a number of risks to the achievement of the revenue and expenditure targets that have been set for 2016/17:

- Interest and inflation are at historically low levels, so any change in these will impact directly on the likely financial outturn for 2016/17 (particularly on debt servicing costs);
- Insurance costs are also at very low levels and it is not known how long they will remain at current levels;
- The assumptions built into some revenue targets are challenging and contain an element of risk;
- There is a risk that the costs of participating in the emissions trading scheme may increase as a result of changes in the price of carbon;

108. There is also a risk that reducing funding towards the Wellington Growth Fund will reduce the Council's ability to effectively respond to opportunities to promote economic growth in Wellington.

Conclusion

109. It is recommended that GFP note there is little scope for reprioritising any further spending without reducing the level service currently proposed to be provided by Council.

Balanced Budget

110. Under section 100 of the Local Government Act 2002, Councils are required to report a balanced budget. The Council's aim is to be as close to a 100% balanced budget as possible, where projected revenues are at a level sufficient to meet operating expenses, as large variances would indicate that ratepayers are either paying too much or too little rates that could lead to intergenerational issues in later years.

111. This proposal produces an underlying balanced budget.
112. Despite the underlying balanced budget a surplus is projected of \$12.768m, this is due to accounting conventions requiring Council to record revenue received to fund capital expenditure as income.
113. As a result of the changes proposed in this paper, the proposed 2016/17 Annual Plan includes a closing borrowing position of \$473.262 million and a debt to operating income ratio of 108.6%

Conclusion

114. It is recommended that GFP agree to recommend to Council that it is prudent to forecast a surplus in 2016/17 of \$12.8 million as detailed in Attachment 2.

Projects and Programmes

115. Attached as Attachment 1 is the full list of projects and programmes proposed for 2016/17. This outlines the proposed project budgets for the 2016/17 financial year assuming all recommendations contained in this report are agreed. Once these budgets are approved they create the basis for the rates resolution passed by Council, and for the Annual Plan document production.
116. Any additions or alterations to the projects and programmes agreed by GFP at their deliberation on 1 and 2 June will need to be reflected in the projects and programmes provided to Council for adoption on 29 June 2016.

Conclusion

117. It is recommended that GFP:
- a. **agree** to recommend to Council the projects and programmes attached to this paper as Attachment 1.
 - b. **note** any changes arising from this meeting to these projects and programmes will have to be reflected in the versions provided to Council for adoption;
 - c. **note** any funding requirements that result in a breach of any of the Financial Strategy limits agreed within the 2015-25 Long-term Plan will be reported on as part of the pre-election report.

Options

118. N/a

Next Actions

119. A draft Annual Plan document will be provided to the Council for approval at their meeting on 29 June and this will reflect the decisions made during GFP's deliberations on 1-2 June. The final 2016/17 Annual Plan will be published by 29 July 2016.

Attachments

Attachment 1.	2016-17 Annual Plan Projects and Programmes	Page 79
Attachment 2.	2016-17 Annual Plan Balanced Budget	Page 89
Attachment 3.	2016-17 Annual Plan Financial Overview	Page 90

Authors and Authorisers	Andy Matthews, Chief Financial Officer Jeremy Baker, Director Strategy and Communications
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SUPPORTING INFORMATION

Consultation and Engagement

See the accompanying Annual Plan consultation paper for details on the engagement and consultation activities undertaken as part of the development of the 2016/17 Annual Plan.

Treaty of Waitangi considerations

As part of the Annual Plan engagement and consultation process there was a Maori special interest forum that discussed the Annual Plan and Maori aspirations for Wellington. A meeting was also held with representatives of mana whenua iwi groups to discuss the Annual Plan process during the pre-consultation phase.

Financial implications

The financial implications of the proposed initiatives and budget changes are discussed in this report paper and the funding recommendations have been agreed with Finance.

Policy and legislative implications

A number of recommendations in this paper noted that further policy work needs to be undertaken before final advice is provided to Council.

The Annual Plan process follows the process outlined in the Local Government Act 2002 and a final copy of the Annual Plan must be made publicly available one month after Council decisions are made (at this point by 29 July)

Risks / legal

Financial risks are discussed within the report.

Climate Change impact and considerations

The Low Carbon Capital Plan is one of the initiatives discussed in this paper.

Communications Plan

An Engagement and Communications plan was developed as part of the Annual Plan process. The results of the engagement and consultation processes are being reported to GFP in a separate report.

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s					
1	Governance	1.1	Governance, information and engagement	1.1.1	City governance and engagement	C530	Annual Planning	Direct Expense	1,063					
								Indirect Expense	359					
						C532	Policy	Direct Expense	919					
								Indirect Expense	489					
						C534	Committee & Council Process	Direct Expense	4,560					
								Income	(385)					
								Indirect Expense	2,100					
						C582	Strategic Planning	Direct Expense	624					
								Indirect Expense	317					
						C590	Tawa Comm Brd - Discretionary	Direct Expense	11					
						C616	Smart Capital - Marketing	Direct Expense	541					
						City governance and engagement Total								10,599
						1.1.2	Civic information	C334	WCC City Service Centre	Direct Expense	518			
				Income	(119)									
				Indirect Expense	525									
		C338	Call Centre SLA	Direct Expense	1,269									
				Income	(12)									
				Indirect Expense	1,009									
		C340	Valuation Services Contract	Direct Expense	680									
				Income	(187)									
		Indirect Expense	48											
C355	Lands Information	Direct Expense	909											
		Indirect Expense	584											
Civic information Total								5,223						
1.1.3	City archives	C373	Archives	Direct Expense	1,276									
				Income	(186)									
		Indirect Expense	691											
City archives Total								1,781						
Governance, information and engagement Total								17,603						
1.2	Maori and Mana Whenua partnerships	1.2.1	Maori and Mana Whenua partnerships	C529	Funding agreements – Maori	Direct Expense	192							
						Indirect Expense	1							
				C683	Maori Engagement	Direct Expense	99							
						Indirect Expense	4							
Maori and Mana Whenua partnerships Total								295						
Governance Total								17,898						
2	Environment	2.1	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	A004	Parks and Reserves Planning	Direct Expense	482					
								Indirect Expense	159					
						A011	Reserves Unplanned Maintenance	Direct Expense	163					
								Indirect Expense	18					
						C515	Turf Management	Direct Expense	934					
								Income	(8)					
								Indirect Expense	239					
						C517	Park Furniture Maintenance	Direct Expense	1,485					
								Indirect Expense	161					
						C518	Maint- Park/Build/Infrastruct	Direct Expense	1,723					
								Income	(203)					
								Indirect Expense	166					
						C563	Horticultural Operations	Direct Expense	1,535					
								Income	(31)					
								Indirect Expense	362					
						C564	Arboricultural Operations	Direct Expense	1,092					
								Income	(181)					
								Indirect Expense	274					
						Local parks and open spaces Total								8,369
						2.1.2	Botanical gardens	C560	Botanic Gardens Services	Direct Expense	3,660			
										Income	(394)			
										Indirect Expense	1,063			
						Botanical gardens Total								4,330
2.1.3	Beaches and coast operations	C298	Coastal Operations	Direct Expense	1,096									
				Income	(52)									
				Indirect Expense	187									
Beaches and coast operations Total								1,231						
2.1.4	Roads open spaces	C006	Open Space Vegetation Mgmt	Direct Expense	0									
		C006A	Road Corridor Growth Control	Direct Expense	1,121									
				Income	(332)									
				Indirect Expense	119									
		C289	Street Cleaning	Direct Expense	6,833									
		Income	(300)											
		Indirect Expense	640											
Roads open spaces Total								8,079						
2.1.5	Town belts	A008	Hazardous Trees Removal	Direct Expense	391									
				Income	(6)									
		Indirect Expense	67											
C514	Town Belts Planting	Direct Expense	616											

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s
								Indirect Expense	92
						C524	Townbelt/Reserves Management	Direct Expense	1,813
								Income	(249)
								Indirect Expense	1,744
					Town belts Total				4,467
		2.1.6	Community environmental initiatives		Community greening initiatives	C513		Direct Expense	540
					Environmental Grants Pool	C652		Indirect Expense	118
					Community environmental initiatives Total			Direct Expense	100
									757
		2.1.7	Walkways		Walkway Maintenance	C561		Direct Expense	501
								Indirect Expense	103
					Walkways Total				604
		2.1.8	Biodiversity (Pest management)		Weeds & Hazardous Trees Monit	C509		Direct Expense	1,056
					Animal Pest Management	C510		Income	(39)
								Indirect Expense	238
					Biodiversity (Pest management) Total			Direct Expense	473
								Indirect Expense	57
									1,785
		2.1.9	Waterfront Public Space		Waterfront Public Space Management	C701		Direct Expense	4,708
								Income	(307)
								Indirect Expense	148
					Waterfront Public Space Total				4,549
			Gardens, beaches and green open spaces Total						34,172
		2.2	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	C076	Landfill Operations & Maint	Direct Expense	3,574
								Income	(5,469)
								Indirect Expense	173
						C078A	Suburban Refuse Collection	Direct Expense	2,887
								Income	(3,392)
								Indirect Expense	48
						C079	Domestic Recycling	Direct Expense	4,589
								Income	(3,519)
								Indirect Expense	128
						C391	Waste Minimisation Info	Direct Expense	1,481
								Income	(880)
								Indirect Expense	296
						C558	Litter Enforcement	Direct Expense	50
								Indirect Expense	42
					Waste minimisation, disposal and recycling management Total				8
				2.2.2	Closed landfills aftercare	C077	Closed Landfill Gas Migr Monit	Direct Expense	413
								Indirect Expense	1
					Closed landfills aftercare Total				414
				2.2.3	Energy efficiency and conservation	C662	Smart Energy	Direct Expense	415
								Income	(60)
								Indirect Expense	1
					Energy efficiency and conservation Total				356
			Waste reduction and energy conservation Total						777
		2.3	Water	2.3.1	Water network	C112	Water - Meter Reading	Direct Expense	133
								Indirect Expense	20
						C113	Water - Network Maintenance	Direct Expense	3,699
								Indirect Expense	353
								Income	(35)
						C412	Water - Water Connections		
						C462	Water - Pump Stations Maintenance / Ops	Direct Expense	959
								Indirect Expense	69
						C463	Water - Asset Stewardship	Direct Expense	15,488
								Indirect Expense	2,135
						C536	Water - Reservoir / Dam Maintenance	Direct Expense	152
								Indirect Expense	25
						C547	Water - Monitoring & Investigation	Direct Expense	543
								Indirect Expense	64
						C671	Water - Asset Management	Direct Expense	612
								Indirect Expense	106
					Water network Total				24,322
				2.3.2	Water collection and treatment	C115	Water - Bulk Water Purchase	Direct Expense	15,923
								Indirect Expense	10
					Water collection and treatment Total				15,934
			Water Total						40,256
		2.4	Wastewater	2.4.1	Sewage collection and disposal network	A041	Wastewater - Asset Stewardship	Direct Expense	12,049
								Income	(627)
								Indirect Expense	1,910
						C084	Wastewater - Trade Waste Monitoring & Investigation	Direct Expense	218
								Indirect Expense	66
						C086A	Wastewater - Network Maintenance	Direct Expense	2,090
								Indirect Expense	301
						C497	Wastewater - Asset Management	Direct Expense	555
								Indirect Expense	100

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s					
		2.4		2.4.2	Sewage treatment	C501	Wastewater - Monitoring & Investigation	Direct Expense	1,290					
								Indirect Expense	279					
						C502	Wastewater - Pump Station Maintenance / Ops	Direct Expense	1,115					
								Indirect Expense	85					
						Sewage collection and disposal network Total								19,431
						C087	Wastewater - Treatment Plants	Direct Expense	18,692					
								Indirect Expense	2,915					
						C347	Sewerage Disposal	Direct Expense	1,906					
								Income	(618)					
								Indirect Expense	27					
						Sewage treatment Total								22,923
		Wastewater Total								42,354				
		2.5	Stormwater	2.5.1	Stormwater management	A041A	Stormwater - Asset Stewardship	Direct Expense	10,128					
								Indirect Expense	2,919					
						C086C	Stormwater - Network Maintenance	Direct Expense	1,948					
								Indirect Expense	280					
						C090	Stormwater - Monitoring & Investigation	Direct Expense	701					
								Income	(10)					
								Indirect Expense	133					
						C498	Stormwater - Asset Management	Direct Expense	794					
								Indirect Expense	152					
						C677	Drainage Maintenance	Direct Expense	962					
								Income	(125)					
		Indirect Expense	88											
C689	Stormwater - Pump Station Maintenance / Ops	Direct Expense	38											
		Indirect Expense	5											
Stormwater management Total								18,013						
Stormwater Total								18,013						
2.6	Conservation attractions	2.6.1	Conservation visitor attractions	A288	Karori Sanctuary	Direct Expense	1,184							
						Indirect Expense	623							
				C046	Wellington Zoo Trust	Direct Expense	4,743							
						Indirect Expense	439							
				Conservation visitor attractions Total								6,989		
Conservation attractions Total								6,989						
Environment Total								142,561						
3	Economic Development	3.1	City promotions and business support	3.1.1	WREDA	C105	Positively Wellington Tourism	Direct Expense	5,630					
								Direct Expense	4,273					
						C686	Wellington Venues	Direct Expense	17,577					
								Income	(14,369)					
								Indirect Expense	631					
						C690	Destination Wellington	Direct Expense	1,775					
						C695	City Innovation	Direct Expense	724					
								Indirect Expense	213					
						WREDA Total								16,453
						3.1.2	Wellington convention centre	C703	Wellington Convention Centre	Direct Expense	216			
										Income	(1,051)			
										Indirect Expense	834			
						Wellington convention centre Total								0
						3.1.3	Retail support (free weekend parking)	C105B	CBD Weekend Parking	Direct Expense	1,357			
						Retail support (free weekend parking) Total								1,357
						3.1.4	WEID, economic growth and economic grants			C647	Economic Developmnt Grant Pool	Direct Expense	50	
												Direct Expense	388	
												Indirect Expense	147	
										C696	City Growth Fund	Direct Expense	2,415	
						WEID, economic growth and economic grants Total								3,001
						3.1.5	Major economic projects	C709	Westpac Stadium	Direct Expense	5,000			
						Major economic projects Total								5,000
						3.1.6	Regional and external relations			C145	International Relations	Direct Expense	495	
Indirect Expense	166													
Regional and external relations Total								661						
3.1.7	Business improvement districts			C645	Marsden Village	Direct Expense	14							
						C698	Miramar BID	Direct Expense	180					
Business improvement districts Total								194						
City promotions and business support Total								26,666						
Economic Development Total								26,666						
4	Cultural Wellbeing	4.1	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	C102	Wellington Museums Trust	Direct Expense	8,751					
								Indirect Expense	257					
						C702	Museum of Conflict	Direct Expense	500					
								Income	(77)					
								Indirect Expense	77					
Galleries and museums (WMT) Total								9,508						

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s
				4.1.2	Visitor attractions (Te Papa/Carter Observatory)	C440	Te Papa Funding	Direct Expense	2,250
						C659	Carter Observatory	Direct Expense	637
								Indirect Expense	29
					Visitor attractions (Te Papa/Carter Observatory) Total				2,917
				4.1.3	Arts and cultural festivals	C130E	Community Events Programme	Direct Expense	2,642
								Income	(417)
						C587	Citizen's Day - Mayoral Day	Indirect Expense	569
								Direct Expense	22
					Arts and cultural festivals Total				2,815
				4.1.4	Cultural grants	C661	Cultural Grants Pool	Direct Expense	1,121
					Cultural grants Total				1,121
				4.1.5	Access and support for community arts	C101A	Wgtn Con v Cntr Comm Subsidy	Direct Expense	200
						C130K	Community Arts Programme	Direct Expense	447
								Income	(63)
								Indirect Expense	120
					Access and support for community arts Total				704
				4.1.6	Arts partnerships	C422	NZSO Subsidy	Direct Expense	216
						C605	Toi Poneke Arts Centre	Direct Expense	1,206
								Income	(525)
								Indirect Expense	188
						C670	Public Art Fund	Direct Expense	364
								Indirect Expense	78
						C710	New Zealand Ballet	Direct Expense	154
						C713	Orchestra Wellington	Direct Expense	275
					Arts partnerships Total				1,956
				4.1.7	Regional Amenities Fund	C691	Regional Amenities Fund	Direct Expense	609
					Regional Amenities Fund Total				609
					Arts and Cultural Activities Total				19,630
					Cultural Wellbeing Total				19,630
5	Social and Recreation	5.1	Recreation promotion and support	5.1.1	Swimming pools	C034	Swimming Pools Operations	Direct Expense	16,925
								Income	(7,626)
								Indirect Expense	3,999
					Swimming pools Total				13,298
				5.1.2	Sportsfields	C562	Sportsfields Operations	Direct Expense	3,024
								Income	(301)
								Indirect Expense	490
					Sportsfields Total				3,213
				5.1.3	Sportsfields (Synthetic)	C682	Synthetic Turf Sport Operations	Direct Expense	962
								Income	(534)
								Indirect Expense	391
					Sportsfields (Synthetic) Total				819
				5.1.4	Recreation centres	C037	Recreation Centres	Direct Expense	2,131
								Income	(767)
						C669	ASB Sports Centre	Indirect Expense	582
								Direct Expense	3,861
								Income	(1,940)
								Indirect Expense	3,424
					Recreation centres Total				7,290
				5.1.5	Recreation partnerships	C008	Basin Reserve Trust	Direct Expense	994
								Indirect Expense	67
						C384	Recreational NZ Academy Sport	Direct Expense	45
					Recreation partnerships Total				1,107
				5.1.6	Playgrounds	C559	PlayGnd & Skate Facility Mtrnc	Direct Expense	716
								Indirect Expense	78
					Playgrounds Total				795
				5.1.7	Marinas	C418	Marina Operations	Direct Expense	584
								Income	(603)
								Indirect Expense	89
					Marinas Total				70
				5.1.8	Golf course	C688	Municipal Golf Course	Direct Expense	216
								Income	(92)
								Indirect Expense	44
					Golf course Total				169
				5.1.9	Recreation programmes	C130D	Recreation Programmes	Direct Expense	217
								Income	(15)
								Indirect Expense	63
					Recreation programmes Total				264
					Recreation promotion and support Total				27,026
		5.2	Community support	5.2.1	Libraries	C050	Library Network - Wide Operation	Direct Expense	11,069
								Income	(869)
								Indirect Expense	4,959

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s
						C467	Branch Libraries	Direct Expense	3,932
								Income	(615)
								Indirect Expense	2,534
					Libraries Total				21,010
				5.2.2	Access support (Leisure Card)	C419	Passport to Leisure Programme	Direct Expense	70
								Indirect Expense	32
					Access support (Leisure Card) Total				102
				5.2.3	Community advocacy	C130G	Community Advice & Information	Direct Expense	893
								Indirect Expense	326
					Community advocacy Total				1,219
				5.2.4	Grants (Social and Recreation)	C130A	Community Grants	Direct Expense	241
						C637	Support for Wgtn Homeless	Direct Expense	140
						C678	Social & Recreational Grant Pool	Direct Expense	3,822
					Grants (Social and Recreation) Total				4,224
				5.2.5	Housing	C125	Housing Operations and Mtce	Direct Expense	23,753
								Income	(18,261)
								Indirect Expense	(387)
						C680	Housing Upgrade Project	Direct Expense	1,023
								Income	(19,017)
								Indirect Expense	716
					Housing Total				(12,173)
				5.2.6	Community centres and halls	A468	Cmty Props Programmed Maint	Direct Expense	661
								Income	(4)
								Indirect Expense	23
						C068	Community Halls Ops and Maint.	Direct Expense	179
								Income	(39)
								Indirect Expense	31
						C130B	Community Prop & Facility Ops	Direct Expense	1,650
								Income	(192)
								Indirect Expense	676
						C130I	Accommodation Assistance Fund	Direct Expense	232
					Community centres and halls Total				3,218
					Community support Total				17,600
		5.3	Public health and safety	5.3.1	Burials and cremations	C007	Burial & Cremation Operations	Direct Expense	1,347
								Income	(858)
								Indirect Expense	308
					Burials and cremations Total				797
				5.3.2	Public toilets	C072	Contracts - Public Conveniences	Direct Expense	2,714
								Indirect Expense	247
					Public toilets Total				2,962
				5.3.3	Public health regulations	C478	Public Health	Direct Expense	3,178
								Income	(3,245)
								Indirect Expense	1,399
						C675	Noise Monitoring	Direct Expense	536
								Indirect Expense	141
					Public health regulations Total				2,009
				5.3.4	City safety	C673	Anti-Graffiti Flying Squad	Direct Expense	596
								Indirect Expense	87
						P169	Safe City Project Operations	Direct Expense	1,572
								Indirect Expense	561
					City safety Total				2,815
				5.3.5	WREMO	C540	Emergency Mgmt Plan & Train	Direct Expense	1,118
								Income	(14)
								Indirect Expense	155
						C543	Emgncy Mgmt Rural Fire Mgmt	Direct Expense	246
								Income	(4)
								Indirect Expense	15
					WREMO Total				1,517
			Public health and safety Total						10,099
			Social and Recreation Total						54,725
6	Urban Development	6.1	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	C533	District Plan	Direct Expense	1,564
								Income	(20)
								Indirect Expense	491
						C650	Growth Spine Centres	Direct Expense	27
								Indirect Expense	12
					Urban planning and policy Total				2,074
				6.1.2	Waterfront development	C711	City Shaper Developments	Direct Expense	1,140
								Indirect Expense	186
					Waterfront development Total				1,326

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s							
				6.1.3	Public spaces and centres development	C350	Maintenance of City Art Works	Direct Expense	366							
								Indirect Expense	66							
						C370	Public Space/Centre Devl. Plan	Direct Expense	1,179							
										Indirect Expense	613					
												2,224				
				6.1.4	Built heritage development	P065	City Heritage Development	Direct Expense	1,749							
								Indirect Expense	248							
													1,998			
												7,621				
				6.2	Building and development control	6.2.1	Building control and facilitation	C480	Building Control/Facilitation			Direct Expense	8,330			
												Income	(9,067)			
												Indirect Expense	4,562			
																469
																263
																4,556
6.2.2	Development control and facilitation	C479	Development Cntrl/Facilitation							Direct Expense	3,902					
										Income	(2,899)					
										Indirect Expense	2,069					
												3,072				
6.2.3	Earthquake risk mitigation - built environment	P057	Earthquake Risk Building Proj.							Direct Expense	818					
										Indirect Expense	237					
															1,056	
												8,684				
												16,305				
7	Transport	7.1	Transport	7.1.1	Transport planning	C681	Ngaurunga to Airport Corridor	Direct Expense	1,484							
									Indirect Expense	162						
										672						
										332						
										2,651						
7.1.2	Vehicle network	C304	Road Maintenance&Storm Cleanup					Direct Expense	1,537							
								Income	(720)							
								Indirect Expense	198							
													30			
													5			
													231			
													(85)			
													47			
													5,734			
													(49)			
											1,087					
											725					
											(354)					
											94					
											11,031					
							(274)									
							3,287									
							84									
							11									
								22,619								
7.1.3	Cycle network	C493	Cycleways Maintenance			Direct Expense	96									
						Income	(47)									
						Indirect Expense	15									
											200					
											28					
											961					
							77									
								1,329								
7.1.4	Passenger transport network	C072A	Passenger Transport Facilities			Direct Expense	523									
						Income	(286)									
						Indirect Expense	76									
											4					
											(570)					
											2					
							367									
							385									
							78									
							11									
								1,005								
								1,594								
7.1.5	Pedestrian network	C307	Street Furniture Maintenance			Direct Expense	382									
						Income	(6)									
						Indirect Expense	59									
											5,164					
							407									
								781								

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect Income Expense	Total \$000s
									(34)
									101
						C492	Ped Network Structures Maint	Direct Expense	149
								Indirect Expense	18
					Pedestrian network Total				7,021
				7.1.6	Network-wide control and management	A026	Traffic Signals System Maintenance	Direct Expense	1,169
								Income	(590)
								Indirect Expense	220
						A153A	Traffic Control Asset Stewards	Direct Expense	2,753
								Income	(88)
								Indirect Expense	129
						C026C	Road Marking Maintenance	Direct Expense	1,129
								Income	(551)
								Indirect Expense	160
						C452	Traffic Signs Maintenance	Direct Expense	466
								Income	(204)
								Indirect Expense	105
						C481	Network Activity Management	Direct Expense	917
								Income	(891)
								Indirect Expense	478
					Network-wide control and management Total				5,201
				7.1.7	Road safety	C026B	Street Lighting Maintenance	Direct Expense	2,947
								Income	(1,319)
								Indirect Expense	112
						C450	Transport Education & Promotion	Direct Expense	601
								Income	(231)
								Indirect Expense	171
						C494	Fences & Guardrails Maint	Direct Expense	356
								Income	(104)
								Indirect Expense	41
						C575	Safety Asset Stewardship	Direct Expense	1,930
								Indirect Expense	195
					Road safety Total				4,698
					Transport Total				45,114
		7.2	Parking	7.2.1	Parking	C290	Parking Services & Enforcement	Direct Expense	10,751
								Income	(27,124)
								Indirect Expense	1,888
						C378	Waterfront Parking Services	Direct Expense	630
								Income	(1,171)
								Indirect Expense	656
					Parking Total				(14,370)
					Transport Total				30,744
10	Council	10.1	Organisational Projects	10.1.1	Organisational	A312	Waterfront Commercial Property Services	Direct Expense	3,271
								Income	(2,670)
								Indirect Expense	146
						C332	Commercial Property Man & Serv	Direct Expense	2,543
								Income	(2,910)
								Indirect Expense	1,367
						C333	Civic Centre Facilities Managt	Direct Expense	5,850
								Income	(216)
								Indirect Expense	(5,633)
						C374	Information Services SLA	Direct Expense	20,077
								Income	(1,709)
								Indirect Expense	(18,368)
						C388	NZTA Income on Capex Work	Income	(14,868)
						C700	Waterfront Utilities Management	Direct Expense	404
								Income	(423)
								Indirect Expense	24
						ORG	Organisation	Direct Expense	55,543
								Income	(312,700)
								Indirect Expense	(47,092)
					Organisational Total				(317,364)
					Organisational Projects Total				(317,364)
					Council Total				(317,364)
Grand Total									(8,835)

2016/17 AP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s			
1	Governance	1.1	Governance, information and engagement	1.1.1	City governance and engagement	CX420	Committee & Council Processes	Direct Expense	116			
					City governance and engagement Total				116			
					Governance, information and engagement Total				116			
Governance Total												
2	Environment	2.1	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	CX284	Park Structures - upgrades & renewals	Direct Expense	400			
							Parks Infrastructure		305			
						Local parks and open spaces Total	705					
						Botanical gardens	CX348	Botanic Garden	Direct Expense	530		
						Botanical gardens Total		530				
						Beaches and coast operations	CX290	Coastal - upgrades	Direct Expense	1,052		
								Coastal		124		
						Beaches and coast operations Total	1,176					
						Town belts	CX437	Town Belt & Reserves	Direct Expense	248		
						Town belts Total		248				
						Walkways	CX435	Walkways renewals	Direct Expense	1,014		
						Walkways Total		1,014				
			Gardens, beaches and green open spaces Total	3,672								
		2.2	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	2.2.1	Waste minimisation, disposal and recycling management	CX084	Southern Landfill Improvement	Direct Expense	673	
											Waste minimisation, disposal and recycling management Total	673
											Energy efficiency and conservation	CX494
			Energy efficiency and conservation Total	65								
			Waste reduction and energy conservation Total	738								
		2.3	Water	2.3.1	Water network	2.3.1	Water network	CX126	Water - Network renewals	Direct Expense	9,902	
									Water - Pump Station renewals		668	
									Water - Water Meter upgrades		477	
									Water - Network upgrades		1,368	
									Water - Network renewals		485	
									Water - Reservoir renewals		1,662	
									Water - Reservoir upgrades		353	
									Water network Total		14,915	
			Water Total	14,915								
2.4	Wastewater	2.4.1	Sewage collection and disposal network	2.4.1	Sewage collection and disposal network	CX334	Wastewater - Network renewals	Direct Expense	9,905			
							Wastewater - Network upgrades		456			
							Wastewater - Pump Station renewals		874			
	Sewage collection and disposal network Total	11,236										
	Wastewater Total	11,236										
2.5	Stormwater	2.5.1	Stormwater management	2.5.1	Stormwater management	CX031	Stormwater - Network upgrades	Direct Expense	4,081			
							Stormwater - Network renewals		2,939			
	Stormwater management Total	7,020										
	Stormwater Total	7,020										
2.6	Conservation attractions	2.6.1	Conservation visitor attractions	2.6.1	Conservation visitor attractions	CX125	Zoo renewals	Direct Expense	817			
							Conservation visitor attractions Total		817			
	Conservation attractions Total	817										
Environment Total												
3	Economic Development	3.1	City promotions and business support	3.1.2	Wellington convention centre	CX275	Wellington Venues renewals	Direct Expense	1,759			
							Convention Centre		5,252			
							Wellington convention centre Total		7,011			
	City promotions and business support Total	7,011										
Economic Development Total												
4	Cultural Wellbeing	4.1	Arts and Cultural Activities	4.1.2	Major economic projects	CX536	Film Museum	Direct Expense	9,248			
							Major economic projects Total		9,248			
							Access and support for community arts		CX458	Arts Installation	Direct Expense	27
	Access and support for community arts Total	27										
	Arts and Cultural Activities Total	9,275										
Cultural Wellbeing Total												
5	Social and Recreation	5.1	Recreation promotion and support	5.1.1	Swimming pools	CX056	Aquatic Facility renewals	Direct Expense	1,853			
							Swimming pools Total		1,853			
						Sportsfields	CX345	Sportsfields upgrades	Direct Expense	905		
						Sportsfields Total		905				
						Sportsfields (Synthetic)	CX507	Synthetic Turf Sportsfields upgrades	Direct Expense	1,789		
						Sportsfields (Synthetic) Total		1,789				
						Recreation centres	CX059	Recreation Centre Renewal	Direct Expense	15		
								ASB Sports Centre		62		
						Recreation centres Total	77					
						Recreation partnerships	CX503	Basin Reserve	Direct Expense	1,597		
						Recreation partnerships Total		1,597				
	Playgrounds	CX181	Playgrounds renewals & upgrades	Direct Expense	455							
	Playgrounds Total		455									
	Marinas	CX341	Marina renewals	Direct Expense	87							
			Marina		54							
	Marinas Total	141										
	Recreation promotion and support Total	6,817										

2016/17 AP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s								
		5.2	Community support	5.2.1	Libraries	CX077	Upgrade Library Materials	Direct Expense	2,073								
						CX338	Central Library upgrades	Direct Expense	347								
						CX358	Branch Library upgrades	Direct Expense	6,882								
						CX359	Branch Libraries renewals	Direct Expense	220								
						Libraries Total								9,521			
						5.2.5	Housing	CX370	Housing upgrades	Direct Expense	19,646						
								CX371	Housing renewals	Direct Expense	4,215						
								Housing Total							23,861		
						5.2.6	Community centres and halls	CX467	Community Halls - upgrades & renewals	Direct Expense	262						
								Community centres and halls Total							262		
						Community support Total								33,644			
						5.3	Public health and safety	5.3.1	Burials and cremations	CX369	Burial & Cremations	Direct Expense	316				
										Burials and cremations Total							316
										5.3.2	Public toilets	CX366	Public Convenience and pavilions	Direct Expense	1,622		
												Public toilets Total					
5.3.5	WREMO	CX372	Emergency Management renewals	Direct Expense	73												
		WREMO Total							73								
Public health and safety Total								2,010									
Social and Recreation Total								42,471									
6	Urban Development	6.1	Urban planning, heritage and public spaces development	6.1.2	Waterfront development	CX131	Wgtn Waterfront Development	Direct Expense	5,187								
						CX523	Waterfront Renewals	Direct Expense	1,204								
						Waterfront development Total							6,390				
						6.1.3	Public spaces and centres development	CX406	Central City Framework	Direct Expense	2,542						
								CX446	Suburban Centres upgrades	Direct Expense	1,120						
								CX522	Minor CBD Enhancements	Direct Expense	124						
								CX527	Urban Regeneration Projects	Direct Expense	392						
						Public spaces and centres development Total							4,177				
						Urban planning, heritage and public spaces development Total							10,568				
						6.2	Building and development control	6.2.3	Earthquake risk mitigation - built environment	CX505	Earthquake Risk Mitigation	Direct Expense	3,041				
Earthquake risk mitigation - built environment Total											3,041						
Building and development control Total								3,041									
Urban Development Total								13,609									
7	Transport	7.1	Transport	7.1.2	Vehicle network	CX086	Wall, Bridge & Tunnel renewals	Direct Expense	2,457								
						CX088	Thin Asphalt Road Surface renewals	Direct Expense	2,118								
						CX089	Reseals renewals	Direct Expense	2,435								
						CX090	Preseal Preparation renewals	Direct Expense	3,288								
						CX092	Shape & Camber Correction	Direct Expense	4,267								
						CX093	Sumps Flood Mitigation Upgrade	Direct Expense	221								
						CX098	Road corridor new walls	Direct Expense	2,182								
						CX101	Service Lane Improvements	Direct Expense	51								
						CX165	Tunnel and bridge improvements	Direct Expense	895								
						CX253	Kerb & Channel renewals	Direct Expense	2,133								
						CX350	Road Risk Mitigation	Direct Expense	720								
						CX383	Area Wide Road Maintenance	Direct Expense	790								
						Vehicle network Total								21,558			
						7.1.3	Cycle network	CX112	Cycling Improvements	Direct Expense	7,522						
								Cycle network Total							7,522		
						7.1.4	Passenger transport network	CX492	Bus Priority Planning	Direct Expense	888						
								Passenger transport network Total							888		
						7.1.5	Pedestrian network	CX091	Pedestrian Network Structures	Direct Expense	240						
								CX094	Pedestrian Network Footpath renewals	Direct Expense	3,539						
								CX099	Walking Improvements	Direct Expense	409						
								CX108	Street Furniture renewals	Direct Expense	261						
								CX109	Pedestrian Network Accessways	Direct Expense	222						
						Pedestrian network Total								4,671			
						7.1.6	Network-wide control and management	CX095	Traffic & St Signs renewals	Direct Expense	1,456						
								CX353	Traffic Signal renewals	Direct Expense	924						
						Network-wide control and management Total								2,380			
						7.1.7	Road safety	CX096	Safety Street Lighting renewals	Direct Expense	706						
CX097	Rural road improvements	Direct Expense	103														
CX171	Minor safety projects	Direct Expense	1,014														
CX352	Fences & Guardrails renewals	Direct Expense	624														
CX445	Safer Roads Project	Direct Expense	1,092														
Road safety Total								3,538									
Transport Total								40,557									
7.2	Parking	7.2.1	Parking	CX319	Roadside Parking Improvements	Direct Expense	496										
				Parking Total							496						
Transport Total								41,052									

2016/17 AP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	AP Project	Project name	Direct/ Indirect	Total \$000s
10	Council	10.1	Organisational Projects	10.1.1	Organisational	CX010	Enterprise Applications	Direct Expense	779
						CX245	Capital Replacement Fund	Direct Expense	4,469
						CX258	Disaster Recovery Assets	Direct Expense	901
						CX260	Technology Infrastructure Assets	Direct Expense	100
						CX299	PeopleSoft Version Upgrade	Direct Expense	361
						CX300	Unscheduled infrastructure renewals	Direct Expense	2,361
						CX305	Health & Safety - Legislation Compliance	Direct Expense	317
						CX426	Civic Property renewals	Direct Expense	2,985
						CX501	Commercial Properties renewals	Direct Expense	11,796
						CX502	Community & Childcare Facility renewals	Direct Expense	272
						CX524	Legislative changes	Direct Expense	103
						CX525	Support for Business Unit Initiatives	Direct Expense	482
						CX528	Office Resilience and Efficiency	Direct Expense	3,429
						CX529	Civic Campus Resilience and Improvements	Direct Expense	513
							Organisational Total		28,867
			Organisational Projects Total						28,867
	Council Total								28,867
Grand Total									180,799

EXPLANATION OF SURPLUS

Items that are presented in the Prospective Statement of Comprehensive Revenue and

\$000's

Balanced Budget 0

Depreciation not funded by rates:

Depreciation collected for capital assets that will not be renewed

NZTA Transport funded projects (7,597)

General (157)

Clearwater sewerage treatment plant (3,040)

Decommissioned Living Earth joint venture plant (201)

Wellington Waterfront Limited Depreciation (3,396)

Total depreciation not funded by rates (14,392)

Revenue received for capital purposes:

Funding received from external parties for major capital expenditure projects

NZTA capital funding 14,935

Housing ring-fenced surplus (5,909)

Housing capital grant 18,082

Development contributions 2,000

Bequests, trust and other external funding 0

Total Revenue received for capital purposes 29,108

Items funded from prior year surpluses:

City Growth Fund (3,000)

Lyllall Bay Surf Club (200)

Toitu Pōneke (150)

Total items funded from prior year surplus (3,350)

Additional operational expenditure items:

Operational expenditure items identified as equitable to be funded through other

Alex Moore Park 12

Cable car (875)

ICT Infrastructure project (3,835)

Odyssey 221

Roading (848)

Toitu Pōneke (520)

Weathertight Homes funding 7,227

Westpac Stadium (4,575)

Waste minimisation activity 0

Conflict Museum 0

Ocean Exploration Centre 0

TSB naming rights 0

Reserves purchases and development fund (30)

Unrealised fair value adjustment for loans and receivables 637

Fair value movement on investment property revaluation 3,989

Total additional items (2,587)

Total Surplus 12,768

FINANCIAL OVERVIEW

AT A GLANCE

Measure	2016/17 Annual Plan	2015-25 Long-term Plan
Operating expenditure	\$462.6 million	\$458.6 million
Capital expenditure	\$180.8 million	\$172.5 million
Average rates increase after growth	3.6 percent	3.6 percent
Forecast year-end borrowings	\$473.3 million	\$492.0 million
Operational expenditure funded by rates	65 percent	65 percent
Rates distribution	45 percent commercial 55 percent residential	45 percent commercial 55 percent residential

FINANCIAL STRATEGY AT A GLANCE

1. The Council implemented its Financial Strategy as part of the 2015–25 Long-term Plan. 2016/17 is the second year in this long-term plan

Rather than risk cuts to services and a stagnating city, our new Financial Strategy provides a platform for the Council to invest and support economic growth, which in turn will create jobs, grow our ratepayer base and increase prosperity. We will achieve this by prioritising proposals for funding and expenditure that:

- Rebalance our spend and investment between key strategy areas
- Identify areas where service levels and performance are already high and increase the use of existing assets, rather than spending on new investments
- Invest in projects that grow the economy and deliver returns on our investment
- Encourage urban growth in areas where we have existing infrastructure and public transport and in a way that improves environmental performance
- Improve our asset management to better manage risk while also maintaining high levels of service delivery
- Achieve ongoing efficiencies within the organisation, with a focus on shared services and improved customer experiences.

The Council is in a sound financial position as indicated by our AA Standard and Poor's credit rating. We will continue to manage the financial challenges associated with the costs of earthquake strengthening our assets and our weathertight homes liabilities. Setting limits on our rates and borrowings requires prioritisation of spending decisions and ongoing review of existing services.

The parameters we set for our rates levels and rates increases as part of the 2015–25 Long-term Plan are:

RATES LIMITS:	2016/17
Rates increase limit (after growth) first triennium average	4.5%
Rates increase limit (after growth) ten year average	3.9%
Rates increase (after growth)	3.6%

The Annual Plan rates increase is 3.6 percent, which is currently compliant with the 2015-25 Long-term Plan financial strategy.

The parameters we have set for borrowings as part of the 2015–25 Long-term Plan are:

BORROWINGS LIMITS:	OPERATING TARGETS	PRUDENTIAL LIMITS	ANNUAL PLAN 2016/17
2015-25 Long-term Plan Limit:			
Net borrowing as a percentage of income	<150.0%	<175.0%	105.5%
Prudential Limits:			
Net borrowing as a percentage of income	<150.0%	<175.0%	105.5%
Net interest as a percentage of income	<15.0%	<15.0%	5.1%
Net interest as a percentage of annual rates income	<20.0%	<20.0%	9.0%
Liquidity (term borrowing committed loan facilities to 12 month peak net borrowing forecast)	>110.0%	>110.0%	>110.0%

For 2016/17 we are within all of the borrowings limits.

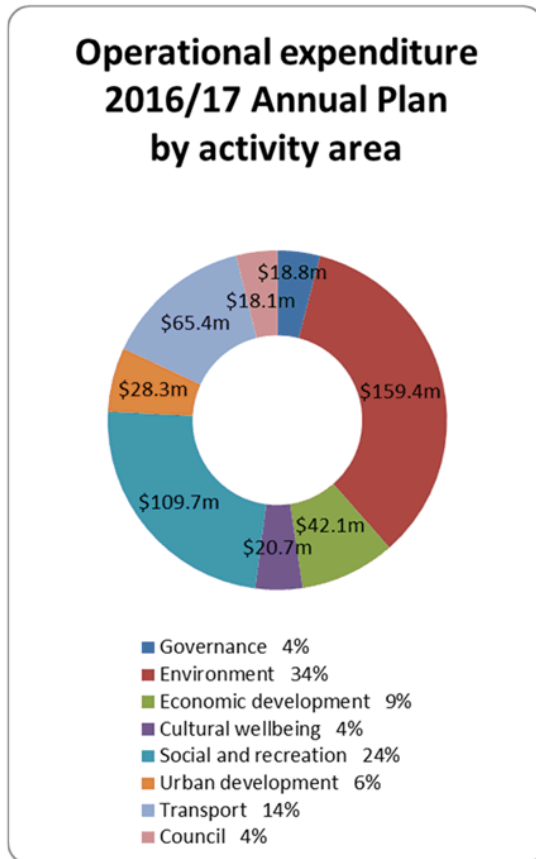
FINANCES AT A GLANCE

Operational expenditure

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

The Council plans to spend \$462.4 million on operational expenditure in 2016/17. This compares with \$458.6 million forecast for 2016/17 in the 2015–25 Long-term Plan.

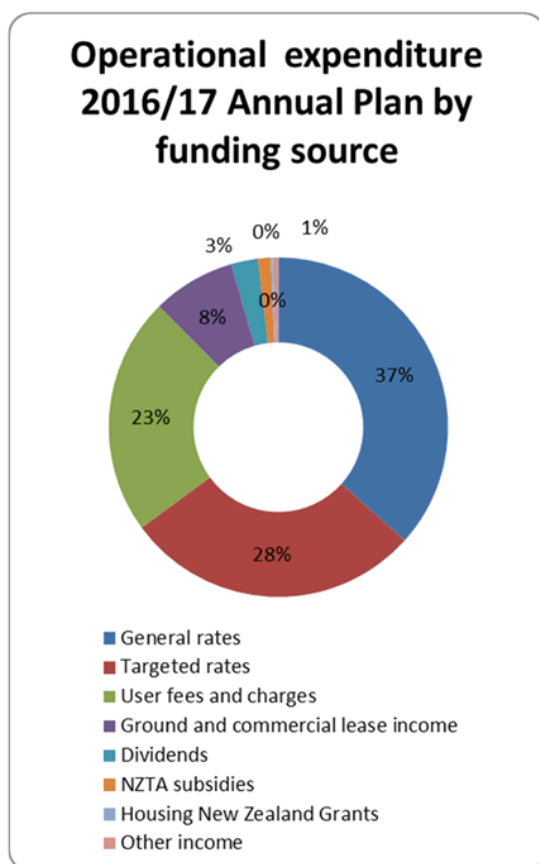
The graph below shows this operational expenditure by activity area in 2016/17.



Sources of operational funding

Some 65 percent of our operational expenditure is funded from a combination of general rates (paid on all properties) and targeted rates. The remainder is funded from user charges, ground and commercial lease income, dividends and other revenue such as grants and government subsidies.

The graph below shows how our operational expenditure will be funded in 2016/17.



Detailed information on all of our rating mechanisms is included in the Funding Impact Statements

Your rates

For 2016/17, total rates are forecast to increase by 4.8 percent before allowing for growth of 1.2 percent in our ratepayer base. After allowing for expected growth, our total rates are forecast to increase by 3.6 percent.

Explaining your rates

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

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

In 2016/17, the commercial sector general rate per dollar of capital value is to remain at 2.8 times the base sector general rate for a residential property of the same value.

Targeted rates are used to fund activities where the Council is able to clearly identify a specific group of ratepayers who receive the benefit of the activity, and where it is proper that this group be targeted to pay. The Council sets targeted rates to fund costs associated

with the city's water, sewerage and stormwater systems. Separate targeted rates are also set for our base (residential) sector, commercial sector, downtown commercial sector, Marsden Village, Tawa driveways and business improvement district (BID) for the Miramar, Khandallah and Kilbirnie business districts.

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

Property valuations and rates distribution

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

The Council is on a 3-yearly valuation cycle and for the 2016/17 rating year the September 2015 valuations will be used to distribute the total rates requirement across all properties. It is important to note that your rates bill does not automatically change when your property value changes. Your rates bill will only be impacted by the change in your property's capital value relative to the change in capital value for the entire city. The final rates bill for an individual property will depend on:

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

Changes to rates or rating mechanisms

A new targeted rate for Kilbirnie Business Improvement District

A new targeted rate is being proposed to be included in the AP under the terms of the Business Improvement District Policy, for \$80,000 (excluding GST) to be applied to commercially rated properties in the Kilbirnie Business Improvement District area

Liability for this rate will be calculated as a fixed amount of \$500 (excluding GST) per rating unit, plus a rate per dollar of rateable capital value for any capital value over \$1 million per rating unit.

Funding our activities

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

- who benefits (individuals, an identifiable part of the community)
- can the beneficiary be easily identified
- can the beneficiary be easily excluded from using the service for non-payment
- intergenerational equity (ie the period in or over which those benefits are expected to occur are when the rates impost is to be received)
- the 'polluter pays' principle (ie people should pay for negative effects they cause)

- fairness/equity of excluding people who cannot afford to pay
- transparency/accountability of a particular funding method
- overall impact on social, economic, cultural and environmental wellbeing.

Our Revenue and Financing Policy outlines how we propose to fund our activities. In 2016/17 we propose to make no changes to the policy.

User charges

For 2016/17, user charges are increasing in a number of areas. Our fees are set in accordance with our Revenue and Financing Policy. The areas where fees are increasing are as follows:

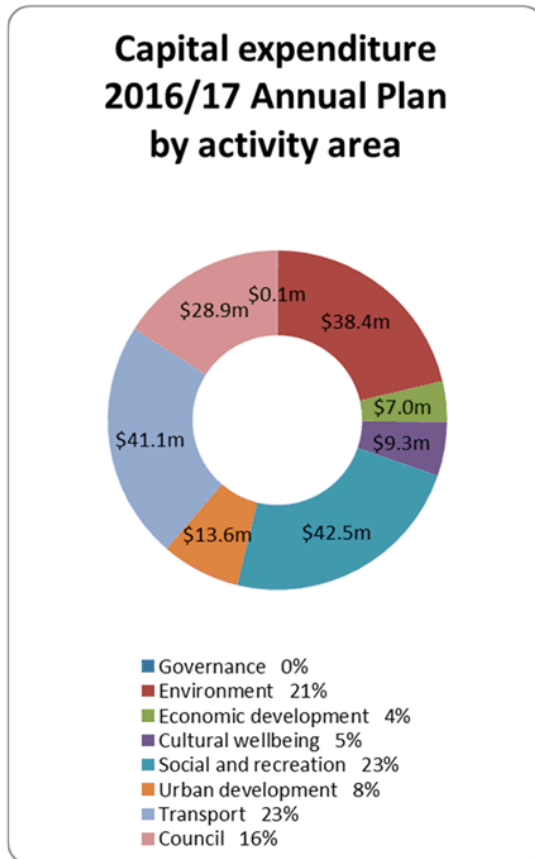
- Burials and Cremation
- Trade Waste
- Landfill
- Swimming Pools
- Recreation Centres

Understanding the Council's budgeted surplus

The Council is forecasting a net operating surplus of \$12.76 million in 2016/17. The majority of this surplus arises from cash funding received for capital purposes (Crown grants for housing, development contributions, NZTA subsidies and bequests). This income flows through to the net operating surplus to be available to fund capital expenditure. Offsetting this are some depreciation costs on assets which we have resolved not to fund.

CAPITAL EXPENDITURE

We're continuing to invest in our city's infrastructure while focusing on city resilience. Capital expenditure pays for purchasing, building or developing the Council's assets (eg pipes, roads, libraries, swimming pools). Our capital expenditure (excluding 'carry-forwards' and loans to other organisations) is forecast to be \$180.8 million in 2016/17. The graph below shows where this capital expenditure will be spent by activity area in 2016/17.



Sources of capital funding

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

Borrowings

Total borrowings are forecast to be \$473.3 million at the end of 2016/17. Our forecast asset base totals \$7.2 billion in 2016/17.

Land sale

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

Reflected in the 2016/17 plan is \$2 million worth of property asset disposals, with proceeds being used to reduce Council borrowings. Every specific property asset sale will be publicly consulted upon as per the standard Council process.

Variances from the Long-term Plan

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

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

This means the costs for each activity may differ from those we had originally forecast in the 2015–25 Long-term Plan.

MAYORAL DELEGATION TO SINGAPORE, CHINA AND SOUTH KOREA

Purpose

1. This paper seeks approval for Mayor Wade-Brown to travel to Singapore 8-14 July 2016 to attend the World Cities Summit and participate in Wellington International Airport (WIAL) and Wellington Regional Economic Development Agency (WREDA) initiatives.
2. This paper seeks approval for Mayor Celia Wade-Brown to lead a business and education delegation to China to undertake a series of activities beneficial to Wellington's economy and civic relationships.
3. This paper seeks approval for Mayor Celia Wade-Brown to visit the Republic of Korea in July 2016 to formalise a friendly city relationship between Wellington and Seoul.

Summary

4. In Singapore the Mayor and WIAL representatives will meet senior management from Singapore Airlines from 8 – 9 July.
5. From 10 – 14 of July the World Cities Summit 2016 is on. The topic is Liveable and Sustainable Cities: Innovative Cities of Opportunity. This is an opportunity to promote Wellington, as government leaders address liveable and sustainable city challenges and share solutions.
6. WREDA is also planning a trip to Singapore to capitalise on the new Singapore Airlines route to Wellington from Asia via Canberra. WREDA and the New Zealand High Commission in Singapore are going to host a business networking event on 8 July that the Mayor will attend.
7. The 10th anniversary of Beijing and Wellington's sister city relationship will include a promotional celebration in Beijing followed by a Wellington Phoenix vs. Beijing Capital football match opening the Capital Cup. Beijing has invited the Mayor to attend.
8. The Mayor has been invited to officially open the New Zealand Hub in Xi'an. The purpose of the visit to Xi'an is also to hold a series of education seminars/promotional events to provoke further investment in New Zealand's education system.
9. The purpose of the Mayor's visit to Xiamen and Tianjin is to promote and further discuss the Chinese Garden project.
10. There is a valuable opportunity to establish a friendly city relationship with Seoul in South Korea. The Seoul Metropolitan Government has invited the Mayor to Seoul in July to officially sign an MOU declaring the relationship.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Agree that Mayor Celia Wade-Brown lead a delegation travelling to Singapore 8 – 14 July 2016 to attend the World Cities Summit and participate in Wellington International Airport (WIAL) and Wellington Regional Economic Development Agency (WREDA)

initiatives. The cost of the Mayor's accommodation and meals will be covered by WIAL and the Summit, and the remaining costs including flights and incidentals will be met by Council (International Relations budget COCM08).

3. Agree that Mayor Celia Wade-Brown undertake official visits to China (Xiamen, Xi'an, Tianjin and Beijing) from 21– 29 of July. Note that international flights, domestic flights in China and costs in Xi'an will be met by the Council (International Relations budget COCM08), and the remainder of the costs while she is in China will be covered by host cities Beijing, Xiamen and Tianjin.
4. Note the potential economic and cultural benefits of establishing a friendly city relationship with Seoul which is outlined in the attached proposal.
5. Agree in principle to the Wellington-Seoul friendly city relationship.
6. Agree in principle the following areas of cooperation between Wellington and Seoul: education, trade, tourism, smart cities technology and cultural exchange.
7. Agree for Mayor Celia Wade-Brown to visit Seoul to formalise the friendly city agreement.
8. Note that carbon credits will be purchased for the Mayor travel to Singapore, South Korea and China, and these have been included in the estimated costs.

Background

11. Wellington City Council has successfully organised Mayoral led business delegations to China since 2010. Singapore has recently presented a strong potential for increasing education, tourism and trade to Wellington through the cooperation of Singapore Airlines. The proposed Mayoral delegation to China and Singapore in 2016 is planned within the following strategic context:

Alignment with Central Government strategies

12. The NZ China Strategy was established in 2012 with the aim of lifting the economic activity between NZ and China. Specific growth targets are highlighted within the strategy with a focus on trade (imports and exports), Tourism and International Education. The strategy states that "Mayors of Chinese cities have significant political power and influence, so New Zealand mayors can play an important role in opening doors in China. A business delegation led by a high- ranking political figure gets more traction." The proposed 2016 Delegation would be an opportunity for businesses to leverage off the seniority of the Mayor of New Zealand's capital city, to grow business networks and agreements.

Core Cities China Engagement Strategy

13. Wellington City is one of the cities that comprise the central government Core Cities programme. One of the identified streams of work with this programme is the China Engagement Strategy, which was agreed by the Mayors in 2013. The goal of this strategy is to "establish stronger relationships with China partner cities that leverage trade and investment opportunities including tourism and education".

Wellington Economic Development Strategy

14. In 2011 Wellington City Council adopted an Economic Development Strategy with the aim to "attract, retain and grow investment, to create jobs and to support sustainable economic growth." There are four platforms of work; Destination Wellington, Smart Capital, Connected Capital and Open for Business. The Connected Capital sets out a

series of actions to “better connect local industry to global markets though strengthening international business and trade connections.”

15. One of the key tasks outlined for the International Relations Team within the Connected Capital work stream is to undertake a programme of collaborative activities with the Council’s international contacts (such as sister cities and other local international networks, outbound trade missions, inbound official visits and delegations) and to facilitate business and market development opportunities.

Wellington City Council International Relations Policy

16. The International Relations Policy for Wellington City Council was approved in August 2013. The purpose of the policy is to enhance Wellington’s reputation as an attractive city for migrants, and a great place to invest and do business. Council’s International Relations Policy puts emphasis on economic development. This policy has identified an ambitious work programme with priorities to strengthen the relationship with China and to identify and explore new opportunities for international cooperation. The Council has sister city relationships with Beijing and Xiamen plus a friendly agreement with Tianjin in China.
17. The Council recently agreed a sister city relationship with Canberra in line with this policy, and there is opportunity for representatives from Canberra to join the delegation in Singapore.

Singapore

18. The biennial World Cities Summit 2016 (WCS) is a platform for government leaders and industry experts to address liveable and sustainable city challenges, form new relationships and share integrated urban solutions. WCS is jointly organised by Singapore’s Centre for Liveable Cities and Urban Redevelopment Authority. Mayor Wade-Brown attended previous World Cities Summits in 2012 and 2014. The Summit is a great opportunity to promote Wellington to a global audience.
19. A highlight of the WCS 2016 is the World Cities Mayors Forum, taking place on 10 July, which is an invitation-only global event for discussing urban issues and sharing solutions. The Mayors Forum will be chaired by Lawrence Wong, Minister for National Development in Singapore and moderated by Greg Clark, International Mentor and Advocate for Cities. Leaders and experts will engage in roundtable discussions on topics such as quality of life, sustainability (particularly water and waste management), competitive economies and investment, long-term planning, and dynamic urban governance. The forum is split into two sessions:
 - Innovative Solutions: New Answers to Wicked Problems. Mayors will share information on how they are being innovative in their approach to long standing challenges of cities such as big data, housing, transportation, economic development and sustainability.
 - Innovative Governance: Inventing the Toolbox for Better Cities. Mayors will discuss how they are re-organising their urban systems, integrating, and approaching the way they do things.

China

20. Mayor Celia Wade-Brown has been invited by the Mayors of Beijing, Xiamen and Tianjin to visit their cities and lead further civic and business opportunities.
21. The 10th anniversary of sister city relations between Wellington and Beijing is on 10 May 2016. The two cities plan to celebrate this milestone during the Mayor’s visit.

22. The Mayor will open the New Zealand Hub in Xi'an, which was built as a centre for New Zealand products and services to be promoted to Chinese people. It will include food and beverage businesses as well as representation from New Zealand education providers among others.
23. The New Zealand Corner at the Seashine Supermarket in Xiamen was opened during the inaugural New Zealand China Mayoral Forum in September 2015. The initiative has enabled many Wellington based businesses to access the Chinese market and has resulted in a significant increase in New Zealand exports to China. A mayoral follow up to Seashine Supermarkets will ensure the continuation and growth of business opportunities for local businesses.

Korea

24. After a successful visit to South Korea by Councillor Simon Marsh in October 2015, and under encouragement of the Korean Embassy in Wellington with support from MFAT and Seoul Metropolitan Council, there is an opportunity to formalise the Wellington-Seoul friendly city relationship (proposal included in appendix one).
25. The Seoul Metropolitan Council has formally invited Mayor Celia Wade-Brown to visit the city and formalise the relationship.

Discussion

Goals

26. The 2016 delegation to Asia aims to facilitate business and market development opportunities with a focus on trade and education; strengthen Wellington's relationship with China; position Wellington internationally as an attractive destination for study and investment; and to assess the value of Singapore as a trade partner and opportunities to promote Wellington and Wellington-based projects.

Singapore

27. There is a wide breadth of activities and meetings available to the WCC Singapore delegation in line with our Resilience, Biophilic and Economic programmes of work.
28. To achieve our trade goals in Singapore, Wellington businesses and Airport representatives will meet with Singapore Airlines to further promote Wellington as an international destination.
29. To achieve our civic engagement goals in Singapore Mayor Wade-Brown will attend WCS 2016 and meet senior local government officials from all over the world to discuss mutual concerns and successes.
30. There are close to [100 Ministers, Mayors and city leaders](#) from Africa, Asia, Europe, Latin America, the Middle East, North America and Oceania participating at WCS 2016.
31. Mayor Wade-Brown has corresponded with Mayor Ridwan Kamil, the Mayor of Bandung in Indonesia about the conference. Mayor Wade-Brown met Mayor Kamil in April, and they agreed that shared interests for Wellington and Bandung included smart cities technologies, resilience, cycling and cultural exchanges with an emphasis on Māori culture. WCC staff and WREDA have collaborated on a wider range of mutual interests which the Mayors can further discuss in Singapore.
32. Wellington and Singapore are both members of [Biophilic Cities](#), which are cities that are committed to integrating their natural and built environment. Singapore has developed the first city Biodiversity index. Wellington is currently assessing our performance in line with Our Natural Capital. Dr Lena Chan (Deputy Director, National

Biodiversity Centre, National Parks Board of Singapore) and Mayor Wade-Brown will lead a biodiversity session.

33. Michael Berkowitz, President of the 100 Resilient Cities Rockefeller Foundation programme (of which Wellington and Singapore are both members) will be speaking at WCS 2016.

China

Xiamen

34. Wellington and Xiamen have been sister cities for 29 years with active programmes in culture, trade, education and arts exchanges.
35. During the first inaugural New Zealand China Mayoral Forum held in Xiamen in 2015, Mayor Celia Wade-Brown opened the first New Zealand Corner in a Seashine Supermarket. A large and exponentially increasing amount of local New Zealand goods including wine, honey, skin care, juice and dairy products are now available to consumers in Xiamen. Mayor Celia Wade-Brown has encouraged New Zealand businesses to take advantage of her civic influence and join her delegation to China where they can promote their products to the Chinese market.

Beijing & Tianjin

36. 2016 marks the 10th anniversary of the Wellington Beijing sister city relationship. Beijing is one of Wellington's most important international relationships as it connects us, capital-to-capital with one of the most powerful and influential economies in the world. The local government has invited Mayor Celia Wade-Brown to visit Beijing and participate in the celebration.
37. Mayor Celia Wade-Brown visited Beijing following the New Zealand China Mayoral Forum held in 2015 and met Mayor Wang Anshan. It was discussed that, in order to strengthen ties between the capitals, Wellington and Beijing would hold annual football matches in alternating locations. This initiative was confirmed on both sides and the first of these matches was decided to be held in 2016 to celebrate 10 years of sister city relations in Beijing to draw the largest crowd.
38. The participation of the Mayor at the launch of the Capital Cup – covered heavily by the media – is expected to provoke support for the Wellington Phoenix both locally and abroad.

Xi'an

39. During a delegation in February 2016, the Xi'an Education Bureau and Education New Zealand signed an MOU agreeing to stronger collaboration in the fields of teaching exchanges, sister school programmes and promoting communication between students and staff. Following this agreement WREDA will select representatives from several education providers who will join the Mayoral delegation to further promote New Zealand education to foreign investors.
40. Not dissimilar to the Seashine Supermarket initiative in Xiamen, the New Zealand Hub established in Xi'an will be a centre for New Zealand businesses to showcase high quality New Zealand based products and services to an exponentially growing overseas market. During the Mayor's visit she will officially open the New Zealand Hub and assist in negotiations between local businesses and investors. The opening of the New Zealand Hub in Xi'an is a direct result of discussions following the first inaugural New Zealand China Mayoral Forum held last year. The selection process for New Zealand businesses to join the delegation will be conducted by WREDA.

41. WREDA has pledged its support for a Mayoral business and education delegation to China.

South Korea

Seoul

42. New Zealand's Free Trade Agreement with South Korea officially went into force in December 2015. Since the implementation of the agreement, New Zealand has seen a significant increase in imports and exports to and from South Korea. Wellington, which has also enjoyed years of cultural and educational exchanges with the South Korean capital, is in a very opportunistic position to take advantage of the increased trade between the two countries by establishing a formal relationship.
43. The initiative to establish a friendly city relationship with Seoul, although only proposed four months ago, has gained a large amount of support from both sides and is therefore progressing quickly. The next stage of formalising the relationship requires the Mayors of Wellington and Seoul to both sign a Memorandum of Understanding, outlining the terms of the agreement. A draft Wellington-Seoul relationship MOU is attached for reference.

Costs

44. The estimated cost to Council for the Mayor to travel to Singapore, South Korea and China is \$9,819.45. This would cover a daily allowance in accordance with Council policy; as well as flights, carbon credits, accommodation, transport and meals not being paid for by a third party. Note that the Mayor's costs in Singapore will be significantly subsidised by the Wellington Airport Company and the World Cities Summit, and that Wellington's sister cities Beijing and Xiamen will host the Mayor's visit.

Itinerary

45. The proposed activities for the Mayoral delegation to Singapore, South Korea and China is as follows:
- a. Singapore (7th-14th July)**
 - Meeting with senior management of Singapore Airlines, accompanied by WIAL.
 - WREDA and Singapore Chamber of Commerce business networking event.
 - Attending WCS 2016: Liveable & Sustainable Cities: Innovative Cities of Opportunity.
 - Meeting the 100 RC Regional Summit attendees with Mike Mendonca from WCC and Dan Neely from WREMO.
 - b. Seoul (14th-16th July)**
 - Meeting with Seoul Mayor and sign the friendly cities MOU.
 - Attending Wellington education function.
 - City visit of Seoul.
 - c. Xiamen (21st -23rd July)**
 - Meetings with the Mayor, Senior Government Officials and the Party Secretary of Xiamen.

- Participate in meetings and promotional events with the Seashine Group to promote further investment in New Zealand made products.
 - Attend meeting regarding the construction of the Wellington Chinese Garden.
 - Attend Wellington education promotional event.
 - Visit Xiamen Little Egret Folk Dance Troupe and Xiamen Cultural Bureau.
- d. Xian (24th-25th July)**
- Meetings with the Mayor and Senior Government Officials of Xi'an.
 - Business meetings and promotional events between New Zealand based businesses and Hub investors.
 - The opening of the New Zealand Hub in Xi'an.
 - Education seminars/promotional events with New Zealand education providers.
- e. Tianjin (25th-26th July)**
- Attend a donation ceremony for the Wellington Chinese Garden in Tianjin.
 - Attend meeting with the Mayor of Tianjin Huang Xingguo.
- f. Beijing (26th-29th July)**
- Attend meeting with the Mayor of Beijing Wang Anshun.
 - Attend meeting with Madam Li Xiaolin of CPAFFC re the 2nd NZ China Mayoral Forum in Wellington 2017.
 - Attend and participate in the Wellington Beijing sister cities 10th anniversary celebration.
 - Attend the opening of the Capital Cup in Beijing with the Wellington Phoenix. Another match between the Wellington Phoenix and the local Tianjin team during the same tour has also been proposed.
 - Participate in education seminars/promotional events in Beijing with New Zealand education providers to promote further investment in New Zealand's education system.

Options

46. N/a

Next Actions

47. n/a

Attachments

Attachment 1.	Wellington Seoul Relationship Proposal	Page 107
Attachment 2.	Wellington Seoul Draft MOU	Page 114

Authors	Jayne Ramage, Communication Advisor Tom Yuan, International Relations Manager Amanda Cundy, International Project Coordinator
Authoriser	Jeremy Baker, Director Strategy and Communications

SUPPORTING INFORMATION

Consultation and Engagement

In planning the Mayoral delegation to Singapore, South Korea and China, Council officers have consulted with key national, regional and local stakeholders including: New Zealand Trade and Enterprise, the Ministry of Foreign Affairs and Trade, Local Government New Zealand, Wellington Regional Economic Development Agency, Education New Zealand and Hutt City Council. Consultation will be ongoing as required.

Treaty of Waitangi considerations

N/A

Financial implications

The estimated cost to Council will be \$9,819.45, to be covered by International Relations budget COCM08.

Policy and legislative implications

Council's 2013 International Relations policy was consulted.

Risks / legal

N/a

Climate Change impact and considerations

Carbon credits will be purchased in line with Council policy.

Communications Plan

The Mayor's office and International Relations will coordinate communications as required.

take charge of administrative affairs and the other for political affairs. The current Mayor is Park Won Soon who was elected in 2011 and again in 2014.

Exchange History

The previous mayor of Wellington Kerry Prendergast enjoyed a close affiliation with the then mayor of Seoul, visiting the city several times and receiving delegations from the Seoul government just as frequently.

Wellington hosts the biannual Korean Film Festival which showcases the fruits of co-productions that are a direct result of the 2008 NZ Korea Co-production Agreement. Michael Stephens - a leading New Zealand film and entertainment lawyer from Wellington law firm Stephens Lawyers chairs the Korean Cinerama Trust responsible for the Festival in association with the Embassy of the Republic of Korea and the Korean Film Council. The festival is integral in fostering cultural ties with Korea and presents many opportunities for closer collaboration.

Now in its second year, the Gwangmyeong City Design Competition continues to forge a collaborative, creative relationship between South Korea and New Zealand. With support from WETA Digital and Massey University, the student exchange proves to supply the design industry of both countries with new and innovative talent.

In October 2015 with the support from the New Zealand Embassy in Korea, Korea hosted the first month-long New Zealand Festival which involved a hangi, a traditional haka and the announcement of the winner of the aforementioned competition. The festival was attended by Councillor Simon Marsh who signed an MOU promoting further cooperation in the design field.

The Wellington City Council enjoys a close relationship with the Korean Ambassador and the Embassy, who was delighted with the success of last year's first annual Korean Festival in Wellington. With the continuing engagement from the Council, the Embassy hopes that the festival becomes a popular and integrated event in the culture of Wellington City.

Objectives

Implementation of a Friendly City relationship between Wellington, New Zealand and Seoul, S. Korea will require active engagement between local governments, government agencies and relevant stakeholders.

The objectives of the proposed relationship are as follows:

- Provide local Wellington businesses with access to the Korean market and networks.
- Promote Wellington as an education/tourism destination to Korea.
- Increase the rate of information shared between countries regarding common urban issues and new technology.

- Establish Seoul as a strategic cultural/economic partner, increase film co-productions, ICT and cultural exchanges.

Wellington City Council Strategy and International Relations Policy

In previous years, both the Ministry of Foreign Affairs and Trade and New Zealand Inc. have recognised S. Korea as an important trade partner to consider in the future of New Zealand. That being said, neither organisation has proposed a foreign policy strategy for building a close relationship.

The Wellington City Council published an international relations strategy in 2013 that outlines the importance of fostering existing relationships as well as identifying countries with the potential to establish links both economically and culturally. The policy objectives and principles of the document are outlined in appendix 1 with ticks beside entries that would be addressed in the event of implementing a Friendly City relationship with Seoul.

This relationship, if established, would also fit appropriately into the Wellington City Council's Economic Development Strategy which purposes that effort be focused on four main areas:

- Destination Wellington: better communicating Wellington's strengths internationally to tourists, migrants, international students and investors. Maintaining Wellington's cultural reputation and investing in city amenity infrastructure.
- Wellington – the Smart Capital: supporting the growth and development our creative, knowledge extensive industries nationally and internationally.
- Wellington – the Connected Capital: strengthen international business and trade connections.
- Wellington – Open for Business: foster a business environment in the city where it is easy, efficient and affordable to invest and do business.

Opportunity areas for Wellington and Seoul

Since the free trade agreement went into force in December 2015, New Zealand has seen a steady increase in quality and quantity in incoming Korean goods. The agreement has also begun to open many opportunistic doors for future cooperation in the following fields. Now, as we are in the months following the implementation of the agreement, would be the perfect time to act on the support that has been shown for a capital-to-capital partnership between Wellington and Seoul.

Culture

There is a population of more than 30,000 Koreans in New Zealand (2013 Census) however, only 3% live in the Wellington Region. The Wellington Korean Association has worked toward nurturing the Korean culture in Wellington with the establishment of the Korean Festival held annually in July, as well as Korean language and cuisine courses. With the

growing global popularity of K-pop culture, Wellington, being the heart of culture in New Zealand, offers an untapped goldmine for cultural exchanges between the two cities which would serve to showcase Wellington as an attractive place to live and visit.



South Korea is an Asian media powerhouse, with 95% of all film, music and TV productions coming out of Seoul. Not only does Korea tend to consume more domestic entertainment than foreign, but China, Japan, and much of Southeast Asia also rely on the Korean entertainment industry. Seoul enjoys collaborating with New South Wales, Australia, one of

its many sister cities, in film production, which has proven to be a very profitable relationship. S. Korea and New Zealand signed a Film Cooperation Agreement in 2008 and exchanges and co-productions with the Seoul Film Commission are immensely beneficial for Seoul who gain access to Wellington's world famous computer generation technology, and Wellington who gain access to highly valued and experienced actors, directors and producers.

Education

Education is highly valued in Korea, with Korean families spending US\$20 billion annually on private education. However, Korean students are increasingly becoming cost conscious, and are seeking more affordable, value-for-money options.

New Zealand is seen as a safe, English-speaking education destination, and is especially popular with families looking for an international education for their school-age children. The challenge in Korea is to raise awareness of the New Zealand education offering in the face of increasing competition from domestic and foreign providers and greater English-proficiency of students. In 2009 our two countries signed an Education Cooperation Agreement to strengthen the relationship at a policy level. The first New Zealand-Republic of Korea Joint Policy Committee on Education was held in Wellington in 2010.

The majority of Korean students studying in New Zealand are enrolled in Private Training Establishments, but numbers have declined steadily across the board since 2010. A closer relationship with Seoul can mean marketing Wellington's institutes as an attractive option for international education. It also poses potential for scholarships and exchanges for students between cities.

Research

Seoul and Wellington both share the 'smart city' status which means they have both prioritised the improvement of their cities through the development of technology and public education. They use applied technologies to increase 'intelligence' on how the city operates (and how people operate within it) and to improve the efficiency of the response to any given issue. It's about gathering useful data in timely, cost-effective and efficient ways.

New Zealand and Korea signed a Science and Technology Cooperation Arrangement in 1997, which has led to joint research activities in fields such as environmental science and food innovation. In 2014, we established the Korea-New Zealand Strategic Research Partnership Fund. This focuses on advanced technologies, the environment and Antarctic research, and health.

However, Seoul also faces serious challenges. Overpopulation and urbanization have led to housing, transportation and parking shortages, pollution, and resource overuse. As a modern, post-industrial metropolis, there is a large possibility that Wellington may face these types of issues in the future. The sharing of information that comes with establishing a close relationship with another city is invaluable for Wellington's urban planning development in the future.

Seoul and the rest of S. Korea are currently reshaping the country's stance of renewable energy and clean technology. S. Korea has reduced its use of nuclear power significantly and has implemented several programmes to reduce air pollution and increase rates of recycling. Cooperation and research exchanges between institutes such as Korea Environment Institute, Seoul University, Victoria University and ESR are highly valued by both parties who have world recognised technology with the goal of achieving eco-friendly cities with resource sustainability.

Trade

New Zealand received roughly 47,000 visitors from South Korea in the year February 2015 to January 2016 which is a significant decrease from the 79,000 we received nearly ten years ago in 2008. One pattern remains clear however, that as a region Wellington attracts significantly less South Korean Tourists than most other regions in New Zealand (see appendix 2).

A partnership between Seoul and Wellington would provide the city with exposure to the majority of S. Korea's travellers and such opportunities to market Wellington as a tourist hotspot would gradually boost tourism numbers from an otherwise weakening market. The present is an ideal time to target Korea as a tourism market as Wellington is poised for an increase in visitors due to the airport runway extension and Singapore Airlines announcing they will now be servicing Wellington, connecting the city to global hubs it did not previously have access to.

New Zealand's main export goods to Korea include timber, meat and dairy products while the main export services include tourism and transportation. In the wake of the free trade agreement, it makes sense that New Zealand would begin to increase the goods and services being made available to S. Korea. A close city-to-city relationship between the capitals Wellington and Seoul would not only increase the likelihood of smaller local companies being able to do business in S. Korea, but would also set an example for businesses in other New Zealand cities to do the same.

Next steps

The Wellington City Council should continue exploring the possibility for a Friendly City agreement with Seoul to investigate the appropriateness of Seoul as a cultural and economic partner.

The Council would benefit from implementing a partnership development plan, where an agreement is achieved in stages and progression to the next stage is determined by the completion of the prior stage.

The stages should be as follows with appropriate time frame approximations:

1. The Council to seek further advise for central government agencies, local stakeholders and existing international partners with Seoul (e.g. New South Wales).
2. With this feedback, the Council to create a formal and feasible Seoul policy and strategy that can be implemented during the following stages.
3. The Council to complete an analysis of potential benefit for areas of common interest then seek support from relevant stakeholders.
4. An agreement will be formalised.

APPENDIX 1

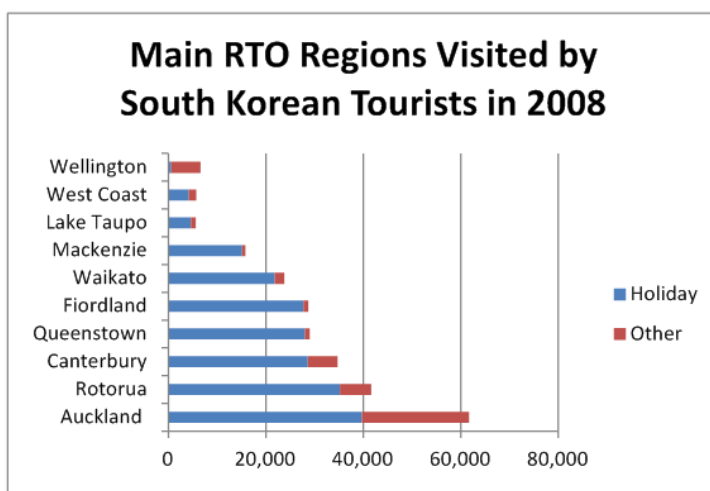
Policy Objectives

- Strategic focus: support the Council’s strategic vision – Wellington Towards 2040: Smart Capital. ✓
- Economic development: pursue new city-to-city relationships to develop economic partnerships and projects. ✓
- Foster linkages: provide local businesses with access to new markets and networks. ✓
- Promotion of the city: raise the profile of Wellington internationally as an attractive city and a great place to work, invest, visit, do business, learn and live. ✓
- Identity: enhance Wellington’s character and prosperity through well planned and managed relationships, partnerships and activities. ✓
- Engagement: enhance opportunities for international dialogue. ✓

Principles

- All international relationships must fit with the Council’s strategic vision: Wellington Toward 2040: Smart Capital.
- Any new economic partnerships or projects must fit with the common priorities and objectives as agreed between the Council and its international relations stakeholders.
- New international relationships should be assessed on their potential to provide demonstrable benefits for Wellington.
- Decisions on allocating the Council’s limited international relations resources must be made with confidence that the city derives sufficient value to justify Council engagement.

APPENDIX 2



AGREEMENT ON THE ESTABLISHMENT OF A FRIENDLY CITY RELATIONSHIP
BETWEEN
THE CITY OF WELLINGTON OF NEW ZEALAND
AND
THE CITY OF SEOUL OF THE REPUBLIC OF KOREA

Building upon their friendly relations which have existed for many years, the City of Wellington and the City of Seoul wish to further develop and promote a wide range of economic, cultural, tourism, educational and other activities of mutual exchange and benefit. In order to enhance the understanding and friendly cooperation between the two cities, the City of Wellington of New Zealand and the City of Seoul of the Republic of Korea have agreed to establish a Friendly City relationship.

Article 1

In accordance with the principle of mutual equality and benefit, the two cities will actively strengthen exchanges and cooperation in the fields of education, science and technology, trade, creative industries, tourism and other fields to support their shared prosperity and development.

Article 2

Both cities agree that the International Relations departments of the Wellington City Council and the Seoul Metropolitan Council will serve as the liaison offices for the two sides. They agree to maintain regular contact and support cooperative projects and activities in the aforementioned fields.

Article 3

This agreement will enter into force on the date of signature and remain valid for 5 years thereafter. Upon expiration, the agreement will remain in effect until terminated by either side.

Article 4

This agreement consists of two original copies, printed in English and Korean. Both copies are equally authentic and valid.

Wellington
New Zealand

Seoul
Republic of Korea

SUBMISSION TO THE LOCAL GOVERNMENT COMMISSION

Purpose

1. To agree Wellington City Council's feedback to the Local Government Commission on whether to support further work on developing a regional spatial plan.

Summary

2. The Local Government Commission has requested feedback on options it has identified for developing a spatial plan for the region. The options presented in the report (Attachment 1) range from:
 - a. Status quo / business as usual approach
 - b. Preparation of a 'stocktake' of existing strategies or plans
 - c. Preparation of a 'composite' growth plan for the region
 - d. Preparation of a comprehensive metropolitan spatial plan.
3. While Council agrees that a regional spatial plan is an important tool for some high growth regions, the business case for Wellington is not compelling, the costs and timeframes are likely to be significant, and the benefits are not clear.
4. The region as a whole has modest but steady growth, there is capacity for more growth in and around existing urban areas, and key regional infrastructure decisions have largely already been made. In the absence of a better defined case for Council to consider, it is difficult to prioritise this work ahead of more tangible planning issues the Council faces at the current time.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Note the Local Government Commission's report on options for regional spatial planning attached as Attachment 1.
3. Agree Wellington City Council's submission as outlined in Attachment 2.
4. Delegate to the Chief Executive and Mayor the authority to amend the submission to reflect any discussion and formal amendments agreed at this committee meeting and any other minor editorial changes as required.

Background

5. In June 2015, the Local Government Commission released its decision that a single unitary council with local boards for the Wellington region would not proceed due to a lack of wide-spread support.
6. The Local Government Commission has since been working with the region's councils to examine the opportunities and challenges in the region for good local government. This work has included looking at the region's transport arrangements, spatial planning, economic development and other regional services / networks like the three waters.

7. A workshop was held with the Local Government Commission earlier this year where they outlined their high level thinking on what the advantages, disadvantages, opportunities and challenges would be in developing a spatial plan for the region. They have now asked for formal feedback from all stakeholders so that they can come to a conclusion in terms of the next steps (if any).

Discussion

8. In the absence of significant growth pressures, the fact that a good level of growth planning and cooperation is already evident within region, and the absence of a clear 'value proposition', Wellington City Council does not support further resources being expended on developing a comprehensive regional spatial plan (options C and D). A 'stocktake' of what each Council is planning to achieve is largely already known (option B).
9. The Wellington City Council favours the status quo arrangements which includes high levels of cooperation among Councils on cross boundary issues. These cooperative arrangements could be further strengthened without the need to embark on a regional spatial plan.

Options

10. N/a.

Next Actions

11. N/a.

Attachments

- Attachment 1. Boffa Miskell report on spatial planning Page 118
Attachment 2. Wellington City Council's submission Page 176

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Authoriser	Jeremy Baker, Director Strategy and Communications

SUPPORTING INFORMATION

Consultation and Engagement

The Local Government Commission is responsible for consulting stakeholders in the region.

Treaty of Waitangi considerations

Financial implications

There are no financial implications associated with the recommended response outlined in this submission. Committee support for options C and D of the Local Government Commission's report would have considerable financial implications for Council.

Policy and legislative implications

There are no policy or legislative implications

.

Risks / legal

N/A.

Climate Change impact and considerations

N/A.

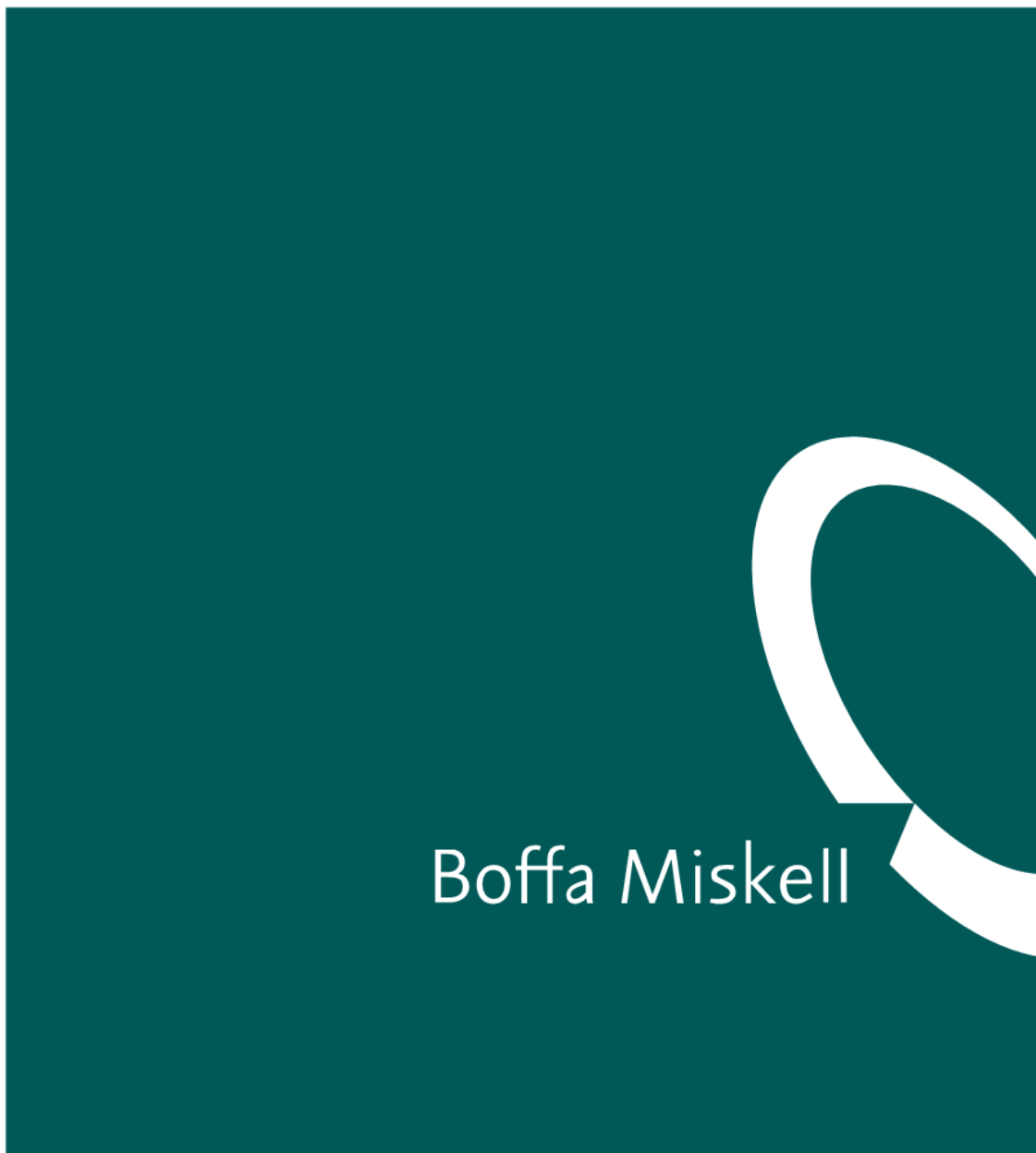
Communications Plan

N/A,




Spatial Planning

Opportunities and Options for Metropolitan Wellington
Prepared for the Local Government Commission

6 May 2016



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Appendices

Appendix 1: Wellington Metropolitan Region Spatial Planning Documents

Appendix 2: Summary of Interview Feedback



Acronyms and Abbreviations

GWRC	Greater Wellington Regional Council
GW	Greater Wellington
HCC	Hutt City Council
KCDC	Kāpiti Coast District Council
LGC	Local Government Commission
LGA	Local Government Act 2002
LG(AC)A	Local Government (Auckland Council) Act 2009
LTMA	Land Transport Management Act 2003
MFE	Ministry for the Environment
NZTA	NZ Transport Agency
PCC	Porirua City Council
RMA	Resource Management Act 1991
TLA	Territorial Local Authority
UHCC	Upper Hutt City Council
WCC	Wellington City Council



Executive Summary

The Local Government Commission (LGC) is currently considering the potential for spatial planning to help address current and projected opportunities and challenges for metropolitan Wellington¹.

This report provides a high level overview of the advantages and disadvantages that a spatial plan could have for the region, and the challenges and opportunities for developing one. It also identifies and examines a range of options for preparing and implementing a Wellington metropolitan spatial plan.

The information in this report is intended to inform discussions between the LGC and local authorities in the Wellington metropolitan region on potential options to promote more integrated planning. The report is a high level overview, drawing on feedback from the Councils, as well as from a review of the experience of spatial planning elsewhere in New Zealand. Reflecting the requirements set out in the Terms of Reference it excludes a detailed examination of the costs and benefits of spatial planning along with any specific recommendations about the way forward.

It is also important to stress that this report should not be considered in isolation from the other workstreams in which the Commission is currently engaged, in collaboration with the Wellington councils, to identify opportunities to address the common challenges facing the region. In particular, there are strong synergies between spatial planning and the management of transportation.

In preparing this report, a series of structured interviews were conducted with representatives of the metropolitan local authorities, the NZ Transport Agency and Horowhenua District Council, to explore the merits of spatial planning for the region along with the perceived challenges and opportunities. Following issue of a draft report and presentations made to each of the councils on its findings, the feedback received from the councils helped to inform the content of this final report.

For the purposes of the report, spatial planning is taken to mean the following:

A 20–30 year strategy that sets the strategic direction for a community to form the basis for the co-ordination of decision-making, infrastructure, services and investment. It is a means of aligning other council plans, as well as providing a visual illustration of the intended future location, form and mix of residential, rural and business areas, along with the critical transport and infrastructure required to service those areas and any relevant environmental constraints (for example, natural hazards).²

A spatial plan would provide an overarching strategic plan that clearly lays out how and where metropolitan Wellington is expected to grow over the medium-term, the location and form of future development (including within existing urban areas), the transportation networks, infrastructure and community facilities needed to facilitate such growth. Such a plan would be based on integrated regional modelling and forecasting, with input from a range of government agencies, stakeholders and the wider community.

The Auckland [Spatial] Plan is the only statutorily mandated spatial plan in New Zealand to date, required as part of the establishment of the Auckland Council. However, many other local authorities (from Dunedin to Whangarei) have prepared urban growth related plans at the scale of a single district

¹ 'Metropolitan Wellington' refers collectively to the cities of Wellington, Porirua, Hutt, and Upper Hutt, along with Kāpiti Coast District, as well as the Greater Wellington Regional Council in respect of its functions within those areas. This report does not include the Wairarapa as the LGC is running a separate parallel process in that part of the region.

² Adapted from the Ministry for the Environment report *Building Competitive Cities: Reform of the Urban and Infrastructure Planning System - A Discussion Document*, p.72, 2010.



under the aegis of the LGA as a means of ensuring an integrated approach to the planning of, and investment in, the provision for urban growth and infrastructure development.

Importantly, there are also examples of collaborative metropolitan spatial planning exercises involving regional and territorial local authorities, Iwi, NZTA and other partners: Western Bay of Plenty's SmartGrowth³ and Waikato's Future Proof (now the Waikato Plan)⁴, for instance, represent initiatives that have been undertaken to plan for growth in and around Tauranga and Hamilton cities. These examples provide valuable insight into how local authorities can work together to develop and implement a well-integrated spatial plan.

Wellington is unique within New Zealand in having its metropolitan urban area administered by five territorial local authorities. Each of these councils currently undertakes district-scale planning that incorporates elements of spatial planning to varying degrees, including development frameworks, urban development plans, urban growth strategies and similar planning instruments⁵. However, uncertainty exists as to whether these plans represent component parts of an overall 'spatial plan', or are in effect 'competitive strategies' as they are usually prepared without reference to the planning undertaken by other councils in the region.

Furthermore, there has usually been limited government engagement in developing these plans, and they tend to have a relatively low profile within the community and business sectors compared with the larger collaborative planning exercises undertaken elsewhere in New Zealand. While district growth planning addresses local roading and accessibility issues, they have little influence on regional transportation requirements, reactively responding to initiatives as they arise rather than acting as a key input to their development. The major roading projects underway or proposed in the region have significant implications for growth, matters which ideally should be addressed at the regional level. Similarly, there is no clear collective position on the overall supply and affordability of housing and no deliberate, co-ordinated regional response to the issue has been evident: this will need to change if the proposed new function to the Regional Council's responsibilities under the Resource Management Act comes into effect⁶.

While a number of collaborative planning exercises have recently been taken by the councils, the development of a metropolitan spatial plan would require a significantly higher level of collaboration, as well as resolution and resourcing. It would also require significant commitment of council funding to its long-term implementation.

The interviews undertaken for this study elicited valuable information about the opportunities for spatial planning in the region. While there was no consensus on the exact process that could be followed, generally there was support for a spatial plan to be developed for the Region. However, it was commonly recognised that there are some major challenges to establishing and pursuing a collaborative process, including issues around funding and representation, the resolution of disputes and overlaps, and on how to integrate existing local growth strategies without the loss of local autonomy.

Some of the key points arising from the feedback include:

³ Involving Tauranga City, Western Bay of Plenty, Environment Bay of Plenty and Tangata Whenua

⁴ Involving Hamilton City, Waipa District, Waikato District, and Environment Waikato, as well as Tangata Whenua, the NZTA and Matamata-Piako District Council

⁵ A list of current strategies and plans within metropolitan Wellington is provided in Appendix 1

⁶ Clause 11, Resource Legislation Amendment Bill, 2015



- Support for a spatial plan spanned a spectrum of views, from strong opinions about it being crucial through to those who considered that the ‘value proposition’ for a spatial plan needs to be demonstrated so that the greatest benefit to the region can be achieved
- A metropolitan spatial plan would ensure a more integrated approach to urban land use and infrastructure and transport planning in the region
- A metropolitan spatial plan was seen as a way of developing a collective coherent vision for the region, which would shape the various actions and activities undertaken by the councils, individually and collaboratively
- Preparing a spatial plan would clearly demonstrate a collaborative approach to the region’s common issues, and would provide a process by which central government, iwi and stakeholders could be involved in establishing regional priorities and investment strategies
- Given the absence of significant growth pressures in the region, the ‘value proposition’ for a spatial plan needs to be demonstrated so that the greatest benefit to the region can be achieved
- There is no clear consensus regarding the funding and governance of a spatial planning process, whether it should be completely independently undertaken by a separate agency (including decision-making powers) or be fully governed by the local authorities involved

Some of the benefits identified in having a metropolitan spatial plan were that it would:

- Draw together a single shared future of the region, with a statement of common aspirations under a single vision (such as Auckland’s *Most Liveable City by 2040*)
- Provide for the future urban growth of the region in a way that could recognise the ability of the region to provide for a wide range of residential lifestyles and community environments, including areas for intensification and greenfields development
- Identify and drive forward regional infrastructure and transport network projects
- Present a collective understanding and approach to natural hazard management
- Assist in providing economic development opportunities for the whole region, thus avoiding leakages to other regions

However, in contrast to these benefits some of the challenges cited included:

- A lack of a decision-making forum that everyone is comfortable participating in, agreeing to and abiding by
- No clear political leadership to unify local support around the development of a spatial plan for the region
- The need to establish an accepted forum and process for addressing the trade-offs and issues involved in developing a spatial plan across local authority boundaries – for example, the timing and provision of greenfields urban growth and regional facilities
- The complexity of the interface between a spatial plan and statutory plans prepared under the RMA, LTMA and LGA, and the risk of inconsistent implementation through these statutory instruments
- The lack of agreed funding or governance arrangements.



Since the commencement of this study, the Resource Legislation Amendment Bill 2015 has been introduced into Parliament, which would, among the many proposed amendments, introduce a new RMA function for regional and territorial local authorities, requiring them to establish, implement, and review “objectives, policies, and methods to ensure that there is sufficient development capacity in relation to residential and business land to meet the expected long-term demands of the [region][district]”. While the Wellington metropolitan territorial local authorities appear well placed to fulfil this function, if this amendment is enacted there would be significant added benefit in proactively establishing a collaborative spatial planning process to satisfy these obligations, particularly at a regional level.

In the absence of a legislative mandate and agenda for developing a spatial plan for Wellington, there is an opportunity to develop a ‘bespoke’ framework that acknowledges and addresses the particular challenges, requirements and conditions of the region. Developing this framework would require a process of negotiation, co-operation, and a commitment to explore options and make necessary concessions.

To advance spatial planning in metropolitan Wellington, there is a range of options that could be considered, from the ‘do minimum’ to a fully resourced major planning exercise. Some of the options include the following:

- Prepare a Wellington metropolitan spatial plan (‘metro plan’), through a separate agency or organisation, based on a formal agreement between the councils or mandated through statute (for example, by seeking an amendment to the LGA), or
- Prepare a ‘composite growth plan’ through a joint planning exercise (such as that used to prepare the Combined Wairarapa District Plan), drawing on a stocktake of existing growth plans, and negotiating any areas of duplication or necessary trade-offs, with the component parts of the plan remaining the responsibility of the relevant Territorial Local Authority to implement. This exercise would inform the development of better integrated spatial plans for each territorial local authority, or
- Compile a ‘stocktake’ spatial plan drawing on the existing 23 strategies, frameworks, policies and plans within the region, to reveal the shape and nature of the current ‘disaggregated’ spatial plan. This exercise could be used to determine the ‘value proposition’ of developing a full metropolitan spatial plan.

It would be important to scope and agree on the matters that a spatial plan would address, as this would influence the costs and complexity of its production.

In terms of resourcing the development of a spatial plan, use of existing in-house council planning resources was not generally favoured, as all Councils have significant current commitments in their own programmes and initiatives. Some form of dedicated resourcing to prepare a spatial plan would therefore be needed, particularly if the plan were to be prepared within the short timeframe that was generally seen as preferable (for example, 2 years).

There is also a range of options to establish the necessary governance and delivery framework required to develop and implement a metro plan. It would be important to investigate the costs and benefits of these options, in conjunction with the form of potential decision-making arrangements.

The relationship with potential options for transport management in the region also would need to be recognised.

Some of the options to advance a metropolitan spatial plan are:



- Wellington Metropolitan Spatial Planning Committee – comprising representatives of the contributing local authorities, with an independent chair, and possibly other independently appointed members with technical skills and experience.
- Wellington Metropolitan Spatial Planning Advisory Body – a separate but not large body dedicated to the function of preparing and overseeing the metropolitan spatial plan, with experts to assist and advise on the development of the plan.
- Wellington Metropolitan Spatial Planning Agency – a separate body, formed under statute (LGA amendment), with prescribed powers and functions, that would prepare and oversee the implementation of the metro plan, and its interface with the transport, RMA and local government planning policies and strategies in the region.

In conclusion, without a legislative mandate, the challenges to preparing a metropolitan spatial plan on a voluntary-basis would appear to impose a formidable and almost insurmountable barrier. Under such circumstances it is unlikely that plan development could constructively proceed unless a set of fair processes and procedures are agreed and locked in from the beginning, and a formal, collective commitment is made to ensuring that the process is adequately resourced and managed and the resultant plan implemented.

However, there appears to be general support in principal amongst the constituent councils to explore the opportunities and potential benefits that could be derived from developing a spatial plan for metropolitan Wellington, particularly given the synergies associated with the complementary area of regional transportation.



1 Introduction

1.1 Background

The Local Government Commission (LGC) is currently considering the potential for spatial planning to help address current and projected opportunities and challenges for metropolitan Wellington⁷.

To assist in this task the LGC engaged Boffa Miskell Ltd (BML) to analyse, at a high level, and report on the possible role that spatial planning could assume in the region, including:

- The challenges and opportunities that spatial planning would address for metropolitan Wellington
- The advantages and disadvantages of spatial planning for metropolitan Wellington
- Options for the processes, roles and mechanisms that might be necessary to enable a spatial plan to be developed
- Options for implementing a spatial plan effectively across multiple local authorities
- Whether there are alternatives to a spatial plan that would achieve the same or similar outcomes.

The corresponding report is intended to be used to inform discussions between LGC and the Wellington councils on potential options to develop and implement a spatial plan for the Wellington metropolitan region. Reflecting the requirements set out in the Terms of Reference, it excludes a detailed examination of the costs and benefits of spatial planning along with any specific recommendations concerning the way forward. The report also does not include the Wairarapa as the LGC is running a separate parallel process for that part of the region.

1.2 Methodology

Preparation of this report was underpinned by two key inputs: background research and feedback from key stakeholders. The research undertaken for this report involved the identification and examination of spatial planning approaches applied elsewhere around the country (for example, Auckland, Bay of Plenty, Waikato), along with the scope and scale of growth/urban related policies and strategies currently operative within metropolitan Wellington. The information derived from this analysis was subsequently used to inform an assessment of the following considerations relating to the introduction of spatial planning to the region:

- Challenges and opportunities
- Relative advantages and disadvantages
- Processes, roles and mechanisms to facilitate plan development
- Regionally specific issues and constraints
- Implementation options, including their respective pros and cons
- Alternative methods to achieve the same or similar outcomes.

⁷ This includes the cities of Wellington, Porirua, Hutt, and Upper Hutt, along with Kāpiti Coast District.



In parallel with the research and analysis undertaken, structured interviews were also conducted with representatives of the following organisations to explore the merits of spatial planning to the region⁸:

- Greater Wellington Regional Council
- Kāpiti Coast District Council
- Lower Hutt City Council
- NZ Transport Agency
- Porirua City Council
- Upper Hutt City Council
- Wellington City Council.

In addition, an interview was also held with the Chief Executive and several staff of the Horowhenua District Council.

⁸ Council representatives interviewed generally included the Mayor/Chairperson and the Chief Executive Officer of each metropolitan local authority, as well as, in some instances, senior managers and planners. For one interview, the Chair of the Policy and Regulatory Committee deputised for the Mayor, who was unavailable.



2 What is Spatial Planning?

2.1 Definition

For the purposes of this report, spatial planning is taken to mean the following:

A 20–30 year strategy that sets the strategic direction for a community to form the basis for the co-ordination of decision-making, infrastructure, services and investment. It is a means of aligning other council plans, as well as providing a visual illustration of the intended future location, form and mix of residential, rural and business areas, along with the critical transport and infrastructure required to service those areas and any relevant environmental constraints (for example, natural hazards).⁹

In broad terms, spatial planning can be summarised as the ‘practice of place-shaping and delivery’¹⁰, one that is generally:¹¹

- Multi-party – a tool for collaboration between the key decision-makers
- Focussed on the long term development of cities and regions and improving investment certainty
- A guide to the location and timing of future infrastructure, services and investment that can be used to provide for the co-location of infrastructure where this is appropriate
- Evidence based
- Integrated across sectors – by example, transport, land use, housing, education, funding policy and regulatory policy – to achieve broad outcomes (economic, social, environmental and cultural)
- Strategic – provides direction to regional funding policy, regulation and other implementation plans (by example transport, economic development)

At the minimum, spatial planning can simply focus on the provision for growth in a city or region, but ideally a spatial plan must be multi-dimensional, and integrate the various components for developing and enhancing a region. Thus, a number of strategies can emanate from a spatial plan: economic, social, environmental, or urban growth.

Typically, spatial planning involves a collaborative process and is not solely centred on land use or prescriptive regulation. As such, it offers a useful mechanism whereby higher level, strategic direction can be articulated to inform and align lower level implementation plans (for example, district plans), and which enables better integration between land use and infrastructure investment planning to be achieved. Spatial planning represents a mechanism by which agreement is reached on the key investment decisions required by a range of agencies and organisations across multiple legal mandates (notably LGA, LTMA and RMA). A spatial plan should therefore direct or at least inform the planning of all agencies involved in the growth of a region.

⁹ Adapted from MfE (2010), Building Competitive Cities: Reform of the Urban and Infrastructure Planning System - A Discussion Document, p.72

¹⁰ UCL & Deloitte (2007), Shaping and Delivering Tomorrow’s Places: Effective Practice in Spatial Planning - Report, findings and recommendations, p.11

¹¹ MfE (2010), Building Competitive Cities: Reform of the Urban and Infrastructure Planning System - a Discussion Document, p.23



2.2 What are the key benefits?

The value of spatial planning have been explored by a number of New Zealand organisations recently including the NZ Productivity Commission, the Ministry for the Environment and the New Zealand Council for Infrastructure Development¹².

Fundamentally, the underlying value of spatial planning is reflected in the range of benefits it is capable of delivering through the creation of more stable and predictable conditions for investment and development and the promotion of more judicious use of land and infrastructure for development. Some of the primary benefits include:¹³

Economic

- Providing more stability, certainty and confidence for investment through improved understanding of what types of investment are required, where and when
- Identifying land in appropriate locations to meet the need for economic development
- Ensuring that land for development is well placed in relation to the transport network and the labour force
- Identifying development that meets the needs of local communities
- Promoting regeneration and renewal
- Making decisions in a more efficient and consistent way.

Social

- Providing a common understanding of the needs of the local communities in social policy development
- Improving accessibility when considering the location of new development
- Supporting the provision of local facilities where they are lacking
- Promoting the re-use of vacant and derelict land, particularly where it has a negative impact on quality of life and economic development potential.

Environmental

- Promoting regeneration and the appropriate use of land, buildings and infrastructure
- Promoting more compact urban form through the use of previously developed (“brownfield”) land and more optimal development on “greenfield” land
- Conserving important environmental, historic and cultural resources

¹² New Zealand Productivity Commission (2015), *Using Land for Housing and Better Urban Planning: Issues Paper*; Ministry for the Environment (2009) *Spatial Planning Options for the Auckland Council* CAB Min (09) 10/1; New Zealand Council for Infrastructure Development (2015), *Integrated Governance and Delivery: A Proposal for Local Government and Planning Law Reform*

¹³ Economic Commission for Europe (2008), *Spatial Planning - Key Instrument for Development and Effective Governance*, p.2



- Addressing potential environmental risks (e.g. flooding, seismic events) and improving resilience
- Protecting and enhancing areas for recreation and natural heritage
- Promoting access to developments by all modes of transport
- Encouraging energy efficiency in the layout and design of development.

Transportation

- Involving all parties involved in the transportation planning for a region and getting cross-party agreement
- Identifying the key priorities and timing for transportation investment and development
- Integrating the planning for all transport modes on a regional basis

These benefits were recognised in recent comments made by the New Zealand Productivity Commission where it noted, in relation to spatial planning in New Zealand, that:

There are obvious benefits in having a central strategic plan that clearly lays out how and where the city is expected to grow over the medium-term, how much land and development capacity will be required, the types and costs of infrastructure that will be needed to facilitate growth, and the transport investments that will need to be made.¹⁴

The Commission further exhorts the benefits of spatial planning in two of its most recent Issues Papers¹⁵.

Other benefits

There are also a number of other interrelated benefits derived from regional spatial planning:

- **Visibility** – large-scale regional spatial planning exercises tend to be more visible, media attractive processes, than smaller scale growth planning processes
- **Significance** – the scale and importance of regional spatial planning enhances its profile and impact within a region
- **Participation** – regional spatial planning is likely to encourage greater participation and engagement, not only from the community generally but also from key stakeholders with an interest in leveraging off the process
- **Perception** – undertaking a collaborative exercise such as a spatial plan will enhance the perception of the region in its ability to work collectively and efficiently
- **Confidence** – embedding major public investment and housing supply decisions within a spatial plan would help to improve investor confidence in the region and to incentivise and co-ordinate private sector investment

¹⁴ New Zealand Productivity Commission (2015), *Using Land for Housing*, p.279

¹⁵ *Ibid*, and New Zealand Productivity Commission (2015), *Better Urban Planning: Issues Paper*



- **Optimisation** – regional spatial planning recognises the cost and location of ‘sunken’ infrastructure and is pivotal to determining the optimal location of activities within a region
- **Integration** – aligning local and central government growth and development aspirations within a regional spatial plan would help to facilitate more coherent and co-ordinated decision making around land use and infrastructure, including more integrated consideration of the effects of land use on such matters as surface/ground water quality and quantity, biodiversity and landscape
- **Prioritisation** – regional spatial planning enables improved decision making regarding the priority, location and funding of future major upgrades to physical infrastructure and network (e.g. road, rail, three waters, flood protection) and anticipated social infrastructure (e.g. schools, recreational facilities)
- **Place shaping** – regional spatial planning plays a central role in ‘place shaping’ and in the delivery of land use activities and associated infrastructure that are available ‘at the right time and in the right place’
- **Efficiency** – regional spatial planning offers the opportunity for improved efficiencies and reduced duplication through focusing planning resources and efforts on integrating and co-ordinating land use activities at a regional versus individual district scale
- **Complexity** – spatial planning at regional scale enables complex land use considerations associated with such matters as transport infrastructure, flood protection and residential growth to be addressed in a more comprehensive and inclusive manner

It should be emphasised that a spatial plan is typically only part of a broader programme of planning and investment decision-making activities: by involving multiple stakeholders, a greater level of efficacy across a number of front is likely to be achieved.



3 Spatial Planning – the New Zealand Context

Research commissioned in 2012 by the Ministry for the Environment into emergent trends in spatial/strategic planning highlights that the concept of spatial planning in the New Zealand context is still evolving, as evidenced by the variable mix of growth management strategies, spatial plans and structure plans examined.¹⁶

A divergence in the scope of what is addressed in spatial strategies/plans is also evident, with the range of content exemplified as follows:

- A broad, high level vision statement, objectives and associated intensification strategies in response to local residential growth demands (i.e. Nelson Urban Growth Strategy)
- A vision, strategic goals/objectives and initiatives to inform a tailored urban design/form response to local challenges and conditions (i.e. Wellington 2040, Dunedin Spatial Plan)
- A strategic vision, principles, community aspirations, associated direction/s and implementation initiatives (e.g. indicative settlement pattern to accommodate housing, business, education, community and recreational activities; associated transport and open space networks to service these activities) at a sub-regional level to respond to growth management pressures (i.e. Western Bay of Plenty 'SmartGrowth' Strategy, Christchurch Urban Development Strategy)

In addition to variation in typology and scope, the research found there were inconsistencies in the spatial scale of the strategies reviewed, noting that:

The scale ranges from those which focus on a mostly self-contained city/town within a single local authority area (e.g. Whangarei); to those that focus on a sub-part of an urbanised area separated by jurisdiction (e.g. Wellington 2040, Nelson Urban Growth Strategy); to full metropolitan/regional strategies which cross jurisdictional boundaries (Auckland, Western Bay of Plenty, Christchurch). In some cases there is a hierarchy of strategies with both regional and local strategies (Waikato Region).¹⁷

Regardless, in the context of the nine local authorities examined the research concluded that the rationale for undertaking spatial planning was generally underpinned by such factors as:¹⁸

¹⁶ Beca (2012), *Spatial Planning Outside Auckland*, p.3. The strategies/plans examined include:

- Western Bay of Plenty – SmartGrowth
- Waikato – Future Proof
- Wellington 2040
- Greater Christchurch Urban Development Strategy (UDS)
- Gisborne Spatial Plan
- Dunedin Spatial Plan
- Napier/Hastings - Heretaunga Plains UDS
- Whangarei – Sustainable Futures 30/50
- Nelson Urban Growth Strategy

The report also noted that these strategies/plans were the result of a LGA process rather than one originated through either the RMA or LTMA (pg.3)

¹⁷ Ibid, p.3; also Johnson, A (2008), *Strategic Growth Management Planning in New Zealand – A Review of Practice*, p.8

¹⁸ Ibid, p.62



- Community concerns about lack of collaboration and leadership on growth matters
- High growth rates and development pressures
- Need for a long term view of growth issues
- Need for certainty around land use, particularly to inform the Regional Policy Statement and Regional Land Transport Strategy
- Funding the costs of growth – need to know what, where and how much in terms of development
- NZTA concerns about lack of integrated planning
- Transport funding – the importance of an integrated planning approach in order to access funding for large projects

The research also observed that despite discrepancies in scope, the strategies examined shared the following common characteristics:¹⁹

- A sub-regional profile, comprising a clear description of the sub-region, local, regional and national pressures
- A reflection of relevant national objectives, strategies and policies
- An assessment of trends/scenarios
- An action plan, including lead agencies, phasing, timelines and funding requirements
- A balance between detailed prescription versus flexibility

However, the recent inquiry into 'Land Use for Housing' by the New Zealand Productivity Commission noted that, with the exception of the Auckland Plan, all New Zealand spatial strategies/plans prepared to date have been voluntarily initiated by the participating councils under the aegis of the Local Government Act 2002.²⁰ In response, the Commission concluded that although there is a role for spatial plans in the planning system, the design of the planning framework needs to ensure that these plans:²¹

- Have stronger legislative weight in other planning processes (i.e., land use regulation, transport and infrastructure)
- Express clear priorities and trade-offs
- Include a statement of expected housing demand
- Focus on activities and goals that have a close link to the demand for and use of land
- Make extensive use of data and are designed with close involvement from infrastructure providers

The Commission strongly extorts the use of spatial planning to provide integrated vertical coordination in its recent review of urban planning practice in New Zealand²².

¹⁹ Ibid, p.63

²⁰ New Zealand Productivity Commission (2015), *Using Land for Housing*, p.276

²¹ Ibid, p.281

²² New Zealand Productivity Commission (2015), *Better Urban Planning: Issues Paper*



4 Current Practice in the Wellington Metropolitan Region

By way of preface, following the reform of Auckland local government, metropolitan Wellington is somewhat different within New Zealand for its unique degree of jurisdictional fragmentation, relative to other metropolitan areas. Unlike the other large urban areas, which are primarily governed by one major city council with several surrounding district councils which accommodate the 'overflow', the Wellington metropolitan area is governed by five, largely urban local authorities.

Unlike a number of other major urban areas within New Zealand, there is no overarching 'spatial plan' that applies across the Wellington metropolitan region.²³ Regardless, a review of current practice in the region reveals that elements of spatial planning – comprising various forms of growth/development strategies/ frameworks/ structure plans with some degree of spatial focus – have been actively advanced at a local level, as evidenced by the range of statutory and non-statutory documents of relevance to spatial planning that have been prepared by the constituent local authorities.

A stocktake of existing plans relevant to spatial planning was undertaken by Greater Wellington Regional Council in 2013 as an input into a report on Regional Spatial Planning for the Wellington Chief Executives and Mayoral Forums.²⁴ The stocktake identified that a combined total of 87 strategies, frameworks, plans and codes of practice with broad spatial planning implications currently apply across the metropolitan region.²⁵

As part of this report, an update and further review of the documents contained in the 2013 stocktake was undertaken, with an emphasis on identifying those with an explicit focus on place-shaping and delivery: a revised version of the stocktake is attached to this report (refer Appendix 1).

What the review revealed is that 23 out of the initial data set of 87 strategies, frameworks, plans and codes of practice appear to have a direct bearing on where urban development should occur in the region and how infrastructure, services and investment is to be co-ordinated. A generic breakdown of the nature of these documents is set out in **Table 1** below, with more specific detail contained in Appendix 1:

²³ Examples of areas where a regional/sub-regional approach to spatial planning has been introduced include Auckland, Western Bay of Plenty and Greater Christchurch

²⁴ Greater Wellington Regional Council (2013), *Draft Mayoral Forum Report on Regional Spatial Planning*, Attachment 3

²⁵ These included, for example, such documents as:

- Regional land transport, biodiversity, economic development, recreation/open space, urban growth/development, transportation and coastal management strategies
- Growth, development and revitalisation frameworks
- Long term, annual, district, structure, asset management, parks network/open space and cemetery management plans
- Land development and subdivision codes of practice



Table 1: Metropolitan Strategies, Frameworks, Policies and Plans

<i>Strategies, Frameworks, Policies, Plans</i>	Number
<i>Land transport, urban development, urban growth strategies</i>	5
<i>Growth management, urban development frameworks</i>	3
<i>Regional Policy Statement, centres policy</i>	2
<i>District, urban growth, structure, development plans</i>	13
Total	23

The review reveals that many elements of a metropolitan spatial plan for the Wellington Region already exist, although there is considerable variation in the form and nature of these elements: these range, for example, from growth corridors/plans to future/deferred urban areas and structure plans, and development frameworks. The methodology and information used to develop growth plans in the region is also variable.

The spectrum of existing growth plans within metropolitan Wellington raises, in turn, a couple of clear questions:

- Are these plans essentially pieces of an existing metropolitan Wellington spatial plan ‘jigsaw’ which, when combined, provide a coherent picture of regional growth aspirations – or is there too much variability, overlap and inconsistency between plans?
- Are they representative of a deliberate ‘competitive’ desire on the part of constituent councils to increase their local share of the cake rather than growing the cake itself?

There also appears to be a lack of visibility and broad understanding of these growth plans at a regional level, which means the benefits that could be derived from a regional spatial plan are not currently being capitalised on. These include, for example, obtaining full central government input and buy-in, providing an overarching unified vision and sense of direction, and the potential to create greater investment stability, certainty and confidence.



5 What Key Stakeholders Told Us

A series of structured interviews with the five metropolitan territorial authorities, Greater Wellington Regional Council, NZTA Central Region, and Horowhenua District Council was undertaken over November – December 2015. The interviews with the Councils generally involved the Mayor/Chair and the Chief Executive, and often senior management involved with planning and strategy.

A summary of the feedback received from these interviews is provided in Appendix 2: this section distils the key points arising from that feedback.

The interviews followed a series of questions around:

- The key drivers for having a spatial plan for the Wellington Region
- The scope of a spatial plan
- The major obstacles/challenges in developing a spatial plan
- Whether legislative changes would be required
- The funding, governance, resourcing of spatial plan development
- The scope, form and nature of community engagement
- Alternative approaches to spatial planning
- The implementation of a spatial plan

In general, there was support for a spatial plan to be developed for the Region, but this support spanned a spectrum of views, from strong opinions that it is essential through to those who considered that it should only occur if clear drivers or objectives are first identified: in other words, a spatial plan should focus on the key regional drivers for growth/investment, where value would be gained through a regional approach.

A range of reasons for having a spatial plan were given, including that it is a way to manage and plan for growth, migration, resources in the metropolitan region, and avoid the inefficient use of time, energy, and resources involved in the current duplication of plans, missed opportunities, over-investment and poor decision-making.

Investment planning was frequently identified as a key purpose for a spatial plan. For example, it was seen as a means of providing certainty on where to invest in order to create benefits for the economy. A spatial plan was also cited as a way of achieving the full potential of the transport network.

Another commonly cited purpose was to provide a common vision for the future of the whole region that all councils can benefit from:

- *“It would help Wellington to seriously shape its identity as a region, attracting growth and investment to benefit all”*
- *“It would support and enhance Wellington’s overall identity and competitiveness”*

In terms of growth management, there was a variety of views from those who saw that it could help stimulate growth to those who considered that the lack of significant growth in the region negated the need for a spatial plan.

- *“It is needed, but there is competition for the limited growth occurring in Wellington – each council is fighting for it and wants whatever will enable it”*



One driver for a spatial plan was that it would be to avoid the need for amalgamation (*“a cynical view but it’s the real view”*), by demonstrating that the region can collaborative and work together well without amalgamation:

- *“Preparing a spatial plan would take advantage of post-amalgamation climate: everyone’s trying to be a bit more collaborative, participating and being nice to each other right now, but still doing things in isolation. A spatial plan could be the process to unify and pull everyone together”*

However, not all interviewed considered that a spatial plan was needed – *“there’s not huge merit in doing it now, it might be something we do in due course when there is enough growth to need it”*. There was also some scepticism that a spatial plan would stimulate regional growth:

“The key problem [for the region] is sluggish economic growth and the spatial plan isn’t the solution. Spatial plans tend to be used to manage growth not create it. Different tool sets are required to stimulate economic growth”

Others considered that spatial plans were more useful to manage significant growth:

- *“Wellington’s not actually that broken – you don’t see the dysfunction you do in Auckland and Christchurch”*
- *“Give the collaboration that’s occurring between the Councils now enough time to bed in, and then do one. We’re already working collaboratively on plan changes”*
- *“Don’t always just leap to something new, maybe what we have right now could just be tweaked”*

Others considered that there was a need to identify the key drivers that a spatial plan would address: i.e., a need to identify the value proposition of having a spatial plan, prior to any agreement to commit time and resources on such an exercise. Identifying the key drivers for a spatial plan for the Wellington metropolitan region was seen as a critical way of bringing all councils on board.



6 Challenges and Opportunities

Drawing on the feedback from the research and interviews, the development and implementation of a Wellington spatial plan could provide a number of opportunities for the region.

A metropolitan spatial plan could draw together:

- A single shared vision for the future of the region and underlying aspirations – such as the Auckland Plan’s vision of “World’s Most Liveable City by 2040”
- Provision for future urban growth, recognising the ability of the region to provide for a wide range of residential lifestyles and community environments and existing local constraints (for example, available capacity and natural hazard limitations)
- Major infrastructure and transport network projects and requirements
- Land use planning, including areas for intensification and greenfields development
- Economic development opportunities for the whole region, thus avoiding leakages to other regions (for example, provision of industrial land)

It could also provide a useful vehicle to elevate complex planning issues/decision-making to a higher level in order to achieve shared regional direction and collective agreement. As experienced elsewhere, a spatial plan is likely to achieve far greater visibility and importance than a myriad of more localised strategies or growth plans, not only within the regional community to which it serves, but also to iwi, government agencies and other stakeholders.

Additionally, the interviews conducted with key regional stakeholders also noted the further potential that a spatial plan could offer in terms of:

- Natural hazards and resilience (for example, implementing the current regionally focussed natural hazard strategy work currently underway);
- Providing an opportunity to understand and agree on a consistent and supportable set of population growth projections for the Wellington metropolitan region; or
- Addressing the potential dispersal of some key government and tertiary education services away from the region.

However, there are a number of challenges to developing a spatial plan for the Wellington metropolitan region, particularly a non-mandatory (by statute) plan which involves the five constituent local authorities working collaboratively with government agencies and other stakeholders. The key challenges identified were:

- Different approaches to investment decision-making under the current ‘divided’ political structure, and different perspectives about priorities
- Lack of a decision-making forum that everyone is comfortable participating in, agreeing to and abiding by
- A degree of mistrust between territorial authorities and the regional council following the amalgamation debate
- Perception or concern that the plan would be too Wellington city-centric



- Ingrained parochialism/patch protection/parish pump politics, potentially making trade-offs difficult (i.e. “Councils will all say yes to a regional spatial plan and high level goals but when it comes to discussions about the difficult things, they really won’t do anything”)
- Lack of common agreement around the need for, and drivers of, a metropolitan spatial plan, and therefore no strong underlying commitment or sense of urgency
- Limited Central Government political will to invest in Wellington, particularly in the absence of a nationally significant issue necessitating a response (for example, growth in Auckland, or the rebuild of Christchurch)
- Lack of political leadership to unify local support around the development of a spatial plan for the region, and the consequential risk that the plan becomes politicised (i.e. an ongoing political target during triennial local authority election cycle) or that the process becomes little more than a ‘talk fest’ or is overwhelmed by technical detail
- Consistent implementation of the plan across the metropolitan region, particularly where its status is voluntary as opposed to mandatory (i.e. ongoing adherence to the plan in the face of local political/leadership changes)
- A relatively difficult interface between a spatial plan and statutory plans prepared under the RMA, LTMA and LGA, and the risk of inconsistent recognition and implementation through these statutory instruments (for example, Regional Land Transport Plan, Long Term Plans, District Plans) given their differing legal requirements and tests
- Relationship with existing local authority strategies and programmes, and how these are integrated into a spatial plan (for example, urban growth/development strategies or plans independently prepared by the constituent TLAs)

These challenges would appear to impose a range of impediments that would make a voluntarily based spatial planning process difficult, as there would be opportunities for disagreement at every step, and the ability for it to be derailed. A voluntary based approach would only be viable if it were to be adequately resourced, and if all Councils could formulate and then abide by a set of fair rules that provided a fair process from the outset would allow a mandated framework to be locked in. Such a framework would have to cover decision-making processes and resourcing aspects.

In regard to resourcing, the development and associated funding of a spatial plan also raises several issues and challenges. Effective spatial planning requires a strong evidence base to support coordinated planning and investment, and is highly reliant on good data and well integrated and consistent forecasting and modelling. Consequently, such factors as the application of agreed datasets, forecasts and assumptions at a regional scale relating to such matters as demographic change are fundamental to establishing a defensible evidence base and ensuring that planning and investment priorities are clearly identified and aligned. While councils in the region appear to collaborate with one another in terms of information and data sharing, a step change improvement would be required to develop the evidence and knowledge base necessary for a regional scale spatial plan.

The development and ongoing implementation of the plan also presents an issue concerning funding arrangements given the relative size and capacity of the constituent councils. This is exemplified by the following observation made during the course of the key stakeholder interviews:

“The Regional Amenity Fund is not a good model i.e. each council contributes for the good of the Region but actual decisions tend to be based on ensuring that the amount contributed is spent back in the city/district plus some”



There are also variable views as to how a spatial plan might be funded, as evidenced by the following models raised by stakeholder representatives during the interviews:

- Funding on a per capita or similar basis; or
- Shared model with an agreed equity contribution by central government and councils; or
- A regional rate struck on a per household basis.

The inter-relationship between funding and council representation in governance and decision-making processes relating to the spatial plan also presents a challenge. There appears to be a diversity of view amongst the constituent metropolitan councils as to what this relationship would look like, particularly if funding was to be apportioned on a per capita or similar basis: should representation be based on the level of funding contributed or should there be equal representation?

By way of example, preparation of the Combined Wairarapa District Plan by the South Wairarapa, Carterton and Masterton District Councils was funded on a per capita basis, but with all three local authorities having equivalent representation on the Joint District Plan Committee.

Resourcing to prepare a spatial plan could also be problematic, particularly as the will to commit resources may vary between constituent councils and/or there is a lack of capacity and capability to commit (for example, key staff are already fully engaged on current projects). This, in turn, could result in either a sub-optimal outcome regarding the quality of the plan that is prepared or a lengthening of the timeframe associated with plan development. Alternatively, recruiting new staff and/or forming a separate agency and/or engaging external expertise to prepare the plan could also have significant time/cost implications.

Effective engagement of, and 'buy-in' by, major stakeholders (including the constituent local authorities, key Government Ministries, Crown agencies and infrastructure providers) and key interest groups in the wider regional community could also prove challenging as, for example:

- There is already a considerable amount of consultation occurring or anticipated to occur within the region (i.e. *"there's so much the community are going to be asked about in the next year - the community is quite likely to be cynical about whether this would make any difference"*)
- There appears to have been a lack of strategic, cross council engagement with the Crown regarding 'whole of government' investment in the Wellington metropolitan region (for example, the identification of mechanisms to coordinate investment to achieve better economic, environmental and social outcomes for the region)
- A spatial plan could be perceived as being at too broad and technically complex to attract widespread community interest (i.e. it doesn't have a direct bearing on me or what I can do on my individual property) or sufficient local political interest (i.e. *"You can't go to the public too early - they'll go to the trenches and think of conspiracies. Some sort of commitment from elected members first to say to the community 'we need to look at this'"*)



7 Options for Developing and Implementing a Spatial Plan

As highlighted in Section 6 above, there are a range of opportunities and challenges associated with the development and implementation of a spatial plan for metropolitan Wellington, largely derived from the number of local authorities that make up the region, the geographic spread of their respective communities of interest, and the absence of a strong underlying consensus regarding the necessity of a spatial plan.

The terms of reference for this commission assume development of a comprehensive spatial plan for the region as the base proposition, with options directed towards the processes, roles and mechanisms that might be necessary to enable a spatial plan to be developed and how a spatial plan might be effectively implemented across multiple local authorities. However, other alternative approaches are available which could also act to stimulate or advance spatial planning in the region, albeit to a lesser extent than a full spatial plan.

In light of this, and as a precursor to exploring options to develop and implement a comprehensive metropolitan spatial plan, a brief outline of the alternative options available to the region follows.

7.1 Options for Advancing Spatial Planning for the Wellington Metropolitan Area

In broad terms there are four general approaches that could be employed to advance metropolitan spatial planning for the Wellington region:²⁶

- A. Status quo or 'business as usual' approach
- B. Preparation of a 'stocktake' plan of the region
- C. Preparation of a 'composite' growth plan for the region
- D. Preparation of a comprehensive metropolitan spatial plan

A description of each of these approaches, along with a consideration of their relative advantages/disadvantages, is outlined below.

A. Status Quo

This approach would involve metropolitan local authorities continuing to individually develop and implement their own urban growth/development and associated strategies and/or plans, with targeted collaborative joint planning occurring around key areas of mutual interest (such as that occurring on network utilities and regional hazards).

²⁶ It should also be noted that the geographic application of each of these options could also be extended to include Horowhenua District



B. Stocktake Plan

This approach involve the constituent metropolitan councils undertaking a collective 'stocktake' exercise of the documents referred to in Section 4 (and further described in Appendix 1) of this report, one which would be specifically directed towards:

- i. Assembling information derived from the urban growth/development and associated strategies and/or plans that have been prepared into a series of maps that illustrate the collective growth aspirations of the individual councils
- ii. Identifying where gaps, inconsistencies and/or overlaps exist (for example, the quality of the base data, growth assumptions)
- iii. Exploring how these could be reconciled and whether there is a value proposition in developing a full spatial plan.

As this approach is largely centred on the compilation and analysis of existing information it may not necessitate the need for a shared vision and corresponding objectives to be developed. Delivery could occur through a cross council technical working group, with oversight provided by a management group comprising senior representatives from each of the metropolitan councils.

C. Composite Growth Plan

This approach would involve the metropolitan local authorities undertaking a deliberate joint exercise to investigate and identify future growth areas at a regional scale, with the outcome being achievement of consensus on a composite growth plan for the region that would be independently implemented by the constituent councils (i.e. through individual strategies/plans).

The approach would need to be underpinned by agreed terms of reference, with a negotiation pathway to reconcile any issues. It could also be premised on a shared collective vision and associated objectives to inform the direction of future growth in the region. Delivery could be achieved through establishment of a cross council technical working group, with project oversight provided by a management group comprising senior managers from each of the metropolitan councils, and governance via relevant representatives of the Wellington Region Chief Executives Forum.

D. Comprehensive Metropolitan Spatial Plan (Wellington Metro Plan)

This approach would involve the metropolitan local authorities committing to the preparation and implementation of a legislatively mandated, fully integrated spatial plan for the region that draws together, for example, the following:²⁷

- i. a long-term vision for the region (i.e. 20 to 30 years)
- ii. a visual illustration of how areas will develop in the future
- iii. an evidence base to inform decisions

²⁷ Greater Wellington Regional Council (2013), *Draft Mayoral Forum Report on Regional Spatial Planning*, pg.1



- iv. strategic directions translated into priorities and policies
- v. policy and investment decisions integrated into one coherent whole.

If there were a willingness to make that commitment then one option might be to lock in the commitment by providing it with a legislative mandate.

Delivery could be achieved through the establishment of a specific spatial planning agency which operates as either a stand-alone entity or as an adjunct to one of the existing metropolitan councils, while governance direction and oversight could be provided through the establishment of a joint committee or a management board comprised of constituent council representatives.

It should be noted that these approaches are not necessarily mutually exclusive. In particular, the stocktake could occur within the period leading up to local body elections later this year, after which a decision could be made as to whether to continue and, if so, whether to either develop a Composite Growth Plan or to commit to the development of a full Wellington metropolitan spatial plan within the next triennium.

Regardless, there are a range of advantages and disadvantages to the region associated with each of these approaches. These are summarised in **Table 2** below:



Table 2: Spatial Planning Options – Advantages and Disadvantages

Options	Advantages	Disadvantages
<i>A: Status Quo</i>	<ul style="list-style-type: none"> No additional resources or expertise required Allows councils to collaborate in a way that aligns with their current resource capacity and capabilities and existing work programmes Allows current council strategies and growth policies and programmes to proceed without delay Politically neutral/palatable – maintains local autonomy Does not preclude future options being exercised (e.g. response to proposed RMA changes/urban management initiatives) Relatively consistent with spatial planning feedback supplied by some key stakeholders 	<ul style="list-style-type: none"> Will not yield the advantages of a full spatial plan, including the following: <ul style="list-style-type: none"> Lack of strategic, regional direction/vision to inform metropolitan local authority statutory plans (e.g. regional policy statement, district plans), resulting in positional inconsistencies Minimal opportunity to achieve better integration (e.g. location and timing of key regional infrastructure, services and investment) Evidence base likely to be developed in an ad-hoc manner resulting in sub-optimal basis to inform investment choice and poor understanding of true/current growth costs to the region (e.g. infrastructure investment) Perpetuates intra-regional competition regarding growth opportunities, leading to inefficiencies (e.g. infrastructure) Public perception of a lack of regional coordination to address growth management issues
<i>B: Stocktake Plan</i>	<ul style="list-style-type: none"> Can be expedited relatively quickly (i.e. in advance of the next triennial local body elections) and at minimal cost (e.g. no new primary research, no additional community engagement) Provides basis to understand the need for, and potential value of, spatial planning and to identify where value could be achieved through improved collaboration 	<ul style="list-style-type: none"> Will not yield the advantages of a full spatial plan, including the following: <ul style="list-style-type: none"> Lack of strategic, regional direction/vision to inform metropolitan local authority statutory plans (e.g. regional policy statement, district plans), resulting in positional inconsistencies



Options	Advantages	Disadvantages
	<ul style="list-style-type: none"> • Politically neutral/palatable – maintains local autonomy • Focuses spatial planning response to best value outputs, including the opportunity to explore development of consistent approach to density and development capacity • Means to enhance relationships and coordination between councils around growth management 	<ul style="list-style-type: none"> • Minimal opportunity to achieve better integration (e.g. location and timing of key regional infrastructure, services and investment) • May provide insufficient basis to demonstrate the value proposition of developing a full metropolitan spatial plan for the region • Risk that it may yield little information around areas requiring greater collaboration • May exacerbate intra-regional competition, with no mechanism to manage/negotiate areas of contention • No significant change to public perception of uncoordinated response to growth management issues
<p><i>C: Composite Growth Plan</i></p>	<ul style="list-style-type: none"> • Less challenging than a full spatial plan and would require less investment/resource • Demonstrates to Central Government a collaborative commitment to advancing a more integrated approach to regional growth management • Means to address regional growth management issues and to achieve a co-ordinated response • Provides means to reconcile identifiable flaws/gaps in regional growth management data sets and delivery (e.g. population projections, time horizons) • Provides basis to understand the need for, and potential value of, spatial planning and to identify where value could be achieved through improved collaboration • Focuses spatial planning response to best value outputs, including the opportunity to explore development of consistent approach to density and development capacity 	<ul style="list-style-type: none"> • Will not yield the advantages of a full spatial plan; in particular it: <ul style="list-style-type: none"> • Requires a higher level of governance, resources and funding than the status quo/enhanced status quo, along with a longer timeframe to develop and implement • Requires a clear commitment from all councils to reconcile issues identified (e.g. agreed terms of reference) • Is politically challenging (i.e. increased risk of failure) • Likely to require additional spatial planning resource/expertise to supplement the existing skill base of constituent councils



Options	Advantages	Disadvantages
<p><i>D: Wellington Metropolitan Spatial Plan</i></p>	<ul style="list-style-type: none"> • Potential to resolve any areas in which there is unnecessary duplication or inefficiencies in the provision for growth and/or infrastructure and/or regional assets • Allows some degree of flexibility as it enables each council to retain autonomy over the growth policies and strategies in its area, albeit modified as required by agreement • Means to enhance relationships and coordination between councils around management of urban growth and development 	<ul style="list-style-type: none"> • Potential time, costs and political risks associated with the introduction of legislative amendments • A comprehensive region-wide process would be more time, resource and funding intensive • Politically challenging - requires political consensus and clear governance arrangements in advance of delivery • Obtaining agreement on region-wide projects and aspirations, particularly where strategic regional priorities override or clash with local priorities and actions • Potential disruption to currently committed planning processes/growth aspirations • Achieving meaningful public engagement may be challenging given the breadth and technical nature of some of matters addressed in the plan • Pace and consistency of implementation may be varied across the region • Potential tensions associated with the retrofit of current local growth/RMA plans to align with the regional spatial plan



<i>Options</i>	Advantages	Disadvantages
	<ul style="list-style-type: none"> • Gives direction to, and has the potential to effectively align, implementation and the regulatory and funding plans of individual councils • Has the capacity to integrate otherwise competing policy goals, and to create opportunities to develop a coherent and combined approach to investment and regulation • Provides opportunity to fully engage the public and partners in developing the future strategic direction for the region 	<ul style="list-style-type: none"> • Likely to require additional spatial planning resource/expertise to supplement the existing skill base of constituent councils

If a spatial plan is considered by constituent metropolitan councils to be the most 'fit for purpose' option to inform the management of urban growth and development in the region it is advisable that its development is undertaken within a relatively short timeframe (i.e. a two-year period) in order to realise the following:

- To enable preparation of the plan to be accomplished within one local authority triennium
- To avoid scope creep and the prospect that the exercise becomes too large and expensive
- To maintain a strong level of focus and community engagement



7.2 Spatial Plan Delivery Options

Further to the analysis of spatial planning options outlined in section 7.1 above, this section of the report identifies and assesses the relative advantages and disadvantages of potential options (and associated permutations) to advance the preparation and implementation of a spatial plan for the region in the event that an agreement in principle is reached by the constituent metropolitan Wellington councils on its necessity and value.

The potential organisational options that have been identified are as follows:

- A. Collaborative spatial plan development
- B. Enter into a spatial planning shared service arrangement or a transfer of responsibility
- C. Establishment of a dedicated spatial planning agency

It should be recognised that partners to a successful Spatial Plan collaboration could include non-local government partners, such as NZTA, key government agencies (such as health and education), iwi, and others.

A description of each of these options, including their associated processes, roles and mechanisms, is set out below.

Option A: Collaborative Spatial Plan Development²⁸

This option involves the establishment of a Wellington Metropolitan Spatial Planning Joint Committee under LGA²⁹ as a mechanism to provide collective governance oversight centred on the development and implementation of the spatial plan.³⁰ The Committee could comprise equal political representation from the contributing local authorities, along with independent appointees (for example, iwi, NZTA, infrastructure providers) and possibly an independent chair. Wider community/sector input to help inform the development and ongoing implementation of the plan could also be provided through the establishment of a reference group or contributory forums (for example, iwi, strategic partners, property developers).³¹

Under this option the spatial plan would be collaboratively prepared by the constituent councils, with specialist technical input provided through a project team/s comprised of relevant council staff supported by requisite external resources. Day-to-day project oversight and management could be delivered through a dedicated project manager/director, supported by a cross council senior managers group.

These arrangements are exemplified in the following diagram of the governance and delivery structure developed as part of the Waikato 'Future Proof' exercise:

²⁸ This option is based on the approach outlined in 'Appendix 1: Project Plan and Critical Matters for Consideration When Preparing a Spatial Plan for Wellington' of the GWRC Memo to the Mayoral Forum (August 2015); it also reflects the approach applied to Bay of Plenty SmartGrowth and the Waikato Plan (formerly Future Proof)

²⁹ Clause 30A, Schedule 7, LGA

³⁰ Other less formal options such as the existing Mayoral Forum, a separate joint forum or an independent panel could also be considered; however, these are unlikely to exert the same degree of influence over the development and implementation process given the non-statutory nature of their status

³¹ Such fora were established as a key input into the development and implementation of the Bay of Plenty SmartGrowth Strategy, each with clear terms of reference setting out their associated purpose, role, membership and underlying principles



Development of the plan would be funded through cost share arrangements agreed between the councils. The plan would be independently delivered by each of the constituent councils, with the joint committee assuming responsibility for monitoring the degree to which the plan is being consistently implemented and facilitating resolution of any emergent implementation issues.

Option B: Spatial Planning Shared Service Arrangement or Transfer of Responsibility

This is an extension of the above option, with preparation and implementation of the plan being delivered through either a collective, shared service arrangement or transfer of responsibility.³²

Unlike the preceding option, exercising the shared service agreement option would see one of the constituent councils being contracted to either:

- Prepare and implement the spatial plan on behalf of the metropolitan councils; or
- Prepare the spatial plan, with implementation undertaken by individual councils

By contrast, exercise of the transfer option would see responsibility for development and/or implementation of the spatial plan allocated to either a territorial authority or the regional council,³³ subject to satisfaction that the benefits of such a transfer outweigh any negative impacts.³⁴

Under each of these options governance oversight would continue to be provided through a Spatial Planning Joint Committee, with day-to-day project oversight and management delivered through, for example, a dedicated project manager/director reporting regularly to a cross council senior managers group. Development and/or implementation of the plan would be funded

³² Through, for instance, constituent councils in the Wellington metropolitan region entering into a triennial agreement under s.15 LGA regarding the delivery of regional spatial planning services

³³ Refer ss.17(1) and 17(2) LGA

³⁴ Refer s.17(4) LGA



through either agreed contract terms or cost share agreements between the 'lead agency' and the balance councils.

Option C: Mandated Spatial Planning Agency

This option represents a significant 'step change' from the preceding options and involves the establishment of a dedicated, fully integrated spatial planning agency to develop and implement the spatial plan and to monitor its ongoing effectiveness.

Given some of the challenges that the current legislative arrangements under the LGA present to realisation of an integrated and comprehensive spatial plan (for example, discretion as to shared service arrangements, ability to reverse a transfer of responsibility), an amendment to the LGA is envisaged under this option. Any such changes could either be Wellington centric or extend to include nominated areas subject, for example, to urban growth and development pressures.

In addition to outlining such matters as the purpose and content of a spatial plan,³⁵ the amendments could also extend to cover the requirements and processes associated with plan preparation and implementation. These could include, for example:

- **Structure:** the agency could either be a stand-alone entity (for example, a spatial planning CCO)³⁶ or incorporated into the organisational structure of one of the existing metropolitan councils (for example, a spatial planning unit within GWRC), with staff drawn from the constituent councils (for example, direct transfer, secondment) or the open market
- **Governance:** direction and oversight could be provided through the establishment of a joint committee or a management board comprised of constituent council representatives, either of which would have delegated authority to make decisions regarding the development and implementation of the spatial plan
- **Funding:** this could be provided through directing an agreed, equitable proportion of the rates struck by constituent councils across the region to financing the delivery of an integrated and centralised regional spatial planning service

Evaluation of Options

In order to gauge the merits of these options, the following criteria have been developed to inform assessment of their relative advantages and disadvantages:

- **Efficiency and effectiveness** – does the option enable efficient and effective use of available resources?
- **Capacity and capability** – will the organisations responsible for spatial planning have sufficient financial and staff capacity and capability to undertake the necessary work?
- **Mandate** – does the option provide a clear mandate and sufficient authority to prepare and implement associated actions?
- **Accountability** – does the option provide good decision-making with respect to the development and implementation of a spatial plan (e.g. fiscal responsibility, resourcing)?

³⁵ Refer, for example, s.79 LG(AC)A

³⁶ Refer Part 5 and Schedule 9 LGA



- Integration – will the option enable improved alignment between plan development and delivery?
- Acceptability – how politically palatable is the option?

Table 3 below summarises the relative advantages and disadvantages of these options.



Table 3: Spatial Planning Implementation Options – Advantages and Disadvantages

Options	Advantages	Disadvantages
<p><i>A: Collaborative Spatial Plan Development</i></p>	<ul style="list-style-type: none"> • Could be implemented without the need for legislative change • Led by a strong independent chair with commitment to agreed protocols for dispute resolution, it could help resolve any areas of dispute • Proven success in other jurisdictions (e.g. SmartGrowth BOP) • Provides a strengthened and more coherent vehicle to address urban growth and development issues across the region • Potential for improved efficiencies through use of common methodologies (e.g. spatial modelling) and datasets (e.g. demographic change) and sharing of specialist skills and expertise • Increased political acceptability as it provides direct line of local authority accountability through establishment of a joint committee (although possibly with some independent representation), with implementation governed directly by each council 	<ul style="list-style-type: none"> • Relies on a voluntary approach to implementation resulting in challenges to maintenance of ongoing commitment • Potential to achieve greater regional coherence could be undermined by a misalignment of views between constituent councils • Council capacity and capability could be restricted due to the nature and breadth of skills currently employed and the availability of key staff given other priority commitments • Accountability for implementation and funding decisions continues to reside with individual councils, thereby increasing the risk of inconsistent practice and follow through • Potential for joint committee decisions to be re-litigated as ongoing implementation and funding rests with individual councils • Poses a challenge to effective integration as implementation decisions continue to reside with individual councils
<p><i>B: Spatial Planning Shared Service Arrangement or Transfer of Responsibility</i></p>	<ul style="list-style-type: none"> • Can be exercised under current legislation • Led by a strong independent chair with commitment to agreed protocols for dispute resolution, it could help resolve any areas of dispute • Provides a strengthened and more coherent vehicle to address urban growth and development issues across the region 	<ul style="list-style-type: none"> • Relies on a voluntary approach to implementation resulting in challenges to maintenance of ongoing commitment • Implementation and funding decisions continue to reside with individual councils, thereby increasing the risk of inconsistent practice and follow through



Options	Advantages	Disadvantages
	<ul style="list-style-type: none"> Provides potential means to realise efficient delivery of spatial planning services and reduced administrative and operational costs Potential for improved efficiencies through use of common methodologies (e.g. spatial modelling) and datasets (e.g. demographic change) and sharing of specialist skills and expertise Offers potential for more consistent plan implementation depending on contract/ transfer terms and conditions Increased political acceptability as it provides direct line of local authority accountability through establishment of a joint committee (although possibly with some independent representation), with implementation governed directly by each council (or contracted to the 'lead' agency if mutually agreed) Allocation of widened functional scope to a single entity provides potential to increase levels of staff specialisation and expertise 	<ul style="list-style-type: none"> Dependent on agreement being reached as to which council would assume the 'lead agency' role Potential for councils to terminate shared service arrangement or reversal of responsibilities transferred resulting in development/implementation delays and associated costs (e.g. external resourcing) Potential for joint committee decisions to be re-litigated as ongoing implementation and funding rests with individual councils Poses a challenge to effective integration as implementation decisions continue to reside with individual councils (unless delegated by agreement to the 'lead' agency)
<p><i>C: Mandated Spatial Planning Agency</i></p>	<ul style="list-style-type: none"> Creates a separate agency with a clear and direct statutory mandate to prepare and implement the spatial plan Enables spatial planning service to be delivered more consistently, leading to increased efficiencies and reduced transaction costs Organisational scale could enable more effective implementation and resources to be efficiently re-allocated where required Improved efficiencies through use of common methodologies (e.g. spatial modelling) and 	<ul style="list-style-type: none"> Requires justification of need and agreement of the constituent councils Requisite legislative change could be viewed by Central Government as ad hoc and unnecessary given other options available Time/cost involved in the creation of new institutional and administrative arrangements, and ongoing associated operational costs Transfer of over-riding accountability to a statutory committee/board may be politically unacceptable to the constituent councils due



Options

Advantages

Disadvantages

	<p>datasets (e.g. demographic change) and centralised repository of specialist skills and expertise</p> <ul style="list-style-type: none"> • Enables more robust prioritisation regarding implementation as outcomes would be assessed on a regional vs local basis • Enhanced staff capacity and capability, enabling higher levels of specialisation, greater flexibility and reduced reliance on external resources • Enables regional level decision-making to occur with a reduced risk of re-litigation (i.e. 'patch protection') • Removes organisational and functional barriers to integration and delivery of spatial planning services and outputs (i.e. improves alignment between planning and funding) 	<p>to the perceived 'arm's length' governance and decision making arrangements</p> <ul style="list-style-type: none"> • Indirect accountability that could result in a disconnect between the decision-making and implementation role of the agency and the democratic and financial accountability of individual councils • Potential reduction in connectedness with, and responsiveness to, local constituent communities (i.e. strong regional vs local focus) • Potential lack of transparency and perceived vulnerability regarding local autonomy and control (i.e. subsidiarity)
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8 Alternative Methods

There is no real alternative method to a spatial plan,³⁷ which is a distinct process and form, sitting outside but informing other statutory planning instruments, such as land use and transport planning.

The closest alternative to a spatial plan would be the use of a higher level planning instrument to govern the location, extent and form of land use and development, including transport corridors, infrastructural assets, open space and recreational facilities, protected natural assets, and other components that would otherwise comprise the elements of a spatial plan.

In New Zealand, the closest form of such an instrument under our principal planning statute, the Resource Management Act (RMA), is a Regional Policy Statement (RPS), the purpose of which:

... is to achieve the purpose of the Act by providing an overview of the resource management issues of the region and policies and methods to achieve integrated management of the natural and physical resources of the whole region. [section 59, RMA]

To date, Regional Policy Statements in New Zealand have been used, in limited fashion, to provide some elements of spatial planning, but primarily in relation to the management of natural resources (for example, catchment management, landscape and biodiversity). The closest use of an RPS for providing direction on spatial planning is the current Auckland Regional Policy Statement (to be superseded by the Auckland Unitary Plan) which established Metropolitan Urban Limits, as well as direction on high density centres, intensive corridors and future urban areas, the strategic and regional arterial (roading) network, and volcanic cone viewshafts.

However, the degree of scope to use an RPS for spatial planning purposes under the current RMA is uncertain, as there is no explicit direction or mandate under the Act for such an instrument (nor indeed for any regional plan) to provide direction on future urban growth. Consequently, there has been, and is likely to continue to be, ongoing doubt about whether there is scope for an RPS to provide specific spatial direction on the location, extent and form of urban development in a region.

It is noted that one of the proposed changes to the RMA under the current (2015) Amendment Bill involves the addition of a further regional council function as follows:

the establishment, implementation, and review of objectives, policies, and methods to ensure that there is sufficient development capacity in relation to residential and business land to meet the expected long-term demands of the region³⁸:

A similar addition is also proposed to be added to the functions of territorial local authorities under the RMA³⁹. This amendment, if enacted, could provide the basis for a RPS to be developed that provides specific spatial direction relating to residential and business growth, as well as supporting physical infrastructure. However, the outcome of the legislative process is indeterminate at present.

Regardless, the amendment would not necessarily enable the RPS to include direction on other aspects that councils might wish to address within a spatial plan (for example, provision for future social/cultural infrastructure), and lacks any complementary statutory connection to the LGA and LTMA.

³⁷ However, approaches such as those outlined in section 7.1 of this report (e.g. composite growth plan) could offer an intermediate alternative to development of a full spatial plan

³⁸ Clause 11, Resource Legislation Amendment Bill, 2015

³⁹ Clause 12, Resource Legislation Amendment Bill, 2015; it is also instructive to note that the definition of 'development capacity' includes zoning and the provision of adequate infrastructure



9 Conclusion

Spatial planning is a well-established practice in New Zealand, with many local authorities having prepared and are now implementing spatial plans as a means of ensuring an integrated approach to the planning of and investment in the provision for urban growth and infrastructure development. The Auckland Plan has established the basis for the region's infrastructural, transport and urban growth planning, as well as the vehicle for a number of social and economic initiatives. The Bay of Plenty's 'SmartGrowth' and the Waikato's 'Futureproof' (Waikato Plan) are examples of successful collaborative spatial planning exercise involving several local authorities, the NZTA, iwi and other stakeholders.

Metropolitan Wellington has a unique degree of jurisdictional fragmentation, relative to other metropolitan areas in New Zealand: unlike the other large urban areas, which are primarily governed by one major city council with several surrounding district councils, the Wellington metropolitan area is governed by five largely urban local authorities.

All the constituent territorial local authorities in metropolitan Wellington, as well as the Horowhenua District Council, have undertaken growth planning in some form or another, and are implementing a range of growth strategies, development frameworks, and other plans. These are regularly reviewed, and involve consultation with stakeholders and the local communities.

However, the preparation of these instruments has occurred in the absence of any regional coordination, with limited visibility of any close collaboration between the councils. Currently, a variable approach to spatial planning appears to have been adopted across the region (for example, differing methodologies and datasets). It is not clear how far these growth plans represent, in effect, competing strategies rather than providing a sound basis for coordination and cooperation.

Furthermore, there has usually been limited central government engagement in these plans, and they have generally assumed a relatively low profile within their respective community and business sectors compared to larger collaborative planning exercises undertaken elsewhere in New Zealand. For example, although district growth planning addresses local roading and accessibility issues it appears to have little influence on regional transportation requirements, reactively responding to initiatives as they arise rather than acting as a key input to their development. The major roading projects underway or proposed in the region as part of the Wellington Northern Corridor improvements (for example, Transmission Gully) have significant implications for growth; ideally, these are matters that should be addressed at a regional level given the nature and scale of such projects.

Similarly, in terms of housing, no clear collective position on regional supply and affordability is apparent, as is any evidence of a deliberate, co-ordinated regional response to these matters.

It is generally acknowledged that spatial planning for metropolitan Wellington would derive a number of benefits to the region, including –

- Establishing a single vision/direction to inform growth management within the region
- Providing a vehicle for a wider conversation with the community, iwi and key stakeholders concerning future growth
- Providing a vehicle for a wider conversation with central government about investment in regional infrastructure and facilities
- Establishing a common information base (for example, growth forecasts and planning horizons)



- A comprehensive and co-ordinated basis for addressing the key resource management issues of the region, including natural hazard and catchment management, and responding to climate change
- A basis to effectively respond to impending resource management directives and a vehicle to inform subsequent plan changes

There is also increasing pressure for cities and regions to ensure they proactively plan for their future urban growth and associated infrastructure: the recently introduced Resource Legislation Amendment Bill is proposing to make this an explicit function of both territorial local authorities and regional councils. Such a function would need to be exercised through the development of future regional and district policy and planning instruments. Undertaking some form of collaborative spatial planning process for metropolitan Wellington would ensure a proactive approach to fulfilling this obligation, particularly at a regional level.

Notwithstanding the advantages associated with a metropolitan spatial plan, there is a clear need to better articulate the value proposition of such a plan, and to identify where the benefits of coordinated research and plan preparation would reap the greatest benefits over and above the individual planning currently undertaken by individual councils. This would help shape the form of collaboration and coordination that would yield greatest value.

A metropolitan Wellington spatial plan need not limit the ability of each council to pursue strategies that meet the demands of its local community or to take advantage of the attributes and opportunities within different parts of the region. However, there will be an inherent tension between any commitment to pursue a regional approach and the freedom of individual councils to develop and advance local strategies that compete with others – consequently, a regional spatial plan will inherently involve trade-offs.

While there clearly are challenges to developing a spatial plan that crosses several local authority jurisdictions, there are examples around New Zealand of successful collaborative planning exercises (such as SmartGrowth in the Bay of Plenty). There are also a range of approaches that could be explored to deliver a spatial plan for metropolitan Wellington ranging from a bespoke arrangement or process developed under the existing statutory framework, through to legislative changes that are tailored to provide for the specific requirements of the region.

In conclusion, without a legislative mandate, the challenges to preparing a metropolitan spatial plan on a voluntary-basis would appear to impose a formidable and almost insurmountable barrier. Under such circumstances it is unlikely that plan development could constructively proceed unless a set of fair processes and procedures (for example, terms of reference and governance arrangements) are agreed and locked in from the beginning, and a formal, collective commitment is made to ensuring that the process is adequately resourced and managed and the resultant plan implemented.

However, there appears to be general support in principle amongst the constituent councils to explore the opportunities and potential benefits that could be derived from developing a spatial plan for metropolitan Wellington, particularly given the associated synergies and inter-relationships with the complementary area of regional transportation.



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Appendix 1: Wellington Metropolitan Region Spatial Planning Documents

Spatial Planning - Key documents of direct relevance in the Wellington metropolitan region⁴⁰

Statutory plans highlighted in grey.

<i>Document name/ Council responsible</i>	Operative	Review	Scope and purpose	Relevance to spatial planning
<i>GWRC Regional Policy Statement</i>	April 2013	2023	Sets out the framework and priorities for resource management in the Wellington region under the RMA. Identifies the regionally significant issues around the management of the regions natural and physical resources and sets out what needs to be achieved (objectives) and the way in which the objectives will be achieved (policies and methods). Regional and district plans and the Regional Land Transport Strategy are required to give effect to policies 1-34 of the RPS, and to consider policies 35-60.	Is supportive of a spatial planning approach – includes constraints and growth areas, policies on maintaining vibrancy, supporting compact regional form, integration of land use and transport. Requires identification of hazard areas and landscape as part of the consideration policies.
<i>Wellington Regional Land Transport Plan 2015</i>	May 2015	2021	Provides the policy framework and strategic case for developing and investing in the region’s land transport network, and sets out the programme of proposed land transport activities over a six year period including a 10-year financial forecast.	Forms the basis for identification, selection, and prioritisation of projects and activities by the Regional Transport Committee, sets targets against which the region’s transport networks can be monitored, and guides

⁴⁰ The documents outlined in this table are a refinement and enhancement of those included in the initial stocktake undertaken by Greater Wellington Regional Council in 2013; however, they do not constitute a comprehensive audit of all potential documents of relevance to spatial planning in the Wellington metropolitan region



<i>Document name/ Council responsible</i>	Operative	Review	Scope and purpose	Relevance to spatial planning
<i>WCC Wellington City District Plan</i>	July 2000	Rolling review.	Contains objectives, policies and methods to manage activities, including growth and development, in the city under the RMA.	reviews of more detailed transport implementation and corridor plans. The plan contains specific growth related provisions and associated guidance that apply to the northern suburbs of the city between Johnsonville and Tawa.
<i>WCC Wellington Towards 2040: Smart Capital</i>	2011		Sets an overarching vision to guide the development of the city over the next 30 years. Aims to strategically position the city to support economic, social, physical and environmental resilience into the future.	Several of the strategy's objectives have a spatial focus, for example: <ul style="list-style-type: none"> • Support mixed residential, commercial, social and cultural activities in Wellington's suburban areas. • Develop strong links and access to good transport options between suburban areas and the CBD and other parts of the city. • Understand the factors that influence housing affordability and cost of living to ensure the city can support a dynamic and diverse population.
<i>WCC Centres Policy and Centre Plans</i>	August 2008		The Centres policy provides a framework to guide the development and management of Wellington City's centres. The Centre Plans are specific place-based plans developed for the city's key growth areas and major centres including, for example, the central city, Johnsonville, Kilbirnie and Adelaide Road. The Policy is supported and implemented through more detailed policies (including the District Plan and	The Centres Policy considers in an integrated way the varied roles of the centres, to provide guidance on how they should be managed and developed in the future, and to assist in coordinating the Council's activities and programmes in and around these centres.



<i>Document name/ Council responsible</i>	Operative	Review	Scope and purpose	Relevance to spatial planning
			centre plans), the Council's infrastructure investment decisions and specific projects and initiatives.	
<i>WCC Central City Framework</i>	2013		Gives a strategic direction for the growth and enhancement of Wellington's central city over the next 30 years. It articulates objectives and an approach for implementing the vision set out in the Wellington Towards 2040: Smart Capital document.	Supportive of a spatial planning approach - has an emphasis on setting design principles, urban ecology, and enhancing connectivity.
<i>Wellington Urban Growth Plan 2014 – 2043 (and Implementation Plan)</i>	June 2015	Reviewed every 3 yrs	Provides a tool to manage future growth and investment in the city. It updates, combines and replaces the previous Urban Development and Transport Strategies and seeks to encourage growth in areas close to services, employment and good public transport.	Guides Council decisions relating to planning, growth, land use, housing, transport and infrastructure, and helps to achieve goals identified in other key strategies.
<i>WCC Northern Area Framework for Growth Management</i>	October 2003		Provides a 'strategy for achievement' for the future development of the northern part of Wellington City. It provides the communities, landowners, developers and WCC a set of goals and an agreed process for planning urban expansion together.	Supports a spatial planning approach in terms of pulling together and attempting to reconcile economic, environmental, transport, housing and other land use objectives.
<i>Lincolnshire Farm Structure Plan</i>	October 2013		A series of maps and diagrams with supporting text included in the WCC District Plan to guide the development of the area between Newlands and Takapu. It does this by defining the pattern of development and land uses, areas of open space, the layout and nature of infrastructure, and other key features to manage the effects of development.	Provides a vehicle to realise the Council's strategic vision and implement the principles of the Northern Growth Management Framework.
<i>PCC District Plan</i>	November 1999	Currently under review.	Contains objectives, policies and methods to manage activities, including growth and development, in the city under the RMA.	The plan contains specific growth related provisions and associated guidance that applies to the Judgeford Hills zone; this zone covers development within the Pauatahanui Village and Judgeford basin areas.

Appendix 1: Wellington Metropolitan Region Spatial Planning Documents Spatial Planning | Opportunities and Options for Metropolitan Wellington



<i>Document name/ Council responsible</i>	<i>Operative</i>	<i>Review</i>	<i>Scope and purpose</i>	<i>Relevance to spatial planning</i>
<i>PCC Porirua Development Framework (and Detailed Action Plan)</i>	August 2009		The Framework is a non-statutory guiding document that is intended to influence how and where the city will physically develop over the next 30 years. The Framework provides a "picture of what the city may eventually look like" – areas where people may live, work and play. It is also intended to guide change within the city founded on principles of sustainable development. The Detailed Action Plan is a partner document that specifies a set of projected actions required to implement the Framework. This document will be updated as required, over the lifetime of the Framework. The Framework also helps the city in reviewing its District Plan and will guide future changes to that plan. Matters that have been incorporated into the Planning Assumptions of the Framework, the Assessment Criteria used to identify potential locations for particular development forms, and the Action Plan are climate change, environment, sustainability, transport, integrated planning and Treaty of Waitangi and iwi issues.	Is supportive of a spatial planning approach - In areas of the city where there is competition between regional strategies, local community aspirations and plans, the District Plan and the Framework, the Framework has identified the need for further detailed studies. These 'Strategic Study Areas' represent places where there are often significant and competing challenges facing the future planning and development of those places. The action of undertaking Strategic Studies is intended to address these tensions.
<i>PCC Pauatahanui-Judgeford Structure Plan</i>	November 2012		A series of maps and diagrams with supporting text included in the PCC District Plan to guide the development within the Pauatahanui Village and Judgeford basin areas . It does this by defining the pattern of development and land uses, areas of open space, the layout and nature of infrastructure, and other key features to manage the effects of development.	Is supportive of a spatial planning approach - takes into account issues such as recent intensification of rural lifestyle subdivision and development in the area, major transport infrastructure developments such as Transmission Gully Motorway that will add further pressure for land utilisation in the area, and the sensitive receiving environment of Porirua Harbour.
<i>PCC Aotea Block</i>	February 2003		The 246-hectare Aotea Block is of significant strategic importance to Porirua City because of its	The Plan takes an integrated approach to development by incorporating



Document name/ Council responsible	Operative	Review	Scope and purpose	Relevance to spatial planning
<i>Development Plan</i>			large size, and its location adjacent to the City Centre, the motorway and the railway. It is the largest area for urban growth within the City's boundaries. In recognition of the importance of the site Council acquired the Block in April 2000. Council then identified a strategic vision for the Block: "Achieve an integrated, mixed-use development that responds to and enhances the important landscape features of the Block."	considerations such as protection of landscape values, attention to streetscape detail (e.g. street planting, street lights and pavement features), enhanced employment opportunities, areas of varying residential density, and extensive erosion and sediment control measures.
<i>PCC Northern Growth Area Structure Plan</i>	December 2014		Sets out a scenario for future urban development in Porirua's northern suburbs, between Camborne and Pukerua Bay, over a 30-year+ period, as well as providing direction to inform changes to the land use and subdivision provisions of the Porirua City District Plan.	The structure plan is a "blueprint" for guiding development over a long timeframe. It is the result of studying a wide range of factors such as housing and business needs, land contours, ecology, roading and connections, heritage and infrastructure. The structure plan brings all these elements together and considers how land can best accommodate growth and development.
<i>PCC Transportation Strategy</i>	December 2012		A twenty-year vision for Porirua City's transport system that supports the other goals in Council's Strategic Plan. The Porirua Transportation Strategy informs the Long Term Plan and Annual Plan processes and is required to support funding applications to Central Government. The Strategy aims to ensure integrated transport development and to make certain that the transport network provides for the future needs of the city.	While primarily a transportation strategy, the role of land-use and the need to integrate are recognised. As a consequence, this strategy has been developed with consideration of the District Plan.
<i>KCDC District Plan</i>		Currently under review.	Contains objectives, policies and methods to manage activities, including growth and development, in the district under the RMA.	The plan contains specific growth related provisions and associated guidance that apply to the Ngarara, Waikanae North and Future Urban Development zones.

Appendix 1: Wellington Metropolitan Region Spatial Planning Documents Spatial Planning | Opportunities and Options for Metropolitan Wellington



<i>Document name/ Council responsible</i>	<i>Operative</i>	<i>Review</i>	<i>Scope and purpose</i>	<i>Relevance to spatial planning</i>
<i>KCDC Development Management Strategy</i>	September 2007		Sets out KCDC's strategy for the management of development and settlement patterns on the Kapiti Coast. One of a number of strategies written within the context of Kapiti Coast: Choosing Futures – Community Outcomes articulated by the community in 2003/04. Also draws on previous documents and initiatives developed since 1992 when the first broad strategic development framework was developed. Takes into account the growth framework from the original Wellington Regional Strategy document.	The strategy considers a range of spatial factors such as settlement history, the nature and rate of population growth, the character and safety of town centres, housing density, timing and extent of residential subdivision, improved public transport, local economy and efficient use of existing infrastructure.
<i>Ngarara Precinct Structure Plan</i>	March 2010		Identifies a series of development areas, called Neighbourhood Development Areas, and adjoining open spaces areas, with the development of each neighbourhood informed by specific management principles and guidelines that dictate the form and nature of development. Included as part of the KCDC Operative/Proposed District Plan.	Provides for urban growth and development that maintains existing rural coastal ecology, limits urban sprawl and maintains open space between neighbourhoods, while providing for residential and limited mixed use development.
<i>HCC District Plan</i>	2004	Rolling review.	Contains objectives, policies and methods to manage activities, including growth and development, in the city under the RMA.	
<i>HCC Urban Growth Strategy 2012 - 2032</i>	March 2014		Outlines the City's development vision, highlighting 5 key areas: growth targets, greenfield development, targeted infill housing and growth in low rise apartments, investigations into the potential for development in the southern portion of Manor Park, and financial incentives.	Focuses on how the City wants to grow in future, where new homes and businesses will be accommodated and what will be done to support and encourage this development.
<i>UHCC District Plan</i>	2004	Rolling review.	Contains objectives, policies and methods to manage activities, including growth and development, in the city under the RMA.	



<i>Document name/ Council responsible</i>	Operative	Review	Scope and purpose	Relevance to spatial planning
<i>UHCC Urban Growth Strategy</i>	September 2007	Under review.	Aims to guide decision making to ensure that urban growth in Upper Hutt is well integrated, affordable and sustainable. Looks at how best to adapt to changing local, national and international conditions while at the same time addressing local issues such as identifying new land and new ways of providing opportunity for further growth of business, housing and related services.	The Strategy focuses in particular on identifying where greenfield residential expansion could occur; other development options that could be retrofitted into the existing urban environment; encouraging a greater diversity and choice of housing and business development; guiding decision making to achieve an affordable and sustainable compact urban form.
<i>UHCC Maymorn Structure Plan</i>	February 2012	Under review (as part of Urban Growth Strategy review)	Articulates a long term vision for Maymorn and the Mangaroa Valley and outlines a strategic framework to guide the development process in the area.	Guides future land uses, infrastructure provision and potential development in the Maymorn area; has been developed with an urban design focus, drawing on key urban design and sustainability principles, with varying housing densities proposed.



Appendix 2: Summary of Interview Feedback

A series of interviews with the five metropolitan territorial authorities, Greater Wellington Regional Council, NZTA Central Region, and Horowhenua District Council was undertaken over November – December 2015. The interviews with the Councils generally involved the Mayor/Chair, the Chief Executive and senior management.

The interviews followed a series of questions around –

- The key drivers for having a spatial plan for the Wellington Region
- The scope of a spatial plan
- The major obstacles/challenges in developing a spatial plan
- Whether legislative changes would be required
- The funding, governance, resourcing of spatial plan development
- Community engagement
- Alternative approaches to spatial planning
- The implementation of a spatial plan

The following summarises the feedback received from the interviews, identifying commonly held views or ideas, as well as differing views.

Does the Wellington Region need a spatial plan?

Common responses

In general, there was support for a spatial plan to be developed for the Region, but this support spanned a spectrum of views, from strong opinions that it is essential through to those who considered that it should only occur if clear drivers or objectives are first identified.

Specific reasons for having a spatial plan included the following:

- It would avoid the waste of time, energy, and resources involved in the current duplication of plans, missed opportunities, over-investment and poor decision-making
- A spatial plan is a way to manage and plan for growth, migration, resources
- It would provide certainty on where to invest in order to create benefits for the economy
- Full potential of the transport network can be reached
- A common vision for the future of the whole region that councils can benefit from
- Needed, but there is competition for the limited growth occurring in Wellington – each council is fighting for it and wants whatever will enable it



- Would help stimulate economic growth for the region – for example, in transport/roading
- Avoiding waste of time, energy resources through duplication of plans, missed opportunities, overinvestment and poor decision making
- Helps Wellington to seriously shape its identity as a region, attracting growth and investment to benefit all – support and enhance Wellington’s overall identity and competitiveness
- It would help Wellington to seriously shape its identity as a region, attracting growth and investment to benefit all
- A driver would be to avoid amalgamation (“a cynical view but it’s the real view”) – would demonstrate that the region can collaborative and work together well without amalgamation
- Take advantage of post-amalgamation climate: Everyone’s trying to be a bit more collaborative, participating and being nice to each other right now, but still doing things in isolation. A spatial plan could be the process to unify and pull everyone together

Alternative views

There was a range of views questioning the need for a spatial plan:

- There does not appear to be strong / clear drivers that all councils could get behind
- There’s not huge merit in doing it now, it might be something we do in due course when there is enough growth to need it
- What would happen if we don’t do a spatial plan? It’s already there in one form or another
- What are the consequences for doing nothing? There doesn’t seem to be a huge case for this unlike there is in Auckland where there is the growth that needs to be managed. There is no massive growth in the region
- Wellington’s not actually that broken – you don’t see the dysfunction you do in Auckland and Christchurch
- Give the collaboration that’s occurring between the Councils now enough time to bed in, and then do one. We’re already working collaboratively on plan changes
- Don’t always just leap to something new, maybe what we have right now could just be tweaked
- What big projects are coming up in Wellington that mean the region needs to function better?
- What would the spatial plan do that we don’t do already? What could it do for us that we aren’t doing now?
- There’s lots of things to fix in these places [outside central Wellington] but you fix that by changing peoples’ attitudes about the places and encouraging them to live there



- The Wellington [City] Urban Growth Plan covers everything and we wouldn't want to re-do this.
- Key problem is sluggish economic growth and the spatial plan isn't the solution. Spatial plans tend to be used to manage growth not create them. Different tool sets are required to stimulate economic growth. Urban development cooperatives, economic zones – not a big structure plan.

What opportunities could spatial planning address for the Region?

Common responses

In regard to the scope of a spatial plan for the region, there were some common responses:

- Provision for future urban growth
- Major infrastructure projects and requirements
- Effective land use and transport planning
- Elevating complex planning issues/decision making (for example, addressing traffic congestion) to a higher level to take political heat out of discussing and implementing them.
- Provide economic development opportunities for the whole region, avoiding leakages to other centres (for example, provision for industrial land)

Alternative views

Some more specific matters were suggested for the spatial plan to address:

- Natural hazards and resilience
- An opportunity to understand and agree on an accurate version of population growth figures in Wellington (and make informed decisions on how to manage) growth figures have been difficult to agree on in the past
- Potential dispersal of some key government and tertiary education services away from the city centre

Others considered that:

- A spatial plan cannot be too abstract, must be clear and concrete about the purpose, efficiencies gained
- Define the issues into the problem that the spatial plan should address



What are the challenges in developing a spatial plan for the Region?

Common responses

- Current 'divided' political structure: different approaches to investment and what is funded, and a lack of a decision-making forum that everyone is happy to participate in and agree to.
- Mistrust/broken relationships with the regional council
- Ingrained parochialism/patch protection/parish pump politics – councils unwilling to put the region before their own community so agreeing to trade-offs will be difficult. Communities unwilling to think regionally
- Other councils will “all say yes” to a regional plan and high level goals but when it comes to discussions about the difficult things, “they really won’t do anything”, particularly if it is contradictory to local initiatives or aspirations
- Political will for Central Government to invest in Wellington is low, and we don’t have the growth (Auckland) or rebuild (Christchurch) issues
- Lack of political leadership that could unify everyone
- Funding: willingness and does share of funding equal share of the vote?
- Councils having resources and expertise to implement / key staff tied up and fears that it will not result in a high quality solution, creating more ill feeling and even less willingness to work together
- Getting councils to agree to trade-offs, convincing that no one council will lose out completely
- It won’t happen without legislation
- How to implement without it being mandatory and councils unwilling to become involved if plan lacks mandate

Alternative views

- Wellington city-centric complex: If you concentrate in Wellington you take from elsewhere
- Huge psychological threshold for other councils who are assuming Wellington City will want/will get largest share of the vote/investment
- Representation should relate to the level of funding for a spatial plan
- Consistency – sticking to the plan when politics and political leaders change
- Politicising: risk that a spatial plan becomes a political platform to be used
- Government should legislate to make the plan “politically safe”
- EPA Board of Inquiry type process, once developed councils will police it themselves



When and how long should a spatial plan be developed?

Common responses

In regard to the timing of the development of a spatial plan, the following feedback was received:

- Sooner the better, so as not to lose momentum / within a reasonable time so the process doesn't drift
- Within a local body election triennium, to avoid grandstanding around elections – i.e., about 2 year period
- Have 'a spatial plan' developed quickly as a starting point with some 'quick wins' around the important stuff and fill in details later
- Value in starting off with 'what do we have right now' in terms of spatial planning
- Implement the sooner the better – otherwise forgotten/diluted
- One single hit is the only way

Alternative views

To the contrary, the following response was received:

- It's not urgent, we have loads of stuff we want our planners to be getting on with right now other than this
- Perhaps it will be needed in 10 years once the region is growing

Who should provide leadership?

Common responses

- Non-political independent committee/entity/champions with final decisions endorsed by the councils individually – working like a hearing, either it gets fully adopted or it doesn't
- It should be led by a really credible figurehead (Sir Geoffrey Palmer, Chris Laidlaw mentioned)
- GWRC is not the right leader for this due to distrust at political level
- Mayors must drive the process – what would engage them is very important
- Central government [through incentives/or mandating/or funding]
- Genuinely impartial body that the councils are in accordance with (secondment of planners and economists from TLAs)
- Councils with staff focussing solely on the spatial plan



Alternative views

- An independent commission/body would not work. The politicians are adamant that they have control over the issue. Politicians would have to deal with whatever was put out to the public.
- GWRC are right to lead this having put the most thought into it
- The LGC must bring councils together and incentivise to think that “we NEED a spatial plan”
- A council other than Wellington City, Porirua City Council or Greater Wellington: perhaps the Wairarapa who have experience of doing a joint plan
- Don’t want to be in the position where there is some sort of grand government plan for our council

How should a spatial plan be funded and resourced?

Common responses

- Funding should be on a per capita or similar basis but all territorial authorities should have an equal vote
- Shared model with the central government and TLAs where both put in money
- A regional rate across the region per household

Alternative views

- Regional amenity fund is not a good model i.e. each council contributes for good of region but actual decisions tend to be based on ensuring that the amount contributed is spent back in the city/district plus some
- Change the governance structure – decrease the number of territorial authorities in the region
- Voting should be on the basis on share of funding

Community involvement in developing the plan

Common responses

- Community engagement would be important, but need to use differing techniques aimed at differing groups – for example, use innovative online engagement in addition to more traditional methods
- Engagement with key stakeholder/specific groups: commerce, social groups, elderly on key themes i.e. cannot consult on every issue



Alternative views

- Use Whaitua/community focus groups
- Should encourage 'people power' to pressure implementation (important for each community to understand the value and benefits of supporting and push councils to support)
- Community engagement would be difficult as a spatial plan would be at too high level/abstract at a regional level
- You can't go to the public too early – they'll go to the trenches and think of conspiracies. Some sort of commitment from elected members first to say to the community 'we need to look at this'
- There's so much the community are going to be asked about in the next year – the community is quite likely to be cynical about whether this would make any difference

Alternatives to a spatial plan?

Common responses

The only other method to a spatial plan suggested was using the Regional Policy Statement for spatial planning purposes. However, it was commonly thought that the RPS was not the most appropriate solution, for the following reasons:

- You'd have to be careful about ownership around it – who is governing whom would be the trickiest thing
- The Resource Management Act may not provide sufficient legal scope to address everything it should address
- If it's quite broad and becomes binding, it'll be seen as a spatial plan by stealth run by the Regional Council
- Implementation could be difficult as it will only bind regional and district plans

Alternative views

The potential use of the Regional Land Transport Plan was suggested by one respondent.

How should the spatial plan be implemented?

Common responses

- The Councils should have dedicated staff to its implementation
- The spatial plan should be 'given effect to' i.e. one line written in to laws and plans that states the spatial plan must be given effect to.



- Spatial plan must have power to inform district plans

Alternative views

- If we agreed with it, of course we'd give effect to it in District plans etc. If you reference the current spatial planning documents through the RPS the same thing would work
- Councils are already well progressed in undertaking District Plan reviews and changes for growth
- This sort of thing should be covered in peoples' district plans. Let's not create a whole set of different and potentially contradictory tools.

Appendix 2

Local Government Commission

Feedback on Regional Spatial Planning Options

Introduction

1. Council acknowledges the work done to date on developing the options for spatial planning in the region, and is grateful for the opportunity to provide feedback.
2. It is noted that the Local Government Commission attended a workshop at Wellington City Council earlier this year and that this provided a good opportunity for Council to understand the Commission's thinking on spatial planning and transport options for the region.
3. Feedback is now sought from Council on spatial planning for the region – specifically whether Wellington City Council would support, in principle, one or more of the following options:
 - Status quo / business as usual approach
 - Preparation of a 'stocktake' of existing strategies
 - Preparation of a 'composite' growth plan for the region
 - Preparation of a comprehensive metropolitan spatial plan.
4. It is also noted that the timeframes for providing feedback are very tight and a longer period would be beneficial in the future.
5. The following section provides an overview of Wellington City Council's position on the options presented in the Boffa Miskell report. The Council is available to discuss this feedback in more detail should the Local Government Commission consider that helpful.
6. While Council agrees that a regional spatial plan is an important tool for some regions, the case for a regional spatial plan for the Wellington region has not been made. The Wellington region has steady but modest population growth, there is capacity for more growth, and decisions on large regional infrastructure have already largely been made.

The case for a regional spatial plan in the Wellington context has not been made

7. Spatial planning is important for all cities, and all Councils in the region have a plan for how they will develop and grow over time within their own jurisdictions.
8. A regional spatial plan is mostly beneficial when the following conditions are present:
 - a) there is high and sustained population and business growth that is leading to 'growing pains'
 - b) there are genuine options around how and where that growth can be accommodated in the region
 - c) decisions around which option/s to pursue and supporting infrastructure investment still need to be made.
9. Those conditions comfortably describe city-regions like Auckland, Hamilton and Tauranga, but not the Wellington region¹.
10. The Wellington region in comparison has steady but modest population growth, there is capacity to grow, where growth will occur is largely known due to topographical constraints and existing 'sunk' infrastructure, and key regional infrastructure decisions (eg. Transmission Gully) to support future growth have already been made.

Population growth in the region is steady but modest

11. Over the last 15 years the region's population grew by half the rate of faster growing city regions like Auckland, Hamilton and Tauranga. Obviously the size of the city to begin with is important, but to provide some context, over the last fifteen years, the Wellington region accommodated an additional 60,000 people, while Auckland accommodated an additional 370,000 people.

1.2%	1.2%	0.7%	0.2%	0.7%	0.9%	1.8%	1.8%	2.1%
Wellington	Kapiti	Porirua	L Hutt	U Hutt	Wellington Region	Auckland	Hamilton	Tauranga

Average annual population growth over the last fifteen years

Source: Infometrics

12. As identified above, population growth is also not evenly distributed in the region, and more recently there has also been a strong upswing in population growth in Wellington City (1.9% in 2015), but this growth spike has not been replicated in other urban areas in the Wellington region where they remain at historic levels.

¹ Auckland has a spatial plan, and both the Bay of Plenty and Waikato have regional spatial plans called 'Waikato Plan' and 'Smart Growth' respectively.

13. While the region has had low but steady growth, Wellington city itself has been growing faster. Much of that growth has been in Te Aro and this form of urban intensification is revitalising the city, has provided a more sustainable way of living for the new residents, and makes better use of existing 'sunk' infrastructure. This is a positive trend in the city and one that is expected and encouraged to continue.

Capacity for more growth is understood and locations largely known

14. As a city and as a region, there is capacity for more growth. There are greenfield and brown field development opportunities in every city to varying degrees, and each local authority in the region is actively identifying how and where growth can best occur in their jurisdictions.
15. The market does favour Wellington City – over half of all growth over the last fifteen years has occurred in Wellington city, and much of that growth has been in the CBD and the Te Aro areas. Current analysis shows that Wellington City also has the ability to accommodate between 44,000 and 78,000 additional people under current settings². With different settings, more people could be accommodated.
16. At this point in time, the city's future capacity under current zoning settings is as follows:

Area	Approximate Population Capacity		
	Low	Medium	High
Greenfield	8,000	8,500	9,000
Infill	16,000	25,500	35,000
Central Area	20,000	27,000	34,000
Total	44,000	61,000	78,000

17. The region's topography, existing infrastructure and ingrained 'y' shaped transport structure means future growth will largely be accommodated in – and around – existing urban areas.
18. The government has also largely made the majority of significant roading decisions (e.g. Transmission Gully, Kapiti Expressway, and is close to a decision on Petone to Grenada), and these investments will provide some new opportunities – while still largely reinforcing existing patterns of urban growth and intensification.

² At a growth rate of 0.7% per annum (current forecast by Forecast ID) this equates to zoned land supply of circa 20+ years for greenfield, 25-30 years for infill, and 50+ years for high density (central city). However, considering our historic growth rate has been higher than 0.7% and we are currently experience record net migration, these timeframes may be somewhat shorter.

19. In short, there is adequate capacity for growth in the region and there are options for where that can occur, informed by topography, transport infrastructure, and existing development capacity. Within these parameters there is scope for market choice and uptake.

It could be out of date by the time it is done

20. The success of the Auckland Spatial Plan broadly quoted in the documents – remains unproven. There remains insufficient land supply for housing and congestion levels are severe. In particular we note that there are areas of disconnection between it and the Auckland Unitary Plan, arguably the most important tool for giving effect to the spatial plan.
21. At its simplest, the Unitary Plan process has taken a life of its own, taken a very long time to progress, and may not ultimately give effect to directions set out in the spatial plan, including those relating to residential density and development capacity.

There could be significant time, cost and resource implications

22. There has been no attempt to cost a regional spatial plan exercise but it would be substantial. In light of this, the benefits would also need to be substantial but this has not been established in any level of detail in the report.
23. Spatial plans are not regulatory documents and would need to be translated into district plans or lead to the formation of a unitary plan for the full range of benefits to be realised.
24. The cost of any regional spatial planning work would be considerable, but that would be just the tip of the iceberg. Any subsequent work on amending regional transport plans, the regional policy statement, the regional natural resources plan and five district plans would be additional, and significant.
25. This will take years to play out with appeals likely to add significant costs to the process and create an uncertain investment environment for the region. While it could be argued that this a necessary consequence of major planning changes, it has not yet been established that such costs and challenges will be outweighed by the benefits.
26. Councils would also have to amend long-term plans and other financial management documents to reflect changing priorities around funding projects and infrastructure.
27. By way of example, the cost to date for Auckland's spatial planning and subsequent unitary planning work is circa \$60 to \$70 million. The cost of delivering Christchurch's spatial plan and subsequent district plan changes is estimated at \$35 million, and if Wellington pursued this course of action to the fullest (option D), the costs will likely be more.

28. Christchurch is one city, and the proposed spatial plan in Wellington affects multiple councils which would increase costs and extend timeframes. We estimate that to deliver a comprehensive regional metropolitan plan and embed that across the region's district plans and other related documents, would conservatively take close to ten years and cost upwards of \$40 to 50 million for the region. In light of this scale and cost it is difficult to see why it should be prioritised at the current time.
29. Considering the possible costs, and considering the region's historic growth profile, topography and ingrained 'y' shaped transport pattern for which key decisions have already been made, the benefits could be very limited, especially when considered against possible costs and the significant amount of resources and staff time it would consume.

It would be difficult to implement

30. A key component of regional spatial planning will be determining where growth will be encouraged, and where growth will be constrained. With up to six councils involved this will require trade-offs and these will be very difficult to agree as growth leads to a growing ratepayer base which in turn provides the ability to lift and improve services.
31. The region has previously attempted to develop a regional spatial plan as part of the Wellington Regional Strategy work, but the discussions were difficult, protracted, and ultimately did not advance to a point where councils invested in the targeted growth areas and changed their district plans to reflect those discussions³. The driver for the work not advancing further is that regional spatial planning must include decisions around priorities, and 'trade-offs' – something that councils found very difficult to do in practice.
32. It is noted that option D in the Boffa Miskell report outlines a separate Wellington Metropolitan Spatial Planning Agency set up under legislation as a tool to resolve some of these issues, but in all likelihood the governance arrangements for the regional decision-making committee would be a serious area of contention and prove difficult to resolve. As outlined in previous submissions to the Local Government Commission on regional governance arrangements, this council supports proportional representation on regional committees.
33. While development of a formal regional spatial plan has not been achieved in the past, it is important to point out that the Wellington region has a strong and demonstrated history of cooperation and collaboration on cross boundary issues including planning decisions, investment in regionally significant facilities (eg. WRAC and the Wellington Regional Stadium); resilience planning, waste planning and emergency management; and delivery of key services such as economic development and three waters.

³ The work related largely to centres hierarchy in the region. Wellington City Council ultimately reflected those in its district plan, other councils in the region failed to do so.

What is the problem we are trying to fix, and is a regional spatial plan the right tool?

34. There is no evidence that lack of regional spatial planning is – or has held – the region back. Nor do we support the view that a regional spatial plan would drive growth in population and the economy for the region. There is very little evidence to support that. It does help where there is a lack of clarity about where development should go and where the public-sector will invest – but that is not the case here.
35. Spatial plans primarily manage *how* and *where* growth occurs in areas that are growing fast and/or are constrained. A completely different tool-set is required to stimulate growth which should be the priority for the region considering its growth rate is very modest compared to other regions, and some areas in the region have virtually no growth.
36. Stimulating and actively supporting growth requires investment in facilities and infrastructure, providing a supportive environment where businesses can grow and flourish, and investment in all those things that make the city an exciting place to work, establish a business and live a high quality of life.
37. That is the focus for Wellington City Council – and to support that broad objective the Wellington City Council has focused on doing three things well:
 - *Supporting and encouraging growth* – the Council agreed as part of its long-term plan process a number of economic stimulus projects, and also established WREDA with partners in the region to support business growth, build better global connections, and attract new investment, entrepreneurs, investment, talent, and students to the city-region.
 - *Making sure growth adds value to the special character of the city* – Councils Urban Growth Plan was also adopted last year and it sets forth a plan that supports the sustainable growth of the city, ensures the compact and dynamic nature of the city is retained (and enhanced), while providing real transport and housing choices to residents and new migrants.
 - *Taking more active steps to support our growth plan* – the Council is also considering establishing an Urban Development Agency with additional powers to more proactively work with the development sector to deliver on, and achieve the objectives of the Council's Urban Growth Plan and other Council priorities. The final role and scope of the agency has yet to be determined, but if established, it is expected to act as a catalyst for good quality development in the city. Key roles are likely to include:
 - Land assembly in areas of acute fragmentation
 - Housing supply and housing affordability projects
 - Demonstration projects (medium density housing, exemplar design)
 - Large regeneration projects

- Large Council projects that have a development / commercial component.

38. This proactive tripartite approach is common overseas, and is a powerful tool to unlocking the potential of city-regions. Cities throughout Australia, the UK, mainland Europe, Canada and the US all use it to varying degrees. If it is done right the benefits can be seen in job growth, inward investment, inward migration, improved economic performance and the rejuvenation of the city. This benefits the city and the region.
39. While on a different scale, other cities offer a blueprint for what is possible by taking a more active approach to business attraction and proactively working with stakeholders on large scale regeneration. For example, Melbourne Docklands secured private investment of \$10 billion (to date) as part of their redevelopment plans. This will see 10,000 new residents and 53,000 jobs move to the area.
40. Similar results – although on a proportionally smaller scale – can be achieved here through business attraction, targeted intervention and investment in key areas of the city – that have the potential for regeneration. The development of a passive regional spatial plan will be costly and time consuming and will not be able to deliver similar benefits.
41. As outlined above, the focus should be on real projects that lead to growth, rather than the development of a plan that simply tries to coordinate growth. Central government is currently investing in the region, particularly in roading and cycleway projects. The focus for each council should be on what it needs to do to maximise opportunities from that investment and what it needs to do to mitigate any negative effects.
42. Wellington City Council have undertaken some indicative modelling⁴ on what Council's economic projects and NZTA's proposed regional upgrade programme would deliver in terms of economic stimulus to the region. We estimate over the next ten years an additional 12k jobs will be created in the region during the construction phase, ultimately leading to a \$500 million annual economic benefit and a 4.3k increase in permanent jobs for the city-region.
43. The NZTA work programme in particular will provide new opportunities to neighbouring councils for more growth. Wellington City Council can see the benefit in closer coordination between all councils in the region in terms of how each council expects to maximise benefits and mitigate negative effects from this investment. This greater coordination between councils can easily be achieved without the need for a formal regional spatial plan.

⁴ The modelling tool was built by PWC and reviewed by BERL.

Conclusion

44. In the absence of significant growth pressures, the fact that a good level of growth planning and cooperation is already evident within region, and the absence of a clear 'value proposition', Wellington City Council does not support further resources being spent on developing a comprehensive regional spatial plan (options C and D). A 'stocktake' of what each Council is planning to achieve is also largely already known (option B).
45. The Wellington City Council favours the status quo arrangements which include high levels of cooperation among Councils on cross boundary issues. These cooperative arrangements could be further strengthened without the need to embark on a regional spatial plan.