
**ORDINARY MEETING
OF
LONG-TERM AND ANNUAL PLAN COMMITTEE
AGENDA**

Time: 9:30am
Date: Thursday, 14 March 2019
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Lester
Councillor Calvert
Councillor Calvi-Freeman
Councillor Dawson
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foster
Councillor Free
Councillor Gilbert
Councillor Lee
Councillor Marsh
Councillor Pannett
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 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy 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 Committee is responsible for developing the draft and final Long-term Plan and Annual Plans for the Council. The Long-term Plan and Annual Plan give effect to the strategic direction and outcomes set by the Strategy Committee by setting levels of service and budgets.

The Committee is responsible for developing the draft Annual and Long term Plan for consultation – including agreeing levels of service, the phasing of work, priorities across the seven strategic areas, the performance measurement framework, and budgets to be consulted on with the community as part of the Annual and Long-term Plan processes. It also recommends the Consultation Document for adoption by the Council.

The Committee also determines the nature and scope of any consultation and engagement required to support the Annual and Long-term plan process, considers community and stakeholder feedback, and is responsible for oral hearings where required.

Quorum: 8 members

**TABLE OF CONTENTS
14 MARCH 2019**

Business	Page No.
1. Meeting Conduct	5
1.1 Apologies	5
1.2 Conflict of Interest Declarations	5
1.3 Confirmation of Minutes	5
1.4 Items not on the Agenda	5
1.5 Public Participation	5
2. General Business	7
2.1 2019/20 Annual Plan: Report of the Revenue and Finance Working Party	7
2.2 2019/20 Annual Plan: Consultation Document	61

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 6 June 2018 will be put to the Long-term and Annual Plan Committee for confirmation.

1.4 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 Long-term and Annual Plan Committee.

The Chairperson shall state to the meeting:

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.

The item may be allowed onto the agenda by resolution of the Long-term and Annual Plan Committee.

Minor Matters relating to the General Business of the Long-term and Annual Plan Committee.

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Long-term and Annual Plan Committee for further discussion.

1.5 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.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

2019/20 ANNUAL PLAN: REPORT OF THE REVENUE AND FINANCE WORKING PARTY

Purpose

1. This report asks the Long-term and Annual Plan Committee to consider the recommendations of the Revenue and Finance (R&F) Working Party, the Working Party has completed its annual review of the Council Activities funding, as set out in the Revenue and Financing Policy (RFP), and Fees and User charges as part of the 2019/20 Annual Plan (AP).

Summary

2. The R&F Working Party reviewed all Council's Activities against the RFP settings, along with other funding considerations during two workshops in February.
3. A review of the Revenue and Financing Policy and the funding targets for each activity was completed as part of the 2018-28 Long-term Plan (LTP).
4. The focus of the annual review is on addressing areas where the activity is not compliant with policy. No changes to the the RFP funding ratios have been recommended for 2019/20.
5. Activities are considered compliant where the variance is within 5% of the policy band and less than \$100k.
6. Where activities are compliant, the Working Party did not review the activities in detail and is not recommending any changes.
7. Where activities have been identified as non-compliant, the Working Party reviewed the factors contributing to policy non-compliance, along with options and limitations for achieving compliance with existing Revenue and Financing Policy.
8. Budgeted revenue for fees is inflated annually through the budget process (as effectively are rates) to fund the inflation on expenditure. The Working Party considers this in reviewing the detailed papers. Recommendations are made to address these inflationary increases to maintain compliance. This can include:
 - meeting the RFP target through fee increases,
 - strategies to increase user volumes,
 - reduce the revenue and expenditure budgets to meet target or,
 - in specific circumstances to temporarily accept a budget that does not meet the policy target (the temporary non-compliance is by default funded by rates).
9. Twenty-five activities were identified as non-compliant, accepting temporary non-compliance is recommended for all of these, however some with fee increases to bridge the compliance gap.
10. Eight activities have recommended fee increases, with a total of 152 (revenue impact of \$2.589m) individual fees recommended for change.

**LONG-TERM AND ANNUAL PLAN
COMMITTEE
14 MARCH 2019**

- 48 (\$2.368m) of these are to help achieve budgeted revenue already in the Annual Plan (\$2.173m of that relates to Parking - the increase in Parking revenue was budgeted in Yr2 of the LTP for anticipated changes as a result of the Parking Policy review). The budgeted revenue increase (which automatically applies inflation) is to maintain RFP ratios to cover inflated expenditure. The increase in Parking revenue was budgeted in Yr2 of the LTP for anticipated changes as a result of the Parking Policy review.
 - 102 (\$59k) of these are to lower the rates impact of the non-compliance,
 - 2 (\$162k) of these are to lower the burden on the surplus fund related to ring-fenced activities.
11. The below table outlines the impact of the proposed fee changes on the value attributed to rates from those activities that are not achieving their non-rates funding targets, parking fee increases are excluded as these are dealt with separately below.

(note: % of rate relates to the total rates value for 2019/20 in the LTP)

	Amount	% of rates
Additional rates requirement caused by negative non-compliance (excluding ring-fenced)	\$2,308,824	0.73%
Budget revenue portion which cannot be achieved without fee increases (additional burden on rates)	\$195,000	0.06%
Proposed fee increases to mitigate the above	-\$195,000	-0.06%
Recommended fee increases to reduce R&F compliance gap	-\$58,547	-0.02%
Additional rates requirement after fee increases	\$2,250,278	0.71%

12. Other funding considerations include:
- Review of the impact of 1 September revaluation on the General Rates Differential
 - Maintaining the commercial:residential general rate differential at 2.8:1
 - Inclusion of the proposed targeted rate for the Karori Business Improvement District (BID) in Council's Rating Mechanisms, if the process continued and approved
 - Removal of the existing targeted rate for Marsden Villiage Association from Council's Rating Mechanisms, if the incorporated in the Karori BID
 - Changes to the wording of the *Remission of targeted rates on property under development or earthquake strengthening*
13. This report recommends preferred options from the Funding Workshops held under the delegation of the Revenue and Finance Working Party on 12th and 21st February 2019.
14. The R&F Working Party requested that Alcohol Licencing fees be reviewed with a view to increasing them to recover 85% of the cost of the activity. This analysis has now been completed and Officers are recommending additional fee increases in this area that have not been specifically considered by the R&F Working Party. The revenue relating to these has not been included in the above table and totals \$193k.

Recommendation/s

That the Long-term and Annual Plan Committee:

1. Receives the information.
2. Note that the Revenue and Finance Working Party reviewed compliance to the existing Revenue and Financing Policy targets and where relevant, considered factors contributing to policy non-compliance, along with options and limitations for achieving compliance for the 2019/20 Annual Plan.
3. Note the recommendations of the Revenue and Finance Working Party, detailed in the *Discussion* section below.
4. Note the Working Party's recommendation to make changes to parking fees as set out in this report, which will be progressed in accordance with Council's separate process for developing resolutions under the Traffic Bylaw.
5. Agree to record the Committee's support for the recommended parking fee increases
6. Agree to recommend to Council to adopt the following as supporting documentation to the 2019/20 Annual Plan engagement document:
 - a. Proposed fees and charges outlined in Attachment 1.
 - b. Proposed rating mechanisms for 2019/20, including the proposed targeted rate totalling \$100,000 + GST (subject to agreement through a poll of impacted ratepayers) to be applied to the commercial properties in the Karori Business Improvement District Area (BID) in Council's Rating Mechanisms outlined in Attachment 2.
 - c. The proposed changes to the wording of the *Remission of targeted rates on property under development or earthquake strengthening* as outlined in the *Discussion* section below.
7. Note that the Karori BID is proposed at this stage, if it is to go ahead the Marsden Village Association rate will be removed from the Council's Rating Mechanisms.
8. Agree to the Officer recommended increases to the Alcohol Licencing fees.
9. Note that any decisions and recommendations made by the Long-term and Annual Plan Committee of 14 March 2019 will be reflected in the 2019/20 Annual Plan engagement document.

Background

Revenue and Finance Working Party Terms of Reference

15. On 9 November 2016, the Council agreed to the establishment of the Revenue and Finance (R&F) Working Party and a Terms of Reference for the Working Party for the term of the 2016-19 triennium.
16. The key purpose of the R&F Working Party is to:
 - Review the Revenue and Financing Policy at least annually as it applies to all activity components;
 - Review the performance measure framework as part of the Long-term Plan process;
 - Review asset management plans as part of the Long-Term Plan process;

- Provide a governance perspective and strategic overview of Council's revenue, funding and financing;
- Provide input into the Annual Plan financials and underlying assumptions.

Revenue and Financing Policy (RFP)

17. The Local Government Act 2002 (LGA) requires Councils to adopt an RFP that provides detail on the funding of operational and capital expenditure. This policy illustrates which parts of the community benefits and pays for Council's activities. It does this by explaining the proportion of each Council activity to be funded by user charges, other revenue (e.g. NZ Transport Agency subsidies), rates (targeted and general rates) or borrowings.
18. The costs, income, and funding requirements for each of Council's activities are reviewed annually to assess compliance with the funding targets set out in the RFP e.g. the proportion funded from rates versus non-rates income.
19. The focus of the annual review is on addressing areas where the activity is not compliant with policy. Wholesale review of the policy and the funding targets for each activity is completed as part of the LTP.
20. In developing the Revenue and Financing Policy, the LGA requires Council to consider for each activity:
 - Community outcomes to which each activity contributes
 - Distribution of benefits between whole community, identifiable part of the community, and individuals (user/beneficiary pays)
 - Period over which benefit will occur (inter-generational equity)
 - Extent to which action/inaction of individuals contribute to the need to undertake the activity (exacerbator/polluter pays)
 - Costs and benefits from funding the activity separately (transparency / accountability).
21. The LGA also requires Council to consider the overall impacts of allocation of liability on the community, such as affordability, barrier to access services, legal constraints, materiality and sustainability.

General Funding Principles

22. To assist in establishing the funding policy for its various activities the Council has previously adopted a set of guiding principles. These principles include:
 - The beneficiary / exacerbator pays
 - Individual benefit = user charge
 - Identifiable part of community = targeted rate
 - The whole community = general rate
 - Consideration of inter-generational equity
23. The Council has a range of potential funding sources for each of its activities. These include:
 - Rates (general or targeted rates)
 - User fees and charges (where the specific user can be identified and it's practical to charge)
 - Grants & subsidies
 - Borrowings
 - Special funds
 - Other sources of funding

24. The policy bands are set in 5% increments for pragmatic purposes.

Discussion

Revenue and Financing Policy Compliance

25. Twenty-five activities were identified as non-compliant.
26. As part of its review the Working Party received a report outlining the factors contributing to policy non-compliance, along with options and limitations for achieving compliance with existing Revenue and Financing Policy for each non-compliant activity.
27. For each non-compliant activity, the Working Party generally considered a range of remedial actions including:
- Considering changes to the service offering or expenditure on the activity
 - Increasing utilisation and throughput
 - Increasing user charges to improve policy compliance
 - Amending the policy to change the user charge proportion
 - Leaving the policy unchanged and noting temporary non-compliance with policy.
28. Accepting temporary non-compliance is recommended for all of these for 2019/20 AP, however some with fee increases to bridge the compliance gap.
29. The following table outlines the breakdown of the proposed changes to fees and charges. The comprehensive list of fee increases are included in Attachment 1 of this report.

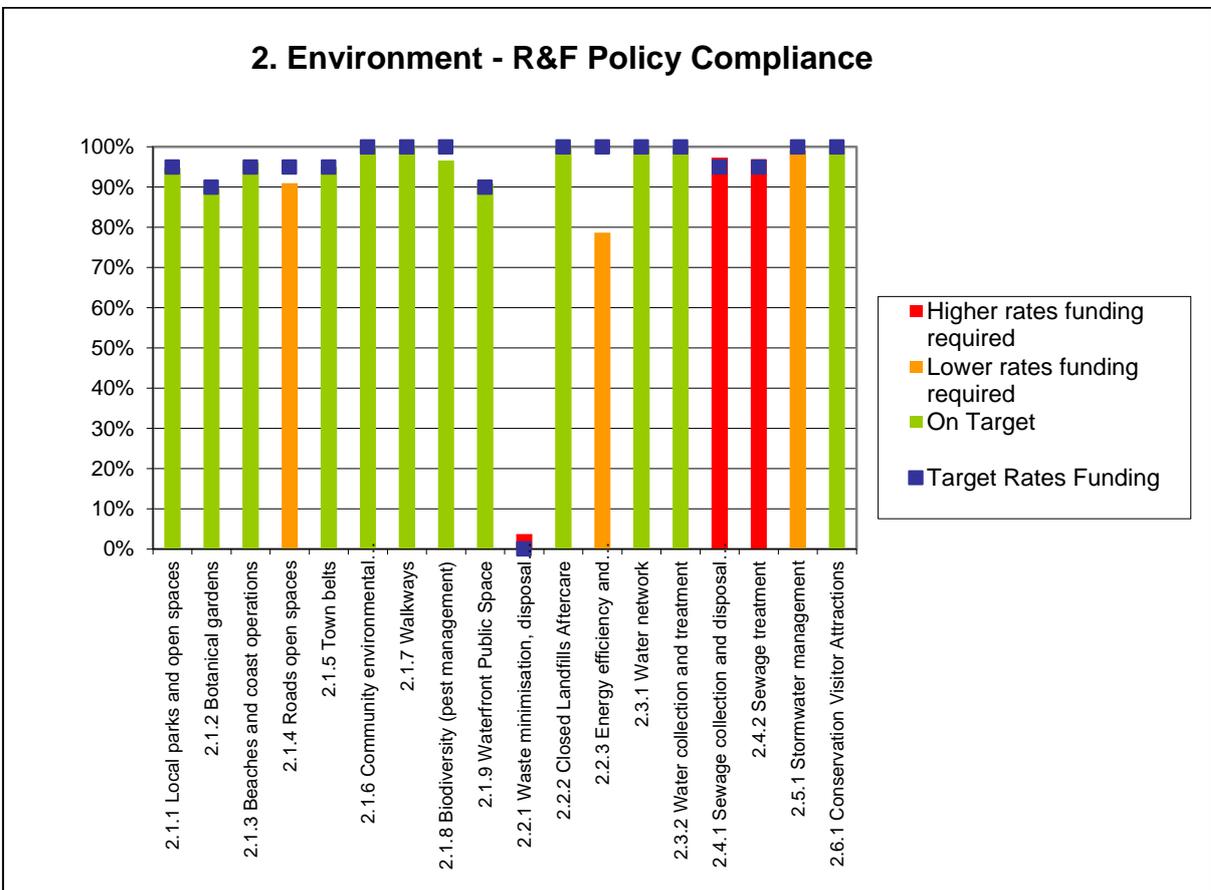
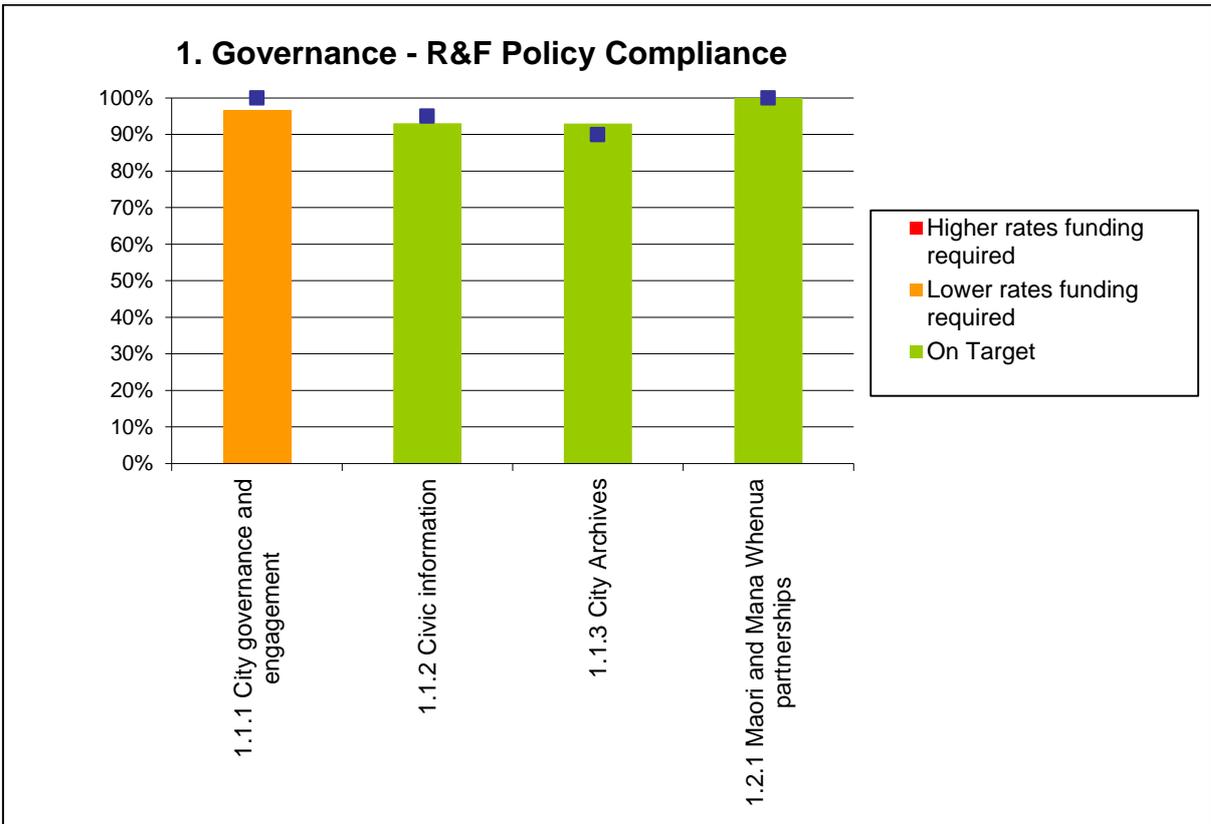
Activity	Proposed changes	Additional revenue from fee increases	% of rates
2.2.1 Waste minimisation, disposal and recycling management	10% fee increase on special wastes is proposed to reach budget revenue. The Working Party have requested for the general waste fee to be also increased. The residual non-compliance will be funded through the ring-fenced reserve fund.	\$162,240	no impact on rates (ring fenced activities)
2.4.1 Sewage collection and disposal network	The revised fees would reflect CPI movements (using the BERL Water index 2.6% average), increasing revenue by approximately \$0.019m. This fee increase was not recommended.	\$0	0.00%
5.1.1 Swimming Pools	Adult swim to be increased along with adult concession, adult month and adult year fees. This is an inflationary increase to reach the budgeted revenue.	\$145,000	-0.05%
5.1.2 Sportsfields	The recommendation is to increase the natural turf fees to cover part of the inflationary revenue gap.	\$15,000	0.00%
5.1.7 Marinas	3-3.5% fee increase across both Marinas is proposed, including 2.03% inflationary increase already included in the budget and further 0.97-1.47% over and above budget to bridge funding gap.	\$18,000	-0.01%

LONG-TERM AND ANNUAL PLAN COMMITTEE 14 MARCH 2019

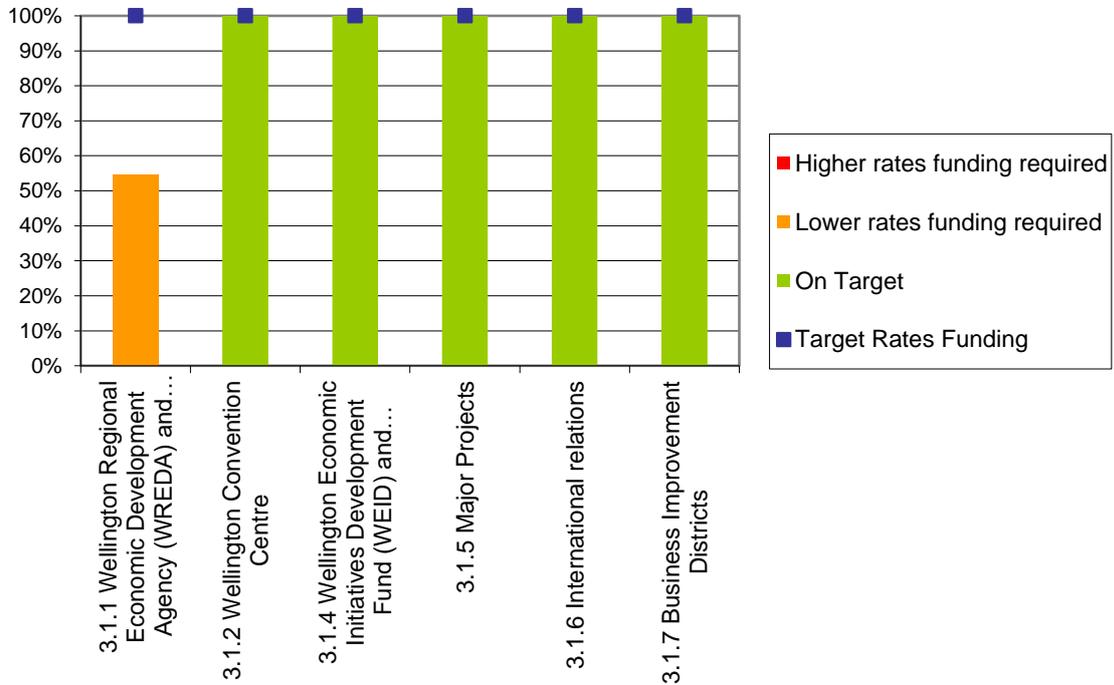
5.2.6 Community Centres and Halls	The hourly charges have not been increased with CPI increases since 2013/14. At the Working Party's request, a cumulative CPI price increases of 11% were proposed by the Officers and recommended	\$23,773	-0.01%
5.3.1 Burials and Cremations	A targeted fee increase to ensure we keep in step with the wider regional providers.	\$23,000	-0.01%
5.3.3 Public Health	Please note that these individual fee increases are a suggestion only prepared by the unit's business analyst. These will be confirmed once a staff representative from the business unit is available to review and approve these for introduction to the public.	\$28,775	-0.01%
7.2.1 Parking	Various metered, coupon and residential parking fee increases to reach the budgeted revenue	\$2,173,000	-0.68%
Total fee increases		\$2,588,788.00	-0.76%

30. Compliance snapshot:

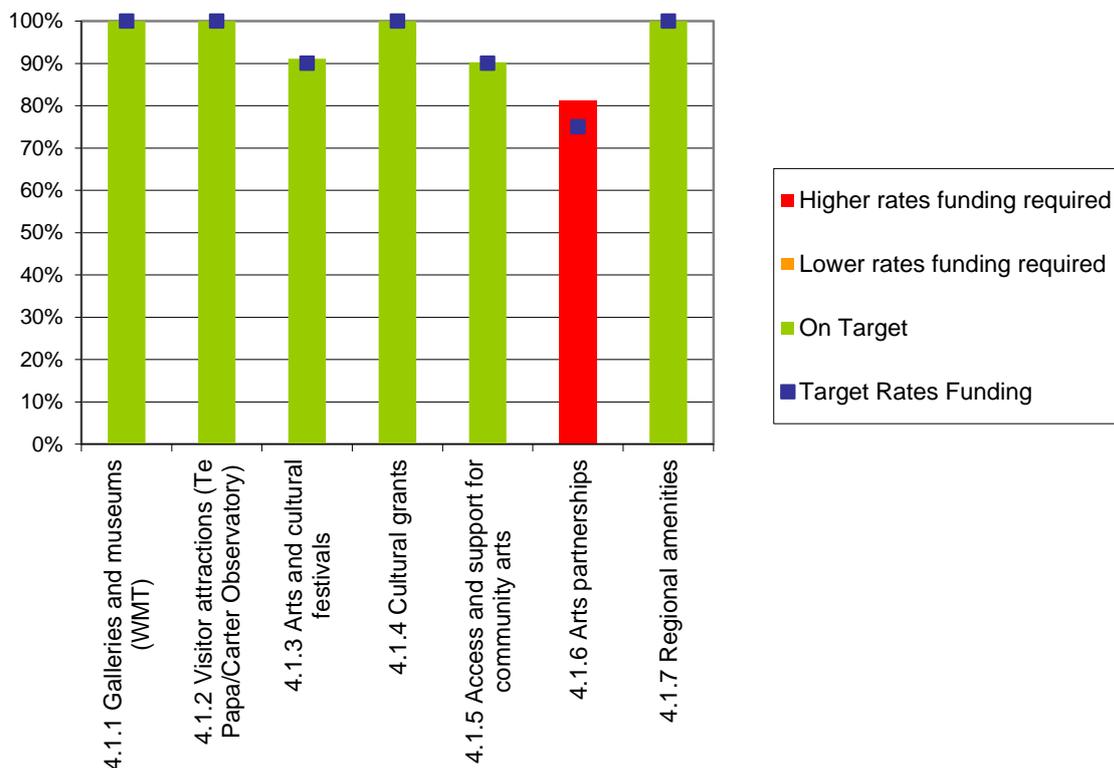
- 'Higher rates funding required' means the activity requires more funding from rates than targeted in the RFP
- 'Lower rates funding required' means the activity requires less funding from rates than targeted in the RFP
- 'On target' means the activity is being funded from rates and/or other income in line with policy targets

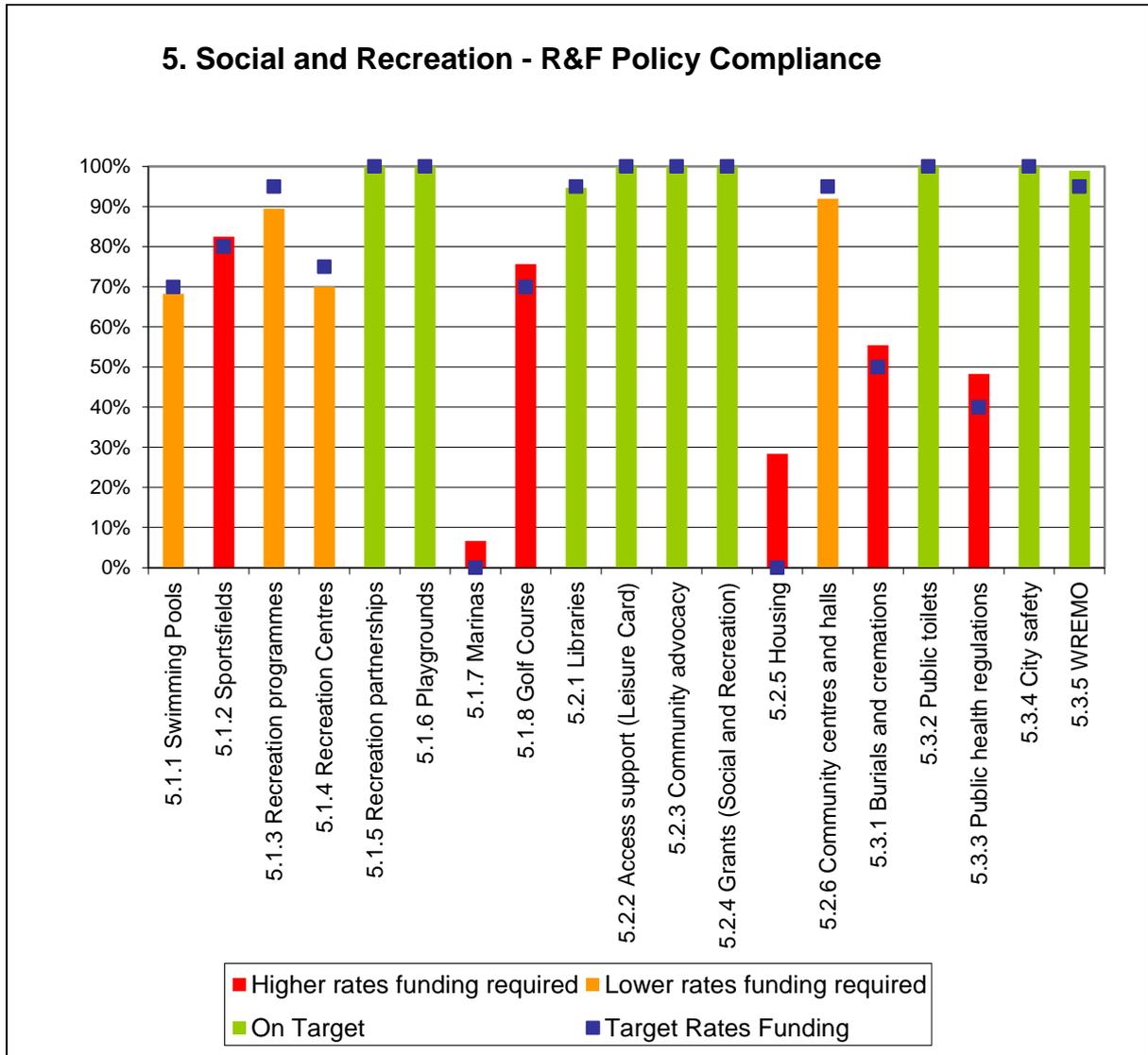


3. Economic Development - R&F Policy Compliance

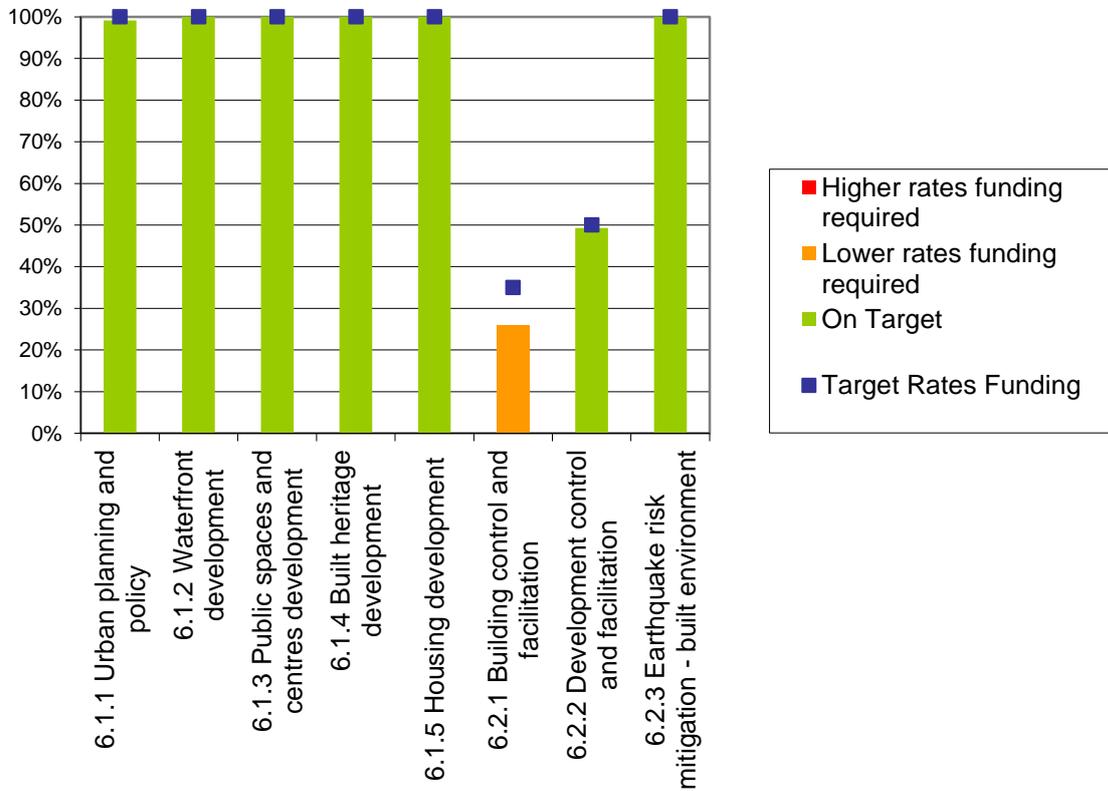


4. Cultural Wellbeing - R&F Policy Compliance

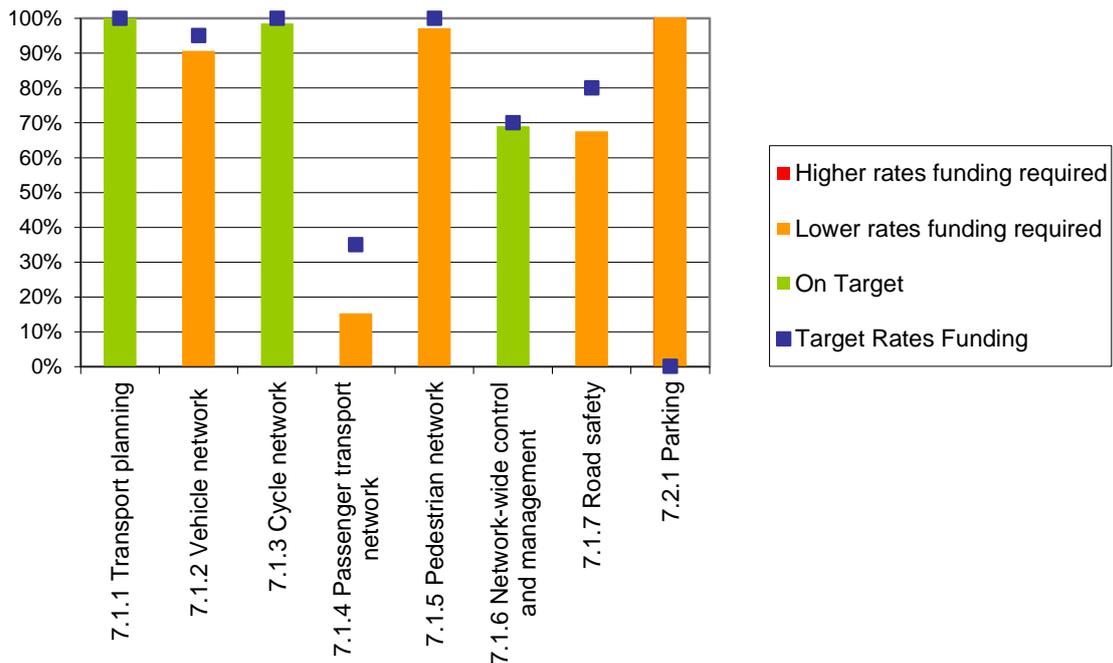




6. Urban Development - R&F Policy Compliance



7. Transport - R&F Policy Compliance



31. The detailed review of non-compliant activities includes a focus on areas where Councillors have some discretion and opportunity to make changes. Below is an overview of the discussion on each of the identified non-compliant activities and the associated recommendation.

2.1.4 Roads open spaces

Favourable non-compliance which is NZTA income driven. NZTA income can be variable. The Council's NZTA subsidy rate is 51% on approved expenditure, for street cleaning have approved subsidies on 1/3 of street cleaning expenditure on roading surfaces only. NZTA will only subsidise street cleaning costs which relate to safety or maintenance and have determined that is 1/3 of street cleaning expenditure, cleaning on pedestrian footpaths are also exempt from funding.

Agreed Working Party (WP) Recommendation – Accept temporary non-compliance and suggest a change to the policy parameter to 10% non-rates funding as part of next LTP.

2.2.1 Waste minimisation

It was noted that there is on-going analysis on this activity which will be presented to Councillors at a later date. There is an additional \$500K opex and capex to be included in the budget which is due to unforeseen movements in the unique emission factor for the activity that will increase the ETS cost.

Agreed WP Recommendation – Increase the special waste fee from \$148.60 to \$163.50 in line with officer recommendation and the general waste fee from \$126 to \$128 (as requested by the Working Party) and accept the balance of non-compliance (which will reduce the ring-fenced reserves for this activity).

2.4.1 Sewage network

As in prior years, non-compliance driven by reduction in trade waste revenue, this is a positive outcome. Further reduction in trade waste to be encouraged, and should result in lower costs across the activity over time.

Agreed WP Recommendation – Accept temporary non-compliance and recommend reviewing policy settings as part of next LTP. Fee increases as proposed by the Officers were not approved by the Working Party.

2.4.2 Sewage treatment

Current service contract is a throughput model with a volumetric margin. This term will end in February 2020 where reducing sludge into landfill will be incentivised.

Agreed WP Recommendation – Accept temporary non-compliance and note to change policy to 100% rates funding once new contract is in place.

2.5.1 Stormwater management

The main funding for this activity is from the NZTA based on qualifying expenditure and this is variable year to year.

LONG-TERM AND ANNUAL PLAN COMMITTEE 14 MARCH 2019

Note – vested asset income for prior years will, in future, be removed from the financial tables for this workshop as it is not relevant for R&F compliance.

Agreed WP Recommendation – Accept temporary non-compliance.

4.1.6 Arts partnerships

The costs for this activity have increased as the expenses to fund NZSO and the ballet have been transferred to this activity. This has changed the fee income to expense ratio and a review is recommended for the next LTP. The Toi Poneke lease is up for review next year so this needs to be included in the RFP review as well.

Agreed WP Recommendation – accept temporary non-compliance and suggest reviewing the rate funding requirement in the policy as part of the next LTP.

5.1.1 Swimming Pools (revised paper provided after 14 February workshop)

Non-rates funding ratio for this activity was reduced as part of 2018-28 LTP with a resulting positive compliance in this plan. Proposed fee increases are required to achieve budgeted revenue targets.

Agreed WP Recommendation – non-compliance accepted with fee increases to ensure budgeted revenue is achieved:

- Accept fee increases for adult swims (outlined in fee tables)

5.1.2 Sportsfields

The level of funding provided to professional sports was discussed. It was noted that Council does not charge for juniors however clubs do charge parents for juniors.

Agreed WP Recommendation – Increase fees in line with officer recommendation and accept the balance of non-compliance. It is also recommended that a new activity be created for elite sports support as part of the next LTP.

5.1.3 Recreation programmes

This activity is over-compliant, reducing rates requirement.

Agreed WP Recommendation – Accept temporary non-compliance.

5.1.4 Recreation Centres

This activity is over-compliant, reducing rates requirement.

Agreed WP Recommendation – Accept temporary non-compliance and revise policy to 30% non-rates funding in the next LTP.

5.1.7 Marinas

Agreed WP Recommendation – Increase fees in line with officer recommendation and accept the balance of non-compliance.

5.1.8 Golf Course

On-going conversation between Council and the club around the future of the course, it was noted that there is a marginal saving of reducing/closing golf course as the area will revert to town belt.

Agreed WP Recommendation – Review as part of next LTP.

5.2.5 Housing

The non-compliance for this activity will be funded through the ring-fenced surplus for this activity. A review of housing operations and policy is underway.

Agreed WP Recommendation – No action based on broader review of activity that will be brought to Council separately.

5.2.6 Community centres and (revised paper provided after 14 February workshop)

Positive non-compliance is mainly due to charging fees in line with other similar facilities in the community. Fees have not changed for a number of years. Council cannot undercut competing centres but there is price competition between Council run centres and Council supported centres.

Agreed WP Recommendation – non-compliance (over-compliance reducing rates requirement) accepted, with proposed increase in charges this positive non-compliance figure will increase.

- recommend cumulative CPI increases
- recommend reviewing policy settings as part of next LTP to 10% non-rates funding

5.3.1 Burials and cremations

It was noted that there will be on-going maintenance cost at the cemeteries, despite limited burials in the future.

Agreed WP Recommendation – Increase fees in line with officer recommendation and accept the balance of non-compliance.

5.3.3 Public health regulation (revised paper provided after 14 February workshop)

Revenue forecasting has been difficult since legislative changes were introduced under the Food Act 2014.

A number of fees (not specifically prescribed in the Food (Fees and Charges) Regulations 2015) are currently charged based on the default/recommended at the time of legislative changes despite expenses increasing c5.5%. These can be increased by Council bylaw.

It was noted that Dog fees are not subsidising any other areas of this activity.

Information was requested relating to pavement permissions and it was noted that 97 premises were billed in this area for 2018/19

- 32 100% smoke free discount on lease fees, plus \$95 renewal fee

LONG-TERM AND ANNUAL PLAN COMMITTEE 14 MARCH 2019

- 64 50 % smoke free discount on lease fees, plus \$95 renewal fee
- 1 mixed – half area smoke free, half area smoking – 100% discount on half, 50% on other half, plus \$95 renewal fee

Agreed WP Recommendation – Increase fees as outlined below and accept the balance of non-compliance.

- Dog fees – Increase fees by c2% (one year's inflation)
- Alcohol Licence Fees – increases to be recommended directly to Committee once analysis is complete

The R&F Working Party requested that Alcohol Licencing fees be reviewed with a view to increasing them to recover 85% of the cost of the activity. This analysis has now been completed and the following should be noted;

- Cost recovery for 2017/18 year was 68%
- Proposed 85% cost recovery staggered over 2 years. This shows an increase of fees (excluding manager certificate's) of 32% each year
- Manager's certificate fees must be the same across all territorial authorities so cannot increase
- Hutt City Council currently 52% cost recovery & are proposing 100% cost recovery so they are looking to almost double the fees for the 2019/20 AP

Officers recommend the following fee changes which have not been included in the above analysis relating to the recommendations from the R&F Working Party:

Fee type	Current fee	Proposed fee	Fee Increase	Reason for increase	Impact on revenue	Residual non-compliance with fee change	Workshop Outcome
Risk Category	Application Fee			Proposed overall 19% fee increase to help reduce the R&F compliance gap.	\$192,925	\$349,295	Not presented to the Working Party
Very low	\$368.00	\$486.00	\$118.00				
Low	\$609.50	\$805.00	\$195.50				
Medium	\$816.50	\$1,078.00	\$261.50				
High	\$1,023.50	\$1,351.00	\$327.50				
Very high	\$1,207.50	\$1,594.00	\$386.50				
	Annual Fee						
Very low	\$161.00	\$213.00	\$52.00				
Low	\$391.00	\$516.00	\$125.00				
Medium	\$632.50	\$835.00	\$202.50				
High	\$1,035.00	\$1,366.00	\$331.00				
Very high	\$1,437.50	\$1,898.00	\$460.50				
Special Licences	Fee						
Class 1	\$575.00	\$759.00	\$184.00				
Class 2	\$207.00	\$273.00	\$66.00				

Class 3	\$63.25	\$83.00	\$19.75				
Managers Certificate	\$316.25	\$316.25	no change				
Temporary Authority	\$296.70	\$392.00	\$95.30				

Note that while the Officers have recommended to change a number of Alcohol Licence fees, for decision by this Committee, the decision will also be progressed in accordance with Council's separate process for developing an Alcohol Licence Fee Bylaw.

6.2.1 Building control and facilitation

Positive non-compliance could facilitate a reduction in fees to achieve compliance however additional revenue for processing Auckland consents is not guaranteed long-term and this uncertainty coupled with pending changes to the Building Act is causing uncertainty in future compliance.

Although the Auckland consenting work is not guaranteed it is expected to continue for a number of years, the current policy setting which suggests 35% public benefit of this activity can be reviewed to reflect this as part of the next LTP.

It was noted that there is risk involved in providing consenting and this could represent a financial risk in the future. It was suggested that ways of mitigating this risk should be considered in the future.

Agreed WP Recommendation – accept temporary non-compliance (over-compliance reducing rates requirement) and suggest reducing the rate funding requirement in the policy to 25% as part of the next LTP.

7.1.2 Vehicle network

Favourable non-compliance which is NZTA income driven. NZTA income can be variable.

Agreed WP Recommendation – Accept temporary non-compliance (over-compliance reducing rates requirement) and suggest a change to the policy parameter to 10% non-rates funding as part of next LTP.

7.1.4 Passenger transport network

Favourable variance is driven by Adshel income. There is a bus shelter policy review currently underway which will be presented at a Council workshop in the coming months.

Agreed WP Recommendation – Accept temporary non-compliance (over-compliance reducing rates requirement) and review R&F policy settings post policy review.

7.1.5 Pedestrian network

This activity is now receiving NZTA funding for maintenance of footpaths resulting in a positive non-compliance. Overtime this funding will likely result in an increase in cost as a level-of-service (LoS) increase is expected.

Agreed WP Recommendation – Accept temporary non-compliance (over-compliance reducing rates requirement) and review policy settings when LoS expectations and implication of NZTA capex funding is understood.

7.1.7 Road safety

The LED lighting programme is included in this activity and resulting NZTA funding (85% of cost) is budgeted for 2019/20 to complete the replacement installation programme. The level of on-going funding is currently uncertain.

Agreed WP Recommendation – Accept temporary non-compliance (over-compliance reducing rates requirement) and review policy settings at next LTP.

7.2.1 Parking

The activity is, as in every year, generating more revenue than costs, however there is a negative revenue variance which results in an increase in the total rates requirement. A large portion of the shortfall (\$2.3m) in revenue relates to the assumed increase in revenue from parking policy changes included in the LTP.

Agreed WP Recommendation – Increase various fees as outlined in the below table and accept non-compliance.

Additional information is provided in Attachment 3.

Error! Not a valid link. Note that while the Working Party has recommended to change a number of parking fees, for decision by this Committee, the decision will also be progressed in accordance with Council's separate process for developing resolutions under the Traffic Bylaw.

Other Revenue and Financing Policy Considerations

32. Karori Business Improvement District

There are currently four Business Improvement Districts (BIDs), for which a targeted rate is collected, included in Council's rating mechanism. In addition to these there is also a targeted rate for Marsden Village Association (MVA) which, although it falls outside our BID Policy, is effectively a BID.

A new BID has been proposed for Karori which will also include the MVA. The value of the targeted rate for MVA in 2018/19 was \$14,000. If the proposed Karori BID succeeds it is expected this rate will be removed and replaced by a Karori BID targeted rate, the value of which is expected to be between \$80,000 and \$100,000 excluding GST.

This rate is proposed to be assessed on all *Commercial, Industrial and Business* rating units in the Karori BID area. The capital value of the current proposed properties is \$71.5m and the capital value of the MVA properties included is \$15.3m. In line with the BID Policy there are three options for calculating the targeted rate which will be decided as part of a poll of the BID group. These include;

- a fixed amount per rating unit
- a rate per dollar of rateable capital value
- a hybrid of a fixed amount per rating unit and a rate per dollar of rateable capital value

The new BID is yet to be polled, but is expected to succeed, and as such it is requested that a new targeted rate is recommended by the Long-term and Annual Plan Committee.

Agreed WP Recommendation – recommend new targeted rate and removal of Marsden Village Association targeted rate, if the proposal is progressed.

33. Review the impact 1 September revaluation on rates

The Rating Valuations Act 1998 requires Councils to “revise its district valuation roll at intervals of not more than 3 years by revaluing every rating unit within its district”. This valuation for Wellington was carried out on 1 September 2018 and the results were published on 5 November 2018.

Assessing the impact of this on individual rate payers, or groups of rate payers, is difficult. In general, if there is not a significant deviation from the average value increase rate payers should not see a significant change in rates (excluding any relevant proposed annual rates increases).

The summary information provided by QV outlined that residential property values increased on average by 45% while the CBD commercial property value average increase was 23%. The disparity between these increased was identified as potentially having an impact on the weighting of the General Rate between the differential rating categories.

The updated valuations (prior to objections) have been modelled into the 2018/19 rates model to see the overall impact of this change on the existing General Rates Differential if the valuations had happened prior to the 2018/19 rates setting, the below analysis outlines the results of this modelling.

The capital value split would have changed as follows:

	% of Capital Value	
	Base	Commercial
2018/19	78.88%	21.12%
2018/19 Reval	81.29%	18.71%

The valuation change would have resulted in the *Base Differential* portion of the General Rate increasing by \$6.8m with a corresponding decrease in the *Commercial, Industrial and Business Differential* category.

	General Rate		
	Base	Commercial	Total
2018/19	96,417,401	78,766,000	175,183,401
2018/19 Reval	103,236,267	71,947,000	175,183,267
Variance	6,818,867	-6,819,000	-133

The adjustment between categories would have had the following impact on the overall rates split.

	% of Total Rates	
	Base	Commercial
2018/19	56%	44%
2018/19 Reval	58%	42%

LONG-TERM AND ANNUAL PLAN COMMITTEE 14 MARCH 2019

The current general rate differential is 2.8:1 *Commercial, Industrial and Business: Base*. Council could decide to adjust this differential to mitigate the above adjustment of \$6.8m; the required differential to fully mitigate this would be 3.28:1.

Agreed WP Recommendation – Information received and reviewed, no change to the General Rate Differential recommended.

34. Changes to Rates Remission Policy

Council's Rates Remission Policy is reviewed in full as part of the Long-term Plan (LTP) process. The current policy was examined as part of the 2018-28 LTP and remains relevant, however it is proposed to amend the wording of the Remission of targeted rates on property under development or earthquake strengthening.

The current wording of the policy has the potential to create unintentional consequences in that, where part of a property under development or earthquake strengthening is in fact habitable, the remission incentivises property owners to vacate the entire property.

Below is the excerpt from the current policy with the proposed changes highlighted for consideration.

REMISSION OF TARGETED RATES ON PROPERTY UNDER DEVELOPMENT OR EARTHQUAKE STRENGTHENING

REMISSION STATEMENT

The Council may remit part or all of the commercial sector targeted rate, Business Improvement District targeted rate and downtown targeted rates on land classified under the Council's commercial, industrial and business differential as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to the property being under development or due to the existing building being earthquake strengthened.

The Council may remit part or all of the Base sector targeted rate on land classified under the Council's Base differential (including residential) as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to earthquake strengthening.

POLICY OBJECTIVE

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

CONDITIONS AND CRITERIA

To enable the remission statement above, 'not fit for purpose' is defined in this policy as where:

- I. the property (rating unit), or an identifiable part of the property, will not hold sufficient consents to permit occupation; and
- II. the property (rating unit), or an identifiable part of the property, will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works; and
- III. the property (rating unit), or an identifiable part of the property, will not generate any revenue stream.

- IV. the remission will be granted on a pro-rata basis for the identifiable part of the property to which the above criteria (i – iii) apply, for the purpose of the remission this will be calculated based on the portion of the total floor area of the rating unit which is deemed 'not fit for purpose'.

The above criteria apply to, and must be met by, an entire rating unit as identified in the Council's rating information database (RID), or a clearly identifiable portion of the rating unit, and apply only for the period the building is not 'fit for purpose'.

Attachments

Attachment 1.	2019/20 AP Fees and charges increases listing ↓ 	Page 27
Attachment 2.	2019/20 AP Funding Impact Statement Rating Mechanisms - Draft ↓ 	Page 33
Attachment 3.	Parking Services Information ↓ 	Page 46

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SUPPORTING INFORMATION

Engagement and Consultation

Subject to Council approval, the variances proposed and decisions made on this report will be engaged on with the community through the 2019/20 Annual Plan engagement process.

Treaty of Waitangi considerations

Targeted engagement will be undertaken with mana whenua as part of the 2019/20 Annual Plan engagement process using existing relationship channels.

Financial implications

This report discusses the key funding policy considerations for the 2019/20 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. Specific changes to Council policies recommended within the report will be engaged upon as part of the 2019/20 Annual Plan engagement process.

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 2019/20 Annual Plan, and therefore funding implications as related to the funding policies.

Communications Plan

Communication will be through the 2019/20 Annual Plan communication plan.

Health and Safety Impact considered

Health and safety impacts have been considered in relation to the 2019/20 Annual Plan, and therefore funding implications as related to the funding policies.

Wellington City Council

Changes to fees and user charges – Annual Plan 2019/20

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

In line with that policy, we're proposing some changes to fees and charges in the following areas:

- 2.2.1 Waste minimisation, disposal and recycling management
- 5.1.1 Swimming pools
- 5.1.2 Sportsfields
- 5.1.7 Marinas
- 5.2.6 Community centres and halls
- 5.3.1 Burials and cremations
- 5.3.3 Public health
- 7.2.1 Parking

2.2.1 Waste minimisation, disposal and recycling management

Fee type	Current fee	Proposed fee	Fee Increase
Southern Landfill - General waste fee - per tonne	\$126.00	\$128.00	\$2.00
Southern Landfill - Special waste fee - per tonne	\$148.60	\$163.50	\$14.90

5.1.1 Swimming pools

Fee type	Current fee	Proposed fee	Fee Increase
Adult swim	\$6.00	\$6.30	\$0.30
Adult swim Khandallah	\$3.10	\$3.20	\$0.10
Adult Concession (10 swims)	\$54.00	\$56.70	\$2.70
Adult swim membership per month	\$60.50	\$62.00	\$1.50
Adult swim membership per year	\$724.60	\$740.00	\$15.40

5.1.2 Sportsfields

Fee type	Current fee	Proposed fee	Fee Increase
<i>Rugby, League, Soccer/Football, Aussie Rules:</i>			
Natural Turf - Seasonal: Level 1	\$2,400.00	\$2,425.00	\$25.00
Natural Turf - Seasonal: Level 2	\$1,600.00	\$1,620.00	\$20.00
Natural Turf - Training:			
Natural Turf - 1 night (season) Ground only (Unserviced)	\$390.00	\$400.00	\$10.00
Natural Turf - 2 nights (season) (Unserviced)	\$770.00	\$775.00	\$5.00
Natural Turf - 3 nights (season) (Unserviced)	\$1,160.00	\$1,172.00	\$12.00
Natural Turf - 4 nights (season) (Unserviced)	\$1,538.00	\$1,545.00	\$7.00
Natural Turf - 1 night/(season) (Serviced)	\$840.00	\$850.00	\$10.00
Natural Turf - 2 nights/(season) (Serviced)	\$1,648.00	\$1,658.00	\$10.00
Natural Turf - 3 nights/(season) (Serviced)	\$2,473.00	\$2,485.00	\$12.00
Natural Turf - Tournament fee (Base fee by Sport code) field/day	\$300 - \$500	\$320 - \$550	\$20-\$50

5.1.7 Marinas

Fee type	Current fee	Proposed fee	Fee Increase
Clyde Quay - Mooring / year	\$1,105.00	\$1,140.00	\$35.00
Clyde Quay - Boat Shed (2 to 13) / year	\$2,320.00	\$2,390.00	\$70.00
Clyde Quay - Boat Shed (14 to 27) / year	\$2,087.00	\$2,152.00	\$65.00
Clyde Quay - Boat Shed (28, 29) / year	\$2,897.00	\$2,987.00	\$90.00
Clyde Quay - Boat Shed (38B) / year	\$1,675.00	\$1,725.00	\$50.00
Clyde Quay - Boat Shed (38A to 42B, 48A, 48B) / year	\$2,407.00	\$2,477.00	\$70.00
Clyde Quay - Boat Shed (43A to 47B) / year	\$2,785.00	\$2,870.00	\$85.00
Clyde Quay - Dinghy Rack / year	\$194.00	\$200.00	\$6.00
Evans Bay - Berth / year	\$2,780.00	\$2,865.00	\$85.00
Evans Bay - Berth (Sea Rescue Jetty) / year	\$1,634.00	\$1,684.00	\$50.00
Evans Bay - Boat Shed (8 to 11) / year	\$1,094.00	\$1,129.00	\$35.00
Evans Bay - Boat Shed (1 to 7, 12 to 32) / year	\$2,189.00	\$2,254.00	\$65.00
Evans Bay - Boat Shed (33 to 46) / year	\$3,280.00	\$3,375.00	\$95.00
Evans Bay - Dinghy Locker / year	\$327.00	\$337.00	\$10.00
Evans Bay - Live-Aboard fee / year	\$572.00	\$590.00	\$18.00
Evans Bay - Trailer Park / month	\$124.00	\$128.00	\$4.00

5.2.6 Community centres and halls

Fee type	Current fee	Proposed fee	Fee Increase
Community groups per hour	\$16.00	\$17.90	\$1.90
Commercial per hour	\$21.00	\$23.50	\$2.50
Private event per hour	\$26.00	\$29.10	\$3.10
Commercial private per hour	\$36.00	\$39.90	\$3.90
Venue security check fee / one off	\$46.00	\$50.90	\$4.90

5.3.1 Burials and cremations

Fee type	Current fee	Proposed fee	Fee Increase
Cremation - Delivery Only	\$685.00	\$692.00	\$7.00
Cremation - Committal Service	\$838.00	\$846.00	\$8.00
Cremation - Full Service	\$894.00	\$902.00	\$8.00
Cremation - Child	\$190.00	\$200.00	\$10.00
Cremation - Outside District Casket Interment	\$1,000.00	\$1,020.00	\$20.00
Plot Search	\$10.00	\$15.00	\$5.00
Change of Deed	\$63.00	\$70.00	\$7.00
Rimu Urn - Adult	\$86.00	\$90.00	\$4.00
Rimu Urn - Adult Half Size	\$60.00	\$75.00	\$15.00

5.3.3 Public health

Fee type	Current fee	Proposed fee	Fee Increase
Entire Dogs	\$172.50	\$176.00	\$3.50
Paid After 1 August / penalty	\$85.00	\$88.00	\$3.00
Desexed Dogs	\$125.00	\$127.50	\$2.50
Paid After 1 August / penalty	\$61.25	\$63.75	\$2.50
Responsible Dog owner status	\$61.50	\$62.75	\$1.25
Paid After 1 August (entire) / penalty	\$196.00	\$201.25	\$5.25
Paid After 1 August (de-sexed) / penalty	\$124.75	\$128.50	\$3.75
Working Dogs	\$52.50	\$53.50	\$1.00
Paid After 1 August / penalty	\$25.00	\$26.75	\$1.75
Working Dogs (puppies)	\$27.50	\$28.00	\$0.50
New Registrations - pro rata fees	\$88.00	\$89.80	\$1.80
Multiple dog application	\$34.00	\$34.50	\$0.50
Replacement reg tag	\$11.50	\$12.00	\$0.50
RDO Application	\$59.50	\$61.00	\$1.50

Puppies			
Month puppy was born / Month registration due	Desexed fee/Entire fee	Desexed fee/Entire fee	Increase
January / May	\$23.00 / \$31.50	\$23.40 / \$32.10	\$0.4 0/ \$0.60
February / June	\$12.80 / \$17.40	\$13.10 / \$17.80	\$0.30 / \$0.40
March / July	\$125.00 / \$172.50	\$127.50 / \$176.00	\$2.5 0/ \$3.50
April / August	\$114.80 / \$158.40	\$117.10 / \$161.60	\$2.30 / \$3.20
May / September	\$104.60 / \$144.30	\$106.70 / \$147.20	\$2.10 / \$2.90
June / October	\$94.40 / \$130.20	\$96.30 / \$132.80	\$1.90 / \$2.60
July / November	\$84.20 / \$116.10	\$85.90 / \$118.50	\$1.70 / \$2.40
August / December	\$74.00/ \$102.00	\$75.50 / \$104.10	\$1.50 / \$2.10
September / January	\$63.80 / \$87.90	\$65.10 / \$89.70	\$1.30 / \$1.80
October / February	\$53.60 / \$73.80	\$54.70 / \$75.30	\$1.10 / \$1.50
November / March	\$43.40 / \$59.70	\$44.30 / \$60.90	\$0.90 / \$1.20
December / April	\$33.20 / \$45.60	\$33.90 / \$46.50	\$0.70 / \$0.90
Imported Dogs & Puppies			
Month arrived in NZ	Desexed fee/Entire fee	Desexed fee/Entire fee	Increase
January	\$23.00 / \$31.50	\$23.40 / \$32.10	\$0.4 0/ \$0.60
February	\$12.80 / \$17.40	\$13.10 / \$17.80	\$0.30 / \$0.40
March	\$125.00 / \$172.50	\$127.50 / \$176.00	\$2.50 / \$3.50
April	\$114.80 / \$158.40	\$117.10 / \$161.60	\$2.30 / \$3.20
May	\$104.60 / \$144.30	\$106.7 0/ \$147.20	\$2.10 / \$2.90
June	\$94.40 / \$130.20	\$96.30 / \$132.80	\$1.90/ \$2.60
July	\$84.20 / \$116.10	\$85.90 / \$118.50	\$1.70 / \$2.40
August	\$74.00 / \$102.00	\$75.5 0/ \$104.10	\$1.50 / \$2.10
September	\$63.80 / \$87.90	\$65.10 / \$89.70	\$1.30 / \$1.80
October	\$53.60 / \$73.80	\$54.70 / \$75.30	\$1.10 / \$1.50
November	\$43.40 / \$59.70	\$44.30 / \$60.90	\$0.90 / \$1.20
December	\$33.20 / \$45.60	\$33.90 / \$46.50	\$0.70 / \$0.90
Adopted Dogs & Puppies			
Month adopted			
January	\$12.50	\$12.75	\$0.25
February	\$7.60	\$7.75	\$0.15
March	\$61.50	\$62.75	\$1.25
April	\$56.60	\$57.75	\$1.15
May	\$51.70	\$52.75	\$1.05
June	\$46.80	\$47.75	\$0.95
July	\$41.90	\$42.75	\$0.85
August	\$37.00	\$37.75	\$0.75
September	\$32.10	\$32.75	\$0.65

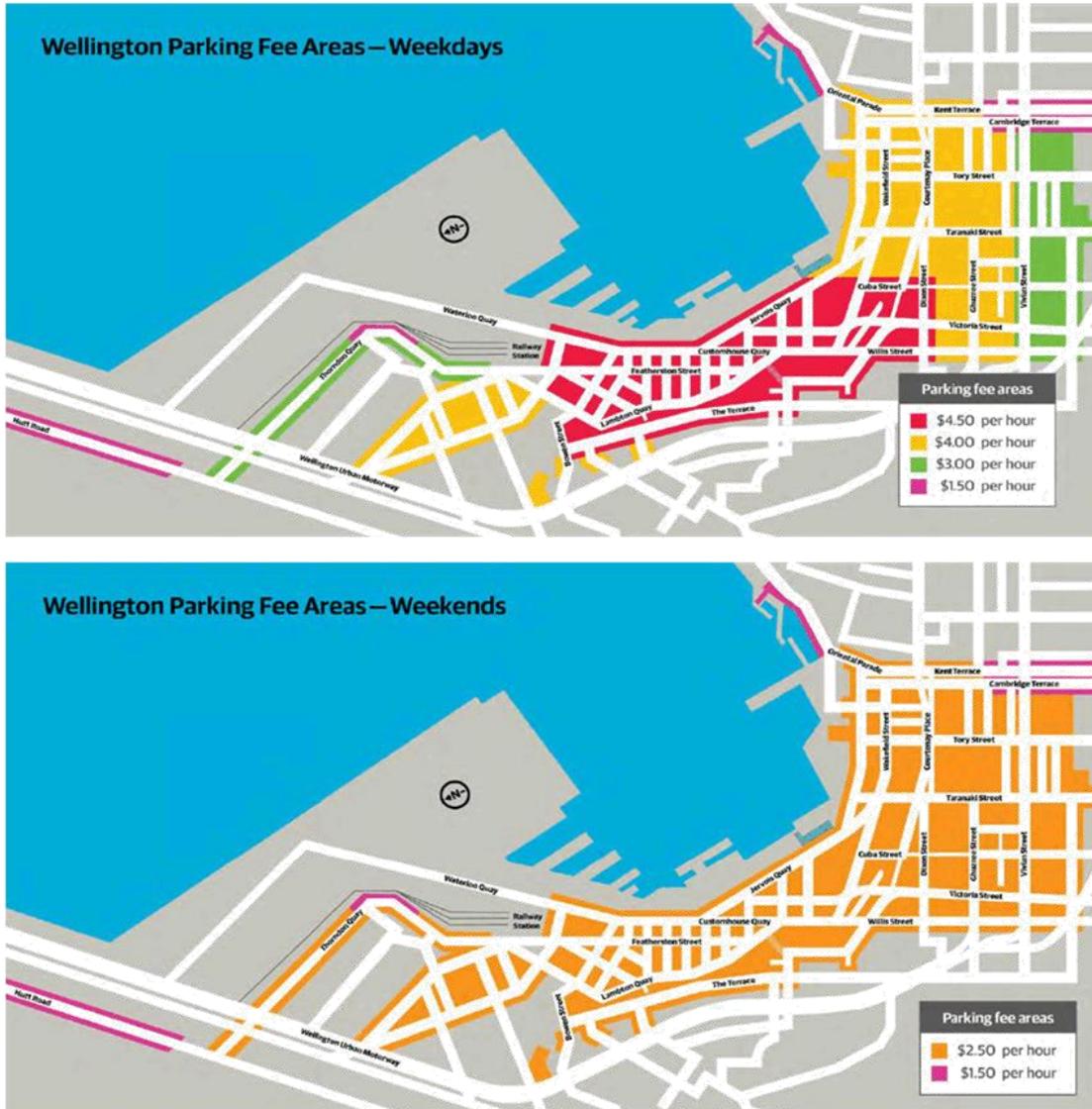
October	\$27.20	\$27.75	\$0.55
November	\$22.30	\$22.75	\$0.45
December	\$17.40	\$17.75	\$0.35

5.3.3 Public health continued – Alcohol Licensing Fees

Fee type	Current fee	Proposed fee	Fee Increase
<i>Alcohol fees</i>			
Risk Category	Application Fee		
Very low	\$368.00	\$486.00	\$118.00
Low	\$609.50	\$805.00	\$195.50
Medium	\$816.50	\$1,078.00	\$261.50
High	\$1,023.50	\$1,351.00	\$327.50
Very high	\$1,207.50	\$1,594.00	\$386.50
	Annual Fee		
Very low	\$161.00	\$213.00	\$52.00
Low	\$391.00	\$516.00	\$125.00
Medium	\$632.50	\$835.00	\$202.50
High	\$1,035.00	\$1,366.00	\$331.00
Very high	\$1,437.50	\$1,898.00	\$460.50
Special Licences	Fee		
Class 1	\$575.00	\$759.00	\$184.00
Class 2	\$207.00	\$273.00	\$66.00
Class 3	\$63.25	\$83.00	\$19.75
Managers Certificate	\$316.25	\$316.25	no change
Temporary Authority	\$296.70	\$392.00	\$95.30

7.2.1 Parking

Proposed fee changes	Current Fee	Proposed Fee	Fee Increase
Freyberg Pool members parking per hour (after initial 2 hours free per day)	\$0.00	\$2.50	\$2.50
Fringe Parking Monday to Sunday (pink zone) / hour	\$1.50	\$2.50	\$1.00
Coupon parking / day	\$8.50	\$12.00	\$3.50
Metered parking - Monday to Friday (yellow zone) / hour	\$4.00	\$4.50	\$0.50
Metered parking - Monday to Friday (green zone) / hour	\$3.00	\$3.50	\$0.50
Resident parking permit / year	\$126.50	\$200.00	\$73.50
Coupon exemption permit / year	\$71.50	\$120.00	\$48.50



2019/20 ANNUAL PLAN FUNDING IMPACT STATEMENT — PROPOSED RATING MECHANISMS

RATES

Rates are a property tax to fund local government activities. Rates are assessed under the Local Government (Rating) Act 2002 (the Act) on rating units in the Rating Information Database. Where rates requirements are allocated based on a rating unit's value, the rateable value will be the capital value as assessed by the Council's valuation services provider. The latest city-wide revaluation was carried out as at 1 September 2018. This revaluation will be effective for the 2019/20 rating year, except where subsequent maintenance valuations have been required under valuation rules or the Council's rating policies.

City-wide revaluations are performed every three years. The 1 September 2018 revaluation will be effective for the 2019/20 rating year and the two consecutive rating years (subject again to subsequent maintenance valuations).

Policy objective:

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

GENERAL RATES

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

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

The general rate is set on a differential basis, based on the use to which the land is put and/or the zoning. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following differential rating categories.

DIFFERENTIAL RATING CATEGORIES**Base Differential**

The Base differential rating category shall be applied to the following rating units:

- a. Separately rateable land used for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged
- b. Vacant land zoned residential
- c. Land used as farmland and lifestyle blocks which is included in the rural activity area in the District Plan
Farmland is defined as land used exclusively or principally for agricultural, horticultural, pastoral or silvicultural purposes, or for the keeping of bees or poultry or other livestock but excluding commercial dog kennels or catteries.
- d. Separately rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation or community purposes and that does not generate any private pecuniary benefit.

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

Commercial, Industrial and Business Differential

The Commercial, Industrial and Business differential rating category shall be applied to the following rating unit:

- a. Separately rateable land used for a commercial or industrial purpose
- b. Vacant land zoned commercial, industrial or business
- c. Land used for offices, administrative and/or associated functions
- d. Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay (28 days or less) accommodation
- e. Business-related premises used principally for private pecuniary benefit
- f. Any rating unit not otherwise categorised within the Base Differential.

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

Differential Rating Category Conditions

Differential rating 2.8:1 Commercial, Industrial and Business:Base

- The differential apportionment for the Commercial, Industrial and Business differential is 2.8 times the rate per dollar of capital value payable by those properties incorporated under the Base differential.
- Where a rating unit has more than one land use the rating unit may be 'divided' so that each part may be differentially rated based on the land use of each part.

A rating unit will be differentially rated where a division of the rating unit is established, based on the use to which the land is put and/or the zoning. A division will be established where:

- a rating unit has a value of greater than \$800,000 or

- the minority use(s) account for more than 30 percent of the total capital value of the rating unit

If neither of these criteria are met no division will take place, and the rating category will be established on the primary use of the rating unit.

- In any other case, the general rate differential is determined by principal use.
- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:
 - a) The time at which the Council gives final approval of the completed works, or
 - b) The property is deemed (by the Council) to be available for its intended use.
- In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.
- The differential rating category of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential rating category during a rating year will apply from 1 July of the following rating year.
- Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate general rate differential classifications and the non-rateability applied to that rate.

Uniform Annual General Charge

The Council does not assess a uniform annual general charge.

NON-RATEABLE LAND

Non-Rateable

Any land referred to in Part 1, Schedule 1 of the Act is non-rateable with the exception of targeted rates solely for sewerage and water where the service is provided.

50 Percent Non-Rateable

All land referred to in Part 2, Schedule 1 of the Act is 50 percent non-rateable in respect of the rates that apply, with the exception of targeted rates for sewerage and water for which the land is fully rateable if the service is provided.

TARGETED RATES

Targeted rates are set under section 16, 17, 18 and 19, and schedules 2 and 3 of the Act.

The Council has not adopted any lump sum contribution schemes under part 4A of the Act in respect of its targeted rates, and will not accept lump sum contributions in respect of any targeted rate.

The differential rating categories described above are unitised and referred to in a number of targeted rates.

Sewerage Targeted Rate

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the cost of the provision and maintenance of the sewage collection and disposal network, and sewage treatment facilities for the city.

This rate is assessed on all rating units connected to the public sewerage drain.

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

Sewerage targeted rate is calculated as follows:

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

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

For rating units incorporated in the Base differential rating category:

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

Water Targeted Rate

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

This rate is set to pay for the provision and maintenance of water collection and treatment facilities, the water distribution network and water conservation for the city.

This rate is assessed on all rating units connected to the public water supply.

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

Water targeted rate is calculated as follows:

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

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

Or

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

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

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

Or

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

Stormwater Targeted Rate

A targeted stormwater rate is to be apportioned 77.5 percent to the non-rural rating units incorporated under the Base differential and 22.5 percent to the non-rural rating units incorporated under the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of the stormwater collection/disposal network for the city.

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

Stormwater targeted rate is calculated as follows:

For the Commercial, Industrial and Business differential rating category:

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

For the Base differential rating category:

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

Base Sector Targeted Rate

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category.

This incorporates the following activities:

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

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

Commercial Sector Targeted Rate

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated in the Commercial, Industrial and Business differential rating category.

This incorporates the following activity:

- Approximately 30 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues. This is the equivalent of 100 percent funding of the events attraction and support activity within WREDA.

This rate is assessed on all properties incorporated in the Commercial, Industrial and Business differential rating category and is calculated on a rate per dollar of rateable capital value.

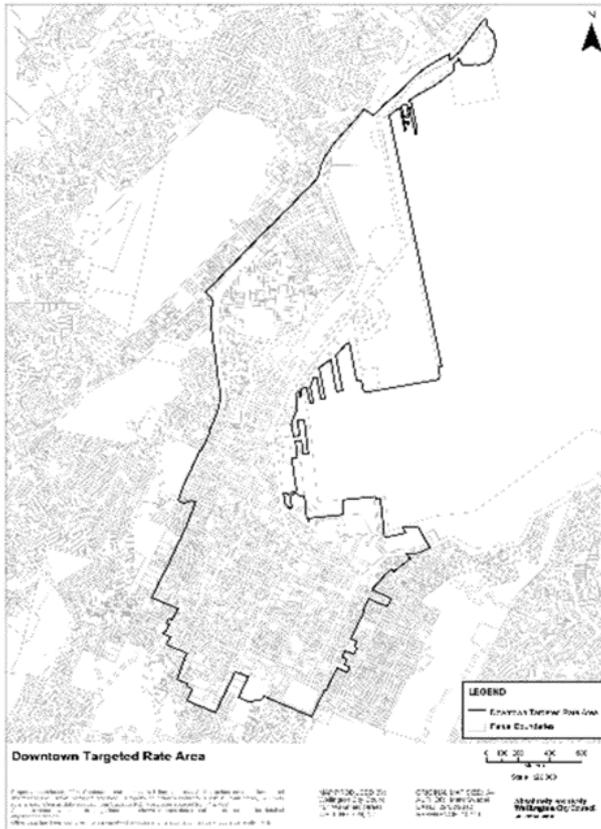
Downtown Targeted Rate

This rate is set to pay for tourism promotion.

This incorporates the following activities:

- 50 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues activities
- 40 percent of the cost of the Wellington Convention Centre activity
- 70 percent of the visitor attractions activity
- 25 percent of galleries and museums activity.

This rate is assessed on all properties incorporated in the Commercial, Industrial and Business differential rating category in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purposes of this rate, the downtown area refers to the area as described by the Downtown Area map as follows:



Tawa Driveways Targeted Rate

This rate is set to pay for the maintenance of a specified group of residential access driveways in the suburb of Tawa, overseen by the Council.
 This rate is assessed on a specific group of rating units that have shared access driveway that are maintained by Council in the former Tawa Borough.
 The rate is calculated at a fixed amount per annum per rating unit.

Marsden Village Targeted Rate

This rate is set to fund activities of the Marsden Village Association.
 The rate is assessed on all rating units in the Commercial, Industrial and Business differential rating category in the Marsden shopping village (see map below).
 The rate is calculated on a rate per dollar of rateable capital value.

Note that if the Karori Business Improvement District proceeds as planned this targeted rate will be removed from the 2019/20 Annual Plan

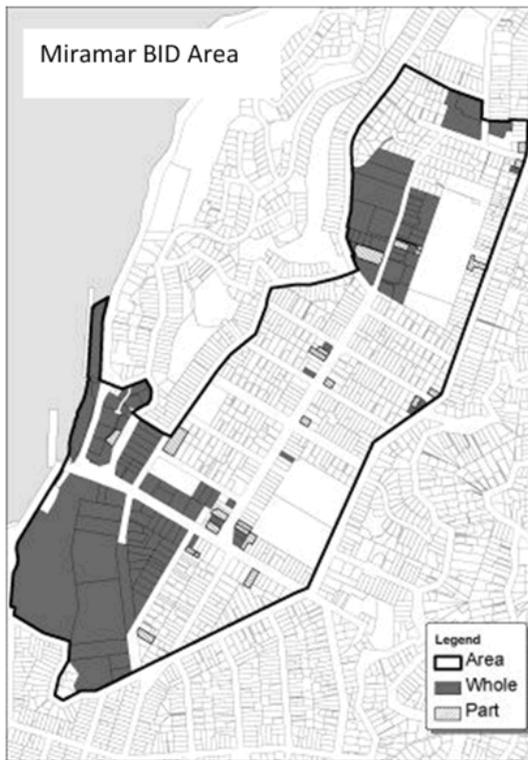


Miramar Business Improvement District Targeted Rate

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

This rate is set is on all rating units within the Miramar Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.



Khandallah Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Khandallah Village Business Association.

This rate is assessed on all rating units within the Khandallah Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a rate per dollar of rateable capital value.



Kilbirnie Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Kilbirnie Business Network.

This rate is set on all rating units within the Kilbirnie Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.



Tawa Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Tawa Business Network.

This rate is assessed on all rating units within the Tawa Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value.

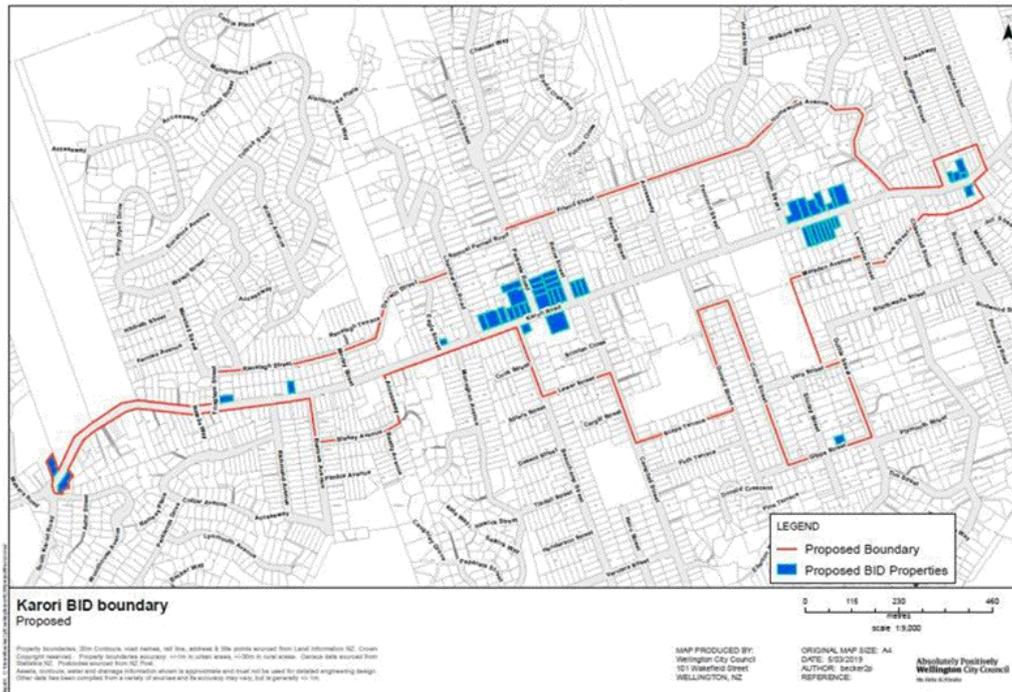


DRAFT WORDING - Karori Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Karori business network.

This rate is assessed on all rating units within the Karori Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category.

This rate is calculated as a rate per dollar of rateable capital value.



****Note that the wording of this may change depending on what rating option (as outlined in the BID Policy) the new BID choose to adopt****

Parking Services Contribution to the 14 March – Annual Plan Paper

Background

1. The Council provides on street parking to facilitate access to and within the city by vehicle for residents, local businesses and their customers and visitors to the city. The provision of a parking helps make the city and its surrounding suburbs more accessible, especially for those that are not able to use active and public transport and contributes to a liveable and prosperous city.
2. Council's current policy is to provide on street parking to support access to businesses and services in the central city, our facilities and suburban town centres, therefore the focus for Council is on the provision of short term, rather than long term parking.
3. Wellington's population is growing and this means that services such as Parking need to be able to continue to effectively support that growth. Ongoing construction across the city following the 2016 earthquakes, work that is underway to support a growing city and an increasing number of events that are being held in the city are all combining to create some challenges.
4. These challenges include limited and decreasing street space for the provision of parking. Parking spaces are often removed temporarily to support ongoing construction across the city and to allow events to proceed safely and effectively.
5. Increasingly parks are being permanently removed to allow for the provision of walkways, cycle ways and priority bus lanes which contribute to making the city easy to traverse and contribute to our goal of making the city more accessible.
6. All of this is combining to reduce the number of parking spaces that are available while demand is increasing, and the costs of maintaining the service continues to increase.
7. This leads to the question of who should pay for using parking spaces. Should this be a cost born by the ratepayer or met by the users of parking spaces? Council position is that those making use of the parking spaces should contribute more towards the overall cost of providing on street parking and therefore it is proposed that some charges be increased to better reflect the overall costs and to manage demand for limited on street parking across the city.
8. The Council is also in the process of reviewing its parking policy to make sure that it better reflects the changing face of the city, this review will consider what parking will

look like in the future, including the hierarchy of priorities for street space. The new draft policy will be consulted with the public, once it is ready; however in the meantime there is a need to ensure that our current parking model is fair and sustainable.

Recent improvements to the parking system

9. Work has been underway to make the operation of the service more effective and efficient from both the perspective of the customer, improve our overall enforcement capability and through the implication of initiatives designed to make interacting with the parking system more seamless and to help ensure the fair and effective administration of the parking system.
10. Some of these initiatives include the installation of the parking sensors, which have made the enforcement of the parking system simpler and more efficient, increases in parking officers to more provide more effective coverage across the city and the surrounding suburbs, the introduction of charging for weekend parking and price increases in coupon parking and central city parking fees to manage demand (in some locations) and to ensure short term access to retail / business rather than all day commuter parking.
11. Although Parking Services recovers significantly more revenue, though enforcement and meter charges than the costs to provide the service, the Council has determined that this is appropriate as it supports our transport and retail policies. These policies aim to improve access to on-street parking and the surplus from Parking Services part funds transport planning and infrastructure costs thereby reducing the rate funding requirement for transport projects.
12. Increasing budget expectations for Parking Services has meant that initiatives have been implemented to achieve these additional revenue requirements. However, there has been a historical shortfall of approximately \$1m per annum.
13. In the 2018/19 financial year this has been exacerbated by delays in implementing weekend parking against the budget that assumed weekend parking charges would apply from 1 August 2019, a delay of just over one month.
14. The expected budget deficit will increase to \$2.9m in the 2019/20 financial year, due to a further uplift in revenue expectations (and historic shortfalls) but this can be mitigated to a significant degree through the implementation of a range of the options discussed below.
15. If none of these options are agreed then there would be a significant impact on the general rates for the 2019/20 year.

Options to reduce the ratepayer Impact

16. A range of options have been developed for consideration as part of the development of the 2019/20 Annual Plan.
17. Recently the Revenue and Finance Working Party met to consider the options developed by staff and are making recommendations to the Long-term & Annual Plan Committee.
18. This following table summarises the options that are recommended for consideration and decision by both the Revenue and Finance Working Party and Officers.
19. It should be noted that all revenue projections shown are net of implementation costs, which have taken into account any additional capital spending requirements (included in the table below) and any increased operational costs, such as the additional cost of enforcement. The revenue projection also allows for changes in user behaviour resulting from increased charges.
20. Unless stated, the projected additional revenue assumes a 1 July implementation and assumes that the required traffic resolutions are adopted by Council prior to the beginning of the 2019/20 financial year.

Options considered	Impact (from 1 July)	R and F Recommendation	Officer Recommendation
1. Extend the time frame for metered parking on inner city streets by two hours from 8am to 8pm, seven days a week.	\$920k		
2. Limit free parking for Freyberg Pool and Gym members to two hours per day, but with an additional two hours available at the resolutud hourly rate. Capex requirement \$22k	\$20k	✓	✓
3. Change the daily cost of Coupon Parking (Monday – Friday)			
a. from \$8.50 to \$10	\$170K		
OR			
b. from \$8.50 to \$12	\$306k	✓	
OR			

c. from \$8.50 to \$15	\$360k		✓
OR			
d. Change the daily cost of Coupon Parking from \$8.50 to \$10 and remove the first two hours of free Coupon Parking currently available	\$400k		
4. Change the 60 minute free parking in upper Cuba St to 120 minutes metered parking Capex requirement \$12k	\$20k	✓	✓
5. Convert the Coupon Parking spaces in Thorndon to metered parking spaces, with a fee exemption for vehicles with resident parking permits	\$60k		
6. Convert every second parking meter in Wellington City to a cashless meter that does not take coins or cash as payment Capex requirement \$250k	\$100k OPEX saving		
7. Implement CCTV static cameras trials at a selection of bus lanes, clearways, cycleways and bus stops and broken yellow line in Wellington Capex requirement \$12k per camera site	Revenue Positive – Quantum to be confirmed	✓	✓
8. Change the cost of metered parking on the city fringe from \$1.50 to \$2.50 per hour, seven days a week	\$650k	✓	✓
9. Increase all Monday - Friday metered parking by:			
a. 20 cents an hour	\$612k		
OR			
b. 50 cents an hour	\$1.5m		
OR			
10. Increase all Monday to Friday metered parking fees except fringe parking			
a.	\$1.5m		✓
i. \$1.50 → No Change, see option 9			
ii. \$3.00 → \$4.50			
iii. \$4.00 → \$4.50			
iv. \$4.50 → No Change			

OR			
b. v. \$1.50 → No Change, see option 9 vi. \$3.00 → \$4.00 vii. \$4.00 → \$4.50 viii. \$4.50 → No Change	\$1.1m		
OR			
c. i. \$1.50 → No Change, see option 9 ii. \$3.00 → \$3.50 iii. \$4.00 → \$4.50 iv. \$4.50 → No Change	\$930k	✓	
11. Change weekend metered parking fees from \$2.50 to \$4.50 an hour	\$2.3m		
12. Change the annual cost of a Resident Parking Permit from \$126.50 to \$200 and a Coupon Exemption Permit from \$71.50 to \$120 per annum – SEE NOTE	\$247k	✓	

Recommended Options

- 21. Officers recommend Options 2, 3c, 4, 7, 8, and 10a be approved for incorporation in the draft Annual Plan noting these options combined would generate approximately \$2.55m in additional net revenue, against a budget deficit of \$2.9m.

The following Section provides more detail on each of the options proposed.

The full set of options is outlined below: (The Options are not presented in any particular priority order).

Option 1: Extend the timeframe for metered parking on inner city streets by two hours from 8am to 8pm seven days per week

Currently parking is charged between the hours of 8am and 6pm for the majority of the week. This option proposes increasing the charging timeframe from 6pm to 8pm in areas of the city where there is high utilisation of parking into the evening. This largely covers the entertainment areas of the city.

Increasing the charging timeframe is expected to improve overall occupancy rates and turnover during peak periods and will better reflect the value of the space that each park occupies, but may also impact on the ability of some people to access the city if charges are extended.

Additional revenue projection	\$920,000
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Option 2: Limit free parking for Freyberg Pool and Gym members to two hours per day but with an additional two hours at the usual rate

The current approach to parking at this facility does not provide fair and reasonable access to the parks. Many users of the pool and gym facility at the pool are provided with a permit that effectively enables them to park all day. Currently 11 percent of users park in excess of the two hour time limit.

This option proposes moving to a pay by license plate option, with the option for users of the Freyberg facility to park for free for up to 2 hours. Implementing this option is expected to increase turnover and ensure increased availability for other users. There may be some negative reaction to the implementation of this option, particularly from existing Gym users.

Additional revenue projection	\$20,000
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Option 3: Change the cost of Coupon Parking (Monday to Friday)

These options propose increasing coupon parking in line with inflation as a minimum and additionally bringing the cost of coupon parking more closely in alignment with the early bird parking charges across the city. There is a risk that some current users of coupon parking, which is largely fringe based, will move to private early bird parking closer to the city, however current early bird parking rates are largely significantly higher than what is proposed below.

There are four choices proposed as to the level of increase that could apply:

Option 3a: Increase coupon parking from \$8.50 to \$10.00

Additional revenue projection	\$170,000
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OR

Option 3b: Increase coupon parking from \$8.50 to \$12.00

Additional revenue projection	\$306,000
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OR

Option 3c: Increase coupon parking from \$8.50 to \$15.00

Additional revenue projection	\$360,000
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Option 3d: Increase the cost of accessing Coupon Parking and remove 2 hours free parking

This is a variation on option 3 and involves increasing the cost of coupon parking from the current \$8.50 to \$10.00, but removes the ability of people to park in a coupon parking space for the first two hours for free.

If implemented this option would reduce the overall cost of enforcement, and better reflect the cost of providing the coupon parking facility but would impact on the ability of people to use this parking to visit friends and relatives and attend appointments in the city.

Additional revenue projection	\$400,000
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Option 4: Change the 60 minute free parking in upper Cuba Street to 120 minutes metered parking

Currently there are 37 parking bays in upper Cuba Street that are available for people to park for up to 60 minutes free of charge. Surrounding streets allow up to two hours of metered parking.

Occupancy data shows that these parks are well utilised and implementing this option would bring this area into alignment with the other areas, increase turnover and contribute to a fairer and more equitable approach to parking in this area.

Additional surplus projection	\$20,000
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Option 5: Converting Coupon Parking to metered parking in Thorndon to metered parking spaces with a fee exception for vehicles with resident parking permits

This option would see the existing Coupon Parking arrangement in Thorndon reconfigured to metered parking. Under this option an exception for residents would be implemented.

Officers do not recommend this option at this time as further work would be required to better analyse current usage assumptions and determine whether or not this is the best option for this part of the city. Options such as this might better be considered as part of the upcoming review of the Council's parking policy, to ensure a fit with the future direction of parking across the city.

Additional revenue projection	\$60,000
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Option 6: Convert every second parking meter in Wellington City to a cashless meter

This option proposes increasing the number of cashless parking machines across the city and is largely in response to the growing instances of cash accepting parking machines being broken into to access the cash inside each one. It also reduces the administrative burden around cash handling. This proposal would see every second meter replaced with a cashless machine. Users will still be able to pay by cash if they choose or have the option to pay by card or to use the apps – such as Pay my Park to pay for their parking. It would also have the added benefit of reducing the incidents of break-ins with the consequential loss of income and reduce cash handling and ongoing maintenance costs.

Additional revenue projection	Up to \$100,000 savings in operational costs
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Option 7: Implement trials of CCTV Bus Lane, Bus Stop, broken yellow line and Clearway Enforcement

This option proposes trialling CCTV to patrol and enforce bus lanes, bus stops, broken yellow line and clearways. Implementing CCTV in this way would improve our overall enforcement efficiency and reduce health and safety risks to our parking officers. This option aligns with the overall objectives of let's get Wellington moving. CCTV enforcement of bus lanes, bus stops, clearways and broken yellow lines is already in operation in both Auckland and Christchurch.

This option would not be able to be trialled until late in the 2019/20 financial year as procurement would need to occur along with the development of operational procedures and processes and although there will be savings from implementing CCTV in this way; these are yet to be quantified.

Option 8: Change the cost of metered parking on the city fringe from \$1.50 to \$2.50 per hour, seven days a week

Currently there are a number of parking areas on the outer edges of the city that are available for people to park all day, seven days per week at a rate of \$1.50 per hour. Initial analysis of the parking trends in these areas show that these parks are mainly occupied during the working week by people working close by and those choosing to park near the city at a reduced rate and then walk or bus into the city centre. Under this option the hourly rate for parking in these areas would increase from \$1.50 to \$2.50 per hour, seven days per week.

Additional revenue projection	\$650,000
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Option 9: Increase all Monday to Friday metered parking by 20 cents per hour

Option 9a: Increase all Monday to Friday metered parking fees by 20 cents per hour

This option proposes increasing all metered parking fees across the city by 20 cents per hour. This would contribute towards the aim of moving the costs of operating the parking system from the ratepayer to the users of the parking system.

Additional revenue projection	\$612,000
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OR

Option 9b: Increase all Monday to Friday metered parking by 50 cents per hour

This option proposes increasing all metered parking fees across the city, not including fringe parking on the outskirts of the central city. This would contribute towards the aim of moving the costs of operating the parking system from the ratepayer to the users of the parking system.

Additional revenue projection	\$1.5m
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OR**Option 10: Increase all Monday to Friday metered parking fees except fringe parking**

This option proposes increasing all metered parking fees across the city, not including fringe parking on the outskirts of the central city.

There are three choices proposed as to the level of increase that could apply:

Option 10a: Increase all Monday to Friday metered parking fees by:

- *\$1.50 – the only areas that are currently charged at \$1.50 per hour are the shoulder parking areas outlined in option 9. Charges at this level would only increase if Option 9 was approved for implementation*
- *Moving the existing \$3.00 charge to \$4.50 per hour*
- *Moving the existing \$4.00 charge to \$4.50 per hour*
- *Leaving the existing \$4.50 charge as is*

Additional revenue projection	\$1.5m
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OR

Option 10b: Increase all Monday to Friday metered parking fees by:

- *\$1.50 – the only areas that are currently charged at \$1.50 per hour are the shoulder parking areas outlined in option 9. Charges at this level would only increase if Option 9 was approved for implementation*
- *Moving the existing \$3.00 charge to \$4.00 per hour*
- *Moving the existing \$4.00 charge to \$4.50 per hour*
- *Leaving the existing \$4.50 charge as is*

Additional revenue projection	\$1.1m
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OR

Option 10c: Increase all Monday to Friday metered parking fees by:

- *\$1.50 – the only areas that are currently charged at \$1.50 per hour are the shoulder parking areas outlined in option 9. Charges at this level would only increase if Option 9 was approved for implementation*
- *Moving the existing \$3.00 charge to \$3.50 per hour*
- *Moving the existing \$4.00 charge to \$4.50 per hour*
- *Leaving the existing \$4.50 charge as is*

Additional revenue projection	\$930,000
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Option 11: Change weekend metered parking fees from \$2.50 to \$4.50 per hour

This option proposes increasing all metered parking fees across the city, not including fringe parking on the outskirts of the central city.

This option has already been proposed in the current Long Term Plan for implementation in the 2019/20 year and would bring weekend parking fees into alignment with that charged during the week.

Additional revenue projection	\$2.3m
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Option 12: Change the annual cost of a Resident Parking Permit from \$126.50 to \$200 per annum and a Coupon Exception Permit from \$71.50 to \$120 per annum

This option would contribute towards the aim of ensuring a fairer return on the city's existing parking space.

However, since this option was presented to the Committee, staff have undertaken further investigation and confirmed that the Residents Parking Permit increase could not proceed due to legal constraints.

Our Residents' Parking scheme (which includes residence exemptions to coupon parking areas within certain zones) is established under section 22AB (1)(o)(iii) of the Land Transport Act. That section requires that residents' parking fees do not exceed the reasonable cost to Council in providing the service involved in granting residents' parking.

That cost-recovery limit is also reflected in our Traffic Bylaw, which provides that resolutions for residents' parking schemes. The applicable section of the Bylaw states:

"The fees it will charge to cover the reasonable cost to the Council of the service involved in granting a permit to park, instituting and maintaining and policing the scheme, erecting traffic signs and placing road-markings, and otherwise in relation to the reserving of the parking places."

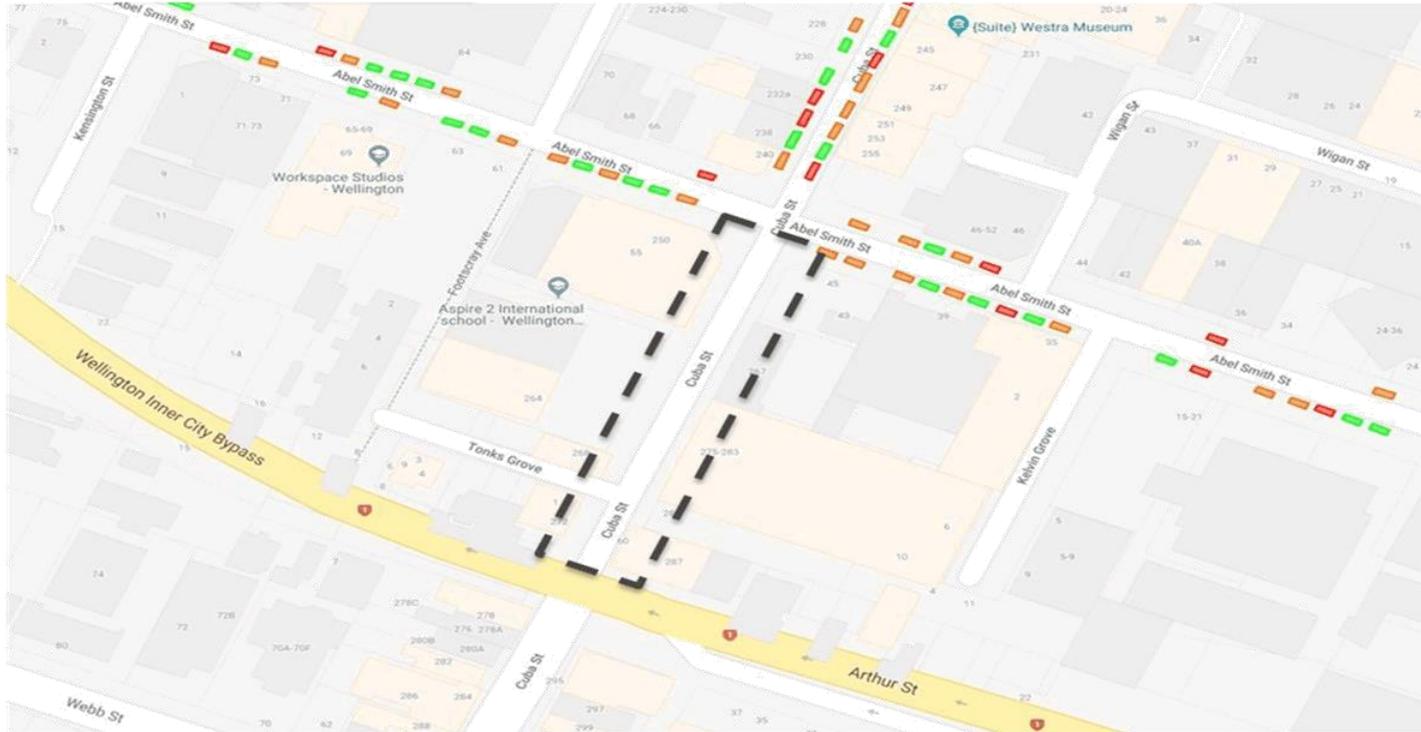
As Council estimates it will recover approximately 100% of Parking Services costs to maintain the scheme in the 2018/19 financial year, this option is not recommended by officers at this time.

Additional revenue projection	\$247,000
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Change 60 minute free parking in upper Cuba St to 120 minutes metered parking



2019/20 ANNUAL PLAN: CONSULTATION DOCUMENT

Purpose

1. This report asks the Long-term and Annual Plan Committee to consider the draft Annual Plan budget position and Consultation Document.

Summary

2. A draft Consultation Document has been prepared for the 2019/20 Annual Plan. It introduces proposed variances to the 10-year plan, identifies other key projects that are planned for year two of the plan, and it provides an update on some of the major projects that are coming up in the next few years.
3. The focus in 2019/20 will be on delivery of year two of the 10-year plan. There are a number of proposed variances to the plan however which are included in this report and will be the focus of consultation.
4. Consultation is scheduled to begin on Monday 1 April 2019 and run for four weeks until Monday 29 April. We have time scheduled between 14 and 16 May for anyone who wishes to speak to their submission.

Recommendation/s

That the Long-term and Annual Plan Committee:

1. Receive the information.
2. Note that the contents of this report are draft. The consultation document reflects the recommended budget decisions and work programme and will be updated as a result of decisions made at this meeting, including decisions made on the report of the Revenue and Finance Working Party.
3. Note that additional funding for Alex Moore Park Sports Hub, Coastal Structures, and Hawkins Reserve Right of Way was recommended by the City Strategy Committee in November 2018.
4. Agree that the draft budget includes the risks and mitigations, outlined in paragraphs 25-27 of this report.
5. Agree to the draft 2019/20 Annual Plan Consultation Document, included as attachment 1, based on the projects and programmes as detailed in Attachments 2 and 3.
6. In addition, agree to add initiatives included in paragraphs 13 to 18 of this report to the projects and programmes budget for consultation.
7. Delegate authority to the Mayor and Chief Executive to finalise the content of the Consultation Document, reflecting decisions of the meeting and editorial changes, ahead of final recommendation for approval by Council on 27 March 2019.

Background

5. The annual planning process provides an opportunity to review the annual budget which was set through the long-term plan (LTP). The Annual Plan focuses on variances to the LTP for 2019/20 and any other budget matters. The wider city goals, priorities, and levels of service were considered through the latest LTP – Our 10-year Plan 2018-28, which was adopted in June 2018.
6. Through our 10-year plan, we introduced five priority areas – Resilience and Environment, Housing, Transport, Sustainable Growth, and Arts and Culture. These priorities were introduced to give focus to addressing existing and emerging challenges. These challenges include population growth, climate change and the threat of another major earthquake, maintaining our reputation as the capital of culture and sustaining a strong economy.
7. Our 10-year Plan is an ambitious plan and 2019/20 is year 2 of that plan. The focus for this annual plan is on implementing year 2 of the 10-year plan.

Discussion

8. Attached are drafts of the 2019/20 Annual Plan Consultation Document and supporting information for approval.
9. Our approach to the consultation document is to highlight the proposed variances to the 10-year plan. We have also included a summary of the work programme for 2019/20, as per the 10-year plan, as well as looking ahead to major projects coming up in the next few years.
10. The consultation document includes information on proposed variances to the 10-year plan. The variances are summarised below.

Proposal	Key changes
<i>Key capex changes</i>	
Omāroro reservoir	Estimated costs have increased from \$40.9 million to \$58.2 million due to project complexity and rise in construction costs seen across all major infrastructure projects. It is proposed that the budget be amended to reflect latest estimates.
Moe-i-te-Ra / Bell Road reservoir	Estimated costs have increased from \$21.6 million to \$30.6 million for the currently proposed option and the project has been re-timed to begin in 2021/22 to prioritise funds toward Omāroro.
Kilbirnie stormwater pump station	Stormwater pipes have recently been upgraded. The pump station project has been re-timed to begin in 2021/22, allowing time to assess the relative priority of the investment.
Arlington sites 1 and 3	We are actively working with central government on options for the redevelopment and long term lease of council's social housing complex at Arlington sites 1 and 3. This will be subject to a separate consultation process in 2019 once the proposal is developed to a stage where consultation can occur. The impact on the annual plan is that \$5.2 million of capital expenditure previously planned for 2019/20 for this site can now be reallocated to the broader Housing Upgrade Programme.

Proposal	Key changes
Cycling master plan	While we expect to see some projects taking shape, or being completed in 2019/20, more design work and community engagement is required to decide how to provide safer bike routes in other areas. The programme has been rephased to ensure we get this right.
Convention and exhibition centre	The 10-year plan included provisional funding, based on concept design, of a Convention Centre proposal at a cost of \$165.5 million. The project incorporates a purpose built convention centre, combined with an exhibition hall and a range of public spaces. The confirmed total project cost is \$157.8 million of capital expenditure and ground works are expected to begin in 2019.
St James Theatre	The 10-year plan provided \$14.9 million for the strengthening of St James Theatre, this was based on concept design. Further extensive investigations have revealed more complex seismic strengthening issues. An upgrade of the theatre systems and interior are also now proposed to be included in the project during the closure of the theatre. The revised project cost is \$31.3 million over the next three years. In 2019/20 the expected capital expenditure is \$15.2 million, this is up from \$275,000 in the 10-year plan as construction has been delayed while we consider the re-scoping of the project.
Wellington Town Hall	The 10-year plan provided a budget of \$97.4 million to strengthen and refurbish the Town Hall. Since then further testing, investigation and the tendering process has occurred. The revised project cost is \$112.4 million including expected inflation and excluding contingency. The costs have increased due to high complexity of the project and the competitive construction market. In 2019/20 the expected capital expenditure is \$18.8 million, this is down from \$44 million in the 10-year plan as construction has been delayed while decisions are made on the additional costs.
<i>Key opex changes</i>	
Built Heritage Incentive Fund (BHIF)	The current fund is set at \$450,000 and geared toward helping owners to earthquake strengthen and maintain their heritage buildings. An additional \$550,000 per year is proposed to increase the fund to \$1 million per year and expand it to capture a broader range of earthquake resilience projects.
Parking fees	Changes to parking fees have been proposed and included in the report of the R&F working party on this agenda.
Other fees and charges as per attachment	It is also proposed that a number of other fees and user charges be changed to remain within Revenue and Financing Policy targets. These are included in the report of the R&F working party on this agenda.
Second tier sports events fund	We fund the Wellington Regional Economic Development Agency to attract major events and festivals to the city. In addition to this, we plan to spend \$150,000 per year to support the attraction of mid-sized sporting events to the city.
Councillor Remuneration	The Remuneration Authority has advised Council that we are required to budget an increase to the Councillor remuneration pool by \$155,000 for 2019/20. This exceeds our long-term plan

LONG-TERM AND ANNUAL PLAN COMMITTEE 14 MARCH 2019

Proposal	Key changes
	forecasts by \$112,000.

Recommendations from City Strategy Committee

11. A number of new initiatives and cost pressures from the Parks, Sports and Recreation area were presented to CSC in November 2018. The resolutions from these reports were to recommend the budget impacts to the Annual Plan committee.
12. The following capex projects have budget impacts in the 2019/20 Annual Plan and require consideration by the Annual Plan committee before they are included in the budget for consultation.
13. *Alex Moore Park Sports Hub.* The 10-year plan provided for the development of a sporting hub at Alex Moore Park, alongside the community, through provisional funding of \$796,000 in 2021/22. A proposal for the sports hub has now been agreed and construction expected to begin in 2019/20. It is proposed that the \$796,000 is brought forward to 2019/20 and additional funding of \$3.4 million provided for in 2020/21. Total cost of the project is \$4.2 million of which the community group will contribute \$2 million. There is minimal rates impact in 2019/20 of this project as capital expenditure is funded through borrowing.
14. *Coastal Structures.* Recent condition assessments on a number of structures have highlighted that additional capital funding of \$2 million plus \$194,500 of operational expenditure in 2019/20 is required and a further \$1.9 million of capital expenditure over the remaining years of the 10-year plan. The rates impact in 2019/20 is under 0.1 percent for the operational expenditure, the capital expenditure will be funded by borrowings so will have minimal rates impact in 2019/20.
15. *Hawkins Reserve Right of Way.* The Hawkins Reserve Right of Way (RoW) is on Council land and provides access to approximately 22 privately owned lots beyond Brooklyn Hill wind turbine, in addition to Airways infrastructure, a Kiwirail communication site and access for a few private businesses. There are no formal agreements for contributions to the maintenance and operation of the RoW.
16. Rural subdivisions and unrestricted public vehicle access has increased the use of the RoW. This is having an impact on the condition of the RoW carriageway and making the area less safe. Capital expenditure of \$1.488 million was proposed to CSC to bring the RoW to an acceptable standard for ongoing use as a private driveway and for recreation use. An additional \$1.735 million in operational expenditure over 20 years is also proposed for the maintenance of the RoW, including depreciation and interest.
17. A further opex initiative, to contribute to the development of the Band Rotunda, was approved by CSC in February 2019.
18. *Band Rotunda.* After seeking registrations of interest for the redevelopment of the Band Rotunda at Oriental Bay in mid-2018, a proposal was presented to CSC in February 2019. The proposal involves the developer, Cheops Holdings Ltd (Cheops), upgrading the structure to at least 80 percent of the National Building Standard and upgrade the interior to suit a hospitality operator. Council would enter into a 35 year lease agreement for a nominal rent and contribute \$300,000 to the redevelopment. CSC

agreed to this investment and the annual plan budget now needs to reflect this decision.

Other matters for the Consultation Document

19. In addition to the change proposals above, the Consultation Document also includes a summary of the work programme for year two of the 10-year plan, and 'looking ahead' to key projects that were signalled in the 10-year plan that are coming up in the next few years.
20. The key projects we are providing an update on in the 'looking ahead' section of the Consultation Document are the wastewater sewage sludge project, Southern Landfill extension as well as Waste Management and Minimisation activities, the Housing Strategy, Let's Get Wellington Moving, the NZ Transport Agency's Petone to Grenada link project, Cycling Masterplan, Indoor Arena, North Kumutoto waterfront space (site 9), and the outcomes of the arts and culture strategy review. For more on these projects, refer to the draft Consultation Document in Attachment 1.

Financial position

21. Year 2 of the 2018-28 Long-Term Plan resulted in an average rates increase after growth of 3.6%. The budget has now been re-forecast for the 2019/20 (year 2) at the existing level of service which represents a rates increase of 3.5% (\$323.4m), inclusive of the Revenue and Financing Working Party recommendations.
22. In addition to the base budget, a number of new initiatives have been proposed (as detailed in the variances table above and CSC recommendations), amounting to an additional rates requirement of \$1.2 million and which would increase the rates by a further 0.4 percent.
23. In addition to this forecast, two further risks have been identified at a cost of \$3.7m (1.2% increase on rates) and it is recommended that these risks are attempted to be mitigated so as not to further increase the rates. These are outlined below.
24. The Revenue and Finance Working Party recommend to include an increase in revenue from parking charges of \$2.1m, \$449k less than the revenue increases (through changes in parking policy and fees) forecast in 2019/20 budget in the Long-Term Plan.

**LONG-TERM AND ANNUAL PLAN
COMMITTEE
14 MARCH 2019**

	\$'000	\$'000	% rates increase
2019/20 Annual Plan Proposal			
Revised Rates Base (after growth 1%)		323,012	3.4 %
Recommendations			
R&F unbudgeted fee increases	(59)		
Parking Fees R&F recommendations - decrease in revenue from LTP (note)	489		
		431	0.1 %
		323,443	3.5 %
Other Proposals			
BHIF funding increase	550		
2nd Tier sports event funding	150		
Band Rotunda	300		
Coastal Structures	195		
Councillor Remuneration	112		
		1,195	0.4 %
Recommended Rates increase		324,637	3.9 %
Accepted Risk - mitigated			
Insurance (risk transfer options)		1,600	0.5 %
Residual Inflation (absorb into existing budgets)		2,139	0.7 %
Accepted Risk		3,739	1.2 %
Note			
Increase in Parking revenue per LTP	2,662		
Increase in fees proposed due to policy changes	<u>2,173</u>		
Decrease in overall parking revenue	<u>489</u>		

Accepted Risks.

25. There are two cost pressures that have been identified that pose a risk to increasing the cost base beyond the 10 Year plan funding forecast. There are proposals to mitigate and minimise these risks, and these are detailed below:
26. *Insurance premiums.* Insurance premiums are forecast to increase at a higher rate than forecast in the Long-term Plan. At the same time the amount of cover insurers are prepared to provide is decreasing, leading to a significant potential gap between the Long-term Plan and current assumptions. Officers have outlined a strategy to address this without further increasing premium cost to the FARMs committee, who have agreed to price an alternative risk model during the re-negotiation of our insurance cover for the 2019/20 year.

27. *Inflation risk.* The Council receive their inflation advice from BERL; BERL have changed their inflation forecast for 18/19 and 19/20. The impact of this increase in residual (net of personnel and contracts and CCOs) inflation in the 19/20 year is \$2.2 million. It is recommended that this inflationary increase is absorbed as a general savings target, and no change to the budget. Therefore the underlying average inflation for 19/20 remains at the original forecast of 1.8 percent.

Debt Position and Capital Expenditure.

28. We had forecast the total borrowings at the end of 2019/20 to be \$738 million in the 10-year plan, but are now forecasting \$690 million. The debt position is continuously monitored in light of actual capital expenditure; consequently there is a lower borrowings position expected at the end of the current year (2018/19), because some significant capital projects have been re-phased. Our borrowing to operating income ratio is 140 percent, which remains the same as the LTP forecast, and which is well within the 175 percent debt limit set in the 10-year plan.
29. The council has planned a significant and ambitious capital expenditure programme for 2019/20. The deliverability of a programme of this size contains some risks, and therefore continual monitoring of the forecast is required. Risks include contractor supply and availability, construction cost indexation/inflation, design and engineering resourcing etc.

Approach to Consultation

30. Consultation will run for four weeks from 1st April through to 29th April.
31. The consultation document, draft attached to this paper, will form the basis for the consultation. There will be an electronic copy on our purpose-built engagement web platform and hard copies will be distributed to all of our libraries, community centres and our contact centre.
32. There will be a survey form to guide feedback. This will be an electronic survey on our engagement web platform and hard copies in the libraries, community centres and our contact centre.
33. We will be advertising our consultation via radio and newspaper ads, through social media, online via websites such as Stuff and Metservice as well as our own Wellington City Council website and through our Wellington City Council e-newsletter.
34. On Tuesday 9th of April we will be holding a virtual forum to allow people to ask questions of elected members via social media, with support of Council officers.
35. Submissions will be compiled weekly throughout the consultation period and supplied to elected members for consideration. At the end of consultation a complete set of submissions will be provided to elected members.
36. Submitters who elected to speak to their submission will be given an opportunity to do so between the 14th and 16th of May.

Next Actions

37. Following approval by the Long-term and Annual Plan Committee, the Consultation Document will be finalised and prepared for final sign off by Council. Minor editorial

LONG-TERM AND ANNUAL PLAN COMMITTEE 14 MARCH 2019

changes will be delegated to the Mayor and Chief Executive to approve ahead of Council sign off.

38. The Consultation Document and website will 'go live' on Monday the 1 April. This is a couple of days later than initially indicated, allowing time for final changes to be made to the document and for design and printing to occur. Consultation will run for 4 weeks until Monday 29 April.
39. A Facebook virtual forum will be held during the consultation period on 9 April and oral hearings will occur following the end of the consultation period between 14 and 16 May.
40. Elected members will consider feedback received through the consultation at the beginning of June and adopt the final Annual Plan on 26 June 2019.

Attachments

Attachment 1.	2019/20 Annual Plan Consultation Document ↓ 	Page 70
Attachment 2.	Capex Summary by Activity ↓ 	Page 98
Attachment 3.	Opex Summary by Activity ↓ 	Page 101

Authors	Rebecca Tong, Senior Advisor Anna Barker, Team Leader Financial Planning
Authoriser	Baz Kaufman, Manager Strategy Kane Patena, Director, Strategy and Governance Martin Read, Manager Financial Strategy & Treasury Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Engagement and Consultation

We have a communication and engagement plan in place, the key information is included in this paper.

Treaty of Waitangi considerations

N/A

Financial implications

As per Financial Position section in paper and attached consultation document – Annual Plan 2019/20 draft Consultation Document

Policy and legislative implications

N/A

Risks / legal

As discussed in the Financial Position section, under ‘accepted risks’.

Climate Change impact and considerations

Covered in Annual Plan 2019/20 draft consultation document

Communications Plan

We have a communication and engagement plan in place, the key information is included in this paper.

Health and Safety Impact considered

N/A

Appendix 1 – annual plan 2019/20 draft consultation document

Consultation document
Annual Plan 2019/20

DRAFT

Please note:

This document and its contents are draft and subject to the deliberations of the Long-term and Annual Plan committee of 14 March.
It includes proposed budget variances to the 10-year plan 2018-28 which will impact on the rates and borrowing position.
Committee decisions on these proposed variances may change the rates and borrowing position that goes out for consultation on 1 April.

Contents

Mayor’s introduction	3
Chief executive’s introduction	4
About us	5
About this consultation document	5
Our 10-Year Plan 2018-28	5
2019/20 Annual Plan – Consultation Document	5
Our priorities	6
Overview of our core business	7
Financial summary for 2019/20	8
Cost of delivering Council services – operating expenditure	8
Capital expenditure	9
Borrowing	10
Sources of funding	10
Fees and user charges	11
Rates	11
Priority area projects and programmes	12
We want your feedback	12
How to have your say	12
Resilience and Environment	13
Housing	17
Transport	20
Sustainable growth	23
Arts and culture	25
Appendices	27
Your Mayor and Councillors	27
Fees and charges	28

Mayor's introduction

Wellington is a great city to live in and we want to keep it that way. This year's annual plan includes spending on some crucial projects that will ensure we remain one of the world's most liveable cities.

This is the second budget of our 10-Year Plan 2018-28. Last year, we received strong backing when we consulted on our spending priorities: resilience and the environment, housing, transport, sustainable growth, and arts and culture.

We will continue delivering on these priorities this year as we prepare Wellington for the challenges ahead.

Work will start this year on the 35-million-litre Prince of Wales/Omāroro Reservoir in Mt Cook. The reservoir will play a vital part in the city's resilience strategy to ensure fresh water is available to residents and Wellington Hospital in the event of a disaster.

Currently it's predicted Wellington's water supply could take 100 days before it is operational following a major disaster. We're planning to reduce this to 30 days.

Wellington's population is predicted to grow from 213,000 to 280,000 in the next 25 years.

A growing population will put pressure on the city's transport network. A top priority this year is the Let's Get Wellington Moving programme, which will propose a multimodal and balanced solution for Wellington's transport needs for the next 50 years.

Work will continue on major environmental projects, such as Predator Free Wellington, which aims to eradicate predators across the city and create the world's first predator free capital city. Alongside this, the Capital Kiwi project plans to introduce kiwi to a predator free safe zone in the city over the next few years.

It is important we keep stimulating our economy and construction of the Convention and Exhibition Centre opposite Te Papa will begin toward the end of 2019. The Centre will transform the surrounding area and I look forward to a new, vibrant quarter emerging.

We will also continue upgrading the Town Hall and St James Theatre so Wellington continues to have first-class venues for the arts.

The plan contains a rates increase of x percent.

We're investing in the city's future, laying the foundations now for a better tomorrow. We have work to do, but we're on the right track. Together, we are making the city an even better place to live.

Chief executive's introduction

We're investing in our City's future

We have a number of big projects in the plan for 2019/20, projects which many of you will be aware of through previous plans and media releases. These are discussed in this document and are highly visible. However there are over 1000 staff delivering the basic core services to you, the high quality, value for money services your city cannot do without, these services often go unnoticed. The rubbish collection, street maintenance, recreation ground management, landfill services and many others that you expect to be delivered, that we don't often talk about.

I am proud of the services we are delivering, the people who deliver them and the value-for-money this organisation represents, for the number and scale of activities we deliver. We are a tight ship and financially sound with an AA credit rating.

We have a clear plan on housing with Arlington 2 delivering 104 houses already, and we're about to enter public consultation on a partnership proposal for the redevelopment of Arlington sites 1 and 3 that will see more social and affordable homes for the city.

Let's Get Wellington Moving will be considered by Government this year, and once approved will transform our transport, housing and the future growth and prosperity of our city.

Council is investing in seismic strengthening to make the city safer for Wellingtonians each and every day. We have funded a major programme through Wellington Water, work is underway at the St James Theatre and we have moved many of our staff to other offices buildings in the CBD. Our much loved and iconic Town Hall will be rebuilt to its former glory, whilst ensuring it's safe for the next 100 years.

The Royal New Zealand ballet will soon be housed in a temporary structure on the Michael Fowler car park thanks to creative thinking from our staff, and this year we will continue to work towards a Capital of Culture, enhancing our rich diverse arts calendar at every opportunity with events like Te Matatini.

I'm proud to say that this Council is more united than ever, supported by an energised and motivated workforce that is an enormous asset to your city. I encourage you to engage with us as we implement our programme of work in the Annual Plan 2019/20 and together we can continue to enhance and transform our extraordinary city.

About us

Under the Local Government Act, Wellington City Council, like all local authorities, is responsible for enabling democratic decision-making and action by, and on behalf of, communities. We aim to meet the current and future needs of communities by providing good-quality local infrastructure, public services, and by performing regulatory functions.

To achieve this, the Council delivers a wide range of activities that enhance quality of life for our communities and create a vibrant experience for visitors to Wellington.

The Council is made up of 15 elected representatives — the Mayor and 14 Councillors. Their job is to set the city's overall strategic direction, approve budgets, and make bylaws, policies and plans aimed at meeting community needs. A key part of their role is to talk to the public before making decisions.

The Mayor and Councillors are supported in their role by the Tawa and Makara-Ohariu community boards. They are also assisted by the Council's Chief Executive and Council staff, who provide advice, implement Council decisions, and look after the city's day-to-day operations.

About this consultation document

Our 10-Year Plan 2018-28

Last year we developed a 10-Year Plan in consultation with the community. The Plan sets out our intentions for the decade ahead. We are required to update it every three years.

Our 10-Year Plan 2018-28 sets out what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we provide, and how we'll measure the effectiveness of our work over the next decade.

The plan was developed with the community. Together we identified five priority areas – Resilience and Environment, Housing, Transport, Sustainable Growth, and Arts and Culture. These priorities are discussed further in the Our Priorities section to follow.

There was significant engagement and support for the 10-Year Plan. Young people were particularly interested with 19 to 30-year olds accounting for 25 percent of the submissions.

2019/20 Annual Plan – Consultation Document

This 2019/20 Annual Plan Consultation Document (this document) represents year two of the Council's 10-year plan. The purpose is to let Wellingtonians know what activities we're undertaking in 2019/20 and encourage feedback on the proposed changes from year two of the 10-year plan, as outlined in this document. We've also provided an update on major projects that will be progressed in the next few years.

We've outlined our work programme under the five priority areas that we introduced as part of our 10-year plan.

Our priorities

During the development of Our 10-Year Plan we identified some specific challenges that we decided to prioritise, through the plan. These include managing the demands of growth, making the city more resilient, developing areas where we have a competitive advantage, and maintaining economic growth.

With these challenges in mind, we identified five priority areas for Our 10-Year Plan. Delivery of key projects under these areas remains a focus as we enter the second year of the plan. The priority investment areas are:



- Resilience and environment – investing in core infrastructure, looking after the environment and making our city more resilient against future shocks and the impacts of climate change



- Housing – Investing in quality and affordable housing to accommodate our growing population and improve community well-being



- Transport – Investing in transport options to maintain easy access in and out and around our city, promoting alternatives to private car usage, and managing congestion and acting as a catalyst for urban renewal and sustainable growth



- Sustainable growth – investing in economic projects that stimulate growth and diversification, and planning for population growth to meet our statutory requirements under the National Policy Statement on Urban Development Capacity. Ensuring urban development occurs in a coordinated fashion taking into consideration the things people love about the city.



- Arts and culture – investing in arts and culture to maintain our position internationally as a vibrant, edgy capital

In the 'Priority Area Projects and Programmes' section of this document we outline the key variances since the 10-year plan, the work programme for year two and look forward to major projects on the horizon under each of these priority areas.

Overview of our core business

Most of the work we do and the services we provide to keep our city safe and liveable for residents and visitors sit in seven strategic areas. While the five priorities for our 10-Year Plan drive a structured effort in areas that need work, the seven strategic areas represent how we work. Investing in our “business as usual” areas – will remain a strong focus. Our seven strategic areas are:

- **Governance.** We seek to build confidence in our decisions by being as transparent as possible, clearly communicating the reasons for the things we do and encouraging public participation in the decision-making process.
- **Environment.** The Council’s environment portfolio is large and diverse, encompassing beaches and green spaces, waste reduction and energy conservation, as well as waters services (drinking and tap water, wastewater and stormwater) and conservation attractions.
- **Economic development.** We support Wellington’s economic growth by supporting high-quality events and promoting tourism, attracting and supporting business activity, and delivering major economic development initiatives.
- **Cultural wellbeing.** We provide opportunities to develop the city’s cultural scene to build engaged and curious communities. We provide support for galleries and museums, community arts and cultural support, and arts partnerships.
- **Social and recreation.** We encourage active and healthy lifestyles, deliver quality recreation and social services, provide access to housing for those in need, and carry out public health functions.
- **Urban development.** We make sure the city remains liveable even as our population grows and challenges around seismic risk and climate change increase. We set urban policy, protect the city’s unique character and heritage, provide building and development control and facilitation services, and mitigate earthquake risks.
- **Transport.** We manage, maintain and improve the city’s transport network so that people can access places easily and safely. We look after hundreds of kilometres of city accessways, footpaths, cycleways and roads, including parking facilities, traffic signs and signals, street lighting and pedestrian crossings.

Financial summary for 2019/20

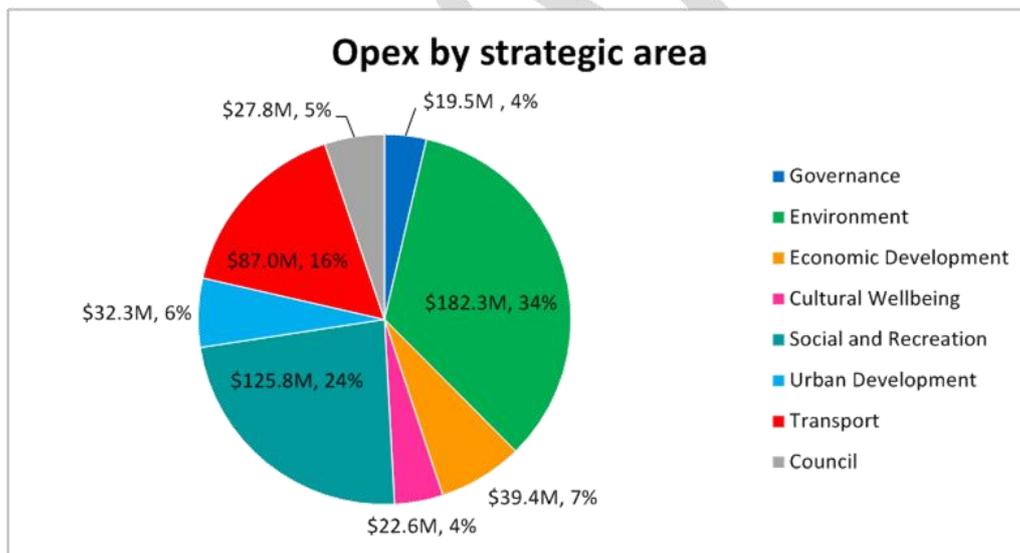
Cost of delivering Council services – operating expenditure

The Council delivers a broad range of quality services to its residents – everything from roads, footpaths, and libraries to festivals, museums, sports-fields and animal control. The total value of all the facilities and assets the Council uses to deliver services to Wellingtonians is \$7.2 billion¹. The cost of delivering and running these Council services in 2019/20 will be \$537 million or \$6.85 per day per resident – less than two cups of coffee.

\$537m

Operating spending for 2019/20

Total operational expenditure for 2019/20 to keep the city running. This is a small increase on what was identified in the 10-year plan. The increase primarily relates to inflation on personnel costs and contracts and increased depreciation due to new assets and a property revaluation.



The graphic illustrates the proportion of planned operational expenditure in each of our strategic activity areas. The biggest area of organisational expenditure is environment at 34 percent of the total gross opex of \$537 million; social and recreation and transport follow at 24 percent and 16 percent respectively; economic development, urban development, Council organisational projects, arts and culture and governance follow each with under 10 percent of total operational expenditure.

¹ Total value of assets owned by Council used to deliver services to Wellingtonians.

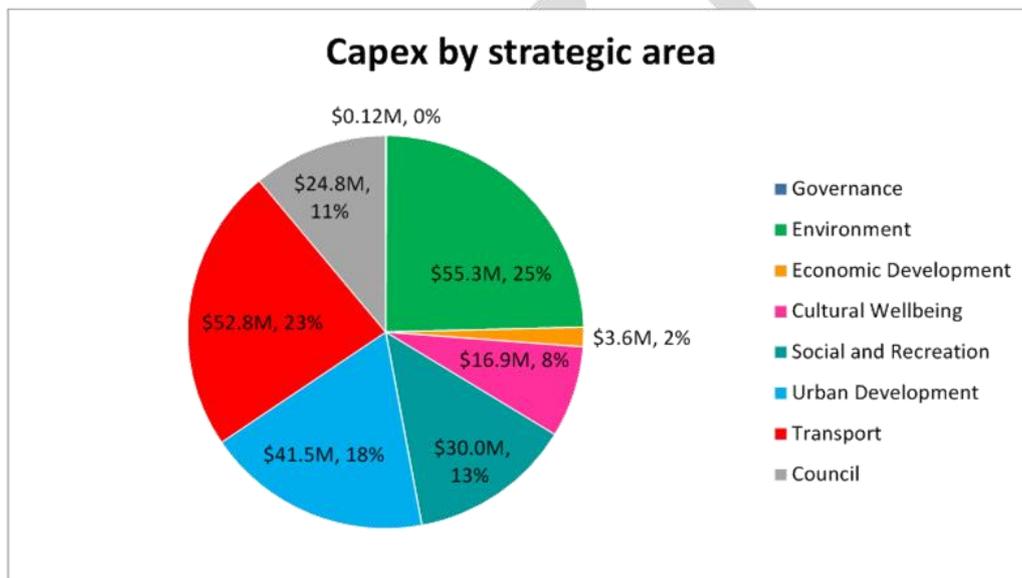
Capital expenditure

Capital expenditure is used to renew or upgrade existing assets or to build new assets to provide a higher level of service or account for growth. Our assets include buildings, roads and footpaths, water, stormwater and wastewater pipes, libraries, swimming pools, and sports fields.

\$225m

Capital spending for 2019/20

Total capital expenditure for 2019/20. This is a small reduction from what was included in the 10-Year Plan. The variances primarily relate to the timing of some major projects. For a more detailed explanation please see the 'what is changing and why' sections in the priority area projects and programmes.



The graphic illustrates the proportion of planned capital expenditure in each of our activity areas. The biggest area of capital expenditure is environment, which includes the three waters, at 25 percent of the total capex of \$225 million; transport, urban development, social and recreation and Council organisational projects follow at 23, 18, 13 and 11 percent respectively; arts and culture, economic development and governance follow each with under 10 percent of total capital expenditure.

What it costs me?

[Insert infographic diagram to display examples of some services we provide and the annual cost per person, eg:

- Swimming pool
- Flushing toilet
- Botanical gardens
- Running drinking water
- Social and recreation grants
- Planting trees/predator free
- Vehicle network
- Crematorium

Borrowing

We borrow to fund upgrades to our assets or to invest in new infrastructure. We do this as it allows us to spread the cost of funding this expenditure over multiple generations who will benefit from the investment.

Council debt is currently capped at a maximum of 175 percent of annual income over the 10-year plan and is expected to be 140 percent by the end of 2019/20 – the same as a household earning of \$75,000 a year having a mortgage of \$105,000.

\$690m **\$3,200**
per resident

For 2019/20 total borrowings are forecast to be \$689.6 million at the end of 2019/20, this equates to 140 percent of operating income

The forecast average borrowings per resident at the end of 2019/20 are \$3,222.

Sources of funding

61 percent of our operational expenditure is proposed to be funded from rates. The remainder will be funded from user fees and charges, ground and commercial lease income, dividends, grants and government subsidies.

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

General rates are paid by all ratepayers and applied to services which benefit the whole community, for example parks, libraries, pools, and roads and footpaths.

Targeted rates are paid by a specific group of ratepayers who receive a specific service – for example water, stormwater and wastewater services, commercial sector and business improvement districts (BIDs).

Fees and user charges

Many of our services are paid for through a combination of rates and user charges. If the costs of delivering these services rise, the increase will be covered by all ratepayers, through rates, and by users of the services, through an increase in fees/user charges. Our fees are set in accordance with our Revenue and Financing Policy, and depend on a range of factors including who benefits from the activity. Areas where we are proposing to increase fees include:

- Parking services
- Dog registration fees
- Community centres
- Swimming pools and sportsfields
- Marinas
- Cemeteries
- Landfill

Please see the appendices for more information on these proposed changes. Parking changes are also discussed in the transport section.

Rates

We are proposing to increase average rates by x percent in 2019/20

The Council is planning to collect \$325 million (GST exclusive) of rates during 2019/20. This figure reflects our efforts to manage the city's finances efficiently and prudently.

Insert infographic - 4 profiles (eg group of students renting a house worth \$x contribute (through rent) to rates of \$x/year -> landlord -> WCC -> services provided to Wellington)

Priority area projects and programmes

The following pages outline key projects for each priority area that we intend to invest in through this Annual Plan. We do this through highlighting key changes since the 10-year plan was adopted and the reasons for the change, outlining our planned work programme in year two of the 10-year plan and providing an update on the major projects that we have signalled, which are coming up in the next few years.

We want your feedback

Some projects have changed since we released Our 10-Year Plan, we want to hear what you think about these changes.

- What do you think about the proposed changes?
- Is there anything else you want us to consider before we finalise the Annual Plan 2019/20?

Remember that the Annual Plan is how we intend to invest from 1 July 2019 – 30 June 2020. There will be further opportunities each year to feedback on how we intend to invest our money.

How to have your say

There are three ways you can have a say:

- On our website – fill in the submission form at [\[insert web address\]](#)
- Mail – mail your completed form to:

Annual Plan team
Wellington City Council
PO Box 2199
Wellington 6140

- By email – email your submission to: busannualplan@wcc.govt.nz

You can make a submission until 12 midnight, Monday 29 April 2019.

What happens next?

We appreciate the submissions we get and we do take time to consider them.

The Mayor and Councillors are given copies of all submissions. We also prepare reports on the submissions so Councillors know things like how many there are and what issues are raised frequently.

We will be holding sessions with the Mayor and Councillors to allow submitters to speak to their submission. If you would like to speak to your submission, please indicate on the survey form that you wish to do so.

The Mayor and Councillors are scheduled to adopt the final plan on Wednesday 26 June 2019.

Resilience and Environment

We want our city to be stronger and our people better prepared.

We have obligations as kaitiaki (guardians) of this city. We are preparing the city to better cope with shocks; we consider the impact of the city's carbon emissions, how they can be reduced, and how we can adapt to the impacts of climate change. Making our infrastructure and communities more resilient to these environmental factors is at the heart of our 2019/20 work programme.

What is changing and why

Water, Wastewater and Stormwater work programme. We have some significant capital projects scheduled and we have reviewed our programme to make sure the funding levels and timing are appropriate. In 2019/20 the following changes are proposed:

- **Omāroro Reservoir.** This major new reservoir is essential for operational security and emergency water supplies, and to support projected growth in the CBD area. The estimated cost for this project has increased due to the requirements of construction in the Town Belt, the complexity of upgrading associated pipelines along a busy inner city transport route, and the rise in costs being seen across all major infrastructure construction work. Expected capital expenditure of \$58.15 million over four years from 2019-20 is proposed, up from \$40.85 million in the 10-year plan. When complete, Omāroro Reservoir will provide sufficient safe drinking water in secure storage to allow for maintenance and network repairs to be made should supply from the Hutt Valley be disrupted. It will also provide emergency water for Wellington Hospital if there is a major seismic event.
- **Moe-i-te-Ra | Bell Road reservoir.** The current Bell Road reservoir was built more than a century ago. Work to replace it with a larger, seismically resilient reservoir, was scheduled in the 10-year plan to begin in 2019/20 at an estimated cost of \$21.6 million. Following further investigations the revised estimate for this project is \$30.58 million. Wellington City Council has asked Wellington Water to confirm it still represents a good investment. This will include re-visiting a previous option to seismically upgrade the existing reservoir. It is proposed this project be re-timed to begin in 2021/22, this allows for funds to be prioritised toward the Omāroro reservoir first and for any increase in costs to be considered as part of the next 10-year plan.
- **Kilbirnie stormwater pump station.** Upgrades to stormwater pipes in Kilbirnie have lifted service levels to cope with one in 10 year rain events at current sea levels, in line with the regional standard for new subdivisions. Kilbirnie homes and businesses remain vulnerable to flooding events beyond this level, because there are no clear overland floodwater flow paths. Wellington City Council has asked Wellington Water to confirm this project represents a good investment considering other parts of the city are not yet at the one in 10 year protection level. The stormwater pump station, proposed to be built at Evans Bay Park at an estimated cost of \$8.3 million, was originally set for 2019 and has been re-timed to begin in the 2021/22 year, with the increased costs to be considered as part of the next 10 year plan.

Built Heritage Incentive and Resilience Fund. The current Built Heritage Incentive Fund is set at \$450,000 and geared towards helping owners to earthquake strengthen and maintain their heritage buildings.

We are proposing to increase the fund to \$1m per year and expand its remit to capture a broader range of earthquake resilience projects. We propose that the funding be allocated and focused on the following areas:

- \$500,000 towards supporting building owners meet associated costs relating to earthquake prone heritage buildings and heritage conservation projects eg. obtaining heritage advice
- \$500,000 towards supporting building owners meet associated costs relating to earthquake strengthening their buildings eg. engineering assessments, traffic management plans for construction etc.

The funding criteria for both funds will be developed in detail in the coming months and reported to committee for decision in August 2019. It is anticipated that funding will be directed towards buildings where successful heritage and resilience outcomes would be unlikely without assistance.

Coastal structures. The Council manages and maintains a number of marine and coastal recreational assets. The existing budget for coastal structures is \$122,000 per annum. Recent condition assessments on a number of structures have highlighted that an additional \$2 million of capital expenditure and \$194,500 of operational expenditure in 2019/20 is required to extend the life of these structures and reduce some significant risks. A further \$1.9 million of additional capital expenditure over the remaining years of the 10-Year Plan is also proposed and will be considered in the next long-term plan. The additional investment will be prioritised toward Seatoun Wharf and Cog Park Wharf and Jetties at the Evans Bay Yacht Club over the next three years.

Our work programme in year 2

Restoring our environment. Having planted 1,690,127 trees at the end of January, we're well on the way to planting our goal of two million native plants in Wellington by 2025. Planting toward this goal started slowly in 1992 and has ramped up in recent years.

In 2019/20, we will continue our planting programme and provide another 45,000 eco-sourced native plants to community groups. We're also working with other organisations on growing a number of threatened native plant species, supported by our new Plant Conservation Lab at Otari-Wilton's Bush.

Earthquake prone buildings. There are currently around 600 earthquake-prone buildings (EPBs) in Wellington. Around 120 of these are heritage buildings. Owners of these buildings are required to undertake work to bring them up to a satisfactory level of structural integrity. This year, we will continue to work with building owners to do this work through providing advice, with a particular emphasis on buildings that have been identified as Priority Buildings, where timelines for strengthening will be reduced to 7.5 years. We are in liaison with Central Government around the EPB framework and will ensure that Council and Government effort is integrated and complementary.

Carbon emissions. This year's review of the Zero Carbon Capital Plan focuses on continuing Wellington's climate leadership by aligning our Carbon reduction targets with our ambitions, better understanding and supporting individual carbon reduction decisions, and transforming our carbon profile as the city grows. This plan will be consulted on separately in the next few months. Any new initiatives will be considered through the next annual plan.

We continue to actively pursue opportunities to reduce carbon emissions across the city through direct investment in sustainable transport - such as building cycleways, supporting electric vehicle charging, and increasing car sharing opportunities. Through our District Plan, we are also looking at how we can support the city to grow in a compact and walkable way.

Makara Peak. We're helping to fund and build a series of new tracks at Makara Peak in partnership with community group Makara Peak Supporters. This collaboration will see 16 kilometres of new track added to the current 40 kilometres in the next 10 years. In 2019/20, we have budgeted \$525,000 on Makara Peak, this includes continuing to improve visitor entrance facilities.

Zoo upgrade. Over the past few years, Wellington Zoo has completed stage one of its upgrade programme. This has seen the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. Stage two involves further improvements to facilities to home additional animal attractions. In 2019/20 work will begin on facilities for snow leopards at a total project cost of \$3.7 million in capital expenditure over three years. It is expected that the Zoo will contribute \$875,000 toward the project.

Zealandia. Work will begin this year on a Centre for People and Nature at Zealandia; this centre will provide volunteer accommodation and improved research and learning facilities. This is expected to be funded mostly by Zealandia between 2019/20 and 2020/21. The Council's contribution is expected to be \$800,000 towards the project.

Responsible camping. We're continuing to encourage responsible camping by providing facilities for campers. In 2019/20, we're building a new public toilet and dump station in Evans Bay, at a budget of \$296,000. Part of the funding is provided through a central government grant.

Looking ahead

Wastewater. We, along with Wellington Water, are investigating ways to reduce the sewage sludge that is disposed of in our landfill. There is a provisional budget of \$34 million to implement the preferred option from year four (2021/22) of our 10-Year Plan 2018-28.

Stormwater. We will be carrying out work to reduce the risk of flooding in Tawa, with the installation of bigger pipes to accommodate higher levels of stormwater and is expected to cost \$9.2 million, beginning in 2020/21.

Adaptation to rising sea levels. A community-lead planning process at Makara Beach has resulted in the community recommending short, medium and long term adaptation measures to prepare the community for the effect of rising seas and more intense weather events. Other parts of the City will also be affected, and we intend to raise awareness of the changing climate in the Eastern suburbs and the CBD. In future, we will need to adapt these areas to the effects of climate change. Decisions around stormwater, roads and private investment must take into account the changing climate – we need to learn to live with more water, and to design our future City accordingly.

Landfill. Preparation for resource consent application is underway on an extension of the Southern Landfill and construction is expected to begin in 2020 at an estimated cost of \$20.4 million. Based on

the current levels of waste ending up in the landfill, this extension needs to be operational by mid-2022.

While we are planning to extend the landfill to meet current levels of waste, we are also aiming to reduce our waste by one third over the next eight years. As part of the Wellington Region Waste Management and Minimisation Plan we have made a commitment to this goal. This year, as part of the plan, we will be focusing on running a 12 month kitchen waste diversion trial. Following the trial we will develop business cases on how to process organic waste and to transform the Southern Landfill into a park where many more resources can be diverted from the landfill and put back into the economy.

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Housing

We want to improve community wellbeing and ensure all Wellingtonians are well housed.

Our population has been growing steadily. Up to 280,000 people are expected to call Wellington home by 2043. This means we will need to improve and increase our infrastructure and facilities and the city needs to add up to 30,000 more homes to accommodate new arrivals.

What is changing and why

Arlington development. Last year when we adopted the 2018-28 10-year plan, we signalled that that we would investigate opportunities to partner with other agencies – including other housing providers, developers and central government – to deliver more affordable housing in Wellington. We also said that once we had more details, and specific proposals were ready, further consultation would occur with the community.

We are actively working with central government on options for the redevelopment and long term lease of council's social housing complex at Arlington sites 1 and 3. This will be subject to a separate consultation process in 2019 once the proposal is developed to a stage where consultation can occur.

As a result \$5.2 million of capital expenditure previously planned for this site is no longer required and can be reallocated to the broader Housing Upgrade Programme. Most of this site was already anticipated to be vacant in the 2018 10 year plan to allow redevelopment, so only minor changes to the operating costs will be required.

Karori Events Centre. The Karori Events Centre is a community driven project which has resulted in the building of an events centre within the hub of community facilities in Karori, this includes the community centre, library and recreation centre.

The Karori Events Centre has been constructed and will provide an inviting venue where people can pursue their interests and connect with the community in a welcoming, inclusive and safe environment. The centre is still to be fitted out before it can become operational and the community is fundraising \$1 million for that to happen.

The Council will work with the Karori Events Trust in the coming months on options to secure funding to progress the fit out, finalise future operations of the centre, and to consider options for a more coordinated hub of community facilities in Karori.

Alex Moore Park sports hub. Council has been working with the Alex Moore Park Sport and Community Incorporated (AMPSCI) group regarding the development of a sporting hub at Alex Moore Park which will be used by a number of sports and community groups. At the end of 2018 a revised proposal for the sports hub at Alex Moore Park was agreed. The total cost to build the hub is \$4.2 million of which the group will contribute \$2 million. The Council will manage the build over two years. Of the \$4.2 million, \$796,000 is already budgeted and will be brought forward from year 4 of the 10-year plan into 2019/20. An additional \$3.4 million is proposed to be budgeted in 2020/21 which will be partially offset by the group repaying \$2 million.

Our work programme in year 2

Stakeholder partnerships. In the coming year, we will undertake an audit of Council-owned land to identify opportunities to use land for housing development. This work will be done within existing budgets.

Strategic Housing Investment Plan. In March 2017, the Council approved the Strategic Housing Investment Plan for Council's social housing portfolio. It includes three workstreams to be implemented over a 10-year period. They include:

- a development programme to build 750 new safe, warm and dry homes on existing Council land – in 2019/20 this will focus on the development of the Harrison and Nairn Street sites in Mt Cook
- delivery on our Portfolio Alignment Strategy which seeks to identify underperforming assets for divestment. This is to ensure that the City Housing portfolio best meets the needs of low income tenants. The sale of these units will be reinvested in the development programme
- a Single Capital Programme to support City Housing's ongoing financial sustainability – planning is underway to initiate a single capital programme to generate efficiencies in the delivery of capital investment, maintenance expenditure and overall upgrade works. A detailed plan and costings will be developed during the 2019/20 financial year.

City Housing Policy Settings. In addition to the Strategic Housing Investment Plan, the funding model for social housing will be reviewed in 2019/20, making sure the service is affordable for Council and tenants into the future.

CBD building conversions. This was identified as a priority project in our 10-Year Plan. The project aims to make better use of the inner city for rental housing by working with commercial building owners to convert their properties into residential units as part of an exemplar project, progressing in 2019/20. If successful, the pilot would demonstrate a new model for the Council to partner with a commercial developer to improve housing outcomes in the city.

Improving community wellbeing. Connections we have in our communities can provide us with informal support and shared resources. People in communities that are cohesive and empowered will be better able to support each other through disasters, as well as thrive in the face of everyday challenges. Some of the projects we are working on in 2019/20 to support cohesive communities, where people feel connected, include:

- *Waitohi.* Johnsonville's new Waitohi community hub is on track and budget (total budget is \$22.5 million), and due for completion in Summer 2019/20. The kindergarten is scheduled to open in August ahead of the new library, café and reception for the swimming pool. There will also be a link through to Memorial Park, the library and a new swimming pool entrance.
- *Newtown and Aro Community Centre upgrades.* Community facilities help bring people together, strengthen communities and provide a platform to deliver the activities and services that contribute to community wellbeing. The interior upgrades of the Newtown and Aro community centres are currently in the design phase, with construction set to begin in 2019/20 at a budget cost of \$3.9 million.
- *Homelessness and supported living.* As identified in Te Mahana, our Homelessness Strategy, reducing homelessness in Wellington is a priority for the city. The Council is working collaboratively with central government and social services to end homelessness for

individuals, making it rare, brief and non-reoccurring. This includes a three-year contract with the Downtown Community Ministry (DCM), granted in December 2018, to deliver outreach services for people who are sleeping rough and tenancy-sustaining services for those most vulnerable to homelessness. We are also planning to provide a one-off \$500,000 grant, through the city growth fund, to the City Mission to support the development of additional housing that will assist individuals and families who are at risk of remaining or falling back into homelessness. These initiatives strongly align with and support the central government's Housing First programme which is designed to house people quickly then provide intense wraparound support for people who have been chronically homeless. The Council also grants support for emergency and transitional housing services such as the Wellington Night Shelter and the Wellington Homeless Women's Trust.

- *Community Facilities Policy and Libraries strategy.* We're carrying out a review of these important documents, looking at how libraries and community facilities can best serve Wellingtonians over the next five to-20 years. These documents will inform our next 10-Year Plan.
- *Take 10.* Our community safety programmes continue to support a number of programmes that aim to reduce harm related to alcohol. Take 10 is a very successful programme providing a safe place for young people on Friday and Saturday evenings. The programme is supported by a number of partners including the police, health agencies and Wellington Fee Ambulance and youth agencies. We plan to provide a one-off grant, through the city growth fund, of \$80,000 to assist with the purchase and fit-out of a vehicle to ensure this service continues and is able to take a more targeted approach to when and where its services are delivered.

Looking ahead

Housing strategy – This has been developed and over the next 10 years we will work toward the main aim of the strategy – for all Wellingtonians to be well housed. The strategy covers the full spectrum of housing – from emergency housing, social housing, assisted rental, private rental and assisted ownership through to private ownership. It aims to provide Wellingtonians with quality, resilient homes. The full strategy can be found online at <https://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/housing-strategy>

Transport

We want a safe, efficient, environmentally sustainable and reliable transport system.

A good transport system should do more than just move people and goods efficiently. It should benefit people's overall quality of life, support economic productivity, help create healthy urban neighbourhoods that are people focused, and reduce the city's carbon emissions.

We're investing in transport options to maintain easy access in and around our city, promoting alternatives to private car usage, and reducing congestion.

What's changing

Parking. We provide parking to facilitate convenient access to the city by vehicle for residents, local businesses and customers. A growing population and subsequent competing demands on the city's street space (new cycleways, pedestrian focused developments, priority bus lanes and construction sites) mean parking spaces in the city are at a premium while demand is increasing, and the costs of maintaining the service continue to increase. We see an increasing need to make the best use of our limited street space and want to encourage more people to walk, cycle or ride public transport, instead of using private vehicle transport and parking. We have proposed a number of changes to parking fees, these are:

- [Information to be inserted after committee meeting of 14 March. For details on parking proposals please see separate Revenue and Financing paper on the agenda for 14 March.]

These changes will make sure those who use our parking services continue to pay for it. They will also support our city's goals to encourage greater use of public transport and active modes of transport. We are keen to hear your views on our parking service and whether you think the users of the service should continue to pay, or if ratepayers should contribute more. We are also consulting separately on the traffic resolutions to put these changes into action, you can comment on those resolutions at (website to come).

In addition to the above changes, we are starting to review our parking policy; the policy sets the principles for parking management decisions into the future. We will be asking for your views on this policy in the coming months.

Cycling masterplan. A number of projects designed to make things easier and safer for people on bikes and on foot will continue through 2019/20 as part of our cycleways programme. These include:

- Cobham Drive
- Evans Bay
- Kilbirnie connections.

While we expect to see the projects above taking shape, or being completed in 2019/20, more design work and community engagement is required to decide how to provide safer bike routes in Berhampore, Newtown and Mt Cook.

We aim to secure as much Government support as we can for work in the south (up to 75 percent). So on the advice of the NZ Transport Agency, we will plan all the connections between the south

coast and the city and seek funding for the whole lot in one go, including the planned redesign of The Parade in Island Bay.

Work in Island Bay is also subject to the outcome of court proceedings initiated by the Island Bay Residents Association.

This means construction on the following projects probably won't begin until 2020/21:

- Newtown Connections – Berhampore, Newtown and Mt Cook
- Island Bay redesign.

Our work programme in year 2

Bus shelters. We work with Greater Wellington Regional Council to prioritise and add bus shelters to the network. New shelters are prioritised based on a number of factors including how many and how frequently people board a bus, the weather and exposure, distance between stops/shelters and customer requests. We're doubling the budget for bus shelters in 2019/20 which will allow us to progress more of the new shelters from our list.

Identifying hazards. We've put aside a budget to both identify and remove hazards like overhanging tree branches, particularly for buses travelling through the city. One option is to promote Fixit, the Council's free smartphone app that gives Wellingtonians another way to let us know about problems they see in the city that need fixing.

Variable Messaging Signs (VMS). We will purchase five new electronic signs to be used across the network to help people plan their journey and warn them of potential hazards. They can, for example, be used to warn people of construction works or events that may disrupt their journey.

Safer roads – minor safety improvements and safer speed limits. We have allocated \$1.3 million per year towards initiatives that deliver road safety benefits. The programme is developed using a risk-based prioritisation process and may be adapted as safety issues arise. The following are likely to be progressed in 2019/20:

- intersection improvements in Hataitai, Brooklyn and Te Aro.
- safer shopping area speed limits in Tawa, Linden, Karori and Marsden Village.

Transport resilience. Parts of the transport network are on steep hills that require substantial retaining structures and tunnels, and our transport network is also susceptible to damage from storm events. Strengthening our infrastructure and clean-ups following storms remain a focus. The projects that will be progressed in 2019/20 that will improve the resilience of our roads include Ngaio Gorge rock bluffs, the Chaytor Street retaining wall in Karori and improvement to Northland tunnel.

Looking ahead

Let's Get Wellington Moving (LGWM). This is a joint initiative involving Wellington City Council, the NZ Transport Agency (NZTA), and Greater Wellington Regional Council to deliver better city and regional outcomes through investment in a modern integrated transport network. We currently have a provisional budget in the 10-year plan of \$122 million from 2022/23 toward this programme of work. We expect this to change following the announcement of the Let's Get Wellington Moving

programme later in 2019. Once we have a confirmed programme, we will engage on any additional funding required and update our 10-year plan.

Petone/Grenada link. The Petone to Grenada project is one of a number of roading schemes currently being reviewed by NZTA, to evaluate whether they align with the new vision for our transport network. Once this has been completed, work may proceed as currently planned, be staged differently or lower cost options explored. This could mean that previously shortlisted options, or even the preferred option, may change. The NZTA Board met in December to consider next steps, however there is still more work to be done. NZTA expect to be able to make announcements about decisions on these projects in the coming months.

Cycling masterplan. Over the next 10 years and beyond, Wellington City Council will work with NZTA and central government to deliver a cycle network throughout Wellington. By 2028 the cycle network is likely to see connections developed to the outer eastern suburbs, including Miramar, Seatoun and Strathmore Park. NZTA is expected to develop a connection to the Hutt Valley. Karori, Highbury, Kelburn and Brooklyn will all become part of the network. Safer connections from Johnsonville, Newlands, Churton Park and Tawa will be added from the north, and Thorndon and the CBD are expected to be improved as part of the Let's Get Wellington Moving programme.

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Sustainable growth

We want to grow and diversify the city's economy.

Up to 280,000 people are expected to call Wellington home by 2043. With much of the population growth predicted to be in the inner city, and the city centre being the economic hub of the region, good planning that accommodates for both, while also taking into account the effects of climate change will be crucial.

We're investing in economic projects that stimulate growth and diversification, and planning for population growth in ways that recognise the city's special character.

What is changing and why

Convention and Exhibition Centre. The Council has long identified the need for modern and purpose built facilities in Wellington for our community to host events, particularly business events. A Convention and Exhibition Centre will bring business delegates and visitors to the city and provide a venue to host and showcase Wellington's key industries. The development of the centre will be a catalyst investment in what is a largely under-developed precinct. We expect a range of other developments to occur in the area as a result of this investment.

The 2018-28 10-year plan included \$165.5 million of capital expenditure for a Convention Centre, based on concept plans. We have now confirmed the design and have more accurate project costs. The project incorporates a new purpose built convention centre on the Council owned site on Cable Street, combined with an exhibition hall to host large international touring exhibitions, and a range of public spaces on the ground floor. The confirmed capital project cost is \$157.8m. Planning is well advanced and ground works will begin on the site in 2019.

Our work programme in year 2

Planning for Growth. We are expecting an additional 50-80,000 more people to call Wellington home over the next 30 years. We are required, under the National Policy Statement on Urban Development Capacity, to ensure we have enough land available to meet residential and commercial land demand across the city for the short, medium and long term. To ensure we can accommodate this growth we need to have a coordinated plan. We need to review our Urban Growth Plan and the District Plan to be able to direct the expected population growth into the most appropriate places, manage new development to ensure the city remains compact, inclusive and connected, green, resilient, vibrant and prosperous, and to attract meaningful investment.

In 2019 we will be engaging with the community about how growth could be distributed across the city. This will help us to develop a spatial plan for the city by early 2020. The spatial plan is a coordinated plan to manage urban growth and development and will set the policy direction to inform the District Plan review. We will begin engagement on the District Plan review in mid-2019.

Frank Kitts Park. As Wellington continues to grow, so too does the need for well-designed, fit-for-purpose, high-quality public space and parks. A makeover of the 25-year-old Frank Kitts Park has been planned for several years, which includes the following in 2019/20:

- Playground upgrade - the first stage of the makeover is to upgrade the playground, at an estimated cost of \$2.1 million in 2019/20.

- Garden redevelopment – plans and fund raising by our partners for the Chinese Garden will proceed in 2019/20. Construction of the garden redevelopment is dependent on a successful fundraising campaign.

Looking ahead

North Kumutoto waterfront space. The final stage (site 9) of development of the North Kumutoto waterfront space is currently being planned. This follows on from the completion of the new PWC building (site 10) and upgrade of public space (site 8), with work anticipated to commence in 2020/21.

Indoor arena. A preferred site has been identified and concept plans completed for this significant project at Harbour Quay, which aims to add a 12,500 seat indoor arena to the city's venues bringing more high profile music acts and events to Wellington and stimulate growth in an underutilised part of the city. However, Centreport owns the site and more discussion is required with the associated stakeholders about the future development of the port land and whether the land is available and suitable for an indoor arena. Further work will be done once we have better an understanding of the port development plans.

Newlands Community Park development. During 2019/20, planning work will begin on improving Newlands Park which will include investment in a community play space. Investment of \$3.6 million of capital expenditure is budgeted to make improvements to the park, beginning in 2020/21. Altogether, \$1.5 million of the required funding will be allocated from the Plimmer Trust.

Business Improvement Districts (BIDs). We will continue to support the BIDs programme at \$275,000 per year, by supporting current BIDs and developing new ones. We have started the process of establishing a BID in wider Karori. The Marsden Village Association originally initiated this. A steering group of Karori business representatives are currently engaging the business community. We expect to know by the end of May 2019 if the business community is on board with the establishment of this BID.

Making Wellington more accessible. We are committed to making Wellington more accessible. In partnership with the Council's Accessibility Advisory Group, we will finalise a new three year Accessible Action Plan for the city this year. While some actions will be funded from existing work programmes, others may require additional funding. Any new initiatives will be considered in future annual or long-term plans.

Arts and culture

We want Wellington to be the undisputed cultural capital of New Zealand.

Wellington is known as the cultural capital of New Zealand, which reflects the local presence of national arts organisations and vibrant arts and events. It is a city of unique cultural experiences for residents and visitors alike. To secure our title we need to build on our strengths and continue to improve our offering.

We're investing in arts and culture to maintain our position both nationally and internationally as a vibrant, edgy capital.

What's changing and why

Strengthening cultural facilities. A thriving art and culture sector requires the right facilities to showcase talent. Some of Wellington's facilities are not fit for purpose and require upgrading, and key facilities are missing from the city's repertoire. In 2019/20, work will progress to reinstate the St James Theatre and Town Hall. There have been some changes to these two projects since we released the 10-year plan.

- *St James Theatre.* The St James Theatre has played an important role in the social and cultural lives of Wellingtonians as a leading venue for theatre, film, music and ballet, for over a century. Seismic strengthening is required to bring this theatre up to a minimum of 67 percent of the New Building Standard (NBS). The 10-Year Plan budget of \$14.9 million for the strengthening of the St James Theatre was based on a concept design, which was developed prior to the building being available for extensive investigation. An intensive building survey and detailed structural design revealed more complex seismic strengthening would be required at an additional \$8.1 million. A further \$8.6 million is also proposed to complete the recommended building and theatre system upgrades during the closure of the theatre. The total cost of the project is now \$31.3 million over the next three years.
- *Town Hall.* Wellington's Town Hall has significant cultural value as a focal-point for democratic, social and community activities. Through the 2018-28 10-year plan, the Council approved a budget of \$97.4 million to strengthen and refurbish the building, following its closure after the Seddon Earthquake in 2013. The approval was linked to the granting of a long term lease to the NZ Symphony Orchestra (NZSO) and Victoria University School of Music (VUW) to create a music hub. Since the approval in the 10-year plan further testing, investigation, design and the tendering process has occurred. We now have a better understanding of the extent and likely cost of the works required to strengthen and restore the Town Hall.

Revised cost for the Town Hall project is \$112.4 million excluding contingency and is due to start mid-2019 and take four years to complete. The costs have increased as the structural and ground conditions make it a highly complex project. The highly competitive construction market has also impacted on the project costs. It is proposed that the annual plan budget is revised to accommodate the higher than budgeted cost. This project would see the Council retain 40 percent of the total occupancy, which would allow restored public access to the Town Hall. NZSO and VUW will share access to the remaining 60 percent, creating a music

hub with three shared performance spaces, which will enhance the city's reputation as a vibrant, arts-rich place to live while also bringing in rental revenue.

Our work programme in year 2

Expanding the reach of our major events. Wellington has a strong reputation for arts, festivals and events. But we're facing tougher competition from other cities that are increasing their spending on culture and attracting visitors. We're investing in extending the reach of events such as World of WearableArt, CubaDupa and the New Zealand Festival. 2019/20 will be a challenging year for the NZ Festival with St James and Town Hall venues both unavailable, we will support the Festival through the City Growth Fund to provide a full and innovative programme. We will continue to strengthen our new free public events, including our signature Matariki event on the Waterfront, Ahi Kā.

Our new programme of events and activities will maintain and support our existing suite of major events and contribute to the development of new offerings for residents and visitors.

Investment in the Arts. We will continue our investment in professional and community arts and cultural projects via three-year funding contracts for established organisations and funding to support one-off projects. Support for high-quality new local theatre and dance works will be offered via the Arts and Culture Fund.

Aho-Tini. We are working with WREDA and other stakeholders in the arts, culture and creativity sectors on our plan for working together to build on Wellington's growing reputation and performance as a creative city.

Basin Reserve. The Basin Reserve is ranked among the world's top 10 cricket venues, and is known as one of New Zealand's most picturesque and historic cricket grounds. Substantial progress has been made on upgrading the ground with the RA Vance stand, terraces, scoreboards and players pavilion now completed. Work will focus on completing the strengthening and restoration of the Museum Stand in 2019/20 with a capital investment of \$6.7 million.

Looking ahead

Arts and Culture Strategy. We will review and consult in 2019 on the development of a new Strategy that will build on progress to date and incorporate the strengthened focus on arts and culture for Wellington. The outcomes of the strategy will inform our investment in arts and culture into the future.

Appendices

Your Mayor and Councillors

The Wellington City Council is made up of 14 elected Councillors and a Mayor. The Council is elected, along with all other local authority elected members in New Zealand, every 3 years.

The Mayor is elected by the city's residents. The Councillors are elected by voters from the wards they represent. The wards and number of elected Councillors for each are:

- Northern Ward – three Councillors
- Onslow-Western Ward – three Councillors
- Lambton Ward – three Councillors
- Eastern Ward – three Councillors
- Southern Ward – two Councillors



MAYOR		
	Justin Lester 04 801 3113 021 247 8312 Arts and Culture, Major City Projects All committees	
SOUTHERN		
	Councillor Fleur Fitzsimons 027 441 8209 Recreation, Community Facilities, Living Wage, City Safety Council, CSC, LTAP CEO Performance Review Council Controlled Organisations	
		Councillor David Lee 021 220 2357 Technology, Innovation and Enterprise, Climate Change Council, CSC, LTAP Regulatory Process Council Controlled Organisations Accessibility Advisory Group
NORTHERN		
	Deputy Mayor Jill Day 027 262 3161 Māori Partnerships, Governance, Children and Young People Council, CSC, LTAP (chair) CEO Performance Review (chair) Grants subcommittee Youth Council, Pacific Advisory Group	
		Councillor Peter Gilbert 027 814 1416 Natural Environment, City Scientist Council, CSC, LTAP Grants subcommittee Environmental Reference Group
	Councillor Malcolm Sparrow 027 232 2320 Community Resilience Council, CSC, LTAP Regulatory Process (chair)	
EASTERN		
	Councillor Chris Calvi-Freeman 027 803 0015 Transport Strategy and Operations Council, CSC, LTAP Regulatory Process	
		Councillor Sarah Free 022 121 6412 Public Transport, Cycling and Walking Council, CSC, LTAP Grants subcommittee
	Councillor Simon 'Swampy' Marsh 021 922 196 Economic Development, Small Business (joint), Events Council, CSC, LTAP Council Controlled Organisations	
LAMBTON		
	Councillor Brian Dawson 027 413 5809 Housing, Living Wage, Social Development Council, CSC, LTAP Grants subcommittee Pacific Advisory Group	
		Councillor Iona Pannett 021 227 8509 Infrastructure and Sustainability Council, CSC (chair), LTAP CEO Performance Review Environmental Reference Group
	Councillor Nicola Young 021 654 844 Central City Projects, Education Partnerships, Arts and Culture (Associate) Council, CSC, LTAP Finance, Audit and Risk Management Grants subcommittee	
ONSLow -WESTERN		
	Councillor Dianne Calvert 029 971 8944 Community Planning and Engagement Council, CSC, LTAP CEO Performance Review Regulatory Process Finance, Audit and Risk Management	
		Councillor Andy Foster 021 227 8537 Urban Development, Finance, Predator Free Wellington, Karori Framework Council, CSC, LTAP CEO Performance Review Finance, Audit and Risk Management (chair) Accessibility Advisory Group
	Councillor Simon Woolf 027 975 3163 Wellington Ambassador, Tourism, Small Business (joint), Sport Council, CSC, LTAP Council Controlled Organisations (chair) Youth Council	

Fees and charges

[to come]

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Wellington City Council

SUMMARY BY CAPEX ACTIVITY						Absolutely Positively Wellington City Council Me Heke Ki Pōneke		
ANNUAL/LONG TERM PLAN BUDGET REPORT - 1 YEAR						2019/20	2019/20	2019/20
				Activity	Activity Description	Long Term Plan \$'000s	Annual Plan \$'000s	Change from LTP \$'000s
1	Governance	1.1	Governance information and engagement	2000	Committee & Council Processes	123	123	0
2	Environment	2.1	Gardens, beaches and green open spaces	2003	Parks Infrastructure	787	790	3
2	Environment	2.1	Gardens, beaches and green open spaces	2004	Parks Buildings	513	513	(0)
2	Environment	2.1	Gardens, beaches and green open spaces	2005	Plimmer Bequest Project	714	717	3
2	Environment	2.1	Gardens, beaches and green open spaces	2006	Botanic Garden	668	662	(6)
2	Environment	2.1	Gardens, beaches and green open spaces	2007	Coastal - upgrades	791	798	8
2	Environment	2.1	Gardens, beaches and green open spaces	2008	Coastal	134	127	(8)
2	Environment	2.1	Gardens, beaches and green open spaces	2009	Town Belt & Reserves	1,760	1,860	100
2	Environment	2.1	Gardens, beaches and green open spaces	2010	Walkways renewals	641	641	0
2	Environment	2.2	Waste reduction and energy conservation	2011	Southern Landfill Improvement	8,349	5,358	(2,992)
2	Environment	2.3	Water	2013	Water - Network renewals	4,783	5,808	1,025
2	Environment	2.3	Water	2014	Water - Pump Station renewals	542	542	0
2	Environment	2.3	Water	2015	Water - Water Meter upgrades	26	26	0
2	Environment	2.3	Water	2016	Water - Network upgrades	5,716	5,835	119
2	Environment	2.3	Water	2018	Water - Network renewals	1,406	1,406	(0)
2	Environment	2.3	Water	2019	Water - Reservoir renewals	144	144	0
2	Environment	2.3	Water	2020	Water - Reservoir upgrades	11,331	8,256	(3,075)
2	Environment	2.4	Wastewater	2023	Wastewater - Network renewals	7,919	8,340	422
2	Environment	2.4	Wastewater	2024	Wastewater - Network upgrades	901	901	(0)
2	Environment	2.4	Wastewater	2026	Wastewater - Pump Station renewals	1,046	1,046	(0)
2	Environment	2.5	Stormwater	2028	Stormwater - Network upgrades	902	902	0
2	Environment	2.5	Stormwater	2029	Stormwater - Network renewals	8,445	8,622	176
2	Environment	2.6	Conservation attractions	2033	Zoo renewals	882	882	0
2	Environment	2.6	Conservation attractions	2034	Zoo upgrades	308	308	0
2	Environment	2.6	Conservation attractions	2135	Zealandia	769	769	0
3	Economic Development	3.1	City promotions and business support	2035	Wellington Venues renewals	1,337	3,089	1,752
3	Economic Development	3.1	City promotions and business support	2037	Indoor Arena	511	511	0
4	Cultural Wellbeing	4.1	Arts and cultural activities	2042	Arts Installation	32	31	(1)
4	Cultural Wellbeing	4.1	Arts and cultural activities	2129	Wellington Convention Centre and Movie Museum	15,955	16,911	956
5	Social and Recreation	5.1	Recreation promotion and support	2044	Aquatic Facility renewals	1,739	1,729	(10)
5	Social and Recreation	5.1	Recreation promotion and support	2045	Sportsfields upgrades	440	440	0
5	Social and Recreation	5.1	Recreation promotion and support	2046	Synthetic Turf Sportsfields renewals	662	1,280	618
5	Social and Recreation	5.1	Recreation promotion and support	2047	Synthetic Turf Sportsfields upgrades	5	0	(5)
5	Social and Recreation	5.1	Recreation promotion and support	2048	Recreation Centre Renewal	27	27	0
5	Social and Recreation	5.1	Recreation promotion and support	2049	ASB Sports Centre	125	134	10
5	Social and Recreation	5.1	Recreation promotion and support	2050	Basin Reserve	6,714	6,714	0
5	Social and Recreation	5.1	Recreation promotion and support	2051	Playgrounds renewals & upgrades	1,838	1,838	(0)
5	Social and Recreation	5.1	Recreation promotion and support	2052	Evans Bay Marina - Renewals	65	65	(0)
5	Social and Recreation	5.1	Recreation promotion and support	2053	Clyde Quay Marina - Upgrade	77	77	0
5	Social and Recreation	5.2	Community participation and support	2054	Upgrade Library Materials	2,261	2,261	0
5	Social and Recreation	5.2	Community participation and support	2055	Upgrade Computer Replacement	83	83	0
5	Social and Recreation	5.2	Community participation and support	2056	Central Library upgrades	17	17	0
5	Social and Recreation	5.2	Community participation and support	2057	Branch Library upgrades	3,877	3,877	0

Wellington City Council

				Activity	Activity Description	2019/20 Long Term Plan \$'000s	2019/20 Annual Plan \$'000s	2019/20 Change from LTP \$'000s
5	Social and Recreation	5.2	Community participation and support	2058	Branch Libraries renewals	314	314	(0)
5	Social and Recreation	5.2	Community participation and support	2059	Housing upgrades	5,764	607	(5,157)
5	Social and Recreation	5.2	Community participation and support	2060	Housing renewals	3,268	3,268	(0)
5	Social and Recreation	5.2	Community participation and support	2061	Community Halls - upgrades & renewals	1,035	5,052	4,016
5	Social and Recreation	5.3	Public health and safety	2062	Burial & Cremations	365	365	0
5	Social and Recreation	5.3	Public health and safety	2063	Public Convenience and pavilions	1,707	1,707	0
5	Social and Recreation	5.3	Public health and safety	2064	Safety Initiatives	107	107	0
5	Social and Recreation	5.3	Public health and safety	2065	Emergency Management renewals	77	77	0
6	Urban Development	6.1	Urban development, heritage and public spaces development	2067	Wgtn Waterfront Development	0	2,131	2,131
6	Urban Development	6.1	Urban development, heritage and public spaces development	2068	Waterfront Renewals	1,740	1,638	(102)
6	Urban Development	6.1	Urban development, heritage and public spaces development	2070	Central City Framework	449	1,950	1,501
6	Urban Development	6.1	Urban development, heritage and public spaces development	2073	Suburban Centres upgrades	0	761	761
6	Urban Development	6.1	Urban development, heritage and public spaces development	2074	Minor CBD Enhancements	59	59	(1)
6	Urban Development	6.1	Urban development, heritage and public spaces development	2136	Housing Investment Programme	2,041	2,041	0
6	Urban Development	6.2	Building and development control	2076	Earthquake Risk Mitigation	44,671	32,963	(11,708)
7	Transport	7.1	Transport	2075	Urban Regeneration Projects	255	255	0
7	Transport	7.1	Transport	2077	Wall, Bridge & Tunnel Renewals	4,192	4,235	43
7	Transport	7.1	Transport	2078	Road Surface Renewals	1,782	1,802	21
7	Transport	7.1	Transport	2079	Reseals	2,323	2,363	40
7	Transport	7.1	Transport	2080	Preseal Preparations	3,647	3,731	85
7	Transport	7.1	Transport	2081	Shape & Camber Correction	4,527	4,539	12
7	Transport	7.1	Transport	2082	Sumps Flood Mitigation	233	236	3
7	Transport	7.1	Transport	2083	Road Corridor New Walls	2,319	2,354	36
7	Transport	7.1	Transport	2084	Service Lane Improvements	54	54	0
7	Transport	7.1	Transport	2085	Tunnel & Bridge Improvements	2,622	2,640	18
7	Transport	7.1	Transport	2086	Kerb & Channel Renewals	2,247	2,277	29
7	Transport	7.1	Transport	2087	Vehicle Network New Roads	58	60	2
7	Transport	7.1	Transport	2088	Road Risk Mitigation	4,098	5,107	1,009
7	Transport	7.1	Transport	2089	Roading Capacity Projects	61	63	3
7	Transport	7.1	Transport	2090	Area Wide Road Maintenance	918	919	2
7	Transport	7.1	Transport	2094	Cycling Improvements	9,648	9,065	(584)
7	Transport	7.1	Transport	2095	Bus Priority Planning	3,245	689	(2,556)
7	Transport	7.1	Transport	2096	Pedestrian Network Structures	311	319	8
7	Transport	7.1	Transport	2097	Pedestrian Network Renewals	3,793	3,863	70
7	Transport	7.1	Transport	2098	Walking Improvements	484	484	1
7	Transport	7.1	Transport	2099	Street Furniture	170	177	7
7	Transport	7.1	Transport	2100	Pedestrian Network Accessways	256	259	3
7	Transport	7.1	Transport	2101	Traffic & Street Signs	1,190	1,240	51
7	Transport	7.1	Transport	2102	Traffic Signals	778	1,113	335
7	Transport	7.1	Transport	2103	Street Lights	1,046	1,371	326
7	Transport	7.1	Transport	2104	Rural Road Improvements	109	109	0
7	Transport	7.1	Transport	2105	Minor Works Projects	1,176	1,242	66
7	Transport	7.1	Transport	2106	Fences & Guardrails	652	692	40
7	Transport	7.1	Transport	2107	Safer Roads Projects	1,355	1,355	0
7	Transport	7.2	Parking	2108	Parking Asset renewals	57	57	0
7	Transport	7.2	Parking	2109	Roadside Parking Improvements	130	133	3
10	Council	10.1	Organisational	2111	Capital Replacement Fund	4,775	4,775	0
10	Council	10.1	Organisational	2112	Information Management	466	619	152
10	Council	10.1	Organisational	2114	ICT Infrastructure	833	3,061	2,228

Wellington City Council

				<i>Activity</i>	<i>Activity Description</i>	<i>2019/20 Long Term Plan \$'000s</i>	<i>2019/20 Annual Plan \$'000s</i>	<i>2019/20 Change from LTP \$'000s</i>
10	Council	10.1	Organisational	2116	Strategic Initiatives	251	251	0
10	Council	10.1	Organisational	2117	Unscheduled infrastructure renewals	2,042	2,042	0
10	Council	10.1	Organisational	2118	Health & Safety - Legislation Compliance	336	336	(0)
10	Council	10.1	Organisational	2119	Civic Property renewals	2,964	2,964	0
10	Council	10.1	Organisational	2120	Commercial Properties renewals	508	508	0
10	Council	10.1	Organisational	2121	Community & Childcare Facility renewals	465	465	0
10	Council	10.1	Organisational	2125	IT Response to Legislative Changes	325	0	(325)
10	Council	10.1	Organisational	2126	Business Unit Support	615	571	(43)
10	Council	10.1	Organisational	2127	Workplace	119	119	(0)
10	Council	10.1	Organisational	2128	Civic Campus Resilience and Improvements	600	5,181	4,581
10	Council	10.1	Organisational	2131	Smart Council	3,760	2,760	(1,000)
10	Council	10.1	Organisational	2132	Digital - Internet Intranet	156	156	0
10	Council	10.1	Organisational	2133	Quarry Renewals and Upgrades	204	204	0
10	Council	10.1	Organisational	2138	Permanent Forest Sink Fund Initiative - Credits	787	787	0
						229,905	225,104	(4,800)

Wellington City Council

SUMMARY BY OPEX ACTIVITY ANNUAL/LONG TERM PLAN BUDGET REPORT - 1 YEAR						Absolutely Positively Wellington City Council Me Heke Ki Pōneke		
				Activity	Activity Description	2019/20 Long Term Plan \$'000s	2019/20 Annual Plan \$'000s	2019/20 Change from LTP \$'000s
1	Governance	1.1	Governance information and engagement	1000	Annual Planning	1,185	1,373	188
1	Governance	1.1	Governance information and engagement	1001	Policy	1,344	1,342	(2)
1	Governance	1.1	Governance information and engagement	1002	Committee & Council Process	7,873	7,701	(172)
1	Governance	1.1	Governance information and engagement	1003	Strategic Planning	697	796	99
1	Governance	1.1	Governance information and engagement	1004	Tawa Comm Brd - Discretionary	11	12	0
1	Governance	1.1	Governance information and engagement	1007	WCC City Service Centre	2,878	2,887	9
1	Governance	1.1	Governance information and engagement	1009	Valuation Services Contract	536	550	14
1	Governance	1.1	Governance information and engagement	1010	Lands Information	1,334	1,390	55
1	Governance	1.1	Governance information and engagement	1011	Archives	1,942	2,192	250
1	Governance	1.2	Maori and mana whenua partnerships	1012	Funding agreements – Maori	207	208	2
1	Governance	1.2	Maori and mana whenua partnerships	1013	Maori Engagement	107	108	1
2	Environment	2.1	Gardens, beaches and green open spaces	1014	Parks and Reserves Planning	834	934	101
2	Environment	2.1	Gardens, beaches and green open spaces	1015	Reserves Unplanned Maintenance	210	197	(13)
2	Environment	2.1	Gardens, beaches and green open spaces	1016	Turf Management	1,426	1,477	52
2	Environment	2.1	Gardens, beaches and green open spaces	1017	Park Furniture and Infrastructure Maintenance	1,885	1,822	(63)
2	Environment	2.1	Gardens, beaches and green open spaces	1018	Parks and Buildings Maint	1,061	1,029	(32)
2	Environment	2.1	Gardens, beaches and green open spaces	1019	Horticultural Operations	2,068	2,125	57
2	Environment	2.1	Gardens, beaches and green open spaces	1020	Arboricultural Operations	1,413	1,471	59
2	Environment	2.1	Gardens, beaches and green open spaces	1021	Botanic Gardens Services	4,767	4,993	226
2	Environment	2.1	Gardens, beaches and green open spaces	1022	Coastal Operations	1,282	1,337	55
2	Environment	2.1	Gardens, beaches and green open spaces	1024	Road Corridor Growth Control	832	1,148	316
2	Environment	2.1	Gardens, beaches and green open spaces	1025	Street Cleaning	8,008	8,011	2
2	Environment	2.1	Gardens, beaches and green open spaces	1026	Hazardous Trees Removal	481	471	(10)
2	Environment	2.1	Gardens, beaches and green open spaces	1027	Town Belts Planting	1,003	976	(27)
2	Environment	2.1	Gardens, beaches and green open spaces	1028	Townbelt-Reserves Management	4,696	4,475	(221)
2	Environment	2.1	Gardens, beaches and green open spaces	1030	Community greening initiatives	699	664	(35)
2	Environment	2.1	Gardens, beaches and green open spaces	1031	Environmental Grants Pool	101	104	3
2	Environment	2.1	Gardens, beaches and green open spaces	1032	Walkway Maintenance	816	845	28
2	Environment	2.1	Gardens, beaches and green open spaces	1033	Weeds & Hazardous Trees Monit	846	817	(29)
2	Environment	2.1	Gardens, beaches and green open spaces	1034	Animal Pest Management	1,601	1,417	(184)
2	Environment	2.1	Gardens, beaches and green open spaces	1035	Waterfront Public Space Management	6,227	6,242	16
2	Environment	2.2	Waste reduction and energy conservation	1036	Landfill Operations & Maint	(1,491)	(851)	640
2	Environment	2.2	Waste reduction and energy conservation	1037	Suburban Refuse Collection	(371)	(316)	55
2	Environment	2.2	Waste reduction and energy conservation	1038	Domestic Recycling	921	1,037	116
2	Environment	2.2	Waste reduction and energy conservation	1039	Waste Minimisation Info	965	919	(46)
2	Environment	2.2	Waste reduction and energy conservation	1040	Litter Enforcement	9	9	0
2	Environment	2.2	Waste reduction and energy conservation	1041	Closed Landfill Gas Migr Monit	472	493	21
2	Environment	2.2	Waste reduction and energy conservation	1042	Smart Energy	218	221	3
2	Environment	2.3	Water	1043	Water - Meter Reading	163	165	1
2	Environment	2.3	Water	1044	Water - Network Maintenance	4,846	4,921	75
2	Environment	2.3	Water	1045	Water - Water Connections	(38)	(38)	0
2	Environment	2.3	Water	1046	Water - Pump Stations Maintenance-Ops	1,065	1,069	4
2	Environment	2.3	Water	1047	Water - Asset Stewardship	20,843	20,654	(188)

Wellington City Council

				Activity	Activity Description	2019/20 Long Term Plan \$'000s	2019/20 Annual Plan \$'000s	2019/20 Change from LTP \$'000s
2	Environment	2.3	Water	1048	Water - Reservoir-Dam Maintenance	116	116	1
2	Environment	2.3	Water	1049	Water - Monitoring & Investigation	770	781	11
2	Environment	2.3	Water	1050	Water - Asset Management	625	624	(1)
2	Environment	2.3	Water	1051	Water - Bulk Water Purchase	18,549	18,549	(0)
2	Environment	2.4	Wastewater	1052	Wastewater - Asset Stewardship	19,345	18,036	(1,308)
2	Environment	2.4	Wastewater	1053	Wastewater - Trade Waste Monitoring & Investigation	279	279	(0)
2	Environment	2.4	Wastewater	1055	Wastewater - Network Maintenance	2,667	2,704	37
2	Environment	2.4	Wastewater	1057	Wastewater - Asset Management	1,309	1,308	(1)
2	Environment	2.4	Wastewater	1058	Wastewater - Monitoring & Investigation	2,022	2,028	5
2	Environment	2.4	Wastewater	1059	Wastewater - Pump Station Maintenance-Ops	1,366	1,384	18
2	Environment	2.4	Wastewater	1060	Wastewater - Treatment Plants	18,801	19,009	207
2	Environment	2.4	Wastewater	1062	Sewerage Disposal	1,307	1,368	61
2	Environment	2.5	Stormwater	1063	Stormwater - Asset Stewardship	15,416	14,415	(1,001)
2	Environment	2.5	Stormwater	1064	Stormwater - Network Maintenance	2,017	2,042	24
2	Environment	2.5	Stormwater	1065	Stormwater - Monitoring & Investigation	893	896	3
2	Environment	2.5	Stormwater	1066	Stormwater - Asset Management	1,065	1,063	(1)
2	Environment	2.5	Stormwater	1067	Drainage Maintenance	907	928	22
2	Environment	2.5	Stormwater	1068	Stormwater - Pump Station Maintenance-Ops	59	59	1
2	Environment	2.6	Conservation attractions	1069	Karori Sanctuary	1,538	1,536	(2)
2	Environment	2.6	Conservation attractions	1070	Wellington Zoo Trust	5,463	5,408	(55)
3	Economic Development	3.1	City promotions and business support	1073	Positively Wellington Tourism	5,749	5,749	0
3	Economic Development	3.1	City promotions and business support	1074	Events Fund	4,874	4,874	0
3	Economic Development	3.1	City promotions and business support	1075	Wellington Venues	4,006	4,807	801
3	Economic Development	3.1	City promotions and business support	1076	Destination Wellington	1,813	1,813	0
3	Economic Development	3.1	City promotions and business support	1077	City Innovation	1,076	1,077	1
3	Economic Development	3.1	City promotions and business support	1078	Wellington Convention Centre	975	1,030	55
3	Economic Development	3.1	City promotions and business support	1081	Economic Growth Strategy	346	618	273
3	Economic Development	3.1	City promotions and business support	1082	City Growth Fund	1,787	1,787	0
3	Economic Development	3.1	City promotions and business support	1084	Indoor Arena	9	9	0
3	Economic Development	3.1	City promotions and business support	1085	Film Museum	1,410	1,410	0
3	Economic Development	3.1	City promotions and business support	1087	International Relations	842	895	53
3	Economic Development	3.1	City promotions and business support	1088	Marsden Village	14	14	0
3	Economic Development	3.1	City promotions and business support	1089	Business Improvement Districts	275	375	100
4	Cultural Wellbeing	4.1	Arts and cultural activities	1090	Wellington Museums Trust	9,376	9,363	(12)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1092	Te Papa Funding	2,250	2,250	0
4	Cultural Wellbeing	4.1	Arts and cultural activities	1093	Carter Observatory	740	703	(37)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1095	City Events Programme	2,772	2,738	(33)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1097	Citizen's Day - Mayoral Day	23	23	0
4	Cultural Wellbeing	4.1	Arts and cultural activities	1098	Cultural Grants Pool	1,490	1,282	(208)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1099	Wgtn Conv Cntr Comm Subsidy	200	200	0
4	Cultural Wellbeing	4.1	Arts and cultural activities	1100	City Arts Programme	393	424	31
4	Cultural Wellbeing	4.1	Arts and cultural activities	1101	NZSO Subsidy	216	216	0
4	Cultural Wellbeing	4.1	Arts and cultural activities	1102	Toi Poneke Arts Centre	1,026	1,000	(26)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1103	Public Art Fund	505	504	(1)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1104	New Zealand Ballet	244	313	68
4	Cultural Wellbeing	4.1	Arts and cultural activities	1105	Orchestra Wellington	87	306	218
4	Cultural Wellbeing	4.1	Arts and cultural activities	1106	Regional Amenities Fund	634	630	(4)
4	Cultural Wellbeing	4.1	Arts and cultural activities	1207	Capital of Culture	1,604	1,603	(1)

Wellington City Council

				Activity	Activity Description	2019/20 Long Term Plan \$'000s	2019/20 Annual Plan \$'000s	2019/20 Change from LTP \$'000s
5	Social and Recreation	5.1	Recreation promotion and support	1107	Swimming Pools Operations	16,328	16,511	183
5	Social and Recreation	5.1	Recreation promotion and support	1108	Sportsfields Operations	3,374	3,420	45
5	Social and Recreation	5.1	Recreation promotion and support	1109	Synthetic Turf Sport Operations	1,124	1,138	13
5	Social and Recreation	5.1	Recreation promotion and support	1110	Recreation Centres	2,294	2,274	(20)
5	Social and Recreation	5.1	Recreation promotion and support	1111	ASB Sports Centre	4,778	4,717	(61)
5	Social and Recreation	5.1	Recreation promotion and support	1112	Basin Reserve Trust	1,372	1,367	(5)
5	Social and Recreation	5.1	Recreation promotion and support	1113	Recreational NZ Academy Sport	47	47	0
5	Social and Recreation	5.1	Recreation promotion and support	1114	PlayGnd & Skate Facility Mtn	1,045	1,053	8
5	Social and Recreation	5.1	Recreation promotion and support	1115	Marina Operations	29	36	8
5	Social and Recreation	5.1	Recreation promotion and support	1116	Municipal Golf Course	188	192	3
5	Social and Recreation	5.1	Recreation promotion and support	1117	Recreation Programmes	389	411	21
5	Social and Recreation	5.2	Community participation and support	1118	Library Network - Wide Operation	15,091	14,151	(939)
5	Social and Recreation	5.2	Community participation and support	1119	Branch Libraries	7,622	7,835	213
5	Social and Recreation	5.2	Community participation and support	1120	Passport to Leisure Programme	120	120	(0)
5	Social and Recreation	5.2	Community participation and support	1121	Community Advice & Information	1,939	1,537	(402)
5	Social and Recreation	5.2	Community participation and support	1122	Community Grants	248	251	3
5	Social and Recreation	5.2	Community participation and support	1123	Support for Wgtn Homeless	208	223	15
5	Social and Recreation	5.2	Community participation and support	1124	Social & Recreational Grant Pool	3,839	4,013	173
5	Social and Recreation	5.2	Community participation and support	1125	Housing Operations and Mtce	6,055	8,857	2,802
5	Social and Recreation	5.2	Community participation and support	1126	Housing Upgrade Project	1,166	192	(974)
5	Social and Recreation	5.2	Community participation and support	1127	Comty Props Programmed Maint	681	753	72
5	Social and Recreation	5.2	Community participation and support	1128	Community Halls Ops and Maint.	499	573	74
5	Social and Recreation	5.2	Community participation and support	1129	Community Prop & Facility Ops	1,992	1,839	(153)
5	Social and Recreation	5.2	Community participation and support	1130	Accommodation Assistance Fund	232	232	0
5	Social and Recreation	5.3	Public health and safety	1131	Burial & Cremation Operations	1,114	1,088	(26)
5	Social and Recreation	5.3	Public health and safety	1132	Contracts - Public Conveniences	3,645	3,713	67
5	Social and Recreation	5.3	Public health and safety	1133	Public Health	2,234	2,461	227
5	Social and Recreation	5.3	Public health and safety	1134	Noise Monitoring	891	909	17
5	Social and Recreation	5.3	Public health and safety	1135	Anti-Graffiti Flying Squad	872	946	73
5	Social and Recreation	5.3	Public health and safety	1136	Safe City Project Operations	2,117	2,033	(84)
5	Social and Recreation	5.3	Public health and safety	1137	Civil Defence	1,775	1,674	(101)
5	Social and Recreation	5.3	Public health and safety	1138	Rural Fire	45	44	(1)
5	Social and Recreation	5.3	Public health and safety	1997	Business Recovery	1	1	0
6	Urban Development	6.1	Urban development, heritage and public spaces development	1139	District Plan	2,344	2,432	88
6	Urban Development	6.1	Urban development, heritage and public spaces development	1141	Build Wellington Developments	2,910	2,300	(611)
6	Urban Development	6.1	Urban development, heritage and public spaces development	1142	Public Art and Sculpture Maintenance	391	392	1
6	Urban Development	6.1	Urban development, heritage and public spaces development	1143	Public Space-Centre Devl. Plan	2,256	2,553	297
6	Urban Development	6.1	Urban development, heritage and public spaces development	1145	City Heritage Development	895	1,110	215
6	Urban Development	6.1	Urban development, heritage and public spaces development	1206	Housing Investment Programme	577	1,224	646
6	Urban Development	6.2	Building and development control	1146	Building Control-Facilitation	4,022	3,805	(217)
6	Urban Development	6.2	Building and development control	1147	Weatheright Homes	38	33	(5)
6	Urban Development	6.2	Building and development control	1148	Development Cntrl Facilitation	3,290	3,300	11
6	Urban Development	6.2	Building and development control	1149	Earthquake Assessment Study	104	105	1
6	Urban Development	6.2	Building and development control	1151	Earthquake Risk Building Proj.	895	826	(70)
7	Transport	7.1	Transport	1152	Ngauranga to Airport Corridor	1,921	2,261	340
7	Transport	7.1	Transport	1153	Transport Planning and Policy	1,506	1,428	(78)
7	Transport	7.1	Transport	1154	Road Maintenance and Storm Clean Up	1,229	1,313	84
7	Transport	7.1	Transport	1155	Tawa Shared Driveways Maintenance	44	48	4

Wellington City Council

				Activity	Activity Description	2019/20 Long Term Plan \$'000s	2019/20 Annual Plan \$'000s	2019/20 Change from LTP \$'000s
7	Transport	7.1	Transport	1156	Wall, Bridge and Tunnel Maintenance	164	408	244
7	Transport	7.1	Transport	1157	Drains & Walls Asset Stewardship	6,690	6,461	(228)
7	Transport	7.1	Transport	1158	Kerb & Channel Maintenance	494	535	42
7	Transport	7.1	Transport	1159	Vehicle Network Asset Stewardship	25,547	24,695	(852)
7	Transport	7.1	Transport	1160	Port and Ferry Access	71	71	(0)
7	Transport	7.1	Transport	1161	Cycleways Maintenance	87	92	5
7	Transport	7.1	Transport	1162	Cycleway Asset Stewardship	2,130	2,410	280
7	Transport	7.1	Transport	1163	Cycleways Planning	2,753	2,749	(4)
7	Transport	7.1	Transport	1164	Passenger Transport Facilities	399	420	21
7	Transport	7.1	Transport	1165	Bus Shelter Contract Income	(795)	(1,199)	(404)
7	Transport	7.1	Transport	1166	Passenger Transport Asset Stewardship	1,014	1,004	(10)
7	Transport	7.1	Transport	1167	Bus Priority Plan	62	62	(0)
7	Transport	7.1	Transport	1168	Cable Car	13	12	(0)
7	Transport	7.1	Transport	1170	Street Furniture Maintenance	390	406	16
7	Transport	7.1	Transport	1171	Footpaths Asset Stewardship	6,692	6,527	(165)
7	Transport	7.1	Transport	1172	Pedestrian Network Maintenance	896	939	42
7	Transport	7.1	Transport	1173	Pedestrian Network Structures Maintenance	178	108	(70)
7	Transport	7.1	Transport	1174	Traffic Signals Maintenance	935	1,046	111
7	Transport	7.1	Transport	1175	Traffic Control Asset Stewardship	2,953	2,796	(158)
7	Transport	7.1	Transport	1176	Road Marking Maintenance	812	853	41
7	Transport	7.1	Transport	1177	Traffic Signs Maintenance	281	306	24
7	Transport	7.1	Transport	1178	Network Activity Management	745	1,032	287
7	Transport	7.1	Transport	1179	Street Lighting Maintenance	1,769	1,815	46
7	Transport	7.1	Transport	1180	Transport Education & Promotion	317	317	(0)
7	Transport	7.1	Transport	1181	Fences & Guardrails Maintenance	287	246	(41)
7	Transport	7.1	Transport	1182	Safety Asset Stewardship	2,655	2,915	260
7	Transport	7.2	Parking	1184	Parking Services & Enforcement	(17,032)	(16,238)	794
7	Transport	7.2	Parking	1185	Waterfront Parking Services	(507)	(448)	59
10	Council	10.1	Organisational	1186	Waterfront Commercial Property Services	1,490	1,119	(371)
10	Council	10.1	Organisational	1187	Commercial Property Man & Serv	3,588	4,070	482
10	Council	10.1	Organisational	1188	Civic Centre Facilities Managt	(0)	142	142
10	Council	10.1	Organisational	1190	Information Services SLA	0	173	173
10	Council	10.1	Organisational	1191	NZTA Income on Capex Work	(21,738)	(24,506)	(2,768)
10	Council	10.1	Organisational	1192	Quarry operations	173	160	(12)
10	Council	10.1	Organisational	1193	Self Insurance Reserve	(198)	(199)	(1)
10	Council	10.1	Organisational	1194	Information Management	0	1	1
10	Council	10.1	Organisational	1196	External Capital Funding	(475)	(475)	0
10	Council	10.1	Organisational	1197	Plimmer Bequest Project Expend	(700)	(700)	0
10	Council	10.1	Organisational	1198	Waterfront Utilities Management	151	153	3
10	Council	10.1	Organisational	1200	ORG	(0)	7	7
10	Council	10.1	Organisational	1201	ORGNA	(339,201)	(339,169)	32
10	Council	10.1	Organisational	1203	PPORGGroundLease	(9,163)	(9,169)	(7)
10	Council	10.1	Organisational	1204	Sustainable Parking Infrastructure	156	156	0
10	Council	10.1	Organisational	1205	Shared Services Procurement	(18)	161	179
						5,067	5,949	882