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

Time: 9:30am
Date: Thursday, 18 February 2021
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

MEMBERSHIP

Mayor Foster (Deputy Chair)
Deputy Mayor Free (Chair)
Councillor Calvert
Councillor Condie
Councillor Day
Councillor Fitzsimons
Councillor Foon
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

NON-VOTING MEMBERS

Te Rūnanga o Toa Rangatira Incorporated
Port Nicholson Block Settlement Trust

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. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Long-term Plan and Annual Plan give effect to the strategic direction and outcomes set by the Strategy and Policy Committee by setting levels of service and budget.

The Committee is responsible for overseeing the development of the draft Annual Plan and Long-term Plan for consultation, determining the scope and approach of any consultation and engagement required, and recommending the final Long-term Plan and Annual Plans to the Council.

To read the full delegations of this Committee, please visit wellington.govt.nz/meetings.

Quorum: 8 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru, Whakataka te hau ki te tonga. Kia mākinakina ki uta, Kia mātaratara ki tai. E hī ake ana te atākura. He tio, he huka, he hauhū. Tihei Mauri Ora!	Cease oh winds of the west and of the south Let the bracing breezes flow, over the land and the sea. Let the red-tipped dawn come with a sharpened edge, a touch of frost, a promise of a glorious day
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At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui Kia wātea, kia māmā, te ngākau, te tinana, te wairua I te ara takatū Koia rā e Rongo, whakairia ake ki runga Kia wātea, kia wātea Āe rā, kua wātea!	Draw on, draw on Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind Oh Rongo, above (symbol of peace) Let this all be done in unity
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1.2 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.

1.3 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.

1.4 Confirmation of Minutes

The minutes of the meeting held on 4 February 2021 will be put to the Annual Plan/Long-Term Plan Committee for confirmation.

1.5 Items not on the Agenda

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

Matters Requiring Urgent Attention as Determined by Resolution of the Annual Plan/Long-Term Plan Committee.

The Chairperson shall state to the meeting:

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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 Annual Plan/Long-Term Plan Committee.

Minor Matters relating to the General Business of the Annual Plan/Long-Term 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 Annual Plan/Long-Term Plan Committee for further discussion.

1.6 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 31.2 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

LONG-TERM PLAN - PROPOSED PLAN AND BUDGET FOR CONSULTATION

Purpose

1. This report asks the Annual Plan/Long-Term Plan Committee to agree the key features of the draft Long-term Plan (LTP) and budget to be used as the basis of developing the Consultation Document for community consultation.
2. The paper focuses on the key options available that will materially impact on financial position of the Council and on the achievement of priority community objectives.
3. The following attachments are appended to this report for decision:
 - **Attachment 1:** Draft significant consultation proposals and signals (the basis of the Consultation Document)
 - **Attachment 2:** Draft Statements of Service Provision (activity statements covering an overview of services under each activity, overview of key projects (high level), rationale for delivery of service, and significant negative effects etc)
 - **Attachment 3:** Debt limits and agreement to the debt to income ratio limit to allow for the capital programme to be set for 4 March deliberations
 - **Attachment 4:** Draft list of capex projects / budgets (Note: opex programme budgets will be provided on 4 March 2021).

Summary

4. The proposed plan and budget included in this paper represents a significant increased level of investment in Wellington. It addresses the investment needs in our three waters infrastructure, increasing our actions on climate change, along with making progress on transport and against all of our other priority community objectives such as housing and resilience.
5. In setting this plan there are however significant choices that need to be made. Despite a large increase in investment in our draft budget over previous years, particularly for infrastructure, managing Council finances within prudent financial limits mean that the draft plan does is not able to deliver the full ambitions of the Council or community.
6. Therefore this plan presents choices around the level of investment that can be made and includes consideration of divestment of assets, and exploration of new and different funding mechanisms to enable more investment in the future that will deliver the community outcomes that the city wants and needs.

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7. Information and budget included in this report are draft and decisions from the meeting will inform the preparation of the draft Consultation Document that will be considered by Committee on March 2021.

Recommendation/s

That the Annual Plan/Long-Term Plan Committee:

1. Receive the information.
2. Note that the attachments to this report are draft and a higher level summary of what will be presented for consideration as part of the Long-term Plan (LTP) deliberations at the Committee meeting on 4 March 2021.
3. Note that the decisions made at this Committee will inform the development of the draft Consultation Document and Draft Long-term Plan supporting information for deliberation on 4 March 2021.
4. Note that the 2021-31 Consultation Document and Draft Long-term Plan supporting information is subject to Audit NZ review. The audit report will be provided to the Council meeting of 31 March 2021 alongside the Consultation Document. Officers will continue to liaise with Audit NZ during this time.
5. Note the response to the Grants Subcommittee meeting of 2 December 2020 requesting advice on funding as outlined in this report.
6. Agree the Consultation items, the options for the consultation items and LTP signals to be included in the Consultation Document (Attachment 1).
7. Note the draft Statements of Service Provision (Attachment 2).
8. Agree the draft 2021-31 Long-term Plan budget be prepared with a debt to revenue limit of 225%.
9. Note the proposed capital program exceeds the debt:revenue limit of 225% and options such as rephasing and reducing the program need to be considered.
10. Agree the capex budgets to be used as the basis of the preparation of the LTP Consultation Document.
11. Note the proposed capital program exceeds the debt:revenue limit of 225% and options such as rephasing and reducing the program need to be considered.

Background

How has this draft plan been prepared?

8. The proposed budgets and options presented in this paper are the result of a long-term planning process that began early in 2020. This involved the identification of forecast capital and operating budget requirements through the development of draft service and asset management plans. Councillors then worked through a series of workshops on the key challenges and potential options across each of Councils activity areas. Based on this work, a draft budget and key options have been set and are presented in this paper for Councillor review.

9. Alongside budget development, Council has engaged with the public on potential community outcomes and priorities for investment. This has informed the agreement of priority objectives for this plan which help to shape the proposed prioritisation options in this paper. The priority objectives are:
- **A functioning, resilient and reliable three waters infrastructure** – with improving harbour and waterway quality and, reducing water usage and waste
 - **Wellington has affordable, resilient and safe housing** – within an inclusive, accessible, connected, and compact city
 - **The city’s core transport infrastructure is a safe, resilient, reliable network** - that supports active and public transport choices, and an efficient, productive and environmentally sustainable economy
 - **The city has resilient and fit-for-purpose community, creative and cultural spaces** – including libraries, museums, marae and community halls, where people connect, develop and express their arts, culture and heritage
 - **An accelerating zero-carbon and waste-free transition** – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation
 - **Strong partnerships with mana whenua** – upholding Te Tiriti o Waitangi, weaving Te Reo and Te Ao Māori into the social, environmental and economic development of our city and, restore the city’s connection with Papatūānuku.

Discussion

What are the key challenges facing our planning?

10. In developing our Long-term Plan Wellington is facing significant and sometimes unique challenges. These include:

Infrastructure

There is a need to continue to increase the level of investment in infrastructure as an underpinning enabler of city outcomes, including environmental and climate outcomes along with being foundation for business to be productive and overall quality of life for residents. Particularly this relates to the need to lift the condition of our three waters infrastructure and deliver the upgrade to our transport network envisioned through Let’s Get Wellington Moving.

Housing and Urban Development

Our city is growing, and we need to plan for it, housing affordability is also being stretched as the city grows. Council needs to contribute through a range of housing interventions including through our enabling role through Spatial and District Planning work but also through provision of sustainable and quality social housing and ensuring the availability of infrastructure in place for a growing city.

Resilience

As a result of the 2016 Kaikoura earthquake there is significant earthquake strengthening work needed across the city, including in Council venues and facilities and additional direct costs such as the pop-up libraries to respond to the closure of the Central Library. As a city we also face on-going resilience challenges that other cities do not, including increasing costs of insurance for our assets. There are also wider resilience challenges of building a socially, culturally and economically resilient city to shocks such as COVID-19.

Environment

We have key challenge in to responding to climate change in line with the Council's declaration of climate emergency and adoption of its Te Atakura Strategy. In addition, the city has ambitions around the natural environment and waste minimisation that requires Council investment.

Summary of key features of the proposed plan

11. The key features of the draft budget are:
 - **Significant uplift in capital spending** – directed to infrastructure, including our three waters infrastructure.
 - **Significant uplift in operating spending in key areas** – including Council mana whenua and Māori partnership and responding to climate change.
 - **Operates within prudent financial limits**, accounting for the financial risk profile of the Council.
 - Has required some **significant prioritisation of planned capital upgrades**. The key proposed prioritisation of new upgrades are summarised below.
 - Involves the exploration of **new funding mechanisms** for city housing and sewerage sludge investment to enable the scale of investment the city needs.
 - Includes plans for a **divestment programme** to help fund necessary new investments.

What are the key issues and options in the plan?

12. Given the challenges facing this Long-Term Plan budget there are a number of key choices as to where the increased investment is directed. The Mayor has outlined a set of principles, below, to help guide these choices which alongside the priority community objectives have helped guide development of this draft budget.
13. The Mayor's principles to guide the development of the draft Long-term Plan include:
 - **Make every dollar work** – Establish divestment programme, actively pursue off balance sheet opportunities for infrastructure
 - **Streamline assets** – Explore asset consolidation opportunities (3 waters review)
 - **Finish things in flight** – Complete projects that are contracted and underway
 - **Focus on existing before new** – Focus on renewing existing assets before adding new or upgrading
 - **Focus on critical / core infrastructure priorities** – Water, Transport, Te Ngākau, Housing.

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14. In response to those principles, the key issues that are proposed for community consultation focus around matters that have material impact on the achievement of community priorities and/or on the Council's overall financial position.
 15. Key issues for consultation include:
 - Level of investment in three waters
 - Ownership of wastewater lateral pipes
 - Level of investment in Cycleways
 - Central Library options for remediation
 - Funding approach to Te Ngākau resilience issues – MOB & CAB
 - Level of investment in Climate change response (Te Atakura implementation)
 - Investment in sewerage sludge minimisation (dependent on alternative funding sources being identified/secured)
 - Rates funding of WIAL dividend revenue gap.
 16. More detail on each of these key issues, and options to address the issues is included in Attachment 1.
 17. If Council decided to adopt different (higher cost) options to those proposed, decisions to off-set the increase would need to be made to proposals. For example, the selection of a higher cost option for an issue would require Council to also agree an offsetting lower cost option in another issue.

LTP Signals – issues for future consultation

18. The Consultation Document is primarily focused on key issues for consultation and for which options have been developed, but there is the opportunity to signal a small number of issues that are material and will be consulted on in the future, but for which insufficient detail is currently available for formal consultation. It is proposed that the following issues are signalled in the Consultation Document.
 - Three waters reform and water metering
 - Additional LGWM investment
 - Social Housing financial sustainability options
 - Strategic review of community infrastructure investments
 - Divestment programme.

Other LTP changes to note

19. In coming to the draft budget position outlined in this paper, there are a number of projects not included in the draft budget, having been removed in line with the Mayor's principles for prioritisation. These include:
 - The draft budget funds renewals are a significant increase on the 2018 LTP budget, but only 90% of forecast requirements (three waters renewals are 100% funded)
 - Provisioning funding for the Opera House upgrade is not included
 - Provisioning for the Bond Store strengthening/upgrade (Wellington Museum) is at \$16m

- Provision for upgrades of the Begonia House, Otari Wilton Bush and Botanical Gardens is not included
- Funding for Island Bay cycleway remediation is not included.
- Fully funding City Housing capital renewal and upgrade costs – the draft budget does not budget for operating and upgrade/renewal costs of social housing from 2022/23 as we will explore opportunities for non-Council funding and/or ownership alternative funding through either central government investment or establishment of a Community Housing Provider.

Activity Statements

20. A full outline of the key features of the proposed budget across each grouping of Council activities, including information on the changes in expenditure from the 2018 LTP, are included in the Statements of Service Provision which is included in Attachment 2.
21. The Statements of service Provision are descriptions of Council services and key projects, and are currently draft and highly summarised. More detailed narrative of activity projects will be available alongside the Consultation Document on 4 March 2021.
22. The majority of the proposed budget covers the ongoing delivery of existing Council services and the management and renewal of Council assets.

What are the financial limits that the plan operates within?

23. In developing our Long-term Plan, the setting of the financial limits is a key decision that drives budget choices and balances financial risk, affordability, and the delivery against Council spending priorities. There are two key limits in our plan- the level of debt the Council will take on and the limit for rates.
 - Debt limits are important to establish in order to ensure a sustainable level of borrowing by ensuring we have the ability to repay our debt and ensuring room for further borrowings in the future should it be required.
 - Rates limits are an important control on spending and provide an ability to engage with the community on willingness to pay, affordability and levels of service. Setting limits provides certainty to residents and businesses about the level of rates costs into the near future and that the rates funding is providing a sustainable level of funding for the Councils planned costs.
24. Officers propose lifting our current debt limit to enable a budget that delivers against the key challenges facing the Council and city. Officers think that the proposed increased debt limit strikes a balance between maintaining a prudent financial position considering the Council's financial risk profile and rate payer affordability with the need to increase investment in key city priorities.
25. The proposed rates limit will be included as part of the draft Consultation Document for review at the Annual Plan/Long-Term Plan Committee on 4 March 2021.

Measure	Current limit	Proposed limit	Key consideration
Debt to income percentage	175%	225%	<ul style="list-style-type: none"> • Forecast required capital spend • Level of financial risk • LGFA covenant debt limits

26. Attachment 3 outlines the context for the proposed debt limit in more detail including commentary on the financial risks of the proposed limit.

Grants Subcommittee request for information

27. The Grants Subcommittee on 2 December 2020 asking officers to come back with advice on the following:
- Support an advocacy service for renters
 - Support building owners facing complex earthquake prone requirements
 - Increase funding available to the Build Heritage Incentive Fund
 - Establish a Maori capital development fund.
28. In terms of support for an advocacy service for renters no new funding is required through the LTP as existing grants funds could be applied to by entities that provide this service. Community Law is an existing grant recipient and could apply and any applications would be considered and prioritised with other requests for funding support.
29. In terms of support for building owners, Council is working with central government and other Councils in the Ratepayer Financing Scheme (RFS). The RFS would allow a collection of Local Authorities to make use of the inherent high credit quality of local government rates charge security to access very efficient and flexible financing from the capital markets and then pass on these financing efficiencies to ratepayers.
30. The scheme could be used to provide rates payment flexibility to ratepayers facing affordability issues and is akin to a reverse equity mortgage. The RFS could also be used more widely to provide property improvement loans or deferred development contributions. Loans could be related, for example, to helping ratepayers to invest in required seismic strengthening work.
31. The Council is currently championing the next steps with the RFS, working with Auckland Council and Christchurch City Council in the first instance, following which will be gaining formal DIA support. It is hoped this stage will be completed by March 2021.
32. In terms of lifting funding levels for Build Heritage Incentive Fund and establishing a Maori capital development fund, this has not been included in the 2021 draft budget and officers recommend applications are prioritised within existing funding levels.

What are the risks of this plan?

33. The proposed budget includes a number of measures that create financial and non-financial risk to Council and the city. These include:

Renewals funding level

- The draft budget includes a material increase in renewals over the next 10 years, but the proposal to limit renewal funding (excluding waters) to 10% lower than forecast requirements continues some existing risk of asset deterioration and possibly failure. This risk however is lower than that already being carried given renewal budgets would still be higher than those in the current 2018 LTP.

Assumptions of alternative funding sources

- Sludge – the proposed plan assumes the ability to identify alternative funding models for investment in sludge minimisation, using the new IFF legislation. Should alternative funding models fail to be identified then there would be no funding allowance for this work in our budget and either the project could not proceed, or further prioritisation of Council spending would be necessary.
- City Housing – the proposed plan assumes the ability to identify alternative funding models for necessary investment in City Housing, for example through government support or establishment of a Community Housing Provider. Should alternative funding models fail to be identified then there would be no funding allowance for this work in our budget and further prioritisation of Council spending would be necessary.
- Conditions around sludge and city housing increase uncertainty – for example increased uncertainty on sludge minimisation will prevent definitive planning on waste minimisation actions until funding is confirmed

Additional financial pressure from growth

- The infrastructure requirements of concurrent spatial planning have also not been fully accommodated into the proposed capital growth budgets. While any additional growth requirements identified would have funding through development contributions, they may still further impact the Council's debt position.

LGWM

- The full costs of LGWM have also not been included in this draft budget, and in effect will require additional funding mechanisms to be identified in order to progress alongside the planned investment in this draft budget. Uncertainty of these funding sources means LGWM remains a significant future risks to Council's financial position.

Capital programme

- The current draft capital program exceeds the proposed Debt: Revenue ratio by:
 - 2022/23 \$101m
 - 2023/24 \$122m
 - 2024/25 \$26m
 - 2025/26 \$5m

- Options to comply within the limit include reducing and/or deferring the capital programme. For example, delaying the Central Library project to 2024/25 will significantly increase compliance within the debt limit.

Options

- Should the Committee reject the recommended budget and plan as the basis for preparation of the LTP Consultation Document then it is highly likely that the planned timeframe for LTP consultation and adoption would slip. There is limited opportunity for further time to develop alternative budgets given statutory deadlines and requirements relating to audit and consultation.
- Any amendments to the recommended budget and plan agreed within the Committee meeting will be able to be included in the draft Consultation Document as long as they do not create new pressures on the budget. To avoid this, any amendments to add budget items should be agreed alongside off-setting savings.
- It should be noted that this report recommended a budget to be used as the basis of consultation. The Committee will have further opportunity to review and approve the Consultation Document itself and then also make further changes to the draft plan and budget as a consequence of consultation at LTP deliberations in May and June 2021.

Next Actions

- Councillors will review a draft Consultation Document at the Annual Plan/Long-Term Plan Committee meeting on 4 March. This will be prepared based on the decisions made as a consequence of this paper. Councillors will also be presented on 4 March with the consultation plan for this LTP outlining the proposed calendar of community events.
- Following Councillor approval of the draft Consultation Document, it will be audited over the course of March before being presented to the Council for adoption in the last week of March.

Attachments

Attachment 1.	Draft significant consultation proposals and signals ↓ 	Page 19
Attachment 2.	Draft Statement of Service Provision ↓ 	Page 25
Attachment 3.	Debt limits ↓ 	Page 52
Attachment 4.	Draft list of capital projects/budgets ↓ 	Page 56

Authors	Geoffrey Coe, Senior Advisor Planning and Reporting Baz Kaufman, Manager Strategy and Research
Authoriser	Sara Hay, Chief Financial Officer Stephen McArthur, Chief Strategy & Governance Officer

SUPPORTING INFORMATION

Engagement and Consultation

There has been community engagement over the end of 2020 on the community outcomes and priorities which was reported back to the Committee on 4 February. This engagement feedback can be used to inform decision making on developing the draft budget and consultation document for the LTP.

The draft LTP Consultation Document and consultation plan will be presented to the Committee on 4 March which will outline the approach to comprehensive community consultation on the proposal in this paper.

Treaty of Waitangi considerations

This paper includes information on the proposed investment in Council Māori and mana whenua partnerships. The proposed increase in investment in this partnership in the draft plan should enable improved partnership and achievement of Treaty principles over the life of the LTP.

Financial implications

There are considerable financial implications in approval of the draft LTP plan and budget. These implications are the subject of the paper.

Policy and legislative implications

The current and future policy and legislative requirements across Council activities has been considered in the development of the draft plan and budget for this LTP. Approval of the proposed plan in this paper should allow for implementation of Council's obligations in this area.

Risks / legal

The key relevant statutory requirements for this paper are from the LGA 2002 relating to the purpose of a LTP and balanced and prudent budget requirements

Purpose of LTP (s93)

- a) describe the activities of the local authority
- b) describe the community outcomes of the local authority's district or region
- c) provide integrated decision-making and co-ordination of the resources of the local authority
- d) provide a long-term focus for the decisions and activities of the local authority
- e) provide a basis for accountability of the local authority to the community

Balanced budget requirement (s100)

A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses

Prudent budget requirement (s101)

A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community

The budget options presented in this plan operate within these requirements. Any changes to the proposals presented will need to be carefully considered in how they will align with the requirements in the LGA 2002.

Climate Change impact and considerations

Climate change is an underlying assumption within the LTP and as a result the impact and considerations around climate change are embedded within the plans driving the LTP. The draft plan and budget includes a significant additional investment in climate change.

Communications Plan

A comprehensive communications plan has been developed for the Long-Term Plan and the plan for consultation on the LTP will be reviewed at the Committee meeting on 4 March.

Health and Safety Impact considered

None

Appendix A: Draft significant consultation proposals and signals

LTP Priority objectives

A functioning, resilient and reliable three waters infrastructure – with improving harbour and waterway quality and, reducing water usage and waste	Wellington has affordable, resilient and safe housing – within an inclusive, accessible, connected, and compact city	The city’s core transport infrastructure is a safe, resilient, reliable network - that supports active and public transport choices, and an efficient, productive and environmentally sustainable economy	The city has resilient and fit-for-purpose community, creative and cultural spaces – including libraries, museums, marae and community halls, where people connect, develop and express their arts, culture and heritage	An accelerating zero-carbon and waste-free transition – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation	Strong partnerships with mana whenua – upholding Te Tiriti o Waitangi, weaving Te Reo and Te Ao Māori into the social, environmental and economic development of our city and, restore the city’s connection with Papatūānuku.
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Summary of the draft key components of the proposed LTP

What are the key issues shaping our LTP?	Mayor’s budget principles, assumptions and proposals	Consultation proposals and future decision signalled after the adoption of the LTP	What else are we planning in the next 10 years? <i>Summary of items</i>	
<p>4 issues previously shared with Councillors linking to public feedback on community outcomes</p> <p>Infrastructure There is a need to continue to increase the level of investment in infrastructure as an underpinning enabler of city outcomes, particularly environmental and climate outcomes. Particularly this relates to the need to lift the condition of our three waters infrastructure and upgrade our transport network.</p> <p>Housing and Urban Development Our city is growing, and we need to plan for it, housing affordability is also being stretched as the city grows. Council contributes through a range of housing interventions including through our enabling role through Spatial and District Planning work but through provision of quality social housing and ensuring the availability of community infrastructure in place for a growing city.</p> <p>Resilience Significant earthquake strengthening work is needed across the city, including in Council venues and facilities. There are also wider resilience challenges of building a socially, culturally and economically resilient city to shocks such as COVID-19</p> <p>Environment Key challenge relating to responding to climate change, in line with the Council’s declaration of climate emergency and Te Atakura Strategy. Investments across activity areas contribute to addressing this challenge.</p>	<p>Budget principles and assumptions Principles:</p> <ul style="list-style-type: none"> Focus on critical / core infrastructure resilience priorities Make every dollar work Streamline assets ownership Finish projects / programmes in flight Focus on existing before new <p>Assumptions: WCC will implement:</p> <ul style="list-style-type: none"> A targeted asset divestment programme to increase outyear headroom and reduce risks of external events Asset consolidation will occur during the life of the LTP <p>Mayors Budget proposals</p> <p>(a) <i>Reduce size of the capital programme</i></p> <ul style="list-style-type: none"> Sewage sludge is funded through a ‘Special Purpose Vehicle’ without Council ownership \$16m for the Bond store remediation \$40m for venues upgrades to the TSB Arena and Michael Fowler Centre; the Opera House upgrade and Island Bay cycleway are not funded in this LTP Reduce the investment in the overall asset renewal / upgrade programme by 10 %. (The reduced investment is still a material increase from the last LTP) Begonia House, Otari Wilton Bush and Botanic gardens upgrades are not funded in this LTP Fund social housing renewals and upgrades off-balance sheet <p>(b) <i>Divest to increase debt headroom</i></p> <ul style="list-style-type: none"> Te Ngākau Civic Square \$27m from the sale of ground leases of MOB, CAB, MFC car park \$25m for sale of encroachments and road reserve <p>(c) <i>Increase revenue</i></p> <ul style="list-style-type: none"> Increase the rate at which debt funded opex is payed off. This has a double benefit of decreasing debt and increasing revenue. Funding the reduction in debt means a higher than proposed rates increase by 2-3% 	<p>Consultation items for the consultation document (CD)</p> <ul style="list-style-type: none"> Investment in three waters Wastewater laterals Cycleways Te Ngākau - Central Library, MOB & CAB Investment in responding to climate change Sludge - Waste minimisation Higher rates to increase the reduction in opex funded debt <p>Future decisions to signal in the CD - no impact in the proposed budget</p> <ul style="list-style-type: none"> Three waters reform Water metering LGWM Social Housing and the financial sustainability of its portfolio Strategic review of community infrastructure investments Venues investment decisions Further divestment opportunities 	<p>Governance</p> <ul style="list-style-type: none"> Investing in mana whenua partnership and Māori outcomes Digitisation of city archives <p>Environment</p> <ul style="list-style-type: none"> Significant increase in 3 waters investment Waste minimisation, resource recovery and sustainable food plan Ongoing renewal and upgrade spend Zoo development - snow leopards <p>Economic Development</p> <ul style="list-style-type: none"> Completion of convention centre – bringing online Ongoing investment via WellingtonNZ Economic Strategy implementation <p>Arts and Culture</p> <ul style="list-style-type: none"> Town Hall and St James completion and return to use Continued programme of events and grants Arts and Culture Strategy implementation 	<p>Social and Recreation</p> <ul style="list-style-type: none"> Ongoing renewal and upgrade spend Makara Cemetery expansion Northern suburbs sports hub and turf Completing existing community facility upgrades (Strathmore, Newtown, Aro Valley, Karori) Divestment of Wadestown Community Centre Children and Young people strategy <p>Urban Development</p> <ul style="list-style-type: none"> Frank Kitts Park development Te Aro Park upgrade Spatial planning and District Plan Deliver on the Housing Action Plan - Housing Affordability activities/Te Kāinga <p>Transport</p> <ul style="list-style-type: none"> Improved Parking enforcement and implementation of parking policy Ongoing renewal and upgrade spend Resilience investment Chipseal efficiency savings

Draft significant consultation proposals

Priority objective: A functioning, resilient and reliable three waters infrastructure			
Budget Principle: Focus on critical / core infrastructure resilience priorities			
	Option 1	Option 2 (preferred option)	Option 3
1. Investment in three waters infrastructure - excluding Sludge (see item 7 below) <i>(Infrastructure, Environment)</i>	Maintain Continues the existing level of funding for three waters renewals. (Includes the \$3.2m opex uplift provided in the 20/21 budget into out-years). This option would not however address water quality improvements nor make progress on renewals 'backlog'. Inadequate growth investment to enable city centre growth aligned to Planning for Growth	Enhanced A substantial increase in the level of three waters investment- further 21.7% opex increase and 33% capex increase over 'business as usual' in the previous (2018) LTP This option will make progress on Wellington's key water quality issues and renewals investment requirements and enable growth in central city. This option does not include additional funding that may be required to develop of the 3 waters network to accommodate future city growth. Any additional funding for growth would be added following Spatial Plan development in time for 2024 LTP	Accelerated A very large increase in 3 waters investment over the 2018 LTP i.e. 58.9% opex increase and 216% capex increase over 'business as usual' in the 2018 LTP. This significantly larger funding level that focuses on on delivering all growth investment that may be required by the top end of the spatial plan. The spatial plan is still being developed and there is uncertainty about where and when the city will grow. Placeholder funding for growth may therefore substantially change through spatial planning. Also, there is material uncertainty regarding the ability to deliver such a large programme of work.
	Opex Cost: \$328m (10.8% opex increase over 'business as usual' - the 2018 LTP)	Opex Cost: \$360m <i>(loaded in budget)</i>	Opex Cost: \$470m
	Capex Cost: \$498m (18% capex increase over 'business as usual' - the 2018 LTP)	Capex Cost: \$557m <i>(loaded in budget)</i>	Capex Cost: \$1,323m
2. Wastewater laterals <i>(Infrastructure)</i>	Option 1 No change Retain status quo policy settings where households are responsible for renewal and maintenance of the wastewater laterals in the road corridor to the main	Option 2 (preferred option) Take ownership Change the Council's policy to be consistent in the region (and NZ). This would result in the Council taking responsibility of the wastewater lateral to the property boundary	
	Opex Cost: No change	Opex Cost: \$15m (10 year) <i>(loaded in budget)</i>	
	Capex Cost: No change	Capex Cost: \$17m (10 year) <i>(loaded in budget)</i>	

Priority objective: The core transport infrastructure is a safe, resilient, reliable network
Budget Principle: Finish projects in flight

3. Cycleways <i>(Infrastructure, Environment)</i>	Option 1	Option 2	Option 3 (preferred option)	Option 4
	Finish what we have started Finishing eastern connections, \$0.25m pa minor works <ul style="list-style-type: none"> Complete eastern connection Further reduced level of minor improvements and tactical urbanism projects to encourage mode-shift 	Prioritise Finishing eastern connections, Island Bay, \$0.5m pa minor works <ul style="list-style-type: none"> Complete eastern connection (Y1-3) Complete the Parade Upgrade – Island Bay (Y1-3) Plan and complete prioritised set of key priority route connections not included in LGWM (Y3-10) Reduced level of minor improvements and tactical urbanism projects to encourage mode-shift 	Reduced programme Finishing eastern connections, \$1m pa minor works and \$25m for other prioritised routes pending LGWM decisions. Not funding Island Bay Cycleway in this LTP <ul style="list-style-type: none"> Complete eastern connection (Y1-3) Plan and complete prioritised set of key priority route connections not included in LGWM (Y3-10) Minor improvements and tactical urbanism projects to encourage mode-shift 	Full connection Finishing eastern connections, Island Bay, \$1m pa minor works and full funding for other routes pending LGWM decisions <ul style="list-style-type: none"> Complete eastern connection (Y1-3) Complete the Parade Upgrade – Island Bay (Y1-3) Plan and complete full set of key priority route connections not included in LGWM (Y3-10) Minor improvements and tactical urbanism projects to encourage mode-shift
	Capex Cost: \$30m	Capex Cost: \$45m	Capex Cost: \$61m <i>(loaded in budget)</i>	Capex Cost: \$170-200m

Priority objective: The city has resilient and fit-for-purpose community, creative and cultural spaces
Budget Principle: Focus on critical / core infrastructure resilience priorities

4. Te Ngākau Civic Precinct - Central Library <i>(Resilience)</i>	Option 1A	Option 1B	Option 2 (preferred option)	Option 3A	Option 3B	Option 4
	Low-level remediation Low level remediation of the existing building	Mid-level remediation Mid-level remediation of the existing building	High-level remediation High level remediation of the building with the use of base isolators to ensure it is resilient into the future. This option is what Council has previously resolved to be included for consultation in the LTP.	New build on same site New build on the same site	New build on another Te Ngākau Civic Precinct site New build on another site in the Te Ngākau Civic Precinct	Preferred option with additional remediation to sustainability specifications This option is what Council has previously resolved to be included for consultation in the LTP, plus a higher specifications to make the building more sustainable.
	Cost: \$75-82m	Cost: \$139-154m	Cost: \$179m <i>(loaded in budget)</i>	Cost: \$167m-183m	Cost: \$167m-183m	Cost:
<i>Note that the work on costing additional floors and a higher greenstar rating for the preferred options as requested by Council is still in progress, with a report back expected in April while the LTP is out for consultation. These costs will therefore not be included in the options and are not included in the LTP budget for the project, if agreed by Council they would need to be managed as a project variation and included in the 2022/23 Annual Plan.</i>						

5. Te Ngākau- funding future works, including MOB and CAB	Option 1 (preferred option)	Option 2
<i>(Resilience)</i>	<p>Partnering to strengthen Te Ngākau - including sale of ground leases MOB, CAB. MFC car park</p> <p>Excluding the central library there remain extensive costs to remediate the rest of the Civic Precinct including the MOB and CAB buildings and Capital E, the city to sea bridge and the underground carpark. The \$22m of funding available through the insurance settlement on the CAB building, is insufficient to address the resilience and associated requirements to fully remediate the precinct. Therefore, significant additional spending would be required to ensure the Precinct is resilient in the long term and the Council is unable to fund the full cost of the remediation within its proposed debt and rates limits.</p> <p>This option would be to pursue partnerships restore the precinct in particular, the sale of long-term ground leases (to partners) to fund the strengthening and upgrades work required in the remainder of Te Ngākau Civic Precinct.</p> <p>The Council has already reviewed the options for the MOB building and proposes to demolish and redevelop the building in partnership with the private sector. This approach would involve a long-term ground lease arrangement which is considered preferable to Council remediating the current building. The MOB building has significant shared building connections and services in the precinct. Therefore, both the MOB and CAB buildings should be regarded as a combined opportunity to address the two impaired buildings at the same time.</p> <p>This option is very similar to the self-funding model used on the Waterfront. Like the Waterfront, any developments that would happen under this option would also be implemented within a clear design and development framework for Te Ngākau. The framework would specify the vision, goals and principles driving the work programme and, ensure that the Council and city have control over how a key public space is developed.</p> <p>This option excludes partnering on buildings already underway or agreed on the Town Hall and the Central Library which is subject to separate consultation.</p>	<p>Ratepayer funding Te Ngākau works</p> <p>The alternative option is not to pursue partnerships to fund the necessary work in Te Ngākau. This would result in Council</p> <ul style="list-style-type: none"> • needing to fund the full costs of strengthening and upgrade of the Precinct through increased debt, • the Council taking on the development risks associate with a complex remediation project; and • rate payers funding any associated costs. <p>In developing the LTP Council does not currently have the financial capacity to take on the significant costs and potential risks associated with remedying each of the Te Ngākau sites given the other competing challenges facing the city. Even with ratepayer funding the Council would still; have to manage its investment in Te Ngākau works within it available capital resources. As a result, the strengthening would happen over an extended period and would result in the remaining parts of the Precinct including MOB, CAB, Capital E, the Carpark and the City to Sea bridge remaining closed. (Minimal remedial work to enable re-occupation of the buildings is not regarded as viable option). Overall this option would see Te Ngākau Civic Precinct remain as a partially resolved area with an extended and uncertain pathway to fixing the issues and returning the square a fully functioning heart of the city.</p>
	<p>Opex Cost: Demolition costs \$10.5m and consenting costs \$750k <i>(loaded in budget)</i>,</p> <p>Revenue: Ground lease sale \$27m</p>	<p>Capex cost: The full costs of remediating the buildings in Te Ngākau are not known, but the MOB building alone would require \$84m in funding to remediate</p>

Priority Objective: An accelerating zero-carbon and waste-free transition				
Budget Principle: Finish projects / programmes inflight, making every dollar work				
6. Investment in climate change (Te Atakura) initiatives i.e. (Environment)	Option 1	Option 2 (preferred option)		Option 3
	<p>Fund all the Te Atakura initiatives i.e.</p> <ul style="list-style-type: none"> Te Atakura insights and analysis WCC carbon reduction programme Climate change adaptation approach Transport climate action Seed funding programmes Climate action community engagement 	<p>Medium investment in Te Atakura with savings</p> <p>A small reduction in the opex and capex funding of Te Atakura initiatives will impact the seed funding programmes by:</p> <ul style="list-style-type: none"> electrifying the WCC fleet over 10yrs rather than 5 yrs Home Energy Saver goal is reduced from 50% of Wellington homes to 30% (currently 5% of homes have been assessed); and Business Energy Saver delayed to Y2. 		<p>A low investment in Te Atakura</p> <p>Significantly reducing opex and capex funding (below) of the Te Atakura initiatives will mean a significant reduction in the scope of:</p> <ul style="list-style-type: none"> Seed funding programmes (no new money for Home Energy Saver, no Business Energy Saver, no Climate Lab, reduction of \$6m over 10yrs); and A reduction in the work programme across all other Initiatives <p>A lower level of funding will lead to half the planned Te Atakura emissions reductions, and threaten our ability to investigate new actions and adapt to the climate change impacts that are already locked in.</p>
	Opex cost: \$18.6m (original programme scope)	Opex cost: \$16.9m		Opex cost: \$7m
	Capex cost: \$8.4m (original programme scope)	Capex cost: \$6.3m		Capex cost: \$6.1m
7. Waste minimisation - sludge (Environment)	Option 1	Option 2	Option 3	Option 4 (preferred option)
	<p>No change in the current practice</p> <p>This is the least cost option that would mean dispose sewage sludge into the landfill. This is the current practice and is affordable. The key issues with current practice are that it:</p> <ul style="list-style-type: none"> does not meet The Council's environmental objectives large volumes of sludge would continue to be moved (pumped) across the City in a vulnerable 8km pipeline; and the current practice would still need to be changed within a about decade. 	<p>Invest in better technology at Southern Landfill</p> <p>This option involved investing in an improved infrastructure at the Southern landfill. For example, the installation a thermal dryer (estimated additional total expenditure around \$86-95m) and this would go some way to reducing the volume of sludge to be disposed.</p> <p>While this option reduces some of the sludge volume to landfill, there remains a significant residual (remaining) volume of sludge to be disposed of at the landfill. In addition, the of pumping sewage across the City would there continue.</p> <p>Overall, this option would result in incremental improvement and continue to expose the city to the vulnerability of the 8km pipeline.</p>	<p>Sludge minimisation</p> <p>Invest in the existing wastewater treatment plant site at Moa Point. For example building a digester (large tank system that reduces sludge volume, produces energy and treats the sludge so it is safe to dispose of) and a dryer on that site to further reduce volume and produce a product that could potentially be diverted from the landfill for beneficial re-use. This would remove the t sludge to the Southern landfill and would help enable the City to meet its environmental objectives. This would be a long term and strategic investment that would leapfrog short term options and better reflect our aspirations around carbon and waste reduction-. But this would be expensive, with total expenditure of around \$185-195m.</p>	<p>Sludge proceeds only if alternative non-Council funding is found</p> <p>The cost of the Sludge minimisation programme is current unaffordable for this LTP. This option proposes that the Sludge programme is:</p> <ul style="list-style-type: none"> completed by a 'Special Purpose Vehicle' and delivered without Council ownership; and funding through the new Infrastructure Funding and Financing act. <p>Risks: Should the alternative funding not be possible then there would be no funding allowance for this work in the LTP budget. This means that either the project could not proceed, or further prioritisation of Council spending would be necessary.</p>
	Opex Cost: no change			
	Capex Cost: no change	Capex Cost \$86-\$95m	Capex Cost: \$150m first 10 years and an additional \$35m for outyears	

Budget Principle: Making every dollar work	
8. Reducing debt and increasing revenue	Option 1 (preferred option)
	<p>A proposed rates increase of 14%</p> <p>This option continues the debt funding of the WAIL dividend as in the 20/21 Annual Plan as part of our COVID-19 response plan. The dividend is treated as debt funded operating expenditure (opex) in the Annual Plan and LTP budgets and is planned to be paid off over 10 years.</p>
	<p>Option 2</p> <p>Increase the proposed rates increase by 2%.</p> <p>Increasing the rate at which debt funded opex is payed off has a double benefit of decreasing debt and increasing revenue. Funding the reduction in debt means option of 16-17% rates increase in year 1. Creates headroom for further investment and our ability to respond to future shocks.</p>

Attachment 2: Statements of Service Provision

Introduction

Our work is divided into seven strategic areas. These areas represent how we work and are driven by our long-term goals for the city:

- **Governance** – information, consultation and decision-making, and public engagement, including engagement with Māori residents and mana whenua partners
- **Environment and Infrastructure** – gardens and beaches, green open spaces, water, wastewater, waste reduction and energy conservation, environmental conservation attractions and the quarry
- **Economic development** – city promotions, events and attractions, and business support
- **Cultural wellbeing** – galleries and museums, community arts and cultural support, and arts partnerships
- **Social and recreation** – libraries, recreation facilities and programmes, public health and safety, housing and community support
- **Urban development** – urban planning and policy, heritage and character protection, building control and facilitation, development control and facilitation, earthquake risk mitigation and public spaces development
- **Transport** – transport planning and policy, transport networks and parking

In each chapter you'll find information about the work we do, the reasons for doing that work and our goals in relation to it, any new proposals and key projects, and outcomes we are working towards.

Pārongo ā-tāone | Governance

We aim to build trust and confidence by being open, transparent and accountable.

The key groups of activities under this strategic area are:

1.1 Governance, information and engagement

1.2 Māori and mana whenua partnerships

1.1 Kāwanatanga, Pārongo me ngā mahi whai wāhi | Governance, information and engagement

Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views and making decisions in the best interests of Wellingtonians.

Our information and engagement activities include being open and talking with people who live in Wellington about the plans and decisions we make for our city.

Activities in this group

- 1.1.1 City governance and engagement
- 1.1.2 Civic information
- 1.1.3 City archives

Rationale

- *To facilitate democratic decision-making.* In carrying out activities to ensure our decision-making is democratic, we aim to enhance residents' trust and confidence in the Council.
- *To provide open access to information.* Easily accessible information allows people to use the city's facilities. We also provide residents with a point of contact for service problems and other feedback.
- *Engaging residents on the climate emergency.* Providing good quality information and engaging residents in climate action supports the achievement of Wellington's climate targets

Services we provide

- Providing advice, research and administrative support to elected members and community boards
- Hosting local body elections, and encouraging all Wellingtonians to have their say on who will govern their city
- A contact centre and website providing 24/7 access to information and a place to log service faults
- Management of archival information in line with legislation
- Facilitating community engagement on key issues and input from Council advisory groups
- Supporting programmes to reduce the City's carbon emissions. Consideration of the city's carbon emissions and how they can be reduced doesn't sit in this activity alone. When we make decisions on transport, the landfill and how and where the city grows, climate change impacts are considered. Te Atakura outlines how we will deliver on our emission reduction goals over time

Key projects/programmes

- Digitisation – \$7.6m over the first 3 years of this plan to complete city archives digitisation work.
- Advisory groups – implementation of changes to advisory groups- establishing a new Rainbow advisory group (\$40k pa)
- Te Atakura/First to Zero - \$11m over ten years (about \$1m per year) to measure our emissions, engage residents, and develop climate action initiatives in partnership with a range of stakeholders.

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
1.1 Governance, information and engagement	We do not anticipate any significant negative effects associated with the provision of these services.	

1.2 Rangapū Māori/Mana Whenua | Māori and mana whenua partnerships

As part of our Treaty of Waitangi obligations, we need to ensure mana whenua and Māori meaningfully participate in, contribute to and inform Council decisions. Engagement with the wider Māori community recognises the special provisions for Māori within our legislative framework and their unique position as tangata whenua. Improved partnerships and capacity building are the cornerstones of this engagement.

We strive to ensure the views of mana whenua and Māori are recognised for the benefit of all Wellingtonians. We are guided by the He Waka Eke Noa – Effectiveness for Māori Framework. This establishes the principles of how the Council will work more effectively with and for iwi partners and Māori within the city.

We work with the city’s two mandated mana whenua organisations, Taranaki Whānui ki te Upoko o te Ika and Te Rūnanga o Toa Rangatira Incorporated, to ensure their views are represented in decisions about the city and their contribution to Wellington’s heritage is fully and publicly recognised.

Our responsibilities to these organisations are outlined in a recent memorandum of understanding (MOU), signed in March 2017, which focusses on strategic planning at a leadership level – standing side by side, looking to the future together.

Activities in this group

1.2.1 Māori and mana whenua partnerships

Rationale

- To strengthen our partnerships and recognise the special place of Māori and mana whenua in Council decision-making

Services we provide

- Continuing to grow our relationship with two mana whenua partners, fulfilling our commitment under the MOU and continuing to develop Māori capacity to engage in Council decision-making
- Encouraging and providing opportunities for Māori to engage in dialogue with the Council, ensuring their perspective is reflected in Council decisions and actions
- Delivering several community events and engagements that serve to incorporate a Māori cultural perspective for the city
- Partnering with the Māori community and other agencies to deliver events, in line with our Effectiveness for Māori Framework, Te Taurapa Māori Growth Strategy and Te Tauihu Te Reo Māori Policy

Key projects/programmes

- Investing in partnership – \$1m additional operating funding for growth our Māori partnerships team along with internal capability build to improve cultural competencies within the Council. Funding is also to support any decisions on different approaches to representation in Council governance structures or increased support to mana whenua for building their capacity to be involved.
- Te Tauihu - Continuing our role in increasing Te Reo Maori and embedding Te Au Maori in day-to-day Wellington life.

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
1.2 Māori and mana whenua partnerships	We do not anticipate any significant negative effects associated with the provision of these services.	

Taiao | Environment

We aim to protect and enhance Wellington's natural environment.

The key groups of activities under this strategic area are:

- | | |
|---|------------------------------|
| 2.1 Gardens, beaches and green open spaces | 2.4 Wastewater |
| 2.2 Waste reduction and energy conservation | 2.5 Stormwater |
| 2.3 Water | 2.6 Conservation attractions |

2.1 Ngā Māra, Tātahi, Whenua Pārae, Ngahere | Gardens, beaches and green open spaces

The city's parks, gardens and coastlines are a precious resource. They provide spaces for recreation, community gatherings and events.

One-eighth of Wellington's area is reserve and has been protected for generations. It is a vital and iconic part of Wellington's landscape, and also supports the city's response to climate change by acting as a carbon sink.

To ensure these spaces continue to contribute to a high quality of life for all Wellingtonians, we invest to protect, maintain and develop these areas.

The work carried out in this area makes the city's environment greener and more pleasant for all Wellingtonians – it improves our quality of life and sense of pride in the city. These spaces also make Wellington an attractive place to visit.

Activities in this group

- 2.1.1 Local parks and open spaces
- 2.1.2 Botanical gardens
- 2.1.3 Beaches and coast operations
- 2.1.4 Roads open spaces
- 2.1.5 Town belts
- 2.1.6 Community environmental initiatives
- 2.1.7 Walkways
- 2.1.8 Biodiversity (pest management)
- 2.1.9 Waterfront public space

Rationale

- *To provide access to green open spaces.* High quality natural and green environments contribute to off-setting our carbon emissions and enhance Wellington's sense of place – making it a great place to live, work and play.
- *To provide public places to congregate.* Accessible and high-quality open spaces encourage people to gather together, share activities and connect with each other.
- *To provide access to recreational opportunities.* These activities provide high quality open spaces for a wide range of recreation activities, such as walking and mountain biking.
- *To enhance biodiversity.* By providing high-quality green open spaces and pest management activities we aim to protect biodiversity and increase local carbon sinks, improving the quality of our natural environment and making the city a better place to live, work and play.

Services we provide

Managing and maintaining:

- 4000 hectares of parks, reserves and beaches
- the Wellington Botanic Garden and other Wellington gardens
- 120 buildings located in parks, reserves or beach areas for community use
- 340 kilometres of recreational walking and mountain bike tracks
- multiple boat ramps, wharves, seawalls and slipways

Key projects/programmes

- Town belt upgrades and renewals programmes- including reserve land acquisition and community Parks and Trail development in Lincolnshire Farms
- Ongoing support for Predator free and community trapping (\$250k pa Years 1-6)
- Supporting communities to plan for climate change impacts (\$1.4m over 10yrs)
- Frank Kitts Parks playground upgrade in addition to a phased programme of playground upgrades- 3 playgrounds (\$700k) over 10 years.

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
2.1 Gardens, beaches and green open spaces	Recreational use of the city’s green open spaces can have negative effects on the immediate environment. In most cases, these are not significant.	In our management of the city’s green open spaces, we seek to balance recreation needs against environmental protection.
2.1 Gardens, beaches and green open spaces	Service delivery in a challenging natural environment and managing effects of climate change.	Further analysis and investigation needs to be undertaken to understand the effects over the next 11 to 30-year period. Assets at risk need to be identified and decisions made around reinforcing or removing these assets.

2.2 Tiaki Pūngao, Whakaheke Para | Waste reduction and energy conservation

Wellington produces few emissions compared with major cities in New Zealand and Australia, but we can always do more to reduce them further. The Council is committed to being more sustainable. This means that we will reduce our environmental impact by making efficient use of energy, water, land and other resources, shifting towards renewable energy resources, conserving resources and minimising waste.

We manage and monitor landfill operations and composting waste at the Southern Landfill, undertake domestic recycling and rubbish collection services, limit the environmental impact of closed landfills, and undertake programmes to educate residents on how to manage and minimise waste effectively.

Activities in this group

- 2.2.1 Waste minimisation, disposal and recycling
- 2.2.2 Closed landfills aftercare
- 2.2.3 Energy efficiency and conservation

Rationale

- *Reducing environmental impacts.* We aim to reduce our impact on the environment by minimising and managing the disposal of waste, by making more efficient use of existing resources, measuring and reducing our carbon footprint, and by shifting toward renewable energy resources.

Services we provide

- Domestic recycling and rubbish collection
- Green waste disposal and composting facilities
- Education and advocacy for greater waste minimisation practices in the homes of Wellingtonians
- Facilities for disposing of hazardous and industrial waste, waste from developments and construction activities, and waste from emergencies and disasters
- A recycling facility, including a shop for the sale of reusable goods
- Supporting programmes to reduce the organisation’s carbon emissions.

Key projects/programmes

- WCC carbon reduction programme - \$3.9m over ten years to electrify our vehicle fleet and develop our Climate Smart building policy (not including our energy management programme that is cost-neutral)
- Investing in sewage sludge reduction - \$150m in years 2-5 (exploring a ‘Special Purpose Vehicle’ and delivered without Council ownership or funding through the Infrastructure Funding and Financing Act)
- Southern Landfill at capacity- provision of \$36m pending sludge decision making
- Waste minimisation – existing level of funding for waste minimisation initiatives - anticipated but unbudgeted additional waste levy income may be available to fund additional work in waste minimisation including the outcome of the current organic waste trial, food sustainability plan and implementation of the outcome of current strategic review of waste.

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
2.2 Waste reduction and energy conservation	Waste management has the potential to create leachates and gases.	The construction and management of the Southern Landfill is designed to minimise the impact of these. The service is subject to resource consent conditions and is monitored.
	Methane and carbon are products of	We capture and destroy the methane which

the landfill.

minimises the impact of the landfill on the environment and generates energy in the process.

Some carbon is still released to the environment. We aim to reduce carbon emissions throughout the city and reduce the amount of waste generated through our Low Carbon Capital Plan.

2.3 Waimāori | Water

A city needs a steady supply of clean, safe, drinkable water. It's a resource that's in limited supply. Before it can be supplied to Wellington households, it has to be gathered in rainwater catchments, stored and treated to ensure it's free of contamination. It is then piped to Wellington and distributed to every household and business through an extensive network.

This service is managed by Wellington Water Limited, a CCO, which controls and maintains the water network to supply 140 million litres of safe and reliable drinking water per day across the region. Focus is also on managing the significant renewal requirements of the drinking water network, much of which is expected to require replacement within the next 30 years. As Council manages this aging network it also needs to ensure that bursts and leakages are being proactively managed and responded to.

The other key area of focus in the coming years is security of supply and new funding being proposed is aimed at increasing water storage in the city to increase our resilience and meet demand from population growth.

Central Government's three waters reform programme will impact how water services are managed in the future. Wellington City Council is an active participant in those reforms and will be engaging with the public on decisions on reform in the coming year.

Activities in this group

- 2.3.1 Water network
- 2.3.2 Water collection and treatment

Rationale

- *To increase security of potable and stored water.* A reliable, resilient, and adequate supply of clean and safe water is critical for the health, wellbeing and prosperity of all residents.

Services we provide

- Ensuring high-quality water is available at all times for drinking and other household and business uses
- Maintaining 65 reservoirs, 34 pumping stations, 156,000 fixtures, including hydrants and 1200 kilometres of pipes across the Wellington region
- Monitoring drinking water quality to ensure it complies with New Zealand Standards
- Encouraging efficient, responsible use of water by providing information to residents and businesses, and through restrictions on sprinklers and garden hoses
- Investing in key areas to support growth of the city and enhance resilience

Key projects/programmes

- \$4.5m of Government stimulus funding to improve maintenance services, reduce leaks and undertake critical asset inspections of around 30km of pipe
- Wellington Water Limited will establish more crews to detect and repairs faults, 2-3 catchments at a time
- Complete the investment in Omāroro reservoir to accommodate growth and resilience in Central Wellington

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
2.3 Water	<p>Our population is growing and demand on water is increasing.</p> <p>We do not anticipate any significant negative effects associated with the provision of these services.</p>	<p>Investment during the 10 years of this plan will provide additional water storage assets in growth areas. Water conservation methods, such as water use restrictions and education, are also under way to manage the growing demand for water.</p>

2.4 Waipara | Wastewater

The sewage network, which carries about 30 million cubic metres of wastewater a year, protects human health and the environment by removing wastewater from homes and treating it to make it safe for disposal.

Our key aims are health, safety and sustainability – wastewater should be disposed of in ways that protect public health and don't compromise ecosystems. Many parts of Wellington's wastewater network are aging and in poor condition and susceptible to failures, blockages and overflows. A key focus needs to be on improving the network to minimise failures.

Central Government's three waters reform programme will impact how wastewater services are managed in the future. Wellington City Council is an active participant in those reforms and will be engaging with the public on decisions on reform in the coming year.

Activities in this group

- 2.4.1 Sewage collection and disposal
- 2.4.2 Sewage treatment

Rationale

- *For public and environmental health.* The sewage network is crucial to our city's health. By providing safe and sanitary removal of sewage waste and ensuring that the waste is disposed of in ways that minimise harm on the environment and protect public and environmental health.

Services we provide

- Collecting, treating and disposing of wastewater in ways that protect our waterways from harmful effects
- Monitoring and maintaining 1000 kilometres of pipes, 64 pump stations and three treatment plants

Key projects/programmes

- Acceleration of the City's sewer replacement programme
- \$40m to replace ageing sewers and to construct new infrastructure in and around the CBD mostly focussed around sewerage along Taranaki Street, Wakefield, Victoria and Dixon Streets, and Kent Terrace, and a new pump station in Taranaki Street.
- New infrastructure to provide better redundancy in the case of a sewer breaking in the CBD.
- \$7m of Government stimulus funding to repair sewerage leaks in Karori
- Provision to enable growth in the CBD and other areas targeted for growth
- A critical asset inspection programme of around 30km of pipe, from this assessment assets will be prioritised for early renewal from August 2021
- Wellington Water Limited will establish more crews to detect and repairs faults, 2-3 catchments at a time
- Improvements in sewage reticulation and stormwater quality are expected around Te Aro, Stebbings Valley, Karori and Tawa.

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
2.4 Wastewater	There is the risk of overflows into waterways during storm events and from infrastructure failures.	The wastewater network and management of the Southern Landfill is designed to minimise the impact of these. The service is subject to resource consent conditions and is monitored. This LTP includes budget for a significant uplift in wastewater infrastructure renewals.

2.5 Waiāwhā | Stormwater

Each year, Wellington’s stormwater network carries around 80 million cubic metres of run-off through gutters and drains to the harbour and city streams. The drainage network, managed by Wellington Water, helps protect the city and personal property from flooding as well as protecting public health from the potentially adverse effects of stormwater run-off.

Because stormwater is discharged into the city’s streams, harbour and coastal waters, it needs to be as clean as possible. While we do not treat stormwater run-off, we monitor stormwater discharge at more than 80 sites to ensure it meets the required standards. A key focus needs to be on water quality including minimising contamination from the wastewater network.

As part of development planning and major renewal and upgrade work in the city, we also encourage and will adopt as a Council the implementation of water sensitive urban design solutions to minimise the impact of stormwater runoff and to improve the amenity of the city.

Central Government’s three waters reform programme will impact how stormwater services are managed in the future. Wellington City Council is an active participant in those reforms and will be engaging with the public on decisions on reform in the coming year.

Activities in this group

2.5.1 Stormwater management

Rationale

- *To protect people, property and the environment from flooding and storm runoff.* A safe and reliable stormwater network prevents avoidable disruptions to community living and minimises the risk of injury, property damage and environmental damage.

Services we provide

- Managing and controlling stormwater flows, while minimising the risk of flooding and the impact of run-off on the environment
- Monitoring and maintaining the stormwater network, which includes 670 kilometres of pipes, one pump station and 870 culverts that allow stormwater to flow under roads and other infrastructure
- Monitoring stormwater outfalls to ensure that any threats to public health and the environment are minimised

Key projects/programmes

- Acceleration of the City’s pipe replacement programme with particular focus on the CBD including Hunter St and Jervois Quay
- Improvements in stormwater quality are expected because of sewerage and stormwater network improvements planned for Te Aro, Stebbings Valley, Karori and Tawa.
- \$1.6m of Government funding for critical asset inspection programme of around 30km of pipe, from this assessment assets will be prioritised for early renewal from August 2021.

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
2.5 Stormwater	The network can carry containments, such as oil from roads or run-off from developments, into waterways.	The stormwater network aims to minimise the impact of flooding. We want to reduce the containments that make it into waterways. We educate residents to change behaviours, such as pouring paint down drains, and we monitor our waterways.

2.6 Ngā painga kukume Papa Atawha | Conservation attractions

The Wellington Zoo Trust and Zealandia (Karori Sanctuary Trust) are both CCOs and are part-funded by the Council. These attractions tell a story of our past and of our special wildlife. They attract visitors to our city and inform and educate about conservation and biodiversity.

Activities in this group

2.6.1 Conservation visitor attractions

Rationale

- *For conservation and biodiversity.* These attractions inform and educate Wellingtonians and visitors about conservation and biodiversity.
- *To attract visitors.* These facilities aim to attract tourists to the city, contributing to the local economy.
- *To protect flora and fauna.* We strive to protect native and exotic flora and fauna, protecting our natural environment.

Services we provide

- Investment that supports the Wellington Zoo in their efforts to attract visitors and to inform and educate on the importance of conservation and biodiversity
- Investment that supports Zealandia to attract visitors and protect flora and fauna for the benefit of our natural environment

Key projects/programmes

- Zealandia – Construction of Tanglewood House in year 1 following Council contribution of \$1.1m in 20/21
- Zoo upgrades – \$1.7m to support addition of Snow leopards in year 1 of this LTP.

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
2.6 Conservation attractions	We do not anticipate any significant negative effects associated with the provision of these services.	

Whanaketanga ōhanga | Economic development

We aim to support economic growth to enhance quality of life.

There is one activity grouping under this strategic area, it is:

3.1 City promotions and business support

3.1 Whakatairanga Tāone / Tautoko ā Pākihi | City promotions and business support

To maintain a city that is prosperous and facilitates a high quality of life for its residents, we need to stimulate and maintain a dynamic and growing economy.

To do this we fund tourism promotions and visitor attractions, support WellingtonNZ and maintain relationships with other agencies to foster economic growth.

Activities in this group

- 3.1.1 WREDA and venues
- 3.1.2 Wellington Convention Centre
- 3.1.3 Retail support
- 3.1.4 City Growth Fund
- 3.1.5 Major economic projects
- 3.1.6 International relations
- 3.1.7 Business Improvement Districts (BIDs)

Rationale

- *To attract and retain talented residents.* Attracting talent, visitors and jobs is critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.
- *To grow tourism spend and economic returns from events.* We aim to attract and support major events that bring visitors and extra spending to the city.
- *To grow inward investment and exports.* Ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- *To sustain city vibrancy.* City promotion and events build and retain city vibrancy. It is critical that Wellington remains vibrant and internationally relevant, and that people coming here have the best possible experience.
- *To support businesses wanting to take climate action.* Wellington has a reputation as a climate leader with a strong community of innovative sustainable businesses.

Services we provide

- Promoting Wellington to visitors
- Supporting high-quality events, such as World of Wearable Art
- Promoting Wellington to the world to encourage tourism
- Offering convention and concert venues
- Improving the city's national and international connections
- Attracting and supporting business activity
- Providing venues for entertainment, performances and business events
- Exploring major economic development initiatives
- Programmes that support existing businesses to reduce their carbon emissions, and innovators to develop new climate reduction business opportunities

Key projects/programmes

- Completion and operation of Tākina- Wellington Convention Centre. \$82m for years 1-2.

- Economic strategy – delivery of the Economic Strategy, to be confirmed through concurrent engagement with LTP consultation.
- Agreement to underwriting World of Wearable Arts
- Ongoing support for COVID-19 recovery- including via WellingtonNZ’s support for business
- Venues upgrades. Re-prioritisation of \$40m of Indoor Arena funding to venues upgrades. Directed toward upgrades of the TSB arena and Michael Fowler Centre (MFC).
- Te Atakura – business focused seed funding programmes including the Climate Lab, Business Energy Saver and workplace travel planning support

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
3.1 City promotions and business support	<p>The activities in this area facilitate and encourage growth in tourism and business, both of which result in more people in our city.</p> <p>Tourism, and the influx of additional people into the city, can bring many economic and social benefits. However, these are also associated with negative effects.</p> <p>More people in the city places additional pressure on our infrastructure networks (water and wastewater, for example) and more people travelling into and out of our city results in increased carbon emissions.</p>	<p>We are building on our skilled knowledge base, creative industries and services sector to capitalise on a economy that is becoming increasingly ‘weightless’ – with a focus on generating high-value, low-carbon products and services. Our focus in these industries mitigates some of the negative effects associated with a growing economy.</p> <p>We support a range of initiatives to reduce the emission profile of the city and are working with partners on making the transport system more sustainable.</p> <p>We also dispose of waste in sustainable ways; we capture gas at the landfill and are working to reduce sewage sludge.</p>

Oranga ahurea | Cultural wellbeing

We aim to strengthen and promote Wellington's unique cultural identity.

There is one activity grouping under this strategic area, it is: 4.1 Arts and cultural activities

4.1 Ngohe Toi, Ahurea Hoki | Arts and cultural activities

Our city has traditionally been recognised as the cultural capital of New Zealand. This reflects a mix of factors, including the presence of national arts organisations in the city, funding support from the Council, the sense of a supportive citizenry, and a reputation for edgy and interesting arts in the city.

Activities in this group

- 4.1.1 City galleries and museums (Wellington Museums Trust)
- 4.1.2 Visitor attractions (Te Papa / Carter Observatory)
- 4.1.3 Arts and cultural festivals
- 4.1.4 Cultural grants
- 4.1.5 Access and support for community arts
- 4.1.6 Arts Partnerships
- 4.1.7 Regional amenities fund

Rationale

- *For city vibrancy and cultural expression.* The arts contribute to a vibrant city and provide opportunities for cultural expression, enhancing Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.
- *To build and maintain a sense of place and identity.* Our museums, visitor attractions and events shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture, our shared history, science, ourselves and each other.
- *To grow visitation and exposure to creativity and innovation.* We aim to grow the numbers of visitors to our attractions, providing ideas and places where people can connect, share what is common and explore what is different and new.

Services we provide

- Delivering a wide variety of free public events, such as Gardens Magic, Te Rā o Waitangi, Pasifika Festival, Matariki, Diwali and more throughout the calendar year
- Advising on and supporting a range of community events, including the Newtown Festival and Chinese New Year
- Supporting and delivering a range of public art
- Running Toi Pōneke Arts Centre, which houses a community of practitioners, arts organisations and creative businesses
- Giving arts advice and support, maintaining an art collection of more than 500 artworks
- Funding the Wellington Museums Trust, which operates:
 -
 - Wellington Museum
 - City Gallery Wellington
 - Wellington Cable Car Museum
 - Nairn Street Cottage
 - Space Place at Carter Observatory
 - Capital E
 - Hannah Playhouse

Key projects/programmes

- Arts and Culture strategy – delivery of the Arts and Culture Strategy, to be confirmed through concurrent engagement with LTP consultation.
- Bond Store (Wellington Museum) building strengthening work (\$16m)

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
4.1	We do not anticipate any significant negative effects associated with the provision of these services.	

Pāpori me te hākinakina | Social and recreation

We aim for strong, healthy communities.

The key groups of activities under this strategic area are:

5.1 Recreation promotion and support

5.2 Community support

5.3 Public health and safety

5.1 Whakatairanga Mahi ā Rēhia | Recreation promotion and support

Wellington City Council provides a range of recreation and leisure facilities to encourage active and healthy lifestyles and enable participation in sporting and other group activities. Through the promotion and support of recreation opportunities we contribute to the development of strong, healthy communities and a high quality of life for Wellingtonians.

Activities in this group

5.1.1 Swimming pools

5.1.2 Sportsfields

5.1.3 Recreation programmes

5.1.4 Recreation centres

5.1.5 Recreation partnerships

5.1.6 Playgrounds

5.1.7 Marinas

5.1.8 Golf course

Rationale

- *To encourage active and healthy lifestyles.* Our swimming pools, sportsfields and other recreation centres provide access to sport and recreation opportunities, which are important for people's health and wellbeing.
- *To enable participation in sporting and other group activities.* Our recreation facilities give sporting and recreation groups a space to organise sport and recreation programmes.
- *For social cohesion and connectedness.* Our recreation facilities provide important community focal points and recreation opportunities that bring people together.

Services we provide

- Managing, maintaining and servicing seven swimming pools, four multi-purpose recreation centres and the ASB Sports Centre – these facilities provide places for people to learn and participate in sports (including swimming), exercise and have fun
- Managing and maintaining outdoor sports facilities in the city, including 44 natural and 11 artificial sports turfs (two in partnership with schools), which provide year-round venues for recreation and competitive sport for people of all ages
- Managing and maintaining more than 100 neighbourhood playgrounds, which give families a safe place to play near home
- Maintaining other Council-owned recreational facilities, including two marinas, the Berhampore golf course, two croquet facilities, and tennis and netball courts
- Supporting the Basin Reserve Trust, a CCO that manages and operates the Basin Reserve to continue to attract national and international events to Wellington

Key projects/programmes

- Pools earthquake strengthening work - Freyberg Pool \$3.3m Year 2
- Community asset renewals – ongoing renewals of our community facilities across the city, this includes, synthetic turf renewals and Hataitai netball courts resurfacing - \$10.9m over 10 years.
- Provisioning \$12m for future growth investment in Recreation and Sport facilities in Northern suburbs
- Grenada North community sports hub and turf. Years 3/6 \$11.8m
- Khandallah pool- removed from upgrade capital programme- plans to heat showers within next 3 years

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
5.1 Recreation promotion and support	There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste, direct energy use to operate the buildings, indirect energy use, and emissions from people using private transport to access our facilities.	Our operations are managed so that waste is minimised or recycled and energy and water is conserved. We also encourage the use of public transport, walking and cycling as a means of getting to places of recreation
	Our swimming pools pose the additional risks of drowning.	We manage this risk through a number of steps, most notably through the continuous presence of trained lifeguards. We also offer learn to swim programmes.

5.2 Tautoko Hāpori | Community support

By providing libraries, community centres and social housing we foster diverse and inclusive communities and enable people to connect with information and each other.

We provide a wide range of facilities forming part of the city's 'hard' social infrastructure that support community wellbeing. These include libraries, community spaces and social housing.

Activities in this group

- 5.2.1 Libraries
- 5.2.2 Access support (Leisure Card)
- 5.2.3 Community advocacy
- 5.2.4 Grants (social and recreation)
- 5.2.5 Social housing
- 5.2.6 Community centres and halls

Rationale

- *To foster diverse and inclusive communities.* Our community facilities are places for groups to come together – strengthening social cohesion, celebrating diversity and making the city a more appealing and welcoming place to live.
- *To enable people to connect with information and with each other.* Our community facilities are places of discovery and learning that allow people to connect with others and exchange knowledge through events and other activities.
- *To support warmer, drier, healthier homes.* The quality of Wellington homes is improved.

Services we provide

- Access for all Wellingtonians to a wide array of books, magazines, DVD, e-books, e-audio, online journals and e-music tracks through libraries around Wellington
- Access to community spaces, including a citywide network of 25 community centres
- Ensuring residents can participate in communities of choice, accessing support through a variety of mechanisms, including community grants
- Work with external agencies and support outreach programmes to end street homelessness
- Support for community groups, ensuring Wellington's diverse population is supported and embraced by a tolerant, caring and welcoming community
- Subsidised rental for low-income Wellingtonians whose housing is not met by the private sector – we currently own over 1,900 units
- Facilitation of affordable rental housing in the city through the Te Kainga programme of CBD apartment conversions
- Subsidised Home Energy Saver assessments for Wellington home owners
- Climate and Sustainability Fund to support community groups wanting to take climate action locally

Key projects/programmes

- Completion of Central Library remediation (Y1-4 \$176m)
- Phase 2 of City Housing upgrade programme \$267m (with exploration of alternative funding options for the programme)
- Healthy Housing investment to bring all Council social housing stock up to the requirements of the Healthy Homes Standards (Y1-3 \$15.4m)
- Home Energy Saver assessments of an additional 25% of Wellington homes over 10yrs (\$4.4m)
- Climate and Sustainability Fund and Future Living Skills programme (new, \$1.7m over 10 years)
- Completing existing community facility upgrades (Strathmore, Newtown, Aro Valley, Karori and Kilbirnie) and additional \$1.6 m for pursuing upgrade of Tawa/Linden community facilities in Year 1.
- Provisioning \$12m for future growth investment in Community facilities in Northern suburbs
- Funding for community facility upgrades provision in outyears of the plan (\$26.5m Years 12-14 and \$15.6m Years 12-13)
- Housing Action Plan- continue to deliver on the actions on our action plan including, a focus on the Housing First pilot, proactive development through the SHIP and Te Kainga housing,

- Implement programmes from the Sustainable Food Network Action Plan including new approaches to household composting and enhancing food security
- Wadestown Community Centre divestment. Proposed in budget for divestment in first years of LTP.

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
5.2 Community support	There are negative effects from owning and managing buildings and other assets to deliver these services. These include waste and direct water and energy use to operate buildings.	We seek to minimise these negative effects by ensuring our operations are managed effectively, waste is minimised or recycled, and water and energy are conserved.

5.3 Hauora/Haumaru Tūmatanui | Public health and safety

The health and safety of our city are crucial to enabling our city and our people to thrive.

We deliver services that support the health and safety of the city’s communities, and also provide for dignified bereavement and resting places.

We plan for and deliver a citywide welfare response for people during a civil defence emergency.

Activities in this group

- 5.3.1 Burials and cremations
- 5.3.2 Public toilets
- 5.3.3 Public health regulations
- 5.3.4 City safety
- 5.3.5 Wellington Regional Emergency Management Office (WREMO)

Rationale

- *To maintain health standards.* We promote and maintain health standards through public health regulations and maintenance of our own facilities, such as public toilets.
- *To help people feel safe.* We engage in activities that promote individual wellbeing, safe neighbourhoods and a safe inner city. We engage with communities to ensure the city is well prepared for earthquakes and other natural disasters.

Services we provide

- Ensuring everyone has access to clean and safe public toilets and changing rooms/pavilions
- Ensuring through Council regulations that Wellington’s thriving food and alcohol scene contributes to the health and safety of our people
- Ensuring Wellington is a safe, inclusive and tolerant city where people know their neighbours and feel safe
- Ensuring Wellington is a safe and tolerant city
- City leadership in city safety programmes that link interagency programmes, such as alcohol harm reduction, management of graffiti, support for the city’s youth, and programmes that eliminate sexual violence
- A coordinated and planned approach to local welfare arrangements for both people and animals in the city following an emergency event
- Work in partnership with agencies to deliver programmes that reduce harm including CCTV, Graffiti management and I that prevent sexual and domestic violence.
- Managing and maintaining two cemeteries, including providing cremation services

Key new projects/programmes

- Makara Cemetery expansion \$7m Years 3-5
- Provision for new public toilets in northern suburbs as a result of growth- \$600k Years 6-7
- Improve safety in the central city through an upgrade of the Te Aro Park investment \$3.3m Years 1-3

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
5.3 Public health and safety	We do not anticipate any significant negative effects associated with the provision of these services.	

Tāone tupu ora | Urban development

We aim for a compact, resilient and attractive city.

The key groups of activities under this strategic area are:

6.1 Urban planning, heritage and public services development (including waterfront development)

6.2 Building and development control

6.1 Whakamahere Tāone / Whakawhanake Wāhi Tuku Iho Tūmatanui | Urban planning, heritage and public spaces development (including waterfront development)

4 Wellington with its combination of compact urban form, heritage buildings, public art, capital city status and other features give the city a unique look and feel. With a growing population there are demands placed on our urban planning, heritage and public spaces development. Our work aims to ensure this growth happens in ways that make efficient use of land and transport and doesn't compromise the qualities that make Wellington special.

Activities in this group

- 6.1.1 Urban planning and policy development
- 6.1.2 Waterfront development
- 6.1.3 Public spaces and centres development
- 6.1.4 Built heritage development
- 6.1.5 Housing development

Rationale

- *To enable smart growth/urban containment.* Through these activities we ensure that the city grows in a controlled way that is environmentally sustainable, enhances community cohesion and encourages high-quality developments and reduces the city's carbon footprint through reducing the need to travel long distances.
- *For open public spaces.* We provide spaces where people can come together, relax and enjoy the natural environment of our city.
- *For character protection.* We work to help protect and restore the city's heritage and character assets – including buildings, trees, monuments, and sites of significance to tangata whenua. Heritage is important in telling the shared history of the city and adds to its 'sense of place'.

Services we provide

- Carrying out urban planning work to guide how the city will grow over time
- Reviewing the District Plan to ensure the city grows in line with our agreed plans
- Ensuring infrastructure is in place to provide for current and future housing and business demand
- Maintaining Wellingtonians' sense of place and pride by preserving the city's character heritage and developing public spaces, including the waterfront
- Preserving the city's heritage for future generations by assisting building owners to strengthen at-risk buildings
- Ensuring residents can shop, work and play without travelling long distances by car

Key projects/programmes

- Planning for growth – completion of spatial plan and comprehensive District Plan review
- Waterfront development- Frank Kitts Park, (including playground) \$1.5m Year 1, \$6.5 Year 4
 - Site 9 development \$2.4 Year 1-2,

- Shed 5 upgrade \$5.5 Year 1-2,
- Shed 1 upgrade \$3.5 Year 1.
- LGWM (noted in 7.1 transport activity) will deliver significant level of urban development in central city and along key routes.
- Scaled down programme of laneways investment in the central city (\$1.8m over ten years).
- CBD greening/pocket park - \$5.1 over ten years

Key challenges and negative effects

Council activities are carried out in order to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
6.1 Urban planning, heritage and public spaces development (including waterfront development)	<p>Up to 280,000 people are expected to call Wellington home by 2043. New housing development has been lagging behind population growth and demand in recent years, with an estimated shortfall of nearly 4000 houses over the last 10 years. House prices have also risen significantly in recent years.</p> <p>Population growth and urban development, if not well managed, can have negative effects on a city’s environment and on social wellbeing. Left unchecked, growth can result in reduction of open and green spaces with consequences for recreational opportunities, amenity and even some ecosystems.</p> <p>Development in the wrong areas or the wrong types of development can place a strain on infrastructure and reduce people’s ability to access to services and enjoy the opportunities the city offers. Poorly planned growth and poor development and construction of individual buildings can reduce the attractiveness and the ‘sense of place’ that people identify with and it can have a direct impact on people’s safety.</p>	<p>Enabling more housing supply and business development through the District Plan is important to accommodating our growing population, while also helping to improve housing affordability.</p> <p>We aim to avoid or mitigate these negative effects by guiding future development into areas where the benefits are greatest and the negative effects least.</p> <p>The tools we use include planning, working with landowners, direct investment in the development of public spaces and using our regulatory powers under legislation, such as the Building Act 2004 and Resource Management Act 1991.</p>
6.1 Urban planning, heritage and public spaces development (including waterfront development)	<p><i>Heritage.</i> There are currently a number of heritage buildings in Wellington City, which require earthquake strengthening. Lack of progress by owners to strengthen their building can reduce the attractiveness of the city and the ‘sense of place’ that people identify with and it can have a direct impact on people’s safety.</p> <p>The main barrier to the strengthening process is cost. This is worsened by limited access to finance from both public and private sources.</p>	<p>We are aim to avoid the negative effects on heritage buildings by providing financial incentives for heritage building owners to undertake comprehensive earthquake strengthening.</p>

6.2 Whakahaere Hanga Whare | Building and development control

By regulating building and developments we ensure buildings are safe and do not threaten environmental quality or public health. We also ensure developments are safe, sustainable and meet public expectations.

Activities in this group

- 6.2.1 Building control and facilitation
- 6.2.2 Development control and facilitation
- 6.2.3 Earthquake risk mitigation – built environment
- 6.2.4 Regulatory – building control and facilitation (Weathertight homes)

Rationale

- *To protect public health and safety.* We carry out building and development control and facilitation activities to protect public and environmental health and safety and to protect future users of land and buildings.
- *For resilience.* Ensuring buildings and developments are built to withstand natural events is a critical element of our building and development control and facilitation activities. We engage in earthquake risk mitigation to protect public safety, as well as preserving the city’s heritage and the economic investment made in buildings and infrastructure.

Services we provide

- Building consents – ensuring buildings are safe, in accordance with the Building Act 2004
- Resource consents – ensuring natural resources are used sustainably, in line with the Resource Management Act 1991
- Assessing earthquake-prone buildings and delivering on the resilience programme

Key projects/programmes

- Completion of Town Hall and St James strengthening
- Te Ngākau civic square investment – progressing with remediation/development of Civic Administration Building (CAB) and Municipal Office Building (MOB) and development of the MFC carpark (through use of partnerships and long-term ground leases)

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
6.2 Building and development control	<p>Development and construction, if not well managed, can have negative effects on a city’s environment and on social wellbeing, and on the safety of individuals.</p> <p>Development in the wrong areas or the wrong types of development can place a strain on infrastructure and reduce people’s ability to access services and enjoy the opportunities the city offers.</p> <p>Poorly-planned growth, and poor development and construction of individual buildings, can reduce the attractiveness of the city and the ‘sense of place’ that people identify with and it can have a direct impact on people’s safety.</p>	<p>The activities in this group exist to mitigate and manage risks from development, construction, weather-tight building problems and earthquakes.</p> <p>Our earthquake-prone building assessment programme is focused on ensuring these buildings are strengthened to the required standards.</p>

Waka | Transport

Connecting people and places.

The key groups of activities under this strategic area are:

7.1 Transport

7.2 Parking

7.1 Waka | Transport

An efficient transport network that gives our people choices about how to get where they need to go is critical to the city's economy and quality of life.

A priority for this plan will be implementing the preferred options from the LGWM programme, which is focused on the inner city – the Ngauranga-to-airport corridor. Together with our partners – Greater Wellington Regional Council (GWRC) and the NZ Transport Agency (NZTA) – we aim to create a transport system that:

- enhances the liveability of our central city
- provides more efficient and reliable access for people and goods
- reduces the reliance on private vehicle travel
- improves safety for everyone
- is adaptable to disruptions and future uncertainty.

Continuing our active transport programme and providing essential services will support the LGWM programme to achieve these objectives.

Activities in this group

Rationale

- | | |
|---|--|
| 7.1.1 Transport planning | <ul style="list-style-type: none">• <i>So our transport networks are reliable.</i> We aim to provide a transport network that provides people with accessible, safe and reliable transport choices.• <i>To increase mode share and reduce emissions.</i> We strive to encourage and enable greater use of active modes and passenger transport – increasing the efficiency of the network and reducing the impact of emissions from the transport system.• <i>For road safety.</i> Delivering a safe road network is a fundamental goal of our transport strategy. We provide and maintain safety assets as well as leading road education and promotion activities. |
| 7.1.2 Vehicle network | |
| 7.1.3 Cycle network | |
| 7.1.4 Passenger transport network | |
| 7.1.5 Pedestrian network | |
| 7.1.6 Network-wide control and management | |
| 7.1.7 Road safety | |

Services we provide

- Planning our future transport system, hand in hand with our urban development planning
- Managing and maintaining our existing transport network, which is made up of 970 kilometres of footpaths and access ways, 697 kilometres of roads, and 2363 metres of bridges and tunnels, and which enables Wellingtonians, workers from the wider region and visitors to move around the city every day
- Supporting the city's public transport network by providing space for the network to run and encouraging people to use it
- Enhancing the attractiveness of walking or cycling around the city, through urban design, new infrastructure and promotion of active transport
- Ensuring our transport network is safe for all users by making ongoing improvements and educating and promoting safe behaviours

- Supporting Wellington Cable Car Limited – a CCO that owns, operates and maintains the Cable Car and associated track, plant, tunnels, bridges and buildings

Key projects/programmes

- Let’s Get Wellington Moving - \$220m covering Council’s share of the cost of planned improvements on Thorndon Quay and Hutt Road, the Golden Mile as well as a range of pedestrian, cycling, public transport and amenity improvements across the city.
- Investment in cycleways, completing eastern connection, minor improvements and tactical urbanism projects to encourage mode-shift, and a prioritised set of key priority route connections not included in LGWM (\$61m over ten years)
- Transport network resilience – strengthening key emergency routes \$23m over 10 years,
- Minor upgrade works- safer speeds, bus priority, footpaths, accessibility investment \$122m over ten years
- Planning for increasing use of chipseal over asphalt to manage growing renewal costs
- New roads and growth- provisioning of funding of \$40.8m over ten years.

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
7.1 Transport	<p>With any transport network there are potential negative effects:</p> <ul style="list-style-type: none"> - <i>Environmental effects.</i> These range from carbon emissions to air and noise pollution to surface water run-off from roads that may carry contaminants into the stormwater system. These impacts are directly linked to the number of vehicles on the road and to the availability of options others than using the private car, such as public transport, walking and cycling. - <i>Construction effects.</i> Individual projects, such as the construction of a new road, can affect public transport and general traffic flows, neighbouring properties (noise, dust) and nearby businesses (access to car parking and premises). - <i>Development effects.</i> The timing of transport investment can affect growth opportunities, such as new residential development. - <i>Safety.</i> The transport network brings pedestrians, cyclists and vehicles together, which presents hazards to users. 	<p>We mitigate the environmental effects of transport by ensuring walking, cycling and public transport are appropriately catered for so that our residents and visitors have choices other than the private car.</p> <p>We monitor the effects of stormwater run-off on aquatic environments.</p> <p>We communicate with businesses and affected communities to minimise disturbances due to roadworks.</p> <p>Through our land use planning, we make sure more people can live close to services and places of employment reducing their need to travel. We also work with developers to coordinate investment in roads with new residential and other developments, particularly in growth areas.</p> <p>We have developed road safety programmes and design solutions to reduce the likelihood and severity of accidents.</p>

7.2 Tūnga Waka | Parking

Council manages on-street parking and enforcement services across both the city and surrounding suburbs that allow people to have reasonable access to primarily on-street parking to shop, access businesses and access recreation activities in line with the objectives the 2020 Parking Policy.

Activities in this group

7.2.1 Parking

Rationale

- *To manage parking in line with the aims and objectives of the 2020 parking policy that maximises the opportunity for people to access parking for the purpose for which it is being provided.*
- *To support people to access the city using cars in a lower-carbon way. Car sharing reduces the number of cars competing for parking in the city, and providing electric vehicle charging infrastructure ensures that car owners are supported to change to electric cars.*

Services we provide

- Enforcement of metered public parking spaces in central Wellington and other forms of parking primarily located in the central city including Taxi Stands Loading Zones, mobility parking, bus stops and other designated parking areas.
- Monitor and enforce parking restrictions (including residents and coupon parking zones in the inner-city suburbs)
- Monitor and enforce parking restrictions in all suburbs and respond to parking related requests for service from the public
- Manage off-street parking where available
- Support events that take place across the city through the provision of dedicated parking enforcement.
- Access to Council owned land for the installation of electric vehicle chargers
- Dedicated car parking spots for car sharing services (currently Mevo and CityHop)

Key projects/programmes

- Investing in improved technology to improve enforcement consistency across the city and surrounding suburbs and supports the implementation of the 2020 Parking Policy and other road space usage initiatives
- Expand enforcement to selected Council facilities to ensure that parking is available to those using those facilities such as pools and parks and reserves
- Improve Parking enforcement outside of the city centre to better manage increasing demand for parking and to allow for timely responses to requests for service from the public
- Providing spaces for car sharing services (\$250k over 5yrs)
- Installing 30 new EV fast charger locations (\$2.3m over 10 years, offset by \$1m in new revenue)

Key challenges and negative effects

Council activities are carried out to maintain or improve the wellbeing of Wellingtonians and visitors to Wellington. Some of these activities may have some negative effects that need to be managed or mitigated.

Activity	Key challenges and/or negative effects	Mitigation
7.2 Parking	As transport mode shift is achieved (in support of the City's First to Zero goal) parking will be reduced to make way for active and public transport options, reducing revenue to Council. For example, providing spaces for car sharing vehicles is estimated to reduce parking revenue by \$2.8m over 10 years.	Reductions in Council revenue through parking will need to be offset through cost savings or alternative revenue sources

Attachment 3 Debt limits

Purpose

This appendix provides background relating to setting the proposed debt limits.

Debt limits

Debt limits are important to establish a sustainable level of borrowing. The Council can decide the measure and amount for the debt limit. The current measure is a debt to revenue ratio which reflects the debt affordability and is consistent with the Local Government Funding Agency (LGFA) Foundation Policy covenants.

The amount of debt that Council takes on through the Long-Term Plan affects:

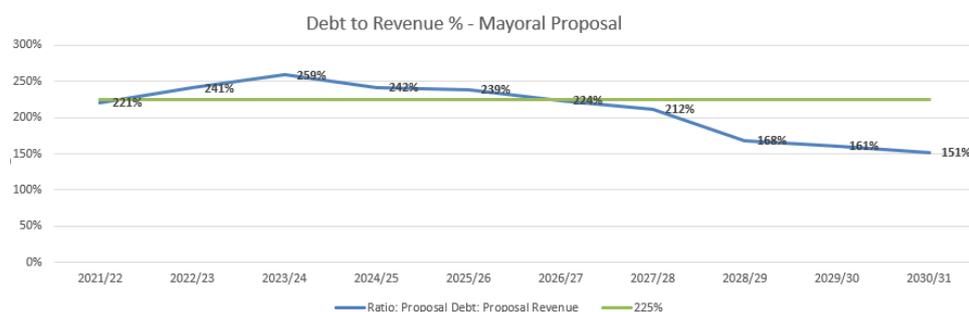
- Council credit rating which in turn has an impact on the access to funds to borrow and the interest rates
- level of rates- higher borrowing leads to increased financing costs
- Risk of cost increases – increases the risk of the impact of higher interest rates into the future.

A significant proportion of Council borrowing is done through the Local Government Funding Agency (LGFA). The LGFA is how local authorities use the scale of debt issuance and collective security of rates revenue to achieve increased access to debt, and lower rates of interest than would be possible individually. In doing so shareholder Councils sign up to the Foundation Policy covenants that restricts borrowings to mitigate the risk of failure and default. That upper limit is currently set at borrowing of 300% of income (a temporary increase until 30 June 2025 from a usual limit of 250% to enable Councils to manage the impacts of COVID-19 on their revenue and borrowings). The LGFA Covenant limit will reduce to 285% at 30 June 2025.

Lifting the debt to revenue limit from 175% to 225%.

The proposed increase in the Council's self-imposed limit is to facilitate further borrowings relating to the realisation of unforeseen shocks. These include the earthquake strengthening resilience work as a result of the 2016 earthquake, (e.g the closure of the central library and provision of temporary libraries which was funded by debt); the temporary debt funding of the relocation of staff from Te Ngākau civic complex to 113 the terrace, and Boulcott Street; the debt funded elements of the Pandemic response plan (revenue loss etc); and the ongoing earthquake strengthening work as a result of changes in the building code.

The increased limit also recognises the Council's increasing financial risk related to growing costs and accessibility of insurance. This means there is a need to leave additional 'headroom' for borrowing within the limit in the case of shocks such as earthquakes, or lost revenue through a repeat of COVID-19 lockdowns.



Consequence of this limit on Council's budget

While an increase to 225% will enable a substantial increase in borrowings (e.g. up to an additional \$306m in 2021/22). The risk of breaching the limit is created by the two variables of the limit. The 2 variables being the level of debt and the level of income. If there is an adverse impact on income (e.g. a pandemic related lockdown which impacts Council revenue) then for the same debt level the ratio will increase. Where unexpected debt funding occurs (e.g. unplanned capital expenditure for a seismic event or a land purchase) this will increase the ratio. Where a reduction in income and an increase in debt e.g. debt funding operating expenditure as happened as a Covid-19 response in 2020 this significantly increases the ratio.

Risks of taking on higher debt

There are a range of risks that the Council and community will need to accept in adopting a 225% debt to income limit:

- Higher costs to ratepayers, increased borrowing to up to 225% will increase interest costs to approximately \$80m by 2031 at the current low level of interest rates which is a 270% increase from the current interest cost of \$30m
- Increased exposure to interest rate changes- the rates impact of increased borrowing is currently limited as Council interest rates are at historical lows with near term hedging. Any future upward changes to interest rates would create unavoidable increases to operating costs and rates
- Lessened ability to manage future costs – by operating closer to the LGFA hard debt limits, it means that any future decision makers will be more constrained in their ability to lift borrowings further in the future to meet future challenges
- Deteriorating credit rating risk- finally there is some risk that credit rating agencies will view Council's increased borrowing position as an increased risk and downgrade Council's current high credit rating- a reduced credit rating could/would expose Council to higher interest rates.

Why not put limits higher than 225% to allow increased investment?

There are further risks in a higher debt position and operating close to LGFA covenant of 280%.

- New borrowings should be treated as perpetual borrowings – this means that additional debt is not temporary over the long term. Increasing the limit therefore increases the long-term debt position of the Council and the associated costs and risks that ensue.
- In order to avoid default, the LGFA will start to take action as a Council approaches the covenants (300% and soon to be 280%). This means the need to source funding (at higher rates) to repay the LGFA debt.
- Operating close to LGFA covenants severely constrains future decision makers.
- Credit rating – The Council’s credit rating has been assessed by Standard and Poors as AA with a positive outlook. This is a strong rating and reflects the current position, however the downside risk noted in the assessment by Standard and Poors states:

“We could revise the outlook to stable if we were to take similar action on New Zealand or if Wellington's own creditworthiness were to deteriorate substantially from our current expectations.

This could occur if the council's financial management were to weaken, as demonstrated by significantly increasing capital expenditure without displaying revenue flexibility to help fund it. This would lead to larger deficits or could weaken its liquidity. Alternatively, our view of financial management could weaken if contingent liabilities present a growing risk to the council's balance sheet, including the budget and debt level”

The weakest component of our rating is the debt burden at a score 4 out of 5 (4 = 'high') which has a 20% weighting in the criteria and budgetary performance with a score of 3 out of 5 (3 = 'average') which also has a 20% weighting. The debt burden and budgetary performance are two overriding factors in considerations in lowering the credit rating.

- Risk Management – A gap between the debt limit and the covenant level creates headroom for unplanned shocks or for temporary debt funded opportunities. An example of this can be seen in other Councils who have had higher debt limits - where the shock of COVID-19 on their revenue has forced some Councils into decision making around significant asset divestment programs and level of service changes rather than having flexibility to be able to borrow to manage the shock.

225% is a prudent level

225% will enable delivery of city priorities while accepting the temporary debt as a result of the COVID-19 response and the central library closure response, as well as leaving space under LGFA covenants to provide room for future opportunities and risks.

Based on the current draft capital programme the current debt capacity will be reduced significantly in the first 5 years of the 2021-31 Long-term Plan. This is due to significant planned capital upgrades including for our three waters, Tākina, Omaroro reservoir, and the central library.

After this period of increases in levels of service, the limit (if maintained) will restrict future debt capacity to the capacity created by the increased leveraging of increasing the income (including rates). The future sustainable capacity is expected to be lower than the current capacity to the limit, unless significant new funding sources can be obtained and implemented. Where debt is repaid from rate funding depreciation that is in excess of renewals expenditure, this requires further headroom to be created to the limit to enable future renewals expenditure when renewals exceed depreciation.

Wellington City Council

SUMMARY BY CAPEX ACTIVITY BY PROJECT (INFLATED)																
ANNUAL/LONG TERM PLAN BUDGET REPORT - 10 YEAR																
Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000s	Year 2 Budget \$000s	Year 3 Budget \$000s	Year 4 Budget \$000s	Year 5 Budget \$000s	Year 6 Budget \$000s	Year 7 Budget \$000s	Year 8 Budget \$000s	Year 9 Budget \$000s	Year 10 Budget \$000s	Total \$000s
Oovernance	1.1	2000	Committee & Council Processes	2000002000	Democratic Services - Mayo at Vehicle / Committee Room Renew	0	135	0	0	153	0	0	0	0	0	288
Total - 2000 Committee & Council Processes						0	135	0	0	153	0	0	0	0	0	288
Total - 1.1 Governance Information and engagement						0	135	0	0	153	0	0	0	0	0	288
Total - 1 Governance						0	135	0	0	153	0	0	0	0	0	288
Environment	2.1	2001	Property Purchases - Reserves	200112001	Belmont Only Woodside Farms Reserve Property Purchase	0	0	0	4,411	0	0	0	0	0	0	4,411
				2010302001	Cemetery Land	0	1,545	0	0	0	0	0	0	0	0	1,545
				2010312001	Land Purchases	0	0	1,511	0	0	0	0	0	0	0	1,511
				2010692001	Inner City Parks - Urban	0	0	0	3,246	0	0	0	0	0	0	3,246
Total - 2001 Property Purchases - Reserves						0	1,545	1,511	7,657	0	0	0	0	0	0	10,713
Environment	2.1	2003	Parks Infrastructure	2000022003	PBR Parks Infrastructure - Renewals (CY)	314	370	333	390	430	440	453	466	424	478	4,249
				2000912003	Parks Infrastructure General Upgrades	60	62	64	66	67	68	70	72	74	76	676
				2000942003	Dog Exclosure Area Improvements	11	11	11	12	12	12	12	13	13	14	121
				2000672003	Parks Infrastructure Renewals	214	221	227	232	236	240	249	259	266	272	2,436
				2000472003	Kaiahiwi Hill Right-of-Way - Road and Footpath Upgrade	270	520	0	174	0	0	0	603	200	0	1,376
Total - 2003 Parks Infrastructure						859	722	636	672	722	760	806	813	833	839	6,896
Environment	2.1	2004	Parks Buildings	2000042004	PBR Parks Buildings - FM Renewals	968	344	351	399	353	401	419	434	447	444	4,191
				2000972004	Building Renewals Not FM	93	93	163	196	196	170	175	196	191	194	1,720
Total - 2004 Parks Buildings						722	922	914	985	540	570	594	619	638	638	5,911
Environment	2.1	2005	Pinner Bequest Project	2000062005	PBR Pinner Bequest Expenditure (CY)	0	0	806	401	432	0	0	0	0	2,602	4,221
Total - 2005 Pinner Bequest Project						0	0	806	401	432	0	0	0	0	2,602	4,221
Environment	2.1	2006	B-Tank Garden	2000072006	B-Tank Garden Open Space Renewals	0	0	0	0	0	0	0	0	0	0	0
				2006192006	PBR B-Tank Garden Open Space & Upgrade	31	11	81	83	0	0	0	0	0	0	206
				200612006	PBR B-Tank Garden Open Space & Upgrade Repairs	20	21	22	22	23	23	24	25	26	26	231
				2006152006	B-Tank Garden Asset Renewals	0	0	0	0	0	0	0	0	0	0	0
				2006132006	PBR Allocation PSD	1	1	1	1	1	1	1	1	1	1	6
				2006162006	PBR Allocation - Property (Architects)	11	14	16	19	22	26	28	31	34	37	416
				2007192006	Open Space Upgrades	0	105	0	0	0	0	0	0	0	0	105
				2010312006	Open Landscaping Development	0	0	0	0	0	0	0	0	0	0	0
				2010342006	Bayshore House and Cafe	0	0	0	0	0	0	0	0	0	0	0
Total - 2006 B-Tank Garden						193	192	180	185	88	89	97	98	105	289	
Environment	2.1	2007	Coastal - upgrades	2000092007	Coastal Beautification	68	70	77	74	76	78	80	83	86	87	778
Total - 2007 Coastal - upgrades						68	70	77	74	76	78	80	83	86	87	778
Environment	2.1	2008	Coastal	2000102008	PBR Coastal - Renewals (CY)	446	332	307	410	336	316	336	353	412	340	4,975
Total - 2008 Coastal						446	332	307	410	336	316	336	353	412	340	4,975
Environment	2.1	2009	Town Belt & Reserves	2000112009	PBR Town Belt & Reserves - Renewals (CY)	327	379	372	416	432	456	472	496	512	532	4,905
				2010002009	Other BE Labour Allocation: Property Urban Design	36	37	0	0	0	0	0	0	0	0	73
				2010362009	PBR Town Belt & Reserves - Upgrades	0	0	0	0	0	0	1,272	0	0	1,272	
				2010362009	Rd. Passages	15	15	16	16	17	17	18	18	19	19	170
				2010372009	Signage	12	12	13	13	14	14	14	15	15	15	136
				2010382009	Reserve Mgt. Plan Developments	0	0	1,273	0	0	0	0	1,447	0	0	2,720
Total - 2009 Town Belt & Reserves						420	447	1,074	454	502	517	1,699	2,100	2,178	5,095	
Environment	2.1	2010	Walkways renewals	2000132010	Walkway Renewals General	227	264	184	244	251	257	424	266	274	286	2,677
				2000042010	Community Special Trail Initiatives	84	87	89	91	94	96	102	102	105	107	963
				2000072010	Townbelt Trails	82	84	87	89	91	93	96	99	102	104	925
				2000082010	Outer Green Belt Trails	53	56	57	58	59	61	62	64	66	68	603
				2000092010	Southern Reserve Trails	63	66	67	68	69	71	72	74	76	78	603
				2005102010	Makara Peak - Upgrades-Reserves Priorities	30	31	32	32	33	34	35	36	37	38	338
				2006112010	Suburban Reserve Trails	43	44	46	46	48	48	50	51	53	54	482
				2007162010	Signage Extension	0	329	0	0	0	0	0	0	0	0	329
				2010392010	Unconcrete Belmont	0	0	0	0	0	0	1,019	0	0	0	1,019
				2010402010	Makara Peak Trails	109	112	116	117	121	123	127	131	136	138	1,228
Total - 2010 Walkways renewals						891	1,061	868	775	797	772	1,934	812	838	815	9,158
Total - 2.1 Gardens, beaches and green open spaces						3,739	4,698	8,960	11,721	3,441	3,298	8,229	5,798	3,241	5,899	54,852
Environment	2.2	2011	Southern Landfill Improvement	2001162011	2011 Southern Landfill Improvement - Stage 4 Landfill Ext.	1,100	4,896	7,420	1,440	1,486	1,530	1,576	6,590	9,066	1,720	36,015

Wellington City Council

Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000's	Year 2 Budget \$000's	Year 3 Budget \$000's	Year 4 Budget \$000's	Year 5 Budget \$000's	Year 6 Budget \$000's	Year 7 Budget \$000's	Year 8 Budget \$000's	Year 9 Budget \$000's	Year 10 Budget \$000's	Total \$000's	
				2000172011	Southern Landfill Carbon Unit Purchases	2,400	3,078	3,840	4,034	4,136	4,348	4,543	4,772	5,014	5,268	42,072	
				2000182011	Southern Landfill Infrastructure Renewals	77	80	82	86	87	90	95	95	96	98	101	887
			Total - 2011 Southern Landfill Improvement			3,277	3,954	4,922	5,591	5,599	5,997	6,211	6,147	6,178	6,269	78,974	
Environment	2.2	2012	Energy Management Plan	2010792012	Te Māhira - Public EV Chargers	542	527	543	559	576	0	0	0	0	0	2,718	
				2010792012	Te Māhira - EV Fleet Transformation	275	309	690	735	263	734	31	497	31	274	0	4,234
			Total - 2012 Energy Management Plan			817	836	1,233	1,294	839	734	31	497	31	274	6,952	
			Total - 2.2 Waste reduction and energy conservation			4,094	4,791	6,155	6,885	6,438	6,708	6,242	6,644	6,452	6,543	85,917	
Environment	2.3	2013	Water - network renewals	200902013	WOC FW network renewals	7,466	8,000	10,275	12,570	16,236	17,399	12,829	13,561	14,337	14,017	122,670	
			Total - 2013 Water - Network renewals			7,466	8,000	10,275	12,570	16,236	17,399	12,829	13,561	14,337	14,017	122,670	
			Total - 2014 Water - Pump Station renewals			0	0										
			Total - 2015 Water - Water Meter upgrades			0	0										
Environment	2.3	2016	Water - Network upgrades	200902016	FW Network Upgrades	394	1,309	7,007	696	491	506	621	536	563	569	12,981	
				2010592016	WOC FW network upgrades - On-call	324	688	890	1,251	1,196	1,277	7,513	10,212	9,664	3,221	36,097	
			Total - 2016 Water - Network upgrades			718	2,007	7,897	1,947	1,687	1,783	8,134	10,774	9,227	3,790	49,078	
			Total - 2018 Water - Network renewals			0	0										
Environment	2.3	2019	Water - Reservoir renewals	200902019	WOC FW Reservoir renewals	537	1,973	4,362	5,096	5,300	5,297	6,077	6,392	6,264	6,620	47,820	
			Total - 2019 Water - Reservoir renewals			537	1,973	4,362	5,096	5,300	5,297	6,077	6,392	6,264	6,620	47,820	
Environment	2.3	2020	Water - Reservoir upgrades	2008102020	WOC FW Reservoir upgrades	1,049	976	0	0	0	0	0	0	0	0	2,025	
				2010562020	WOC FW Reservoir upgrades - On-call	23,965	14,527	0	0	0	0	0	0	0	0	38,192	
			Total - 2020 Water - Reservoir upgrades			24,713	15,993	0	40,217								
			Total - 2.3 Water			31,975	27,383	22,254	19,554	21,172	24,427	28,932	28,951	28,819	28,428	264,748	
Environment	2.4	2023	Wastewater - Network renewals	2009072023	WOCWW network renewals	11,364	12,074	11,264	14,078	14,354	14,938	16,306	17,480	18,090	21,433	164,364	
			Total - 2023 Wastewater - Network renewals			11,364	12,074	11,264	14,078	14,354	14,938	16,306	17,480	18,090	21,433	164,364	
Environment	2.4	2024	Wastewater - Network upgrades	2009042024	WOCWW network upgrades	366	1,699	1,289	0	0	0	0	0	0	0	3,313	
				20105612024	WOCWW network upgrades - On-call	12,964	6,365	3,280	3,339	6,778	20,576	13,731	16,674	40,964	48,722	172,964	
			Total - 2024 Wastewater - Network upgrades			13,330	8,064	4,569	3,339	6,778	20,576	13,731	16,674	40,964	48,722	176,188	
			Total - 2026 Wastewater - Pump Station renewals			0	0										
			Total - 2.4 Wastewater			24,694	20,137	15,834	17,417	21,132	28,913	35,038	34,164	38,074	38,188	339,920	
Environment	2.5	2025	Stormwater - Network upgrades	2009042025	WOC SW network upgrades	668	3,321	4,107	5,134	5,123	5,128	466	469	483	0	22,540	
				2010563025	WOC SW network upgrades - On-call	82	88	84	179	184	190	196	201	3,108	3,201	7,762	
			Total - 2025 stormwater - Network upgrades			750	3,409	4,291	5,313	5,307	5,318	656	670	684	3,201	30,302	
Environment	2.5	2029	Stormwater - Network renewals	2009042029	WOC SW network renewals	4,296	4,421	4,482	4,829	4,907	5,174	5,700	5,997	6,309	6,627	52,802	
			Total - 2029 stormwater - Network renewals			4,296	4,421	4,482	4,829	4,907	5,174	5,700	5,997	6,309	6,627	52,802	
			Total - 2.5 Stormwater			8,506	7,830	8,773	10,142	10,214	10,492	11,114	11,363	12,011	12,151	81,104	
Environment	2.6	2033	Zoo renewals	2009472033	Zoo renewals - Zoo Renewals	921	969	1,054	1,046	1,078	1,111	1,146	1,179	1,216	1,251	10,919	
			Total - 2033 Zoo Renewals			921	969	1,054	1,046	1,078	1,111	1,146	1,179	1,216	1,251	10,919	
Environment	2.6	2034	Zoo upgrades	2009472034	Zoo upgrades - Habitat	1,716	0	0	0	0	0	0	0	0	0	1,716	
			Total - 2034 Zoo upgrades			1,716	0	1,716									
			Total - 2.6 Conservation structures			2,637	969	1,054	1,046	1,078	1,111	1,146	1,179	1,216	1,251	12,635	
			Total - 2. Environmental			74,387	71,479	69,439	68,234	69,041	70,932	70,938	70,792	70,990	71,824	621,724	
Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000's	Year 2 Budget \$000's	Year 3 Budget \$000's	Year 4 Budget \$000's	Year 5 Budget \$000's	Year 6 Budget \$000's	Year 7 Budget \$000's	Year 8 Budget \$000's	Year 9 Budget \$000's	Year 10 Budget \$000's	Total \$000's	
Economic Development	3.1	2016	Wellington Venues renewals	2000713016	Venues property renewals - Orest & Cade	1,549	6,044	1,002	1,243	886	1,239	1,690	1,621	1,793	1,972	18,988	
				2000513016	Venues property renewals - International allocations	44	46	46	47	49	50	52	53	54	56	496	
				2010182016	8 & 21 000 Venues Operational Assets	1,239	1,186	1,184	1,324	1,116	1,222	754	911	722	726	10,241	
			Total - 2016 Wellington Venues renewals			2,832	7,276	2,232	2,614	2,029	2,919	2,466	2,566	2,569	2,754	29,725	
Economic Development	3.1	2016	Venues Upgrades	2010713016	Venues Upgrades	1,000	2,060	2,101	2,143	16,396	3,346	3,412	3,480	3,549	7,223	44,709	
			Total - 2016 Venues Upgrades			1,000	2,060	2,101	2,143	16,396	3,346	3,412	3,480	3,549	7,223	44,709	
			Total - 2017 Jobs or Attraction			0	0										
			Total - 2017 Economic Development			2,832	9,336	4,333	4,757	16,425	6,265	5,881	6,045	6,118	9,977	74,434	
			Total - 3.1 Economic Development			2,832	9,336	4,333	4,757	16,425	6,265	5,881	6,045	6,118	9,977	74,434	
Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000's	Year 2 Budget \$000's	Year 3 Budget \$000's	Year 4 Budget \$000's	Year 5 Budget \$000's	Year 6 Budget \$000's	Year 7 Budget \$000's	Year 8 Budget \$000's	Year 9 Budget \$000's	Year 10 Budget \$000's	Total \$000's	
Cultural Wellbeing	4.1	2016	Oratory & Museum Upgrades	2008192016	Oratory & Museum Upgrade	0	901	4,306	5,816	975	0	0	0	0	0	16,047	

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Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000s	Year 2 Budget \$000s	Year 3 Budget \$000s	Year 4 Budget \$000s	Year 5 Budget \$000s	Year 6 Budget \$000s	Year 7 Budget \$000s	Year 8 Budget \$000s	Year 9 Budget \$000s	Year 10 Budget \$000s	Total \$000s
			Total - 2038 Gallery & Museum Upgrades			0	991	8,385	5,616	975	0	0	0	0	0	16,947
Cultural Wellbeing	4.1	2041	Tea and coffee kiosks - Maori heritage trails	200012041	Tea Pop	20	0	0	0	0	0	0	0	0	0	20
			Total - 2041 Tea and coffee kiosks - Maori heritage trails			20	0	0	0	0	0	0	0	0	0	20
Cultural Wellbeing	4.1	2042	Arts Installation	2000542042	Arts Installation - Arts Installation 1	64	67	70	75	2	2	2	2	2	3	289
			Total - 2042 Arts Installation			64	67	70	75	2	2	2	2	2	3	289
Cultural Wellbeing	4.1	2129	Wellington Convention & Exhibition Centre (WC&EC)	2002912129	Wellington Convention and Exhibition Centre	50,431	31,701	161	0	0	0	0	0	0	0	82,293
			Total - 2129 Wellington Convention & Exhibition Centre (WC&EC)			50,431	31,701	161	0	0	0	0	0	0	0	82,293
			Total - 4.1 Arts and cultural activities			50,995	32,679	8,989	5,889	977	2	2	2	2	3	95,950
			Total - 4 Cultural Wellbeing			50,995	32,679	8,989	5,889	977	2	2	2	2	3	95,950
			Total - 5.1 Recreation			2,066	2,588	2,052	2,093	2,172	2,218	2,260	2,305	2,350	2,395	21,776
Bodily and Recreation	5.1	2044	Aquatic Facility Renewals	2000662044	PBR Aquatic Facility - Renewals (CI)	2,066	2,588	2,052	2,093	2,172	2,218	2,260	2,305	2,350	2,395	21,776
			Total - 2044 Aquatic Facility Renewals			2,066	2,588	2,052	2,093	2,172	2,218	2,260	2,305	2,350	2,395	21,776
Bodily and Recreation	5.1	2045	Sportsfields upgrades	2000172045	PBR Sportsfields - Renewals (CI)	964	563	581	687	796	726	605	623	642	655	6,324
			Total - 2045 Sportsfields upgrades			964	563	581	687	796	726	605	623	642	655	6,324
Bodily and Recreation	5.1	2046	Synthetic Turf Sportsfields Renewals	2010412046	Kaitake Netball Courts	2,590	0	0	0	0	0	0	0	0	0	2,590
			Total - 2046 Synthetic Turf Sportsfields Renewals			2,590	0	0	0	0	0	0	0	0	0	2,590
Bodily and Recreation	5.1	2047	Synthetic Turf Sportsfields Upgrades	2008712047	Synthetic Turf Tawa-Okeana	0	0	0	0	0	2,631	0	0	0	0	2,631
			Total - 2047 Synthetic Turf Sportsfields Upgrades			0	0	0	0	0	2,631	0	0	0	0	2,631
Bodily and Recreation	5.1	2048	Recreation Centre Renewal	2000912048	PBR Recreation Centres - Renewals (CI)	308	1,081	136	1,688	205	203	170	333	348	362	6,813
			Total - 2048 Recreation Centre Renewal			308	1,081	136	1,688	205	203	170	333	348	362	6,813
Bodily and Recreation	5.1	2049	ASB Sports Centre	2000912049	PBR ASB Sports Centre - Renewals (CI)	442	677	146	718	190	776	167	199	211	221	3,725
			Total - 2049 ASB Sports Centre			442	677	146	718	190	776	167	199	211	221	3,725
Bodily and Recreation	5.1	2050	Bath Reserve	2000942050	Bath Reserve (Balance of Water Run)	366	329	336	336	475	486	880	514	530	540	4,813
			Total - 2050 Bath Reserve			366	329	336	336	475	486	880	514	530	540	4,813
Bodily and Recreation	5.1	2051	Playgrounds Renewals & Upgrades	2000972051	PBR Playgrounds - Renewals (CI)	2,488	2,544	1,794	1,383	1,411	1,520	1,396	1,650	1,632	1,660	17,383
			Total - 2051 Playgrounds Renewals & Upgrades			2,488	2,544	1,794	1,383	1,411	1,520	1,396	1,650	1,632	1,660	17,383
Bodily and Recreation	5.1	2052	Evans Bay Marina - Renewals	2000992052	PBR Evans Bay Marina - Renewals (CI)	281	112	75	130	673	249	263	252	257	724	3,074
			Total - 2052 Evans Bay Marina - Renewals			281	112	75	130	673	249	263	252	257	724	3,074
Bodily and Recreation	5.1	2053	Clyde Quay Marina - Upgrades	2001002053	PBR Clyde Quay Marina - Upgrade (CI)	5	1	1	1	0	0	0	0	0	0	8
			Total - 2053 Clyde Quay Marina - Upgrades			5	1	1	1	0	0	0	0	0	0	8
			Total - 2053 Clyde Quay Marina - Upgrades			128	72	69	77	246	134	134	188	173	422	1,608
			Total - 5.1 Recreation Promotion and Support			8,889	12,975	8,818	13,488	9,838	12,508	8,588	7,747	8,587	8,759	95,944
Bodily and Recreation	5.2	2054	Library Materials Upgrade	2001012054	Library Materials Upgrade - Library Collection	2,306	2,562	2,749	2,902	2,739	2,663	2,720	2,801	2,917	2,967	26,769
			Total - 2054 Library Materials Upgrade			2,306	2,562	2,749	2,902	2,739	2,663	2,720	2,801	2,917	2,967	26,769
Bodily and Recreation	5.2	2055	Library Computer and Systems Replacement	2001022055	Library Computer System Upgrade	0	0	0	0	0	1,004	0	0	0	0	1,004
			Total - 2055 Library Computer and Systems Replacement			0	0	0	0	0	1,004	0	0	0	0	1,004
Bodily and Recreation	5.2	2056	Central Library - Upgrades and Renewals	2001042056	Central Library Furniture Renewals	347	191	219	772	197	1,229	102	105	108	110	5,209
			Total - 2056 Central Library - Upgrades and Renewals			347	191	219	772	197	1,229	102	105	108	110	5,209
Bodily and Recreation	5.2	2058	Branch Library - Renewals	2001062058	Branch Library - Renewals	273	373	379	364	377	386	396	399	410	410	1,772
			Total - 2058 Branch Library - Renewals			273	373	379	364	377	386	396	399	410	410	1,772
Bodily and Recreation	5.2	2059	Housing Upgrades	2009962059	Housing Upgrades - Outfalls	63	0	0	0	0	0	0	0	0	0	63
			Total - 2059 Housing Upgrades			63	0	0	0	0	0	0	0	0	0	63
Bodily and Recreation	5.2	2060	Housing Renewals	2001102060	Housing Renewals - SHD Capex	6,074	0	0	0	0	0	0	0	0	0	6,074
			Total - 2060 Housing Renewals			6,074	0	0	0	0	0	0	0	0	0	6,074
			Total - 5.2 Recreation Support			2,488	0	0	0	0	0	0	0	0	0	2,488

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Total - 2060 Housing renewals						6,785	0	0	6,785									
Rudal and Recreation	5.2	2061	Community Centres and Halls - Upgrades and Renewals	200112061	Community Services - Renewals	99	82	86	87	89	91	96	96	99	101	924		
				200132061	Community Services - Other Renewals	1,600	0	0	0	0	0	0	0	0	0	0	1,600	
				2001402061	Community Halls - Upgrades & Renewals	1	0	0	0	1	1	1	1	1	1	1	7	
Total - 2061 Community Centres and Halls - Upgrades and Renewals						1,700	82	85	87	90	92	97	97	100	102	2,520		
Total - 5.2 Community participation and support						19,956	3,889	4,059	4,110	3,438	6,712	3,287	3,342	3,442	3,511	54,249		
Rudal and Recreation	5.3	2062	Batal & Cremations	2001412062	PBR Mahara Ash Pit Development	213	2	3	10	7	7	7	0	0	0	247		
				2009902062	PBR Legacies Headstone Beams Mahara Cem	51	58	46	72	80	87	96	105	114	123	851		
				2009932062	PBR Cemetery Open Space Renewals	109	323	481	503	510	349	357	416	426	442	3,917		
				2009972062	Cemetery Fall Renewals	15	21	27	33	40	46	54	62	70	78	446		
				2010422062	Cemetery Renewals	46	0	0	0	0	0	0	0	0	0	0	96	
				2010572062	Mahara Cemetery Expansion	0	0	1,041	2,144	2,229	0	0	0	0	0	0	0	5,464
Total - 2062 Batal & Cremations						424	493	1,637	2,292	2,286	541	554	587	610	647	11,012		
Rudal and Recreation	5.3	2063	Public Convenience and parking	2001432063	PBR Pubs Pay Rest WC Fall Down	1,107	900	902	523	694	638	649	689	710	724	6,716		
				200132063	Fal seats	77	27	46	28	47	49	52	0	0	0	0	326	
				2006142063	Fal Renewals and Dictionary	465	291	466	389	776	816	840	866	891	911	911	6,899	
				2006612063	Literature/Reading Public Convenience	0	0	0	0	0	296	306	0	0	0	0	602	
				2010442063	Pub Conven/Fal Sign	0	0	318	0	0	0	0	0	0	0	0	0	318
Total - 2063 Public Convenience and parking						1,649	1,218	1,727	940	1,479	1,790	1,688	1,598	1,601	1,639	14,880		
Rudal and Recreation	5.3	2064	Safety initiatives	200512064	Community Services - Safety initiatives	486	1,660	1,709	120	124	128	130	134	138	141	4,099		
Total - 2064 Safety initiatives						486	1,660	1,709	120	124	128	130	134	138	141	4,099		
Rudal and Recreation	5.3	2065	Emergency Management renewals	2001462065	2006 OMI Detour Deployable Assets	80	82	86	87	89	91	96	97	99	101	905		
Total - 2065 Emergency Management renewals						80	82	85	87	89	91	94	97	99	101	905		
Total - 5.3 Public health and safety						2,765	2,987	4,137	3,027	4,564	2,598	2,604	2,789	2,449	2,520	21,478		
Total - 5 Social and Recreation						36,140	18,825	18,819	21,504	17,820	26,379	12,488	12,497	14,477	14,785	181,828		
Urban Development																		
Urban Development	6.1	2067	Wign Waterfront Development	2001492067	Bald Wellington - FRP Playground	1,500	0	0	0	0	0	0	0	0	0	1,500		
				2009612067	Bald Wellington - FRP Garden Development	0	0	0	6,538	0	0	0	0	0	0	0	6,538	
				2010472067	Bald Wellington - FRP Garden Development	1,633	766	0	0	0	0	0	0	0	0	0	0	2,399
				2010712067	Waterfront Upgrades	300	0	0	0	0	0	0	0	0	0	0	0	300
Total - 2067 Wign Waterfront Development						3,233	766	0	6,538	0	0	0	0	0	0	10,987		
Urban Development	6.1	2068	Waterfront Renewals	2006432068	PBR Waterfront Public space renewals	619	592	444	412	426	433	451	464	478	477	4,793		
				2006442068	PBR Waterfront Jetty & Wharf Structure Renewals	962	579	596	606	627	639	666	678	696	712	630	6,310	
				2006462068	PBR Waterfront Networks	20	21	22	22	23	23	24	25	25	26	26	231	
				2006472068	PBR Waterfront Beaches	30	21	22	22	23	23	24	25	26	26	26	231	
				2006482068	PBR Waterfront Building Renewals	83	88	83	220	171	174	180	185	190	194	194	1,739	
				2009382068	Waterfront Crane Renewals	0	0	396	0	0	0	0	0	0	0	0	0	396
				2010492068	B&E	0	0	530	0	0	0	0	0	0	0	0	0	530
				2010502068	Electrical Infrastructure	260	0	0	0	0	0	0	0	0	0	0	0	260
				2010512068	Service Pipes	76	0	0	0	0	0	0	0	0	0	0	0	76
				2010522068	Beaches	1,900	4,017	0	0	0	0	0	0	0	0	0	0	5,917
				2010532068	Beach 1	3,900	0	0	0	0	0	0	0	0	0	0	0	3,900
Total - 2068 Waterfront Renewals						6,200	5,288	2,179	1,265	1,287	1,283	1,327	1,378	1,418	1,425	22,874		
Urban Development	6.1	2070	Central City Framework	2001562070	Laneways	0	0	0	162	134	171	162	181	173	190	1,764		
				2010642070	OKP - Central City Greening	0	764	0	162	0	171	0	181	0	190	869		
				2010662070	Footpaths - 44 Frederick Street	0	0	0	823	2,118	1,297	0	0	0	0	0	4,238	
Total - 2070 Central City Framework						0	154	0	1,547	2,452	1,639	292	292	373	6,861			
Urban Development	6.1	2073	Suburban Centres upgrades	2001162073	Small Centre Rehabilitation	8	8	8	9	9	9	9	9	10	10	89		
Total - 2073 Suburban Centres upgrades						8	8	8	9	9	9	9	9	10	10	89		
Urban Development	6.1	2074	Minor CBD Enhancements	2001582074	Minor CBD Enhancements - Minor CBD Enhancements	45	49	50	51	52	54	56	59	60	61	640		
Total - 2074 Minor CBD Enhancements						45	49	50	51	52	54	56	59	60	61	640		
Urban Development	6.1	2136	Housing Investment Programme	2009242136	Bald Wellington - Housing Investment Programme-Cps	2,282	2,300	2,399	2,448	2,496	2,549	2,602	2,655	2,710	2,765	25,258		
				2009642136	BWP - Rippon Street	6,363	66	0	0	0	0	0	0	0	0	0	6,429	
				2009652136	BWP - Kaiti Street	63	66	67	69	70	71	72	73	74	75	76	264	
				2009802136	BWP - Cook Street	46	0	0	0	0	0	0	0	0	0	0	46	
				2009912136	BWP - Lyndhurst Road	51	0	0	0	0	0	0	0	0	0	0	51	
				2009922136	BWP - Pakitangaia Hill site	51	0	0	0	0	0	0	0	0	0	0	51	
2009942136	BWP - Old Johnsonville Library	72	0	0	0	0	0	0	0	0	0	0	0	72				
Total - 2136 Housing Investment Programme						9,228	2,461	2,465	2,516	2,498	2,548	2,602	2,656	2,710	2,765	32,571		
Urban Development	6.1	2137	Bald Wellington Developments	2009642137	Bald Wellington - Oruā Harbour Way - Carapway Shy Is	0	0	2,510	0	0	0	0	0	0	0	2,510		

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Total - 2177 Build Wellington Developments						0	0	2,510	0	0	0	0	0	0	0	2,510	
Total - E.1 Urban development, heritage and public spaces development						19,387	8,569	7,209	11,547	6,279	5,544	4,754	4,482	4,570	4,857	78,871	
Urban Development	6.2	2076	Earthquake Risk Mitigation	2003.20.2076	Bull Wellington - EQ - Town Hall	33,607	29,993	4,464	0	0	0	0	0	0	0	68,065	
Total - 2078 Earthquake Risk Mitigation						33,607	29,993	4,464	0	0	0	0	0	0	0	68,065	
Total - E.2 Building and development control						73,897	29,993	4,464	0	0	0	0	0	0	0	68,065	
Total - E Urban Development						52,974	38,641	11,973	11,547	6,279	5,544	4,754	4,482	4,570	4,857	144,895	
Transport																	
Total - 2075 Urban Regeneration Projects						0	0	0	0	0	0	0	0	0	0	0	0
Transport	7.1	2077	Wall, Bridge & Tunnel Renewals	2007.1.2077	2077 Sea Wall Renewals	1,738	2,810	2,810	1,990	2,282	2,390	2,420	2,493	2,568	2,646	24,100	
				2007.1.2077	2077 Retaining Wall Renewals	3,479	4,787	2,206	2,273	2,341	2,411	2,483	2,557	2,634	2,713	28,844	
				2007.1.2077	2077 Bridges Renewals	209	295	221	228	236	242	249	257	264	272	2,392	
Total - 2077 Wall, Bridge & Tunnel Renewals						5,426	8,771	5,231	4,491	4,899	5,007	5,157	5,307	5,498	5,630	55,736	
Transport	7.1	2078	Asphalt & Other Seal Renewals	2007.7.2078	2078 Asphalt & Other Seal Renewals	1,962	1,579	967	1,075	1,127	1,184	1,241	1,409	1,480	1,556	13,057	
Total - 2078 Asphalt & Other Seal Renewals						1,962	1,579	967	1,075	1,127	1,184	1,241	1,409	1,480	1,556	13,057	
Transport	7.1	2079	Chipsal Renewals	2007.9.2079	2079 Chipsal Renewals	3,643	4,697	5,418	6,138	6,448	6,774	7,075	7,411	7,769	8,141	66,231	
Total - 2079 Chipsal Renewals						3,643	4,697	5,418	6,138	6,448	6,774	7,075	7,411	7,769	8,141	66,231	
Transport	7.1	2080	Pavement Repairs	2007.7.2080	2080 Pavement Repairs	3,649	4,697	5,418	6,138	6,448	6,774	7,075	7,411	7,769	8,141	66,231	
Total - 2080 Pavement Repairs						3,649	4,697	5,418	6,138	6,448	6,774	7,075	7,411	7,769	8,141	66,231	
Transport	7.1	2081	Shape & Camber Correction	2008.6.2081	2081 Shape & Camber Correction	3,667	3,261	2,233	2,527	2,694	2,797	3,195	3,314	3,481	3,666	30,714	
Total - 2081 Shape & Camber Correction						3,667	3,261	2,233	2,527	2,694	2,797	3,195	3,314	3,481	3,666	30,714	
Transport	7.1	2082	Drainage Renewals	2008.1.2082	2082 Drainage Renewals	277	285	293	302	309	317	326	334	343	352	4,966	
Total - 2082 Drainage Renewals						277	285	293	302	309	317	326	334	343	352	4,966	
Transport	7.1	2083	Wall Upgrades	2008.3.2083	2083 Retaining Walls Upgrades	3,304	3,395	3,487	3,578	3,669	3,760	3,851	3,942	4,033	4,124	23,488	
Total - 2083 Wall Upgrades						3,304	3,395	3,487	3,578	3,669	3,760	3,851	3,942	4,033	4,124	23,488	
Transport	7.1	2084	Service Lane & Road Boundary Upgrades	2004.2.2084	2084 Service Lane & Road Boundary Upgrades	1,025	60	61	62	63	64	65	66	67	68	1,632	
Total - 2084 Service Lane & Road Boundary Upgrades						1,025	60	61	62	63	64	65	66	67	68	1,632	
Transport	7.1	2085	Tunnel & Bridge Upgrades	2009.1.2085	2085 Bridge Improvements	1,644	1,360	1,311	1,423	1,162	1,169	1,203	1,239	1,276	1,312	12,912	
				2009.2.2085	2085 Tunnel Upgrades	260	268	266	274	252	291	299	306	317	327	2,872	
Total - 2085 Tunnel & Bridge Upgrades						1,895	1,628	1,577	1,697	1,414	1,460	1,502	1,545	1,599	1,643	15,784	
Transport	7.1	2086	Kerb & Channel Renewals	2009.6.2086	2086 Kerb & Channel Renewals	1,899	1,974	2,049	2,124	2,200	2,275	2,350	2,425	2,500	2,575	23,340	
Total - 2086 Kerb & Channel Renewals						1,899	1,974	2,049	2,124	2,200	2,275	2,350	2,425	2,500	2,575	23,340	
Transport	7.1	2087	New Roads	2001.9.2087	2087 Woodside to Lincolnville	0	0	0	0	0	192	5,262	0	0	0	5,454	
				2007.4.2087	2087 Main Ave to Lincolnville	0	0	0	0	181	6,209	66	13	14	14	6,485	
				2007.7.2087	2087 Tawa Upper SH2/SH3	0	0	0	0	0	0	5,970	0	0	0	5,970	
				2007.47.2087	2087 Arlene to Okeana Link	0	0	0	0	0	0	0	658	678	0	1,336	
				2007.48.2087	2087 Main Ave to Okeana Link	0	0	0	5,464	5,628	0	0	0	0	0	11,092	
				2007.49.2087	2087 John Birt's Connection	0	0	0	0	0	0	0	376	2,033	0	2,409	
				2007.50.2087	2087 McCarroll St Link	0	0	0	0	0	0	0	197	678	2,883	3,758	
				2007.51.2087	2087 Chain to Westchester	0	0	0	0	0	0	0	368	68	3,908	4,344	
Total - 2087 New Roads						0	0	0	5,644	5,628	6,209	6,228	6,874	3,499	8,805	40,849	
Transport	7.1	2088	Emergency Route Walls Upgrades	2009.1.2088	2088 Retaining Wall Resilience Upgrades	0	0	0	0	0	0	1,475	1,519	1,564	1,609	4,659	
				2008.19.2088	2088 Ngāio Otago Resilience Upgrades	5,471	2,061	611	167	172	176	181	186	192	197	5,664	
				2008.20.2088	2088 Ngāio Otago Retaining Wall Strengthening	0	0	0	0	338	1,199	0	0	0	0	2,691	
				2008.22.2088	2088 Waiatapu Road Resilience Upgrades	553	2,280	952	2,364	38	39	40	41	42	43	5,921	
Total - 2088 Emergency Route Walls Upgrades						5,974	4,341	1,563	2,571	547	1,274	1,496	1,702	1,787	1,805	21,875	
Transport	7.1	2089	Roading Capacity Upgrades	2006.6.2089	2089 Johnsonville	0	0	955	571	0	0	0	0	0	0	1,526	
				2007.42.2089	2089 Roading Capacity Upgrades	25	1,131	954	2,399	2,735	2,130	1,498	1,543	1,589	1,637	15,252	
Total - 2089 Roading Capacity Upgrades						25	1,131	1,139	2,970	2,735	2,130	1,498	1,543	1,589	1,637	16,778	
Transport	7.1	2090	Roading Rebuild	2002.0.2090	2090 Roading Rebuild	1,895	1,869	1,935	1,973	2,033	2,094	2,155	2,216	2,277	2,338	20,709	
Total - 2090 Roading Rebuild						1,895	1,869	1,935	1,973	2,033	2,094	2,155	2,216	2,277	2,338	20,709	
Transport	7.1	2091	Port & Ferry Access Upgrades	2007.0.2091	2091 Port & Ferry Access Upgrades	0	0	0	5,844	2,588	3,720	0	0	0	0	12,153	
Total - 2091 Port & Ferry Access Upgrades						0	0	0	5,844	2,588	3,720	0	0	0	0	12,153	
Transport	7.1	2094	Cycling Network Renewals	2006.6.2094	2094 Cyclways Miru Waka	1,000	1,030	1,060	1,090	1,120	1,150	1,180	1,210	1,240	1,270	11,445	
				2006.6.2094	2094 East Corridor - Bays Bay	10,812	13,201	2,863	0	0	0	0	0	0	0	26,877	
				2006.7.2094	2094 Cyclways	0	0	3,181	3,275	3,369	3,463	3,557	3,651	3,745	3,839	27,390	
				2006.5.2094	2094 Island Bay Cyclway 2018 (CC207)	0	0	0	0	0	0	0	0	0	0	0	

Wellington City Council

Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000's	Year 2 Budget \$000's	Year 3 Budget \$000's	Year 4 Budget \$000's	Year 5 Budget \$000's	Year 6 Budget \$000's	Year 7 Budget \$000's	Year 8 Budget \$000's	Year 9 Budget \$000's	Year 10 Budget \$000's	Total \$000's	
			Total - 2004 Cycling Network Renewals			11,822	14,211	7,107	4,388	5,889	5,208	4,787	4,908	5,053	5,203	87,082	
Transport	7.1	2095	Bus Priority Planning	200210295 200211295	2095 Bus Shelters 2095 Bus Priority Improvements	597 665	655 665	620 700	641 716	790 732	805 747	825 763	840 780	857 797	875 814	7,469 7,400	
			Total - 2095 Bus Priority Planning			1,262	1,320	1,320	1,358	1,523	1,553	1,508	1,619	1,652	1,683	14,870	
Transport	7.1	2096	Footpaths Structures Renewals & Upgrades	200211296 200950296	2096 Footpaths Structures Upgrades 2096 Footpaths Structures Renewals	294 27	303 28	312 29	321 29	521 1,204	521 31	521 32	552 33	569 33	586 34	603 35	4,597 1,486
			Total - 2096 Footpaths Structures Renewals & Upgrades			321	331	341	350	1,723	551	558	602	628	639	6,083	
Transport	7.1	2097	Footpaths Renewals	200215297	2097 Footpaths Renewals	4,091	4,335	4,446	4,910	5,093	5,249	5,409	5,571	5,738	5,909	50,749	
			Total - 2097 Footpaths Renewals			4,091	4,335	4,446	4,910	5,093	5,249	5,409	5,571	5,738	5,909	50,749	
Transport	7.1	2098	Footpaths Upgrades	200216298 200217298	2098 Side Routes to Sidings 2098 Footpaths Upgrades	139 3,831	286 3,329	580 3,429	605 3,534	628 3,773	643 3,886	662 4,002	682 4,121	702 4,244	723 4,371	5,654 35,518	
			Total - 2098 Footpaths Upgrades			3,970	3,614	4,007	4,140	4,397	4,528	4,664	4,803	4,948	5,094	44,173	
Transport	7.1	2099	Street Furniture Renewals	200218299	2099 Street Furniture Renewals	191	196	203	208	242	242	250	257	264	271	281	2,367
			Total - 2099 Street Furniture Renewals			191	196	203	208	242	242	250	257	264	271	2,367	
Transport	7.1	2100	Pedestrian Network Accessways	200219200	2100 Pedestrian Accessways Renewals	267	268	273	278	296	296	307	316	326	335	345	3,062
			Total - 2100 Pedestrian Network Accessways			267	268	273	278	296	296	307	316	326	335	3,062	
Transport	7.1	2101	Traffic & Street Signs Renewals	200220201	2101 Traffic & Street Signs Renewals	1,212	1,249	1,280	1,310	1,369	1,411	1,454	1,497	1,542	1,588	13,938	
			Total - 2101 Traffic & Street Signs Renewals			1,212	1,249	1,280	1,310	1,369	1,411	1,454	1,497	1,542	1,588	13,938	
Transport	7.1	2102	Traffic Signals Renewals	200221202	2102 Traffic Signals Renewals	969	978	1,007	1,039	1,070	1,101	1,134	1,166	1,202	1,238	10,886	
			Total - 2102 Traffic Signals Renewals			969	978	1,007	1,039	1,070	1,101	1,134	1,166	1,202	1,238	10,886	
Transport	7.1	2103	Street Lights Renewals & Upgrades	200222203 200223203 200224203	2103 Street Light Renewals 2103 Street Light Upgrades 2103 LED Street Light Transition	643 300 605	663 303 623	682 309 642	709 309 627	739 310 643	813 310 589	837 310 576	861 310 593	887 310 611	913 310 629	940 310 629	8,026 1,146 5,908
			Total - 2103 Street Lights Renewals & Upgrades			1,547	1,589	1,620	1,658	1,698	1,742	1,788	1,836	1,886	1,939	15,081	
Transport	7.1	2104	Rural Road Upgrades	200230204	2104 Rural Road Upgrades	114	118	121	125	129	132	136	141	146	149	1,310	
			Total - 2104 Rural Road Upgrades			114	118	121	125	129	132	136	141	146	149	1,310	
Transport	7.1	2105	Mirror Works Upgrades	200231205 200692205	2105 Mirror Works Upgrades 2105 Outrage Upgrades	1,524 682	2,226 717	3,390 753	4,926 782	6,993 782	9,993 832	14,111 835	19,993 921	27,993 948	37,993 977	50,993 1,006	26,536 8,603
			Total - 2105 Mirror Works Upgrades			2,208	2,943	4,143	5,708	7,775	10,828	14,912	20,019	27,019	35,019	35,038	
Transport	7.1	2106	Fences & Guardrails Renewals	200232206	2106 Fences & Guardrails Renewals	738	761	784	801	832	857	883	909	936	964	8,463	
			Total - 2106 Fences & Guardrails Renewals			738	761	784	801	832	857	883	909	936	964	8,463	
Transport	7.1	2107	Speed Management Upgrades	200233207	2107 Speed Management Upgrades	335	409	474	539	604	669	734	800	865	930	12,400	
			Total - 2107 Speed Management Upgrades			335	409	474	539	604	669	734	800	865	930	12,400	
			Total - 7.1 Transport			82,101	88,921	93,979	71,340	86,477	87,998	88,188	88,051	87,781	73,277	878,838	
Transport	7.2	2108	Parking Asset Renewals	200234208 200657208	Parking Meter Renewals Parking Sensor and Equipment Renewals	1,421 1,380	3,347 0	1,071 764	1,070 499	1,136 473	1,199 473	1,194 502	1,194 517	1,230 517	1,267 517	1,305 548	14,212 6,256
			Total - 2108 Parking Asset Renewals			2,842	3,347	1,835	1,563	1,598	1,598	1,696	1,748	1,719	1,823	20,469	
Transport	7.2	2109	Parking Upgrades	200235209	2109 Parking Upgrades	181	190	198	206	218	228	238	248	253	260	2,220	
			Total - 2109 Parking Upgrades			181	190	198	206	218	228	238	248	253	260	2,220	
			Total - 7.2 Parking			2,023	3,537	2,033	1,769	1,816	1,824	1,934	1,992	2,031	2,113	22,689	
			Total - 7 Transport			84,124	92,458	96,012	73,109	88,293	70,117	86,108	71,042	70,192	75,390	898,728	
Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 Budget \$000's	Year 2 Budget \$000's	Year 3 Budget \$000's	Year 4 Budget \$000's	Year 5 Budget \$000's	Year 6 Budget \$000's	Year 7 Budget \$000's	Year 8 Budget \$000's	Year 9 Budget \$000's	Year 10 Budget \$000's	Total \$000's	
Council	10.1	2111	Capital Replacement Fund	200311211	Corp Finance Capital Replacement Fund - Unallocated	4,304	4,433	4,522	4,612	4,704	4,796	4,894	4,992	5,092	5,194	47,546	
			Total - 2111 Capital Replacement Fund			4,304	4,433	4,522	4,612	4,704	4,796	4,894	4,992	5,092	5,194	47,546	
Council	10.1	2112	Information Management	200402112 201029212	Strategic Initiatives - Orthodoxy Digital Services Project	320 3,333	0 3,433	0 3,533	120 3,633	353 3,733	0 3,833	0 3,933	0 4,033	145 4,133	414 4,233	1,384 4,333	
			Total - 2112 Information Management			3,653	3,433	3,533	3,753	4,086	3,833	3,933	4,033	4,133	4,233	30,230	
Council	10.1	2114	ICT Infrastructure	200250214	Infrastructure Upgrade - Hardware Upgrades	599	705	2,978	3,049	686	684	2,396	2,420	739	759	14,970	
			Total - 2114 ICT Infrastructure			599	705	2,978	3,049	686	684	2,396	2,420	739	759	14,970	
Council	10.1	2117	Unscheduled Infrastructure Renewals	200311217	Unscheduled Infrastructure Renewals	3,733	21,950	3,822	2,286	2,332	2,378	2,426	2,474	2,524	2,574	45,681	
			Total - 2117 Unscheduled Infrastructure Renewals			3,733	21,950	3,822	2,286	2,332	2,378	2,426	2,474	2,524	2,574	45,681	
Council	10.1	2118	Health & Safety - Legislation Compliance	200112218	HS Legislation Compliance CAP EX - Unallocated	351	351	369	376	383	391	399	407	415	423	3,875	
			Total - 2118 Health & Safety - Legislation Compliance			351	351	369	376	383	391	399	407	415	423	3,875	
Council	10.1	2119	CMC Property Renewals	200263219	CMC Property Renewals - General Capex	3,961	1,670	770	2,900	3,336	3,468	3,641	3,790	3,962	4,140	31,066	

Wellington City Council

Strategy	Activity Group	Activity	Activity Description	Project	Project Description	Year 1 budget \$000s	Year 2 budget \$000s	Year 3 budget \$000s	Year 4 budget \$000s	Year 5 budget \$000s	Year 6 budget \$000s	Year 7 budget \$000s	Year 8 budget \$000s	Year 9 budget \$000s	Year 10 budget \$000s	Total \$000s
				2002652119	Civic Property Renewals - Internal labour allocations	71	74	77	80	82	86	87	88	89	40	673
			Total - 2119 Civic Property renewals			3,622	3,964	3,677	2,979	3,739	3,499	3,677	3,788	3,951	3,969	21,638
Council	10.1	2120	Commercial Properties renewals	2002662120	Commercial property renewals - Te Whakarua Road Works	0	0	3,183	0	0	0	0	0	0	0	3,183
				2002702120	Commercial property renewals - General capex	2,483	1,070	281	595	452	472	497	512	527	538	7,426
				2002722120	Commercial property renewals - Internal labour allocations	113	19	99	154	161	169	177	182	187	192	1,514
			Total - 2120 Commercial Properties renewals			2,596	1,089	3,622	749	613	649	674	699	719	730	12,122
Council	10.1	2121	Community & Children Facility renewals	2002792121	Community property renewals - General capex	1,267	477	1,036	219	607	600	627	643	659	670	6,295
				2002792121	Community property renewals - Internal labour allocations	46	45	49	90	52	53	56	56	58	60	527
			Total - 2121 Community & Children Facility renewals			1,312	522	1,085	289	659	653	683	699	717	730	6,822
Council	10.1	2126	Business Unit Support	2002842126	Business Support - Support to initiatives	4,000	4,120	4,202	499	509	520	530	541	551	562	16,036
			Total - 2126 Business Unit Support			4,000	4,120	4,202	499	509	520	530	541	551	562	16,036
			Total - 2127 Multi-use			0	0									
Council	10.1	2128	Civic Campus Resilience and Improvements	2002972128	Te Ngahau - Public Realm Improvements	0	0	3,058	3,079	3,140	0	0	0	0	0	9,237
				2010272128	Central Utility - Remediation	11,495	19,476	63,906	51,562	0	0	0	0	0	0	186,431
				2010772128	Te Ngahau - Separation of Services	1,000	2,075	0	0	0	0	0	0	0	0	3,075
			Total - 2128 Civic Campus Resilience and Improvements			12,495	21,551	63,927	54,641	3,140	0	0	0	0	0	192,744
Council	10.1	2133	Quarry Renewals & Upgrades	2008462133	2133 West Point Quarry Renewals	4,416	17	264	93	93	19	20	20	21	6,811	
				2008462133	2133 West Point Quarry Upgrades	1,973	44	46	47	48	51	53	54	56	1,820	
				2008472133	2133 New Quarry	214	220	380	0	0	0	0	0	0	775	
			Total - 2133 Quarry Renewals & Upgrades			6,603	281	690	84	89	70	72	75	77	9,406	
Council	10.1	2140	Security	2010082140	Security Capex Program	613	665	673	702	733	766	796	814	831	847	7,423
			Total - 2140 Security			613	665	673	702	733	766	796	814	831	847	7,423
			Total - 10.1 Organisational Projects			45,291	103,919	93,630	73,380	17,607	14,232	16,408	16,946	15,873	15,778	406,609
			Total - 10 Council			45,291	103,919	93,630	73,380	17,607	14,232	16,408	16,946	15,873	15,778	406,609
			Grand total			722,861	747,967	255,629	253,602	154,380	196,206	154,187	202,727	238,192	243,506	2,427,724

-- End of Report --

REVENUE AND FINANCE WORKING PARTY REPORT FOR 2021-2031 LONG-TERM PLAN

Purpose

1. This report presents the recommendation of the Revenue and Finance (R&F) Working Party following its review of funding and financial policies and Asset Management Plans as part of the 2021-31 Long-term Plan (LTP).

Summary

2. The key purpose of the Working Party is to:
 - Review the Revenue and Financing Policy as it applies to all activity components
 - 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 Long-term Plan financials and underlying assumptions
3. A review of all Council activities has been completed against Revenue and Financing Policy (RFP) Targets.
4. A review of the Revenue and Financing Policy and the funding targets for each activity has been completed as part of this process. The recommended changes to the policy and funding targets resulting from the R&F Working Party workshops are summarised below.
5. The Council's Asset Management Plans (AMPs) were reviewed by the R&F Working Party, the outline of which is below.

Recommendation/s

That the Annual Plan/Long-Term Plan Committee:

1. Receive the information.
2. Note that the Revenue and Finance Working Party has reviewed the Revenue and Financing Policy and any proposed changes are included as recommendations.
3. Note the summary of the changes to the Revenue and Financing Policy discussed at workshops included below as schedule 1.
4. Agree to recommend that Council adopt the proposed fees and charges as outlined in schedule 2 as a supporting document to be consulted alongside the 2021-31 Long-term Plan consultation document.
5. Agree to the changes to the Revenue and Financing Policy as outlined below in schedule 1.
6. Note that the Draft 2021-31 Long-term Plan is subject to Audit NZ review and changes may eventuate from their review. Where there are changes, these will be incorporated into the draft 2021-31 Long-term Plan Statement of Proposal for adoption by the Annual Plan / Long-term Plan Committee on 4 March 2021.

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7. Note that Asset Management Plans have been reviewed by the Revenue and Finance Working Party for existing asset levels of service and draft budgets as part of their review.
 8. Note that the draft Asset Management Plans budgets were used to prepare the draft service statements.
 9. Agree to set up a new activity 2.1.10 Berhampore Nursery in the Revenue and Financing Policy. Refer to Attachment 1.
 10. Note the following activities where further consideration is required:
 - a. 5.1.1 Swimming Pools – refer to attachment 2
 - b. 7.2.1 Parking – refer to attachment 2
 - c. 6.2.1 Building Control and Facilitation – refer to attachment 3
 - d. 5.1.7 Marinas – refer to attachment 4
 - e. 2.2.1 Waste minimisation, disposal and recycling management – details to be published at a later date
 11. Consider and agree the changes to the Revenue and Financing Policy as follows:
 - a. 5.1.1 Swimming Pools – option 1 in attachment 2 (section 5.1.1 Swimming Pools)
 - b. 7.2.1 Parking – option 1 in attachment 2 (section 7.2.1 Parking)
 - c. 6.2.1 Building Control and Facilitation – recommended option in attachment 3
 - d. 5.1.7 Marinas – option 1 in attachment 4
 - e. 2.2.1 Waste minimisation, disposal and recycling management – recommendation to be published at a later date
 12. Note that the Asset Management Plans will be updated to reflect feedback received from the Revenue and Finance Working Party and any decisions made as part of the 2021-31 Long-term Plan process.

Background

6. On 20 November 2019, 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 2019-21 triennium.
7. 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)

8. 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.

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9. 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.
 10. 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.
 11. 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).
 12. 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.
 13. Section 102 of the LGA also requires Council to adopt funding and financial policies on the rates remissions, rates postponement, liability management, and investments.
 14. The R&F Working Party also reviewed all of Council's Asset Management Plans.

General Funding Principles

15. 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
16. 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
17. The policy bands are set in 5% increments for pragmatic purposes.

Discussion

18. The R&F Working Party recommendations for each activity are summarised into the following tables:
 - 1.1 Activities where changes to policy targets are proposed.

- 1.2 Non-compliant activities (outside 5% policy band or more than \$100k variance).
- a. Permit temporary non-compliance.
 - b. Changes to fees and charges.

1.3 Compliant activities (within 5% policy band and less than \$100k variance).

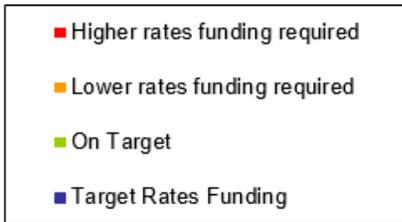
19. R&F Working Policy also recommends to adopt changes in “who benefits” section to the Revenue and Financing Policy. These changes have no financial implications, and are proposed to be incorporated to ensure the benefit split from those activities is reflected in the policy. The proposed changes are:

3.1.1 – WREDA and Venues	Current Policy	Proposed Policy
User Charges	0%	35%
Other Revenue	0%	0%
Targeted Rate (Commercial)	30%	20%
Targeted Rate (Downtown)	50%	35%
General Rate	20%	10%
Total	100%	100%

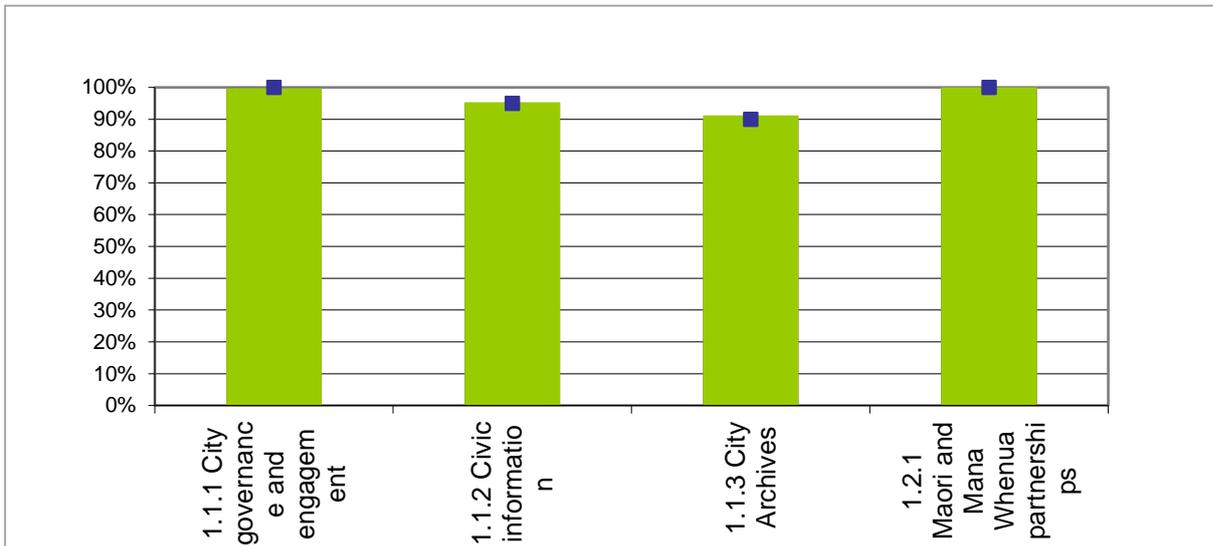
20. Officers are proposing an introduction of a new activity in the policy – 2.1.10 Berhampore Nursery. The information was presented to the R&F Working Party. Supporting information has been included in attachment 1, and it should be noted that the new activity is yet to be included in the revised Revenue and Financing Policy.

21. Compliance graphs: Please note that these outline the current compliance levels, prior to adoption of recommended changes to policy.

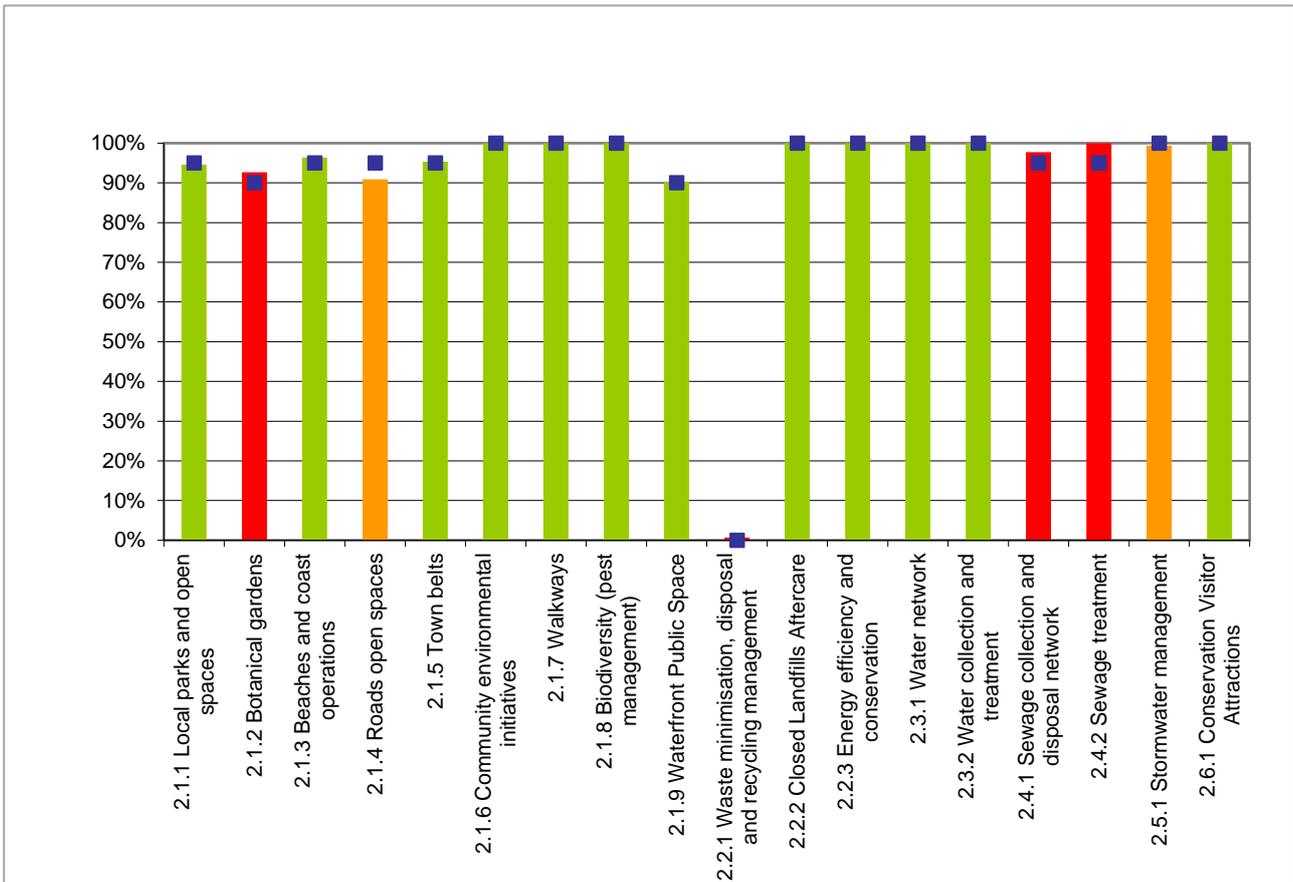
Graph legend below applies to all graphs included in this paper.



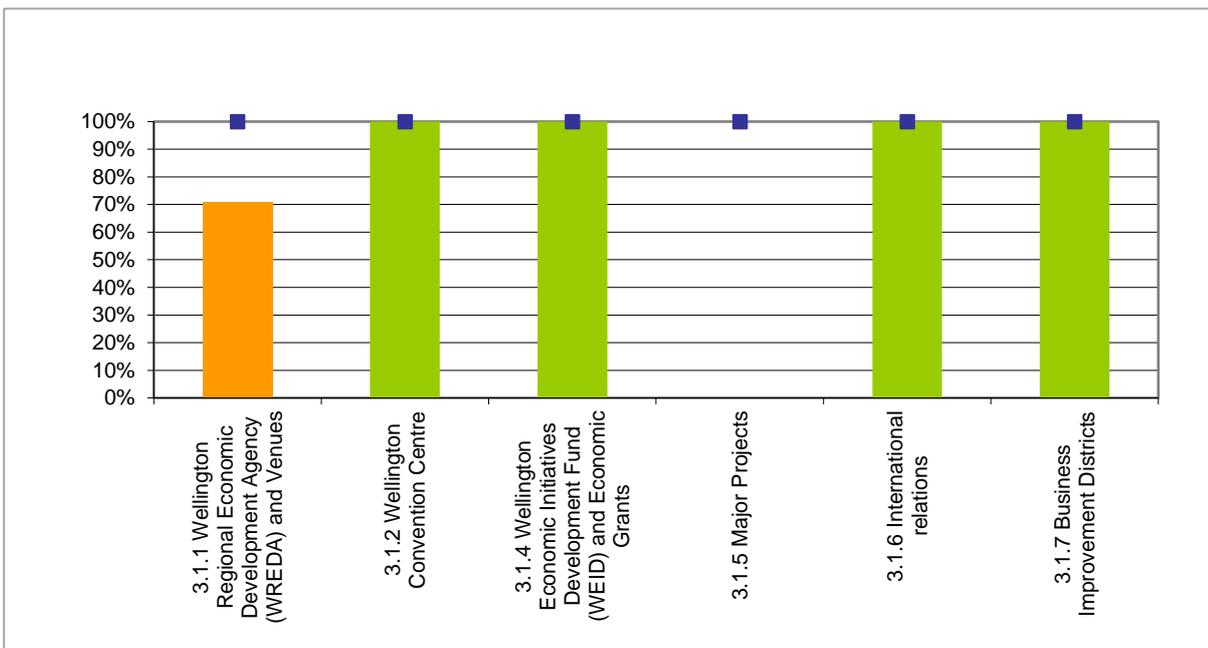
Activity Area 1 – Governance



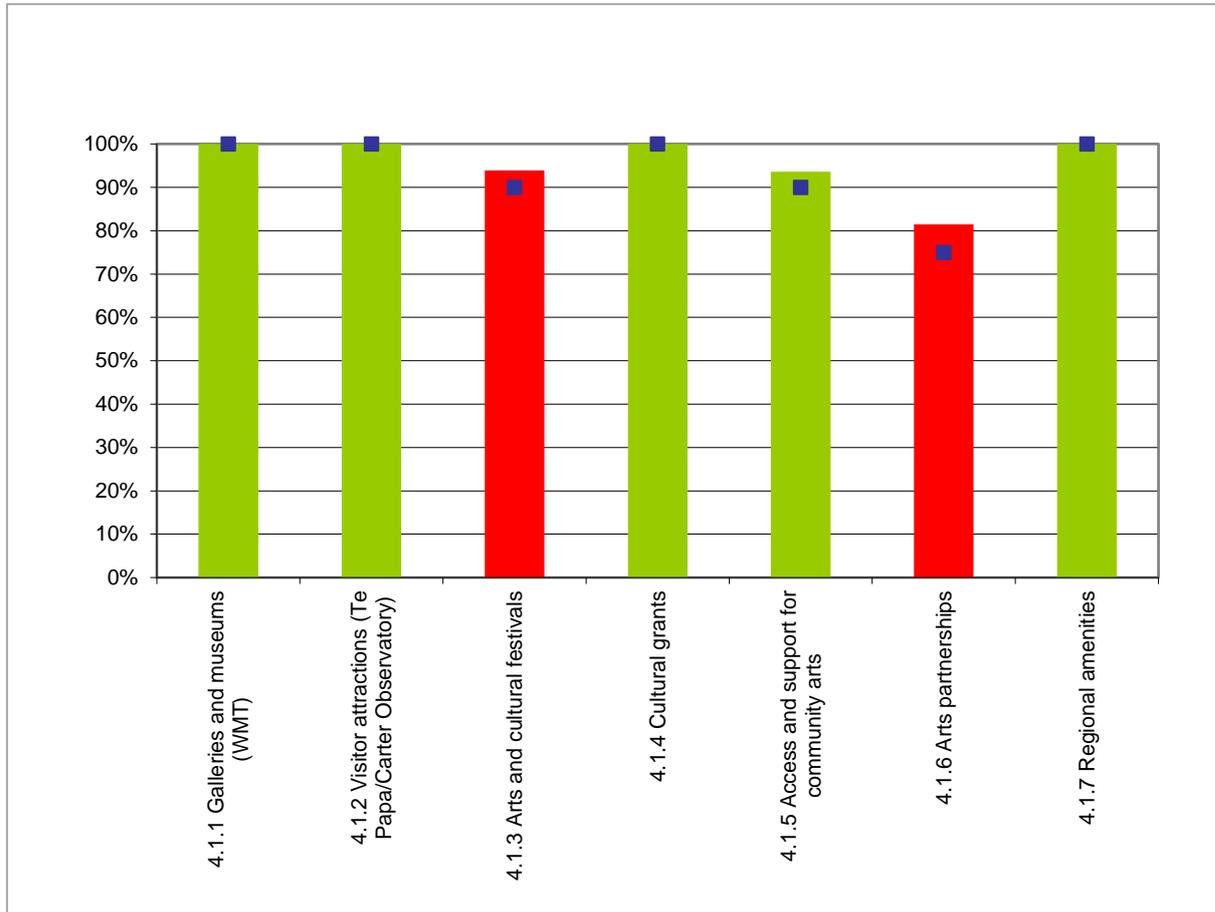
Activity Area 2 - Environment



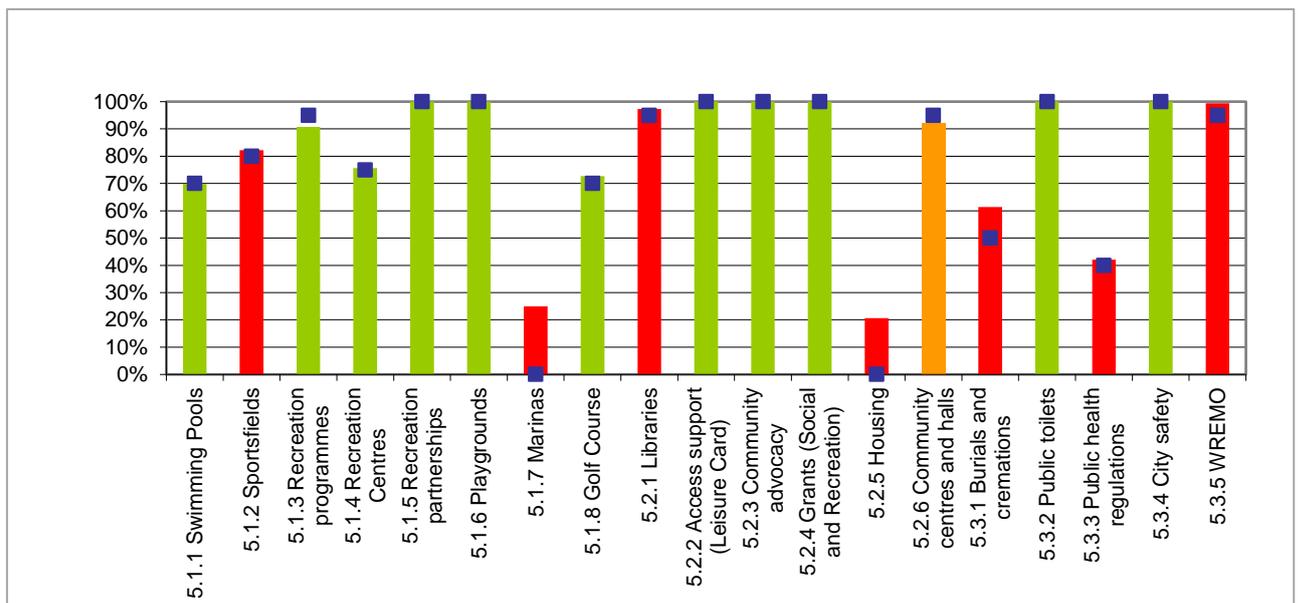
Activity Area 3 – Economic Development



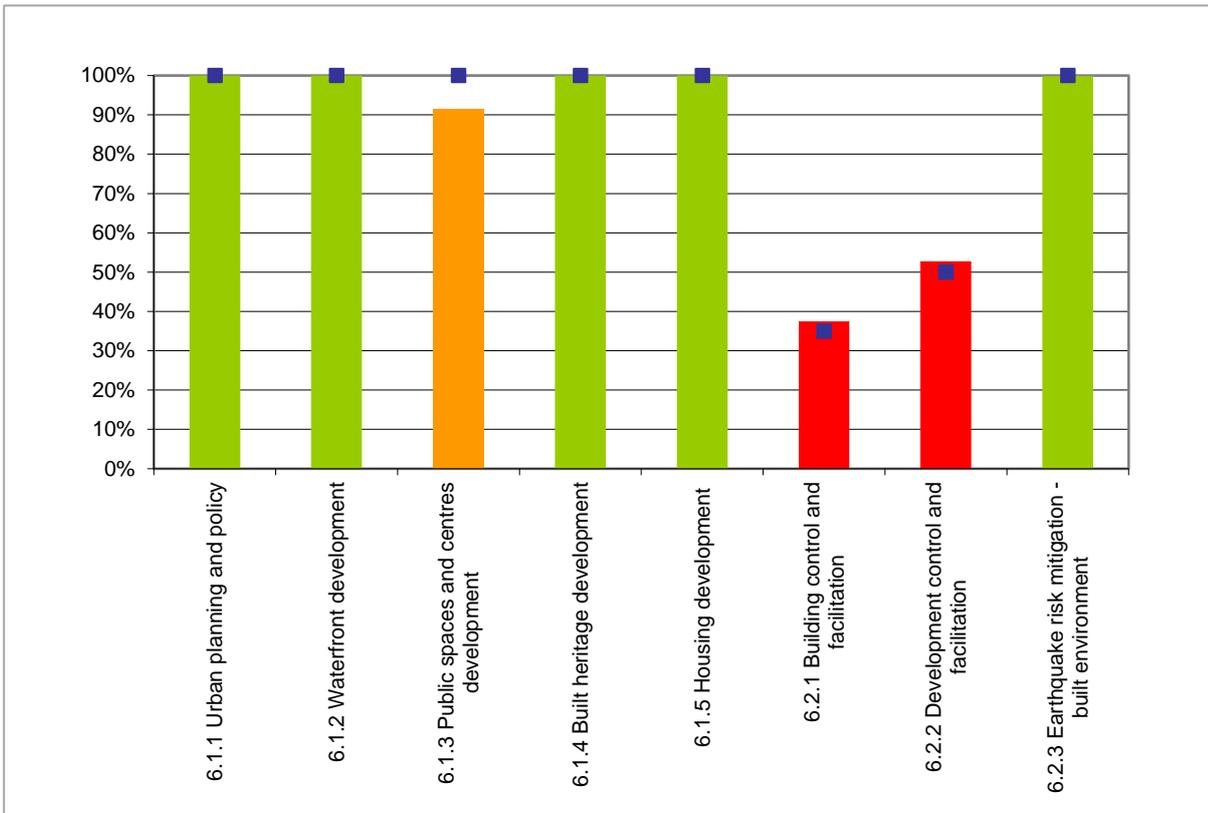
Activity Area 4 – Cultural Wellbeing



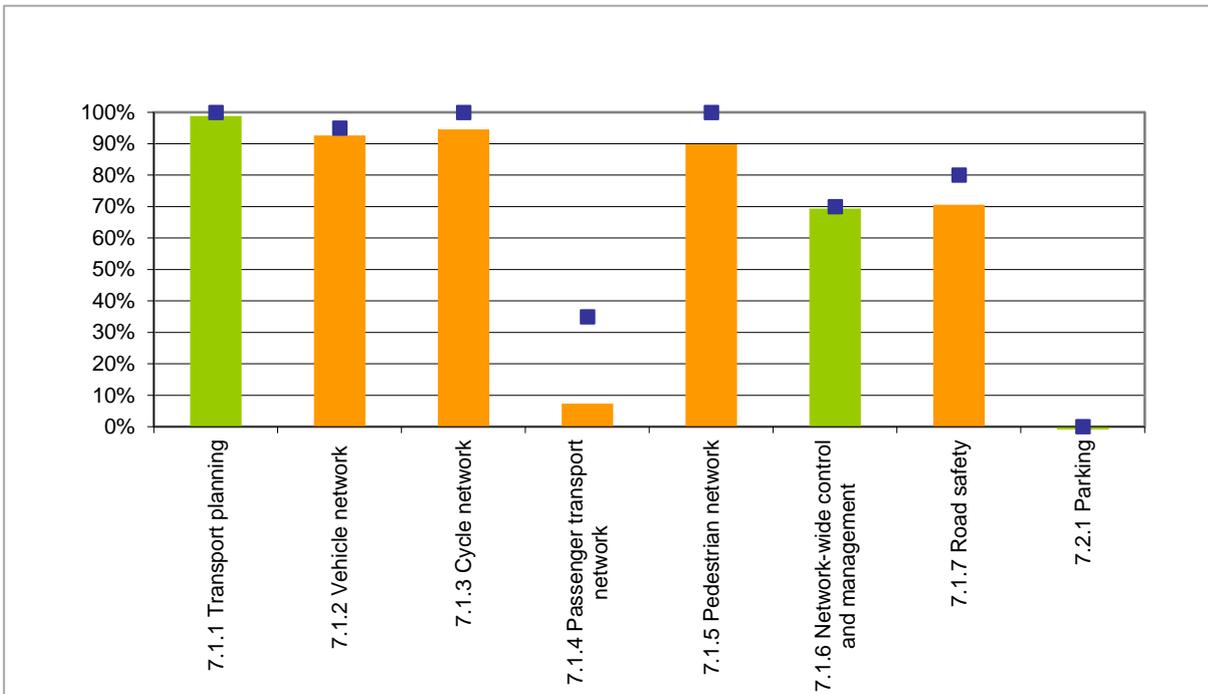
Activity Area 5 – Social and Recreation



Activity Area 6 – Urban Development



Activity Area 7 – Transport



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22. 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.
 23. Where activities are compliant, the Working Party did not review the activities in detail, however, fee increases are proposed for some of those activities. This is to keep fees in line with inflation and to ensure those activities continue to be compliant.
 24. Where activities have been identified as non-compliant, the R&F Working Party reviewed the factors contributing to policy non-compliance, along with options and limitations for achieving compliance with existing Revenue and Financing Policy.
 25. Twenty-eight 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. The comprehensive list of fee increases is included in Attachment 2 of this report.

Asset Management Plans

28. Council's services are largely delivered through the water, stormwater and sewage networks, its playgrounds, sportsfields, libraries, transport network and recreation.
29. Asset management plans (AMPs) were reviewed by the Working Party as an input to the 2021-31 Long-term Plan process.
30. Asset Management Plan development process included:
 - An asset management plan is produced for each of Council's 19 groups of assets.
 - The asset management plans are reviewed on an annual basis and undergo a detailed review every 3 years for the Long-term Plan.
 - The R&F working party process is to review the Asset Management Plan assumptions, to assess reasonableness and deliverability of the proposed plans for asset renewals, upgrades and growth.
31. The R&F working party reviewed for each AMP:
 - the service levels and how the assets respond to current and future challenges, including environmental, growth, technology and change in demand;
 - the key challenges and the degree of risk the Council will tolerate in managing assets;
 - the level of investment in renewals, growth and new assets to change service levels in response to the key challenges;
 - the alignment of the capital programme to the priorities;
 - the financial impact in the changes to the levels of services in response to the key challenges;
 - the overall timing and delivery of the work programme.

Schedule 1: Changes to Revenue and Financing Policy

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
2.1.3 Beaches and Coast Operations	95%	1%	\$21K	Revenue can only be earned through freedom camper infringements.	The proposed changes are: <ul style="list-style-type: none"> Decrease User Charges target from 5% to 0%. Increase rates funding target from 95% to 100%. 	\$21k.	-	-
2.1.9 Waterfront public space	90%	4%	\$325k	Aging assets with deferred maintenance & renewals required. Proposed fee and charges increases not sufficient to cover required increase to make activity compliant.	The proposed changes are: <ul style="list-style-type: none"> Decrease Other Revenue target from 5% to 0%. Increase rates funding target from 	\$425k	(1%)	(\$62k)

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
					90% to 95%.			
2.4.2 Sewage Treatment	95%	5%	\$1,237k	The contract with Veolia ceased in February 2020 and there are no other revenue streams for this project.	Increase the rates funding requirement from 95% to 100%.	\$1,237k	-	-
4.1.3 Arts and cultural festivals	90%	4%	\$205k	Costs continue to rise and external sponsorship has not been forthcoming. Cost reductions would impact on the cultural environment of Wellington.	The proposed changes are: <ul style="list-style-type: none"> Decrease User Charges target from 10% to 5%. Increase rates funding target from 90% to 95%. 	\$265k	1%	\$71k
4.1.6 Arts Partnerships	75%	6%	\$198k	Toi Ponkeke is the only revenue source for this activity. Non compliance driven by	The proposed changes are: <ul style="list-style-type: none"> Increase Rates target 	\$154k		

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
				interest costs for building the temporary RNZB facility and transfer of funding for NZSO & Orchestra Wellington.	<ul style="list-style-type: none"> from 75% to 80%. Decrease User Charges target from 25% to 20%. 			
5.1.2 Sportsfields	80%	2%	\$123k	Clubs are still feeling the impact of Covid-19 on their memberships and seasonal fixtures as well as the risk of reduced funding from Class 4 funders.	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 80% to 85%. Decrease User Charges target from 20% to 15%. 	\$278k		
5.3.3 Public Health Regulations	40%	(5%)	(\$297k)	Alcohol licencing applications expected to gradually return to pre-Covid levels. Current cost recovery of	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Decrease Rates target from 	(\$289k)	(0%)	(\$8k)

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				Alcohol licencing 76%. Stage 2 fee increase of Alcohol fees bylaw not implemented in 20/21 due to Covid.	<ul style="list-style-type: none"> 40% to 35%. Increase User Charges target from 60% to 65%. 			
5.3.5 Civil Defence/WR EMO	95%	4%	\$112k	No other sources of revenue apart from fixed rental income of \$14,000 per year from WREMO. Activity does not have a user pays element.	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 95% to 100%. Decrease User Charges target from 5% to 0%. 	\$126k	(0%)	(\$14k)
6.2.2 Development Control and facilitation	50%	6%	\$595k	Heavy reliance on external planners to process resource consents as recruitment suffering due to required	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Increase Rates target from 50% to 	(170k)	\$425k	4%

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
				skill set being in low supply.	<ul style="list-style-type: none"> 55%. Decrease User Fees target from 50% to 45% 			
7.1.3 Cycle Network	100%	(5%)	(\$286k)	A percentage of our costs are funded by NZTA through National Land Transport Fund subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED), Road User Charges (RUC) and Vehicle/Driver	<p>The proposed changes are:</p> <ul style="list-style-type: none"> Decrease Rates target from 100% to 95%. Increase Other Income target from 0% to 5%. 	(\$261k)	-	-

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
				Registration and Licensing. The amount subsidised varies from year to year depending on our work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for our qualifying activities This income is leveraged to reduce the rates funding requirement for the activity.				

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
7.1.4 Passenger Transport Network	35%	(28%)	(\$525k)	Other Income includes Council's share of revenue generated by Adshel advertising on bus shelters and pedestrian canopies. Income varies from year to year and is largely uncontrollable by Council (as the contract is based on a revenue share vs. a fixed amount of income). Analysis of historical years shows that 80% policy	The proposed changes are: <ul style="list-style-type: none"> • Decrease Rates target from 35% to 20%. • Increase Other Income target from 65% to 80%. 	\$285k	(12%)	(\$240k)

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
				target achievable and that changing the current policy target is likely to improve long term compliance with R&F policy.				
7.1.5 Pedestrian Network	100%	(10%)	(\$610k)	A percentage of our costs are funded by NZTA through National Land Transport Fund subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED),	The proposed changes are: <ul style="list-style-type: none"> Decrease Rates target from 100% to 95%. Increase Other Income target from 0% to 5%. 	(\$299k)	(5%)	(\$311k)

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
				<p>Road User Charges (RUC) and Vehicle/Driver Registration and Licensing. The amount subsidised varies from year to year depending on our work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for our qualifying activities This income is leveraged to reduce</p>				

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Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Policy change recommendation	Additional Revenue / Reduction in Costs	Revised variation to policy (positive variance is unfavourable)	
				the rates funding requirement for the activity.				

Schedule 2: Proposed Fees and Charges

Botanic Gardens 2.1.2	Current Fee	Proposed Fee
Soundshell/The Dell/Leonard Cockayne Lawn/Magpie lawn sites	\$180 non-refundable booking fee	\$200
Begonia House	\$700 (4hrs) - \$1,000 (full evening)	\$750 - \$1,100
Leonard Cockayne/Treehouse seminar room	½ day \$280, Full day \$480, \$40 - \$80/hr	½ day \$300, Full day \$500
Discovery Garden group visits*	\$2.50 - \$4 per school student visits	\$4 - \$5
Commercial filming in gardens	\$120 - \$400	\$150 - \$430

2.1.9 Waterfront Public Spaces	Current Fee	Proposed Fee
Harbourside Market Monthly Fee Small Unpowered	\$165.00	\$175.00
Harbourside Market Monthly Fee Medium Unpowered	\$235.00	\$248.00
Harbourside Market Monthly Fee Large Unpowered	\$1,050.00	\$1,100.00
Harbourside Market Monthly Fee Small Powered	\$200.00	\$210.00
Harbourside Market Monthly Fee Medium Powered	\$285.00	\$300.00
Waterfront Food Trucks Daily Unpowered	\$45.00	\$50.00
Waterfront Food Trucks Daily Powered	\$50.00	\$55.00

Outdoor Licences

Outdoor Licence	Range \$5m2-\$75m2 *1	\$75/m2
<i>*1 Dependant on lease, operating hrs, sun hrs, wind etc</i>		

2.4.1 Sewage collection and disposal network	Current Fee	Proposed Fee
Volume - Up to 100m3/day	\$0.32	\$0.34
Volume - above 100m3/day, but below 7,000 m3	\$0.14	\$0.15
Volume - above 7,000 m3	\$0.98	\$1.04
Bichemical Oxygen Deman - Up to 3,150kg/day	\$0.34	\$0.36
Bichemical Oxygen Deman - above 3,150kg/day	\$0.75	\$0.79
Suspended solids - up to 1,575kg/day	\$0.33	\$0.35
Suspended solids - above 1,575kg/day	\$0.66	\$0.63

4.1.6 Arts Partnerships		
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5% price increase on Leases.

5.1.1 Swimming Pools	Current Fee	Proposed Fee
General Entry		
Adult Swim	\$6.30	\$6.60
Adult Concession Pass (10 trip)	\$56.70	\$59.40
Child Swim	\$3.70	\$3.90
Child Concession Pass (10 trip)	\$33.30	\$35.10
Under 5	Free	\$3.90
Family Pass	\$16.50	\$17.00
Hotspots (Spa, Sauna & Steam)		
Spa & Sauna (Freyberg, Keith Spry & WRAC)	\$6.00	\$6.40
Spa, Sauna & Swim (Freyberg, Keith Spry & WRAC)	\$10.00	\$10.00
Steam room (Freyberg only)	\$5.00	\$5.00
Spa – Medium (Thorndon & Tawa)	\$5.00	\$5.00
Spa & Swim – Medium (Thorndon & Tawa)	\$7.50	\$8.50
Spa – Large (Karori)	\$5.00	\$5.40
Spa & Swim – Large (Karori)	\$7.50	\$8.40
Child Spa only (all pools)	\$2.60	\$3.00
Child Spa & Swim (all pools)	\$4.90	\$5.40
Spa or Sauna Top Up	\$1.20	fee
WRAC - Child Hot Spot Top Up	\$1.00	fee
Hotspots 10 Trip Concessions		
Spa & Sauna (Freyberg, Keith Spry & WRAC) – 10 trip	\$54.00	\$57.60
Spa, Sauna & Swim (F'berg, Keith Spry & WRAC) – 10 trip	\$90.00	\$93.60
Steam room (Freyberg only) – 10 trip	\$45.00	\$45.00
Spa – Medium (Thorndon & Tawa) – 10 trip	\$45.00	\$45.00
Spa & Swim – Medium (Thorndon & Tawa) – 10 trip	\$67.50	\$72.00
Spa – Large (Karori) – 10 trip	\$45.00	\$48.60
Spa & Swim – Large (Karori) – 10 trip	\$67.50	\$75.60
Child Spa only (all pools) – 10 trip	\$23.40	\$27.00
Child Spa & Swim (all pools) – 10 trip	\$44.10	\$48.60
Swim Memberships		
Swim Membership Adult - Direct Debit (Fortnightly)	\$28.62	\$29.98

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Swim Membership Adult - Direct Debit (Monthly)	\$62.00	\$64.96
Swim Membership Adult - Upfront (Yearly)	\$740.00	\$775.00
Swim Membership Child - Direct Debit (Fortnightly)	\$16.70	\$17.50
Swim Membership Child - Direct Debit (Monthly)	\$36.20	\$37.90
Swim Membership Child - Upfront (Yearly)	\$434.80	\$455.50

Leisurecard (policy is 50% discount of entry fees)

Adult Swim	\$3.00	\$3.30
Child Swim	\$1.90	\$1.90
Under 5		\$1.90
Family Pass	\$8.30	\$8.50
Spa & Sauna (Freyberg, Keith Spry & WRAC)	\$3.00	\$3.20
Spa, Sauna & Swim (Freyberg, Keith Spry & WRAC)	\$5.00	\$5.00
Steam room (Freyberg only)	\$2.50	\$2.50
Spa – Medium (Thorndon & Tawa)	\$2.50	\$2.50
Spa & Swim – Medium (Thorndon & Tawa)	\$3.80	\$4.30
Spa – Large (Karori)	\$2.50	\$2.70
Child Spa only (all pools)	\$1.30	\$1.50
Child Spa & Swim (all pools)	\$2.50	\$2.70
Swim Membership Adult - Direct Debit (Fortnightly)	\$14.31	\$14.99
Swim Membership Adult - Direct Debit (Monthly)	\$31.00	\$32.48
Swim Membership Adult - Upfront (Yearly)	\$370.00	\$387.50
Swim Membership Child - Direct Debit (Fortnightly)	\$8.36	\$8.75
Swim Membership Child - Direct Debit (Monthly)	\$18.10	\$18.95
Swim Membership Child - Upfront (Yearly)	\$217.40	\$227.75
Note: SuperGold Card, Community Services Card and Student ID received 20% discount to General Entry, Hotspots fees and Swim Memberships.		
Lane & Pool Hire		
Pools - KSP Dive Well	\$16.40	\$17.20
Pools - KSP Dive Well Commercial	\$33.00	\$60.00
Pools - Lane Hire 25m	\$8.20	\$8.60
Pools - Lane Hire 25m Commercial	\$16.40	\$30.00
Pools - Lane Hire 25m Half	\$4.10	\$4.30
Pools - Lane Hire 25m Half Commercial	\$8.20	\$15.00
Pools - Tawa Pool Teaching Pool	\$25.50	\$27.00

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Pools - Tawa Pool whole	\$51.00	\$55.00
Pools - Whole (excl WRAC)	\$85.20	\$90.00
Pools - Whole (excl WRAC) Commercial	\$170.40	\$200.00
Pools - WRAC 25m Section	\$82.00	\$90.00
Pools - WRAC 25m Section Commercial	\$164.00	\$300.00
Pools - WRAC 50m Section	\$164.00	\$180.00
Pools - WRAC 50m Section Commercial	\$367.20	\$600.00
Pools - WRAC Hydro Lane Hire Commercial	\$20.00	\$30.00
Pools - WRAC Hydro Whole Commercial	\$80.00	\$120.00
Pools - WRAC Lane Hire 50m	\$16.40	\$18.00
Pools - WRAC Lane Hire 50m Commercial	\$32.80	\$60.00
Pools - WRAC Small 2m pool whole	\$32.80	\$36.00
Swim Programmes (per lesson)		
School Swim	\$1.30	\$1.60
SwimWell – Infant	\$10.80	\$12.50
SwimWell – Preschool	\$12.00	\$12.50
SwimWell – School Age (Jellyfish to Bronze Sharks)	\$14.00	\$14.50
SwimWell – Silver & Gold Sharks	\$15.00	\$15.50
SwimWell – Platinum & Taniwha	\$15.50	\$15.50
Note: LeisureCard 20% discount will be applied to SwimWell fees as per the agreed scheme.		

5.1.2 Sportsfields	Current Fee	Proposed Fee
NATURAL TURF SPORTSFIELDS		
Rugby, League, Soccer/Football, Aussie Rules		
Casual		
Level 1	\$145.00	\$150.00
Level 2	\$110.00	\$115.50
Seasonal		
Level 1	\$2,425.00	\$2,546.25
Level 2	\$1,625.00	\$1,706.25
Level 3	\$1,300.00	\$1,365.00
Softball/Baseball		
Casual		
Level 1	\$180.00	\$185.00
Level 2	\$130.00	\$

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		135.00
Seasonal		
Level 1	\$780.00	\$ 819.00
Level 2	\$520.00	\$ 546.00
Cricket		
Casual		
Level 1	\$388.00	\$ 400.00
Level 2	\$256.00	\$ 268.80
Seasonal		
Level 1	\$3,000.00	\$ 3,150.00
Level 2	\$2,500.00	\$ 2,625.00
Training		
Ground Only (Unserviced)		
1 night	\$108.00	\$ 110.00
1 night (season)	\$400.00	\$ 420.00
2 nights (season)	\$770.00	\$ 800.00
3 nights (season)	\$1,170.00	\$ 1,200.00
Ground and Changing Rooms		
1 night	\$200.00	\$ 210.00
1 night (season)	\$850.00	\$ 880.00
2 nights (season)	\$1,650.00	\$ 1,700.00
3 nights (season)	\$2,480.00	\$ 2,580.00
Newtown Park/Athletics track (School use)- 1/2day NEW	\$ -	\$ 60.00
Newtown Park Function room/Hr (School use) NEW	\$ -	\$ 20.00

Synthetic Turf (Full size)	Current Fee	Proposed Fee
Peak (mon-Fri after 4pm, Sat 8am - 5pm, Sun 7am - 9pm)	\$77.50	\$82.50
Off peak (Mon-Fri anytime before 4pm, Sat before 8am and after 5pm)	\$50.00	\$52.00
Junior/College per hr	\$38.00	\$40.00
Weekend Daily rate/Tournament/Events	\$800.00	\$825.00

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Nairnville & Terawhiti Turfs		
Peak (mon-Fri after 4pm, Sat 8am - 5pm, Sun 7am - 9pm)	\$54.00	\$56.50
Off peak (Mon-Fri anytime before 4pm, Sat before 8am and after 5pm)	\$33.00	\$34.50
Junior/College per hr	\$27.00	\$28.00
National Hockey Stadium (per Turf)	\$36,210.00	\$37,100.00

5.1.4 Recreation Centres	Current Fee	Proposed Fee
Facility Hire Hourly Rates		
ASBSC Court Hire	60.00	64.00
ASBSC Hall Hire	360.00	384.00
ASBSC Meeting Room Large	41.00	45.00
ASBsC Meeting Room Small	20.50	25.00
ASBSC Table Tennis	16.00	18.00
ASBSC Third Hall Hire	120.00	128.00
ASBSC Volley Ball	38.00	41.00
Commuity ReC Centre Whole Court Hire	50.00	55.00
Commuity Rec Centre Whole Court Hire (off peak)	30.00	33.00
Commuity Rec Centre Half Court Hire	28.50	31.00
Commuity Rec Centre - 1/4 Gym Hire (Badminton/Volley Ball)	16.00	18.00
Commuity Rec Centre - Squash Court	8.50	9.00
Commuity Rec Centre - Tabe Tennis	16.00	18.00
Commuity Rec Centre - Meeting Room Commercial	37.00	45.00
Commuity Rec Centre - Meeting Room Non Commercial	18.00	20.00
Commuity Rec Centre - Meeting Room Semi Commercial	25.00	30.00
Kilbirnie Rec Centre - Hire	60.00	70.00

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Admissions		
Casual use entry - Adult	3.50	4.00
Casual use entry - Child	2.00	3.00
ASBsC - Have A Go	4.00	4.50
ASBSC - Youth Night	2.00	2.00
Kilbirnie Rec Centre - Child on Wheels	3.50	4.00
Kilbirnie Rec Centre - Adult on Wheels	5.00	6.00
Kilbirnie Rec Centre - Tynytown Earlybird	6.80	7.00
Kilbirnie Rec Centre - Tynytown Entry	4.50	5.00
Kilbirnie Rec Centre - Skate Hire	3.50	4.00
Leagues & Programmes (Examples)		
Adult Basketball League	80.00	85.00
Adult Netball League	55.00	60.00
Kids Basketball League	28.00	30.00
Kids Miniball League	22.50	25.00
Pakour School Age	10.50	11.50
Parkout Adult/Advanced School Age	12.50	13.50
Preschool Baby Jam (Casual)	4.20	4.50
Preschool Programme Casula 30 mins	7.50	8.00
Preschool Programme Casula 45 mins	9.50	10.00
ASBSC - School Programme (per child)	1.50	1.70

5.1.8 Golf	Current Fee	Proposed Fee
LeisureCard/Junior	\$15.00	\$15.75
Adults: Round Weekdays	\$20.00	\$21.00
Adults: Round Weekends	\$20.00	\$21.00

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Disc Golf	\$5.00	\$5.50
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5.2.6 Community Centres and Halls	Current Fee	Proposed Fee
Community groups (per hour)	\$17.90	\$19.00
Commercial (per hour)	\$23.50	\$25.00
Private event (per hour)	\$29.10	\$30.00
Commercial private (per hour)	\$39.90	\$42.00
Venue security check fee (one off)	\$50.90	\$50.90

Burials and Cremations 5.3.1	Current Fee	Proposed Fee
Karori & Makara Cemetery		
Cremation:		
Delivery Only	\$ 692.00	\$ 726.00
Committal Service	\$ 846.00	\$ 888.00
Full Service (1 Hour)	\$ 902.00	\$ 947.00
Child	\$ 190.00	\$ 200.00
Ash Interments	\$ 163.00	\$ 173.00
Ash disinterment	\$ 263.00	\$ 289.00
Ash plot maintenance fee	\$ 163.00	\$ 179.30
Cremation overtime	\$ 311.00	\$ 342.00
Public Holiday fee (Cremations)	\$ 592.00	\$ 621.00
Outside District Casket Interment	\$ 1,020.00	\$ 1,071.00
Burials:		
Denominational Plots	\$ 1,206.00	\$ 1,266.00
Plot maintenance	\$ 821.00	\$ 903.00
Interment Fee	\$ 656.00	\$ 688.00
Beam fee	\$ 175.00	\$ 183.75
Lawn Cemetery plot maintenance	\$ 574.00	\$ 631.40
Public Holiday fee (Burials)	\$ 864.00	\$ 907.00
Seaforth Memorial plots	\$ 946.00	\$ 990.00
Natural Burials:		
Plot	\$	\$

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	1,351.00	1,500.00
Interment Fee	\$ 976.00	\$ 1,025.00
Maintenance Fee	\$ 643.00	\$ 700.00
Miscellaneous:		
Chapel Hire (Full service)	\$ 210.00	\$ 250.00
Chapel Hire for cremation elsewhere	\$ -	\$ 250.00
Plot Search - 4 & over (per search)	\$ 15.00	\$ 20.00
Permits	\$ 84.00	\$ 92.00
Temporary Grave markers	\$ 142.00	\$ 149.00
Change of Deed	\$ 70.00	\$ 77.00
Bronze Plaques	\$ 1,200.00	\$ 1,260.00
Rimu Urn - Adult	\$ 90.00	\$ 94.50
Rimu Urn - Adult Half Size	\$ 75.00	\$ 78.75
Ash Scattering overtime	\$ 195.00	\$ 214.50
Funerals booked from 3:30pm	\$ 195.00	\$ 214.50
Viewing casket charge	\$ 82.00	\$ 90.00
Late for Service fee (hr)	NEW	\$ 50.00
Cleaning Fee (hr)	NEW	\$ 50.00

Public Health Regulations 5.3.3	Current Fee	Proposed Fee
Application Fee - High	\$1,351	\$2,351
Application Fee - Very high	\$1,594	\$3,594
Annual Fee - High	\$1,366	\$2,366
Annual Fee - Very high	\$1,898	\$3,898
Special licences - Class 1	\$759	\$1,500
Special licences - Class 2	\$273	\$320
Special licences - Class 3	\$83	\$120
RFI fee	\$0	\$155
Waivers/ late fee	\$0	\$100
Alcohol fees bylaw	76%	85%

6.2.2 – Development Control & Facilitation			
Fee / Charge Name	Current Fee	Proposed	

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		Fee	Movement
Resource Consent Fees			
Pre-application meetings: this will instead be invoiced as an additional charge on a per hour basis for the time spent by the Council officer/s involved.			
Non-notified consent: land use	1,650.00	2,145.00	495.00
Non-notified consent: subdivision	2,000.00	2,600.00	600.00
Non-notified consent: subdivision and land use / Notice of Requirement	2,700.00	3,510.00	810.00
Limited notified consent: subdivision and/or land use / Notice of Requirement	8,400.00	10,920.00	2,520.00
Fully notified consent: subdivision and/or land use / Notice of Requirement	16,000.00	20,800.00	4,800.00
All other approvals including:	-	-	-
Outline plan approval	1,040.00	1,352.00	312.00
Certificate of compliance	1,040.00	1,352.00	312.00
Existing use certificates	1,040.00	1,352.00	312.00
Extension of time (s125)	1,040.00	1,352.00	312.00
Change or cancellation of conditions (s127)	1,040.00	1,352.00	312.00
Consents notices (s221)	1,040.00	1,352.00	312.00
Amalgamations (s241)	1,040.00	1,352.00	312.00
Easements (s243), right of way or similar	1,040.00	1,352.00	312.00
Outline plan waiver	300.00	390.00	90.00
Certificates: Town Planning, Sale of Liquor, Overseas Investments, LMVD - up to 2 hrs planner / advisor, 1 hr admin	385.00	500.50	115.50
Premium consent - non-notified consents only - issued within 10 working days (conditions apply, applications will be accepted on a case-by-case basis)	2 x normal fee	2 x normal fee	
Premium consent - non-notified consents only - issued within 5 working days (conditions apply, applications will be accepted on a case-by-case basis)	3 x normal fee	3 x normal fee	
Boundary activity	465.00	604.50	139.50
Marginal or temporary activities (fixed fee)	310.00	403.00	93.00

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Additional Charges	-	-	-
Additional hours (per hour):	155.00	201.50	46.50
All pre-application meetings and consents: additional processing hours ('per hr) planner / advisor / compliance officer	90.00	117.00	27.00
Councillor costs per hour for any hearing:	-	-	-
Chairperson	87.00	113.10	26.10
Other	70.00	91.00	21.00
Bylaw Application	-	-	-
Applications relating to signs (eg commercial sex premises) - up to 6 hrs	900.00	1,170.00	270.00
<u>Compliance Monitoring</u>			1.00
Monitoring administration of Resource Consents: subdivision or land use - minimum of 1 hr, then based on actual time over and above that	155.00	201.50	46.50
Additional hours (per hr):	-	-	-
planner / expert / compliance officer	155.00	201.50	46.50
administrative officer	90.00	117.00	27.00
<u>Subdivision Certificate</u>			
<i>Certification for s224(c):</i>	-	-	-
up to 6 hrs	900.00	1,170.00	270.00
<i>Certification for s223, s224(f), s226 etc:</i>	-	-	-
up to 2 hrs	310.00	403.00	93.00
combination of 2 or more - up to 6 hrs	900.00	1,170.00	270.00
All other RMA, Building Act, Unit Titles Act and LGA certificates, sealing, transfer documents etc - up to 2 hrs (disbursements, eg photocopying will be charged separately)	310.00	403.00	93.00
Bonds: preparation and/or release - up to 2 hrs	310.00	403.00	93.00
<u>Additional hours (per hour)</u>			
Planner/expert/compliance staff	155.00	201.50	46.50
Administrative officer	90.00	117.00	27.00
<u>Vehicle Access</u>			
Plan check linked to a building consent or resource consent	310.00	403.00	93.00
Received independently (small)	315.00	409.50	94.50

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Received independently (multiple)	530.00	689.00	159.00
Initial inspection fee	155.00	201.50	46.50
Vehicle crossing inspection fee over 1 hour	155.00	201.50	46.50
<u>District Plan Check</u>			
Building consents with a project value under \$20,000. Initial charge for the first 30 minutes, then additional charges (\$180 per hour) for processing time above this.	80.00	100.80	20.80
Building consents with a project value over \$20,001. Initial charge for the first hour, then additional charges (\$180 per hour) for processing time above this.	155.00	195.30	40.30

7.1.6 – Network-wide control and management		
Fee	Current Charge	Proposed Charge
CAR fee – standard processing	\$65	\$75
CAR fee – extra processing	\$80	\$95
CAR fee – overdue penalty	N/A	\$40
CAR fee – inspection	\$90	\$100
CAR fee – re-inspection	\$90	\$120
CAR fee - callout inspection	N/A	\$150
CAR fee – late notice	\$400	\$440
CAR fee – further delay	\$30	\$35
CAR fee – texturizing (per m2)	\$6 per m2	\$7 per m2
Prior approvals - processing fee	\$80	N/A
TMP fee – processing fee	\$80	\$95
TMP fee - extra processing	N/A	\$95

Attachments

Attachment 1.	2.1.10 Berhampore Nursery ↓ 	Page 95
Attachment 2.	Detailed Activity Compliance Review Papers ↓ 	Page 97
Attachment 3.	6.2.1 Building and Facilitation ↓ 	Page 217
Attachment 4.	5.1.7 Marinas ↓ 	Page 224

Author	Martin Read, Manager Financial Strategy & Treasury
Authoriser	Sara Hay, Chief Financial Officer

SUPPORTING INFORMATION

Engagement and Consultation

Subject to Council approval, the variances proposed and decisions made on this report will be consulted on with the community through 2021-31 Long-term Plan consultation process.

Treaty of Waitangi considerations

Targeted consultation will be undertaken with Iwi as part of the 2021-31 Long-term Plan consultation process using existing relationship channels.

Financial implications

This report discusses the key financial and funding policy considerations for the 2021-31 Long-term Plan. These underpin the financial forecasts in the LTP 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

The 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 consulted upon as part of the 2021-31 Long-term Plan consultation process.

Risks / legal

The report meets all statutory requirements under the Local Government Act 2002. Legal advice has been obtained for changes to financial and funding policies suggested in this report.

Climate Change impact and considerations

Implications of climate change have been considered in relation to the 2021-31 Long-term Plan, and therefore funding implications as related to the strategy and policies.

Communications Plan

Communication will be through the 2021-31 Long-term Plan communication plan.

Health and Safety Impact considered

There are no Health and Safety implications arising from this paper.

ACTIVITY 2.1.10: BERHAMPORE NURSERY

The Council operates Berhampore Nursery to grow eco-sourced native plants to support Council’s restoration programme across Wellington gardens, parks and reserves, and to support community restoration programmes. Restoration planting improves our biodiversity and the health of our city. The provision of eco-sourced plants ensures we grow and use plants that would have originally occurred in the ecosystem keeping the distinctiveness of Wellington’s local flora.

The nursery also provides a brokering service for plants for roadside gardens, parks maintenance and urban design projects.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – enhancing our biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *Connected City* - high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *Eco-city* - environmental initiatives like planting and restoration raise awareness of environmental issues and ensure ongoing protection and restoration.

Who benefits?	
Whole community	100%

This activity benefits the community as a whole. While individuals or groups can apply for plants through restoration planting schemes, planting eco-sourced natives throughout the city’s parks and open spaces, helps enhance the city’s green environment and provides benefits for all city residents. The work aids the health of the environment and makes the city’s environment greener and more pleasant for all residents and provides a connection to nature.

The long-term benefits of this activity are reflected in the Council’s decision to fund this on an ongoing basis.

Who should pay?	
Whole community	100%

This activity benefits the community as a whole. Therefore, the fairest and most effective way of funding it is from general rates.

However, a small percentage of our costs are covered through revenue from external sales through environmental trusts or community groups. The amount varies year to year and is dependent on these groups gaining grant funding, therefore is unpredictable.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%

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General rate	100%
Total	100%

Reviewed By:

BU Manager

Date:

Business Analyst

Date:

Revenue & Finance Working Party
Workshops - 2 and 9 February 2021

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

2021-31 Long Term Plan
Funding Considerations and Policy Compliance Review

Detailed Activity Compliance Review Papers

Appendix 1: Detailed Compliance Papers

REVENUE AND FINANCING POLICY ACTIVITY COMPLIANCE REVIEW 2021/22 LTP

1. Activity Information

2.1.2 Botanic Gardens Services	
Contributing Projects	1021 - Botanic Gardens Services
Project Manager(s)	David Sole/Myfanwy Emeny
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$4,456,780	\$4,149,994	\$4,385,133	\$4,588,468
Allocations	\$1,585,298	\$1,637,594	\$1,686,550	\$1,676,299
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$6,042,078	\$5,787,588	\$6,071,683	\$6,264,767
User Charges	(\$461,602)	(\$280,157)	(\$127,900)	(\$260,000)
Other Income	(\$289,469)	(\$278,431)	(\$134,359)	(\$199,495)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$751,071)	(\$558,589)	(\$262,259)	(\$459,495)
Rates Funding Requirement	\$5,291,007	\$5,229,000	\$5,809,424	\$5,805,272
Non-rates income %	12%	10%	4%	7%
Non-rates income % per R&F policy	10%	10%	10%	10%
% Variance from R&F Policy (negative variance favourable)	-2%	0%	6%	3%
\$ Variance from R&F Policy	(\$146,863)	\$20,170	\$344,910	\$166,982

3. Introduction

Wellington has four botanic gardens: Wellington Botanic Garden, Otari-Wilton's Bush, Bolton Street Cemetery and Truby King Park (Melrose). The Council maintains these gardens with the help of community groups and trusts that provide voluntary guides and carry out practical work such as planting and support the gardens through fundraising initiatives.

The gardens are a significant contributor to tourism in Wellington with cruise and bus operators usually stopping as part of their travel itineraries. This contributes directly to Wellington's tourism economy.

The gardens are important amenities that provide free public access. They are of international standard providing residents and visitors with access to open spaces for recreation and relaxation, as well as opportunities to learn. They play a valuable conservation role, preserving native and exotic plants. The Lions-Otari Plant Conservation Laboratory provides staff with facilities to conduct essential research into propagation and long-term storage of New Zealand's threatened

plants. WCC provides this facility in collaboration with partners such as Victoria University and DOC.
The gardens also provide educational seminars and programmes which have some private benefit. The Discovery Garden opened in 2017. It is a living classroom, and its role is to provide environmental and botanical awareness for visitors and residents with a strong focus on children.

The Botanic Garden operates a Visitor Information Centre at the Treehouse and a retail gift shop where visitors can purchase souvenirs and gifts. The principle sources of revenue for the gardens is from venue and facility hire, sale of goods, as well as leasing of some of its premises (Café, three residential dwellings, Truby King house office & volunteer space).

This activity is non-compliant.

4. Expenditure analysis

- Depreciation of buildings has significantly increased (Y1 \$959k) compared to 2019/20 Actuals of \$852k
- Cleaning: Contract increases have meant cleaning has increased by \$11k over and above 20/21 budget of \$86k
- Building & Infrastructure Facility Maintenance Contract cost increases \$30k
- Management Fees Facility Maintenance Contract – increase in the contract costs \$62k compared to \$44k 19/20 actuals
- Personnel – \$2.035m reflects the normal inflationary increase from 20/21.

5. Key revenue assumptions

The impacts of the Covid19 Pandemic have had a significant impact on the tourism numbers visiting the gardens, especially the cruise ship market. This will continue while there are border restrictions in New Zealand. Revenue in similar retail shops has also dropped significantly. This includes gift shops at Wellington Museum (35%) and Cable Car Museum (70%). Wellington NZ has indicated that international visitor numbers will not be back to expected levels until 2024.

In addition to COVID effects, in 2019 the shop moved from the Begonia House to the Treehouse. This was to address the unsafe working conditions for staff (due to the summer heat) and improve the conditions for customers. The shop will remain in the Treehouse until changes can be made to the heating & ventilation system in the Begonia House to make it safe to operate as a shop. As the Treehouse is located uphill and away from the Rose Garden, this has further impacted on visitor numbers and sales. We are unlikely to return to previous income levels from the shop until the cruise ship market returns and redevelopment of the Begonia House is completed in Year 6 of the LTP. However, there are options to look at a pop-up store to operate on days of cruise ship visits (once they resume).

Venue & booking hire at the Botanic Garden and Otari Wiltons Bush had been increasing due to greater promotion of these sites as a venue. This has now been impacted by Covid19, however we are expecting to see function bookings recover sooner, as it is used mostly by the domestic market, provided there are no further gathering restrictions.

Paid parking is proposed to be introduced to the Rose Garden car park. This is currently managed as time restricted parking. Paid parking is estimated to contribute \$40k to revenue of the Gardens, note this does not include enforcement.

Note the Revenue Budget for 2021 was reduced by around 50% (\$300k) due to the impact of Covid19.

6. Price Changes required to achieve R & F Policy Compliance

We propose a targeted fee increase for booking & venue hire and entry fees to the Discovery Garden. However, these increases and the addition of the paid parking in the Rose Garden will not close the gap to meet compliance.

We propose that temporary non-compliance is accepted during this LTP due to the impacts of Covid19, and that we expect revenue should gradually increase over the 3 years of the LTP and return to normal levels.

7. Options for achieving R & F Policy Compliance

The gardens have historically been compliant in this activity. Officers recommend accepting the targeted fee increases, introduction of paid parking in the Rose Garden and accepting non-compliance of (2%) or \$120k for the next 3 years, until international tourism numbers return. Officers will continue to investigate other opportunities to generate new revenue to close the gap.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	10%	0	0	90%
Recommended Policy	10%	0	0	90%
\$ Rates impact of change in policy: 0%				

9. Supporting Information

Wellington Garden Proposed Fee Increases		
Site/Facility	Hire Fees (current)	Proposed fees
Soundshell/The Dell/Leonard Cockayne Lawn/Magpie lawn sites	\$180 non-refundable booking fee	\$200
Begonia House	\$700 (4hrs) - \$1,000 (full evening)	\$750 - \$1,100
Leonard Cockayne/Treehouse seminar room	½ day \$280, Full day \$480, \$40 - \$80/hr	½ day \$300, Full day \$500
Discovery Garden group visits*	\$2.50 - \$4 per school student visits	\$4 - \$5
Commercial filming in gardens	\$120 - \$400	\$150 - \$430

*Note: any changes to fees for schools and ECEs would take effect from Jan 2022 due to the school year and communication of prices.

10. Approval

Report prepared by:	Project Manager:	David Sole
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

2.1.3 Beaches and Coast Operations

Contributing Projects	1022
Project Manager(s)	Myfanwy Emeny
Business Analyst	Naomi Shephard/Andrew McFarlane

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$1,014,492	\$1,096,990	\$1,374,679	\$1,116,180
Allocations	\$231,677	\$248,093	\$315,708	\$275,526
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$1,246,168	\$1,345,083	\$1,690,387	\$1,391,706
User Charges	(\$2,105)	(\$1,931)	\$7,715	\$0
Other Income	(\$47,894)	(\$33,947)	(\$52,904)	(\$48,904)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$49,999)	(\$35,878)	(\$45,189)	(\$48,904)
Rates Funding Requirement	\$1,196,169	\$1,309,205	\$1,645,198	\$1,342,802
Non-rates income %	4%	3%	3%	4%
Non-rates income % per R&F policy	5%	5%	5%	5%
% Variance from R&F Policy (negative variance favourable)	1%	2%	2%	1%
\$ Variance from R&F Policy	\$12,310	\$31,376	\$39,330	\$20,681

3. Introduction

Wellington's coastline is a distinct part of the city's identity and an important part of our natural environment. By ensuring people have safe access to the coast, the Council is increasing the range of recreation opportunities available to people and encouraging healthy lifestyles, as well as protecting public safety.

This activity includes the management of coastal infrastructure including the city's wharves, jetties and breakwaters and boat ramps, erosion control, and maintenance on Oriental Bay Beach and Carter Fountain.

Income comes from coastal leases and a small amount from freedom camping infringements.

4. Expenditure analysis

Overall Expenditure has reduced

- Depreciation increase \$24k
- Contract reduction (\$218k) – due to the planned demolition of the patent slip jetty in the 20/21 year.
- Vehicle Cost increase \$54k – wear and tear of beach grooming vehicle
- Labour and Plant Allocations (\$112k) reduction

- Corporate Allocations (\$40k) favourable

5. Key revenue assumptions

There is very limited ability to increase revenue through this activity as revenue is only through lease income from a small number of user groups and freedom camping infringements.

Increased revenue through leases can only be undertaken every 3 years at a CPI adjustment rate, as per conditions of the lease.

Income from freedom camping infringements is minimal with limited ability to enforce.

We propose to move the lease income out of this Activity, into Activities 2.1.1 & 2.1.5. These activities already have other similar income budgeted, which means it will be better aligned and more consistently managed.

6. Price Changes required to achieve R & F Policy Compliance

7. Options for achieving R & F Policy Compliance

Option 1:

Accept non-compliance. Continue to look for revenue opportunities including new income streams which may be identified through the Trading in Public Places Policy review.

Option 2:

Change R&F funding policy to 100% rates funded.
 Move the nominal lease income out of this Activity, into 2.1.1 Local Parks & Open Spaces (R&F 95/5) and 2.1.5 Town belts (R&F 90/10). Both activities have similar income already budgeted in them.

Officers recommend Option 2

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%			95%
Recommended Policy	0%			100%
\$ Rates impact of change in policy				5%

9. Approval

Report prepared by:	Project Manager:	Myfanwy Emeny
	Business Analyst:	Andrew McFarlane / Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22 LTP**

1. Activity Information

2.1.9 Waterfront Public Spaces

Contributing Projects	1035 – Waterfront Public Space Management
Project Manager(s)	Kelly Crandle
Business Analyst	Andrew McFarlane, Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$7,028,752	\$6,424,409	\$7,562,075	\$7,755,652
Allocations	\$582,371	\$368,519	\$319,017	\$739,114
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$7,611,124	\$6,792,928	\$7,881,092	\$8,494,766
User Charges	(\$315,068)	(\$226,771)	(\$305,568)	(\$280,000)
Other Income	(\$229,238)	(\$211,465)	(\$159,511)	(\$244,968)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$544,306)	(\$438,236)	(\$465,078)	(\$524,968)
Rates Funding Requirement	\$7,066,818	\$6,354,692	\$7,416,013	\$7,969,798
Non-rates income %	7%	6%	6%	6%
Non-rates income % per R&F policy	10%	10%	10%	10%
% Variance from R&F Policy (negative variance favourable)	3%	4%	4%	4%
\$ Variance from R&F Policy	\$216,807	\$241,057	\$323,031	\$324,509

3. Introduction

The Waterfront Public Spaces activity relates to the operation of open space on the waterfront. There are five distinct public space precincts, each with their own character – Kumutoto, Queens Wharf, Frank Kitts, Taranaki St Wharf and Waitangi. It is a valued area of the city that provides recreation and cultural amenity.

The commercial operations of the waterfront (including parking) are held in other Council activities. The Waterfront is a particularly challenging coastal environment and public use is high. There is an expectation that public spaces will be presented to a high quality.

The costs in this activity relate to:

- Asset ownership costs for the waterfront public space assets (mostly depreciation and interest)
- The maintenance of a wide range of open space assets including wharves, seawalls, bridges, parks, public toilets promenades, laneways, and lighting
- Operating expenses and staff costs associated with these assets, and
- Activation of public spaces, supporting small events

This activity includes revenue from:

- Licences for outdoor space, such as outdoor liquor licence areas (average 1800m² available) and use of public spaces for business use and activations.
- The Sunday Harbourside Market income from stallholder fees and food trucks.

This activity is currently non-compliant.

4. Expenditure analysis

The expected total operating expenditure of \$8,494k is a \$613k increase (or 7.7%) on the current 20/21 budget and \$1.701m higher than 2019/20 Actuals (\$6,793k).

This activity is where all the waterfront public space assets are held. The associated asset ownership costs, depreciation and maintenance comprise the bulk of the expenditure in this activity. The Waterfront has a number of aging assets with deferred maintenance and renewals are required. This includes seismic compliance issues/resilience with some buildings and structures.

The main changes in expenditure are:

- Depreciation is \$5,087m, compared to \$4,395m (Actual 19/20)
- Contracts, Services & Materials \$844k. The new public space & hard surface cleaning contract (part of the wider Rooding Contracts) started during 20/21 and has had a significant increase in costs
- Insurance \$312k pa, an increase of \$58k on 20/21 budget
- Utilities of \$311k for Electricity, Water (increasing charges) and rates
- Organisational allocations \$739k, increase due to interest charges based on asset values.

5. Key revenue assumptions

Revenue is obtained from the following income streams:

- Licencing of outdoor spaces, boatshed licences and berths \$210k (mainly small retail/hospitality businesses) - 2019/20 budget: \$282k
- The Harbourside market and food trucks approx. \$280k pa (2019/20 budget: \$270k)
- Temporary activations for use in public spaces

The impact of Covid19 is still being felt amongst retail and hospitality customers. Therefore, they are still very sensitive to any price increase affecting their business.

In reviewing the charges for leases and licences there is a key focus to reach consistency and transparency amongst our lease/licence holders when they are renewed. Currently, there are a range of rates applied.

It is proposed that the Waterfront Outdoor Licence charges be increased, to be better aligned with the WCC rate for pavement dining licences which is \$90/m² (smoking). This is still a fair way from the commercial valuation (\$200/m²). It seems reasonable to assume that the Waterfront outdoor dining spaces are more attractive and would generate more income for hospitality operators than pavement areas.

The smoke free discount initiative from 2017/18 has been removed from the revenue budget from 21/22, as it is anticipated that the review of the Trading in Public Places Policy will see this discount discontinued. Note that the licences that are currently managed as Smoke Free on the Waterfront are getting a 100% licence fee discount. This equates to around 75% of the total outdoor licence revenue, totalling \$84k foregone revenue.

6. Price Changes

Income comes mainly in the form of leases and licences for hospitality businesses.

The Harbourside Market and Food Truck fees were last reviewed in 2018, but a freeze on increases was agreed during the Covid 19 pandemic. We propose an average increase of around 5% for the monthly market fees and daily truck rates.

A market review of existing licences permitting waterfront public spaces to be used for outdoor hospitality purposes was undertaken in 2017 which valued these outdoor licences at \$200/m2. Officers feel most Licensees would currently struggle to pay at this rate. Since July 2019, as a license was renewed (or issuing of a new licence) allowed, a new rate of \$75/m2 has been applied. No increases were applied for the 20/21 year due to the Covid 19 pandemic.

Officers propose the m2 rate is increased to \$90/m2 to align with the current rate for Pavement Dining Licences and that a phased in approach is used to have all license holders on the new rate by 24/25. Further moves to a premium commercial rate will be considered in the future, and this could be further investigated as part of the Trading in Public Places Policy review.

Officers support the removal of the 100% discount for smoke free outdoor areas.

7. Options for achieving R & F Policy Compliance

The Waterfront Public Spaces activity has been non-compliant for a number of years, as shown in the table below:

Year	Target		Budget		Actual		
	User Charges / Other	Rates	User Charges / Other	Rates	User Charges / Other	Rates	
2020/21*	10%	90%	7%	93%			draft
2019/20*	10%	90%	8.9%	91%	6.5%	93.5%	Covid
2018/19	10%	90%	9.3%	90.7%	7%	93%	
2017/18	20%	80%	11%	89%	10%	90%	
2016/17	20%	80%	6%	94%	10%	90%	
2015/16	20%	80%	14%	86%	11%	89%	

The R&F policy was reviewed through the last LTP and changed to 90/10 however has continued to be non-compliant due to ongoing development and high asset ownership costs associated with the waterfront public space assets (including interest & depreciation). There is limited scope to significantly increase revenue in this area to meet compliance. Expenditure would need to be reduced by \$2,672m to meet compliance.

The options to consider are:

Option 1: 5% fee increase for Harbourside Market, increased m2 rate for outdoor licences to more consistent rate of \$90m2, no discount for smoke free and accept non-compliance

Option 2: 5% fee increase for Harbourside Market stallholders, increase m2 rate for outdoor licences to more consistent rate of \$90m2, no discount for smoke free and review of the R&F Policy to change to 95% rates funded and 5% user fees/other.

Officers recommend Option 2. This will better align the licences to the Trading in Public Places Policy, it recognises the continued development and increasing expenses on the waterfront public space and enables the Activity to be compliant.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%	5%		90%
Recommended Policy	5%			95%
\$ impact of change in policy				5%

9. Supporting Information

Harbourside Market and Food Truck Proposed Fee Increases

Fee / Charge Name	Current Fee (Incl. GST)	Proposed New Fee (Incl. GST)	Fee Increase	% Increase
Harbourside Market Monthly Fee Small Unpowered	\$165.00	\$175.00	\$10.00	6.06%
Harbourside Market Monthly Fee Medium Unpowered	\$235.00	\$248.00	\$13.00	5.53%
Harbourside Market Monthly Fee Large Unpowered	\$1,050.00	\$1,100.00	\$50.00	4.76%
Harbourside Market Monthly Fee Small Powered	\$200.00	\$210.00	\$10.00	5.00%
Harbourside Market Monthly Fee Medium Powered	\$285.00	\$300.00	\$15.00	5.26%
Waterfront Food Trucks Daily Unpowered	\$45.00	\$50.00	\$5.00	11.11%
Waterfront Food Trucks Daily Powered	\$50.00	\$55.00	\$5.00	10.00%

Outdoor Licences

Licence	Current Rates	Proposed Rates
Outdoor Licence	Range \$5m2-\$75m2 *1	\$90/m2 *2
*1 Dependant on lease, operating hrs, sun hrs, wind etc		
*2 To be aligned with rates elsewhere in city and phased in by the start of 24/25		

10. Approval

Report prepared by:	Project Manager:	Kelly Crandle
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

2.1.10 Berhampore Nursery (New Strategy)

Contributing Projects	1217 Berhampore Nursery
Project Manager(s)	Myfanwy Emeny/Jeff Paris
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Expenditure (excl Allocations)	NA	NA	NA	\$155,746
Allocations				\$469,893
Less Unfunded Depreciation				
Total Net Expenditure				\$469,893
User Charges				\$0
Other Income				\$45,000
Less Vested Asset Income				\$0
Total Net Income				\$45,000
Rates Funding Requirement				\$424,893
Non-rates income %				9.5%
Non rates income % per R&F	NA	NA	NA	0%
% Variance from R & F Policy (negative variance unfavourable)				9.5%
\$ Variance from R & F Policy	NA	NA	NA	\$45,000

3. Introduction

Berhampore Nursery has operated as Council's primary source of plants since the 1940's and provides eco-sourced native plants for Wellington's gardens, parks, and reserves. It supports Our Natural Capital – Wellington Biodiversity Strategy and Action Plan (2015), providing plants for Council and community restoration work.

All of Wellington benefits from the Nursery operation including community groups and external conservation organisations involved in improving biodiversity and the health of our city. The nursery brokers plants (including bedding) for roadside gardens, parks maintenance and urban design projects. Free plants are given to the community through the road reserve & boundary planting schemes. The Nursery hosts an open day each year for the public, providing horticultural advice, tours, and workshops on plant production/growth.

To date, the Nursery has been included and financially managed within the wider Council organisational activity. With a stronger focus on environmental initiatives, and the important role the nursery plays in terms of the provision of eco-sourced plants for the region, there is a desire to have a more direct focus on and visibility of, the nursery and its operation. This will also improve financial transparency.

It is proposed to create a new standalone Activity for the nursery with its own R&F Policy of 100% rates funding.

4. Expenditure analysis

The main areas of expenditure in this Activity are:

- Personnel costs - \$486k Nursery staff
- Depreciation (Buildings, Plant & Equipment) - \$60k
- Contracts, Services, Materials, & Cost of Plants (external sources) - \$351k

The cost of plants range from \$1.50 - \$60.00, depending on size, with an average cost of \$6.70 each.

5. Key revenue assumptions

The Nursery is located on Town Belt land which is managed under the Wellington Town Belt Act 2016. This means there are restrictions on the use of the land, including commercial activities which therefore limits the nursery activity to supplying plants to Wellington City Council projects.

Most of the plant sales are internal, directly between the nursery and relevant activities.

Around 5% of total sales (\$45k) are external sales from the Nursery's annual Open Day, or through Not for Profit customers (like community groups or environmental trusts). External revenue varies year on year as it is dependent on external organisations gaining grant funds, therefore it is unpredictable.

Having the Nursery in its own Activity will provide greater transparency with financial and stock management.

6. Price Changes required to achieve R & F Policy Compliance

This would be the first year the Nursery operates under its own Activity and a new strategy (2.1.10) has been set up. A Revenue & Finance Policy (R&F) of 100% Rates funded is recommended, due to the overall benefit to the city the Nursery service provides.

7. Options for achieving R & F Policy Compliance

This activity would be compliant with an R&F Policy of 100% Rates funding.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	0%			100%
Recommended Policy	0%			100%
\$ Rates impact of change in policy				

9. Supporting Information

Nil

10. Approval		
Report prepared by:	Project Manager:	Jeff Paris/Myfanwy Emeny
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2020/21**

1. Activity Information

2.2.1 WASTE MINIMISATION, DISPOSAL AND RECYCLING MANAGEMENT

Contributing Projects	1036 – Landfill Operations & Maintenance 1037 – Suburban Refuse Collection 1038 – Domestic Recycling to 1039 – Waste Minimisation Information 1040 – Litter Enforcement
Project Manager(s)	Emily Taylor-Hall and Mike Mendonca
Business Analyst	Nikki Symons

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$17,059,855	\$16,718,563	\$18,952,534	\$20,248,523
Allocations	\$1,931,292	\$2,077,575	\$1,979,378	\$2,088,240
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$18,991,147	\$18,796,138	\$20,931,912	\$22,336,763
User Charges	(\$16,194,876)	(\$19,857,251)	(\$20,963,191)	(\$22,153,191)
Other Income	(\$131,124)	\$0	(\$30,000)	(\$32,000)
Less Vested Asset Income	(\$1,291,600)	(\$1,454,580)	\$0	\$0
Total Net Income	(\$16,326,000)	(\$19,857,251)	(\$20,993,191)	(\$22,185,191)
Rates Funding Requirement	\$2,665,147	(\$1,061,114)	(\$61,278)	\$151,572
Non-rates income %	86%	106%	100%	99%
Non-rates income % per R&F policy	100%	100%	100%	100%
% Variance from R&F Policy (negative variance favourable)	14%	-6%	0%	1%
\$ Variance from R&F Policy	\$2,665,147	(\$1,061,114)	(\$61,278)	\$151,572

3. Introduction

The Waste Operations business unit is responsible for the management of 6 Opex activities with total budgeted revenue of \$21m and expenditure of \$18.8m in the 2020/21 financial year. These projects feed into the Environment strategy. The projects are predominantly user pays, apart from Closed Landfill management, which is 100% rates funded (and not included in this paper). As well as the day-to-day management of the landfills, we are involved in landscaping, erosion control, resource consent compliance and water quality monitoring. The Council also collects refuse and household hazardous waste which is sent for safe disposal. This ensures hazardous wastes such as oils and solvents do not contaminate the landfills.

We encourage recycling by providing most residents with recycling bins and bags for weekly kerbside collection. There are also recycling stations located at the Southern Landfill.

Our waste minimisation activities include the Tip Shop, where people can drop off unwanted items for reuse and resale, commercial composting operations, grant funding for new initiatives, and various waste minimisation education programmes.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.
- *Eco-city* - reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources.

People using the landfills receive the main benefit from this activity, as they are able to dispose of their waste in a safe and efficient manner that also ensures the harm to the environment is kept to a minimum.

There are also benefits to the whole community. Without landfills, people would have nowhere safe to dispose of their waste. That would clearly pose a major hazard to public health and harm the city's environment.

The direct beneficiaries of our waste minimisation service, including recycling are the householders who have recyclable goods collected or who use our recycling stations and Tip Shop drop off. These people are able to dispose of their recyclable and reusable waste in a safe, efficient and environmentally friendly manner.

The whole community receives the environmental benefits from having less waste deposited in landfills.

Though the benefits of this activity are split between the community and individuals, the Council believes it is appropriate for users of the city's landfills to bear the costs. The Council believes it is appropriate to take a "polluter pays" approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste. This approach is justified by the significant benefits to the city's environment from reducing the amount of waste dumped in landfills.

The current funding policy of 100% user pays reflects Territorial Local Authority (TLA) responsibilities as described in the Waste Minimisation Act (WMA).

The Act requires TLAs to:

- Promote effective and efficient waste management and minimisation within its district.
- Develop and implement waste management and minimisation plans (WMMP), at a local or regional level. The WMMP details actions (both locally and regionally) that will accomplish waste management and minimisation. It also details how these actions will be funded.
- Apply funding derived from waste activities to waste reduction in accordance with the Act. Our key activities include:
 - Landfill operations
 - Domestic rubbish collection
 - Domestic recycling collection
 - Compost operations
 - Second Treasure shop & associated resource recovery
 - Education programmes

Surpluses from rubbish collection and landfill fund the kerbside recycling service and other waste minimisation programmes. Any shortfall is currently met from the waste minimisation levy (*see key revenue assumptions*) and accumulated prior years waste activity surpluses. It is important to

note that these surpluses are finite, and we project that the surpluses, based on current assumptions and known costs, will be exhausted by approximately 2025/26 financial year.

4. Expenditure analysis

Expenditure is against the following business activities:

- Operation of the Southern Landfill
- Domestic rubbish collection and disposal service;
- Domestic kerbside recycling collection and processing service;
- Hazardous waste disposal;
- Second Treasures second hand shop;
- Litter enforcement;
- Waste minimisation activities (e.g. Composting, public education etc.);
- Activities associated with the Waste Minimisation Act.
- Emissions Trading Scheme costs
- Organisation overheads.

Key expenditure assumptions:

- Service levels remain the same as for 2020/21 to 2022.

Key changes between the 2020/21 budget and the 2020/22 draft annual plan:

- A 6.4% increase overall (approx. \$1.3m) of which \$200k relates to Contracts, \$664k relates to Levies and \$330k relates to Depreciation.
- As noted throughout the LTP process, changes in the NZ Emissions Trading Scheme (ETS) continue to increase our financial liabilities. The increase between 2020/21 budget and 2021/22 draft Budget is approximately \$664k. Market prices for units have moved from the scheme's cap of \$25 per unit to \$35 per unit and expected to rise to \$50 per unit progressively. The total ETS liability budget for 2022 is \$2.5m.
- Depreciation costs have increased by approximately \$330k; this is related to capex budget for Stage 4 of the landfill, which although deferred until approx. 2021/2022, has been phased into the budget.
- Activity 1040 Litter enforcement is a cost from an internal allocation from Environmental Health for a litter enforcement officer and associated overheads.

This LTP has been based on business as usual however significant changes would be required should the Sludge Minimisation project arranged by Wellington Water Ltd gain approval by Councillors if initiated in years 1 to 3 of the LTP.

In the interim it is anticipated that we will cover the increased costs by prior year surplus as well as future year landfill fee increases.

5. Key revenue assumptions

Revenue is received from:

- Landfill fees and levies (including waste minimisation levy (WML) distributed from the Ministry for the Environment (MfE) – see detail below);
- Rubbish/Recycling bag sales;
- Sales from the Second Treasures shop

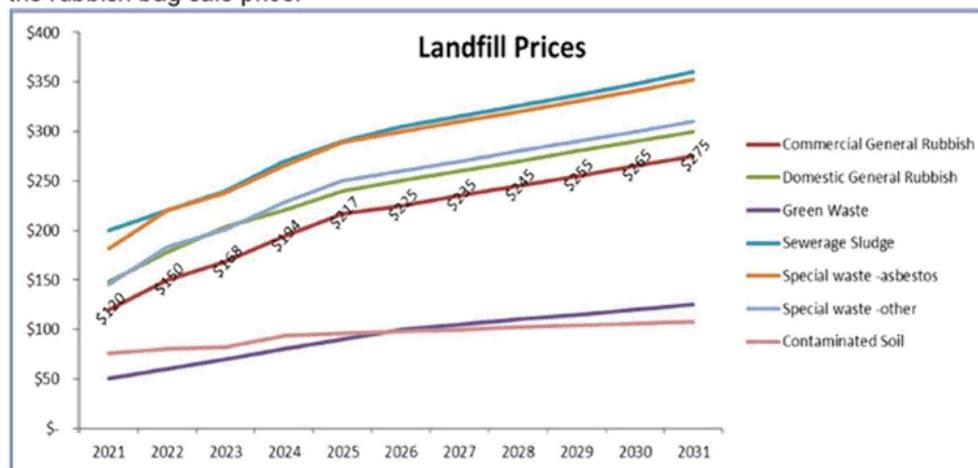
- Sale of recoverable material from landfill.
- Sale of recyclable materials from kerbside recycling collections
- Sales of Compost material.

Revenue assumptions include:

- We are proposing fee changes to keep pace with increased direct costs such as contract fees and levies, particularly the Waste Minimisation Act levy which is predicted to increase incrementally from \$10 per tonne currently to \$60 per tonne in 2024. In addition, the cost of carbon has increased, and we are proposing fee increases to cover those additional costs.
- Our current policy allows us to fund recycling services from landfill revenue. As kerbside recycling services become more costly these surpluses will become insufficient and alternative funding sources will need to be considered such as rates funding or user pays or a mix of both.
- All landfill volume assumptions remain largely unchanged from 2021 to 2022.
- We continue to receive our TA share of Waste Minimisation Levy distributed by Ministry for the Environment. This equates to approximately \$800k per annum, of which we set aside \$500k for new waste minimisation projects, and \$300k is allocated as a subsidy to the kerbside recycling service.
- We are recommending changes to the price of yellow bag each year to cover cost of the Waste Minimisation Levy and emissions trading scheme.

6. Price Changes required to achieve R & F Policy Compliance

Please refer to the following graphs which show the price changes proposed for landfill prices and the rubbish bag sale price.





7. Options for achieving R & F Policy Compliance

Option 1 – Increase Fees
 Increase revenue by approximately \$150k from fees by anticipating slightly greater tonnage - this will achieve 100% compliance.

This is our recommended option.

Option 2 – No change to fees but distribute additional prior year surpluses to offset the shortfall.

If fees are not increased, we would have a shortfall of \$151k. We would aim to achieve compliance by leveraging usage of prior year surpluses. This would accelerate the usage of this fund, although not materially, but would have an impact on the length of time this fund may be available to subsidise kerbside recycling

This option is not recommended.

Recommendation:
 Recommend Option 1. Note that any shortfall due to budgeted volume changes that are not met will be subsidised by the distribution prior year surpluses in order to make the activity to break even.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	100%	0%	0%	0%
Recommended Policy	100%	0%	0%	0%
\$ Rates impact of change in policy				

9. Approval

Report prepared by:	BU Manager:	Mike Mendonca
	Business Analyst:	Nikki Symons
	Chief Infrastructure Officer:	Tom Williams

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2020/2021**

1. Activity Information

2.4.1 SEWAGE COLLECTION AND DISPOSAL NETWORK (INCLUDING TRADE WASTE)

Contributing Projects	1052 – Wastewater – Asset Stewardship 1053 – Wastewater – Trade Waste Monitoring & Investigation 1055 – Wastewater – Network Maintenance 1057 – Wastewater – Asset Management 1058 – Wastewater – Monitoring & Investigation 1059 – Wastewater – Pump Stations Maintenance - Ops
Project Manager(s)	Zac Jordan, Principal Advisor WCC and Managed by Wellington Water on behalf of Wellington City Council
Business Unit Manager	Mike Mendonca
Business Analyst	Nikki Symons

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$20,244,829	\$21,791,722	\$25,580,215	\$28,747,364
Allocations	\$3,064,703	\$3,582,262	\$3,498,414	\$3,820,691
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$23,309,532	\$25,373,984	\$29,078,628	\$32,568,055
User Charges	(\$499,065)	(\$843,479)	(\$693,780)	(\$735,000)
Other Income	\$0	\$0	\$0	\$0
Vested Asset Income	(\$1,291,600)	(\$1,454,580)	\$0	\$0
Total Net Income	(\$499,065)	(\$843,479)	(\$693,780)	(\$735,000)
Rates Funding Requirement	\$22,810,467	\$24,530,505	\$28,384,848	\$31,833,055
Non-rates income %	2%	3%	2%	2%
Non-rates income % per R&F policy	5%	5%	5%	5%
% Variance from R&F Policy (negative variance favourable)	3%	2%	3%	3%
\$ Variance from R&F Policy	\$666,411	\$425,220	\$760,151	\$893,403

3. Introduction

The Council is responsible for the sewage network includes 62 pumping stations and more than 1,000 kilometres of sewer pipes and tunnels. These assets need regular maintenance and ultimately replacement once they have come to the end of their economic life.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable wastewater network provides protection against public health risks.
- *Eco-city* - a safe and reliable wastewater network provides protection against environmental harm.
- *Dynamic Central City* - a safe, reliable, and well-maintained wastewater network that will function effectively and not cause disruptions to inner city living and business activities is a core component of every successful city in the 21st Century.

The sewage network mainly benefits individuals by providing for the safe, sanitary removal of sewage waste from their homes and businesses and ensuring that waste is treated and disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the system, and it would have to exist for public good reasons regardless of the individual benefits.

The sewage system benefits the whole community by protecting public health and the overall state of the environment. The system is a fundamental part of the city's infrastructure. Without it Wellington could not operate as a modern efficient city.

Who should pay?	
Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	35%
User charges	5%

While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result, the sector split for this targeted rate is the same as for water supply. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.

4. Expenditure analysis

The table below provides an analysis of the movement in budgeted expenditure from 2020/21 to 2021/22.

Category	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	22GL Draft Budget	Movement
Rates/Utilities	3,029,960	2,752,581	2,886,590	3,246,392	11%
Interest/Insurance	4,310,605	4,534,314	4,347,259	4,303,681	-1%
Depreciation	10,437,007	10,636,657	14,365,503	14,716,658	2%
Other general	4,468,684	6,314,506	6,371,001	9,254,012	31%

Project Management	1,063,276	1,135,926	1,108,275	1,047,312	-6%
TOTAL	23,309,532	25,373,984	29,078,628	32,568,055	11%

Movements:

- Rates/Utilities have increased in the 2022 draft budget. As the LTP has not been finalised this number will be subject to change. However, the Rates charges between activities have been reviewed with some corrections made to coding from the last LTP.
- Depreciation has increased in line with the latest capex programme, revaluations and vested assets.
- Interest and Insurance costs have remained consistent.
- Other general costs are determined by contract costs between WCC and WWL and these have increased to cope with existing levels of service.
- Project management has shown a minor decrease by 6% as WWL proportions the budget between contract costs and management fees on an annual basis and as such this is now representative of the apportionment to WCC from the whole of the Wellington Water programme.

The cost structure for this activity is such that 77% of expenditure are fixed costs (depreciation, rates, insurance and interest charges) totalling \$25.3m with variable costs accounting for \$7.2m or 23% of the total \$32.5m budget in FY2022. This means there is limited scope to reduce expenditure in this activity.

It is important to note that only a small portion (estimated to be 7.5%) of total sewage treated though the Council's treatment plants is 'trade waste'.

For Trade Waste dischargers, the trade waste charges are set by volume and type of trade waste. For the domestic customer, the balance of the charges is incurred by the rate payer.

5. Key revenue assumptions

The Council's Trade Waste 2016 Bylaw provides the policy by which trade waste dischargers are liable for the costs to a to maintain the reticulation, treatment and the disposal of any waste created.

There are 154 general consent holders including abattoirs, supermarkets, butchers, restaurants, laundrettes, dentists etc. This number has increased from 124 from the last LTP. We have been gradually losing industrial and engineering customers but this has been offset by a boost in hospitality, especially brewers which has roughly evened out.

There are also approximately 867 food premises that have a trade waste consent for their grease traps. Trade waste charges incorporate the elements below: (all trade waste dischargers need to hold an annual trade waste consent and thus pay a consent fee. But not all of them are charged by this mass flow charge, which is based on volume, BOD and Suspended solids)

1. Trade Waste Volume - the amount of waste disposed through the sewer (measured in cubic metres) – linked to the reticulation and disposal costs.
2. Trade Waste Quality
 - a. BOD – Biochemical Oxygen Demand, a measure of the degree of water pollution, indicating the amount of putrescible organic matter present in water (measure in kilograms) – linked to treatment costs.

- b. Suspended Solids – the content of solid material in the trade waste disposed (measured in kilograms) – linked to treatment costs.

Compliance with the Revenue and Financing target of 5% user funding is therefore unlikely in the future given the current trend of reducing trade waste volumes and resultant income, coupled with the budgeted increase in costs.

Adherence to the New Zealand standard requires that fees charged to trade waste dischargers are linked to the impact of that user’s discharge and cannot charge disproportionately to their impact on the network.

6. Price Changes required to achieve R & F Policy Compliance

Compliance with the R&F Policy has not been achieved since the policy was amended to 5% in 2009/10. Actual outcomes over recent years and the budget for the current year are detailed in the following table. It illustrates that the proportion of fees income to costs has remained consistently low whereas expenditure has increased by a greater percentage.

Category	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	22GL Draft Budget	Movement
Total Cost	23,309,532	25,373,984	29,078,628	32,568,055	11%
Fee Income	499,065	843,479	693,780	735,000	6%
Vested Asset Income	1,291,600	1,454,580	-	-	0%
Fee Income %	2%	3%	2%	2%	

Compliance with the existing policy is not likely. In order to achieve compliance we would need to either increase revenue or decrease expenditure by \$893k .

Increased revenue of this magnitude is not achievable given the small customer base and the concept of paying what is fair under the legislation. Similarly, it is not practical or possible to reduce expenses by the level indicated here unless we wished to reduce current levels of service.

7. Options for achieving R & F Policy Compliance

Option 1 – Increase Trade waste user fees

Revised fees would reflect CPI movements (using the BERL Water index for 2021/22 1.4%), increasing revenue by approximately \$103k The increase would be equitable for the user, reflecting a cost increase commensurate with their impact on the network. This option will allow for the activity to be maintained at an acceptable level.

This option IS recommended

Option 2 – No change to user fees and accept non-compliance

Given the size of the expenditure in these activities, a large proportion of which are uncontrollable costs (depreciation, interest) achieving 5% non-rates income with trade waste is unlikely. The current policy could continue and with it note that that the variance from the policy will continue.

This option is not recommended

Option 3 – Increase Trade Waste Levies to achieve compliance.

Increase the levies users pay for trade waste. Given the size of the gap and the number of dischargers that incur Trade Waste levies the fees would need to increase by 55% to achieve the 5% user funding rate.
 This is not permissible under the New Zealand standard.

This option is not recommended.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	5%			95%
Recommended Policy	5%			95%
\$ Rates impact of change in policy				0

9. Approval		
Report prepared by:	Business Unit Manager and Project Managers:	Mike Mendonca Wellington Water Limited
	Business Analyst:	Nikki Symons
	Chief Infrastructure Officer	Tom Williams

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2020/21**

1. Activity Information

2.4.2 SEWAGE TREATMENT

Contributing Projects	1060 – Wastewater – Treatment Plants
Project Manager(s)	Zac Jordan Principal Advisor WCC and Managed by Wellington Water Limited on behalf of Wellington City Council
Business Unit Manager	Mike Mendonca
Business Analyst	Nikki Symons

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$19,112,178	\$29,831,213	\$19,750,825	\$22,779,460
Allocations	\$3,111,965	\$4,152,256	\$2,845,503	\$2,184,961
Less unfunded depreciation	(\$3,352,839)	(\$1,910,009)	(\$223,412)	(\$223,412)
Total Net Expenditure	\$18,871,304	\$32,073,461	\$22,372,916	\$24,741,009
User Charges	(\$560,280)	(\$346,233)	\$0	\$0
Other Income	\$0	\$0	\$0	\$0
Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$560,280)	(\$346,233)	\$0	\$0
Rates Funding Requirement	\$18,311,024	\$31,727,228	\$22,372,916	\$24,741,009
Non-rates income %	3%	1%	0%	0%
Non-rates income % per R&F policy	5%	5%	5%	5%
% Variance from R&F Policy (negative variance favourable)	2%	4%	5%	5%
\$ Variance from R&F Policy	\$383,285	\$1,257,440	\$1,118,646	\$1,237,050

3. Introduction

Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste water treatment plants at Moa Point and Karori are financed by the Council and operated by Veolia contracted through Wellington Water Limited. Sewage from certain Wellington northern suburbs is conveyed to the Porirua plant, in which the Council accesses a joint venture agreement. Once sewage is treated at Moa Point and Karori, treated waste water is piped into the Cook Strait and the residual sludge is taken to the Southern Landfill.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable wastewater network and treatment facility provides protection against public health risks.
 - *Eco-city* - a safe and reliable wastewater network and treatment facility provides protection against environmental harm.
 - *Dynamic Central City* - a safe, reliable and well maintained wastewater network and appropriate treatment of waste is a core component of every successful city in the 21st Century.
- The sewage treatment system mainly benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the sewerage system, and sewage would have to be treated for public good reasons regardless of the individual benefits.
- The sewage treatment system benefits the whole community by protecting public health and the overall state of the environment. The system is a fundamental part of the city’s infrastructure. Without it, Wellington could not operate as a modern, efficient city.
- While it is recognised that there is a whole community benefit from the provision of this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.
- The division of costs between the two sectors is based on a ‘water in, water out’ concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.

4. Expenditure analysis

The main costs in this activity are the contract and management fees charged by Wellington Water Limited which includes depreciation, interest and landfill charges. Additionally there are the charges for volumes conveyed to the Porirua treatment plant.

Unfunded depreciation
 The Moa Point sewerage treatment plant is owned by the Wellington City Council and was operated by Veolia Water under a design, build, operate contract. The unfunded depreciation represents the proportion of the Moa Point Treatment plant that was being maintained/renewed by Veolia and was included within the contractual arrangement fee. The plant was “returned” to council at the end of the Clearwater contract (February 2020) in a condition such that it will be able to operate for at least 25 further years with planned maintenance and programmed renewals.

The table below provides an analysis of the movement in budgeted expenditure from 2020/21 to 2021/22.

Category	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget V3	Movement
Rates/Utilities	467,193	506,307	531,179	616,919	14%
Interest/Insurance	1,921,670	1,940,264	1,675,275	2,425,580	31%

Depreciation	3,030,047	2,935,251	5,774,688	6,383,719	10%
Other general Project Management	11,235,084	24,321,862	12,078,043	13,149,663	8%
	2,217,310	2,369,777	2,313,731	2,165,128	-7%
TOTAL	18,871,304	32,073,461	22,372,916	24,741,009	10%

Overall the budgeted costs are to set to increase by \$2.4m or 10% from 2020/21 to 2022. Movements include:

- Depreciation costs across both the Treatment Plants and Sewage Disposal projects have increased by 10% due to change of contract, revaluations and Interest/Insurance by 31% for same reason.
- Contract costs have increased.

The cost structure for this activity is such that almost all expenditure is either fixed (depreciation, rates, insurance and interest charges) or subject to contract and contractual escalations (management and landfill fees and joint venture contribution). The opportunities to reduce expenditure to the level that would be necessary to meet compliance (which include environmental measures) are limited within the sewage treatment activity.

5. Key revenue assumptions

The Revenue (User Fees and Charges) received in this activity was from Veolia for the disposal of sewage sludge to the Southern Landfill, Activity 1062. This revenue ceased in February 2020 due the expiry of the Veolia contract which is now been placed with Wellington Water Limited. No other revenue is budgeted for 2020/21 onwards.

6. Price Changes required to achieve R & F Policy Compliance

As the revenue has now ceased there is no opportunity to effect price changes.

7. Options for achieving R & F Policy Compliance

Option 1 – Change the Policy to become 100% rates funded

As we are no longer receiving revenue it would seem logical to change the Policy to become 100% rates funded.

This option IS recommended.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%			95%
Recommended Policy	0%			100%
\$ Rates impact of change in policy				

10. Approval		
Report prepared by:	Business Unit Manager and Project Managers:	Mike Mendonca Wellington Water Ltd
	Business Analyst:	Nikki Symons
	Chief Infrastructure Officer:	Tom Williams

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2020/21**

1. Activity Information

2.5.1 STORMWATER MANAGEMENT

Contributing Projects	1063 – Stormwater – Asset Stewardship 1064 – Stormwater – Network Management 1065 – Stormwater – Monitoring & Investigation 1066 – Stormwater – Asset Management 1067 – Stormwater – Drainage Maintenance 1068 – Stormwater – Pump Station Maintenance – Ops
Project Manager(s)	Zac Jordan Principal Advisor WCC and Managed by Wellington Water on behalf of Wellington City Council
Business Unit Manager	Mike Mendonca
Business Analyst	Nikki Symons

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$15,826,300	\$15,951,126	\$19,300,710	\$23,432,737
Allocations	\$3,040,514	\$3,419,915	\$3,459,665	\$3,865,101
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$18,866,814	\$19,371,041	\$22,760,375	\$27,297,838
User Charges	\$0	\$0	(\$10,633)	\$0
Other Income	(\$131,124)	(\$121,244)	(\$192,956)	(\$171,910)
Vested Asset Income	(\$2,751,030)	(\$2,210,560)	\$0	\$0
Total Net Income	(\$131,124)	(\$121,244)	(\$203,589)	(\$171,910)
Rates Funding Requirement	\$18,735,690	\$19,249,797	\$22,556,786	\$27,125,928
Non-rates income %	1%	1%	1%	1%
Non-rates income % per R&F policy	0%	0%	0%	0%
% Variance from R&F Policy (negative variance favourable)	-1%	-1%	-1%	-1%
\$ Variance from R&F Policy	(\$131,124)	(\$121,244)	(\$203,589)	(\$171,910)

3. Introduction

Each year, Wellington's stormwater network carries around 80 million cubic metres of runoff from gutters and drains to the harbour and city streams. This drainage network helps the city through flood risk protection. This network is made up of over 600 kilometres of stormwater pipes and tunnels.

Because stormwater is discharged into the city's streams, harbour and coastal waters, it needs to be as clean as possible. Stormwater can be contaminated by sewage constructed overflows, leaking sewerage pipes, runoff from roads, and by waste such as oil, paint from and litter being

tipped or washing into drains. The Council has resource consents from the Greater Wellington Regional Council for our stormwater discharges, and we are required to meet the standards set out in these consents. While we are not required to treat stormwater runoff, we monitor stormwater quality at more than 80 sites, to ensure it meets the required standards.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable storm water network and effective maintenance and operation programmes prevents avoidable disruptions to community living and minimises the risk of injury and the risk of damage to property from storm water.
- *Eco-city* - a safe and reliable storm water network minimise the impacts – such as erosion, of storm water on the environment.
- *Dynamic Central City* - a safe and reliable storm water network and effective maintenance and operations programmes allows people to live work and play in the central city safely and without disruption.
- *Connected City* - a safe and reliable storm water network and effective maintenance and operations programmes reduces the risk of avoidable surface flooding and environmental damage that may affect transport networks.

The stormwater system provides significant benefits to individual property owners through flood risk reduction. Though these benefits are private, they are not exclusive – all homes and businesses benefit, and the network would have to exist for public good reasons regardless of the individual benefits.

The stormwater system benefits the whole community, both by flood risk reduction on public property and by protecting public health and safety. The system is a fundamental part of the city's infrastructure. Without it, Wellington could not operate as a modern, efficient city, and both economic and social well-being would suffer.

While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on the residential (urban) sector and the commercial sector.

Rural areas are excluded from paying for this activity as this service as associated benefits are not provided to them. It is therefore appropriate to fund this activity from targeted rates, excluding the rural sector.

The 77.5% residential share is collected through a targeted rate. This rate is funded through a rate per dollar of capital value.

The 22.5% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value.

4. Expenditure analysis

With reference to the above table, the cost of the Stormwater system is fully funded through rates. Vested asset income is not budgeted. We do budget a small revenue stream from NZTA and minor user charges which creates a budgeted over compliance of 1% (\$0.204m 20/21 and \$0.172m 2022).

The table below provides an analysis of the movement in budgeted expenditure from 2020/21 to 2021/2022.

Category	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current	Movement
Rates/Utilities	2,534,134	2,300,680	2,413,676	2,714,242	11%
Interest/Insurance	3,928,821	4,167,449	4,006,042	3,669,819	-9%
Depreciation	7,498,675	7,642,303	10,302,776	11,494,587	10%
Other general	3,420,957	3,624,058	4,412,750	7,834,265	44%
Project Management	1,484,226	1,636,550	1,625,131	937,945	-73%
TOTAL	18,866,813	19,371,040	22,760,375	27,297,838	17%

The significant movements are:

- Rates/Utilities have increased in the 2022 draft budget. As the LTP has not been finalised this number will be subject to change. However the Rates charges between activities have been reviewed with some corrections made to coding from the last LTP.
- Depreciation has increased in line with the latest capex programme, revaluations and vested assets.
- Insurance and Interest costs have decreased by 9%.
- Other general costs are determined by contract costs between WCC and WWL and these have increased to cope with existing levels of services.
- Project management has decreased as WWL proportions the budget between contract costs and management fees on an annual basis and as such this is now representative of the apportionment to WCC from the whole of the Wellington Water programme.

The cost structure for this activity is such that 65% of expenditure are fixed costs (depreciation, rates, insurance and interest charges) totalling \$18m with variable costs accounting for \$8.7m or 35% of the total \$27.2m budget in FY2022. This means there is limited scope to reduce expenditure in this activity.

Overall the costs are budgeted to increase by 17% or \$4.5m from 2021 to 2022.

5. Key revenue assumptions

Revenue from Vested Assets is not budgeted as it has no certainty of value.

A small amount of revenue (approx. \$0.171m) is budgeted for Stormwater connections. This revenue is consistent with previous years and does not vary significantly from year to year. This

relates to Activity 1067 Drainage Maintenance. Activities which provide for the routine care of drainage facilities to maintain their function are potentially eligible for NZTA National Land Transport Fund (NLTF) subsidies (in work category 113 Routine Drainage Maintenance). The other projects in this activity (1063, 1064, 1065, 1066 and 1068) are ineligible for NZTA subsidies.

6. Price Changes required to achieve R & F Policy Compliance

N/A – revenue is derived from the NZTA subsidy and not from user charges.

7. Options for achieving R & F Policy Compliance

Option 1 – No change to current policy and accept non-compliance
 The draft 2021/22 budget results in this activity being less than 1% over compliant \$0.171m favourable.

Given that NZTA funding assistance is variable from year to year and that the total variance from R&F policy across NZTA funded activities is less than 1%, we recommend that no change is made to the current R&F policy and that we accept the temporary over compliance in this activity.

This option is recommended.

Option 2 - Change current policy
 R&F policy can only be changed by 5% increments. This means that if we changed the current policy, we would have to increase the funding target for other income to 5%.

Given that the amount of NZTA funding assistance that we receive is less than 1% of expenditure and is capped by the NZTA funding contract this option is not recommended.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	0%			100%
Recommended Policy	0%			100%
\$ Rates impact of change in policy				

9. Supporting Information

N/A

10. Approval

Report prepared by:	Business Unit Manager and Project Managers:	Mike Mendonca
	Business Analyst:	Nikki Symons
	Chief Infrastructure Officer:	Tom Williams

REVENUE AND FINANCING POLICY ACTIVITY COMPLIANCE REVIEW 2021/22

1. Activity Information

4.1.3 ARTS AND CULTURAL FESTIVALS

Contributing Projects	1095 – City Events Programme 1097 – Citizens Day – Mayoral Day 1207 – Capital of Culture
Project Manager(s)	Natasha Petkovic-Jeremic
Business Analyst	Jo Broad

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 GLB Bud V9	22GLBB03
Other Expenditure	\$4,171,437	\$3,761,860	\$2,651,430	\$4,695,599
Allocations	\$681,898	\$602,434	\$625,473	\$597,437
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$4,853,336	\$4,364,294	\$3,276,903	\$5,293,037
User Charges	(\$114,491)	(\$47,821)	\$0	\$0
Other Income	(\$99,196)	(\$81,000)	(\$224,100)	(\$324,100)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$213,687)	(\$128,821)	(\$224,100)	(\$324,100)
Rates Funding Requirement	\$4,639,649	\$4,235,473	\$3,052,803	\$4,968,937
Non-rates income %	4%	3%	7%	6%
Non-rates income % per R&F policy	10%	10%	10%	10%
% Variance from R&F Policy (negative variance favourable)	6%	7%	3%	4%
\$ Variance from R&F Policy	\$271,647	\$307,608	\$103,590	\$205,204

3. Introduction

The Council runs and supports events that encourage Wellingtonians to participate in, learn about and enjoy creative, innovative and diverse arts and cultural experiences. These include Summer City (Gardens' Magic, Pasifika Festival Te Rā o Waitangi) the Matariki Festival (including the Sky Show), the Diwali festival, event activation series, A Very Welly Christmas and New Year and more, all of which are provided free to the public.

The principal benefits are to the community as a whole. These events bring people together, encouraging community identity and cohesion. They help build a sense of pride in the city and add to Wellington's reputation as an 'events capital'. Many events attract people to the city centre, bringing economic benefits.

4. Expenditure analysis

Expenditure in this activity has increased by \$2.0m.

\$1.5M of this relates to the reinstatement to this budget line of the Capital of Culture initiative. The fund was part of this activity in previous years but was moved to the City Recovery Fund in 20/21 due to Covid and has been shown as returning to this activity in 21/22.

An additional \$250k has also been included which relates to the timing of Ahi Ka. This means two years' budget has been included in 2021/22 due to the 2021 event falling in July 2021 and the 2022 event falling in June 2022; both within the 2021/22 Financial year.

Other cost increases relate to Covid-related reductions added back from 2020/21 and inflation.

5. Key revenue assumptions

Revenue is forecast to increase by \$100k over the current year relating to the expectation that funding will be found from external sources for Events. This forecast was developed prior to the NZCT removal of sponsorship funding.

Funding from external sponsorship has been difficult to obtain over the past few years where organisations have chosen to support community groups. Covid has further affected arts and events sponsorship nationwide, both in terms of overall levels available and what sponsors are seeing as priorities in a tight market.

6. Price Changes required to achieve R & F Policy Compliance

Events provided are free to the public. The income in this activity comes from external sponsorship as above. Council has struggled to meet the existing sponsorship target in recent years so officers do not recommend further increasing the sponsorship target, beyond what is shown, in order to meet compliance.

7. Options for achieving R & F Policy Compliance

Options to achieve R&F policy are:

Option 1 – Amend policy to 5% User Charges, 95% Rates (recommended):

Compliance has not been achieved for at least the last three years.

Increasing revenue to achieve compliance (an additional \$250K over what is proposed) is unrealistic, given also there is no available dedicated staff time to chase sponsorship. The proposed budget includes a "stretch" revenue target but that will not be sufficient to secure compliance.

Achieving compliance through significant cost reductions – a required \$2.2M - would impact on the cultural environment of Wellington, with either events being reduced in size or quantum. This would have knock-on effects for the employment in the sector, which is facing multiple challenges due to COVID. Costs overall for events are rising in excess of inflation.

Amending the policy will more accurately reflect what can be achieved.

Option 2 – Increase Revenue:

As discussed, finding additional funding from external sponsorship sources is likely to be difficult in the current environment. It is intended to review the opportunities for revenue gains in the longer term, but realistically there is no short-term ability to improve the 21/22 forecast.

Option 3 – Reduce Costs:

Funding provided to external organisations or spend on various events could be reduced at the risk of providing arts, events and cultural experience to the public. Costs would need to reduce by \$2.2m to ensure compliance. (See discussion under option 1.)

Option 4 – Accept temporary non-compliance

If the recommended policy amendment is not implemented, the activity will be non-compliant as per previous years.

Officers recommend amending the policy to 5% User Charges, 95% Rates funding.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	10%	0%	0%	90%
Recommended Policy	5%	0%	0%	95%
\$ Rates impact of change in policy				

10. Approval

Report prepared by:	Project Manager:	Natasha Petkovic-Jeremic
	Business Analyst:	Jo Broad
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

4.1.6 ARTS PARTNERSHIPS

Contributing Projects	1101 – NZSO Subsidy 1102 – Toi Poneke Arts Centre 1103 – Public Art Fund 1104 – NZ Ballet 1105 – Orchestra Wellington
Project Manager(s)	Natasha Petkovic-Jeremic
Business Analyst	Jo Broad

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 GLB Bud V9	22GLBB03
Other Expenditure	\$2,085,588	\$2,342,005	\$2,433,099	\$2,616,537
Allocations	\$554,561	\$545,134	\$419,775	\$463,074
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$2,640,149	\$2,887,140	\$2,852,874	\$3,079,611
User Charges	(\$260,299)	(\$91,495)	(\$125,132)	(\$130,288)
Other Income	(\$241,797)	(\$302,902)	(\$416,499)	(\$441,499)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$502,096)	(\$394,397)	(\$541,631)	(\$571,787)
Rates Funding Requirement	\$2,138,053	\$2,492,743	\$2,311,244	\$2,507,825
Non-rates income %	19%	14%	19%	19%
Non-rates income % per R&F policy	25%	25%	25%	25%
% Variance from R&F Policy (negative variance favourable)	6%	11%	6%	6%
\$ Variance from R&F Policy	\$157,941	\$327,388	\$171,588	\$198,116

3. Introduction

The Council maintains a number of partnerships with the Wellington arts community.

This activity covers Toi Poneke Arts Centre which accommodates a number of independent artists, art organisations, creative business, a dance studio, music studios, rehearsal spaces and an art gallery. Toi Poneke also facilitates a programme of opportunities and support for Wellington's creative community. The activity also includes national and local Arts organisations such as; Royal New Zealand Ballet (RNZB), New Zealand Symphony Orchestra (NZSO), and Orchestra Wellington. Additionally, the activity includes the Public Arts fund, which is used to manage the city's art collection (acquisition, conservation, and exhibiting of artworks) and support the development and delivery of public art in the city.

4. Expenditure analysis

Expenditure in this activity has increased by \$227k.

The change in expenditure between 2020/21 and 2021/22 is largely driven;

- Toi Poneke Arts Centre – maintenance costs have increased by \$40k relating to work required on the premises as required under the lease agreement. Rent costs have been inflated by \$26k.

- Public Art - Artwork conservation requirements have increased costs by \$40k.
- Allocations and labour recharges have increased by \$131k.

5. Key revenue assumptions

The revenue for this activity is solely generated by the Toi Poneke Arts Centre from resident artist leases, user fees from community space and studio hire, and commission from gallery sales.

The budget has been based on the current volumes at the centre. We have assumed a 5% price increase on leases at Toi Poneke increasing revenue by \$25k. In addition, casual revenue has been inflated.

When reviewing Toi Poneke and Public Art in isolation they meet the R&F policy compliance.

6. Price Changes required to achieve R & F Policy Compliance

In order to achieve the R&F policy compliance, Toi Poneke prices would need to be increased by a further 18%.

Toi Poneke is the only revenue source for this activity. The Public Art Fund does not generate revenue and the remaining activities are funding for national and local arts organisations. When reviewing Toi Poneke and Public Art in isolation they meet the R&F policy compliance. The contract funding to arts organisations, which have now been moved into this activity, results in the overall activity becoming non-compliant.

Increasing Toi Poneke prices by 18% to achieve compliance would impact greatly on artists and the wider arts community.

7. Options for achieving R & F Policy Compliance

Options to achieve R&F policy are;

Option 1 – Increase prices:

Prices at Toi Poneke have been regularly increased for the office spaces. A review of studio space prices will be undertaken during the next LTP process. As mentioned above, prices would need to increase by 18% at Toi Poneke Arts Centre to achieve compliance for the whole activity area and would be effectively funding the transfer of costs into this activity from the Cultural grants activity.

It should be noted that this activity includes non-user funded grants to several arts organisations. If grants to these organisations increase, it widens the compliance gap. However, the burden to bridge this gap should not fall on the shoulders of Toi Poneke users.

Toi Poneke provides very basic and affordable office, studio and rehearsal space to support the art community. Toi Poneke was established to:

- Connect, support and grow Wellington's creative communities
- Facilitate artists and creators' learning and career development
- Provide a friendly, safe space and great facilities

- Spark experimentation and innovation by bringing artists together.

It is an earthquake prone building with no air-conditioning. Increasing the pricing would reduce affordability of the artists utilising the space.

Option 2 – Reduce costs:

A cost reduction exercise could be applied by reducing our financial support to arts organisations. Costs would need to be reduced by \$792k. In reality, this would mean removing contract funding to a number of key organisations that support the Arts and Culture strategy. The financial viability of these organisations would be negatively impacted and they would likely be forced to relocate from Wellington. Furthermore, this option would not support the Council's plan for Wellington Towards 2040: Smarter Capital, where Arts and Culture is one of five key priorities.

Option 3 – Amend policy to 20% User Charges, 80% Rates:

There are two significant reasons for the non-compliance of 6% (\$198k):

- Interest costs incurred due to the build of the temporary RNZB facility;
- Transfer of funding for NZSO and Orchestra Wellington from 4.1.4 - Cultural Grants to 4.1.6 - Arts Partnerships.

Officers recommend amending the policy to 20% User Charges, 80% Rates funding.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	25%	0%	0%	75%
Recommended Policy	20%	0%	0%	80%
\$ Rates impact of change in policy				

9. Supporting Information

e.g. List of current fees and charges
 Analysis around price change options etc.

10. Approval

Report prepared by:	Project Manager:	Natasha Petkovic-Jeremic
	Business Analyst:	Jo Broad
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

5.1.1 – Swimming Pools

Contributing Projects	1107 Swimming Pool Operations
Project Manager(s)	Mathew Bialy
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$18,686,343	\$17,425,057	\$19,343,584	\$20,136,158
Allocations	\$5,715,753	\$5,904,284	\$6,054,302	\$5,989,263
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$24,402,096	\$23,329,341	\$25,397,886	\$26,125,422
User Charges	(\$7,146,910)	(\$5,263,807)	(\$5,896,024)	(\$7,656,593)
Other Income	(\$172,330)	(\$294,543)	(\$153,345)	(\$201,020)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$7,319,241)	(\$5,558,349)	(\$6,049,369)	(\$7,857,613)
Rates Funding Requirement	\$17,082,855	\$17,770,991	\$19,348,518	\$18,267,809
Non-rates income %	30%	24%	24%	30%
Non-rates income % per R&F policy	30%	30%	30%	30%
% Variance from R&F Policy (negative variance favourable)	0%	6%	6%	0%
\$ Variance from R&F Policy	\$1,388	\$1,440,453	\$1,569,997	(\$19,986)

3. Introduction

The Council operates one major national pool facility (Wellington Regional Aquatic Centre – WRAC), four community pools, two outdoor summer pools, and two fitness centres.

Activities which are undertaken in the swimming pools include general admission for pool, sauna and spas, SwimWell provides learn to swim and swim programmes. Community use includes private and commercial hire and club usage of pool space. The two fitness centres cater for both members and casual users.

This activity is compliant.

4. Expenditure analysis

Budget Operating expenditure has increased by \$792k from 2020/21 Annual Plan

Key changes include:

- Personnel cost \$395k (+ 4%) Largely due to a greater than anticipated increase in the Living Wage not included in 20/21 AP
- Contracts and Services \$339k (14%) due to Pool Closure of WRAC moved to 21/22
- Utility Costs \$282k anticipated electricity and gas increases and metered water
- Depreciation (\$173k) (- 4%)

Note: Depreciation costs may be higher than budgeted as depreciation for operational assets is not budgeted against the Swimming Pool activity until after the assets have been procured.

5. Key revenue assumptions

The budgeted revenue was adjusted for the Long-Term Plan. A fee increase has been applied at an average of 5%.

This equates to the following changes:

Fees have been increased by 5% on average across swimming pool admissions and SwimWell programme. \$270k

Fees have been increased for lane and pool hire.

Volume increases at Club Active \$88k, but we are not increasing fees as our Fitness Centres need to remain competitive with other commercial providers.

Paid Car Parking being introduced at Thorndon Pool \$25k, during the non-summer season when the pool is closed. This has been calculated on an average hourly/daily utilisation basis.

It is recommended that Council reinstate entry fees for under-fives which total \$120k. Note this has been included in the budget. This fee was removed in 2016/17 and evidence shows that this has not resulted in any increases in attendance in this age group. Through better relationships with LeisureCard partners, mechanisms exist that support families where cost may be a barrier.

Note Revenue Budget for 2021 was reduced by \$1,414k due to Covid.

6. Price Changes required to achieve R & F Policy Compliance

Swimming Pools are compliant with the R and F Policy with the 5% proposed fee increase.

7. Options for achieving R & F Policy Compliance

Option 1 – Targeted Fee Increase 5%, Introduce Parking Charges at Thorndon Pool, Re-introduce Under Five Charges

Targeted fee increases of average 5.0% (\$6.60 per adult & \$3.90 per child)

Introduction of Parking Charges at Thorndon Pool outside the Summer Season when pool is closed (\$25k)

Reintroduction of Under Five entry fee (120k)

This option will make the activity compliant.

This is the recommended option.

Option 2 - Targeted Fee Increase 6.4%, Introduce Parking Charges at Thorndon Pool and No Under Five Charges

Targeted fee increases of average 6.4% (\$6.80 per adult & \$4.00 per child)
 Introduction of Parking charges at Thorndon Pool outside the Summer Season when pool is closed. (25k)

No Under Five entry fee
 This option will make the activity compliant, however Officers note this is a much higher fee increase and is more likely to negatively impact on utilisation & attendance.
 This option is not recommended.

Option 3 – No general fee increases, Re-introduce Under Five Charges and Introduce Parking charges at Thorndon Pool
 No fee increases
 Introduction of Parking Charges at Thorndon Pool outside the Summer Season when pool is closed. (25k)
 Reintroduction of Under Five entry fee (120k)
 This option will result in Non-Compliance 1.3% or (\$363k)
 This option is not recommended.

Option 4 – No fee increases, No Under Five Charges, Introduce Parking Charges at Thorndon Pool
 No fee increases or Under Five entry fee
 Introduction of Parking Charges at Thorndon Pool outside the Summer Season when pool is closed. (25k)
 This option will result in Non-Compliance of 1.8% or (\$483k)
 This option is not recommended.

Officers recommend Option 1.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	30%	0%	0%	70%
Recommended Policy	30%	0%	0%	70%
\$ Rates impact of change in policy				\$0

9. Supporting Information				
Fee	Current Fee	Proposed Fee	Increase	Average 5% Increase
General Entry				
Adult Swim	\$6.30	\$6.60	\$0.30	5%
Adult Concession Pass (10 trip)	\$56.70	\$59.40	\$2.70	5%
Child Swim	\$3.70	\$3.90	\$0.20	5%
Child Concession Pass (10 trip)	\$33.30	\$35.10	\$1.80	5%
Under 5	Free	\$3.90	\$3.90	
Family Pass	\$16.50	\$17.00	\$0.50	3%
Hotspots (Spa, Sauna & Steam)				
Spa & Sauna (Freyberg, Keith Spry & WRAC)	\$6.00	\$6.40	\$0.40	7%
Spa, Sauna & Swim (Freyberg, Keith Spry & WRAC)	\$10.00	\$10.00	\$0.00	0%
Steam room (Freyberg only)	\$5.00	\$5.00	\$0.00	0%
Spa – Medium (Thorndon & Tawa)	\$5.00	\$5.00	\$0.00	0%
Spa & Swim – Medium (Thorndon & Tawa)	\$7.50	\$8.50	\$0.50	7%
Spa – Large (Karori)	\$5.00	\$5.40	\$0.50	10%
Spa & Swim – Large (Karori)	\$7.50	\$8.40	\$1.00	13%
Child Spa only (all pools)	\$2.60	\$3.00	\$0.40	15%
Child Spa & Swim (all pools)	\$4.90	\$5.40	\$0.50	10%
Spa or Sauna Top Up	\$1.20	fee	option	removed
WRAC - Child Hot Spot Top Up	\$1.00	fee	option	removed
Hotspots 10 Trip Concessions				
Spa & Sauna (Freyberg, Keith Spry & WRAC) – 10 trip	\$54.00	\$57.60	\$3.60	7%
Spa, Sauna & Swim (F'berg, Keith Spry & WRAC) – 10 trip	\$90.00	\$93.60	\$3.60	4%
Steam room (Freyberg only) – 10 trip	\$45.00	\$45.00	\$0.00	0%
Spa – Medium (Thorndon & Tawa) – 10 trip	\$45.00	\$45.00	\$0.00	0%
Spa & Swim – Medium (Thorndon & Tawa) – 10 trip	\$67.50	\$72.00	\$4.50	7%
Spa – Large (Karori) – 10 trip	\$45.00	\$48.60	\$3.60	8%
Spa & Swim – Large (Karori) – 10 trip	\$67.50	\$75.60	\$8.10	12%
Child Spa only (all pools) – 10 trip	\$23.40	\$27.00	\$3.60	15%
Child Spa & Swim (all pools) – 10 trip	\$44.10	\$48.60	\$4.50	10%
Swim Memberships				
Swim Membership Adult - Direct Debit (Fortnightly)	\$28.62	\$29.98	\$1.36	5%
Swim Membership Adult - Direct Debit (Monthly)	\$62.00	\$64.96	\$2.96	5%
Swim Membership Adult - Upfront (Yearly)	\$740.00	\$775.00	\$35.00	5%
Swim Membership Child - Direct Debit (Fortnightly)	\$16.70	\$17.50	\$0.80	5%
Swim Membership Child - Direct Debit (Monthly)	\$36.20	\$37.90	\$1.70	5%
Swim Membership Child - Upfront (Yearly)	\$434.80	\$455.50	\$20.70	5%

Fee	Current Fee	Proposed Fee	Increase	Average 5% Increase
Leisurecard (policy is 50% discount of entry fees)				
Adult Swim	\$3.00	\$3.30	\$0.30	10%
Child Swim	\$1.90	\$1.90	\$0.00	0%
Under 5		\$1.90	\$1.90	
Family Pass	\$8.30	\$8.50	\$0.20	2%
Spa & Sauna (Freyberg, Keith Spry & WRAC)	\$3.00	\$3.20	\$0.20	7%
Spa, Sauna & Swim (Freyberg, Keith Spry & WRAC)	\$5.00	\$5.00	\$0.00	0%
Steam room (Freyberg only)	\$2.50	\$2.50	\$0.00	0%
Spa – Medium (Thorndon & Tawa)	\$2.50	\$2.50	\$0.00	0%
Spa & Swim – Medium (Thorndon & Tawa)	\$3.80	\$4.30	\$0.50	13%
Spa – Large (Karori)	\$2.50	\$2.70	\$0.20	8%
Child Spa only (all pools)	\$1.30	\$1.50	\$0.20	15%
Child Spa & Swim (all pools)	\$2.50	\$2.70	\$0.20	8%
Swim Membership Adult - Direct Debit (Fortnightly)	\$14.31	\$14.99	\$0.68	5%
Swim Membership Adult - Direct Debit (Monthly)	\$31.00	\$32.48	\$1.48	5%
Swim Membership Adult - Upfront (Yearly)	\$370.00	\$387.50	\$17.50	5%
Swim Membership Child - Direct Debit (Fortnightly)	\$8.36	\$8.75	\$0.39	5%
Swim Membership Child - Direct Debit (Monthly)	\$18.10	\$18.95	\$0.85	5%
Swim Membership Child - Upfront (Yearly)	\$217.40	\$227.75	\$10.35	5%
Note: SuperGold Card, Community Services Card and Student ID received 20% discount to General Entry, Hotspots fees and Swim Memberships.				
Lane & Pool Hire				
Pools - KSP Dive Well	\$16.40	\$17.20	\$0.80	5%
Pools - KSP Dive Well Commercial	\$33.00	\$60.00	\$27.00	82%
Pools - Lane Hire 25m	\$8.20	\$8.60	\$0.40	5%
Pools - Lane Hire 25m Commercial	\$16.40	\$30.00	\$13.60	83%
Pools - Lane Hire 25m Half	\$4.10	\$4.30	\$0.20	5%
Pools - Lane Hire 25m Half Commercial	\$8.20	\$15.00	\$6.80	83%
Pools - Tawa Pool Teaching Pool	\$25.50	\$27.00	\$1.50	6%
Pools - Tawa Pool whole	\$51.00	\$55.00	\$4.00	8%
Pools - Whole (excl WRAC)	\$85.20	\$90.00	\$4.80	6%
Pools - Whole (excl WRAC) Commercial	\$170.40	\$200.00	\$29.60	17%
Pools - WRAC 25m Section	\$82.00	\$90.00	\$8.00	10%
Pools - WRAC 25m Section Commercial	\$164.00	\$300.00	\$136.00	83%
Pools - WRAC 50m Section	\$164.00	\$180.00	\$16.00	10%
Pools - WRAC 50m Section Commercial	\$367.20	\$600.00	\$232.80	63%
Pools - WRAC Hydro Lane Hire Commercial	\$20.00	\$30.00	\$10.00	50%
Pools - WRAC Hydro Whole Commercial	\$80.00	\$120.00	\$40.00	50%
Pools - WRAC Lane Hire 50m	\$16.40	\$18.00	\$1.60	10%
Pools - WRAC Lane Hire 50m Commercial	\$32.80	\$60.00	\$27.20	83%

Pools - WRAC Small 2m pool whole	\$32.80	\$36.00	\$3.20	10%
Fee	Current Fee	Proposed Fee	Increase	Average 5% Increase
Swim Programmes (per lesson)				
School Swim	\$1.30	\$1.60	\$0.30	23%
SwimWell – Infant	\$10.80	\$12.50	\$1.70	16%
SwimWell – Preschool	\$12.00	\$12.50	\$0.50	4%
SwimWell – School Age (Jellyfish to Bronze Sharks)	\$14.00	\$14.50	\$0.50	4%
SwimWell – Silver & Gold Sharks	\$15.00	\$15.50	\$0.50	3%
SwimWell – Platinum & Taniwha	\$15.50	\$15.50	\$0.00	0%
Note: LeisureCard 20% discount will be applied to SwimWell fees as per the agreed scheme.				

Comparative Swimming Pool Fees Dec 2020

Pool Fees	WCC Current	H20 Upper Hutt	Te Rauparaha Arena Porirua	Huia Pool Lower Hutt	Birkenhead Pool ACC	Moana Pools Dunedin
Adult Swim	\$6.30	\$5.10	\$6.10	\$5.80	\$7.40	\$7.00
Child Swim	\$3.70	\$4.10	\$3.60	\$3.70	Free	\$3.20
Child Under 5 Years	Free	\$3.10	\$3.60	\$3.70	Free	\$3.20

Comparative Swim Lesson Fees Dec 2020

Swimming Lesson Fees (per lesson)	WCC Current	EasySwim	Te Rauparaha Arena Porirua	Hutt City	Little Makos
Infant Lesson	\$10.80	\$18.00	\$13.50	\$16.00	\$15.00
Preschool Lesson	\$12.00	\$18.00	\$13.50	\$16.00	\$15.00
School Age Lesson*	\$14.00	\$18.00	\$13.50	\$16.00	\$15.00

*excludes squad type lessons

10. Approval

Report prepared by:	Project Manager:	Mathew Bialy
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22 LTP**

1. Activity Information

5.1.2 – Sportsfields

Contributing Projects	1108 – Provision of Sportsfields 1109 – Provision of Synthetic Turf Sportsfields
Project Manager(s)	Wendi Henderson
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$4,403,983	\$4,297,272	\$4,403,910	\$4,430,416
Allocations	\$1,075,398	\$1,080,392	\$1,144,293	\$1,135,385
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$5,479,381	\$5,377,664	\$5,548,203	\$5,565,801
User Charges	(\$913,910)	(\$577,014)	(\$574,087)	(\$936,737)
Other Income	(\$22,569)	(\$33,736)	(\$67,873)	(\$53,807)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$936,479)	(\$610,750)	(\$641,960)	(\$990,544)
Rates Funding Requirement	\$4,542,901	\$4,766,914	\$4,906,243	\$4,575,258
Non-rates income %	17%	11%	12%	18%
Non-rates income % per R&F policy	20%	20%	20%	20%
% Variance from R&F Policy (negative variance favourable)	3%	9%	8%	2%
\$ Variance from R&F Policy	\$159,397	\$464,783	\$467,681	\$122,617

Note increase on income against 20/21 budget (Covid adjusted):
Activity 1108 \$112k (46%) / Activity 1109 \$236k (59%)

3. Introduction

WCC operates 45 natural turf sports grounds and 9 synthetic sportsfields, including 3 dedicated hockey synthetic turfs at the National Hockey Stadium, and the junior turf at Terawhiti Park in Karori. These provide year-round venues for recreation, fitness and competitive sport for people of all ages.

These outdoor sports facilities are intensively used by various sports codes. It is important that assets are maintained and managed appropriately to ensure they continue to deliver the required level of service for the customers.

The level of investment in these assets over time has increased the service levels required to maintain fields, for both operating costs and depreciation.

Currently this activity is non-compliant.

4. Expenditure analysis

The overall budgeted expenditure in sportsfields activity is \$4.429m and has increased by \$132k compared to 19/20 Actuals of \$4.297m (excluding allocations). The key increases relate to:

- Depreciation – \$1.495m 21/22, this is a significant cost with the investment over the last 5 years in artificial turfs and grass renewals, (Actual 19/20 \$1.558m, Budget 20/21 \$1.515m)
- Utilities – Water charges have increased with drought conditions occurring more frequently over recent years. These are budgeted at \$241k (Actual 19/20 \$215k, 20/21 Budget \$201k)
- Materials, Services and Contract costs - \$201k budget, increased by \$19k, contract and material costs have increased from external providers, particularly for natural turfs.
- Internal allocations increased by \$30k

The depreciation costs are linked to increased capital expenditure over the last few years and reflect the continued capital investment in sportsfields and artificial turfs. This will continue to be a significant cost and a barrier to being able to comply with the current R&F policy.

There are also increasing cost challenges around the purchase and consumption of resources such as sand and water required to maintain outdoor sports facilities.

5. Key revenue assumptions

Revenue is budgeted to increase in 21/22 by \$348k against the 20/21 budget, an increase of 54% with 5% fee increases across the board. This is because during 19/20, due to the Covid19 pandemic, financial relief was offered to clubs and RSOs, and the proposed fee increases were not implemented. The comparison against 18/19 actual revenue is more meaningful (due to it being a normal year without the impact of Covid), and this sees an increase of 5.7% (\$54k).

Fees for natural sportsfields had targeted increases in 2018/19 of around 2% and have been increasing regularly over the last 8 years. Since 2010/11 natural sportsfields have seen total fee increases of approximately 40-45%.

Fees for synthetic sportsfields were reviewed and increased in 2018/19 on average by 3.8%.

The budgeted revenue has been assumed that usage/volume of facilities will remain at current levels and follow recent trends, noting revenue does fluctuate year on year depending on the ability to secure and host tournaments and events. Many clubs and RSO's are reliant on Class 4 funding to pay Council fees. Therefore, this funding is at risk with the proposed changes to the Gambling Policy and less future income available to the community.

Juniors remain free of charge for all competition games and in-season trainings on natural turf. However, we do propose to charge a new fee for use of Newtown Park Athletics Track and Function Room by Schools in order to recover some of the costs that result from their utilisation of these facilities.

See Appendix 1

Note Revenue Budget for 2021 was reduced by \$316k due to Covid.

6. Price Changes required to achieve R & F Policy Compliance

Fees in Artificial Turfs have been increased by 5% (included in budget).
Sportsfields have budgeted a 10% increase on 18/19 actual revenue.

The proposed 5% fee increase will not make this activity compliant with the current R& F Policy of 20%. To achieve compliance further fee increases of 12% would be necessary at current volumes. Any further increases are unlikely to be received well by clubs who are still feeling the impacts of Covid19 on their memberships and seasonal fixtures, as well as the risk of reduced funding from Class 4 funders. Clubs would struggle to meet higher fee increases.

7. Options for achieving R & F Policy Compliance

The current funding policy for this activity is 80% rates and 20% user fees, and currently we are 2.2% (\$122k) non-compliant.

We are aware of the increased financial pressure on clubs and their sensitivity to increased user charges and the higher costs attributed to the sportsfields assets. Since the R&F policy was last reviewed in 2017/18 the Activity has been achieving approx. 17% compliance on average.

To achieve compliance there are a number of options:

Option 1: 5% budgeted fee increase for both synthetic and natural sportsfields and accept temporary non-compliance

Accept the proposed fee changes already in the budget for Artificial and Natural turf of 5% on average for 21/22. Continue to increase fees annually by 3-5% for both natural and synthetic turfs, in order to attempt to achieve compliance over the next 3-4 years; noting that materials, services and contract costs will also continue to increase. This option will mean temporary non-compliance is likely for the next 3 years.

Option 2: A further 12% fee increase

A further 12% fee increase (in addition to the 5%) across both types of turf will bring the activity in line with the 20% recommended policy.

However, officer's note sports clubs have signalled over many years that they face challenges to pay any higher fee increases. In addition, some clubs and RSO's are heavily reliant on Class 4 funding to pay Council fees. This funding is at risk with the proposed changes to the Gambling Policy and less future income available to grant to the community.

Option 3: 5% budgeted fee Increase, change R&F Policy to 85% Rates funded, 15% User charges

Accept the proposed fee changes already in the budget and change the R&F policy to 15% user charges. Refer to the supporting table that shows the Activity compliance over the last 7 years. Note it has been increasingly difficult to meet the continuous cost increases under the current service levels. Depreciation makes up over 27% of total costs.

Note: Any fee increases would take effect from the start of the summer season (Oct 2021) and winter season (Apr 2022) therefore Year 1 would still remain non-compliant.

Officers recommend Option 3

Refer to Appendix 1 for Proposed Fees and Charges

8. Recommended R & F Policy *

	User Charges	Other Income	Non-funding	Rates
Current Policy	20%			80%
Recommended Policy	15%			85%
\$ Rates impact of change in policy:				5%

9. Supporting Information

The following R&F history for Artificial and Natural turfs are combined below to show their compliance against a policy of 20% user charges: See Appendix 1 for proposed fee increases

	Actual	
	User Charges	Rates
2019/20*	11%	89%
2018/19	17%	83%
2017/18	16%	84%
2016/17	17%	83%
2015/16 LTP	16%	84%
2014/15	16%	84%
2013/14	16%	84%

Note: 19/20 saw a greater reduction due to Covid19

10. Approval

Report prepared by:	Project Manager:	Wendi Henderson
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

Appendix 1: Proposed Fee Increase & Comparison Rates with other TLAs

Natural Turf and Artificial Sportsfields Proposed Fee Increase

Sportsfields	2020/21 Fees (inc GST)	21/22 Fees proposed	% Fee Increase	\$ increase	Fee @10% increase	Fee 17% increase	Porirua	Hutt City	Dunedin	P North
Rugby, League, Soccer/Football, Aussie Rules										
Casual										
Level 1	\$145.00	\$ 150.00	3.45%	\$ 5.00	\$ 159.50	\$ 169.65	\$ 154.00	\$ 313.92		
Level 2	\$110.00	\$ 115.50	5.00%	\$ 5.50	\$ 121.00	\$ 129.70	\$ 110.00	\$ 208.10		
Seasonal										
Level 1	\$2,425.00	\$ 2,545.25	5.00%	\$ 121.25	\$ 2,667.50	\$ 2,837.25	\$ 2,332.00	\$ 2,406.70	\$ 1,876.00	\$ 1,145.00
Level 2	\$1,625.00	\$ 1,706.25	5.00%	\$ 81.25	\$ 1,787.50	\$ 1,901.25	\$ 1,615.00	\$ 1,595.40		\$ 1,071.00
Level 3	\$1,300.00	\$ 1,365.00	5.00%	\$ 65.00	\$ 1,430.00	\$ 1,521.00				
Softball/Baseball										
Casual										
Level 1	\$180.00	\$ 185.00	2.78%	\$ 5.00	\$ 198.00	\$ 210.60	\$ 108.00	\$ 574.31		
Level 2	\$130.00	\$ 135.00	3.85%	\$ 5.00	\$ 143.00	\$ 152.10	\$ 93.00	\$ 244.65		\$ 70.20
Seasonal										
Level 1	\$780.00	\$ 819.00	5.00%	\$ 39.00	\$ 858.00	\$ 912.00	\$ 1,330.00	\$ 4,469.09	\$ 1,051.00	\$ 760.00
Level 2	\$520.00	\$ 545.00	5.00%	\$ 26.00	\$ 572.00	\$ 609.40	\$ 1,030.00	\$ 1,903.60		
Cricket										
Casual										
Level 1	\$398.00	\$ 400.00	3.09%	\$ 12.00	\$ 426.80	\$ 453.95	\$ 155.00	\$ 841.69		
Level 2	\$256.00	\$ 268.80	5.00%	\$ 12.80	\$ 281.60	\$ 299.52	\$ 110.00	\$ 498.33		\$ 235.00
Seasonal										
Level 1	\$3,000.00	\$ 3,150.00	5.00%	\$ 150.00	\$ 3,300.00	\$ 3,510.00	\$ 1,922.00	\$ 8,416.85	\$ 3,231.00	\$ 2,477.00
Level 2	\$2,500.00	\$ 2,625.00	5.00%	\$ 125.00	\$ 2,750.00	\$ 2,925.00	\$ 1,615.00	\$ 4,983.34	\$ 2,613.80	
Training										
Ground Only (Unserviced)										
1 night	\$108.00	\$ 110.00	1.85%	\$ 2.00	\$ 118.80	\$ 126.35	\$ 30.00		\$ 87.90	
1 night (season)	\$400.00	\$ 420.00	5.00%	\$ 20.00	\$ 440.00	\$ 469.00	\$ 526.00			
2 nights (season)	\$770.00	\$ 800.00	3.90%	\$ 30.00	\$ 847.00	\$ 900.90	\$ 1,052.00		\$ 1,048.70	
3 nights (season)	\$1,170.00	\$ 1,200.00	2.56%	\$ 30.00	\$ 1,287.00	\$ 1,369.90	\$ 1,578.00			
Ground and Changing Rooms										
1 night	\$200.00	\$ 210.00	5.00%	\$ 10.00	\$ 220.00	\$ 234.00	\$ 5.00		\$ 159.20	
1 night (season)	\$850.00	\$ 880.00	3.53%	\$ 30.00	\$ 935.00	\$ 994.50	\$ 885.00			
2 nights (season)	\$1,650.00	\$ 1,700.00	3.03%	\$ 50.00	\$ 1,815.00	\$ 1,930.50	\$ 1,770.00		\$ 1,876.20	
3 nights (season)	\$2,480.00	\$ 2,580.00	4.03%	\$ 100.00	\$ 2,728.00	\$ 2,901.60	\$ -			
Newtown Park/Athletics track (School use)-1/2day NEW										
	\$ -	\$ 60.00	100.00%	\$ 60.00					\$ 58.40	
Newtown Park Function room/Hr (School use) NEW										
	\$ -	\$ 20.00	100.00%	\$ 20.00						

Note this is not the exhaustive list of all fees

Synthetic Turf Fees

Synthetic Turf (Full size)	Current Fees (Per hr) inc GST	21/22 Fees (inc GST)	\$ increase	% increase	Fee @10%	Fee @17% increase
Peak (mon-Fri after 4pm, Sat 8am - 5pm, Sun 7am - 9pm)	\$77.50	\$82.50	\$5.00	6.5%	\$ 85.25	\$ 90.68
Off peak (Mon-Fri anytime before 4pm, Sat before 8am and after 5pm)	\$50.00	\$52.00	\$2.00	4.0%	\$ 55.00	\$ 58.50
Junior/College per hr	\$38.00	\$40.00	\$2.00	5.3%	\$ 41.80	\$ 44.46
Weekend Daily rate/Tournament/Events	\$800.00	\$825.00	\$25.00	3.1%	\$ 880.00	\$ 936.00
Nairnville & Terawhiti Turfs						
Peak (mon-Fri after 4pm, Sat 8am - 5pm, Sun 7am - 9pm)	\$54.00	\$56.50	\$2.50	4.6%	\$ 59.40	\$ 63.18
Off peak (Mon-Fri anytime before 4pm, Sat before 8am and after 5pm)	\$33.00	\$34.50	\$1.50	4.5%	\$ 36.30	\$ 38.61
Junior/College per hr	\$27.00	\$28.00	\$1.00	3.7%	\$ 29.70	\$ 31.59
National Hockey Stadium (per Turf)	\$36,210.00	\$37,100.00	\$890.00	2.5%	\$39,831.00	\$42,365.70

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

5.1.3 Recreation Programmes

Contributing Projects	1117 – Recreation Programmes
Project Manager(s)	Sarah Murray
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$358,913	\$324,541	\$449,501	\$557,412
Allocations	\$141,027	\$136,981	\$136,248	\$228,590
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$499,940	\$461,521	\$585,749	\$786,002
User Charges	-\$2,688	-\$500	\$0	\$0
Other Income	-\$76,054	-\$55,420	-\$34,816	-\$77,000
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	-\$78,741	-\$55,920	-\$34,816	-\$77,000
Rates Funding Requirement	\$421,198	\$405,601	\$550,933	\$709,002
Non-rates income %	16%	12%	6%	10%
Non-rates income % per R&F policy	5%	5%	5%	5%
% Variance from R&F Policy (negative variance favourable)	-11%	-7%	-1%	-5%
\$ Variance from R&F Policy	-\$53,744	-\$32,844	-\$5,529	-\$37,700

3. Introduction

The Recreation Programme Activity contributes to the wellbeing and healthy lifestyle of the Wellington community, by providing accessible and affordable recreation opportunities through community focused programmes and events, in order to drive public participation in recreational activities.

The focus is to increase utilisation of council assets (both indoor and outdoor) to grow healthy communities, and also provide support for community groups, sports clubs and schools. The key sectors include schools and tertiary providers, environmental groups, sports, clubs and health & well-being providers. This activity covers the cost of providing these services.

The whole community benefits from these activities as council seeks internal and external funding to provide the various programmes, hence the Revenue and Finance Policy of 5% non-rates income remains applicable.

This activity is over-compliant.

4. Expenditure analysis

Expenditure has increased by (\$200k) compared to 20/21 budget.

- Corporate and Overhead allocations have increased by \$92k over the current budget
- Labour and internal allocations \$326k, an increase of \$119k from 20/21
- Grant funding for the Sports Event Partnership \$150k
- Services and materials for the delivery of programmes \$20K (\$5k decrease)

A contribution is made each year to the Regional Trails Framework project across the Wellington region, as per the agreement made by Council in 2016/17.

Delivery of the Shift programme is contracted by the Shift Foundation to Council until 23/24. This covers the personnel and services required to deliver this work.

5. Key revenue assumptions

Revenue is largely from contract funding, other corporate revenue or grants funding. This varies year upon year.

Revenue has increased by \$42k to include the likelihood of partnering with external organisations for short programs promoting recreation and well-being.

6. Price Changes required to achieve R & F Policy Compliance

No price increases are proposed.

7. Options for achieving R & F Policy Compliance

This activity is temporarily over compliant for the 21/22 year from anticipated funding for various community programmes from third parties that tends to fluctuate each year.

Officers recommend that temporary over compliance is accepted.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%			95%
Recommended Policy	5%			95%
\$ Rates impact of change in policy				0%

9. Supporting Information

10. Approval		
Report prepared by:	Project Manager:	Sarah Murray
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22 LTP**

1. Activity Information

5.1.4 Recreation Centres

Contributing Projects	1110 Recreation Centres 1111 ASB Sports Centre
Project Manager(s)	Mathew Bialy
Business Analyst	Andrew McFarlane

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$6,503,471	\$6,394,615	\$6,943,602	\$7,369,018
Allocations	\$3,557,849	\$3,430,465	\$3,450,999	\$3,650,599
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$10,061,320	\$9,825,080	\$10,394,601	\$11,019,616
User Charges	(\$2,283,716)	(\$1,519,348)	(\$1,572,790)	(\$2,420,533)
Other Income	(\$663,246)	(\$707,484)	(\$410,000)	(\$257,000)
Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$2,946,962)	(\$2,226,833)	(\$1,982,790)	(\$2,677,533)
Rates Funding Requirement	\$7,114,357	\$7,598,248	\$8,411,811	\$8,342,083
Non-rates income %	29%	23%	19%	24%
Non-rates income % per R&F policy	25%	25%	25%	25%
% Variance from R&F Policy (negative variance favourable)	-4%	2%	6%	1%
\$ Variance from R&F Policy	(\$431,632)	\$229,438	\$615,860	\$77,371

3. Introduction

This activity includes the three Council community recreation centres (Nairville, Kilbirnie and Karori) and a recreation centre managed in partnership with Tawa College. This activity also includes the ASB Sport Centre (Indoor Community Sports Centre) with 12 courts in Kilbirnie.

This activity is under pressure with a decline in some income streams and increasing costs:

- The Indoor Community Sports Centre has reached the end of the naming rights sponsorship agreement with ASB, which provided \$250k a year in income for the last 10 years. To date we have not found a new naming rights sponsor.
- Funding received from NZCT for the Youth in Sport Programme has not been renewed in 20/21. Council's draft Gaming Policy has resulted in NZCT deferring any funding decisions until the policy has been confirmed. If the current draft policy proceeds, Officers do not expect to receive future funding from this source, a loss of \$160k revenue per

annum. The cost to run the Youth in Sport Programme remains for the term of the LTP budget as we currently intend to provide an unchanged level of service regardless of any future NZCT funding decisions.

This activity is non-compliant primarily due to the one-off cost of replacing the signage at the ASB Sports Centre. Without this one-off cost the activity would be compliant with the recommended 7% fee increase.

4. Expenditure analysis

Budget Operating expenditure has increased by \$875k from 2020/21 Annual Plan

- Personnel costs have increased by \$127k (5.2%) This is largely due to greater than anticipated increase in the Living Wage not included in 20/21 AP
- Contracts, Services & Materials budgeted reduction (\$94k) in line with the renewal maintenance programme for Recreation Centres.
- Utilities and Cleaning increase \$58k
- Insurance Increase \$69k
- Depreciation increase \$265k
- Internal Corporate Costs increase \$200k

5. Key revenue assumptions

An average 7% fee increase has been included in the draft LTP budgets for 2021/22.

Indoor Community Sports Centre: Fee and Venue Hire \$60k increase.

Indoor Community Sports Centre: Programmes Fee \$13k increase (also applied to school visits).
Community Recreation Centres: \$45k fee increase.

Indoor Community Sports Centre: Previously mentioned lost revenue for Naming Rights \$250k and NZCT Youth in Sport Programme support \$160k.

Attendance volumes will be in line with previous years prior to 2019/20, which was significantly impacted by the COVID-19 pandemic.

Note: Revenue Budget for 20/21 was reduced by \$1,085k due to Covid.

6. Price Changes required to achieve R & F Policy Compliance

Average fee increases of 7% is recommended. Note there have not been across the board price increases in several years for recreation centres. (for details see fee table under section 9)

7. Options for achieving R & F Policy Compliance

Option 1: Fee increases of average 7% and accept non-compliance of \$37.5k for one year due to one-off costs relating to replacing signage at ASB Sports Centre.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	25%	0%	0%	75%
Recommended Policy	25%	0%	0%	75%
\$ Rates impact of change in policy				\$0

9. Supporting Information				
Fee	Current Fee	Proposed Fee	Increase	Average 7% Increase
Facility Hire Hourly Rate				
ASBSC Court Hire	\$ 60.00	\$ 64.00	\$ 4.00	7%
ASBSC Hall Hire	\$ 360.00	\$ 384.00	\$ 24.00	7%
ASBSC Meeting Room Large	\$ 41.00	\$ 45.00	\$ 4.00	10%
ASBSC Meeting Room Small	\$ 20.50	\$ 25.00	\$ 4.50	22%
ASBSC Table Tennis	\$ 16.00	\$ 18.00	\$ 2.00	13%
ASBSC Third Hall Hire	\$ 120.00	\$ 128.00	\$ 8.00	7%
ASBSC Volleyball	\$ 38.00	\$ 41.00	\$ 3.00	8%
Community Rec Centre Whole Court Hire	\$ 50.00	\$ 55.00	\$ 5.00	10%
Community Rec Centre Whole Court Hire (off-peak)	\$ 30.00	\$ 33.00	\$ 3.00	10%
Community Rec Centre Half Court Hire	\$ 28.50	\$ 31.00	\$ 2.50	9%
Community Rec Centre - 1/4 Gym Hire (Badminton/Volleyball)	\$ 16.00	\$ 18.00	\$ 2.00	13%
Community Rec Centre - Squash Court	\$ 8.50	\$ 9.00	\$ 0.50	6%
Community Rec Centre - Table Tennis	\$ 16.00	\$ 18.00	\$ 2.00	13%
Community Rec Centre - Meeting Room Commercial	\$ 37.00	\$ 45.00	\$ 8.00	22%
Community Rec Centre - Meeting Room Non Commercial	\$ 18.00	\$ 20.00	\$ 2.00	11%
Community Rec Centre - Meeting Room Semi Commercial	\$ 25.00	\$ 30.00	\$ 5.00	20%
Kilbirnie Rec Centre - Hire	\$ 60.00	\$ 70.00	\$ 10.00	17%
Admissions				
Casual use entry - Adult	\$ 3.50	\$ 4.00	\$ 0.50	14%
Casual use entry - Child	\$ 2.00	\$ 3.00	\$ 1.00	50%
ASBSC - Have A Go	\$ 4.00	\$ 4.50	\$ 0.50	13%
ASBSC - Youth Night	\$ 2.00	\$ 2.00	\$ -	0%
Kilbirnie Rec Centre - Child on Wheels	\$ 3.50	\$ 4.00	\$ 0.50	14%
Kilbirnie Rec Centre - Adult on Wheels	\$ 5.00	\$ 6.00	\$ 1.00	20%
Kilbirnie Rec Centre - Tinytown Earlybird	\$ 6.80	\$ 7.00	\$ 0.20	3%
Kilbirnie Rec Centre - Tinytown Entry	\$ 4.50	\$ 5.00	\$ 0.50	11%
Kilbirnie Rec Centre - Skate Hire	\$ 3.50	\$ 4.00	\$ 0.50	14%
Leagues & Programmes (examples)				
Adult Basketball League	\$ 80.00	\$ 85.00	\$ 5.00	6%
Adult Netball League	\$ 55.00	\$ 60.00	\$ 5.00	9%
Kids Basketball League	\$ 28.00	\$ 30.00	\$ 2.00	7%
Kids Miniball League	\$ 22.50	\$ 25.00	\$ 2.50	11%
Parkour School Age	\$ 10.50	\$ 11.50	\$ 1.00	10%
Parkour Adult / Advanced School Age	\$ 12.50	\$ 13.50	\$ 1.00	8%
Preschool Baby Jam (Casual)	\$ 4.20	\$ 4.50	\$ 0.30	7%
Preschool Programme Casual 30min	\$ 7.50	\$ 8.00	\$ 0.50	7%
Preschool Programme Casual 45min	\$ 9.50	\$ 10.00	\$ 0.50	5%
ASBSC - School Programme (per child)	\$ 1.50	\$ 1.70	\$ 0.20	13%

10. Approval		
Report prepared by:	Project Manager:	Mathew Bialy
	Business Analyst:	Andrew McFarlane/Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. ACTIVITY INFORMATION

5.1.7 Marinas	
Contributing Projects	1115 Marina Operations
Project Manager(s)	Joel de Boer
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$606,511	\$606,690	\$749,314	\$718,776
Allocations	\$63,529	\$59,433	\$121,122	\$143,334
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$670,040	\$666,123	\$870,436	\$862,110
User Charges	-\$633,292	-\$653,095	-\$578,645	-\$675,803
Other Income	-\$5,401	-\$3,663	\$0	\$0
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	-\$638,693	-\$656,758	-\$578,645	-\$675,803
Rates Funding Requirement	\$31,347	\$9,365	\$291,791	\$186,307
Non-rates income %	95%	99%	66%	78%
Non-rates income % per R&F policy	100%	100%	100%	100%
% Variance from R&F Policy (negative variance favourable)	5%	1%	34%	22%
\$ Variance from R&F Policy	\$31,347	\$9,365	\$291,791	\$186,307

3. Introduction

This activity covers the management of the Evans Bay Marina and Clyde Quay Boat Harbour. Evans Bay Marina, located at the south end of Evans Bay in Wellington Harbour, consists of fixed piers with associated berths and boat sheds. Clyde Quay Boat Harbour is a heritage area located in Oriental Bay with licenced boat sheds and moorings owned by license holders.

The marinas hold approximately 240 tenants and the facilities make up 30% of the Wellington Marina capacity.

This activity, which benefits the users only has a Revenue and Financing (R&F) Policy of 100% user pays and is currently non-compliant.

In addition, the impact of sea level rise combined with the age and condition of the pier and breakwater infrastructure means significant future investment is required at Evans Bay Marina. Under the current R&F Policy these developments will need to be 100% funded by existing/future users/tenants. A new financial model and business case will be developed.

A project is now underway to assess options for the marina at Evans Bay, the investment requirements and potential for a new operating model. Officers expect to report back to Council mid-year once this work has been completed.

This activity is non-compliant (approx. 90% being Evans Bay Marina), the Rates impact of this is currently \$186k.

4. Expenditure analysis

Budget Expenditure has decreased from 2021 Budget by (\$30k)

The main movements in expenditure are:

- Insurance (\$37k) reduction
- Depreciation increase \$2k.

It is important to note that during 2019, the Marina Assets were revalued, and some asset lives were increased. This resulted in a significant increase in the depreciation costs from \$226k in 2018 to \$359k in the LTP. This is the major cause of the non-compliance.

A review of the asset register has been undertaken to ensure that only the marina assets depreciation costs sit in this Activity, and that other non-marina coastal assets (including those related to the freedom camping area) are sitting in the correct coastal activity.

The Marinas are managed on a cash flow basis and interest is calculated on the cash / debt balance held.

5. Key revenue assumptions

The budgeted revenue includes an inflationary increase of 5% \$32k on 2021 AP

Berth occupancy continues to run higher than the target of 96% at 98%.

Note: 20/21 Budget is adjusted for Covid19 but Fee increases were applied through the 20/21AP.

6. Price Changes required to achieve R & F Policy Compliance

A 22% fee increase over and above the figures in Section 2 is required to achieve policy.

7. Options for achieving R & F Policy Compliance

Option 1: 5% Fee increase \$32k extra income (as budgeted in the Section 2 table above)

Evans Bay Marina: A 5% increase and will provide approximately \$23k income.

Clyde Quay: A 5% increase at Clyde Quay will provide around \$9k income.

Option 2: 7% Fee increase for the next 3 years (Note: Year 1 would be an additional 2% over and above 5% already included in budget)

Option 3: An additional 22% Fee Increase to meet compliance

Officers recommend **Option 2:** 7% increase, each year over the next 3 years and to work towards meeting compliance.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	100%	0%	0%	0%
Recommended Policy	100%	0%	0%	0%
\$ Rates impact of change in policy				\$0

9. Supporting Information											
Proposed Fee Increase 2021/2022											
Fee / Charge Name	Marina	Current Fee 2020/21	Proposed Fee Option 1	Increase	Option 1 % Increase	Proposed Fee Option 2	Increase	Option 2 % Increase	Proposed Fee Option 3	Increase	Option 3 % Increase
Visitor Day	Evans Bay	\$ 15.00	\$ 30.00	\$ 15.00	50%	\$ 30.00	\$ 15.00	50%	\$ 30.00	\$ 15.00	50%
Visitor Month	Evans Bay	\$ 307.00	\$ 322.00	\$ 15.00	5%	\$ 331.55	\$ 24.55	7%	\$ 340.77	\$ 33.77	10%
Non tenant use of Bireastwork (daily)		\$ 70.00	\$ 75.00	\$ 5.00	7%	\$ 75.00	\$ 5.00	7%	\$ 77.70	\$ 7.70	10%
Berth	Evans Bay	\$ 2,928.00	\$ 3,074.00	\$ 146.00	5%	\$ 3,162.24	\$ 234.24	7%	\$ 3,250.08	\$ 322.08	10%
Berth (Sea Rescue Jetty)	Evans Bay	\$ 1,721.00	\$ 1,807.00	\$ 86.00	5%	\$ 1,858.68	\$ 137.68	7%	\$ 1,910.31	\$ 189.31	10%
Boat Shed (8 to 11)	Evans Bay	\$ 1,154.00	\$ 1,210.00	\$ 56.00	5%	\$ 1,246.32	\$ 92.32	7%	\$ 1,280.94	\$ 126.94	10%
Boat Shed (1 to 7, 12 to 32)	Evans Bay	\$ 2,304.00	\$ 2,420.00	\$ 116.00	5%	\$ 2,488.32	\$ 184.32	7%	\$ 2,567.44	\$ 253.44	10%
Boat Shed (33 to 46)	Evans Bay	\$ 3,449.00	\$ 3,620.00	\$ 171.00	5%	\$ 3,724.92	\$ 275.92	7%	\$ 3,826.39	\$ 379.39	10%
Dinghy Locker	Evans Bay	\$ 344.00	\$ 360.00	\$ 16.00	4%	\$ 371.52	\$ 27.52	7%	\$ 381.84	\$ 37.84	10%
Live-Aboard fee	Evans Bay	\$ 603.00	\$ 633.00	\$ 30.00	5%	\$ 651.24	\$ 48.24	7%	\$ 669.33	\$ 66.33	10%
Trailer Park	Evans Bay	\$ 131.00	\$ 160.00	\$ 29.00	18%	\$ 160.00	\$ 29.00	18%	\$ 160.00	\$ 29.00	18%
Mooring	Clyde Quay	\$ 1,165.00	\$ 1,223.00	\$ 58.00	5%	\$ 1,258.20	\$ 93.20	7%	\$ 1,293.15	\$ 128.15	10%
Boat Shed (2 to 13)	Clyde Quay	\$ 2,443.00	\$ 2,565.00	\$ 122.00	5%	\$ 2,638.44	\$ 195.44	7%	\$ 2,711.73	\$ 268.73	10%
Boat Shed (14 to 27)	Clyde Quay	\$ 2,199.00	\$ 2,309.00	\$ 110.00	5%	\$ 2,374.92	\$ 175.92	7%	\$ 2,440.89	\$ 241.89	10%
Boat Shed (28, 29)	Clyde Quay	\$ 3,053.00	\$ 3,205.00	\$ 152.00	5%	\$ 3,297.24	\$ 244.24	7%	\$ 3,388.93	\$ 335.93	10%
Boat Shed (38B)	Clyde Quay	\$ 1,763.00	\$ 1,851.00	\$ 88.00	5%	\$ 1,904.04	\$ 141.04	7%	\$ 1,956.93	\$ 193.93	10%
Boat Shed (38A to 42B, 48A, 48B)	Clyde Quay	\$ 2,531.00	\$ 2,657.00	\$ 126.00	5%	\$ 2,733.48	\$ 202.48	7%	\$ 2,809.41	\$ 278.41	10%
Boat Shed (43A to 47B)	Clyde Quay	\$ 2,933.00	\$ 3,080.00	\$ 147.00	5%	\$ 3,167.64	\$ 234.64	7%	\$ 3,255.63	\$ 322.63	10%
Dinghy Rack	Clyde Quay	\$ 204.00	\$ 214.00	\$ 10.00	5%	\$ 220.32	\$ 16.32	7%	\$ 226.44	\$ 22.44	10%

Comparison Pricing
Seaview Marina
 Berths 10m - \$3,793pa
 Berths 12m-17m - \$4694 - \$8,498
 Live Aboard - \$110per month

Picton Marina
 Berths (floating) 10m - \$5,033pa
 Berths (floating) 12m-18m - \$6,415 - \$10,703
 Mooring \$2,272pa
 Boatshed (6.5x2.9) \$18,36pa

Mana Marina
 Berths 10m - \$4,500pa
 Berths 12m-18m - \$5460 - \$8,498
 Live Aboard - \$235per month
 Mooring \$2,272pa
 Boatshed (6.5x2.9) \$1,836pa

10. Approval		
Report prepared by:	Project Manager:	Joel de Boer
	Business Analyst:	Andrew McFarlane
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22 LTP**

1. Activity Information

5.1.8 – Municipal Golf Course

Contributing Projects	1116 – Municipal Golf Course
Project Manager(s)	Wendi Henderson
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$184,803	\$179,332	\$187,443	\$179,786
Allocations	\$63,582	\$61,135	\$67,531	\$65,525
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$248,386	\$240,467	\$254,973	\$245,311
User Charges	(\$55,480)	(\$59,562)	(\$41,511)	(\$68,593)
Other Income	(\$4,510)	(\$4,730)	(\$18,761)	(\$5,000)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$59,990)	(\$64,292)	(\$60,271)	(\$73,593)
Rates Funding Requirement	\$188,396	\$176,175	\$194,702	\$171,718
Non-rates income %	24%	27%	24%	30%
Non-rates income % per R&F policy	30%	30%	30%	30%
% Variance from R&F Policy (negative variance favourable)	6%	3%	6%	0%
\$ Variance from R&F Policy	\$14,526	\$7,848	\$16,221	\$0

3. Introduction

For more than a decade course usage and revenue targets for the Mornington Golf Club (the Club) have been a challenge to achieve. The trend in declining golf participation nationwide, with many golf clubs struggling financially or closing altogether.

Officers have been working with the Club since 2011 to work towards meeting utilisation and revenue targets. It has been agreed that the club will be expected to meet revenue targets to reach compliance in the Activity from the current 20/21 financial year.

The Club has implemented a number of initiatives to increase members, disc golf, offering discounts, promotion of the club, social events and further enhancing the facility for community use.

In 2018/19 58% of the revenue came from member golf levies and 42% from green fees. 2019/20 48% and 52% respectively – noting Covid19 pandemic also had an impact on reduced green fee players.

While individuals receive significant direct benefits, the Council believes it is appropriate for the whole community to bear some of the costs of operating the city's golf course, the main reason being that the golf course is located on Town Belt land with free public access. The user funded portion relates to costs specific to the provision of the Golf Course.

This activity is compliant.

4. Expenditure analysis

The total expenditure budget has decreased marginally by \$6k, reflecting the current levels of service provided at the Golf course:

- Personnel Costs \$48k pa
- Contracts, Services & Materials \$55k
- Depreciation \$13k
- Internal labour and allocations \$35kpa

Over the last 2 years we have reduced service levels and costs to align with the level of service required to maintain compliance in the Activity.

5. Key revenue assumptions

Revenue comes from Golf Membership levies received from the Club, and from green fees collected by the Club and the ticket machine.

WCC currently receives a levy per golf member from the Club that ranges between \$215 - \$410 depending on the membership type. The Club also has non golf members (e.g. bowls, tai chi etc.) but WCC does not receive any levies from these members. However, to achieve compliance, the club is expected to meet the revenue target from any of their revenue activities.

The introduction of Disc Golf in the 19/20 financial year, has been a popular activity and improved utilisation of the course. Around 1300 users have played this and earned \$6.5k in its first year.

Officers are proposing moderate fee increases for the green fee ticket machine for casual users in the 2021/22 budget.

Note: Revenue Budget for 20/21 was reduced by \$17k due to Covid.

6. Price Changes required to achieve R & F Policy Compliance

A 5% fee increase on casual fees is proposed.

Fee Type	Current Fee Inc GST	Proposed fee Inc GST
LeisureCard	\$ 15.00	\$15.75
Adults: Round		\$21.00
Weekdays	\$ 20.00	
Adults: Round		\$21.00
Weekends	\$ 20.00	
Disc Golf	\$ 5.00	\$5.50

7. Options for achieving R & F Policy Compliance

Option 1 – Targeted Fee Increase
 Targeted fee increase of 5% to meet compliance.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	30%	0	0	70%
Recommended Policy	30%	0	0	70%
\$ Rates impact of change in policy:				

9. Approval		
Report prepared by:	Project Manager:	Wendi Henderson
	Business Analyst:	Andrew McFarlane, Naomi Shephard
	Director sign-off:	Claire Richardson

REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22

1. Activity Information

5.2.1 LIBRARIES

Contributing Projects	1118 – Library Network-wide Operation 1119 – Branch Libraries 1208 – CBD Library Services Network
Project Manager(s)	Laurinda Thomas
Business Analyst	Jo Young

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 GLB Bud V9	22GLBB03
Other Expenditure	\$14,749,440	\$17,409,274	\$19,262,548	\$18,929,417
Allocations	\$7,071,513	\$7,525,462	\$7,930,891	\$9,784,377
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$21,820,954	\$24,934,736	\$27,193,439	\$28,713,794
User Charges	(\$621,781)	(\$232,170)	(\$237,397)	(\$236,050)
Other Income	(\$378,336)	(\$243,896)	(\$393,270)	(\$551,729)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$1,000,117)	(\$476,066)	(\$630,668)	(\$787,779)
Rates Funding Requirement	\$20,820,836	\$24,458,670	\$26,562,771	\$27,926,015
Non-rates income %	5%	2%	2%	3%
Non-rates income % per R&F policy	5%	5%	5%	5%
% Variance from R&F Policy (negative variance favourable)	0%	3%	3%	2%
\$ Variance from R&F Policy	\$90,930	\$770,671	\$729,004	\$647,911

3. Introduction

This activity includes the operation of the Wellington City Library Network, consisting of 14 libraries, a virtual library through the Libraries website, and a Collection and Distribution Centre.

Library facilities:

- CBD Cluster – Central Library (closed) - Arapaki, He Matapihi, Te Awe, Brooklyn and Wadestown
- Western Cluster – Karori, Cummings Park (Ngaio), and Khandallah
- Northern Cluster – Waitohi, Mervyn Kemp (Tawa)
- South East Cluster – Island Bay, Ruth Gotlieb (Kilbirnie), Newtown, and Miramar
- Collection and Distribution Centre – Te Pātaka

The Central Library in Te Ngākau Civic Square has been closed since March 2019, due to significant structural vulnerability. An Interim CBD Library Network has been established and will operate until the Central Library remediation work has been completed in 2025.

4. Expenditure analysis

The expenditure budget for the libraries activity largely relates to personnel, library collection and maintenance contracts, depreciation, and organisational allocations.

The budgeted expenditure for 2021/22 increases by \$1.520m (5.6%). The key movements are:

- Personnel increase of \$0.205m – due to inflation on personnel expenditure
- Building insurance increase of \$0.148m – due to premiums for Waitohi Library.
- Allocations increase of \$1.854m – due to Civic Campus Overhead increase of \$0.607m (currently linked to Boulcott Street); IT Overhead increase of \$1.337m; Interest allocation (debt funding for the temporary CBD Library Network) increase of \$0.102m; and organisational allocation decrease of \$0.193m.
- Depreciation decrease of \$0.737m – due to the triannual revaluation of the library collection.

Officers have continued efforts to contain increasing costs within the existing budget. However, additional cost pressures resulting from increased organisational allocations, building ownership and maintenance contract costs and the temporary CBD Library Network have impacted the libraries ability to stay within the current policy.

5. Key revenue assumptions

Revenue collected from this activity is from user charges (for low-cost access to selected books, DVDs, music, magazines and other items) and overdue fines.

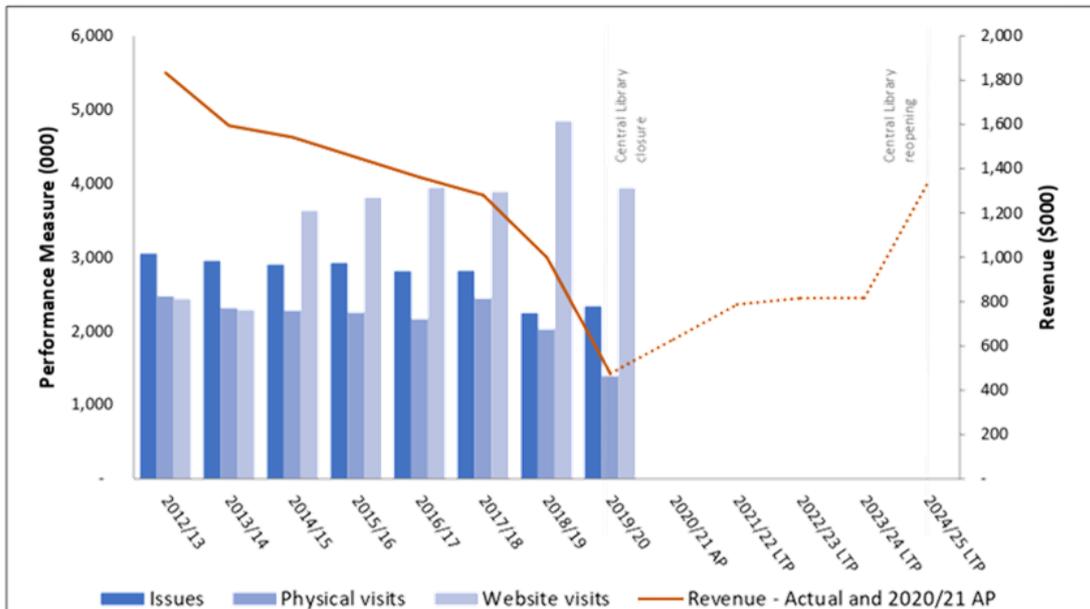
Budgeted revenue has increased by \$0.157m (24.9%) from 2020/21, across both fines and user charges. Revenue was reduced to account for the closure of the Central Library – however, fines revenue volumes have been greater than anticipated so the budget has been adjusted accordingly. Inflation has also been applied to the budgeted revenue.

Prior to the Central Library closure, overdue fines represented approximately 37.0% of total revenue for the activity. For 2021/22 this increases to 51.7%. In terms of dollar value, we have seen a downward trend in revenue over recent years, which is primarily due to:

- The introduction of electronic alerts notifying customers of upcoming due dates
- Increased uptake from the library digital book collection, which do not incur overdue fines
- The re-introduction of a two-day grace period
- And more recently, the closure of the Central Library and lower numbers of overall issues.

Revenue from DVD and CD issues has also been trending downward and is projected to continue to decline due to the availability and popularity of alternative digital formats and online streaming.

The chart below illustrates the key performance and revenue trends for the libraries network.



Commentary: 2018/19 shows the impact of the Central Library closure, with a dramatic dip in the number of issues and physical visits to our libraries overall. This was slightly softened by the opening of Waitohi Library in Johnsonville (although in terms of revenue, branch library usage is biased towards usage by children and seniors who attract low fees, discounts, or both) and the gradual establishment of the temporary CBD Library Network. The final quarter of 2019/20 was also affected by the Covid-19 lock-down.

In May 2019 the City Strategy Committee endorsed the CBD Library Network model, noting the inclusion of foregone revenue (and additional expenditure) until the remediation of the Central Library, in the 2020/21 Annual Plan. As a result, revenue was reduced by \$0.550m per annum until 2024/25. We have reviewed and adjusted the forecast and do not expect the amount of foregone revenue to be as great, due to fines revenue volumes being greater than anticipated. We expect to return to near normal levels once the Central Library is reopened.

The remediation of the Central Library offers Council the opportunity to review the current operating model for the library network, including opportunities for alternative revenue sources to be integrated in the redesign of the central building.

6. Price Changes required to achieve R & F Policy Compliance

Officers have not factored in any fee increases into the 2021/31 Long Term Plan budget. However, as previously mentioned, volumes have been increased based on higher than projected results.

7. Options for achieving R & F Policy Compliance

Officers have considered four options to achieve compliance, and recommend option four, temporary non-compliance.

Option One – Increase fees:

Libraries would need to generate additional revenue of \$0.648m (over what is projected) to achieve compliance. General and targeted fee increases have been considered. Historically such increases have had limited success and would in any case not be sufficient to address the situation while the Central Library remains closed. Revenue opportunities will be reviewed as part of the Central Library remediation.

Option Two – Reduce expenditure:

Option two is to achieve policy compliance through cost reductions. However, with revenue at \$0.788m, this would mean expenditure would have to reduce to \$15.756m (a 47.9% decrease of the libraries total operating costs) to meet the 95% whole community; 5% user policy. This would not be feasible without a fundamental change in the current library service model and service levels.

Option Three – Revise R&F policy:

Decreasing revenue trends and increasing cost pressures will continue to put pressure on our ability to provide library services at the current level of service, particularly while the Central Library is closed. This is also part of a larger picture including e-lending and automatic alerts, which increase customer satisfaction and access, but do not attract revenue.

At this point, we see no rationale for further amending policy, given that in the 2018/19 LTP process the policy was adjusted from 90% whole community; 10% user to 95% whole community; 5% user.

Officers considered revising the current policy to 100% whole community, 0% user. However, this would result in over-compliance in 2021/22 by \$0.788m (+3%).

Option Four – Accept temporary non-compliance (recommended)

As previously discussed, the closure of the Central Library has impacted our ability to achieve compliance to the current policy, due to the volume of transactions generated by such a major facility. This affects both revenue and expenditure.

However, there is a significant opportunity to review the revenue strategy for the library network alongside the redesign of the remediated Central Library building. This has the potential to present new or alternative revenue streams for Libraries (as well as other parts of Council) in the future.

Officers have determined that it would be prudent to accept temporary non-compliance and review the policy again during the 2024-34 LTP process. This period would give Officers a better indication of the environmental trends impacting user fees, test users' appetite for fee changes, complete a review of the current operating model for the library network, and assess our ability to generate future revenue from new or alternative activities when the Central Library remediation project has been completed.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%			95%
Recommended Policy	5%			95%
\$ Rates impact of change in policy				

9. Supporting Information

Fee comparison between a selection of Level 1 Libraries:

Fees and charges		Auckland	Christchurch	Hutt	Porirua	Tauranga	Wellington
Overdue fines							
ADULTS							
Books	per item/per day	\$ 1.00	\$ 0.70	\$ 0.50	\$ 0.20	\$ 0.30	\$ 0.80
Magazines	per item/per day	\$ 1.00	\$ 0.70	\$ 0.50	\$ 0.20	\$ 0.30	\$ 0.60
CDs	per item/per day	\$ 1.00	\$ 0.70	\$ 0.50	\$ 0.50	\$ 0.30	\$ 0.60
DVDs	per item/per day	\$ 1.00	\$ 0.70	\$ 0.50	\$ 1.00	\$ 0.30	\$ 1.00
Videos	per item/per day	n/a	\$ 0.70	n/a	n/a	\$ 0.30	\$ 1.00
Tapes	per item/per day	n/a	\$ 0.70	n/a	n/a	\$ 0.30	\$ 0.60
CD-ROMs	per item/per day	n/a	\$ 0.70	n/a	n/a	\$ 0.30	\$ 1.00
Kits	per item/per day	n/a	\$ 0.70	n/a	n/a	\$ 0.30	\$ 0.60
Bestseller Books	per item/per day	\$ 1.00	\$ 0.70	\$ 0.50	\$ 1.00	\$ 0.30	\$ 1.00
CHILDREN AND YOUNG ADULTS							
Books	per item/per day	\$ -	\$ -	\$ -	\$ 0.20	\$ -	\$ 0.30
Magazines	per item/per day	\$ -	\$ -	\$ -	\$ 0.20	\$ -	\$ 0.30
CYA CDs	per item/per day	\$ -	\$ -	\$ -	\$ 0.50	\$ -	\$ 0.30
CYA DVDs	per item/per day	\$ -	\$ -	\$ -	\$ 1.00	\$ -	\$ 0.50
CYA Videos	per item/per day	\$ -	\$ -	\$ -	n/a	\$ -	\$ 0.50
CYA Tapes	per item/per day	\$ -	\$ -	\$ -	n/a	\$ -	\$ 0.30
CYA CD-ROMs	per item/per day	\$ -	\$ -	\$ -	n/a	\$ -	\$ 0.50
CYA Kits	per item/per day	\$ -	\$ -	\$ -	n/a	\$ -	\$ 0.30
Bestseller Books	per item/per day	\$ 1.00	\$ -	\$ 0.50	\$ 1.00	\$ 0.30	\$ 1.00
Rental *							
ADULTS							
CD	14 days	\$ 1.00	\$ 3.00	\$ -	\$ -	n/a	\$ 2.00
DVD	7 days	\$ 3.00	\$ 3.00	\$ 2.00	\$ 2.00	\$ 1.50	\$ 4.00
Bestsellers	7 days	n/a	\$ 3.00	\$ 2.00	\$ 2.00	\$ 1.50	\$ 3.50
CHILDREN AND YOUNG ADULTS							
CD	14 days	\$ -	\$ 3.00	\$ -	\$ -	n/a	\$ 2.00
DVD	7 days	\$ -	\$ 3.00	\$ -	\$ 2.00	\$ 1.50	\$ 4.00
Bestsellers	7 days	n/a	\$ 3.00	\$ 2.00	\$ 2.00	\$ 1.50	\$ 3.50
OTHER							
A4 B/W Printing and Photocopying	10 copies	\$ 0.20	\$ 0.20	\$ 0.20	n/a	\$ 0.20	\$ -
Internet		\$ -	\$ -	\$ 2.00	n/a	n/a	\$ -

* some fees have been adjusted to align rental periods

10. Approval

Report prepared by:	Project Manager:	Laurinda Thomas
	Business Analyst:	Jo Young
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

5.2.5 City Housing	
Contributing Projects	1125 – Housing Operations
Project Manager(s)	Angelique Jackson
Business Analyst	Nicola Toh

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$40,977,478	\$28,858,160	\$30,831,831	\$30,607,115
Allocations	\$1,639,524	\$1,663,092	\$1,459,333	\$3,536,615
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$42,617,002	\$30,521,253	\$32,291,164	\$34,143,730
User Charges	(\$38,255)	\$0	\$0	\$0
Other Income	(\$23,271,573)	(\$26,469,526)	(\$26,153,227)	(\$27,112,837)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$23,309,828)	(\$26,469,526)	(\$26,153,227)	(\$27,112,837)
Rates Funding Requirement	\$19,307,174	\$4,051,727	\$6,137,937	\$7,030,893
Non-rates income %	55%	87%	81%	79%
Non-rates income % per R&F policy	100%	100%	100%	100%
% Variance from R&F Policy (negative variance favourable)	45%	13%	19%	21%
\$ Variance from R&F Policy	\$19,307,174	\$4,051,727	\$6,137,937	\$7,030,893

2018/19 GL Actual	2019/20 GL Actual	2020/21 GLB Bud v9	22GLBB03
\$4,456,780	\$4,149,994	\$4,385,133	\$4,588,468
\$1,585,298	\$1,637,594	\$1,686,550	\$1,676,299
\$0	\$0	\$0	\$0
\$6,042,078	\$5,787,588	\$6,071,683	\$6,264,767
(\$461,602)	(\$280,157)	(\$127,900)	(\$260,000)
(\$289,469)	(\$278,431)	(\$134,359)	(\$199,495)
\$0	\$0	\$0	\$0
(\$751,071)	(\$558,589)	(\$262,259)	(\$459,495)
\$5,291,007	\$5,229,000	\$5,809,424	\$5,805,272
12%	10%	4%	7%
10%	10%	10%	10%
-2%	0%	6%	3%
(\$146,863)	\$20,170	\$344,910	\$166,982

3. Expenditure analysis

This activity covers Council's Social Housing portfolio and the Housing Upgrade Programme (HUP) which is being completed with funding from Council and the Crown. WCC operates over 1,900 social housing units and house approximately 3,200 tenants. For qualifying tenants' units are provided at a base of 70% of the market rate with further discounts provided in certain cases.

Most of the expenditure relates to personnel and the ongoing maintenance of the City Housing portfolio.

Expenditure (excluding allocations) between 2020/21 AP and 2021/22 LTP have increased by \$960k (3.7%) and between 2019/20 GL Actuals and 2021/22 LTP increased by \$3.6m (11.9%). The major variances are in personnel (several roles were vacant in 2019/20), insurance, facilities maintenance, depreciation and interest allocation.

It is widely known that our cash position will not be able to sustain the operations of City Housing and in the long term there are funding gaps that need to be addressed.

4. Key revenue assumptions

City Housing generates revenue from rental and lease income only. The rent charged is reviewed annually and adjusted based on the current market rates.

A review around creating a long-term sustainable business model is currently ongoing and includes a review of the Housing rental policy.

5. Price Changes required to achieve R & F Policy Compliance

City Housing is non compliant. Rental prices are reviewed annually against market rates. Our current rent setting policies do not allow a sustainable level of income and a rental policy paper is waiting on approval from Council. The funding gaps highlighted by this paper are also being considered as part of the wider sustainability work for City Housing.

6. Options for achieving R & F Policy Compliance
 Acceptance of Non Compliance is recommended as within current policy there is no ability to increase income at a sustainable level while expenditure is increasing. There is currently a paper before council reviewing the sustainability work for City Housing

7. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy		100%		0%
Recommended Policy		100%		0%
\$ Rates impact of change in policy				

8. Supporting Information

9. Approval

Report prepared by:	Project Manager:	Angelique Jackson
	Business Analyst:	Nicola Toh
	Director sign-off:	

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

5.2.6 COMMUNITY CENTRES AND HALLS

Contributing Projects	1127 – Community Property Programmed Maintenance 1128 – Community Halls Operations and Maintenance 1129 – Community Property and Facility Operations 1130 – Rent Grants for Community Welfare Groups
Project Manager(s)	Jenny Rains Laurinda Thomas
Business Analyst	Jo Young

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 GLB Bud V9	22GLBB03
Other Expenditure	\$2,690,535	\$2,839,835	\$3,185,839	\$3,294,634
Allocations	\$774,961	\$830,668	\$879,590	\$1,075,546
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$3,465,497	\$3,670,502	\$4,065,429	\$4,370,179
User Charges	(\$231,564)	(\$160,163)	(\$224,721)	(\$246,241)
Other Income	(\$117,981)	(\$75,165)	(\$100,444)	(\$96,899)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$349,544)	(\$235,328)	(\$325,165)	(\$343,140)
Rates Funding Requirement	\$3,115,952	\$3,435,174	\$3,740,264	\$4,027,039
Non-rates income %	10%	6%	8%	8%
Non-rates income % per R&F policy	5%	5%	5%	5%
% Variance from R&F Policy (negative variance favourable)	-5%	-1%	-3%	-3%
\$ Variance from R&F Policy	(\$176,270)	(\$51,803)	(\$121,894)	(\$124,631)

3. Introduction

This activity supports Early Childhood Education Centres and the delivery of services from community centres and halls across Wellington City. Of the 25 facilities seven are directly operated by Council and is where revenue is generated. The facilities operated by the Council are:

- Churton Park Community Centre
- Island Bay Community Centre
- Newlands Community Centre
- Tawa Community Centre
- Wadestown Community Centre
- Linden Community Centre
- Ngaio Town Hall

All other community centres are operated by the community and funded in part by the Council (through social grants).

This activity has been over compliant for several years.

4. Expenditure analysis

Expenditure (including allocations) has increased by \$304.8k on the 2020/21 Annual Plan.

The increase comes primarily due to additional depreciation for the upgrade of four Community Centres (Aro Valley, Strathmore, Newtown and the Karori Events Centre fitout), and an increased IT allocation.

Activity 5.2.6 Community Centres and Halls includes rental grants for community welfare groups (1130). This project is better aligned with Activity 5.2.4 Grants (Social and Recreation), as it is a grant to support social outcomes, with no direct link to community centres and halls. Therefore, it is recommended that 1130 is transferred. This will have no significant impact on the compliance for either activity (as detailed in the table below):

	5.2.4 – Grants (Social and Recreation)	5.2.6 – Community Grants and Halls
	\$	\$
Current		
Income	0	(343,140)
Expenditure	4,466,296	4,370,180
<i>Rates funding (%)</i>	<i>100%</i>	<i>92%</i>
Proposed (1130 transfer)		
Income	0	(343,140)
Expenditure	4,698,280	4,138,196
<i>Rates funding (%)</i>	<i>100%</i>	<i>92%</i>
Net change (\$)	231,984	(231,984)

5. Key revenue assumptions

Revenue has increased by the rate of inflation on pre-Covid19 levels. There has been no movement to the volume assumptions, so the increase is directly linked to fee changes as detailed in s9. Supporting Information.

6. Price Changes required to achieve R & F Policy Compliance

Prices for the Council operated community centres and halls were last increased in 2019/20 to recognise inflation over the previous eight years. There was no price increase in 2020/21 due to the Covid-19 financial impact to the community

We are now proposing to increase our prices as tabled in s9. *Supporting Information*. Note, the price increases are slightly greater than inflation (on average).

We believe that our proposed room rates still allow for affordable and accessible community spaces and are comparable to rates charged by other community room providers.

7. Options for achieving R & F Policy Compliance

This activity is currently over-compliant, which means we are generating more revenue than is required by the policy. Several options can be considered to meet compliance:

Reduce fees or increase expenditure

Officers do not recommend decreasing fees, as this pricing would undercut other Community Centres who rely on income from room hireage to remain viable. Revenue generated from this activity is driven primarily by volume. Likewise, expenditure should not be increased to meet policy requirements.

Change in policy

Officers do not recommend a change to R&F Policy.

Policy compliance moves in increments of 5% (+/-). If we were to move from 5% to 10% user funding, this would result in the activity being under compliant by \$94k (2%). Increasing fees to make up this revenue would price us out of the Community Centre market and could result in a net decrease in income as hirers move to less expensive venues.

Income from Early Childhood Centres is governed by the Early Childhood Policy, which was last reviewed in 2009. Another review will be done in conjunction with a wider community facilities review.

Accept temporary non-compliance

Officers recommend that the policy remains at the current level and Council accepts temporary non-compliance for 2021/22.

Officer Recommendation/s

1. That current Community Centre room hire charges increase at the rate of inflation, rounded to the nearest dollar.
2. Officers recommend that project 1130 transfer to Activity 5.2.4 Grants (Social and Recreation) to better align with social outcomes.
3. Officers recommend that the policy remains at the current level and Council accepts temporary non-compliance for 2021/22.

Note, recommendation 2 does not change the outcome of recommendation 3.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%	0%	0%	95%
Recommended Policy	5%	0%	0%	95%
\$ Rates impact of change in policy				\$0

9. Supporting Information

Community Centre Room Hire Charges
 (GST inclusive)

Table 1: 2021/22 proposed fees Not increased in 20/21 due to Covid-19

	GST incl.	Current	2021/22 Inflated	2021/22 Proposed
Community groups	per hour	\$ 17.90	\$ 18.70	\$ 19.00
Commercial	per hour	\$ 23.50	\$ 24.60	\$ 25.00
Private event	per hour	\$ 29.10	\$ 30.40	\$ 30.00
Commercial private	per hour	\$ 39.90	\$ 41.70	\$ 42.00
Venue security check fee	one off	\$ 50.90	\$ 50.90	\$ 50.90

The CPI applied to revenue for on 19/20 prices is 4.3%. The proposed fee increase varies between 3.1% and 6.4%.

User categories:

Community groups:

Booking party is a community group for community benefit and does not charge attendees per session (e.g. youth group, cultural group, networking group).

Commercial:

Booking party takes fees from attendees, open participation (e.g. yoga class, children's dance class).

Private event:

Non-commercial, closed to the public (e.g. birthday party, dance practice).

Commercial private:

Booking party is a business, closed to the public.

Open groups:

Booking party does not charge attendees

Benchmark pricing

Johnsonville Community Centre

Community groups	per hour	\$8 - \$22
Commercial	per hour	\$12 - \$32

(as at 1 January 2019, based on room)

Thistle Hall

regular users	per hour	\$11 - \$16
casual users	per hour	\$16 - \$21

(off/on-peak rate, for meeting room)

Northland Memorial Community Centre

Community groups	per hour	\$9 - \$22
Commercial	per hour	\$16 - \$36
Private non-commercial	per hour	\$10 - \$24

(based on room, 20% discount offered for regular users and off-peak)

Wadestown Community Centre \$7,200 per annum (including GST) \$600 per month

10. Approval		
Report prepared by:	Project Manager:	Jenny Rains Laurinda Thomas
	Business Analyst:	Jo Young
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22 LTP**

1. Activity Information

5.3.1 Burials and Cremations

Contributing Projects	1131 - Burial & Cremations Operations
Project Manager(s)	Elizabeth Reddington
Business Analyst	Andrew McFarlane/Naomi Shephard

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$1,513,836	\$1,502,787	\$1,468,517	\$1,610,228
Allocations	\$543,206	\$559,801	\$576,136	\$655,989
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$2,057,042	\$2,062,588	\$2,044,653	\$2,266,216
User Charges	(\$959,115)	(\$796,707)	(\$890,786)	(\$1,057,750)
Other Income	(\$39,028)	(\$34,001)	(\$31,584)	(\$33,584)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$998,143)	(\$830,708)	(\$922,370)	(\$1,091,334)
Rates Funding Requirement	\$1,058,899	\$1,231,880	\$1,122,282	\$1,174,882
Non-rates income %	49%	40%	45%	48%
Non-rates income % per R&F policy	50%	50%	50%	50%
% Variance from R&F Policy (negative variance favourable)	1%	10%	5%	2%
\$ Variance from R&F Policy	\$30,378	\$200,586	\$99,956	\$41,774

3. Introduction

This activity provides for the planning, maintenance and administration for burial services at Karori and Makara Cemeteries and cremations at the Karori Cemetery Crematorium. It also provides for the capture & maintenance of burial and cremation data for Karori, Makara, Bolton Street and Tawa Flat Lawn Cemeteries.

Makara is Wellington's active Cemetery for burials and ash plots. Karori Cemetery is only available for second interment burials or ash plots in the Seaforth Memorial Gardens or Rose Garden.

The cemeteries provide the people of Wellington and visitors, dignified bereavement and resting places whilst offering a range of interment and cremation services from Karori and Makara Cemeteries. Councils must provide cemeteries as a vital public health function which meets all religious burial and cremation requirements, including casket and ash interments and cremation services. They reduce public health and environmental risks and ensure we meet our legislative and policy obligations.

The Cemetery Management Plan (draft plan out for consultation October 20) and the Burial and Cremations Act are currently under review. The outcome of these reviews may change levels of service and drive new priorities for investment which will require funding.

The Draft Cemeteries Management Plan includes a range of planning and reporting initiatives that will occur within the next three years, associated with development of a masterplan for Karori and Makara. This will include updating conservation plans, archaeological assessment, identifying particular character areas, vegetation, trees and stream management, wayfinding and interpretation planning. Options for timing and cost to implement the masterplans will be identified in time for the next LTP. There is potential for there to be a higher cost to manage and maintain the Karori Cemetery in particular as a heritage park and manage a larger area of land at Makara for cemetery purposes.

This activity is currently non-compliant.

4. Expenditure analysis

Total expenditure is budgeted to increase by \$337k compared to 20/21 budget of \$2,029m budget (\$2,062m 19/20 Actual). The main areas for change are:

- Depreciation - \$283k an increase of \$24k on 19/20 Actuals (\$259k). This is a result of higher investment in the chapel renewals and earthquake strengthening.
- Personnel costs - \$579k have been aligned closer to Actuals in 19/20 of \$596k to include some Temp FTE work to cover peak periods for specialist services.
- Approximately \$23k of allowances are not included in expenses (budget error).
- Utility costs - \$139k to reflect increasing water charges (\$150k 19/20 Actual)
- Vehicle & Plant maintenance costs - \$39k, an increase of \$18k on 20/21 actuals, to keep aligned with increases over the years.

The Council needs to plan for future demand and growth in response to the Spatial Plan and District Plan review. With the population increasing and an aging population in Wellington, Makara Cemetery is expected to reach capacity between 2038 and 2047. Some denominational areas are expected to reach capacity as early as 2023 – 2025. This will require burial space to accommodate community needs earlier than 2038, necessitating the acquisition and development of additional land for the future expansion of the cemetery.

There is growing interest in the significant cultural and heritage values of the pre-1900 Karori Cemetery and a change in status as a Heritage Park. This would require a maintenance level that would need additional resourcing. Karori Cemetery is unique in that there is an operating crematorium and two chapels that generate some income. However, heritage park status would require defined maintenance standards and protection of heritage assets which will incur costs.

5. Key revenue assumptions

Fees and user charges are the predominant revenue stream for this activity. The budgeted increase in revenue for 2021/22 is an on average 5% increase across all fees with a total increase of \$166k compared to 20/21. Fees were last reviewed in the 2019/20 year with targeted increases proposed, however due to Covid19 no fee increases were implemented.

The factors that should be considered when reviewing fees and charges are:

- Costs of operating the cemeteries and crematorium
- The number of burials and cremations carried out
- The Cemetery Management plan and changes proposed for the ongoing management of them
- The level of charges set by other local authorities and private cremators.

It has been assumed that volumes in 2021/22 will be in line with historical averages, though there is capacity, within the hours of cremation services offered to increase the number of cremations

undertaken per day (the cremator can undertake up to 5 per day, currently we do 2 on average). It is also assumed that increases in charges will not have an adverse impact on volumes.

As Karori Cemetery reaches its capacity for new burials and families lose connection with their deceased, there is a desire to change the management focus and manage Karori as a heritage park. While it is the responsibility of family to maintain their plot, there is an expectation that council should maintain these graves of heritage value.

With the planning work underway for future development of land at Makara Cemetery, it is proposed that a new financial model and a change to the current R&F Policy will be required for the operation of the Cemeteries. This could include splitting the activities between burial and cremation services and heritage park operations and would take into consideration the cost of land acquisition and development, and the ongoing cost of managing a heritage park at Karori Cemetery. Note the ability to generate revenue at Karori Cemetery would be limited to the cremation and chapel services.

6. Price Changes required to achieve R & F Policy Compliance

An on average 5% fee increase is proposed. Currently this will not achieve full compliance with the R&F policy. An additional increase of \$42k (or 6% over and above the 5%) would be required.

See fee increase options in Section 9.

7. Options for achieving R & F Policy Compliance

Option 1 On average 5% fee increases across all charges which would see additional income of \$166k compared to the original base budget. The Activity would still be non-compliant.

Option 2 An additional average 6% fee increase across all fees, which would see the activity meet revenue targets and be compliant.

Officers recommend Option 1, and a review of the R&F Policy following approval of the Cemetery Management Plan which will include future land acquisition and development costs.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	50%	0%	0%	50%
Recommended Policy	50%	0%	0%	50%
\$ Rates impact of change in policy				\$0

9. Supporting Information

Wellington City Council – Proposed Main Burial and Crematorium Fees Increases

All prices incl GST

Karori & Makara Cemetery		Current Fees 20/21 (inc GST)	Proposed Fees Option 1	\$ increase	% increase	Proposed Fees Option 2	\$ increase	% increase
Cremation:	Delivery Only	\$ 592.00	\$ 726.00	\$ 34.00	5%	\$ 762.00	\$ 70.00	10%
	Committal Service	\$ 346.00	\$ 888.00	\$ 42.00	5%	\$ 932.00	\$ 86.00	10%
	Full Service (1 Hour)	\$ 902.00	\$ 947.00	\$ 45.00	5%	\$ 995.00	\$ 93.00	10%
	Child	\$ 190.00	\$ 200.00	\$ 10.00	5%	\$ 210.00	\$ 20.00	11%
	Ash Interments	\$ 163.00	\$ 173.00	\$ 10.00	6%	\$ 180.00	\$ 17.00	10%
	Ash disinterment	\$ 263.00	\$ 289.00	\$ 26.00	10%	\$ 289.00	\$ 26.00	10%
	Ash plot maintenance fee	\$ 163.00	\$ 179.30	\$ 16.30	10%	\$ 179.30	\$ 16.30	10%
	Cremation overtime	\$ 311.00	\$ 342.00	\$ 31.00	10%	\$ 342.00	\$ 31.00	10%
	Public Holiday fee (Cremations)	\$ 592.00	\$ 621.00	\$ 29.00	5%	\$ 651.00	\$ 59.00	10%
	Outside District Casket Interment	\$ 1,020.00	\$ 1,071.00	\$ 51.00	5%	\$ 1,122.00	\$ 102.00	10%
Burials:	Denominational Plots	\$ 1,206.00	\$ 1,266.00	\$ 60.00	5%	\$ 1,325.00	\$ 119.00	10%
	Plot maintenance	\$ 321.00	\$ 903.00	\$ 82.00	10%	\$ 903.00	\$ 82.00	10%
	Interment Fee	\$ 656.00	\$ 688.00	\$ 32.00	5%	\$ 722.00	\$ 66.00	10%
	Beam fee	\$ 175.00	\$ 183.75	\$ 8.75	5%	\$ 192.50	\$ 17.50	10%
	Lawn Cemetery plot maintenance	\$ 574.00	\$ 631.40	\$ 57.40	10%	\$ 631.40	\$ 57.40	10%
	Public Holiday fee (Burials)	\$ 364.00	\$ 907.00	\$ 43.00	5%	\$ 950.00	\$ 86.00	10%
	Seaforth Memorial plots	\$ 946.00	\$ 990.00	\$ 44.00	5%	\$ 1,089.00	\$ 143.00	15%
Natural Burials:	Plot	\$ 1,351.00	\$ 1,500.00	\$ 149.00	11%	\$ 1,500.00	\$ 149.00	11%
	Interment Fee	\$ 976.00	\$ 1,025.00	\$ 49.00	5%	\$ 1,075.00	\$ 99.00	10%
	Maintenance Fee	\$ 643.00	\$ 760.00	\$ 57.00	9%	\$ 710.00	\$ 67.00	10%
Miscellaneous:	Chapel Hire (Full service)	\$ 210.00	\$ 250.00	\$ 40.00	19%	\$ 250.00	\$ 40.00	19%
	Chapel Hire for cremation elsewhere	\$ -	\$ 250.00	\$ 250.00	100%	\$ 250.00	\$ -	-
	Plot Search - 4 & over (per search)	\$ 15.00	\$ 20.00	\$ 5.00	33%	\$ 20.00	\$ 5.00	33%
	Permits	\$ 84.00	\$ 92.00	\$ 8.00	10%	\$ 92.00	\$ 8.00	10%
	Temporary Grave markers	\$ 142.00	\$ 149.00	\$ 7.00	5%	\$ 156.00	\$ 14.00	10%
	Change of Deed	\$ 70.00	\$ 77.00	\$ 7.00	10%	\$ 77.00	\$ 7.00	10%
	Bronze Plaques	\$ 1,200.00	\$ 1,260.00	\$ 60.00	5%	\$ 1,320.00	\$ 120.00	10%
	Rimu Urn - Adult	\$ 90.00	\$ 94.50	\$ 4.50	5%	\$ 99.00	\$ 9.00	10%
	Rimu Urn - Adult Half Size	\$ 75.00	\$ 78.75	\$ 3.75	5%	\$ 82.50	\$ 7.50	10%
	Ash Scattering overtime	\$ 195.00	\$ 214.50	\$ 19.50	10%	\$ 214.50	\$ 19.50	10%
	Funerals booked from 3.30pm	\$ 195.00	\$ 214.50	\$ 19.50	10%	\$ 214.50	\$ 19.50	10%
	Viewing casket charge	\$ 82.00	\$ 90.00	\$ 8.00	10%	\$ 90.00	\$ 8.00	10%
	Late for Service fee (hr)	NEW	\$ 50.00			\$ 50.00		
Cleaning Fee (hr)	NEW	\$ 50.00			\$ 50.00			

Note: this is not an exhaustive list of all fee changes. 5% or 10% all other:

Comparison Analysis with Councils

Wellington City Council Cemeteries & Crematorium Fees		GST Inc	Regional	Regional	Regional			Main Centre	Main Centre	Main Centre	Main Centre
Fee Description	Proposed fee 2021-22	Current fee 2020/21	Porirua	Hutt City	Kapiti	New Plymouth	P. North	Auckland	Tauranga	Christchurch	Dunedin
Cremations - Adult Delivery only	\$ 726	\$ 692	\$ 540.00			\$ 793	\$ 622	\$ 671	\$ 555		
Cremations - Adult Committal	\$ 888	\$ 846				\$ 837	\$ 745				\$ 1,000
Cremations Full service (1Hr)	\$ 947	\$ 902				\$ 1,084	\$ 769	\$ 1,104			
Cremations - Child	\$ 200	\$ 190	\$ 350			\$ 370		\$ 375	\$ 265		
Ashes Interment	\$ 173	\$ 163	\$ 100	\$ 110	\$ 149	\$ 499	\$ 197	\$ 324	\$ 88	\$ 230	\$ 177
Adult second interment	\$ 1,244	\$ 1,185	\$ 1,220						\$ 988		
Disinterment (adult)	\$ 2,236	\$ 2,033	\$ 2,215	\$ 2,100	\$ 1,300	\$ 3,909	\$ 2,043	\$ 2,484	\$ 3,582	\$ 1,550	\$ 3,112
Adult Plot, Plaque Lawn	\$ 1,034	\$ 985			\$ 1,748	\$ 3,703	\$ 2,036			\$ 1,715	\$ 2,341
Adult Plot, Interment Fee	\$ 688	\$ 656		\$ 835	\$ 1,119	\$ 1,991	\$ 988	\$ 1,164		\$ 1,150	\$ 1,686
Ash Beam Plot	\$ 370	\$ 295	\$ 575				\$ 853	\$ 650	\$ 450	\$ 495	\$ 277
Denominational Areas: Plot	\$ 1,266	\$ 1,206		\$ 1,450	\$ 1,748	\$ 3,703	\$ 3,008	\$ 4,340	\$ 2,390	\$ 1,715	\$ 1,686
Denominational Areas: Maintenance	\$ 903	\$ 821									\$ 947
Denominational Areas: Interment Fee	\$ 688	\$ 656		\$ 835	\$ 1,119	\$ 1,991	\$ 988	\$ 1,164	\$ 702	\$ 1,150	
Natural Burial: Plot	\$ 1,500	\$ 1,351			\$ 2,122			\$ 3,201		\$ 2,422	\$ 2,341
Natural Burial Maintenance fee	\$ 707	\$ 643									\$ 947
Natural Burial Interment Fee	\$ 1,025	\$ 976			\$ 1,119						\$ 1,686
Maintenance fee (plaque lawn)	\$ 637	\$ 574									\$ 947
Rimu urns	\$ 94.50	\$ 90	\$ 85								
Chapel Hire (full service)	\$ 250.00	\$ 210	\$ 215			\$ 291		\$ 433	\$ 200		\$ 191
Late fee	\$ 50.00	\$ -					\$ 145	\$ 108	\$ 250		
Outside district interment fee (Adult)	\$ 1,071	\$ 1,020	\$ 1,285	\$ 1,115							

10. Approval		
Report prepared by:	Project Manager:	Elizabeth Reddington
	Business Analyst:	Andrew McFarlane / Naomi Shephard
	Director sign-off:	Claire Richardson

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

Public Health Regulations	
Contributing Projects	1133 – Public Health Regulations 1134 – Noise Control
Project Manager(s)	Mark Pattemore/Helen Jones
Business Analyst	Sarah Bui

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current (including 1134)	2021/22 Budget Current (excluding 1134)
Other Expenditure	\$4,290,899	\$4,153,474	\$4,564,838	\$4,276,493	\$3,687,347
Allocations	\$2,356,317	\$2,286,451	\$2,573,929	\$2,222,906	\$2,092,051
Less unfunded depreciation	\$0	\$0	\$0	\$0	\$0
Total Net Expenditure	\$6,647,216	\$6,439,925	\$7,138,766	\$6,499,399	\$5,779,398
User Charges	(\$3,069,541)	(\$2,846,115)	(\$2,285,830)	(\$3,721,106)	(\$3,718,736)
Other Income	(\$47,644)	(\$81,796)	(\$106,549)	(\$46,135)	(\$46,135)
Vested Asset Income	\$0	\$0	\$0	\$0	\$0
Total Net Income	(\$3,117,185)	(\$2,927,911)	(\$2,392,379)	(\$3,767,241)	(\$3,764,871)
Rates Funding Requirement	\$3,530,031	\$3,512,014	\$4,746,387	\$2,732,158	\$2,014,527
Non-rates income %	47%	45%	34%	58%	65%
Non-rates income % per R&F policy	60%	60%	60%	60%	60%
% Variance from R&F Policy (negative variance favourable)	13%	15%	26%	2%	-5%
\$ Variance from R&F Policy	\$871,145	\$936,044	\$1,890,881	\$132,398	(\$297,232)

3. Introduction

This activity covers the Council's role in licensing and monitoring food outlets, licensing alcohol liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, investigations and trade waste activities.

Community outcome

This activity contributes towards the following outcome:

- People-centred City – this activity protects against public health risks.

The Council's public health work is a legislative requirement as set out by several laws including the Sale and Supply of Alcohol Act, the Food Act, the Dog Control Act, the Litter Control Act, and the Hazardous Substances and New Organisms Act and footpath management policy. It provides significant benefits to the community, including protection of the public from hazards such as unsafe food, alcohol related harm and dangerous dogs.

Most of this work involves protecting the public from hazards created or potentially created by identifiable businesses, people and dogs. There are benefits to individual businesses which could not legally operate without the Council providing these services, and there are benefits to individuals who have their complaints dealt with or otherwise are protected from a hazard or nuisance.

There are also several other users who benefit from this activity. Businesses use Council services to monitor and licence their food and alcohol outlets. Dog owners benefit from the requirement of the Dog Control Act. These users are charged a fee for the benefits they receive.

As this work largely protects the community from harm, it is appropriate that the people or businesses potentially causing the harm should pay. For some services, it is not appropriate or possible to charge users. For example, the cost of responding to public complaints about nuisance, litter, animals and other public health issues cannot be recovered as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard. Overall, user charges recover about 60 percent of the cost of providing these public health services. Accordingly, the Council's target is to fund 60 percent of the cost of this activity through user charges.

Proposing to move project 1134 – Noise control that is currently under activity 5.3.3 to activity 6.2.2 Development Control and Facilitation. Officers also propose to change the policy target from 60% User fees and charges: 40% rates to 65% user fees and charges: 35% rates

- Noise control activities are governed under the Resource Management Act. As a result, it is more appropriate for the project 1134 – Noise control to be included together with the project 1148 - Development Control and Facilitation under activity 6.2.2 – Development control and facilitation is also governed by the Resource Management Act

The exclusion of Noise control activities, which is 100% rates funded, reduces the total costs of the outcome. This together with the increase in revenue proposed by increasing alcohol fees will result in a new policy target of 65% user fees and charges: 35% rates.

4. Expenditure analysis

Net expenditure has decreased by \$0.639m from 2020/21 to 2021/22.

	2020/21 Budget	2021/22 Budget (including 1134)	Increase (Decrease)
Personnel Costs	2,571,909	2,559,025	(12,884)
Contracts, Services, Materials	1,252,632	1,220,024	(32,608)
Professional Costs	75,057	21,292	(53,765)
General Expenses	305,640	383,399	77,759
Depreciation and amortisation	3,639	8,431	4,792
Internal Recharge and Recoveries	355,961	84,323	(271,637)
Allocation Costs	2,573,929	2,222,906	(351,023)
Total Net Expenditure	7,138,766	6,499,399	(639,367)

- \$272k reduction in Internal Recharge and Recoveries mainly due to removing an internal staff cost recharge that is no longer applicable
- \$351k reduction in Allocation mainly due to saving in IT overhead costs

Note that the total net expenditure includes costs of Noise Control project, which has decrease by \$214k from 2020/21 to 2021/22

5. Key revenue assumptions

Budgeted revenue increases by \$1.37m from 2020/21 to 2021/22. Revenue budget in 2020/21 was reduced due to the impact of COVID 19.

Key revenue assumptions include:

Dog registration

- Number of Dog registrations is not materially affected by COVID 19

Alcohol licensing

- The number of alcohol licensing applications are expected to, although gradually, return to pre-COVID level
- A cost recovery of 89% for alcohol licensing is currently in the budget. Fee changes include:
 - Increase fee for High and Very High-risk businesses by \$1000 and \$2000 respectively
 - Increase Special licence fee

Food licencing

- Introduction of the Food Act means that businesses are registered and assessed based on compliance history. Non-compliant businesses can be inspected as frequently as every 3 months with compliant businesses being inspected at up to 18-month intervals

- Prior to the introduction of the Act, businesses were billed and inspected each year. In February 2016, the Food Act was introduced, resulting in businesses not required to be inspected every year if they retained a good rating. Revenue was not adversely impacted in 16/17 and 17/18 due to the transition period of the Food Act. The full effect of variable verification frequency has taken effect since 2018/19 with approximately 40-50% of businesses requiring visits every 18 months as opposed to every year, which has decreased revenue received by Council.

6. Price Changes required to achieve R & F Policy Compliance

Further increase in the Alcohol licensing fee service can result in additional revenue to meet the current policy target at 60% user fees and charges: 40% rates (assuming Noise Control mains under this activity)

However, by moving Noise Control project to outcome 6.2.2 Development Control and Facilitation, the currently budgeted revenue will exceed the target rates at 60% user fees and charges: 40% rates

7. Options for achieving R & F Policy Compliance

There are several options for achieving R&F compliance:

The current cost recovery % for alcohol licencing is 76%

- 1. Change in current policy target to 65% user fees and charges: 35% rates with the exclusion of project 1134 – Noise Control and increase cost recovery % of Alcohol licencing from 76% to 89%**
 - Fee increases as per below

		Current fee (GST incl)	Proposed fee (GST incl)	Fee increase
Application Fee	High	\$1,351	\$2,351	\$1,000
	Very high	\$1,594	\$3,594	\$2,000
Annual Fee	High	\$1,366	\$2,366	\$1,000
	Very high	\$1,898	\$3,898	\$2,000
Special Licences	Class 1	\$759	\$1,500	\$741
	Class 2	\$273	\$320	\$47
	Class 3	\$83	\$120	\$37
New fees (not currently in the budget)	RFI fee		\$155	\$155
	Waivers/late fee		\$100	\$100

- The hospitality industry is still being impacted significantly by COVID 19. By increasing cost recovery percentage to 89 % one year post COVID 19, Council might be seen as not supporting hospitality industry which comprises of mostly small to medium businesses

➤ Officers do not recommend this option as

2. Change in current policy target to 65% user fees and charges: 35% rates with the exclusion of project 1134 – Noise Control and increase cost recovery % of Alcohol licensing from 76% to 85%

- Fee increases as per below
 - Increase fee for High and Very High-risk businesses by \$1000 and \$2000 respectively
 - The 85 % costs recovery is the stage 2 increase that was proposed in the Alcohol fees bylaw, which was adopted in 28 August 19
 - Stage 2 fee increase to 85% was proposed in the Annual Plan 20/21 but was not implemented due to COVID 19.
 - The difference between total budgeted income for the activity 5.3.3 is \$31k between option 1 (89% cost recovery) and option 2 (85% cost recovery)

Table below shows the financial summary of option 1 and 2 and their impact on meeting the current target at 60% users fee and charges

Financial Summary with different % cost recovery options for Alcohol licensing			
	2021/22 Budget (including 1134)	2021/22 Budget (excluding 1134)	2021/22 Budget (excluding 1134)
	Current draft LTP	Option 1	Option 2
% of cost recovery for Alcohol licensing	89%	89%	85%
Other Expenditure	\$4,276,493	\$3,687,347	\$3,687,347
Allocations	\$2,222,906	\$2,092,051	\$2,092,051
Less unfunded depreciation	\$0	\$0	\$0
Total Net Expenditure	\$6,499,399	\$5,779,398	\$5,779,398
User Charges	(\$3,721,106)	(\$3,718,736)	(\$3,687,519)
Other Income	(\$46,135)	(\$46,135)	(\$46,135)
Vested Asset Income	\$0	\$0	\$0
Total Net Income	(\$3,767,241)	(\$3,764,871)	(\$3,733,654)
Rates Funding Requirement	\$2,732,158	\$2,014,527	\$2,045,744
Non-rates income %	58%	65%	65%
Non-rates income % per R&F policy	60%	60%	60%
% Variance from R&F Policy (negative variance favourable)	2%	-5%	-5%
\$ Variance from R&F Policy	\$132,398	(\$297,232)	(\$266,015)

- Officers recommend this option as the alcohol fee increases are only targeting high risk and very high-risk customers and the increases are on an appropriate level considering hospitality industry is still being impacted significantly by COVID 19
- Moreover, 85% cost recovery for alcohol licensing still results in 65% of the activity cost being recovered through user fees and charges (refer to the above table)

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	60%			40%
Recommended Policy	65%			35%
\$ Rates impact of change in policy				\$132,398

9. Supporting Information

Not applicable

10. Approval

Report prepared by:	Project Manager:	Mark Pattemore/Helen Jones
	Business Analyst:	Sarah Bui
	Director sign-off:	

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2020/21**

1. Activity Information

5.3.5 Civil Defence/WREMO

Contributing Projects	1137 Civil Defence
Project Manager(s)	Derek Baxter
Business Analyst	Nikki Symons

2. Financial Summary

	2018/19 Actuals	2019/20 Actuals	2020/21 Budget	2021/22 Budget Current
Expenditure (excl Allocations)	\$1,308,022	\$1,479,232	\$1,902,167	\$2,129,777
Allocations	\$115,438	\$211,298	\$299,090	\$387,326
Less Unfunded Depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$1,423,460	\$1,690,530	\$2,201,257	\$2,517,103
User Charges	\$0	\$0	\$0	\$0
Other Income	\$(14,000)	\$(14,000)	\$(14,000)	\$(14,000)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	\$(14,000)	\$(14,000)	\$(14,000)	\$(14,000)
Rates Funding Requirement	\$1,409,460	\$1,676,530	\$2,187,257	\$2,503,103
Non-rates income %	1%	1%	1%	1%
Non rates income % per R&F	5%	5%	5%	5%
% Variance from R & F Policy (negative variance unfavourable)	4%	4%	4%	4%
\$ Variance from R & F Policy	\$57,173	\$70,526	\$96,063	\$111,855

3. Introduction

Wellington Regional Emergency Management Office (WREMO) provides a shared service to all the councils within the region. Its role is to help the city prepare for disasters such as earthquakes and floods, and to maintain the Council's Emergency Operations Centre at a state of readiness for response. WREMO works with government agencies, other councils in the region and international agencies.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this agency works with all sectors of the community to ensure the city is well-prepared for earthquakes and other natural disasters.

All residents and businesses benefit from preparation work to alleviate and cope with disasters like storms, floods and earthquakes. WREMO is a focal point for help and gives the entire community some comfort that a ready response is available to cope with disasters and quickly recover.

4. Expenditure analysis

The main expenditure within this Outcome includes a \$1m contract with WREMO as contributions to their operational expenditure. For the 2020/21 year total WREMO operating costs were invoiced on a basis of \$3.8m of which WCC incurs \$1.038m share, or 27% of total cost. This in turn represents approx. 66% of 5.3.5 costs in 2020/21 and 49% in year 2021/22. These contributory costs to WREMO remain reasonably stable from year to year, with an average anticipated increase of 2% p.a. Grants of \$25k pa are also budgeted in each year.

There is a \$227k increase in costs from the 2020/21 budget to the 2021/22 draft budget, being 10%. One area of increase is salaries with respect to the increased number of FTE's.

Of the remaining costs in 5.3.5 Allocations have increased from \$115k in 2018/19 to \$387k in 2021/22 draft budget. Note during the 2019/20 year costs in relation to community support around the Covid 19 pandemic were incurred with the vast majority of those expenses offset in a central Government Covid relief claim.

WCC used to contribute towards Rural Fire, however the last contribution were made in 2017.

Note in 2019/20 WCC incurred community costs in response to the Covid 19 pandemic. Of these costs \$696k was permitted as reimbursement claim from MSD. As this has been treated as Other income in this compliance review it has been removed from both income and expenditure due to its unique nature and to improve comparability.

5. Key revenue assumptions

We receive a fixed rental income of \$14,000 p.a from the WREMO office for premises located at 2 Turnbull street, this is on a non profitable/reimbursement basis. We are looking to increase this when the contract comes up for renewal, however as we in turn pay towards the operational costs of WREMO this comes back to us a % of costs they incur.

There is no other revenue.

6. Price Changes required to achieve R & F Policy Compliance

We are looking to increase the rental revenue when the contract comes up for renewal however his will not be materially different to the existing fee of \$14,000 and is on a non profitable basis. There is no other source of income

7. Options for achieving R & F Policy Compliance

It is recommended that the policy is changed from 95% rates funded to 100% rates funded as this activity does not have a user pays element aside from the rental income which could remain as a 1% positive variance.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	5%	<1%		95%
Recommended Policy	0	<1%		100%
\$ Rates impact of change in policy				

9. Approval		
Report prepared by:	BU Manager	Mike Mendonca
	Business Analyst:	Nikki Symons
	Chief Infrastructure Officer:	Tom Williams

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

6.2.1 Building Regulation and Facilitation

Contributing Projects	1146 – Building Control & Facilitation 1147 – Weathertight Homes
Project Manager(s)	Mark Pattemore/Chris Scott
Business Analyst	Sarah Bui

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current
Other Expenditure	\$8,423,214	\$9,692,030	\$11,568,288	\$12,152,629
Allocations	\$4,671,248	\$5,907,318	\$6,318,960	\$6,878,857
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$13,094,462	\$15,599,349	\$17,887,249	\$19,031,486
User Charges	(\$10,213,488)	(\$8,880,129)	(\$7,222,795)	(\$11,887,540)
Other Income	(\$254,547)	(\$18,239)	(\$209,604)	(\$5,667)
Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$10,468,034)	(\$8,898,369)	(\$7,432,399)	(\$11,893,207)
Rates Funding Requirement	\$2,626,428	\$6,700,980	\$10,454,850	\$7,138,279
Non-rates income %	80%	57%	42%	62%
Non-rates income % per R&F	65%	65%	65%	65%
% Variance from R&F Policy	-15%	8%	23%	3%
\$ Variance from R&F Policy	(\$1,956,634)	\$1,241,208	\$4,194,313	\$477,259

3. Introduction

The Council has a statutory responsibility under the Building Act and the Resource Management Act to control building developments. This includes ensuring buildings are safe and sanitary, and do not threaten environmental quality or public health.

Work includes issuing and monitoring building consents - we have building guidelines to make sure buildings meet the required standards. We also have responsibilities under the Fencing of Swimming Pools Act to ensure all swimming pools are adequately fenced.

Our building control work benefits private individuals – the people and companies that build or redevelop homes, offices and other buildings. Our work ensures these buildings are safe and meet legal requirements. These benefits apply to buildings which, in most cases, are privately owned and commercial buildings for exclusive use. The people who use our building consent services are clearly identifiable and can have the consent put on hold until payment has been received or traced for payment once the work begins.

The activity is currently 3% under compliant, explanations include

1. Market premium uplift for Building consent staff
 - There is an expectation in the unit that due to the nature of the buoyant building industry, attracting and retaining high quality staff will become increasingly difficult over the coming months. It takes several years to train building officers to a senior level and retention is therefore critical due to the time and expense invested in the

training programme. This results in an increase in personnel costs, which is which is based on increases in salaries to attract, train and retain technical officers.

2. Increase budget for Structural engineers
 - Costs of structural engineers are partially recoverable through user fee and charges as the charge out rate to customers is currently lower than rate that the unit get charged by the contractor to undertake the work.

Officers are also seeking for approval of an additional BWoF officer in order to perform more BWoF audit

MBIE recommends TA's conduct audits on 20-33% of building stock that have specified systems. BCC Have 1 audit officer currently largely conducting alternative BWoF functions e.g. generating compliance schedules, attending final inspections for commercial building consents, and feeding into BCC consenting processes around compliance schedules. These functions are valuable to BCC, but it does mean that audit capacity is reduced. A full time Audit officer could conduct approx. 880 audits a year. There is opportunity of Net OPEX surplus of \$129k. In addition to the revenue and resilience gains, an additional auditor will contribute to ensuring Wellingtons commercial buildings have a high degree of assurance regarding their safety. There is a current national focus from the BWoF industry, Councils and MBIE on seeking to improve the effectiveness and robustness of the BWoF regime. All parties agree that on site audits play a crucial role in this, which in part will facilitate a 'shake-up' amongst IQP's in the industry

Financial Summary with an additional BWOLF Officer

	2021/22 Budget	Additional BWoF Officer	2021/22 Proposed budget
Other Expenditure	\$12,152,629	\$116,000	\$12,268,629
Allocations	\$6,878,857	\$67,670	\$6,946,527
Less unfunded depreciation	\$0		\$0
Total Net Expenditure	\$19,031,486	\$183,670	\$19,215,156
User Charges	(\$11,887,540)	(\$312,783)	(\$12,200,323)
Other Income	(\$5,667)	\$0	(\$5,667)
Vested Asset Income	\$0	\$0	\$0
Total Net Income	(\$11,893,207)	(\$312,783)	(\$12,205,990)
Rates Funding Requirement	\$7,138,279	(\$129,113)	\$7,009,166
Non-rates income %	62%		64%
Non-rates income % per R&F policy	65%		65%
% Variance from R&F Policy (negative variance favourable)	3%		1%
\$ Variance from R&F Policy	\$477,259		\$283,862

4. Expenditure analysis

	2020/21 Budget	2021/22 Budget	Increase (Decrease)
Personnel Costs	9,701,174	9,930,821	229,647
Contracts, Services, Materials	289,813	613,356	323,543
Professional Costs	190,799	346,371	155,572
General Expenses	791,709	792,823	1,113
Depreciation and amortisation	26,642	19,682	(6,960)
Internal Recharge and Recoveries	568,151	449,577	(118,574)
Allocation Costs	6,318,960	6,878,857	559,897
Total Net Expenditure	17,887,249	19,031,486	1,144,237

Budgeted expenditure has increased by \$1.14m from 2020/21 to 2021/22. This is primarily driven by:

- \$230k increase in Personnel costs mainly due to the allowance for Market premium uplifts for staff to address the retention and recruitment of Building Control Officers
- \$324k increase in Contracts, Services and Materials due to costs of structural engineers to perform structural check on Building consent applications
- \$156k increase in Professional Costs due to costs of online consent application platform that is paid to a third party who operates the platform
- \$560k increase in Allocations mainly due to Property and IT allocations

Note: The above expenditures are partially recoverable through Building Consent fees

5. Key revenue assumptions

Budgeted revenue increases by \$4.46m from 2020/21 to 2021/22. The budgeted revenue in 2020/21 was reduced due to COVID 19.

Key revenue assumptions include:

- The number of building consent applications are expected to return to pre-COVID level, which primarily drives the increase in revenue since the 2020/21 budget was reduced due to COVID 19
- An uplift of 25% to current fees
- Introducing an Accreditation levy of 0.5 cents per \$1000 project value
 - Other Councils have already charged an Accreditation levy on their building consent applications on the same basis as proposed above

Per \$1000 project value	Residential	Commercial
Auckland City Council	\$0.50	\$0.50
Dunedin City Council	\$0.40	\$0.40
Christchurch City Council	\$0.40	\$0.60

6. Price Changes required to achieve R & F Policy Compliance

Fees will need to increase by 38% (excluding the introduction of a new Accreditation levy) that will equate to an additional revenue \$477k in order to achieve fully compliant.

7. Options for achieving R & F Policy Compliance

There are several options for achieving R&F compliance:

1. Propose fee changes as per below

- Increase fees by 25%
- Approve an additional BWoF officer and increase BWoF fee as per below
 - i. Propose an increase of minimum number of hours charged to customers to recognise the actual time it takes to perform an audit.

BWof fees	Current fees			Proposed fees		
	Current hourly rate	Hours covered by current fee	Current fee (GST incl)	Average actual number of audit hours	Current fee adjusted to the actual number of audit hour	Proposed fee (25% increase)
1 specified system or cable car	163.50	0.50	\$81.75	1.00	\$163.50	\$204.38
2-10 specified systems	163.50	1.00	\$163.50	2.00	\$327.00	\$408.75
11 or more specified systems	163.50	1.50	\$245.25	3.00	\$490.50	\$613.13

- Introduce an Accreditation levy of \$0.50 per \$1000 project value.
- Potential increase in PIM fee is proposed (further details to be proposed in January 20)
- Officers recommend this option as this increase brings compliance with the revenue and funding policy to within 3%. It also allows for additional revenue gain through more BWoF auditing and safer buildings with an additional BWoF Officer, bringing compliance within 1%

2. Increase fees by 38% to achieve compliance

An increase of 36% was proposed in the Annual Plan 2020/21. However, this was not implemented due to COVID 19

- Officers do not recommend this option as it is felt that the increase would be unpalatable to the residential and commercial applicants in the current economic climate post COVID 19.

3. Reduce the personnel costs and structural engineer costs

- Officers do not recommend this option as the work is a regulated requirement. Reduction in personnel would see a reduction of service and consenting timeliness. Engineering contracts adds value to the consent process by providing safer buildings, assists in WCC accreditation and reduce WCC's legal risk.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	65%			35%
Recommended Policy	65%			35%

9. Supporting Information
Not applicable

10. Approval		
Report prepared by:	Project Manager:	Mark Pattemore/Chris Scott
	Business Analyst:	Sarah Bui
	Director sign-off:	

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

6.2.2 Development control and facilitation

Contributing Projects	1148 – Development Control and Facilitation
Project Manager(s)	Mark Pattemore/Halley Wiseman/Matthew Borich
Business Analyst	Sarah Bui

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current (excluding 1134)	2021/22 Budget Current (including 1134)
Other Expenditure	\$4,183,469	\$5,211,786	\$4,608,288	\$5,472,306	\$6,061,452
Allocations	\$2,691,422	\$3,223,132	\$2,897,956	\$3,064,529	\$3,195,384
Less unfunded depreciation	\$0	\$0	\$0	\$0	\$0
Total Net Expenditure	\$6,874,891	\$8,434,918	\$7,506,245	\$8,536,835	\$9,256,836
User Charges	(\$3,242,461)	(\$2,984,531)	(\$2,670,193)	(\$4,025,682)	(\$4,028,052)
Other Income	(\$9,990)	(\$391)	(\$15,748)	(\$5,080)	(\$5,080)
Vested Asset Income	\$0	\$0	\$0	\$0	\$0
Total Net Income	(\$3,252,452)	(\$2,984,923)	(\$2,685,941)	(\$4,030,762)	(\$4,033,132)
Rates Funding Requirement	\$3,622,439	\$5,449,995	\$4,820,304	\$4,506,073	\$5,223,704
Non-rates income %	47%	35%	36%	47%	44%
Non-rates income % per R&F policy	50%	50%	50%	50%	50%
% Variance from R&F Policy (negative variance favourable)	3%	15%	14%	3%	6%
\$ Variance from R&F Policy	\$184,994	\$1,232,536	\$1,067,181	\$237,655	\$595,286

3. Introduction

The Council has a statutory responsibility under the Resource Management Act to ensure land and other resources are used sustainably. The District Plan, adopted in 2001 after public consultation, contains specific policies relating to land and resource use in the city. Due to recent change in legislation, noise control activities are now governed by the Resource Management Act. We administer the District Plan, regulating developments to ensure they are safe, sustainable and meet public expectations. Specific activities, including issuing resource consents, monitoring compliance and dealing with complaints about environmental matters, are covered by this activity.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* - All cities control development work according to the provisions of the Resource Management Act and District Plan. These controls are necessary to ensure resources are used sustainably, to protect public health and safety, and to protect future users of land and buildings. They're also needed to protect urban character and to preserve the city's heritage.

The main beneficiaries of this work are the individual people and businesses involved in land subdivision and development or use of other resources. This work helps ensure the developments are safe, sustainable and meet legal obligations.

There is also a significant public benefit. By controlling the safety and environmental effects of developments, we help prevent harm to members of the public both now and in the future.

The activity is currently 3% under compliant primarily driven by

- Increase of costs due to outsourcing to external planners to process resource consents
 - We have a heavy reliance of consultants having lost several FTEs over the years through previous cost saving measures. This was raised as an issue when work started picking after the GFC. In order to meet timeframes and provide good customer service, we have been outsourcing to former senior planners. We are presently in the position, having lost two of our highly skilled senior planners in quick succession, having to use this resource. We received 114 applications last month (average/month for 19/20 was 90) and the team cannot cope with this, plus the pre-applications that are coming through the door.
 - In terms of recruitment for these two roles, one role was pitched at an intermediate or senior. We got a total of 9 applicants and only 4 had the relevant qualifications and were, at most, intermediate. We had no applicants as the market is extremely tight.
 - If this budget is reduced we will have complaints as applications won't be dealt with on-time, or alternatively, corners cut due to angry customers demanding their applications, refunds as applications will go over statutory timeframes, pre-applications being put on the back burner as these do not have statutory timeframes.

Move Noise Control project from activity 5.3.3 Public Health Regulations to activity 6.2.2 - Development control and facilitation

Officers are proposing to move project 1134 – Noise control to activity 6.2.2 from activity 5.3.3 Public Health Regulations. This proposal will result in a change of policy target from 50% user fees and charges: 50% rates to 45% user fees and charges: 55% rates.

- Noise control activities are governed under the Resource Management Act. As a result, it is more appropriate for the project 1134 – Noise control to be included together with the project 1148 - Development Control and Facilitation under activity 6.2.2 – Development control and facilitation, which is also governed by the Resource Management Act.
- The inclusion of noise control activities under the Resource Management Act also increases the proportion of costs that cannot be recovered through user fees and changes as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard.
- To meet 50 percent of the costs of resource consents through user charges would require raising them to a level that may create a disincentive for growth and development of the city, potentially harming the economy.

4. Expenditure analysis

Net expenditure has increased by \$1.03m from 2020/21 to 2021/22.

	2020/21 Budget	2021/22 Budget (excluding 1134)	Increase (Decrease)
Personnel Costs	3,826,863	4,062,982	236,119
Contracts, Services, Materials	3,351	70,291	66,940
Professional Costs	463,121	880,019	416,898
General Expenses	106,398	190,072	83,674
Depreciation and amortisation	2,109	1,490	(618)
Internal Recharge and Recoveries	206,446	267,451	61,005
Allocation Costs	2,897,956	3,064,529	166,573
Total Net Expenditure	7,506,245	8,536,835	1,030,590

- \$236k increase in Personnel Costs mainly due to admin staff spending more time on Resource Consent work.
- \$417k increase in Professional Costs mainly due to costs of external planners and other technical advisors on processing resource consents
- \$84k increase in General Expenses mainly due to insurance costs
- \$167k increase in Allocation Costs mainly due to Property and IT allocation costs

Note: The above expenditures are partially recoverable through Resource Consent fees

5. Key revenue assumptions

Budgeted revenue increases by \$1.34m from 2020/21 to 2021/22. The budgeted revenue for 2020/21 was reduced due to COVID 19.

Key revenue assumptions include:

- The number of resource consent applications are expected to return to pre-COVID level, which primarily drives the increase in revenue since the 2020/21 budget was reduced due to COVID 19
- An uplift of 26% to the current fees

6. Price Changes required to achieve R & F Policy Compliance

1. If Noise Control project remains in activity 5.3.3 Public Health Regulations
 - Fees will need to increase by 33% that will equate to an additional revenue of \$238k in order to achieve full compliance with the current policy target at 50% user fees and charges: 50% rates.
2. If Noise Control project moves to activity 6.2.2 Development Control and Facilitation
 - Fees will need to increase by 44% that will equate to an additional revenue \$598k in order to achieve full compliance with the current policy target at 50% user fees and charges: 50% rates.
 - Fees will need to increase by 30% that will equate to an additional revenue \$135k in order to achieve full compliance with the proposed policy target at 45% user fees and charges: 55% rates.

7. Options for achieving R & F Policy Compliance

There are several options for achieving R&F compliance:

4. Approve the below proposal

- Approve the change in current policy target to 45% user fees and charges: 55% rates with moving of project 1134 – Noise control to outcome 6.2.2 and
 - Increase fees by 26%
 - While this proposal will result in 1% non-compliance to the proposed policy, increasing fees by 30% (equate to an GST inclusive hourly rate of \$201.52) to achieve compliance may create a disincentive for growth and development of the city, potentially harming the economy.
- Officers recommend this option

- 5. Increase fees by 30% to achieve compliance to the proposed policy of 45% user fees and charges: 55% rates.**
- This level of fee increase may create a disincentive for growth and development of the city, potentially harming the economy.
 - Officers do not recommend this option
- 6. Reduce the budget for external planners**
- The unit is currently placing a heavy reliance on them due to a lack of internal staff FTEs, a high workload, and difficulty in recruitment in terms of replacing staff. By reducing the budget for external planners, the unit will not be able to meet the statutory deadline of 20 working days based on the current demand and anything over the statutory timeframe will result in a financial penalty payment and potential reputational damage.
 - Officers do not recommend this option.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	50%			50%
Recommended Policy	45%			55%
\$ Rates impact of change in policy				\$170,737

9. Supporting Information

Not Applicable

10. Approval		
Report prepared by:	Project Manager:	Mark Pattermore/Halley Wiseman/Matthew Borich
	Business Analyst:	Sarah Bui
	Director sign-off:	

REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22

1. Activity Information

7.1.3 Cycle Network

Contributing Projects	1161 Cycleways Maintenance 1162 Cycleways Asset Management 1163 Cycleways Planning
Project Manager(s)	Don Mudalige (1161), Pam Brown (1162), Anna Bloomquist (1163)
Business Analyst	Caroline Young

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current
Expenditure (excl Allocations)	\$829,459	\$617,378	\$4,338,001	\$4,889,757
Allocations	\$149,506	\$78,558	\$131,620	\$339,304
Less Unfunded Depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$978,966	\$695,936	\$4,469,622	\$5,229,061
User Charges	(\$46,795)	(\$615)	\$0	\$0
Other Income	(\$64,939)	(\$215,284)	(\$185,453)	(\$285,985)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$111,734)	(\$215,899)	(\$185,453)	(\$285,985)
Rates Funding Requirement	\$867,232	\$480,037	\$4,284,169	\$4,943,076
Non-rates income %	11%	31%	4%	5%
Non rates income % per R&F	0%	0%	0%	0%
% Variance from R & F Policy (negative variance favourable)	-11%	-31%	-4%	-5%
\$ Variance from R & F Policy	(\$111,734)	(\$215,899)	(\$185,453)	(\$285,985)

3. Introduction

The percentage of commuters choosing to walk or cycle to work has increased over the past decade with walking or cycling now being 43% of commutes. Council has committed to an extensive cycleways improvement programme to improve access for people on bikes in the city and suburbs. With as many as 50,000 to 80,000 additional people expected to settle in Wellington by 2043, continuing this trend is vital if we want to minimise the need for costly road capacity improvements.

Cycleways require regular maintenance to remain safe – surfaces need to be smooth, lanes need to be clearly marked, and cycle stands and maintenance stations need to be provided at appropriate parking points. Maintaining cycleways to a high standard is critical if we want more people to see cycling as a safe and attractive transport choice.

Cycleways are available to all and provide significant benefits to the whole community, supporting the health, wellbeing and prosperity of the people who live, work, play and invest in our city.

The direct beneficiaries of the city's cycleways are the people who use them. This includes cyclists and pedestrians who use the cycleways as de facto walkways. Cycleways provide these users with both transport and recreational opportunities. There are also many indirect

beneficiaries, because as part of a multi-modal transport network, cycleways contribute towards reducing the amount of vehicle traffic, which in turn makes the city's roads safer and less congested and reduces the amount of carbon emissions in the city thereby supporting the principles of Te Atakura (First to Zero).

Because the community as a whole benefits from our provision of the cycleway network, the fairest approach is to fund costs in this activity from general rates.

Identifying and charging individual users would be both inefficient and impractical. It's likely that imposing a user charge would discourage people from using cycleways, meaning that the health, sustainability and climate change benefits of cycleways would be lost.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the cycle network activity.

4. Expenditure analysis

Expenditure \$000 (including Allocations)	2020/21 Budget	2021/22 Budget V3	Change	% Change
Activity contract costs ¹	2,839	3,034	196	7%
Insurance	8	0	(8)	-100%
Internal labour charges ²	240	352	112	47%
Depreciation ³	1,251	1,503	252	20%
Allocations (including interest) ⁴	132	339	208	158%
TOTAL	4,470	5,229	759	17%
Less Unfunded Depreciation	0	0	0	0%
Total Net Expenditure	4,470	5,229	759	17%

1. Funding for the cycleways network has been increased by \$196k (7%) due to increased cycleways planning requirements.
2. Internal labour assumptions have been adjusted to match the expected work programme for the Transport Business Unit and movements are due to changes in projected timesheet hours allocated between Transport activities and increase to the labour rate.
3. Infrastructure asset values are reviewed and updated every 3 years. The most recent asset revaluation was completed by WSP in 2019/20, and several adjustments were made to the asset valuation and depreciation assumptions.
4. Allocations have increased due to a higher IT overhead allocation.

5. Key revenue assumptions

A small percentage of our costs are funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED), Road User Charges (RUC) and Vehicle/Driver Registration and Licensing. The amount subsidised by NZTA varies from year to year depending on our work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for our qualifying activities (which is a capped share of the funding that

Central Government has credited to the NLTF). This income is leveraged to reduce the rates funding requirement for the activity.

Income projections are based on 85% of the activities in this project being eligible for NZTA subsidy at the normal Funding Assistance Rate (51%), however this will vary from year to year (also note that some expenditure types relating to these activities are ineligible for subsidy, e.g. insurance, depreciation and organisational allocations).

Income \$000	2020/21 Budget	2021/22 Budget V3	Change	% Change
NZTA NLTF Subsidies ¹	185	286	101	54%

1. NLTF subsidies for the operation and maintenance of cycling network have increased in line with the increase in the portion of the expenditure base eligible for subsidy.

6. Price Changes required to achieve R & F Policy Compliance
 N/A – none of the income in this activity is generated by user charges.

7. Options for achieving R & F Policy Compliance
Recommendation - Change current R&F policy target
 The 2021/22 budget results in this activity being 5% over-compliant and the funding target for other income could be increased from 0% to 5%.

Analysis of historical years shows that a 5% policy target is achievable and that changing the current policy target is likely to improve long term compliance with R&F policy.

Option 2 - Accept temporary non-compliance, leave R&F policy unchanged
 The 2021/22 budget results in this activity being 5% over-compliant, however as NZTA funding assistance is variable from year to year, we could accept temporary non-compliance and leave the current R&F policy target unchanged.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	-	0%	-	100%
Recommended Policy	-	5%	-	95%
\$ Rates impact of change in policy				-

9. Supporting Information
 N/A

10. Approval

Report prepared by:	BU Manager:	Bradley Singh
	Business Analyst:	Caroline Young
	Director sign-off:	Tom Williams

REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22

1. Activity Information

7.1.4 PASSENGER TRANSPORT NETWORK

Contributing Projects	1164 Lambton Quay Interchange Maintenance 1165 Street Furniture Advertising 1166 Passenger Transport Asset Management 1167 Bus Priority Planning 1168 Cable Car
Project Manager(s)	Ruchir Gaur (1164), Stephen Harte (1165), Pam Brown (1166), Stephen Harte (1167)
Business Analyst	Caroline Young

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current
Expenditure (excl Allocations)	\$1,183,816	\$1,041,165	\$1,309,426	\$1,490,605
Allocations	\$312,285	\$382,814	\$578,611	\$408,376
Less Unfunded Depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$1,496,101	\$1,423,979	\$1,888,037	\$1,898,980
User Charges	(\$56,793)	(\$844)	\$0	\$0
Other Income	(\$1,791,766)	(\$1,420,522)	(\$921,000)	(\$1,759,911)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$1,848,559)	(\$1,421,366)	(\$921,000)	(\$1,759,911)
Rates Funding Requirement	(\$352,458)	\$2,613	\$967,037	\$139,069
Non-rates income %	124%	100%	49%	93%
Non rates income % per R&F	65%	65%	65%	65%
% Variance from R & F Policy (negative variance favourable)	-59%	-35%	16%	-28%
\$ Variance from R & F Policy	(\$876,093)	(\$495,780)	\$306,224	(\$525,574)

3. Introduction

While Greater Wellington Regional Council (GWRC) is responsible for the provision of public transport services, Council is committed to playing a key role in supporting the city's public transport network. Our aim is to encourage greater use of the bus and rail networks, as this delivers social and sustainability benefits, including improved energy efficiency and reduced pollution.

The Lambton Quay Bus Interchange is owned and operated by Council (this is because legislation in force at the time prevented GWRC from owning this asset). GWRC contributes a capped amount of funding towards the operation and maintenance of the Bus Interchange. Subsidised expenditure includes utilities costs, cleaning, maintenance and security services.

Council provides and maintains the special bus lane markings on roads throughout the city. Council has also committed to a significant programme of local bus priority capex improvements (which will affect this activity through higher interest charges).

Council was previously responsible for managing the cleaning and maintenance of bus shelters, bus stops and bus signs, with costs being reimbursed by GWRC. Responsibility for this work was

transitioned across to GWRC in 2016, at which time we removed both the expenditure and the income (GWRC cost recoveries) from the LTP. This change had a net nil impact on the amount of rates funding required for this activity.

The city's public transport network is a vital public asset which is available for all residents and visitors to use. It benefits the whole community by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. An efficient public transport network allows people to travel to work, visit friends and family, and get their children to school.

While individual users of public transport receive the most direct benefit, there are also many indirect beneficiaries. As part of a multi-modal transport network, public transport services contribute towards reducing the amount of vehicle traffic, which in turn makes the city's roads safer and less congested. Encouraging the use of public transport also has wider sustainability benefits for the community, including improved energy efficiency and reduced pollution.

Because the community as a whole benefits, the fairest approach is to fund costs in this activity from general rates.

However, Council receives a share of the revenue generated from Adshel advertising on bus shelters and pedestrian canopies in the city. This income is leveraged to reduce the rates funding requirement for the passenger transport activity.

4. Expenditure analysis

Expenditure \$000 (including Allocations)	2020/21 Budget	2021/22 Budget	Change	% Change
Activity contract costs ¹	706	686	(19)	-3%
Insurance ²	44	72	28	64%
Internal labour charges ³	26	122	97	378%
Depreciation ⁴	534	610	76	14%
Allocations (including interest)	579	408	(170)	-29%
TOTAL	1,888	1,899	11	1%
Less Unfunded Depreciation	-	-	-	0%
Total Net Expenditure	1,888	1,899	11	1%

5. Activity costs has been decreased by \$19k (3%) primarily due to a decrease in funding for bus priority planning.
6. Insurance costs are managed centrally and have increased due to changes in the insurance market leading to higher insurance premiums.
7. Internal labour assumptions have been adjusted to match the expected work programme for the Transport Business Unit and movements are due to changes in projected timesheet hours allocated between Transport activities and increase to the labour rate.
8. Infrastructure asset values are reviewed and updated every 3 years. The most recent asset revaluation was completed by WSP in 2019/20, and several adjustments were made to the asset valuation and depreciation assumptions.

5. Key revenue assumptions

Revenue streams include:

Costs recovered from GWRC for the cleaning, operation and maintenance of the Lambton Quay Bus Interchange. GWRC contributes a capped amount of funding towards subsidised expenditure such as utilities costs, cleaning, maintenance and security services.

Street Furniture Advertising includes Council's share of revenue generated by Adshel advertising on bus shelters and pedestrian canopies in the city. Income varies from year to year and is largely uncontrollable by Council (as the contract is based on a revenue share vs. a fixed amount of income). Council also receives a fixed amount of income for poster bollard advertising from Phantom.

Income \$000	2020/21 Budget	2021/22 Budget	Change	% Change
NZTA NLTF Subsidies	0	3	3	100%
Other Recoveries ¹	921	1,756	835	91%
TOTAL	921	1,760	839	91%

- Other recoveries have increased as Adshel revenue was expected to drop in 2020/21 due to the Covid lockdown and recover to pre-Covid levels in 2021/22

6. Price Changes required to achieve R & F Policy Compliance

N/A – none of the income in this activity is generated by user charges.

7. Options for achieving R & F Policy Compliance

RECOMMENDATION - Change current R&F policy target

The 2021/22 budget results in this activity being 28% over-compliant and the funding target for other income could be increased from 65% to 80%.

Analysis of historical years shows that 80% policy target achievable and that changing the current policy target is likely to improve long term compliance with R&F policy.

Option 2 - Accept temporary non-compliance, leave R&F policy unchanged

The 2021/22 budget results in this activity being 28% over-compliant, however if a significant capex investment is made to deliver a comprehensive programme of local bus priority improvements that will align with and support national and regional public transport initiatives in Wellington. As a result of this capex investment, depreciation and interest costs (and therefore total expenditure) in this activity will increase. Therefore, we could accept temporary non-compliance and leave the current R&F policy target unchanged.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	-	65%	-	35%
Recommended Policy	-	80%	-	20%
\$ Rates impact of change in policy				-

9. Supporting Information		
N/A		

10. Approval		
Report prepared by:	BU Manager:	Bradley Singh
	Business Analyst:	Caroline Young
	Director sign-off:	Tom Williams

REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22

1. Activity Information

7.1.5 PEDESTRIAN NETWORK

Contributing Projects	1170 Street Furniture Maintenance 1171 Footpaths Asset Management 1172 Footpath & Accessway Maintenance 1173 Footpath Structures Maintenance
Project Manager(s)	Ruchir Gaur (1170), Pam Brown (1171), Yogesh Modi (1172), Jone Sumasafu (1173)
Business Analyst	Caroline Young

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current
Expenditure (excl Allocations)	\$6,722,263	\$7,203,816	\$7,692,353	\$7,217,224
Allocations	\$601,734	\$592,724	\$593,469	\$569,453
Less Unfunded Depreciation	\$0	(\$1,970,173)	(\$1,706,371)	(\$1,807,726)
Total Net Expenditure	\$7,323,997	\$5,826,366	\$6,579,452	\$5,978,952
User Charges	(\$13,098)	\$0	\$0	\$0
Other Income	(\$528,710)	(\$515,062)	(\$622,080)	(\$609,516)
Less Vested Asset Income	(\$524,705)	(\$389,023)	\$0	\$0
Total Net Income	(\$541,808)	(\$515,062)	(\$622,080)	(\$609,516)
Rates Funding Requirement	\$6,782,189	\$5,311,304	\$5,957,372	\$5,369,435
Non-rates income %	7%	9%	9%	10%
Non rates income % per R&F	0%	0%	0%	0%
% Variance from R & F Policy (negative variance favourable)	-7%	-9%	-9%	-10%
\$ Variance from R & F Policy	(\$541,808)	(\$515,062)	(\$622,080)	(\$609,516)

3. Introduction

The percentage of commuters choosing to walk or cycle to work has increased over the past decade with walking or cycling now being 43% of commutes. With as many as 50,000 to 80,000 additional people expected to settle in Wellington by 2043, continuing this trend is vital if we want to minimise the need for costly road capacity improvements.

Maintaining a safe and connected pedestrian network is an important part of our transport strategy. We maintain more than 900 kilometres of footpaths as well as pedestrian (street) furniture such as canopies, seats, bollards and fountains.

The pedestrian network is available to all and provides significant benefits to the whole community, supporting the health, wellbeing and prosperity of the people who live, work, play and invest in our city.

The direct beneficiaries of the city's pedestrian network are the people who use them. Footpaths and accessways provide these users with both transport and recreational opportunities. There are also many indirect beneficiaries, because as part of a multi-modal transport network, the

pedestrian network contributes towards reducing the amount of vehicle traffic, which in turn makes the city's roads safer and less congested.

Because the community as a whole benefits from our provision of the pedestrian network, the fairest approach is to fund costs in this activity from general rates.

Identifying and charging individual users would be both inefficient and impractical. It's likely that imposing a user charge would discourage people from using footpaths and accessways, meaning that the health, sustainability and transport benefits of cycleways would be lost.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the pedestrian network activity.

4. Expenditure analysis

Expenditure \$000 (including Allocations)	2020/21 Budget	2021/22 Budget	Change	% Change
Activity contract costs ¹	1,432	1,352	(80)	-6%
Insurance ²	245	623	378	155%
Internal labour charges ³	98	333	235	239%
Depreciation ⁴	5,917	4,909	(1,008)	-17%
Allocations (including interest)	593	569	(24)	-4%
TOTAL	8,286	7,787	(499)	-6%
Less Unfunded Depreciation ⁵	(1,706)	(1,808)	(101)	6%
Total Net Expenditure	6,579	5,979	(601)	-9%

- 9. Funding for pedestrian network operation and maintenance has been decreased by \$80k (6%) due to a reduction in street furniture maintenance.
- 10. Insurance costs are managed centrally and have increased due to changes in the insurance market leading to higher insurance premiums.
- 11. Internal labour assumptions have been adjusted to match the expected work programme for the Transport Business Unit and movements are due to changes in projected timesheet hours allocated between Transport activities and increase to the labour rate.
- 12. Infrastructure asset values are reviewed and updated every 3 years. The most recent asset revaluation was completed by WSP in 2019/20, and several adjustments were made to the asset valuation and depreciation assumptions.
- 13. Pedestrian network asset renewals not funded by rates (via depreciation) have increased by \$101k (6%). This represents higher NLTF subsidies received from NZTA for capital renewals of pedestrian network assets, which decreases the rates funding requirement for this activity.

5. Key revenue assumptions

A small percentage of our costs are funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED), Road User Charges (RUC) and Vehicle/Driver Registration and Licensing. The amount subsidised by NZTA varies from year to year depending

on our work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for our qualifying activities (which is a capped share of the funding that Central Government has credited to the NLTF). This income is leveraged to reduce the rates funding requirement for the activity.

Income projections are based on 85% of the activities in this project being eligible for NZTA subsidy at the normal Funding Assistance Rate (51%), however this will vary from year to year (also note that some expenditure types relating to these activities are ineligible for subsidy, e.g. insurance, depreciation and organisational allocations).

Income \$000	2020/21 Budget	2021/22 Budget	Change	% Change
NZTA NLTF Subsidies ¹	581	576	(4)	-1%
Other Recoveries	41	33	(8)	-20%
TOTAL	622	610	(13)	-2%

3. NLTF subsidies for the operation and maintenance of pedestrian network have decreased in line with the decrease in the portion of the expenditure base eligible for subsidy.

6. Price Changes required to achieve R & F Policy Compliance

N/A – none of the income in this activity is generated by user charges.

7. Options for achieving R & F Policy Compliance

RECOMMENDATION - Change current R&F policy target

The 2021/22 budget results in this activity being 10% over-compliant and the funding target for other income could be increased from 0% to 5%.

Analysis of historical years shows that a 5% policy target is achievable and that changing the current policy target is likely to improve long term compliance with R&F policy.

Option 2 - Accept temporary non-compliance, leave R&F policy unchanged

The 2021/22 budget results in this activity being 10% over-compliant, however as NZTA funding assistance is variable from year to year, we could accept temporary non-compliance and leave the current R&F policy target unchanged.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	-	-	-	100%
Recommended Policy	-	5%	-	95%
\$ Rates impact of change in policy				-

9. Supporting Information

N/A

10. Approval		
Report prepared by:	BU Manager:	Bradley Singh
	Business Analyst:	Caroline Young
	Director sign-off:	Tom Williams

REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22

1. Activity Information

7.1.6 NETWORK WIDE CONTROL AND MANAGEMENT

Contributing Projects	1174 Traffic Signals Maintenance 1175 Traffic Control Asset Management 1176 Road Marking Maintenance 1177 Traffic & Street Sign Maintenance 1178 Network Planning and Coordination
Project Manager(s)	Savaram Rengarajan (1174), Pam Brown (1175), Ruchir Gaur (1176), Ruchir Gaur (1177), Sean Woodcock (1178)
Business Analyst	Caroline Young

2. Financial Summary

	2018/19 Actual	2019/20 Actual	2020/21 Budget	2021/22 Budget Current
Expenditure (excl Allocations)	\$8,522,345	\$7,898,919	\$7,175,107	\$9,622,501
Allocations	\$1,311,086	\$1,122,545	\$980,381	\$1,631,445
Less Unfunded Depreciation	(\$723,414)	(\$1,137,020)	(\$969,333)	(\$981,178)
Total Net Expenditure	\$9,110,017	\$7,884,444	\$7,186,155	\$10,272,768
User Charges	(\$971,631)	(\$667,276)	(\$975,459)	(\$1,236,594)
Other Income	(\$2,746,449)	(\$1,967,320)	(\$2,105,523)	(\$1,904,717)
Less Vested Asset Income	(\$45,524)	(\$241)	\$0	\$0
Total Net Income	(\$3,718,080)	(\$2,634,596)	(\$3,080,982)	(\$3,141,311)
Rates Funding Requirement	\$5,391,937	\$5,249,848	\$4,105,173	\$7,131,457
Non-rates income %	41%	33%	43%	31%
Non rates income % per R&F	30%	30%	30%	30%
% Variance from R & F Policy (negative variance favourable)	-11%	-3%	-13%	-1%
\$ Variance from R & F Policy	(\$985,075)	(\$269,263)	(\$925,136)	(\$59,481)

3. Introduction

Network management is crucial in a modern, efficient vehicle network.

Our traffic control system includes 119 sets of traffic lights, closed circuit television cameras and a central traffic computer system which allows us to optimise traffic flows to ensure the safe, efficient and balanced flow of traffic. This minimises safety risks, congestion, delays and pollution.

Road markings and signs provide information and guidance to drivers and assist with traffic flow, traffic control and traffic safety, especially at night and in poor weather conditions. This significantly enhances safety for all users of our transport networks, and also supports efficient parking management.

Other network management activities include the administration of National legislation and Council's bylaws and policies relating to the non-ordinary, temporary use of the transport network.

We manage Corridor Access Requests (around 6,000 per year) for works in the Transport Corridor (now mainly utility works approvals under the National Code of Practice for Utility Access

to Transport Corridors), as well as monitoring, inspecting and auditing these works to ensure compliance during the work and reinstatement.

We also review and approve Temporary Traffic Management Plans (around 2,000 per year), as well as managing delegations for self-approvals, which are administered in line with NATA's Code of Practice for Temporary Traffic Management.

Other network management activities include issuing and managing licences and permits for other uses of the transport network, such as for construction loading zones, trading, sandwich boards, events, busking, street appeals, temporary signage and overweight vehicles.

Traffic control, signs and marking work allows for better traffic flows. Controlling traffic flows allows us to manage the diverse and competing demands of motorists, pedestrians, cyclists and public transport users. It improves the safety and efficiency of our transport system, which delivers social and commercial benefits by improving connections between communities and the city.

Network management activities optimise accessibility and utilisation of the transport network for a wide variety of activities and users, while minimising the adverse effects on other users of the network. This enables the city to remain internationally competitive by accommodating world class activities and events and promoting vibrancy, innovation and ongoing development of the city and its infrastructure.

The cost of administering network management activities such as Corridor Access Requests, Temporary Traffic Management Plans, and other approvals or licences for uses of the transport network is largely recovered through user charges. Note that we are constrained by legislation as to what costs we are able to recover for this work. Also note that both the costs and the revenue for this work is a relatively small percentage of the total cost for the network control activity.

Because the community as a whole benefits, the fairest approach is to fund the remaining costs in this activity from general rates.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the network control activity.

4. Expenditure analysis				
Expenditure \$000 (including Allocations)	2020/21 Budget	2021/22 Budget	Change	% Change
Activity contract costs ¹	3,232	3,460	228	7%
Insurance	54	41	(13)	-24%
Internal labour charges ²	1,658	3,831	2,174	131%
Depreciation ³	2,231	2,290	59	3%
Allocations (including interest)	980	1,631	651	66%
TOTAL	8,155	11,254	3,099	38%
Less Unfunded Depreciation ⁴	(969)	(981)	(12)	1%
Total Net Expenditure	7,186	10,273	3,087	43%

14. Funding for network wide control and management has been increased by \$228k (7%) to reflect inflation.

- 15. Internal labour assumptions have been adjusted to match the expected work programme for the Transport Business Unit and movements are due to changes in projected timesheet hours allocated between Transport activities and increase to the labour rate.
- 16. Infrastructure asset values are reviewed and updated every 3 years. The most recent asset revaluation was completed by WSP in 2019/20, and several adjustments were made to the asset valuation and depreciation assumptions.
- 17. Traffic control asset renewals not funded by rates (via depreciation) have increased by \$12k (1%). This represents higher NLTF subsidies received from NZTA for capital renewals of traffic control network assets, which decreases the rates funding requirement for this activity.

5. Key revenue assumptions

A small percentage of our costs are funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding collected by Central Government from Fuel Excise Duty (FED), Road User Charges (RUC) and Vehicle/Driver Registration and Licensing. The amount subsidised by NZTA varies from year to year depending on our work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for our qualifying activities (which is a capped share of the funding that Central Government has credited to the NLTF). This income is leveraged to reduce the rates funding requirement for the activity.

Income projections are based on 85% of the activities in this project being eligible for NZTA subsidy at the normal Funding Assistance Rate (51%), however this will vary from year to year (also note that some expenditure types relating to these activities are ineligible for subsidy, e.g. insurance, depreciation and organisational allocations).

Income \$000	2020/21 Budget	2021/22 Budget	Change	% Change
NZTA NLTF Subsidies ¹	1,820	1,822	2	0%
User Charges ²	975	1,237	261	27%
Other Recoveries	286	83	(203)	-71%
TOTAL	3,081	3,141	60	2%

- 4. NLTF subsidies for the operation and maintenance of traffic and network control have remained consistent.
- 5. User Charges have increased in line with the proposed price changes below.

6. Price Changes required to achieve R & F Policy Compliance

Under the Local Government Act, Corridor Access Request and Traffic Management Plan fees should be set under a cost recovery basis. Costs have increased but fees have not been reviewed (and therefore adjusted accordingly) since 2011. A review undertaken in 2019 showed that costs were not being fully recovered and proposed the fees below.

The proposed fees are based on recovering all costs associated with these activities, increase to fees based on anticipated future demand and ensuring increases are not unreasonable (i.e. reasonably aligned with inflation).

Fee	Current Charge	Proposed Charge
CAR fee – standard processing	\$65	\$75
CAR fee – extra processing	\$80	\$95
CAR fee – overdue penalty	N/A	\$40
CAR fee – inspection	\$90	\$100
CAR fee – re-inspection	\$90	\$120
CAR fee - callout inspection	N/A	\$150
CAR fee – late notice	\$400	\$440
CAR fee – further delay	\$30	\$35
CAR fee – texturizing (per m2)	\$6 per m2	\$7 per m2
Prior approvals - processing fee	\$80	N/A
TMP fee – processing fee	\$80	\$95
TMP fee - extra processing	N/A	\$95

7. Options for achieving R & F Policy Compliance

Recommendation – Approve proposed fee changes
 Increasing the fees based on proposed changes above will see the activity meet revenue targets and ensure long term compliance with R&F policy.

Option 2 – Retain fees at existing levels and monitor compliance
 Retaining fees at their existing levels will result in this activity being under-compliant. We could accept the non-compliance and leave the current R&F policy target unchanged. This option is not recommended.

8. Recommended R & F Policy

	User Charges	Other Income	Non-funding	Rates
Current Policy	15%	15%	-	70%
Recommended Policy	15%	15%	-	70%
\$ Rates impact of change in policy				-

9. Supporting Information
 N/A

10. Approval

Report prepared by:	BU Manager:	Bradley Singh
	Business Analyst:	Caroline Young
	Director sign-off:	Tom Williams

**REVENUE AND FINANCING POLICY
ACTIVITY COMPLIANCE REVIEW 2021/22**

1. Activity Information

7.2.1 PARKING

Contributing Projects	1184 Parking Services & Enforcement 1185 Waterfront Parking Services
Project Manager(s)	Kevin Black
Business Analyst	Jo Broad

2. Financial Summary

	2018/19 GL Actual	2019/20 GL Actual	2020/21 GLB Bud V9	22GLBB03
Other Expenditure	\$12,384,666	\$12,936,873	\$13,912,549	\$14,002,323
Allocations	\$3,046,539	\$3,343,906	\$3,423,221	\$3,439,127
Less unfunded depreciation	\$0	\$0	\$0	\$0
Total Net Expenditure	\$15,431,205	\$16,280,778	\$17,335,770	\$17,441,450
User Charges	(\$22,580,498)	(\$20,906,018)	(\$21,773,853)	(\$32,242,811)
Other Income	(\$7,293,600)	(\$7,105,130)	(\$7,345,314)	(\$9,628,041)
Less Vested Asset Income	\$0	\$0	\$0	\$0
Total Net Income	(\$29,874,097)	(\$28,011,148)	(\$29,119,167)	(\$41,870,852)
Rates Funding Requirement	(\$14,442,892)	(\$11,730,370)	(\$11,783,397)	(\$24,429,402)
Non-rates income %	194%	172%	168%	240%
Non-rates income % per R&F policy	100%	100%	100%	100%
% Variance from R&F Policy (negative variance favourable)	-94%	-72%	-68%	-140%
\$ Variance from R&F Policy	(\$14,442,892)	(\$11,730,370)	(\$11,783,397)	(\$24,429,402)

3. Introduction

This activity covers on-street parking (meters and enforcement) across the city, Wellington City Council's management contract with the New Zealand Transport Agency (NZTA) to operate the Clifton Terrace carpark and the operation of the Council owned parking areas that are located on the Wellington waterfront.

The Council currently provides approximately 10 percent of the total available public parking in central Wellington with the remainder provided by private operators.

The activity recovers more revenue, through enforcement and meter charges, than the operation costs to operate. This is in line with our transport and retail policies. The objective of these policies includes enabling the turnover of parking spaces which assists the retail sector and in managing traffic flows. The surplus from this activity part funds transport infrastructure costs, for example the cost of providing the city parking amenities, road seal, signs and markings, thereby reducing the rate funding requirement for transport projects.

The direct beneficiaries of the Council's parking services are those people who use car parks and users of a range parking permits including those that access dedicated residents parking benefits, are private and exclusive to the user.

The parking landscape in Wellington will change significantly in the coming years. The Council has now adopted a new Parking Policy which reflects changes in terms of an aging and growing population, the impacts of climate change, urbanisation and a current trend of increased car

ownership per household and a decrease in home ownership. The Parking Policy reflects a move to more sustainable transport and supports a hierarchy with key principles related to parking such as on-street parking in the central city being secondary to all movement; and commuter parking in the suburbs which may not be replaced where cycle ways are introduced and will have revenue impacts for the Council.

Invariably, projects to increase levels of service for those types of travel will often require space to be taken from on-street parking in preference to narrowing footpaths or reducing traffic lanes.

The progressive implementation of the Let's Get Wellington Moving (LGWM) programme will also significantly impact on the availability of on-street parking in the central city and consequently revenue in the CBD.

Work is underway to implement the objectives of the Parking Policy in conjunction with LGWM initiatives and projects, such as Innovating Streets and Newtown Connections.

Both the implementation of the Parking Policy and LGWM will be a multiyear programme of work and it remains unclear currently how and when changes to the current parking landscape will occur and the impact of those changes on existing on-street and off-street parking arrangements.

While the exact timing of the delivery of these projects are still being worked through it is understood that the number of metered parks in the central city will reduce in the coming years from 3,300 to a range of between 1,000 to 1,500 metered parks which will significantly impact revenue.

Work has been undertaken to mitigate as far as possible the impact on parking revenue with a focus on:

- investing in technology that will enable more consistent enforcement across the city and suburbs, allow aspects of the Parking Policy (such as demand-based pricing which will allow parking demand to be more effectively managed, while also enabling people to pay and park for longer than current 2 hour time restrictions) to be implemented and improve health and safety outcomes for staff and reduce operational costs through more efficient supplier arrangements (These will be implemented in year 2 of the 2021 LTP)
- Reconfigure some existing parking areas to better reflect their usage. ie: Moving some coupon parking areas to be metered and extending some existing coupon parking
- Implement a range of parking fee increases that were previously deferred from the 2020/21 year due to the impact of COVID-19
- Extending the hours of operation for metered parking
- As work continues to implement the recently adopted parking policy the parking landscape across the city will be remapped and that may include more time restricted parking in busy suburban areas to more effectively manage people access to publicly available on-street parking.

Additionally, work is underway to enforce parking at a number of Council facilities to ensure that the available parking is able to be used for the purpose for which it is provided as opposed to overflow parking for local residents.

4. Expenditure analysis

The expenditure for the Parking activity has increased by \$106k since the 2020/21 annual plan. The key movements are:

- Operating costs have increased by \$90k. Costs relating to the proposed new options for Revenue require additional costs of \$693k in the 2021/22 year. These are partially offset by reductions in Bank fees from changes in Metering payment methods \$158k, lower roading depreciation \$212k and lower shared services cost allocations within the Customer and Community Directorate.

5. Key revenue assumptions

Pricing for metered parking is set by Council while pricing of infringement fees is set by the Crown.

The impact of Covid-19 lockdown on Parking services within the city was expected to continue into latter part of 2020 resulting in the removal of \$4.4m of revenue from the 2020/21 Annual Plan. During lockdown there was free parking and no restrictions and enforcement only occurred in response to complaints and safety issues.

The \$4.4m of revenue has been added back into the LTP from 2021/22. Waterfront parking was also impacted by Covid-19 and \$0.5m was removed from 2020/21 and is added back from 2021/22.

Various Parking management options were proposed and approved for the 2020/21 Annual Plan pre Covid-19. These options were not implemented due to the impact of Covid-19. These will now be implemented through the LTP along with further new initiatives which include management of Waterfront parking, Parks Sports and Recreation metering and enforcement and the extension of Metered parking hours and prices as outlined above.

The tables in section 7 summarise the options that have been presented and discussed at Councillor workshops. The first table shows the options proposed to be implemented for 2021/22. Further options will be implemented from 2022/23 and are summarised in the second table.

In the 2021/22 year, additional gross revenue of \$7.8m is expected to be achieved from these options, with additional operating costs of \$0.4m directly related to these revenue options. This results in a net surplus of \$7.36m in 2021/22.

In addition, consulting costs of \$0.3m will also need to be incurred in 2021/22 to ensure the effective implementation of options and to assist with preparations to implement the 2022/23 options from 1 July 2022.

The options proposed to be implemented from 1 July 2022 are Improved technology including Bus lane/Clearway enforcement and are expected to add additional revenue of \$3.25m at an ongoing cost of approximately \$0.2m. Operating cost savings of \$0.6m are also expected with the move to new technology. This would achieve additional net surplus of \$3.65m in 2022/23.

6. Price Changes required to achieve R & F Policy Compliance

Council is limited to setting its funding policy at a maximum of 100% of costs. This activity is over compliant in line with Council's transport and retail policies.

Officer's recommend continuing to accept over compliance in this activity.

7. Options for achieving R & F Policy Compliance

Pricing Options

Option 1: Implement Parking Operations proposals

Several Parking proposals have been presented to Councillors at the LTP and R&F workshops.

The options proposed to be implemented within the next 12 months are as follows:

	Options considered	Net surplus Impact (from 1 July 2021)
1.	Improved enforcement via Compliance enforcement vehicles in the suburbs	\$700k
2.	Increase coupon parking fees: <ul style="list-style-type: none"> - Daily coupons from \$12 to \$15 per day - Monthly coupon from \$200 to \$240 per month - Suburban trade from \$12 to \$15 per day - Loading zone parking permits from \$60.50 to \$80 per annum 	\$390k
3.	Increase coupon and metered parking on Oriental Parade and Hill Street	\$187k
4.	Extend coupon parking areas in Palliser Road, Hanson Street, Grosvenor Terrace and Sar Street	\$174k
5.	Increase parking fees Kelburn University parking P12 to P600	\$446k
6.	Management and enforcement of Wellington Waterfront parking including Frank Kitts car park	\$642k
7.	Parks Sports and Recreation parking enforcement/metering within community facilities, pools, parks and reserves	\$554k
8.	Increase parking fees city wide by \$0.50 and Extend hours of Metered parking with options. eg: \$2.50-\$3.00, \$3.50-\$4.00, \$4.50-\$5.00 - Sunday to Thursday 8am - 8pm & Friday - Saturday 8am - 10pm.	\$4,267k
	Total	\$7,360k

Further options are proposed which would be implemented in 2022/23:

	Recommended Options	Net Surplus Impact (from 1 July 2022)
1.	Improve efficiency and effectiveness of Parking enforcement by moving to new technology	\$600k
2.	Bus lane and clearway enforcement using static cameras	\$3,050k
	Total	\$3,650k

Option 2: Do Nothing
 This would increase the burden on rate payers by \$7.4m in 2021/22 and \$11.0m from 2022/23

Officer recommendation:
 Accept over compliance in line with Council's transport and retail policies.

Implement Parking proposals as per the approved Parking Policy.

8. Recommended R & F Policy				
	User Charges	Other Income	Non-funding	Rates
Current Policy	100%	0%	0%	0%
Recommended Policy	100%	0%	0%	0%
\$ Rates impact of change in policy				\$0

9. Supporting Information

10. Approval		
Report prepared by:	Project Manager:	Kevin Black
	Business Analyst:	Jo Broad
	Director sign-off:	Claire Richardson

Memorandum

Date: 10 Feb 2021
To: Mark Pattermore
From: BDI/Finance/BCC

In response to Councillors' questions on the proposed fee increases, BCC and Finance have put together additional information to contextualise the increases and give Councillors assurance that the increases are aligned with current fee/rates policy and with other Metro BCA fees for consent related services.

Recommended option presented in the final RnF paper

- Increase fees by 25%
- Approve an additional BWoF officer and increase BWoF fee as per below.
- Propose an increase of minimum number of hours charged to customers to recognise the actual time it takes to perform an audit.
- Introduce an Accreditation levy of \$0.50 per \$1000 project value.

Proposed split between fee and rates revenue for building consent costs

The current operational policy applied by the WCC for building consent activities is 65% from user fees and 35% from rates. This reflects the balance between the private benefit the individual gains from a building consent activity and the wider public good to ratepayers from assurance that the built environment is durable, safe and healthy.

The balance in fee vs rates also reflects the compliance activities undertaken by the Territorial Authority function that is performed by the BCC business unit which do not have a direct link to building consent related fees. These include issuing Notices to Fix and identifying dangerous and unsanitary buildings and responding to complaints about non-compliant building work.

These activities should not be directly funded by applicants for building consent fees and they represent a smaller amount of the activity compared to building control functions. The recent Schedule 1 exemptions released by MBIE in 2019 are likely to mean more building work is undertaken without requiring a building consent. This may also mean an increase in non-compliance as incorrect assessments by building owners about the need for a building consent may lead them not to seek a consent. This could then lead to an increase in compliance activity for BCC but this trend is not yet demonstrated in the data.

We can consider a piece of operational policy work to fully assess the current 65%:35% split and the evidence and rationale for changing as part of the 2021/22 work programme for CCC.

Fee scenario analysis

Officers were asked to present rates impact on different percentage fee increase options and also percentage fee increase required to meet different RnF policy targets

There are several assumptions that is used in this analysis

- Accreditation levy is proposed at \$0.50 per \$1000 of project value
- The additional BWoF income is resulted from an increase in number of audits performed by having an additional BWoF officer as shown in the full RnF paper.

Table 1 shows rates impact based on different percentage increase for Building Consent fees.

	Current budget	Fee increase options		
	Current FY 21/22 budget	Current budget at 25% increase	Current budget at 30% increase	Current budget at 35% increase
Expenditure	12,152,629	12,268,629	12,268,629	12,268,629
Total allocation costs	6,878,857	6,946,527	6,946,527	6,946,527
Total Expenditure	19,031,486	19,215,156	19,215,156	19,215,156
Total User fees proposed	11,398,483	11,398,483	11,769,567	12,140,652
Accreditation levy	494,724	494,724	494,724	494,724
Additional BWoF income		312,783	325,294	337,806
Total User fees proposed	11,893,207	12,205,990	12,589,586	12,973,181
Total Rates	7,138,279	7,009,166	6,625,570	6,241,975
% User fees	62%	64%	66%	68%
% Rates	38%	36%	34%	32%
% Fee increase required	25%	25%	30%	35%
Additional revenue generated from the current FY 21/22 budget		312,783	696,379	1,079,974

1. Table 1- Rates impact resulted from different fee increase options

Table 2 shows percentage fee increase required to meet various RnF policy targets

	Current budget	Policy target options				
	Current FY 21/22 budget	Current budget - compliance @ 65% user fees	Current budget - compliance @ 70% user fees	Current budget - compliance @ 75% user fees	Current budget - compliance @ 90% user fees	Current budget - compliance @ 100% user fees
Expenditure	12,152,629	12,268,629	12,268,629	12,268,629	12,268,629	12,268,629
Total allocation costs	6,878,857	6,946,527	6,946,527	6,946,527	6,946,527	6,946,527
Total Expenditure	19,031,486	19,215,156	19,215,156	19,215,156	19,215,156	19,215,156
Total User fees proposed	11,398,483	11,995,127	12,955,885	13,916,643	16,798,916	18,720,432
Accreditation levy	494,724	494,724	494,724	494,724	494,724	494,724
Total User fees proposed	11,893,207	12,489,852	13,450,609	14,411,367	17,293,641	19,215,156
Total Rates	7,138,279	6,725,305	5,764,547	4,803,789	1,921,516	-
% User fees	62%	65%	70%	75%	90%	100%
% Rates	38%	35%	30%	25%	10%	0%
% Fee increase required	25%	28%	38%	49%	79%	100%
Additional revenue generated from the current FY 21/22 budget		596,644	1,557,402	2,518,160	5,400,433	7,321,949

2. Table 2- Percentage fee increase required to meet various policy targets

Increase in budget for Simpli costs

The cost of using Simpli platform for online applications is calculated based on a charge per number of online applications. As the number of online applications increases, so does the cost for Simpli. The vendor charges \$51.75 per application and it costs on an average of \$13,500 per month, which equates to \$162,000 annually. This has resulted in a \$100,000 uplift from FY 20/21 budget.

There is an error in the submitted RnF paper. The comment on increase budget for Simpli fee was made under **Professional costs**, as opposed to **Contract, Services and Material** cost group in which the Simpli fee is budgeted. However, this fee is being 100% on charged back to customers, so it is net neutral to Council.

The \$156k increase in Professional costs is mainly due to a budget uplift for external legal costs from the 20/21 budget of \$42k to \$154k, which is based on the average spend on external legal costs for the last four years. The remaining increase is due to budget of \$35k for International Accreditation New Zealand program of which is recoverable through the proposed Accreditation levy

How WCC fees compare to other BCA fee increases

WCC has not increased fees since financial year 17/18 and a fee increase was not approved to be implemented during the annual plan 20/21 due to COVID 19

Auckland City Council increased fees in 2019/20 with the main justification that regulatory fee increases generally reflected cost increases that exceeded inflation.

The extra revenue generated was estimated at \$662,000 and the Council noted that the "impact on building costs is paltry".

Christchurch City Council increased fees in 2018/19 to recover rising costs (including contractor engagement in response to rising demand).

The attached table provides a comparison of existing WCC consent processing fees against other BCA fees. This is only one of a variety of fees charged by BCAs so is not a holistic comparison but does represent a useful 'apples to apples' comparison.

BCA consent processing fees comparison

The assumptions used in the benchmarking analysis are per below

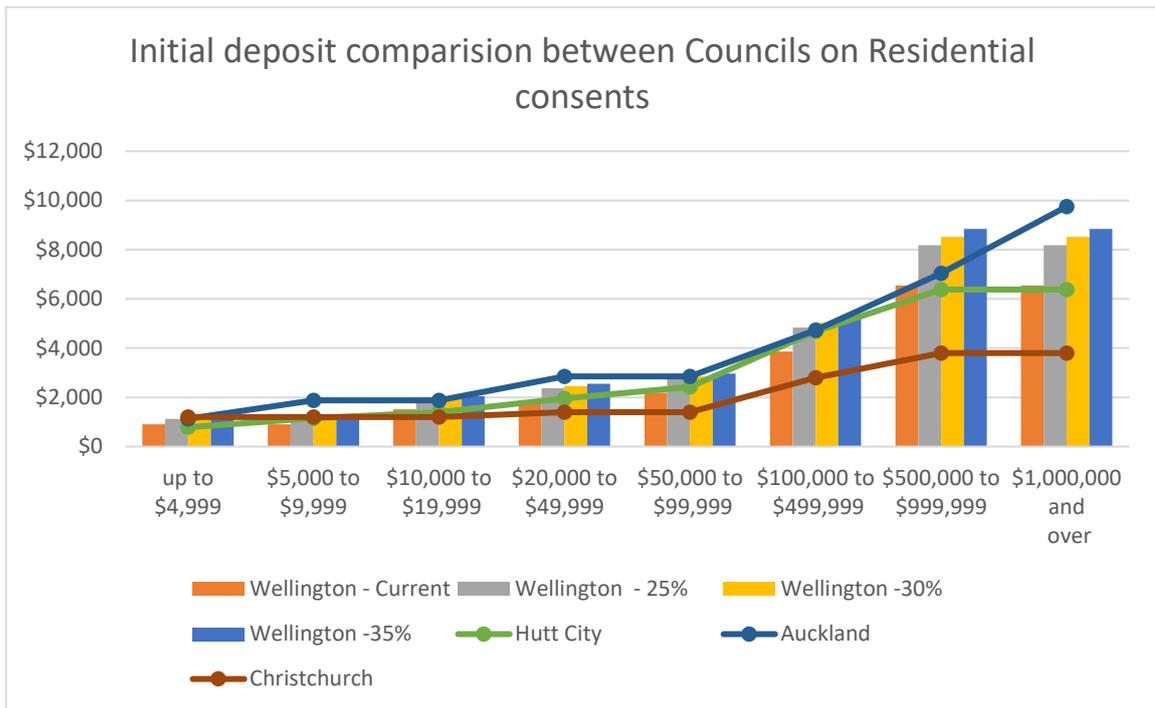
Assumptions	Single level dwelling
	Based on minimum requirements for a building consent with estimate of inspection hours required
	Fees include MBIE and BRANZ Levy's
	Initially deposit that all consents are charged based on different external websites
Notes	Most councils don't differentiate between residential and commercial
	the top end at each of project value band is used to calculate fees

Figure 1 shows the initial deposit for a residential consent based on the current fee and different fee options. It also compares the initial deposit between different Councils for your reference.

Residential consents

Project Value	Wellington - Current	Fee increase options			Hutt City	Auckland	Christchurch
		Wellington - 25%	Wellington - 30%	Wellington - 35%			
up to \$4,999	\$900	\$1,125	\$1,170	\$1,215	\$784	\$1,130	\$1,200
\$5,000 to \$9,999	\$900	\$1,125	\$1,170	\$1,215	\$1,155	\$1,880	\$1,200
\$10,000 to \$19,999	\$1,512	\$1,890	\$1,966	\$2,041	\$1,403	\$1,880	\$1,200
\$20,000 to \$49,999	\$1,895	\$2,368	\$2,463	\$2,558	\$1,953	\$2,850	\$1,400
\$50,000 to \$99,999	\$2,196	\$2,745	\$2,855	\$2,964	\$2,420	\$2,850	\$1,400
\$100,000 to \$499,999	\$3,868	\$4,835	\$5,029	\$5,222	\$4,675	\$4,730	\$2,800
\$500,000 to \$999,999	\$6,548	\$8,185	\$8,513	\$8,840	\$6,380	\$7,040	\$3,800
\$1,000,000 and over	\$6,548	\$8,185	\$8,513	\$8,840	\$6,380	\$9,750	\$3,800

3. *Figure 1 - Inter-Council comparison on initial deposit of a residential consent*



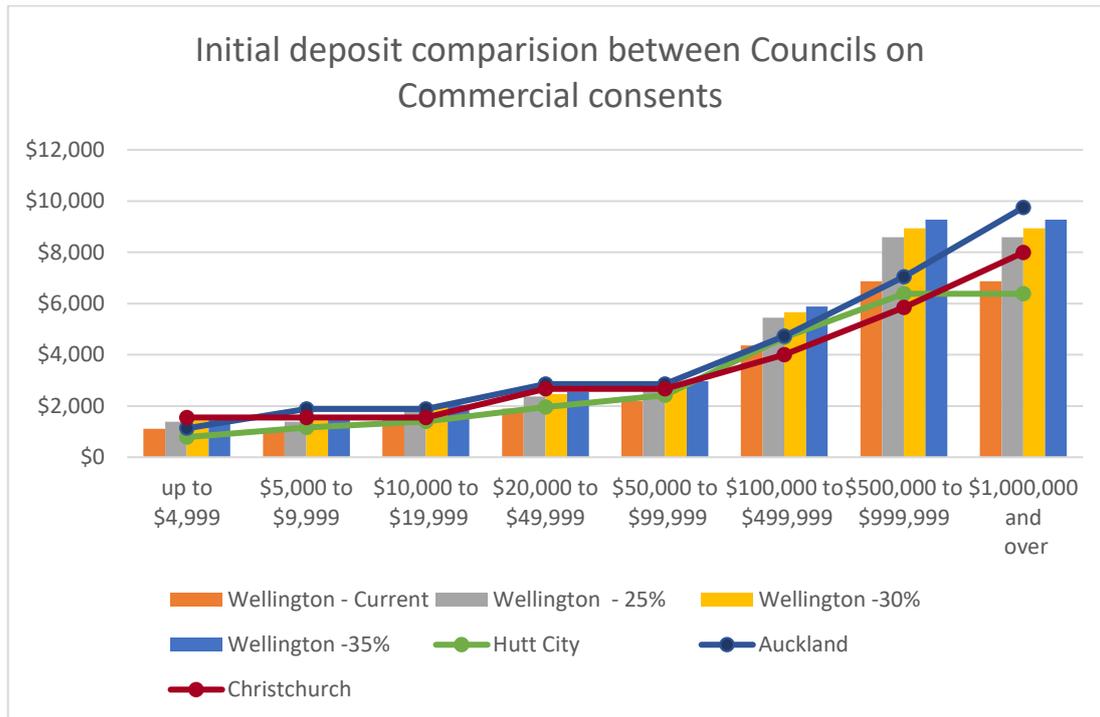
4.

Figure 2 shows the initial deposit for a commercial consent based on the current fee and different fee options. It also compares the initial deposit between different Councils for your reference.

Commercial Consents

Project Value	Fee increase options				Hutt City	Auckland	Christchurch
	Wellington - Current	Wellington - 25%	Wellington - 30%	Wellington - 35%			
up to \$4,999	\$1,104	\$1,380	\$1,435	\$1,490	\$784	\$1,130	\$1,550
\$5,000 to \$9,999	\$1,104	\$1,380	\$1,435	\$1,490	\$1,155	\$1,880	\$1,550
\$10,000 to \$19,999	\$1,512	\$1,890	\$1,966	\$2,041	\$1,403	\$1,880	\$1,550
\$20,000 to \$49,999	\$1,895	\$2,368	\$2,463	\$2,558	\$1,953	\$2,850	\$2,670
\$50,000 to \$99,999	\$2,196	\$2,745	\$2,855	\$2,964	\$2,420	\$2,850	\$2,670
\$100,000 to \$499,999	\$4,358	\$5,447	\$5,665	\$5,883	\$4,675	\$4,730	\$4,000
\$500,000 to \$999,999	\$6,874	\$8,593	\$8,936	\$9,280	\$6,380	\$7,040	\$5,850
\$1,000,000 and over	\$6,874	\$8,593	\$8,936	\$9,280	\$6,380	\$9,750	\$7,990

5. Figure 2 - Inter-Council comparison on initial deposit of a commercial consent



6.

Remuneration comparison for Building Control Officers with other BCA

A market premium for building control officer positions was applied from 2019/20 and has resulted in a reduction in the turnover rate in November 2019 from 26% to 4.5% in November 2020.

The remuneration increase has worked and is supporting the deepening of technical expertise and competency which supports providing a timely and efficient processing of building consents for Wellington ratepayers.

A review is currently underway to assess and grade these positions to determine if the market premium should be built into the remuneration rate.

Building Levy has decreased

Note that MBIE has reduced the building levy from \$2.01 to \$1.75 per \$1,000 reducing one component of build costs nationally.

Councillor Request REVISED OPTIONS FOR COMPLIANCE			Option 1 Achieve Compliance Over 2 Years -11%+11%+Inflation						Option 2 Achieve Compliance Year 1 -		
Fee / Charge Name	Marina	Current Fee 2020/21	Increase Year 1 11%	Dollar Increase	%Increase Year 1	Increase Year 2 11% plus Inflation 1.5%	Dollar Increase	%Increase Year 2	Increase Fees 22%	Dollar Increase	% Increase
Visitor Day	Evans Bay	\$ 15.00	\$ 30.00	\$ 15.00	100%	\$ 33.50	\$ 3.50	12%	\$30.00	\$ 15.00	100%
Visitor Month	Evans Bay	\$ 307.00	\$ 340.80	\$ 33.80	11%	\$ 381.00	\$ 40.20	12%	\$375.00	\$ 68.00	22%
Non tenant use of Breastwork (daily)		\$ 70.00	\$ 77.70	\$ 7.70	11%	\$ 86.20	\$ 8.50	11%	\$85.00	\$ 15.00	21%
Berth	Evans Bay	\$ 2,928.00	\$ 3,250.10	\$ 322.10	11%	\$ 3,607.60	\$ 357.50	11%	\$3,572.00	\$ 644.00	22%
Berth (Sea Rescue Jetty)	Evans Bay	\$ 1,721.00	\$ 1,910.30	\$ 189.30	11%	\$ 2,120.40	\$ 210.10	11%	\$2,100.00	\$ 379.00	22%
Boat Shed (8 to 11)	Evans Bay	\$ 1,154.00	\$ 1,280.90	\$ 126.90	11%	\$ 1,421.80	\$ 140.90	11%	\$1,408.00	\$ 254.00	22%
Boat Shed (1 to 7, 12 to 32)	Evans Bay	\$ 2,304.00	\$ 2,557.40	\$ 253.40	11%	\$ 2,838.70	\$ 281.30	11%	\$2,811.00	\$ 507.00	22%
Boat Shed (33 to 46)	Evans Bay	\$ 3,449.00	\$ 3,828.40	\$ 379.40	11%	\$ 4,249.50	\$ 421.10	11%	\$4,208.00	\$ 759.00	22%
Dinghy Locker	Evans Bay	\$ 344.00	\$ 381.80	\$ 37.80	11%	\$ 423.80	\$ 42.00	11%	\$420.00	\$ 76.00	22%
Live-Aboard fee	Evans Bay	\$ 603.00	\$ 669.30	\$ 66.30	11%	\$ 742.90	\$ 73.60	11%	\$736.00	\$ 133.00	22%
Trailer Park	Evans Bay	\$ 131.00	\$ 160.00	\$ 29.00	22%	\$ 177.60	\$ 17.60	11%	\$160.00	\$ 29.00	22%
Mooring	Clyde Quay	\$ 1,165.00	\$ 1,293.20	\$ 128.20	11%	\$ 1,435.50	\$ 142.30	11%	\$1,421.00	\$ 256.00	22%
Boat Shed (2 to 13)	Clyde Quay	\$ 2,443.00	\$ 2,711.70	\$ 268.70	11%	\$ 3,010.00	\$ 298.30	11%	\$2,980.00	\$ 537.00	22%
Boat Shed (14 to 27)	Clyde Quay	\$ 2,199.00	\$ 2,440.90	\$ 241.90	11%	\$ 2,709.40	\$ 268.50	11%	\$2,683.00	\$ 484.00	22%
Boat Shed (28, 29)	Clyde Quay	\$ 3,053.00	\$ 3,388.80	\$ 335.80	11%	\$ 3,761.60	\$ 372.80	11%	\$3,725.00	\$ 672.00	22%
Boat Shed (38B)	Clyde Quay	\$ 1,763.00	\$ 1,956.90	\$ 193.90	11%	\$ 2,172.20	\$ 215.30	11%	\$2,151.00	\$ 388.00	22%
Boat Shed (38A to 42B, 48A, 48B)	Clyde Quay	\$ 2,531.00	\$ 2,809.40	\$ 278.40	11%	\$ 3,118.40	\$ 309.00	11%	\$3,088.00	\$ 557.00	22%
Boat Shed (43A to 47B)	Clyde Quay	\$ 2,933.00	\$ 3,255.60	\$ 322.60	11%	\$ 3,613.70	\$ 358.10	11%	\$3,578.00	\$ 645.00	22%
Dinghy Rack	Clyde Quay	\$ 204.00	\$ 226.40	\$ 22.40	11%	\$ 251.30	\$ 24.90	11%	\$249.00	\$ 45.00	22%