SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2015-25 LTP FINANCIAL AND FUNDING POLICIES

Purpose

1. This report presents the officers recommendations for the funding and financial policies. These policies have been reviewed by officers and informed by Councillors' feedback at the 2015-25 Long-term Plan (LTP) funding workshops.

Summary

2. A review of the Revenue and Financing Policy and the funding targets for each activity was completed as part of the development of the LTP. The proposed changes to the policy and funding targets resulting from the LTP workshops are summarised below.

3. The Rates Remission and Postponement Policies have been reviewed and discussed during the LTP workshops. Some additional remissions are proposed to incentivise greenfield development, provide for natural disaster and emergency events and commercial water meter leaks. Small changes to rates penalty remissions are also proposed.

4. The Investment and Liability Management policies have been reviewed and some minor changes are proposed (discussed below).

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Note the changes to the Revenue and Financing Policy included as attachment 1.
3. Note the summary of the Revenue and Financing Policy compliance discussed at workshops included as attachment 2.
4. Note the changes to the Rates Remission Policy included as attachment 3.
5. Note the changes to the Rates Postponement Policy included as attachment 4.
6. Note the changes to the Investment and Liability Management Policy included as attachment 5.
7. Note the proposed changes to fees and charges discussed at workshops included as attachment 6.
8. Agree to recommend to Council to adopt the draft Revenue and Financing Policy as outlined in attachment 1 (subject to any necessary amendments to obtain Audit NZ approval) as a supporting document to be consulted alongside the 2015-25 Long-term Plan consultation document.
9. Agree to recommend to Council to adopt the draft Rates Remission Policy as outlined in attachment 3 (subject to any necessary amendments to obtain Audit NZ approval) as a supporting document to be consulted alongside the 2015-25 Long-term Plan consultation document.

10. Agree to recommend to Council to adopt the draft Rates Postponement Policy as outlined in attachment 4 (subject to any necessary amendments to obtain Audit NZ approval) as a supporting document to be consulted alongside the 2015-25 Long-term Plan consultation document.
11. Agree to recommend to Council to adopt the draft Investment and Liability Management policies as outlined in attachment 5 (subject to any necessary amendments to obtain Audit NZ approval) as a supporting document to be consulted alongside the 2015-25 Long-term Plan consultation document.
12. Agree to recommend to Council to adopt the proposed fees and charges as outlined in attachment 6 as a supporting document to be consulted alongside the 2015-25 Long-term Plan consultation document.

Background

Funding and Financial Policies

5. The Local Government Act 2002 (LGA) requires Councils to adopt a Revenue and Financing Policy that provides detail on the funding of operational and capital expenditure. This policy illustrates which parts of the community 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.
6. 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 Revenue and Financing Policy e.g. the proportion funded from rates versus non-rates income.
7. A review of the policy and the funding targets for each activity is completed as part of the long-term plan.
8. Section 102 of the LGA also allows or requires Council to adopt funding and financial policies on rates remissions, rates postponement, liability management, and investments.

Discussion

Revenue and Financing Policy – Activity Funding

9. Officers' recommendations for each activity have been summarised into the following tables in attachment 2:
   1.1. Compliant activities (within 5% policy band and less than $100k variance)
   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
      c. Changes to policy
   1.3. New activities proposed.
10. For each non-compliant activity officers 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.

11. A full list of recommended changes to Fees and Charges is contained in attachment 6.
12. Compliance snapshot:

Category	Number of Activities	Non-rates income	Compliance gap $ (positive means more rates funding required)	Impact of proposed fee changes
Compliant activities	42	$4,750k	($145k)	-
Temporary non-compliance	10*	$19,018k*	($182k)*	-
Changes to fees	8	$27,735k	$569k	$401k
Changes to policy	6	$11,278k**	$244k**	-
New activities and policies	5	$14,666k	($14,666k)	-

**Excludes Parking and Housing*

***Swimming Pools and Public Health Regulations have been counted twice - as part of both 'policy' and 'fee' categories*

Other Revenue and Financing Policy Considerations

General Rates Differential Review

13. The general rate differential and its impact on Council rates have been reviewed to assess whether the ratio of the differential at 2.8:1 Commercial: Residential is still appropriate. At 2.8:1 the differential split of total rates is approximately 56% Residential 44% Commercial rates. Officers are not proposing a change in the rates differential.

Targeted Water Rates

14. Targeted water rates are based on the aggregated cost of the activities 2.3.1 Water Network and 2.3.2 Water Collection and Treatment. The total rates funding requirement for the activities has decreased by 2.5% compared to 2014/15, mainly due to reductions in depreciation and interest costs as a result of the latest asset revaluations. As a result, the water rating mechanisms will on average decrease by 2.5%.

Weathertight Homes Rates Funding

15. The Council has provided for a significant liability of around $50m to settle claims associated with weather-tight homes issues. Due to the quantum of the liability, Council currently uses borrowings in the first instance to meet these costs, with the associated borrowing subsequently being repaid through rates funding. This is to spread the cost and ensure that the affordability of any rates funding requirement is considered and managed. The funding of this liability was previously planned to take place progressively over eight years. Officers are proposing to extend the repayment period to reflect the change in the rate of settlement of the claims.

Rating Mechanisms

New targeted rate for Khandallah Business Improvement District

16. A new targeted rate is being proposed to be included in the LTP under the terms of the Business Improvement District Policy, for $20,000 + GST to be applied to commercially rated properties in the Khandallah Business Improvement District area.

17. Liability for this rate will be calculated as a rate per dollar of rateable capital value.

18. This rate has been incorporated into the Financial and Funding statements and the draft Funding Impact Statements presented to the Committee in Report 10.

Rates Remission Policy

19. The Council's existing Rates Remission Policy has been reviewed and a number of remission options evaluated. The key changes to the policy are summarised below:

- ***Remission for Buildings Removed from the Earthquake Prone Building List***

  Additional clauses have been added to the policy to provide clarification on the calculation of the valuation uplift as a result of seismic strengthening.

- ***Rates Remission extension for Metered Water Rates***

  Council currently provides a rates remission for water usage arising from a leak to voluntary residential metered water ratepayers only. It is proposed to extend the existing metered water rates remission to all non-residential metered water ratepayers, provided the property owner fixes the leak within a reasonable timeframe.

- ***Rates Remission for Natural Disasters and Emergencies***

  Council currently does not have a remission in place for natural disaster and emergency events. A rates remission will be proposed to provide relief to ratepayers where such an event affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, for example, the Priscilla Crescent landslip or buildings needing to be closed due to earthquake. The level of remission and criteria will be determined by Council depending on the nature and severity of individual events and available funding at the time.

- ***Rates Remission for new residential greenfield developments***

  The policy has been updated to include a short-term rates remission for new residential greenfield development of 30 or more allotments (or dwellings where it is proposed that the dwellings will be unit-titled) in the Lower Stebbings and Lincolnshire-Woodridge Special Housing Areas, as agreed in principle by Committee on 27 August 2014. The remission would result in between $80,000 - $120,000 of rates redistributed per annum.

- ***Amendment to Rates Penalty Remission***

  Council's existing rates penalty remission has been amended to enable a remission to be considered if it is the first time the penalty has been applied in a three year period, and payment of the total rates due is made within 14 days or an agreement has been made with Council on a reasonable timeframe for payment.

- ***Delegations***

  Decisions relating to the remission of rates are currently delegated to the Chief Executive, the Chief Financial Officer, and the Manager Financial Accounting. For administrative efficiency, officers are proposing that this be amended to provide the Rates Team Leader with the delegation to authorise or decline rate remissions based on existing policy parameters, up to the value of $500.00 per rating unit.

Investment and Liability Management Policies

20. The Council's existing Investment and Liability Management Policies have been reviewed and three minor changes are recommended to the Liability Management Policy. The key changes to the policy are summarised below:

- Fixed rate maturity profile. A change of the minimum cover of all 3 bands of the fixed rate maturity profile from 20% minimum to 15% minimum. This will increase the level of flexibility of maturity dates of hedging and fixed rate bonds across the 3 time band over the term of the debt. This reflects the different timeframe of each band being 3, 2 and 5 years.
- Liquidity. A change of liquidity ratio from '110% of projected peak borrowing levels over the following 12 months' to '115% of existing external debt level'. This change is proposed due to the current liquidity level relying on accurate forecasting of debt positions. With the historic level of capex carry forwards, compliance with this measure has resulted in an over provision of liquidity. The change of this measure will ensure a more appropriate level of liquidity is obtained, informed by current borrowing levels.
- Borrowing limits. Of the five prudential borrowing measures, a change to remove the net borrowing as a percentage of equity is proposed. This measure is not an accurate measure of prudential borrowing and is inconsistent with the Revenue and Financing Policy funding of assets. Auckland Council has also recently removed this measure from their LTP.

Attachments

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SUPPORTING INFORMATION

Consultation and Engagement

Subject to Council approval, the variances proposed and decisions made on this report will be consulted on with the community through the 2015-25 Long-term Plan consultation process.

Treaty of Waitangi considerations

Targeted consultation will be undertaken with Iwi as part of the 2015-25 Long-term Plan consultation process using existing relationship channels.

Financial implications

This report discusses the key financial and funding policy considerations for the 2015-25 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

This report meets all statutory requirements under the Local Government Act 2002, and is consistent with Council policy. Specific changes to Council policies recommended within the report will be consulted upon as part of the 2015-25 Long-term Plan consultation process.

Risks / legal

This 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 2015-25 Long-term Plan, and therefore funding implications as related to the strategy and policies.

Communications Plan

Communication will be through the 2015-25 Long-term Plan communication plan.

Draft Revenue and Financing Policy

Long-term Plan 2015-25

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Draft Revenue and Financing Policy

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Introduction

The Local Government Act 2002 (the Act) requires Councils to adopt a Revenue and Financing Policy that provides detail on the funding of operational and capital expenditure. This policy illustrates which parts of the community contribute to paying for Council's activities.

We have set out our policy under the following headings:

1. Policy statement on the funding of operating expenditure.
2. Policy statement on the funding of capital expenditure.
3. Setting the level of revenue from rates.
4. Council's application of the requirements of the Act.
5. The commercial and residential rating differential and the modifier.
6. Summary of operating revenue funding sources by activity.
7. Individual activity analysis by activity group.

1. Policy Statement on the funding of operational expenditure

Establishing the level of operating revenue required to fund operating expenditure

Operating expenditure pays for the Council's day-to-day operations and services, from collecting rubbish and providing street lighting to maintaining gardens and issuing building consents.

The Council will set its projected operating revenue at a level sufficient to meet the current year's projected operating expenditure, except where the Council resolves that it is financially prudent not to do so.

When setting projected operating revenue at a level that is different from the level of projected operating expenditure the Council will have regard to:

- The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the LTP, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- The funding and financial policies adopted under section 102 of the Local Government Act 2002.

In accordance with these principles, the Council has determined that the following items will not be funded:

Accounting for fair value changes. Under New Zealand International Financial Reporting Standards (NZIFRS), changes in the fair value of certain assets must be accounted for within the Statement of Financial Performance. In accordance with Section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.

Non-funding of depreciation on Council assets. The Council may elect not to fund all or part of the depreciation expenditure on specific assets in those circumstances where it is not financially prudent to do so. In accordance with section 100 of the Local Government Act 2002, the Council considers that it is not financially prudent to fund depreciation in the following circumstances:

- Where the original asset purchase was not funded by borrowings, or the original borrowings have been repaid, and
- Where, on an ongoing basis, the replacement of the asset at the end of its useful life will be funded by a third party, or
- Where the Council has elected not to replace the asset at the end of its useful life.
- Where a third party has a contractual obligation to either maintain the service potential of the asset throughout all or part of its useful life (or to replace the asset at the end of its useful life) and the Council already effectively funds this through operating grants/tariffs payable to the third party.

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Non-funding of depreciation on waterfront assets. The Council has transitioned the waterfront project 'in-house' during 2014/2015. This acquisition has necessitated a transition toward fully funding the depreciation of waterfront assets by 2024/25. This transition funding will link the cost of funding to the benefits received over time.

Options available for funding Council services

The Council uses the following mechanisms to fund operational expenditure requirements:

- **General rates**. General rates are used to fund public goods where it is not possible and/or practical to clearly identify customers or users. The general rate is also used to fund activities where, for reasons of fairness, equity and consideration of the wider community good it is considered that this is the most appropriate way in which to fund an activity.

- **Targeted rates**. This form of rate is used where an activity benefits an easily identifiable group of ratepayers (such as the commercial or residential sectors) and where it is appropriate that only this group be targeted to pay for some or all of a particular service. For example, sewage disposal, water supply and the downtown targeted rate.

- **Fees and charges**. User charges are direct charges to people and/or groups who use certain Council services such as swimming pools. In these instances, an identifiable benefit exists to clearly identifiable people and/or groups and they are required to pay for all or part of the cost of using that service. It is noted that since 2006 Councils have been required to inflation adjust all income and expenditure within their LTP. Where appropriate and with consideration to 'ability to pay' principals, user charges will be increased by the rate of inflation to achieve continued alignment with the proposed funding policy targets.

- **Grants and subsidies**. Grants and subsidies apply to some activities when income from external agencies is received to support that particular activity.

- **Borrowings**. In general Council does not fund operating expenditure by borrowing. The exception is to fund the impacts on ratepayer's intergenerational equity or to fund expenditure over the period which benefits are received, such as weathertightness payments. Any borrowings associated with these expenses will be repaid over time.

- **Other sources of funding**. The Council also funds operating expenditure from other sources, including income from interest and dividends from investments held by the Council, lease income and proceeds from asset sales. Other sources of funding include:

  Use of surpluses from previous financial periods.
  Where the Council has recorded an actual surplus in one financial period it may pass this benefit on to ratepayers in a subsequent financial period. A surplus arises from the recognition of additional income or through savings in expenditure. Council considers that passing this benefit on to ratepayers in future financial periods improves the principle of intergenerational equity, in that any financial benefit is passed on to those ratepayers who shared the rates-funding burden in the financial period that the surplus was generated.

  The amount of any surplus carried forward from previous financial periods will be accounted for as an operating deficit in the year the benefit is passed on to ratepayers. A surplus will be available for use in future financial periods if the actual surplus/ (deficit) is improved when compared to the budgeted surplus/ (deficit). In calculating the level of surplus to be carried forward, consideration will be given to the nature of the factors giving rise to the surplus (for example, whether they are cash or non-cash in nature). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward.

The Council will not carry forward surpluses in relation to:

- The sale of assets. Such surpluses shall be used for repayment of borrowings.
- Trust and bequest revenue. Such surpluses shall be applied in accordance with the terms on which they are provided.
- Revenue received for capital purposes. Such surpluses shall be retained to fund the associated capital expenditure.
- Unrealised gains arising from fair value adjustments to assets and liabilities. These gains are unrealised accounting adjustments in the period in which they are recognised.

Funding of expenditure from restricted or special funds.
Certain operating and capital expenditure may be funded from restricted or special funds. Restricted and Special Funds are those reserves within the Council's equity that are subject to special conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the courts or a third party.

Transfers may be made only for specified purposes or when specified conditions are met.

The following restricted and special funds are available for use by Council:

- *Self Insurance Reserve*. The Self Insurance Reserve is used to fund any damages or losses that would otherwise be covered by the Council's insurance policies except for the fact that the Council has elected to set an insurance excess at a level greater than the damage or loss suffered. Each financial period the Council will provide, through funding from rates and levies, an amount intended to reimburse estimated damages or losses not otherwise covered by the Council's insurance policies. Actual expenditure incurred as a result of damages or losses where no claim is made under the Council's insurance policies as a result of the level of excess set will be transferred from retained earnings to the Self Insurance Reserve at the end of the financial period.

- *Trusts and bequests*. The Council is the recipient/holder of a number of trusts and bequests. These funds can only be used for the express purposes for which they were provided to the Council. Each year, the Council may expend money, of an operating or capital nature, from its trusts and bequests in accordance with the specified conditions of those funds. For the avoidance of doubt, the Council does not fund the expenditure from its trusts and bequests from any of the sources of operating revenue.

- *NZTA funding*. Each year the Council receives funding from NZTA as part of the overall replacement and renewal programme for the City's roading infrastructure. The Council recognises the funding as income in accordance with GAAP. As the funding is received for capital purposes, it cannot be used to offset the rates requirement. Therefore the Council shall recognise a surplus equivalent to the amount of NZTA funding for capital purposes, to be applied against funding the depreciation expense that results on completion of the associated asset.

- *Development Contributions*. In accordance with the Council's Development Contributions Policy, development contributions are required to fund capital expenditure where development requires the construction of additional assets or increased capacity in network infrastructure, community infrastructure and reserves. Development Contributions will result in an operating surplus being generated for the year. This shall flow through to a Development Reserve within the Council's equity.

- *Other reserves and ring-fenced funds*. Restricted funds also include other reserves, reserve purchase and development reserve, any sub-division development reserve and ring-fenced cumulative surpluses/deficits from City Housing and Marina Operations activities. Subject to meeting any specified conditions associated with these reserves the Council may expend money, of an operating or capital nature, from these reserves.

- *Regional Amenities:* Local authorities in the Wellington region operate a Regional Amenities Fund. The Fund is as a resource for entities that provide regional benefits in the arts, culture and environmental attractions and events sectors. The fund is a partnership between Wellington City Council, Hutt City Council, Upper Hutt City Council, Masterton District Council and Kapiti District Council. The fund ensures that regionally significant entities can be developed or sustained. The source of funds for Wellington City Council's contributions will be drawn in line with the activity rationale outlined in this policy. For example, any contribution to Te Papa from the Council as part of the Regional Amenities Fund would be drawn from the sources outlined in section 4.1.7.

Having established its sources of operating revenue, the Council has determined that operational expenditure will be funded through the following mechanisms:

Operating expenditure Funding mechanism	Approximate proportion of funding for 2015/16
General Rate	**35%**
Targeted rates	
• Sewerage rate	9%
• Water rate	9%
• Stormwater rate	4%
• Base (residential)	2%
• Commercial sector	1%
• Downtown targeted rate	3%
• Business Improvement District and other minor rates	1%
Total targeted rates	**29%**
Total fees and charges	**22%**
Other sources	
• Ground and commercial lease	9%
• Dividends	3%
• Miscellaneous	2%
Total other income	**14%**

Note: Decisions on the use of other funding sources i.e. use of prior period surpluses, non-funded depreciation, special and other reserves are project-specific are made on an annual basis. In such circumstances, revenue from these sources reduces the level of funding provided through the General Rate.

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2. Policy Statement on the funding of capital expenditure

Capital expenditure represents expenditure on property, plant and equipment. Property, plant and equipment are tangible assets that are held by the Council for use in the provision of its goods and services (for example: bridges, libraries, swimming pools), for rental to others or for administrative purposes, and may include items held for the maintenance or repair of such assets.

Capital expenditure is funded from depreciation, development contributions, capital funding, and restricted funds or through new or extended borrowings as outlined below:

- If the capital expenditure relates to the replacement (renewal) of an existing asset, that expenditure will be funded by depreciation. Funding for depreciation comes from rates. Any surplus depreciation, after paying for the replacement of Council assets, will be used to repay borrowings.
- If the capital expenditure relates to the construction or purchase of a new asset or to the upgrade or increase in service potential of an existing asset, that expenditure will usually be funded from new or extended borrowings. Borrowing is the most cost-effective and equitable way to do this as it spreads the cost of the asset over all the generations who will benefit from it, making it affordable to ratepayers today.
- On projects where on the basis of financial prudence, the Council considers it appropriate to do so, it may impose a targeted rate to repay borrowings on an asset at a faster rate than over the full life of the asset.
- The Council will use capital funding from third parties to fund investment in new or upgraded assets (e.g. funding received from NZTA).
- The funding of capital expenditure from the sale of surplus assets is decided on a case-by-case basis. Funds received from the sale of surplus assets that are not applied to the funding of capital expenditure shall be used to repay borrowings.
- The funding of capital expenditure from restricted or special funds is decided on a case-by-case basis and is subject to the specified purposes and conditions governing the use of those restricted funds.
- If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period to enable the project to be completed.
- The Council has agreed that Development Contributions are to be used as the primary funding tool for capital expenditure resulting from population and employment growth for water, wastewater, stormwater, roads, and reserves. The Council will continue to collect residual RMA based Financial Contributions on developments consented prior to 2005/06. In some circumstances. Funds collected under either the Development Contributions Policy or the Financial Contributions Policy in the District Plan will result in a corresponding decrease in the amount to be funded from new borrowings.

Capital expenditure Funding mechanism	Approximate proportion of funding for 2015/16
Rates funded depreciation	51%

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NZTA transport subsidies	8%
External grants	22%
Development contributions	1%
Borrowings	27%

3. Setting the level of revenue from rates

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

- The projected operating revenue from those sources of other revenue identified above.
- The level of operating surpluses carried forward from previous financial periods and agreed to by Council.
- The level of revenue received for capital purposes is (including development contributions) recognised as income for accounting purposes but required to be made available for the funding of capital expenditure.
- An amount equal to the level of depreciation expenditure on Council assets where the Council considers that it is not financially prudent to pass the funding requirement on to ratepayers.
- An amount equal to the level of reimbursement of the Council's self insurance reserve.
- An amount equal to the projected level of repayment of borrowings which funded operational expenditure e.g. the settlement of liabilities for weathertightness payments.
- Any other amount that the Council considers not financially prudent to pass (the funding requirement) on to ratepayers.

4. The Council's application of the requirements of the Act

This section shows how the operating expenditure associated with each of the Council's activities are funded through applying the requirements of section 101 (3) of the Local Government Act 2002. Our activity analysis is organised under the following headings:

- **Community outcome**. The Council has four community outcomes:
  - Connected city
  - Dynamic central city
  - People centred city
  - Eco City

  We make reference to the community outcome to which each activity relates in our analysis.
- **Activity Area.** The Council's activity areas consolidated into seven strategic areas in which we provide a service to the community. These are:
  - Governance
  - Environment
  - Economic development
  - Cultural wellbeing
  - Social and recreation
  - Urban development
  - Transport.

- **Activity Group.** The Council's activities are those areas in which we provide a service to the community. Our activity analysis starts with a statement of what activity we are assessing, and a brief description of the service provided by the Council.

- **Activity**. A summary of all operating projects that the Council delivers within a particular activity. Any one activity may have more than one operating project which, when combined, provides the total level of service provided by the Council.

- **Who Benefits?** This analysis looks at the benefits that flow from the activity to individuals, identifiable parts of the community and the community as a whole. The Council acknowledges that this analysis is in part subjective, and that it has used some basic principles to assist in its decision making.

  - When discussing benefits to the whole community, we are referring to all members, ratepayers and the general public of the city. Benefits to the whole community accrue when individual users cannot be easily identified or cannot be easily excluded from entry (such as the use of the Town Belt and other open spaces), or where the community in general derives benefit from our activities (such as the provision of citizen information and advice). While it is not possible to charge for some activities, it is also not appropriate to charge for certain activities that benefit the community as a whole. In instances such as these, it is considered appropriate that funding is predominantly provided through the general rate.

  - Where individuals or an identifiable part of the community can be identified, it is then possible to consider the use of targeted rates or user charges. Obvious examples of this include services such as pools and recreation centres, but also include activities such as our building consent and licensing services and many of our waste management services. In these instances, it is possible to exclude users who do not wish to use and pay for an activity. Those users who choose to pay accrue a particular level of service over and above that available to the community as a whole.

- **Who should pay?** This section of our analysis looks at a variety of factors that may influence our decision-making when establishing a final decision as to who should pay for an activity. Through this analysis it is possible for the nominal funding split derived under the Who Benefits? analysis to be 'modified' based on a consideration of factors including:

  - The period of benefit provided by each activity. For instance, investment in the city's roading and stormwater infrastructure provides a long-term and ongoing benefit to the city, whereas a one-off grant for a particular activity will typically be short-term and temporary in nature.

  - Whether or not there is an identifiable exacerbator who should pay ('polluter pays' principle).

  - The costs and benefits of distinct funding. This includes an assessment of how we fund each individual activity taking into account issues such as transparency and accountability, and the impacts of a chosen funding mechanism. For instance, where a service is deemed to be essential or very important in terms of contributing to the general health and wellbeing of the community, consideration will be given to ensuring that people are not excluded from access to the service because they cannot afford to pay.

  - The overall impact of the funding of the activity on the current and future social, economic, environmental and cultural well-being of the community.

While each of these areas were considered when assessing who should pay, not all were relevant to each activity, while some had more weight than others in relation to a certain activity.

- **Our funding targets**. This provides the final analysis of how we will fund our activities after consideration of the issues outlined under "Who should pay?"

5. The general rates differential

The general rate is split between the base differential rate, which applies to residential ratepayers, community organisations and rural land, and the commercial, industrial and business differential rate.

Historically, the Council has applied a modifier to alter the rates differential (the rates split) that decides the share of general rate paid by residents (base differential) and by businesses (commercial, industrial and business differential). In setting the level of the differential, the Council has considered the requirements of the Local Government Act and number of factors including:

- The benefits each sector derives
- The ability of ratepayers within each sector to pay
- The historic relationship between various groups of ratepayers and the existing level of the differential
- Ensuring any change to the differential, or rate of any change, does not impact unreasonably on any particular group of ratepayers
- To determine equity and fairness, the entire rating system for Wellington City must be considered and it is not appropriate to focus on the differential only
- The impact on the Social, Cultural, Economic and Environmental well-being of the community.

In 2015/16 the Council proposes no change in the rates differential. This means that a commercial sector ratepayer will contribute 2.8 times more to the general rate than residential ratepayer for each dollar of rateable property capital value.

6. Summary of operating expenditure funding by activity

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Governance	Governance, information and engagement	1.1.1	City governance and engagement	0%	0%	100%	100%	0%	0%	0%
		1.1.2	Civic information	5%	0%	95%	95%	0%	0%	0%
		1.1.3	City Archives	10%	0%	90%	90%	0%	0%	0%
	Maori and Mana Whenua partnerships	1.2.1	Maori and Mana Whenua partnerships	0%	0%	100%	100%	0%	0%	0%
Environment	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	5%	0%	95%	95%	0%	0%	0%
		2.1.2	Botanical gardens	10%	0%	90%	90%	0%	0%	0%
		2.1.3	Beaches and coast operations	0%	5%	95%	95%	0%	0%	0%
		2.1.4	Roads open spaces	0%	5%	95%	95%	0%	0%	0%
		2.1.5	Town belts	0%	5%	95%	95%	0%	0%	0%
		2.1.6	Community environmental initiatives	0%	0%	100%	100%	0%	0%	0%
		2.1.7	Walkways	0%	0%	100%	100%	0%	0%	0%
		2.1.8	Biodiversity (pest management)	0%	0%	100%	100%	0%	0%	0%
		2.1.9	Waterfront Public Space	5%	15%	80%	80%	0%	0%	0%
	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2	Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%
		2.2.3	Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	0%
	Water	2.3.1	Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2	Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
	Wastewater	2.4.1	Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%
		2.4.2	Sewage treatment	5%	0%	95%	0%	60%	35%	0%
	Stormwater	2.5.1	Stormwater management	0%	0%	100%	0%	77.5%	22.5%	0.0%
	Conservation attractions	2.6.1	Conservation Visitor Attractions	0%	0%	100%	100%	0.0%	0.0%	0.0%
Economic Development	City promotions and business support	3.1.1	Wellington Regional Economic Development Agency (WREDA) and Venues	0%	0%	100%	20%	0%	30%	50%
		3.1.2	Wellington Convention Centre	0%	0%	100%	60%	0%	0%	40%
		3.1.3	Retail support (free weekend parking)	0%	0%	100%	0%	0%	0%	100%
		3.1.4	Wellington Economic Initiatives Development Fund (WEID) and Economic Grants	0%	0%	100%	100%	0%	0%	0%
		3.1.5	Major Projects	0%	0%	100%	100%	0%	0%	0%
		3.1.6	International relations	0%	0%	100%	100%	0%	0%	0%
		3.1.7	Business Improvement Districts	0%	0%	100%	0%	0%	100%	0%
Cultural Wellbeing	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3	Arts and cultural festivals	0%	15%	85%	85%	0%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6	Arts partnerships	0%	25%	75%	75%	0%	0%	0%
		4.1.7	Regional amenities	0%	0%	100%	100%	0%	0%	0%
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	38%	0%	62%	62%	0%	0%	0%
		5.1.2	Sportsfields	10%	0%	90%	90%	0%	0%	0%
		5.1.3	Sportsfields (Synthetic)	40%	0%	60%	60%	0%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7	Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	40%	0%	60%	60%	0%	0%	0%
		5.1.9	Recreation programmes	5%	0%	95%	95%	0%	0%	0%
	Community support	5.2.1	Libraries	10%	0%	90%	90%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
	Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%
		5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.3.3	Public health regulations	60%	0%	40%	40%	0%	0%	0%
		5.3.4	City safety	0%	0%	100%	100%	0%	0%	0%
		5.3.5	WREMO	5%	0%	95%	95%	0%	0%	0%
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	50%	0%	50%	50%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
		6.2.4	Regulator - Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%
Transport	Transport	7.1.1	Transport planning	0%	15%	85%	85%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	0%	100%	100%	0%	0%	0%
		7.1.4	Passenger transport network	0%	65%	35%	35%	0%	0%	0%
		7.1.5	Pedestrian network	0%	0%	100%	100%	0%	0%	0%
		7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7	Road safety	0%	30%	70%	70%	0%	0%	0%
	Parking	7.2.1	Parking	100%	0%	0%	0%	0%	0%	0%

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Governance

Delivering confidence in civic decision-making

One of our key responsibilities is to ensure that decisions about the city are made in ways that are democratic and inclusive. This means making sure residents are kept informed about what we're doing, are able to have their say, and feel confident that their views and votes count.

Operating activities

The funding sources for this area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Governance	Governance, information and engagement	1.1.1	City governance and engagement	0%	0%	100%	100%	0%	0%	0%
		1.1.2	Civic information	5%	0%	95%	95%	0%	0%	0%
		1.1.3	City Archives	10%	0%	90%	90%	0%	0%	0%
	Maori and Mana Whenua partnerships	1.2.1	Maori and Mana Whenua partnerships	0%	0%	100%	100%	0%	0%	0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Governance capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Governance – activity commentary

1.1 Governance, Information and Engagement

ACTIVITY 1.1.1: CITY GOVERNANCE AND ENGAGEMENT

This covers our decision-making and accountability processes. It includes managing the local elections every three years, and holding meetings of the Council and its committees. It also includes developing plans and strategies to promote the city's well-being, such as the Annual Plan and Long-term Plan.

Community outcome
This activity contributes to the following community outcome:

- *People-centred city* **–** it enhances trust and confidence in civic decision-making and encourage the community to participate in city governance.

Who Benefits?
Whole community *100%*

The whole community benefits from this activity. Policy formulation, consultation and planning are essential Council services. They enable elected members to set policies and manage resources to benefit the whole community. Along with elections, they also allow people to influence the Council. These decision-making and accountability processes enhance residents' well-being by improving the quality of

Council decisions and by giving them a sense of empowerment arising from the fact they can have their voices heard.

Who should pay?
Whole community *100%*

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

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Me Heke Ki Pōneke

ACTIVITY 1.1.2: CIVIC INFORMATION

This activity provides for the community to easily access Council information and services such as the Council's 24 hour call centre, the city's service centres, and maintenance of the property system. It also includes the cost of the contract for valuation services.

Community outcome
This activity contributes to the following community outcome:

- *People-centred city* - providing information about the city and its services allows people to use the city's facilities and provides access to information.

Who Benefits?

Whole community	*50%*
Individuals	*50%*

The whole community benefits from this activity. Providing information and services to the community and having points of contact where residents can contact us are essential Council services. They enable Council to rapidly respond to information received from the public regarding service problems and other customer feedback.

Individuals may also benefit from access to Council information like valuation and property systems. But these remain core components of the Council's ratings systems and are utilised by the Greater Wellington Regional Council.

Who should pay?

Individual	*5%*
Identifiable part of the community	*5%*
Whole community	*90%*

The Council receives revenue from the Greater Wellington Regional Council for access to our property and valuation databases. This data sharing arrangement provides cost savings for both organisations.

Although individuals receive significant benefits from this activity and it would be possible to increase user fees, the Council believes the benefit to the community as a whole out-weighs this. For the city to run efficiently it is important there is a constant two-way flow of information and the Council does not wish to limit this with the introduction of further charges. It is therefore appropriate that this activity is mostly funded by the general rate.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
TOTAL	100%

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ACTIVITY 1.1.3: CITY ARCHIVES

This activity covers the operations of and community access to the City Archives.

Community outcome
This activity contributes to the following community outcome:

- *People-centred city* – the City Archives is a guardian of Wellington's memory. It preserves and makes available a huge range of primary information about the city's history. This is valuable for historians, genealogists, students and other members of the public. It is also valuable for businesses and property owners.

Who Benefits?

Whole community	*50%*
Individuals	*50%*

The whole community benefits from this activity. Maintaining the City Archives collection for posterity and ensuring that it can be easily accessed is an important community service. The City Archives contribute to our understanding of the past and to forging a strong local community – it contributes to our sense of place.

Individuals who choose to use the City Archives can be seen to benefit directly from their access to the collection. The collection is used for private study and for research. Staff provide assistance with searches and with photocopying and with copying of archived photographs.

Who should pay?

Individual	*10%*
Whole community	*90%*

Although the individuals that access the collection receive benefits from this activity, the Council believes that preserving aspects of the city's past are of significant benefit to the community as a whole.

Nevertheless it is considered appropriate that individual users should bear a small cost for any staff research and associated copying costs that they may generate.

The user charges for these services are broadly in line with those charged by the Alexander Turnbull Library and Archives New Zealand.

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

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1.2 Maori and Mana Whenua Partnerships

ACTIVITY 1.2.1: MAORI AND MANA WHENUA PARTNERSHIPS

The Council recognises and acts on its obligations under the Treaty of Waitangi and its specific responsibilities under the local government act. We foster partnerships with Mana Whenua (local Iwi) and consultation relationships with the wider Maori community. The relationship between the Council and Mana Whenua is supported by a dedicated directorate which provides us with advice and administrative support on Treaty-based relationships.

Community outcome
This activity contributes to the following community outcome:

- *People-centred City* - this activity promotes inclusiveness**,** celebrates social and cultural diversity and enable us to respond to the needs and aspirations of Māori. Our work aims to enhance the visibility of Māori culture and history in the city by telling the story of Wellington's Māori.

Who Benefits?

Whole community	*50%*
Individuals	*50%*

The benefits of this activity are equally spread between the whole community and the Council's Mana Whenua partners. Mana Whenua partners benefit by having a direct input into Council decisions and therefore the future direction of the city. The community benefits because the partnership leads to better understanding and cooperation between local Maori and the wider community. These benefits contribute to the general cultural, economic, social and environmental wellbeing of the city.

Who should pay?

Whole community	*100%*

Though the benefits of this activity accrue to both Maori and the whole community, the Council believes it is appropriately funded from general rates. There reasons for this are that since this activity is about meeting treaty obligations, it is appropriate for this activity to be funded from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

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Environment

Protecting and enhancing our natural environment

Under this area of activity we seek to protect and enhance our natural environment. Wellington is a city shaped by nature. From bush-clad hills to sparkling harbour to rugged coastline, the city's unique character derives from the land. As the city grows, the challenge is to preserve this natural beauty and drama. Part of protecting the environment is looking after the city's water supply, rubbish and recycling operations, and sewage and stormwater networks. This is by far our biggest area of operation.

Operating activities

The funding sources for this area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Environment	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	5%	0%	95%	95%	0%	0%	0%
		2.1.2	Botanical gardens	10%	0%	90%	90%	0%	0%	0%
		2.1.3	Beaches and coast operations	0%	5%	95%	95%	0%	0%	0%
		2.1.4	Roads open spaces	0%	5%	95%	95%	0%	0%	0%
		2.1.5	Town belts	0%	5%	95%	95%	0%	0%	0%
		2.1.6	Community environmental initiatives	0%	0%	100%	100%	0%	0%	0%
		2.1.7	Walkways	0%	0%	100%	100%	0%	0%	0%
		2.1.8	Biodiversity (pest management)	0%	0%	100%	100%	0%	0%	0%
		2.1.9	Waterfront Public Space	5%	15%	80%	80%	0%	0%	0%
	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2	Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%
		2.2.3	Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	0%
	Water	2.3.1	Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2	Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
	Wastewater	2.4.1	Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%
		2.4.2	Sewage treatment	5%	0%	95%	0%	60%	35%	0%
	Stormwater	2.5.1	Stormwater management	0%	0%	100%	0%	77.5%	22.5%	0.0%
	Conservation attractions	2.6.1	Conservation Visitor Attractions	0%	0%	100%	100%	0.0%	0.0%	0.0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Environmental capital expenditure projects are funded through a combination of rates funded depreciation, and borrowings.

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Environment – activity commentary

2.1 Gardens, Beaches and Green Open Spaces

ACTIVITY 2.1.1: LOCAL PARKS AND OPEN SPACES

The Council owns and looks after the city's parks and reserves, horticultural plantings and street trees. We aim to provide a high-amenity, safe open space environment that gives people a wide range of recreation opportunities. Our work includes the upkeep of grass areas, sports pavilions and other buildings on reserve land. (For information on sports fields, see activities 5.1.2 and 5.1.3).

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–** local parks and open spaces enhance Wellington's unique 'sense of place', making it a great place to live, work and play.
- *Connected City* - accessible and high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *Eco-city* - high quality natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions.

Who Benefits?

Whole community	*90%*
Identifiable part of the community	*10%*

The city's parks and reserves benefit the whole community. They give all residents and visitors access to high-quality open spaces for a wide range of recreation activities, such as walking or mountain biking. This encourages healthy lifestyles. They also make the city's environment greener and more pleasant for all residents, and provide focal points for communities. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

While those who choose to use the city's open spaces receive a direct benefit, they cannot be readily identified or excluded from these areas. From time to time our park pavilions are leased to sports and community groups who benefit from their exclusive use.

The provision of parks and reserves brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?

Whole community	*95%*
Identifiable part of the community	*5%*

Since the community as a whole is the main beneficiary from this activity, it should bear most of the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of parks and reserves and the opportunity for residents to use them for recreational activities.

The exception is the lease of park pavilions to sports and community groups. In these situations, the group concerned receives an exclusive benefit and therefore should bear a share of the cost. While our analysis suggests these groups receive 10 percent of the benefit, we have decided they should bear only 5 percent of the cost. This is because the Council wants to ensure that the pavilions are not priced out of reach of these groups. We want to see high levels of participation in recreation activities and encourage people to use the city's open spaces, and we believe raising user charges on the parks and pavilions could work against that outcome.

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 2.1.2: BOTANICAL GARDENS

Wellington has four botanic gardens: Wellington Botanic Garden, Otari-Wilton's Bush, Bolton Street Memorial Park and Truby King Park (in Melrose). The Council maintains these gardens with the help from community groups and trusts which help provide voluntary guides, fund new development and carry out practical work such as planting.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* **–** Botanical Gardens enhance Wellington's unique 'sense of place'
- *Connected City* **–** the botanical gardens encourage people to gather together, share activities and connect with each other.
- *Eco-city* - the botanical gardens enhance our biodiversity and contribute to off-setting our carbon emissions.
- *Dynamic Central City* – the Botanic Garden is accessible within minutes from the central business district, is important for residents' quality of life, and attracts visitors.

Who Benefits?

Whole community	*90%*
Individuals	*10%*

The city's four botanic gardens benefit the whole community. They are of international quality, providing residents and visitors with access to open spaces for recreation and relaxation, as well as opportunities to learn. They play a valuable conservation role, preserving native and exotic plants. By attracting visitors to Wellington they help its economy, and by making the city's environment more pleasant for all residents they improve quality of life and adds to people's sense of pride in the city.

While those who choose to use the gardens receive the most direct benefit, in most instances these people cannot be identified and nor can they be excluded from these areas.

The gardens do provide a few services which exclusively benefit individual people or organisations. These include:

- the shop and cafe at the Begonia House in the Botanic Garden
- function rooms at Begonia House, Tree House and Otari-Wilton's Bush
- sale of plants at the Otari-Wilton's Bush annual open day
- lease of a house at Truby King Park to the Biology Institute
- provision of memorial seats in the Botanic Gardens

The gardens also provide educational seminars and programmes which have some private benefit. However, as these programmes help people learn about the environment, the Council believes the principal benefit is to the community as a whole.

The provision of the botanic gardens brings long-term benefits to the city, which is reflected in the Council's commitment to fund them on an ongoing basis.

Who should pay?

Whole community	*90%*
Individuals	*10%*

Since the principal benefits of the city's botanic gardens are to the community as a whole, it is appropriate for general ratepayers to bear the majority of costs. The Council views the gardens as public amenities and is committed to maintaining free public access.

These costs are offset by some income-generating activities (as above). These are generally commercial activities; the beneficiaries include souvenir hunters and groups renting function rooms. It is appropriate that these activities are carried out on a user-pays basis.

Our funding targets: operating expenses	
User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

ACTIVITY 2.1.3: BEACHES AND COAST OPERATIONS

A well maintained coast, with strong natural values and secure structures, is important for public safety and enjoyment. The Council is responsible for the upkeep of many of the city's wharves, breakwaters, jetties and public boat ramps, as well as the Carter Fountain in Oriental Bay.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–** Wellington's beaches and coastal areas provide high quality natural environments for leisure and recreation.

Who Benefits?

Whole community	*100%*

Wellington's coastline is a distinct part of the city's identity. By ensuring people have safe access to the coast, the Council is increasing the range of recreation opportunities available to people and encouraging healthy lifestyles, as well as protecting public safety. By beautifying the coast and protecting it from erosion, the Council is enhancing the city's environment, improving quality of life and adding to people's sense of the city as an attractive place to live.

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While those who use the city's wharves, jetties and breakwaters receive a direct benefit, in most instances these people cannot be identified. Nor can they be excluded from using the coast. The one exception is boat ramps, which directly benefits an identifiable part of the community: recreational boat users. However, the Council regards these facilities as part of its provision of safe, secure access to the coast and encouraging outdoor recreation.

The Council's work on the city's beaches and coastline brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?
Whole community *100%*
Since the whole community benefits from this activity, it is appropriately funded through general rates.

This activity also derives modest rents from club houses on or adjacent to beaches and that revenue is reflected here.

Our funding targets: operating expenses	
User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 2.1.4: ROADS OPEN SPACES

Roads that are clean and have clear edges help make the city attractive and safe. We look after the city's roadside plants – removing or pruning overgrown ones, planting new ones, spraying weeds and supplying free plants to residents for them to plant on road reserves. We also clean city and residential streets, empty rubbish bins in the central city and remove spills and litter.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* –management of roadside vegetation ensures hazards are removed - for example, impairing motorists' line of sight, contributing to bank erosion or blocking natural run-off channels.

Who Benefits?
Whole community *100%*

This work benefits anyone who lives in or moves around the city by ensuring footpaths and roadside verges and open spaces are safe, attractive and free of litter. This work has benefits for the city's environment and for residents' safety, health and enjoyment of their surroundings.

Who should pay?
Whole community *95%*
Identifiable part of the community *5%*

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A small part of our roads open spaces costs are covered by a subsidy from the Government roading funding agency New Zealand Transport Agency (NZTA), which passes on funding from the fuel taxes it gathers. Of the remaining costs, as the community as a whole benefits, the fairest and most efficient way to fund this is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets: operating expenses	
User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 2.1.5.: TOWN BELTS

Wellington's Town Belt, Outer Green Belt and reserves offer fantastic recreation venues for the public, but they need a lot of care. The Council manages the Town Belt, the Outer Green Belt and other reserves to ensure they are maintained to high standards. This includes custodial duties, operational planning and implementation, education programmes and upgrade projects.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–**. A high quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible opportunities for leisure and recreation.
- *Eco-city* - the Town Belt enhances our biodiversity and contributes to off-setting our carbon emissions.

Who Benefits?
Whole community *100%*

The Town Belt and Outer Green Belt benefit the whole community. They give all residents and visitors access to high-quality open spaces for recreation activities, encouraging healthy lifestyles. They also make the city's environment greener and more pleasant for all residents, and provide focal points for communities. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

While those who choose to use the Town Belt and Outer Green Belt receive a direct benefit, in most instances these people cannot be practically identified and nor can they be excluded from these areas.

The provision of the Town Belt and Outer Green Belt brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?
Whole community *100%*

Since the community as a whole benefits from the provision of the Town Belt and Outer Green Belt, it should bear the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of these open space areas and the opportunity for residents to use them for recreational activities.

Through this activity we receive modest revenue from the rental we charge for use of facilities such as Scout Clubs that are housed on Town Belt land.

Our funding targets: operating expenses	
User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 2.1.6: COMMUNITY ENVIRONMENTAL INITIATIVES

This activity covers initiatives that directly support the community's engagement in advancing environmental well-being. The Council provides grants for projects that promote environmental sustainability or greater understanding of environmental issues. It also covers environmental education initiatives and our community greening programmes.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–** community environmental initiatives improve the quality of our natural environment, making the city a better place to live, work and play.
- *Connected City* – by supporting community environmental initiatives we support bringing people together and encouraging community spirit.
- *Eco-city* – community environmental initiatives raise awareness of environmental issues and improves environmental outcomes.

Who Benefits?
Whole community *100%*

This activity benefits the community as a whole. While individuals or groups can apply for the grants, the work they fund helps enhance the environment and provides educational benefits for all city residents.

The activity has long-term benefits, as the projects it funds are aimed at ensuring future generations can enjoy a cleaner and more pleasant environment.

This work contributes directly to the Council's long term goal of pursuing a collaborative, participatory approach towards environmental kaitiakitanga (guardianship), by sharing information within the community and establishing partnerships to achieve environmental goals.

Who should pay?
Whole community *100%*

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Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 2.1.7: WALKWAYS

The Council encourages public use of the Town Belt and reserves, and recognises that tracks are important for people's access to and enjoyment of the city's bush and open spaces. We currently maintain over 100km of track.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–** walkways allow residents to explore Wellington's beautiful natural environment improving the quality of life of the city's residents
- *Connected City* **–** walkways provide attractive, safe and accessible opportunities for leisure and recreation, connecting people with each other and the environment.

Who Benefits?
Whole community *100%*

The whole community benefits from the Council's provision of walkways. The walkways give all residents and visitors access to the Town Belt and reserves, encouraging them to enjoy the city's bush and lead healthy lifestyles.

While those who choose to use the walkways receive a direct benefit, in most instances these people cannot be practically identified and nor can they be excluded from these areas.

The provision of walkways brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?
Whole community *100%*

Since the community as a whole benefits from the provision of the walkways, it should bear the costs through general rates. These costs reflect the enhanced social and environmental well-being through the existence of the walkways and the opportunity for residents to use them.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%

TOTAL	100%

ACTIVITY 2.1.8: BIODIVERSITY (PEST MANAGEMENT)

The Council runs programmes to control animal pests and weeds on the 3,000 plus hectares of open space land we own and manage.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–** protecting biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *Eco-city* – pest management is important for biodiversity and protects native fauna and flora.

Who Benefits?
Whole community *100%*

This activity benefits the whole community by helping ensure the city's open space land is safe and pleasant to use. While there are direct benefits to those who choose to use the city's open spaces, these people cannot easily be identified or excluded from using those areas. There may also be benefits to certain communities within the city – for example, from a programme to eradicate possums from a particular suburb – but, in general, the benefits of this activity are to the community as a whole.

This activity has long-term benefits. For example, eliminating a pest from an area means future generations are less likely to have to deal with the problems that pests cause. The work aids the health of the environment by protecting and restoring land- and water-based ecosystems to sustain their natural processes, and to provide habitats for a range of indigenous and non-indigenous plants and animals.

The long-term nature of these benefits is reflected in the Council's decision to fund this activity on an ongoing basis.

Who should pay?
Whole community *100%*

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

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 2.1.9: WATERFRONT PUBLIC SPACE

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This activity relates to the management and maintenance of the public space on the Wellington Waterfront, and includes the operation and maintenance of a wide range of assets which includes Wharves, Seawalls, Bridges, Parks, Promenades, laneways and lighting.

Community outcome
This activity contributes towards the following outcomes:

- *Dynamic Central City* – the waterfront is readily accessible and is a very important area of the central city. An attractive, clean and safe waterfront will undoubtedly contribute to a dynamic centre, is important for resident's quality of life and attracts visitors to Wellington.
- *People Centred City* – a clean inner harbour and waterfront area enhance Wellington's unique 'sense of place', making it a great place to live.

Who Benefits?

Whole community	*80%*
Individuals/users	*20%*

The city's waterfront area benefits the whole community. Access to the waterfront and the open spaces near the harbour is generally unrestricted and available to all – residents and visitors alike. A clean and vibrant waterfront area encourages healthy lifestyles and makes the city's environment more pleasant for all residents. This not only improves quality of life but also adds to people's sense of pride in the city and makes it an attractive place to live and visit.

An activity that occurs on the waterfront that provides direct identifiable is the underground market. This activity does provide a private benefit and the user is charged directly.

The provision of public spaces on the waterfront brings long-term benefits to the city, which is reflected in the Council's commitment to fund this activity on an ongoing basis.

Who should pay?

Whole community	*80%*
Individuals	*20%*

With the exception of the provision of market stalls, the community as a whole is the main beneficiary from this activity, it is appropriate for general ratepayers to bear the majority of the costs.

Our funding targets: operating expenses	
User charges	5%
Other revenue	15%
Targeted rate	0%
General rate	80%
TOTAL	100%

2.2 Waste Reduction and Energy Conservation

ACTIVITY 2.2.1: WASTE MINIMISATION, DISPOSAL AND RECYCLING MANAGEMENT

The Council operates the Southern Landfill. As well as the day-to-day management of the landfills, we are involved in landscaping, erosion control, resource consent compliance and water quality monitoring. The Council also collects refuse and household hazardous waste which is sent for safe disposal. This ensures hazardous wastes such as oils and solvents do not contaminate the landfills.

We encourage recycling by providing most residents with recycling bins and bags for weekly kerbside collection

Community outcome
This activity contributes towards the following outcomes:

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

Who Benefits?

User	*90%*
Whole community	*10%*

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

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

In 2003 the Council adopted the Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill's life.

Also the direct beneficiaries of this work are the householders who have recyclable goods collected or who use our recycling stations. These people are able to dispose of their recyclable and reusable waste in a safe, efficient and environmentally-friendly manner.

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

Who should pay?

User	*100%*

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

The Council has adopted a Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill's life.

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The Council also receives a small amount of income from the sale of recycling bins.

Our funding targets: operating expenses	
User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
TOTAL	100%

ACTIVITY 2.2.2: CLOSED LANDFILLS AFTERCARE

We provide aftercare of our closed land fill sites.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* **–** the majority of closed landfills are green open spaces enjoyed by local communities for leisure and recreation. Looking after these sites provides a valuable community asset for community enjoyment.

Who Benefits?
Whole community *100%*

This activity benefits the whole community. Without the safe management of the closed landfills, it would potentially pose a major hazard to public health and harm the city's environment.

The whole community receives the environmental benefits from having close and safe management of the cities closed landfills

Who should pay?

Whole community *100%*

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 2.2.3: ENERGY EFFICIENCY AND CONSERVATION

One of the Council's long term aims is for it and Wellington to be more sustainable. This means that Wellington will reduce its environmental impact by making efficient use of energy, water, land and other resources; shifting towards renewable energy resources; conserving resources; and minimising waste.

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Our immediate focus is on developing an energy management plan for the Council itself. This work will be supported by promotion of energy efficiency.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* - developing funding partnerships with key stakeholders to insulate Wellington homes improves the health and the quality of life of Wellington residents.
- *Eco-city* - a focus on energy efficiency for the city's households and business will reduce costs and reduce its greenhouse gas emissions. Developing partnerships and encouraging policies for continued development of renewable energy in the city will be crucial for the Council's Eco-City aspirations.
- *Dynamic Centre City* - facilitating construction of Greenstar rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses as well as the uptake of emerging "green" technologies will allow Wellington to showcase its Eco City credentials.

Who Benefits?
Whole community *100%*

The whole community benefits from the Council's commitment to and promotion of sustainability. By definition the work is of benefit to current and future generations. By reducing environmental impacts and making more efficient use of existing resources more opportunities will be open to the whole community in the future.

It should also be noted that it is expected that the costs of this project will be met by savings over time.

Who should pay?
Whole community *100%*

Since the community as a whole benefits from this activity, it is considered appropriate that it be funded from the general rate.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

2.3 Water

ACTIVITY 2.3.1: WATER NETWORK

The Council owns a water network of over 80 reservoirs, 30 pumping stations, more than 7,000 hydrants and about 900 odd kilometres of underground pipes. We maintain this network to ensure Wellingtonians have high-quality drinking water available at all times. Our work includes monitoring water quality to ensure it meets the required standards, and cleaning reservoirs and pipes.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* - a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

Who Benefits??

Identifiable parts of the community	*75%*
Whole community	*25%*

Water supply is a fundamental Council service. Residents need clean drinking water, as well as water for washing. Water is also vital for industry and commerce. The benefits to commercial users are entirely private and exclusive. The benefits to individual people are mainly private, but there are also significant benefits to the community as a whole in terms of public health and safety, and economic well-being.

Who should pay?

Identifiable parts of the community:	
Base (residential) sector	*60%*
Commercial sector	*40%*

While it is recognised that there is a whole community benefit from the provision of the water supply activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply.

The division of costs between the two sectors is based on a water consumption split, modified on the basis of the additional maintenance and service response required in the commercial sector, to a 60% residential 40% commercial split.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed amount, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

The 40% of costs funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge per cubic metre of water consumed. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Residential 60% Commercial 40%)	100%
General rate	0%
TOTAL	100%

ACTIVITY 2.3.2: WATER COLLECTION AND TREATMENT

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We buy water for the city in bulk from the Greater Wellington Regional Council. The regional council treats the water at four sites in the Hutt Valley – Te Marua, Waterloo, Gear Island and Wainuiomata – to ensure it meets New Zealand drinking water standards. We pay based on how much water the city uses. Some of our costs are recovered from customers with water meters, while the rest is covered by water rates. Responsibility for water supply is vested in the Council under the Local Government Act.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred city* **-** a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* - a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

Who Benefits?

Identifiable parts of the community	*75%*
Whole community	*25%*

Water supply is a fundamental Council service. Residents need clean drinking water, as well as water for washing. Water is also vital for industry and commerce. Though water supply is essential in a modern city, the benefits are largely private.

There is also some benefit to the community as a whole from the Council's provision of clean, drinkable water. This includes public health benefits, provision of water for fire-fighting, and the benefits of a reliable water supply for the economy.

Who should pay?

Identifiable parts of the community:	
Base (residential) sector	*60%*
Commercial sector	*40%*

While it is recognised that there is a whole community benefit from the provision of the water supply activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties connected to the public water supply.

The division of costs between the two sectors is based on a water consumption split, modified on the basis of the additional maintenance and service response required in the commercial sector, to a 60% residential 40% commercial split.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed charge, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

The 40% of costs for activities funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge of per cubic metre of water consumed and an administration fee. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value.

Our funding targets: operating expenses	
User charges	0%

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Other revenue	0%
Targeted rate (Residential 60% Commercial 40%)	100%
General rate	0%
TOTAL	100%

2.4 Wastewater

ACTIVITY 2.4.1: SEWAGE COLLECTION AND DISPOSAL NETWORK

The Council is responsible for more than 1,000 kilometres of sewer pipes and tunnels, of which almost half are over 50 years old. The sewage network also includes 62 pumping stations which need regular maintenance and ultimately replacement once they have come to the end of their economic life.

Community outcome
This activity contributes towards the following outcomes:

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

Who Benefits?

Identifiable parts of the community	*80%*
Whole community	*20%*

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

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

Who should pay?

Identifiable parts of the community:	
Base (residential) sector	*60%*
Commercial sector	*35%*
User charges	*5%*

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

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and

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maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.

The 60% residential share is collected through a targeted rate. This rate incorporates a fixed charge, with the balance of the sector share funded through a rate per dollar of capital value.

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value (35%) and trade waste charges (5%).

Our funding targets

User charges	5%
Other revenue	0%
Targeted rate (Residential 60% Commercial 35%)	95%
General rate	0%
TOTAL	100%

ACTIVITY 2.4.2: SEWAGE TREATMENT

Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste treatment plants at Moa Point and Karori are financed by the Council and operated by United Water International. Sewage from Wellington's northern suburbs is transferred to the Porirua plant, in which the Council has a 27.6% stake. Once sewage is treated at Moa Point and Karori, waste water is piped into the Cook Strait and the sludge is taken to the Southern Landfill, where it is combined with green waste to make high-quality compost.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **-** a safe and reliable wastewater network and treatment facility provides protection against public health risks.
- *Eco-city* - a safe and reliable wastewater network and treatment facility provides protection against environmental harm.
- *Dynamic Central City* - a safe, reliable and well maintained wastewater network and appropriate treatment of waste is a core component of every successful city in the 21st Century.

Who Benefits?

Identifiable parts of the community	*80%*
Whole community	*20%*

The sewage treatment system mainly benefits individuals by ensuring the waste removed from their homes and businesses is disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the 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.

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Who should pay?

Identifiable parts of the community:	
Base (residential) sector	*60%*
Commercial sector	*35%*
User	*5%*

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

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

The 60% residential share is collected through a targeted rate. This rate incorporates a fixed amount per property, with the balance of the sector share funded through a rate per dollar of capital value.

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value (35%) and trade waste charges (5%).

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate (Residential 60%, Commercial 35%)	95%
General rate	0%
TOTAL	100%

2.5 Stormwater

ACTIVITY 2.5.1: STORMWATER MANAGEMENT

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

Because stormwater is discharged into the city's streams, harbour and coastal waters, it needs to be as clean as possible. Stormwater can be contaminated by sewage leaking from sewerage pipes, runoff from roads, and by waste such as oil, paint and litter being tipped or washing into drains. The Council has resource consents from the Greater Wellington Regional Council for our stormwater discharges, and we are required to meet the standards set out in these consents. While we do not treat stormwater runoff, we monitor stormwater quality at more than 80 sites, to ensure it meets the required standards.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* -a safe and reliable storm water network and effective maintenance and operation programmes prevents avoidable disruptions to community living and minimises the risk of injury and the risk of damage to property from storm water.

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

Who Benefits?

Identifiable parts of the community	*50%*
Whole community	*50%*

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

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

Who should pay?

Identifiable parts of the community:

Residential (urban) sector	*77.5%*
Commercial sector	*22.5%*

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 the residential (urban) sector and the commercial sector.

Some stormwater runoff may be the direct result of new developments or other land works, or individual actions such as people tipping paint down drains. In these cases, there is a clear "polluter pays" argument for the people or businesses responsible to meet some of the costs. However, identifying those responsible and assessing the costs are difficult.

The Council has decided to exclude rural areas from paying for this activity as this service is not provided to them and as a result they receive no individual benefit. It is therefore appropriate to fund this activity from targeted rates, excluding the rural sector.

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

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

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

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(Residential 77.5%	
Commercial 22.5%)	100%
General rate	0%
TOTAL	100%

2.6 Conservation Attractions

ACTIVITY 2.6.1: CONSERVATION VISITOR ATTRACTIONS

The Council funds the Wellington Zoo Trust and has provided funding support to Zealandia – the Karori Sanctuary Trust. While each of these organisations has specific goals and approaches to conservation and education they all provide attractions for residents and visitors.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **-** these activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.
- *Eco-city* - these facilities play important conservation roles, protecting native and exotic flora and fauna.

Who Benefits?

Individuals	*40%*
Whole community	*40%*
Identifiable part of the community	*20%*

These facilities benefit the individuals that choose to attend by providing them with a high-quality recreational and educational experience. These benefits are private and exclusive.

These facilities provide significant benefits to the whole community. They play a major conservation role by protecting endangered species and educating the public about conservation and biodiversity issues.

Their existence is also of benefit to those who are not visitors generally but have the option of going.

The facilities also aim to attract tourists to the city, contributing to the local economy.

Who should pay?

Whole community	*100%*

Each of these trusts operate separately from the Council. User charges, which in the case of the Zoo account for about 45 percent of the trust's income, reflect the private benefits to people who visit these facilities. These user charges do not appear in the Council's books.

The Council's contribution to these facilities reflects the benefits to the community as a whole. For this reason, it is appropriate for the Council's contribution to be funded from general rates.

Rates funding is also justified because these facilities contribute to the Council's long term goal that the city's high quality natural environment will attract visitors, residents and visitors.

Our funding targets: operating expenses	
User charges	0%

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Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

Economic Development

Growing the regional economy for a prosperous community

The Economic Development Activity is about achieving long-term and sustainable growth in Gross Domestic Product per capita. With a dynamic growing economy, Wellington is able to offer residents prosperity and an outstanding quality of life. Our economic activities include funding tourism promotions and visitor attractions, support for the regional economic development agency, and maintaining relationships with other agencies to foster economic growth.

Operating activities

The funding sources for this area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Economic Development	City promotions and business support	3.1.1	Wellington Regional Economic Development Agency (WREDA) and Venues	0%	0%	100%	20%	0%	30%	50%
		3.1.2	Wellington Convention Centre	0%	0%	100%	60%	0%	0%	40%
		3.1.3	Retail support (free weekend parking)	0%	0%	100%	0%	0%	0%	100%
		3.1.4	Wellington Economic Initiatives Development Fund (WEID) and Economic Grants	0%	0%	100%	100%	0%	0%	0%
		3.1.5	Major Projects	0%	0%	100%	100%	0%	0%	0%
		3.1.6	International relations	0%	0%	100%	100%	0%	0%	0%
		3.1.7	Business Improvement Districts	0%	0%	100%	0%	0%	100%	0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Economic development capital expenditure projects generally relate to renewals and are funded through rates funded depreciation and borrowings.

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Economic development – activity funding commentary

3.1 City Promotions and Business Support

ACTIVITY 3.1.1: WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY (WREDA) AND VENUES

This activity covers the Council's funding of the Wellington Regional Economic Development Agency (WREDA), the costs of owning and maintaining a number of venue buildings and managing the use of the venues and the City Innovation activity.

WREDA combines the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.

The aim of a single development agency is to unlock the region's economic potential by having:

- A clear strategic focus
- A strong economic leadership that prioritises business success
- One voice when dealing with government, businesses, investors and research providers
- More effective use of resources and talent, and improved scale

The Council's funding will be used to support its activities in the following areas:

- Major events – attracting and supports major events that bring visitors and extra spending to the city.
- Tourism promotions and marketing.
- Sector support and Destination Wellington to attract business, talent and investment to the Wellington region and accelerate economic growth.
- the costs incurred by the Council to own and maintain venue buildings (the Michael Fowler Centre, TSB Arena, St James Centre, and the Opera House).
- CBD free wifi to help establish the City's 'point of difference' and user experience through free public access Wi-Fi network.

Also included in this activity is the expenditure and revenues of promoting and operating the venues (which WREDA undertakes on behalf of Council). This specific activity is generally cost neutral.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - promotion of the city as an attractive place to live and do business, works to attract talent to the city and attracts tens of thousands of visitors every year.
- *Connected City* - ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- *Dynamic Central City* - attracting talent, investment, visitors and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.

Who Benefits?

Individuals	*45%*
Identifiable part of the community	*45%*
Whole Community	*10%*

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The beneficiaries of this activity are principally the community as a whole and businesses - in particular businesses in the central city area where the majority of visitors spend most of their time and the majority of business activity occurs.

The activity benefits residents by providing jobs, raising incomes, providing a wider range of career choices, and making the city more vibrant and prosperous. The activity also benefits particular commercial sectors, such as education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in growing markets.

The benefits from the WREDA funding is distributed widely across hospitality providers, job seekers, and businesses needing to employ and retain skilled workers. Also, a vibrant and growing economy benefits homeowners by supporting high levels of employment and steady population growth in the City which in turn underpin a stable housing market.

Individual users of the venues also derive considerable benefit. In most cases users themselves provide the funding for the benefits they derive. This is because the activities undertaken or facilitated at the council venues require users to pay for the private benefits they receive. For example, people attending a show, or an event that WREDA has brought to the city will need to pay an entry fee.

Overall, we estimate that around 45 percent of the benefits of this activity are captured by individual venue users and the associated expenditure is directly offset by user charges. It is estimated that the benefits from the balance of the expenditure accrue to a mix of the business community, the downtown businesses and the whole community.

Who should pay?

Users	*45%*
Identifiable part of the community	*45%*
Whole community	*10%*

Part of this activity includes the running of the Venues day to day operations, where users fully pay the cost of this activity and there is no rates funding requirement. As such in 2015/16, $14m of operational costs (excluding asset ownership costs) is offset by $14m of revenue. As the level of venue activity may change on a year to year basis, there is an underlying principle that any costs associated with the promotion or operating of venues is 100% user funded.

The balance of this policy is focussed on the remaining elements in the activity, and it is recommended that they should be 100% rates funded. This funding is proposed to be spread across the sectors that benefit. As WREDA is an amalgamation of existing Council activities, the current rates funding splits have been reviewed and subsequently the proposed rates funding split replicates the previous R & F policy. This approach attributes the main benefits to the business community and in particular the businesses in the CBD.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Commercial)	30%
Targeted rate (Downtown)	50%
General rate	20%
TOTAL	100%

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ACTIVITY 3.1.2: WELLINGTON CONVENTION CENTRE

This activity relates to the recently approved Wellington Convention Centre project, currently under review, but is the first of the Big 8 Ideas which has been tested and approved through a business case and sits under the Economic Strategy.

This policy was consulted on as part of the Council's initial decision to support the initiative. The policy of 60% general rates and 40% DTL funding was proposed. This delivers a funding split of one third residential sector and two thirds commercial sector in terms of contribution to the cost.

Community outcome
This activity contributes towards the following outcomes:

- *Connected City* - The Wellington Convention Centre would offer a convention and event space that is not currently available in the city. This space provides for networking opportunities and the ability for organisations to share the latest industry trends and innovations.
- *Dynamic Central City* – convention venues are places of events, festivals, and conferences. They anchor Wellington's appeal as a place of creativity, exploration, innovation and excitement and will bring more business visitation to our downtown area.

Who Benefits?

Identifiable parts of the community	*40%*
Whole community	*60%*

The beneficiaries of this activity are predominantly the business sector through the protected and new expenditure in the economy, and flow on effects this will have to other indirect supporting services. However, an improved economy in the city does benefit all residents through improved employment opportunities, growth in demand to live and work in the city and the flow on effects that can have to property valuations and business opportunity.

It is therefore appropriate for economic development projects to be funded, in part, from the general rate to reflect the wider community benefits of an improved economy.

Who should pay?

Identifiable parts of the community	*40%*
Whole community	*60%*

While the hospitality and entertainment sector receives a part of the benefit, the Council's view is that general ratepayers should also bear a portion of the costs. This is because of the benefit to the community as a whole, through an enhanced cultural offering and stronger economy.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Downtown)	40%
General rate	60%
TOTAL	100%

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ACTIVITY 3.1.3: RETAIL SUPPORT (FREE WEEKEND PARKING)

Under this activity the Council provides its car parks free on weekends to attract customers to the inner city. This forms part of a wider retail strategy.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* - free weekend parking makes Wellington an attractive place to live and do business, and attracts thousands of shoppers to the city every weekend.
- *Dynamic Central City* – A thriving retail sector in the heart of the city is an important part of Wellington's appeal, and free parking at the weekends encourages residents and visitors into the city to shop.

Who Benefits?

Identifiable part of the community	*50%*
Individuals	*50%*

The direct beneficiaries of the free weekend parking policy are the people who get to make use of the parks. The other identifiable beneficiaries are the retailers, restaurants and other businesses located in the downtown area. Free parking brings people to the central city, where their spending benefits businesses.

Who should pay?

Identifiable part of the community	*100%*

The main purpose of this activity is to support businesses in the CBD, particularly in the retail and hospitality sectors, by encourage people into the city on weekends.

The main beneficiaries of the free weekend parking are downtown businesses. It is appropriate they should bear the cost of this policy. Free weekend parking will therefore be funded from the downtown targeted rate, which is a targeted rate assessed on businesses in the downtown area.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Downtown)	100%
TOTAL	100%

ACTIVITY 3.1.4: WELLINGTON ECONOMIC INITIATIVES FUND (WEID) AND ECONOMIC GRANTS

This activity covers both the organisational support required to deliver the Council's economic development strategy, as well as the funding mechanism Council provides to support economic growth initiatives. These funds being the Wellington Economic Initiatives Development (WEID) fund and the Economic Development Grant Pool.

The core aim of this activity is to facilitate and support economic growth in the city.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* **–** our grants support the attraction and retention of talented people, and support the creative business sector in Wellington.
- *Dynamic Central City* – attracting talent, investment, visitors and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive edge.
- *Connected City* – ensuring the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.

Who Benefits?
Whole community *100%*

The groups and organisations that receive grants clearly benefit from this activity. But the community as a whole also benefits. Funding grants are not exclusive, as they are open so that anyone has the opportunity to apply. The projects of the successful applicants will have flow on benefits for the wider community.

Individuals and employers are also likely to receive benefits as a result of the programme.

Who should pay?
Whole community *100%*

These activities support the economic growth strategies for Wellington which will generally benefit the whole community. Where specific grants are provided the recipients benefit directly from this activity, however seeking to recoup the cost from them would defeat the purpose of the grants pool. The nature of the activities and specific outcomes from funded grant activities are not known at this point and it is therefore appropriate that the funding is spread across the whole community through the general rate.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 3.1.5: MAJOR PROJECTS – FUNDING ENVELOPE FOR POSSIBLE IMPLEMENTATION

The Council has a growth agenda that includes a number of major projects to support economic growth. The overall aim of these projects is to realise Wellington's economic potential by:

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- Growing the local economy, making it more diverse and resilient, and less reliant on the government sector
- Building sectors of the economy where we have a competitive advantage e.g. tourism, smart economy
- Building better connections between the tertiary sector and businesses to boost the knowledge economy
- Removing barriers to growth by improving our connections to the region and to the rest of the world and by making it easier to do business in the city

This activity provides a funding envelope that would allow major projects to be implemented, should council ultimately decide to proceed with the project.

This activity makes provision for potential funding so that major projects can move to an implementation phase, but only if council is satisfied that the business case for an investment by Council justifies it.

We have a clear idea of the potential major projects that should be investigated and in broad terms we know the order of magnitude of any possible council contribution to these projects. This information has been used to establish to size of the potential funding envelope. However, Council has made no commitments to fund the implementation of any of the major projects included under the funding envelope and the final funding requirements may differ.

Such commitments will only be made following the consideration of a business case for each possible project. Each business case will include more precise estimates of the risks and cost of the project, how it would be funded (including the size and nature of any Council contribution), how it will be procured, implemented and managed and what benefits it will create. Only then will the Council be able to consider committing specific funds to a project.

In terms of transparency of future costs, if and when Council decides to commit funds to a project, that project will be given its own activity class and will be reported on separately. The remaining funding envelope will be reduced accordingly.

The major projects that could potentially be funded from the envelope are:

- Airport runway extension
- Indoor arena
- Film museum
- Westpac stadium upgrade

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – these projects will promote he city as an attractive place to do business and attract visitors to the city every year.
- *Connected City* - improving direct access internationally will provide local businesses with new opportunities to access large markets.
- *Dynamic Central City* – attracting visitors, investment and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.

Who Benefits?

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Whole community *100%*

The core aim of the major projects is to drive and support economic growth. This is especially important given that many of the people we seek to attract have choices to live in or visit other cities around New Zealand and the world. It is critical Wellington remains vibrant and internationally relevant, and that people coming here have the best possible experience.

Economic growth benefits residents by providing jobs, raising incomes, providing a wider range of career choices, making the city more vibrant, prosperous and supporting a robust property market.

The major projects covered by this activity, if justified based on a future business cases, also have the potential to benefit commercial sectors, such as export education, hospitality, retail, and professional service businesses.

At this stage it is not possible to estimate how benefits of any future council investment in major projects will be distributed across the community as a whole, the commercial sectors and possibly the Government sector. This is because it is not certain which major projects will be implemented until business cases are completed and decisions are made on whether or not to proceed. It is also possible that some beneficiaries of a major project will contribute to its implementation, in which case the 'Who' benefits from the council's contribution may differ.

Who should pay?
Whole community *100%*

Decisions on who should pay for the Council's contribution to each major project cannot be made at this stage. Options include use of the downtown targeted rate, the commercial sector generally, and the whole community through general rates. Who should pay depends on a range of factors such as which projects are implemented, where they are located, and what funding is provided from non-council sources. In the meantime we intend to apply a proxy/default assumption that 100% general rates funding is used.

Ultimately, as each potential project reaches the stage where the Council is completing the process of deciding to proceed to the implementation stage, part of the process will include consideration of what the particular Revenue & Financing policy should be for that specific project and in particular who should pay, based on the comprehensive information available at that stage.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 3.1.6: INTERNATIONAL RELATIONS

The Council works to make Wellington's economy more competitive and innovative by maintaining relationships internationally to promote the city and the region's interests.

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Community outcome
This activity contributes towards the following outcome:

- *Connected City* - Improving access to international markets is particularly important as it provides local businesses with new opportunities to access large markets

Who Benefits?

Whole community	*50%*
Identifiable part of the community	*50%*

The benefits of this activity are split between the community as a whole and institutions that benefit from our efforts. The core aim of this work is to help the city and regional economy grow through innovation. This benefits residents by providing jobs, raising incomes, providing a wider range of career choices, making the city more prosperous, and supporting a robust property market. Our work in this activity also benefits some business sectors, such as export education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in foreign markets.

Though the benefits to the community are immediate and relate to economic well-being, our efforts to improve the city's prosperity and in particular any partnerships with the training and educational sector have positive, long-term spin-offs both for the economy and social well-being.

Who should pay?

Whole community	*100%*

Though the benefits are split between the community and certain sectors, the Council believes this activity is most appropriately funded from general rates. This is because in most situations it would be impractical to identify the individuals or business that benefit directly from our activity. For example, it would not be possible to identify the direct beneficiaries of a sister city relationship. Furthermore, the Council's and relationship-building efforts complement the efforts of businesses or institutions themselves.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 3.1.7: BUSINESS IMPROVEMENT DISTRICTS

Under this activity the Council provides a mechanism that allows local businesses to work together as a Business Improvement Districts (BIDs). BIDs provide a vehicle for local business-led initiatives that support key city objectives of vibrant centres, business creation and development, and increased employment.

Community outcome
This activity contributes towards the following outcome:

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- *People-centred City* **–** vibrant suburban centres make Wellington an attractive place to live and help form a local sense of community.

Who Benefits?

Whole community	*20%*
Identifiable part of the community	*80%*

In terms of funding for BIDs, the commercial interests within each BID are the principal beneficiaries. There are also likely benefits to the community surrounding the BID, since a BID can also improve vibrancy and environs of the public space within a business area.

Who should pay?

Identifiable part of the community	*100%*

Since the beneficiaries of the Business Improvement Districts policy are principally the businesses covered by each individual BID, it is appropriate that they should bear the cost of the policy. This will be done by establishing targeted rates on relevant commercial properties in each area where establishing a BID has the broad support of the business in that area.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Commercial)	100%
General rate	0%
TOTAL	100%

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Cultural Well-being

Shaping Wellington's unique identity

The Council supports a wide range of cultural and artistic activity in Wellington. The aim is to foster a lively and creative city that offers rich and varied cultural experiences to residents and visitors. We fund galleries, museums, arts organisations, and art and sculpture in public spaces. We also provide grants to community programmes that foster diversity and encourage people to participate in the arts.

Operating activities

The funding sources for this area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Cultural Wellbeing	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3	Arts and cultural festivals	0%	15%	85%	85%	0%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6	Arts partnerships	0%	25%	75%	75%	0%	0%	0%
		4.1.7	Regional amenities	0%	0%	100%	100%	0%	0%	0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Cultural wellbeing capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Cultural well-being – activity commentary

4.1 Arts and Cultural Activities

ACTIVITY 4.1.1: GALLERIES AND MUSEUMS

The Council is the main funder of the Wellington Museums Trust, which operates the Museum of Wellington City and Sea, the City Gallery, Capital E, the Wellington Cable Car Museum and the Colonial Cottage Museum. This activity also includes Council's contribution towards a World War I commemorative museum and exhibitions.

Community outcome
This activity contributes towards the following outcome:

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- *People-centred City* –museums shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington's diverse stories and help us understand ourselves and each other.
- *Connected City* - museums provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas here and abroad.
- *Dynamic Central City* – museums enhance Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.

Who Benefits?

Individuals	*70%*
Identifiable part of the community	*15%*
Whole community	*15%*

The individuals who attend the exhibitions and shows at the galleries and museums clearly benefit from their attendance.

The various venues are also important attractions for visitors and residents alike. The location of these draws people into the downtown area and boosts local businesses, particularly those in the tourism, hospitality and retail sectors.

The museums and galleries funded by this activity also benefit the whole community in many ways. They help make the city vibrant and interesting, preserve its heritage, form a vital part of Wellington's image as a creative city, and are a source of civic pride. The exhibitions run by the galleries and museums also foster community identity. These benefits are felt even by people who choose not to visit the facilities.

Who should pay?

Whole community	*75%*
Downtown sector	*25%*

The Council funds the museums and galleries to encourage greater participation in the arts and because it believes that high quality cultural amenities add to a vibrant city life.

While there are clearly direct benefits to people who choose to visit the galleries and museums, the Council believes these are outweighed by the overall community benefit and the benefits that flow to the businesses in the downtown sector.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	25%
General rate	75%
TOTAL	100%

ACTIVITY 4.1.2: VISITOR ATTRACTIONS (CARTER OBSERVATORY / TE PAPA)

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Through this activity the Council funds attractions and facilities that bring visitors to the city. It includes an ongoing commitment to the Carter Observatory located at the top of the Cable Car and funding for Te Papa.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* –they shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington's diverse stories, in particular those of our Māori, and help us understand ourselves and each other.
- *Connected City* **–** they provide ideas and places where people can connect, share what is common and explore what is different and new.
- *Dynamic Central City* **–** museums enhance Wellington's vibrancy as a diverse, inclusive, creative, active and eventful place attractive to visitors.

How we approach funding this activity
The overarching purpose of this activity is to have visitor attractions. The principal expenditure under this activity is the funding which the Council provides to the Carter Observatory and Te Papa.

External attractions

Who Benefits?

Individuals	*50%*
Whole community	*30%*
Identifiable parts of the community	*20%*

The direct beneficiaries are those who visit the attractions and attend other events funded through this activity.

These attractions bring visitors to the city and boost the economy, increasing prosperity for residents. They also play vital roles in Wellington's vibrant cultural life, contributing to its image as New Zealand's arts and cultural capital.

There are also direct benefits to the businesses located in the downtown area. The attractions funded by this activity bring people into the city, providing custom for hotels, restaurants, retailers and other city businesses. These benefits can be measured through increases in the number of "visitor nights" spent in the city during major events.

Who should pay?

Identifiable parts of the community	*70%*
Whole community	*30%*

Though the main beneficiaries of this activity are the individuals who choose to visit Te Papa the observatory the Council does not believe it is viable or appropriate to charge them directly for these benefits.

There are strong arguments for the downtown sector to bear a portion of the cost of this activity as they benefit directly from the funding of this activity. The events and attractions bring people and visitors into the city. These people provide business for the retailers, and the wider hospitality sector in the city. The projects funded by this activity make major contributions to the Council's goal that Wellington will be a prime tourist destination.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Downtown)	70%
General rate	30%
TOTAL	100%

ACTIVITY 4.1.3: ARTS AND CULTURAL FESTIVALS

The Council runs and supports artistic and cultural events that encourage Wellingtonians to get out and enjoy themselves. These include Summer City, the Sky Show, the Diwali festival and more than 70 other events, all of which are provided free to the public.

We aim to use the Civic Square as the stage for a large number of these events. As the civic and cultural heart of the city the Square offers a safe and accessible venue.

Community outcome

- *People-centred City* –cultural festivals shape Wellington's sense of identity. They bring people together and celebrate creativity.
- *Connected City* **–** festivals provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas from here and abroad.
- *Dynamic Central City* **–** museums festivals enhance Wellington's vibrancy as a diverse, inclusive, creative, active and eventful place attractive to residents

Who Benefits?
Whole community *100%*

While the people attending these events obviously benefit from the enjoyment they receive, the events are generally run outdoors in public areas making it impossible to identify individual beneficiaries. The benefits, in any case, are not exclusive.

There are generally no limits on the number of people who attend these events and, as the intention is to encourage participation, it would not be appropriate or acceptable to charge for entry.

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

Who should pay?
Whole community *100%*

Since this activity benefits the community as a whole, the fairest and most effective way to fund the net cost is from general rates.

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The Council receives significant sponsorship for this activity from organisations such as the New Zealand Community Trust.

Our funding targets: operating expenses	
User charges	0%
Other revenue	15%
Targeted rate	0%
General rate	85%
TOTAL	100%

ACTIVITY 4.1.4: CULTURAL GRANTS

The Council maintains a cultural grants pool to allow community organisations access to funding.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* –cultural grants support the creative sector of Wellington ensuring that the city is lively and full of festivals, performances and shows throughout the year.
- *Dynamic Central City* –cultural grants support Wellington cultural institutions that are integral to our cultural and events capital status. They provide shows and performances that make the central city a lively place to visit, play and do business.

Who Benefits?

Individuals and identifiable part of the community	*50%*
Whole community	*50%*

The direct beneficiaries of this activity are the individuals and groups who receive funding. The grants provide them with opportunities for artistic and cultural expression. This activity gives individuals the opportunity to participate, even though they may choose not to. Though these benefits are private, they are not exclusive – all residents are able to apply for funding.

Funding cultural initiatives also benefits all city residents by making the city a more vibrant place, enhancing community identity, and contributing to the city's reputation as New Zealand's arts and culture capital.

Who should pay?

Whole community	*100%*

The purpose of this activity is to add to the mix of cultural events in the city and to encourage participation. Clearly, this means that someone other than the grant recipients has to pay. This activity has no benefit, economic or otherwise, to the commercial sector. Funding is directed to residents, and as such, the Council believes it is appropriate to fund the cost of this activity from rates targeted to the residential sector.

The people and groups who receive funding also contribute their own resources to initiatives that benefit the city's cultural and social well-being.

Our funding targets: operating expenses

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User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
General rate	0%
TOTAL	100%

ACTIVITY 4.1.5: ACCESS AND SUPPORT FOR COMMUNITY ARTS

This activity covers the wide range of community arts programmes that the Council runs every year. It also covers a subsidy for non-profit community groups using the Wellington Venues. This ensures the venues are open to a wide range of organisations.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* –support for community arts programmes and venue supports Wellington's creative communities to put on festivals, performances and shows throughout the year.

Who Benefits?

Whole community	*50%*
Individuals	*50%*

Both the individuals that take part in the arts programmes and the non-profit groups that make use of the venue subsidy directly benefit from this activity. But the activity also benefits the community as a whole. The arts programmes are open events and the groups who are supported by the subsidy help make the city a vibrant place and foster cultural identity.

Who should pay?

Whole community	*90%*
Identifiable parts of the community	*10%*

The purpose of this activity is to promote tolerance and, celebrate through the arts, people's differences to create a sense of belonging. The provision of the community arts programme eliminates cost as a barrier as does the venue subsidy. Clearly, the cost of this support has to be met elsewhere. The Council believes the cost is most appropriately funded from general rates.

Our funding targets: operating expenses

User charges	0%
Other revenue	10%
Targeted rate	0%
General rate	90%
TOTAL	100%

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ACTIVITY 4.1.6: ARTS PARTNERSHIPS

The Council maintains a number of partnerships with artistic organisations that call Wellington home.

The Council also houses a number of independent artists, art organisations, music studios and a gallery at the Toi Poneke Arts Centre, which is covered by this activity. This activity also includes the public art fund which is used to manage the city's art collection and support public art exhibitions

Community outcome
This activity contributes towards the following outcomes:

- *People centred City* **–** Our partnership with organisations such as the NZ Symphony Orchestra means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case. The Toi Poneke Arts Centre provides places where people can connect, and share creative ideas.
- *Dynamic Central City* **-** We support these institutions as they build on the city's reputation as New Zealand's arts and culture capital and they attract thousands of visitors to the city. Public sculpture and art displays, and exhibitions add to the vibrancy and liveability of the city.

Who Benefits?

Identifiable part of the community	*60%*
Whole community	*30%*
Downtown sector	*10%*

The artists and organisations are clearly direct beneficiary of these partnerships. These benefits are private and exclusive to the extent that the Council's support cannot be transferred.

The community also benefits from this activity in many ways. Through our support we help ensure these organisations remain viable and based in Wellington. In the example of the orchestra this means the city is home to one of the nation's foremost arts institutions, which contributes to Wellington's vibrancy and its image as a creative city. It also means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case.

These partnerships add to the city's exceptional range of artistic and cultural amenities that cater to all tastes, which in turn add to an environment that fosters a vibrant city life and boosts the local economy.

Who should pay?

Whole community	*75%*
Individuals	*25%*

The overall aim of this activity is to encourage greater engagement and participation in the arts. By supporting these organisations and artists we are ensuring that their work continues and can be experienced by residents and visitors. The Council believes that the majority of the cost is most appropriately funded from general rates.

It is also considered appropriate that those artists that are housed at the Toi Poneke Arts Centre should make a contribution to the cost of the space that they have exclusive use over.

Our funding targets: operating expenses	
User charges	0%

Other revenue	25%
Targeted rate	0%
General rate	75%
TOTAL	100%

ACTIVITY 4.1.7: REGIONAL AMENITIES FUND

The Wellington Regional Amenities Fund has been set up to support eligible entities of regional significance with day-to-day operational expenses and new innovative projects that will achieve identified priorities for the region.

The fund is focused on arts, cultural and environmental attractions and events to support and add to the attractiveness and vitality of the Wellington region.

The fund is a partnership between Wellington City Council, Hutt City Council, Upper Hutt City Council, Masterton District Council and Kapiti District Council.

Community outcome
This activity contributes towards the following outcomes:

- *People centred City* **–** arts, culture and environmental attractions and events make Wellington a more attractive place to live and do business, and attract thousands of visitors to the city every year.
- *Connected City* **–** attractions and events provide ideas and places where people can connect and explore what is different and new, from both here and overseas.
- *Dynamic Central City* **–** arts, culture and environmental attractions and events anchor Wellington's appeal as a place of creativity, exploration, innovation, and excitement. They also enhance Wellington's vibrancy as a diverse, active and eventful place attractive to visitors.
- *Eco City* – environmental attractions and events raise awareness of environmental issues and improves environmental outcomes.

Who Benefits?

Identifiable part of the community	*0%*
Whole community	*100%*

The direct beneficiaries are those who attend the events and attractions funded through this activity.

The community as a whole benefits in a number of ways. They have the opportunity to enjoy high-quality art, cultural and environment attractions and events that arguably won't happen without the Council's support which contributes to social cohesion as they are an opportunity for people to mix together.

They also serve the business sector because some of the attractions and events funded by this activity will be located in Wellington City. They bring people into the city, providing customers for city businesses as well as enhancing Wellington City's place as New Zealand's arts capital, attracting people to the City to live, work and play.

Who should pay?

Whole community	*100%*
Individuals	*0%*

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

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Social and Recreation

Building strong, safe and healthy communities for a better quality of life

A city is only as strong as its people. Wellington is built on strong communities. It's a safe city where people have plenty of opportunities to fulfil their potential and engage with each other. As the city's biggest provider of recreation facilities and social housing, we aim to promote healthy lifestyles and build strong communities.

Operating activities

The funding sources for this activity area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	38%	0%	62%	62%	0%	0%	0%
		5.1.2	Sportsfields	10%	0%	90%	90%	0%	0%	0%
		5.1.3	Sportsfields (Synthetic)	40%	0%	60%	60%	0%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7	Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	40%	0%	60%	60%	0%	0%	0%
		5.1.9	Recreation programmes	5%	0%	95%	95%	0%	0%	0%
	Community support	5.2.1	Libraries	10%	0%	90%	90%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
	Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%
		5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.3.3	Public health regulations	60%	0%	40%	40%	0%	0%	0%
		5.3.4	City safety	0%	0%	100%	100%	0%	0%	0%
		5.3.5	WREMO	5%	0%	95%	95%	0%	0%	0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Social and recreation capital expenditure projects are funded through a combination of grants/subsidies, rates funded depreciation and borrowings.

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Social and recreation – activity commentary

5.1 Recreation Promotion and Support

ACTIVITY 5.1.1: SWIMMING POOLS

This activity covers the cost of providing the Council's seven swimming pools: Wellington Regional Aquatic Centre (Kilbirnie); Freyberg Pool (Oriental Bay); Karori Pool; Thorndon Pool; Khandallah Pool; Keith Spry Pool (Johnsonville); and Tawa Pool.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* **–** they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

Individuals	*80%*
Whole community	*20%*

Our swimming pools mainly benefit the people who use them. These people gain access to high-quality facilities for recreation, fitness and relaxation. The benefits are private and exclusive. It is appropriate and acceptable to charge people to use the pools.

However, there are also benefits to the community as a whole. By providing recreation facilities, the pools help increase the overall levels of residents' health, providing economic and social benefits. Pools provide important community focal points as well as health and recreation programmes that bring people together.

Most people regard the pools as important facilities and are prepared to contribute to the costs through their rates. Many people also like to have the option of using the pools even if they do not choose to do so.

Who should pay?

Whole community	*62%*
Individuals	*38%*

While individuals receive the direct benefits, the Council believes it is appropriate for the community as a whole to bear half of the costs of running the city's swimming pools.

The benefits to the community as a whole and the widespread community support for the facilities justify a significant ratepayer contribution. Though there are other pools in the city, the Council-operated ones are unique for the size and scale of their operations; they are not in direct competition with the private sector and can legitimately be seen as public facilities.

It would not be desirable to raise fees to levels that discouraged people from using them or provided barriers to people on low incomes.

Our funding targets: operating expenses	
User charges	38%
Other revenue	0%
Targeted rate	0%
General rate	62%
TOTAL	100%

ACTIVITY 5.1.2: SPORTS FIELDS

This activity covers the costs of providing the city's sports fields, excluding artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

Individuals	*30%*
Identifiable part of the community	*30%*
Whole community	*40%*

The city's sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and partially exclusive. While the fields are booked out at certain times for organised sports such as club football, they are also often available for members of the public to use for informal recreation.

The Council estimates individual people receive about 30 percent of the benefits from sports fields and sports clubs receive about the same benefit.

The sports fields also benefit the community as a whole. By providing recreation facilities they help increase the overall levels of residents' health, providing economic and social benefits. They also provide important community focal points. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

Who should pay?

Whole community	*90%*
Individuals	*10%*

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs of operating the city's sports fields.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated sports fields are not in competition with private sector providers and can legitimately be seen as public facilities.

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It is not always possible or desirable to identify individual users. While sports clubs who book sports fields can be identified and are charged, many other people use the fields informally and cannot be charged. It would not be desirable to raise fees to levels that discouraged organised sports. Nor would it be desirable to raise fees to levels that provided barriers to people on low incomes taking part in organised sports.

Our funding targets: operating expenses	
User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

ACTIVITY 5.1.3: SPORTS FIELDS (SYNTHETIC)

This activity covers the costs of providing the city's synthetic turf sports fields, including their artificial surfaces. These provide year-round venues for recreation and competitive sport for people of all ages.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

Individuals	*40%*
Identifiable part of the community	*40%*
Whole community	*20%*

Synthetic turf sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and mainly exclusive. It is appropriate to charge people to use the facilities.

Council officers estimate individuals receive about 40% of the benefits from the synthetic turf sports fields and sports clubs receive 40%.

There are also benefits to the community as a whole from our provision of synthetic turf sports fields. These facilities help increase overall levels of residents' health, providing economic and social benefits. They also provide community focal points and recreation programmes that bring people together.

Who should pay?

Whole community	*60%*
Individuals	*40%*

While it is individuals and sports clubs that receive most of the benefits, it is appropriate for the community as a whole to bear some of the costs of operating the city's synthetic turf sports fields.

A synthetic turf sports field's weekly hourly usage is only restricted by demand and resource consent limitations regarding the hours of use of flood lighting. This is in contrast to a conventional pitch which has a limited number of recommended hours of use (5-6hrs for soil with drainage, 10-12hrs for sand carpet) in order to allow the pitch to recover. Synthetic turf also provides a higher level of service due to all weather accessibility and consistent playing performance.

Our funding targets: operating expenses	
User charges	40%
Other revenue	0%
Targeted rate	0%
General rate	60%
TOTAL	100%

ACTIVITY 5.1.4: RECREATION CENTRES (INCLUDING ASB SPORTS CENTRE)

This activity covers the costs of providing the Council recreation centres in Karori, Kilbirnie, Khandallah (Nairnville), Tawa and the ASB Sports Centre. These multi-purpose centres provide a range of recreational opportunities while also helping build a sense of community. They host inter-club competitive leagues and social leagues as well as college, intermediate and primary school sport.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **-** they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* **–** they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

Individuals	*80%*
Whole community	*20%*

Our recreation centres mainly benefit the people who use them. These people gain access to high-quality facilities for sports, recreation and fitness. These benefits are private and exclusive. It is appropriate and acceptable to charge people to use the centres.

However, there are also benefits to the community as a whole from our provision of recreation centres. These facilities help increase overall levels of residents' health, providing economic and social benefits. Recreation centres also provide community focal points and recreation programmes that bring people together.

Who should pay?

Whole community	*75%*
Individuals	*25%*

While individuals receive most of the benefits, the Council believes it is appropriate for the community as a whole to bear most of the costs of running the city's recreation centres.

The benefit to the community and the significant role these centres play in their local areas justifies a significant ratepayer contribution. The accumulated health benefits to the community as a whole from organised and recreational physical activities at their centres also suggests the whole community should bear the majority of the cost.

In addition, it would not be desirable to raise fees to levels that discouraged people from using the centres or provided barriers to people on low incomes. Ability to pay issues limits the opportunity to recover the cost of this activity through user charges.

Our funding targets: operating expenses	
User charges	25%
Other revenue	0%
Targeted rate	0%
General rate	75%
TOTAL	100%

ACTIVITY 5.1.5: RECREATION PARTNERSHIPS

The Council maintains relationships with a number of groups that seek to provide publicly accessible facilities that contribute to both passive and active recreation.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?
Individuals *80%*
Whole community *20%*

The organisations we fund and the people that take part in their programmes also receive direct benefits.

Through the development of recreational partnerships, the Council aims to promote the benefits of sport and recreation to Wellingtonians. This has benefits for residents' overall levels of health and fitness, which in turn helps economic and social well-being. In addition, by supporting recreation partners, the city receives the economic benefits from having sport and recreation organisations located here.

Who should pay?
Whole community *100%*

While the individuals who choose to access these facilities receive some benefits, the Council believes it is appropriate for the residential sector to bear the costs of our recreation partnerships.

The Council is just one source of funding for its recreation partners. The Council's contribution represents the public benefits to Wellington residents while the other funding sources represent the private benefits to participants and other organisations.

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In this context the benefits to the community clearly outweigh the benefits to individuals. These benefits include healthier lifestyle and overall additions to social wellbeing.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
General rate	0%
TOTAL	100%

ACTIVITY 5.1.6: PLAYGROUNDS

The Council provides more than 100 neighbourhood playgrounds across the city to give families a safer place to play near home. This activity covers the cost of providing those.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to recreation opportunities and physical play for younger people which is important for their development and their health and wellbeing.
- *Connected City* – these facilities bring people together, are a place where parents with young children connect and provide support, and makes the city a more appealing place for people to live.

Who Benefits?

Individuals	*80%*
Whole community	*20%*

The city's playgrounds provide safe, entertaining places for children to play. The benefits to the children and their families are significant. These benefits are private but not exclusive. It would not be desirable or acceptable to charge people for using playgrounds. The Council's playgrounds policy states that access to playgrounds is a basic right of all children.

The playgrounds also benefit the community as a whole. Playgrounds not only encourage recreation and healthy lifestyles but are also important community focal points. Most people recognise them as important facilities and are prepared to contribute to the costs through their rates.

Who should pay?

Whole community	*100%*

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running the city's playgrounds.

Even if the individual beneficiaries could be identified it would not be desirable or acceptable to charge them. The Council believes access to playgrounds is a fundamental right for children.

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The benefits to the community as a whole and the widespread community support for the playgrounds justifies ratepayer funding. The Council believes the vast majority of ratepayers would strongly support ratepayer funding of this activity. The playgrounds are public facilities and are not in competition with private sector providers.

Playgrounds make a significant contribution to our goal that Wellington will offer excellent access to a sound social infrastructure that supports high levels of social cohesion.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 5.1.7: MARINAS

The Council owns two marinas at Evans Bay and Clyde Quay. These provide private storage facilities for boat owners as well as supporting the recreational activities of a large number of boat owners. This activity covers the cost of providing these.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to the harbour and the coast for recreation, fishing and enjoyment

Who Benefits?
Individuals *100%*

The marinas benefit the people who use them by providing boat sheds for safe storage, moorings and access by marina piers. These benefits are private and exclusive and it is appropriate and acceptable to charge for this service.

Who should pay?
Individuals *100%*

As identifiable individuals receive private benefits from this activity, it is appropriate for them to meet the costs. The benefits accrue to a narrow sector of the community who use these facilities and the user charges are set at appropriate market rates.

Our funding targets: operating expenses	
User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
TOTAL	100%

ACTIVITY 5.1.8: GOLF COURSE

This activity covers the costs of providing the city's municipal golf course

Community outcome
This activity contributes towards the following outcomes:

- ***People-centred City –*** this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who Benefits?

Individuals	*40%*
Whole community	*20%*
Identifiable parts of the community	*40%*

The city's municipal golf course provides significant benefits for private individuals and the club itself. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and partially exclusive. While the course is booked out at certain times for organised club competitions, they are also often available for members of the public to use for informal recreation.

The Council estimates individual people receive about 60 percent of the benefits from the golf course.

The golf course also benefits the community as a whole. By providing recreation facilities it helps increase the overall levels of residents' health, providing social benefits. It also provides an important community focal point.

Who should pay?

Whole community	*60%*
Individuals	*40%*

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the costs of operating the city's municipal golf course, the main reason being that the golf course is located on townbelt land with free public access to the area.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated municipal golf course is in competition with private sector providers and can legitimately be seen as public facilities.

Our funding targets: operating expenses

User charges	40%
Other revenue	0%

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Targeted rate	0%
General rate	60%
TOTAL	100%

ACTIVITY 5.1.9: RECREATION PROGRAMMES

The Council organises programmes to encourage people into leisure activities. These include organised walks and recreation programmes such as KiwiTri and Artsplash aimed at children. This activity covers the cost of providing those.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* **–** this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who Benefits?

Individuals	*50%*
Whole community	*50%*

The Council's recreation programmes benefit the individuals who take part by providing them with access to recreation and leisure opportunities. The programmes not only promote health but can also boost participants' overall sense of well-being.

The recreation programmes also benefit the community as a whole. They not only encourage recreation and healthy lifestyles but also operate as community events, helping bring people together. The programmes are targeted at people who may have difficulty organising their own recreation activities.

Who should pay?

Whole community	*95%*
User	*5%*

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running these programmes.

The benefits to the community as a whole justify ratepayer funding and it would not be desirable to impose fees as that may discourage participation and provide barriers to people on low incomes taking part.

Sponsorship funding for the Push Play programme has been discontinued from 2009/10, resulting in the ceasing of the programme. As this was the major funding source for this activity, this has lowered the non-rates funding proportion from 25%, and we reflect this in our overall funding target.

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Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
TOTAL	100%

5.2 Community support

ACTIVITY 5.2.1: LIBRARIES

The Council provides a network of libraries including the Central Library, branch libraries, and a highly-popular website.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City* - libraries are more than just places to borrow books. They are neighbourhood institutions that anchor community life and bring people together.
- *Connected City* - libraries are places of learning and allow readers to connect with others and exchange knowledge.

Who Benefits?

Individuals	*80%*
Whole community	*20%*

Libraries mainly benefit the people who use them. These people gain free or low-cost access to books, videos, magazines, music and other items. The breadth of the network means that the services it provides are easily accessed by those opting to use it. They use these services for recreation or business and to enhance their knowledge and overall well-being.

We monitor the use of libraries. Our indicators suggest that the vast majority of use is for recreational and personal use while up to 30 percent is in part used for business purposes.

The libraries also provide significant benefits to the community as a whole. By providing access to information, the libraries enhance the overall levels of skill and knowledge in the city, providing economic and social benefits. They act as important community centres. And they host events and outreach services that bring people together, as well as information for immigrants and information about local communities and their history.

The library network adds to residents' quality of life. The vast majority of Wellingtonians are library members or users - even those who are not regular users generally like to have the option of using library services. The branch libraries draw people in to suburban centres bringing vitality to those areas and added custom to local businesses. The Central Library is a significant city landmark which contributes to civic pride.

Who should pay?

Whole community	*90%*
Individuals	*10%*

While individuals receive many of the direct benefits, the Council believes it is appropriate that most of the cost of running libraries should be met by the wider community. Some user charges will apply for some 'added' services and through penalty fines for late returns.

The community benefits as a whole and the widespread community support for the facilities justifies a significant ratepayer contribution. Libraries are among the most popular of Council services and there is strong support for them to be free at the point of use. The libraries are significant public facilities that are not in direct competition with the private sector.

It would not be desirable to raise fees to levels that discouraged people from using the library services or provided barriers to people on low incomes. It would not be desirable or acceptable to impose user charges for entry to the libraries or basic book lending services.

Fees are imposed on services that are provided in addition to the core services of the library. For instance modest fees apply for the rental of videos. Penalty fees also apply to the late return of items.

Since the vast majority of residents are also library users, the application of a uniform targeted rate is considered an effective way of funding the portion of the service that is known to be used by residents.

As it is not possible to distinguish a direct beneficiary of the remaining portion of users, it is considered fair and efficient that a significant portion of the library service be paid for by the whole community.

Our funding targets: operating expenses	
User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

ACTIVITY 5.2.2: ACCESS SUPPORT (LEISURE CARD)

The Council offers discounted access to recreation facilities for holders of our Passport to Leisure card, which is issued free to all residents on low incomes.

Community outcome
This activity contributes towards the following outcomes:

- *People-centred City – we* provide subsidised access to our recreation programmes and facilities through our Leisure Card programme to encourage active and healthy lifestyles for all Wellingtonians without unreasonable hardship.

Who Benefits?

Individuals	*75%*
Whole community	*25%*

The Passport to Leisure programme benefits individual participants by giving them affordable access to recreation and leisure opportunities. The programme helps boost participants' health, fitness and overall well-being.

The programme also benefits the wider community by encouraging healthy lifestyles, which enhances social and economic well-being. It adds to social cohesion by reducing barriers to people on low incomes.

Who should pay?

Whole community	*100%*

While the programme mainly benefits individuals the Council believes it is appropriate for the whole community to share the costs.

The programme is aimed at increasing access to recreation and leisure for people on low incomes, by making facilities available at reduced cost. Clearly, this means someone else has to pay. The benefits to all wider community justify the costs being drawn from the general rate.

This programme makes a significant contribution to the Council's goal that Wellington residents will be more actively engaged in their communities, and in recreation and leisure activities.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 5.2.3: COMMUNITY ADVOCACY

We encourage people to contribute to their community and participate in city activities. Our City Communities advisors support a wide range of community groups such as senior citizens, Māori, youth, Pacific Islanders, refugees and migrants, and people with disabilities. This work aims to ensure that Wellington's diverse population is supported and embraced by a tolerant, caring and welcoming community.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City - we* support the development of individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities.
- *Connected City – we* help people and communities connect and engage with each.

Who Benefits?

Whole community	*60%*
Individuals	*40%*

The projects funded under this activity benefit all Wellington residents. They strengthen people's sense of identity, and enhance community cohesion and social well-being. Some projects, such as provision of concerts and other youth activities, may help prevent crime and improve public safety.

There are also some private benefits from these activities. The very nature of this work is targeted towards discrete communities. However while the support we provide to these individuals or groups may be tailored to their needs often this will not constitute a greater level of service than that provided to the wider community. For instance tailoring a consultation document for someone who is blind allows that person to contribute to the same extent as those that are sighted.

Who should pay?

Whole community	*100%*

The Council believes it is appropriate to fund the majority of costs for this activity from rates targeted to the residential sector. This is because the benefits accrue to all residents.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
General rate	0%
TOTAL	100%

ACTIVITY 5.2.4: GRANTS (SOCIAL AND RECREATION)

The Council maintains four grants pools. This activity covers the grants to community groups and organisations whose projects seek to promote recreational activity and overall social wellbeing. The grants process is overseen by a subcommittee of Council.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* - our grants support community groups that promote individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities. The grants also support active and healthy lifestyles through support of recreation and sporting groups.

Who Benefits?

Identifiable part of the community	*50%*
Whole community	*50%*

The groups and organisations that receive grants clearly benefit from this activity. But the community as a whole also benefits. The grants pool itself is not exclusive - it is open so that anyone has the opportunity to apply. And the projects of the successful applicants will have flow on benefits for the community.

Who should pay?

Whole community	*100%*

While grants recipients benefit directly from this activity seeking to recoup the cost from them would defeat the purpose of the grants pool. Given this and that there are benefits to the community as a whole, the Council believes the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 5.2.5: HOUSING

The Council owns over 2000 housing units, which we rent to low income people whose housing needs are not met by the private sector. We allocate these homes according to need. Tenants are charged 70 percent of the estimated market rent for their property.

Community outcome
This activity contributes towards the following outcome:

- ***People-centred City*** - they provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

Who Benefits?

Individuals	*90%*
Whole community	*10%*

The main beneficiaries of this activity are the tenants, who receive accommodation at below market rent. Their benefits are private and exclusive. While the Council's rental housing units are aimed at meeting needs that the market does not or cannot meet, to some extent these housing units are in competition with properties provided by private landlords.

However, there are also some benefits to the community as a whole. By providing homes for people who otherwise may be unable to afford them, the Council also contributes to community cohesion and may have benefits for public health and safety.

Who should pay?

Individuals	*100%*

As the main beneficiaries, it is appropriate for tenants to pay most or all of the costs involved in providing community housing. The Council's current policy is to provide homes at 70 percent of market rental. The Community Housing activity is ring-fenced with user charges through rental income funding 100% of operating expenses. The opportunity cost of not obtaining market rentals is not included in this funding analysis.

Our funding targets: operating expenses	
User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
TOTAL	100%

ACTIVITY 5.2.6: COMMUNITY CENTRES AND HALLS

The Council owns 15 community centres and halls, and support another six community-owned centres. These centres provide places for people to hold meetings and other events. Eight of them also provide locations for crèches.

We also maintain an accommodation assistance fund that provides community groups with access to subsidised office space.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* – these facilities are important anchors in our communities. They are places for groups to come together, strengthening social cohesion, and making the city a more appealing place for people to live.

Who Benefits?

Individuals and identifiable part of the community	*60%*
Whole community	*40%*

The people and groups who use community facilities receive a clear and direct benefit. Though the facilities are available to all, this benefit is private and exclusive – only one group can use a room in a community centre at any one time.

However, the provision of these facilities also has benefits for the wider community. Not only do the facilities help bring people together, the groups that use them often make significant voluntary contributions to community well-being.

Who should pay?

Individuals and identifiable part of the community	*5%*
Whole community	*95%*

The purpose of providing these facilities is to encourage community groups and support the benefits they bring to the city. Clearly, this means someone other than the people using the facilities has to bear most of the costs. The Council believes it is appropriate to fund this activity mostly from rates targeted to the residential sector.

However it is also fair and reasonable that the people and groups using these spaces and offices meet some part of the costs by paying fees. These should be kept at nominal levels as charging more would mean some people and groups could not afford to use the facilities.

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate (residential)	95%
General rate	0%
TOTAL	100%

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5.3 Public Health and Safety

ACTIVITY 5.3.1: BURIALS AND CREMATIONS

We operate the crematorium and cemetery at Karori and the cemetery at Makara.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* – the cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community.

Who Benefits?

Whole community	*50%*
Identifiable part of the community	*50%*

The cemeteries provide families of the deceased with access to appropriate burial or cremation facilities, allowing them to farewell their loved ones with dignity.
They also have significant benefits to the community as a whole. These include the public health benefits of ensuring burials and cremations are conducted appropriately, the contribution made by the cemeteries to the city's heritage, the social benefits of ensuring a wide range of religious and cultural needs are catered for, and the provision of park-like surroundings that benefit not only families of the deceased but also all members of the community. Members of the public expect cemeteries to be properly maintained and accessible to all.

The provision of these services can also be seen to benefit funeral homes and other private businesses in this field.

Who should pay?

Whole community	*50%*
Identifiable part of the community	*50%*

Since the benefits of this activity are split between individuals and the community as a whole, it is appropriate for the costs to also be split.

It should be noted that historically we have been able to recover less than 50 percent of the cost of this activity through user charges. Recent efforts to improve this rate of cost recovery have resulted in some improvements; however due to price elasticity we anticipate that on occasions we will not meet this target. The remaining costs are appropriately met through general rates.

Our funding targets: operating expenses

User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
TOTAL	100%

Draft to Committee only – not Council policy

ACTIVITY 5.3.2: PUBLIC TOILETS

We own and maintain around 100 public toilets throughout the city, located at public places such as parks, playgrounds, sports fields, and shopping centres and in the central business district. This activity includes ensuring they are kept clean and fit for public use.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* **–** these facilities are located conveniently throughout the city protecting against public health risks.

Who Benefits?
Whole community *60%*
Individuals *40%*

Council-owned public toilets clearly benefit people who use them. Their provision also benefits everyone who lives and works in the city, by protecting people in public places from the health hazards that would arise if there were no facilities or if facilities were not kept clean.

Who should pay?
Whole community *100%*

Since this activity benefits the whole community, the fairest and most effective way to fund it is through the general rate. Though individuals also benefit, the Council does not believe it would be appropriate to refuse access to people who cannot or will not pay.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 5.3.3: PUBLIC HEALTH REGULATIONS

This activity covers the Council's role in licensing and monitoring food outlets, licensing liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, and handling infectious disease investigations and the sorting and processing of dangerous goods.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* **–** this activity protects against public health risks.

Who Benefits?
Whole community *75%*
Individuals *25%*

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The Council's public health work is required under several laws including the Liquor Act, the Resource Management Act and legislation covering hazardous substances. It provides significant benefits to the community as a whole, including protection of the public from hazards such as dangerous chemicals, unsafe food, excessive noise and diseases.

Most of this work involves protecting the public from hazards created or potentially created by identifiable businesses and people. There are benefits to individual businesses which could not legally operate without the Council providing these services, and there are benefits to individuals who have their complaints dealt with or otherwise are protected from a hazard or nuisance.

There are also a number of users who benefit from this activity. Businesses use Council services to monitor and licence their food and liquor outlets. Dog owners benefit from the dog licensing scheme. These users are charged a fee for the benefits they receive.

Who should pay?

Whole community	*40%*
Individuals	*60%*

As this work largely protects the community from harm, it is appropriate that the people or businesses causing the harm should pay. The Council's public health activities include a range of user charges. For example, licensing and monitoring of food outlets is carried out on a full cost-recovery basis, while user charges recover about 75 percent of animal control costs. Some charges, such as those for liquor licensing, are determined by statute.

For some services, it is not appropriate or possible to charge users. For example, the cost of responding to public complaints about noise, nuisance, litter, animals and other public health issues cannot be recovered as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard. Overall, user charges recover about 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.

Since the benefits to the community as a whole are significant, it is appropriate for the remaining costs to be funded from general rates.

Our funding targets: operating expenses	
User charges	60%
Other revenue	0%
Targeted rate	0%
General rate	40%
TOTAL	100%

ACTIVITY 5.3.4: CITY SAFETY

This activity covers our efforts that are directed at making the city safe and ensuring people feel safe. This includes patrols by city safety officers, closed circuit television monitoring of some inner-city streets, and safety audits which identify necessary improvements such as better street lighting.

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Community outcome
This activity contributes towards the following outcome:

- *People-centred City* – this activity promotes individual wellbeing, safe neighbourhoods and a safe inner city.

Who Benefits?
Whole community *100%*

Our city safety initiatives benefit the whole community. By preventing crime, these initiatives have a clear and tangible effect on residents' well-being. This, in turn, has several other positive spin-offs. Increased safety levels encourage people into the city centre, which makes the city more vibrant and also benefits retailers and other businesses. These efforts also contribute to civic pride by enhancing Wellington's reputation as a very safe city by national and international standards.

Though individuals benefit from reduced crime, the benefits are felt community-wide and are not exclusive to individuals. As a lot of this work is directed at the inner city it may be argued that there are greater benefits to those who live and work in the city than to residents who do not use the inner city often. However, making the city safer means even those who don't use the inner city are more likely to feel they have the option to safely access the inner city.

Who should pay?
Whole community *100%*

Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 5.3.5: WELLINGTON REGIONAL EMERGENCY MANAGEMENT OFFICE (WREMO) AND RURAL FIRE

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.

Who Benefits?

Draft to Committee only – not Council policy

Individuals	*10%*
Whole community	*90%*

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.

From time to time, WREMO may receive income in the form of grants from the Ministry of Civil Defence and Emergency Management, and other sources. However, this income varies significantly from year to year. We anticipate 5 percent revenue over the foreseeable future

Rural Fire and Fire Prevention

WCC contributes to the Wellington Rural Fire Authority (WRFA) which incorporates the rural fire capabilities and responsibilities of the Wellington, Kapiti, Upper Hutt, Lower Hutt and Porirua city councils.

Many Wellington properties back onto large areas of vegetation which can present a significant fire risk. The ability to provide fire suppression and prevention mechanisms benefits both the property owner and wider community through enhanced resilience.

Who should pay?

Whole community	*95%*
User	*5%*

While individuals property owners benefit from this work in the event of a large vegetation fire , the benefit to the whole community far outweighs this. The Council believes the fairest and most effective way to fund this activity is from general rates.

From time to time, WRFA may receive income in the form of grants from the New Zealand Fire Service Commission via the National Rural Fire Authority. This income varies significantly from year to year. We anticipate 5 percent revenue over the foreseeable future

Our funding targets: operating expenses	
User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
TOTAL	100%

Urban Development

Directing growth and delivering quality

Nestled between harbour and hills, Wellington is a compact and dynamic city. We aim to preserve its special character, making sure developments are safe and in harmony with the environment. Our work in this area includes urban planning, building and development regulation, heritage protection and the development of public spaces.

Operating activities

With the exception of regulatory services, the majority of activities in this area are funded by the whole community via the General Rate. The funding sources are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	50%	0%	50%	50%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
		6.2.4	Regulator - Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Urban development capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

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Urban development – activity funding commentary

6.1 Urban Planning, Heritage and Public Spaces Development

ACTIVITY 6.1.1: URBAN PLANNING AND POLICY

The Council wants to ensure the city grows in ways that encourage high-quality development and produce the best long-term result for everyone. To do this, we will use appropriate controls to guide development, particularly in key areas of the city. This includes guiding development in the northern part of the city where rapid growth is expected in coming years and implementing the District Plan. An important component of our overall urban planning and policy work is how we manage infill developments. This is a priority for the Council as we work on the 'growth spine concept'.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* – this activity ensures the city's built form is developed in appropriate ways
- *Eco-city* – urban planning is focused on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices.
- *Dynamic Central City* - this activity shapes how the built form and urban culture of the city is developed into the future

Who Benefits?
Whole community *100%*

Urban planning ensures the city grows in a controlled way that is environmentally sustainable, enhances community cohesion, and encourages high-quality developments. While the Northern Growth Management Framework is obviously specific to that area, the benefits of improved infrastructure and co-ordinated growth will be felt city-wide.

Who should pay?
Whole community *100%*

The Council seeks to build stronger communities through funding this activity. Our aim is to make Wellington even more liveable – making it a great place to be by offering a variety of places to live, work and play within a high quality public environment. Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

Draft to Committee only – not Council policy

ACTIVITY 6.1.2: CITY SHAPER DEVELOPMENTS

The Wellington waterfront is a key area of the city. We oversee its development in line with a guiding policy, the Wellington Waterfront Framework. Management of waterfront development is carried out by a Council controlled organisation, Wellington Waterfront Limited.

Our role includes preparing an annual work plan that outlines short and long- term development proposals for the waterfront and funding the operations of Wellington Waterfront Limited.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* - the waterfront offers safe open spaces that welcome and engage people and encourage them to stay.

- *Dynamic Central City* **–** the waterfront is an accessible and unique component of the inner city that offers opportunities for relaxation, recreation and leisure.

Who Benefits?
Whole community *100%*

This work benefits the whole community by making the city more attractive and vibrant, and providing valuable recreation opportunities. Through development of public spaces that complement the natural beauty of the waterfront, the image and the "sense of place" that people have for the city is enhanced. Waterfront development attracts people into the city, supporting social cohesion and aiding the economy.

While the direct beneficiaries are mainly people who choose to visit the waterfront, these benefits are not exclusive. When one person visits Queen's Wharf or Frank Kitts Park, that doesn't stop anyone else from being in the area too. Nor would it be practical or acceptable to identify users of the waterfront and require them to pay. Similarly, though people living in the inner city benefit from better access to the waterfront, this is outweighed by the benefits to all people in the city.

The operational spending for this activity covers planning and public consultation. All residents benefit from the opportunity to have their views heard.

Who should pay?
Whole community *100%*
Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 6.1.3: PUBLIC SPACES AND CENTRES DEVELOPMENT

Draft to Committee only – not Council policy

We fund work to develop the street environments, urban parks and squares, and other public areas in the city and suburban centres. We aim to make these areas safe, accessible and attractive, with plenty of green space. This activity includes maintenance of the city's public artworks and consultation, planning and co-ordination of suburban centre upgrades.

Community outcome
This activity contributes towards the following outcome:

- *People-centred City* – development of public squares and parks enhances people's enjoyment of the city and contributes to our civic pride and our 'sense of place'.

- *Dynamic Central City* **–** public spacers are an important component of the inner city providing accessible opportunities for relaxation, recreation and leisure for residents and visitors. High-quality developments make the city a more attractive place to live, attract visitors and support business opportunities..

Who Benefits?
Whole community *100%*

This work benefits the whole community by enhancing the urban environment, making the city safer and contributing to the vibrancy of Wellington. All residents and visitors to the city are able to enjoy its public spaces. While those who use city or suburban shopping areas, urban parks, squares and other public areas receive direct benefits, these benefits are not exclusive and it would not be desirable or acceptable to require people to pay for them directly. Similarly, though individual suburbs benefit from work on suburban centres, these upgrades are not restricted to particular areas of the city – upgrades either have been carried out recently or are timetabled across many suburbs.

As well as enhancing the environment, development of city and suburban centres benefits the economy and enhances people's pride in the city.

Who should pay?
Whole community *100%*

While centre development provides a clear benefit to geographical suburban areas, targeted rates to fund these activities are not considered appropriate given the broad benefit to the community as a whole, and that centre upgrades are scheduled to occur throughout the city. The public good benefit over-rides any direct benefit to individual communities. However, if a suburban community asks for a higher standard of upgrade, or an earlier timeline than the Council has planned, the Council may consider imposing a targeted rate.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 6.1.4: BUILT HERITAGE DEVELOPMENT

Draft to Committee only – not Council policy

In order to promote Wellington as a place that celebrates its landmarks and heritage, we work to help protect and restore the city's heritage assets.

The District Plan ensures heritage buildings, trees, monuments and other assets, and sites of significance to tangata whenua, are recognised and that controls are in place to manage changes to or removal of these assets.

Our work in this area includes maintaining an inventory of heritage sites, restoring significant heritage buildings in public ownership and upgrading heritage sites.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* **–** heritage buildings contribute to the city's distinct identity and enhance its sense of place.

Who Benefits?
Whole community *100%*

This work benefits the whole community by protecting the city's heritage. Preservation of city landmarks enhances the city's image, makes it more attractive, and contributes to people's sense of history and community pride. The community also benefits from enhancement of publicly-owned heritage assets.

Who should pay?
Whole community *100%*

Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

6.2 Building and Development Control

ACTIVITY 6.2.1: BUILDING CONTROL AND FACILITATION

The Council has a statutory responsibility under the Building Act and the Resource Management Act to control building developments. This includes ensuring buildings are safe and sanitary, and do not threaten environmental quality or public health.

Work includes issuing and monitoring building consents - we have 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.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* - All cities control building work according to the provisions of the Building Act and codes. These controls are necessary to protect public health and safety, and to protect future users of land and buildings.
- *Eco-city* - we promote intensive development, rather than sprawl into green spaces, and encourage the greening of streets, buildings and places.

Who Benefits?

Individuals	*80%*
Whole community	*20%*

Our building control work benefits private individuals – the people and companies that build or redevelop homes, offices and other buildings. Our work ensures these buildings are safe and meet legal requirements. These benefits apply to buildings which, in almost all cases, are for private and exclusive use. The people who use our building consent services are clearly identifiable and can be stopped from using the service if they refuse to pay.

Similarly, the beneficiaries of our efforts to ensure swimming pools are adequately fenced are private individuals – those people who own and use swimming pools and those who are kept safe because pools are fenced.

Who should pay?

Individuals	*65%*
Whole community	*35%*

While individuals receive the benefits of our building control work, we are constrained in our ability to recover costs from those individuals. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all.

In addition, to meet all the costs of building consents through user charges we would need to raise the charges to a level that may create an incentive for homeowners to avoid the consent process and carry out illegal building work.

These factors mean that, historically we have been able to recover only about half the cost of this activity through user charges. Recent efforts to improve this rate of cost recovery have resulted in some improvements, however additional costs accruing from the Building Act have off-set these gains. Accordingly, the Council's target is to fund 50 percent of the cost of this activity through user charges. However, we plan to raise this target over time.

Our funding targets: operating expenses	
User charges	65%

Draft to Committee only – not Council policy

Other revenue	0%
Targeted rate	0%
General rate	35%
TOTAL	100%

ACTIVITY 6.2.2: DEVELOPMENT CONTROL AND FACILITATION

The Council has a statutory responsibility under the Resource Management Act to ensure land and other resources are used sustainably. The District Plan, adopted in 2001 after public consultation, contains specific policies relating to land and resource use in the city. We administer the District Plan, regulating developments to ensure they are safe, sustainable and meet public expectations. Specific activities, including issuing resource consents, monitoring compliance and dealing with complaints about environmental matters, are covered by this activity.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* **-** All cities control development work according to the provisions of the Resource Management Act and District Plan. These controls are necessary to ensure resources are used sustainably, to protect public health and safety, and to protect future users of land and buildings. They're also needed to protect urban character and to preserve the city's heritage.

Who Benefits?

Individuals	*60%*
Whole community	*40%*

The main beneficiaries of this work are the individual people and businesses involved in land subdivision and development or use of other resources. This work helps ensure the developments are safe, sustainable and meet legal obligations.

There is also a significant public benefit. By controlling the safety and environmental effects of developments, we help prevent harm to members of the public both now and in the future.

Who should pay?

Individuals	*50%*
Whole community	*50%*

While individuals receive an estimated 60 percent of the benefit from the Council's development control work, our ability to recover costs from those individuals is limited. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all. In addition, while individuals causing damage to the environment should bear the costs of dealing with their actions, it is not always possible to identify them.

To meet 60 percent of the costs of resource consents through user charges would require raising them to a level that may create a disincentive for growth and development of the city, potentially harming the economy.

These factors mean that, historically, we have been able to recover only about a third of the cost of this activity through user charges. Further initiatives are being investigated to improve this rate in the future.

Our funding targets: operating expenses	
User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
TOTAL	100%

ACTIVITY 6.2.3: EARTHQUAKE RISK MITIGATION – BUILT ENVIRONMENT

Earthquake Resilience is a key focus for Wellington City Council. The Council has a statutory responsibility under the Building Act to mitigate the risks that earthquakes may have on structures. This activity covers that work and also the contribution that the Council may make to a localised earthquake assessments.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* - Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 6.2.4: BUILDING CONTROL AND FACILITIATION – WEATHERTIGHT HOMES

Community outcome

This activity contributes to a 'People Centred City' by providing resolution to the weathertight homes issue, by supporting repairs to provide healthier and more resilient homes.

Who Benefits

Draft to Committee only – not Council policy

Whole Community 100%

Resolving weathertight homes issues provides benefits to the Community as a whole. Through no fault of their own, individuals are stuck with leaky homes which can, in the worst circumstances, affect the health and well being of those living there. Ensuring homes get fixed improves the health and well being of individuals and reduces the call on the Community's health services. It also ensures the quality of housing stock available to residents in the City.

It is not considered that the actions or inactions of any individuals or group have directly contributed to the requirement to address the resolution of weathertight homes issues.

Who should pay

Whole Community 100%

Since the activity benefits the community as a whole, the fairest and most effective way to ultimately fund it is from general rates. The quantum of the liability required to be funded will likely necessitate the use of borrowings to spread the cost and ensure that the affordability of any rates funding requirement is considered and managed.

Given the specific nature of the cost it is important that any borrowing and rate funding associated with this activity are transparent and that these funds are effectively ring fenced and only used for the specific purpose of settling weathertight homes claims and the associated interest costs from any related borrowings. There are minimal costs associated with a decision to fund this activity distinctly from other activities.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

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Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

Transport

Providing quality connections

We're responsible for Wellington's extensive transport network, and for planning for the city's future transport needs. We see a high-quality transport system as critical to the city's economy and quality of life. Our transport activities include looking after hundreds of kilometres of city roads, as well as accessways, footpaths, cycleways, parking facilities, traffic signs and signals, street lighting and pedestrian crossings. We also manage parking areas and have an ongoing programme of safety promotion.

Operating activities

The funding sources for this area are illustrated in the graph below.

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Transport	Transport	7.1.1	Transport planning	0%	15%	85%	85%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	0%	100%	100%	0%	0%	0%
		7.1.4	Passenger transport network	0%	65%	35%	35%	0%	0%	0%
		7.1.5	Pedestrian network	0%	0%	100%	100%	0%	0%	0%
		7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7	Road safety	0%	30%	70%	70%	0%	0%	0%
	Parking	7.2.1	Parking	100%	0%	0%	0%	0%	0%	0%

Capital Expenditure

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Transport capital expenditure projects are funded through a combination of NZTA subsidies, rates funded depreciation and borrowings.

Draft to Committee only – not Council policy

Transport – activity funding commentary

7.1 Transport

ACTIVITY 7.1.1: TRANSPORT PLANNING

The mixed modes and changing demands on transportation means that transportation planning becomes increasingly important. The Council's work in this area is closely linked to the work that we carry out under urban development. We also incorporate travel demand management planning as a component part of our overall transport and urban planning work.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* **–** the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* **–** the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* - a network that is efficient means fewer cars are stuck in traffic meaning less emissions are produced
- *Dynamic Central City* **–** A network that allows easy movement of people and goods is vital for business and a significant competitive advantage.

Who Benefits?

Whole community	*100%*

This activity is of benefit to the whole community.

A well planned transportation network plays an important part in making the city more liveable. It provides for the efficient movement of freight and it allows for people to be better connected, aiding social cohesion.

Who should pay?

Whole community	*85%*
Other	*15%*

A part of the cost of this activity is funded by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. As the activity is of benefit to the whole community it is considered fair and appropriate that the remainder be funded from the general rate.

Our funding targets: operating expenses	
User charges	0%
Other revenue	15%
Targeted rate	0%
General rate	85%
TOTAL	100%

Draft to Committee only – not Council policy

ACTIVITY 7.1.2: VEHICLE NETWORK

We manage a network that includes 74 bridges, four tunnels, and more than 650 kilometres of urban and rural roads, as well as all related pavements and service lanes. Upkeep of these roads includes resurfacing and major structural works, such as maintenance and earthquake-strengthening of bridges and tunnels.

This activity also covers port access. The efficient movement of freight to and from the port is an important contributor to the city's economy. We work alongside the port authorities to ensure we can find appropriate solutions to the movement of freight so that these reduce any negative impacts on other users of the vehicle network.

As steward of the roads in a harbour city, we also have a responsibility to maintain sea walls, as well as the walls on dry land that make up the 'road corridor'.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* **–** the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* **–** the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* - the network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* **–** the network provides for easy and affordable movement to and around the central city, especially by walking.

Who Benefits?
Whole community *100%*

The city's vehicle network is a vital public asset. Roads are available for all residents and visitors to use and, under the current law; we cannot charge anyone for using them. The vehicle network is not in competition with any privately-provided alternative. It benefits all residents by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. For example, an efficient vehicle network allows people to get to work, visit friends and family, and get their children to school. This 'public good' aspect of the vehicle network is reflected in the fact that the Council's responsibility for providing and maintaining the network is enshrined in law.

The direct beneficiaries of the vehicle network are road users. This includes businesses that use roads for commercial purposes such as transporting goods. It also includes everyone who drives cars. But there are also many indirect beneficiaries, including people who never leave their homes but receive meals on wheels or mail deliveries.

It may be argued that the commercial sector receives a higher direct benefit than city residents. Heavy commercial vehicles cause more wear and tear on the roading network than private cars. However, it is not possible to reasonably assess how much benefit falls to each group.

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Who should pay?

Whole community	*95%*
Other	*5%*

A significant part of our vehicle network costs are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. Of the remaining costs, as the community as a whole benefits from the vehicle network, the fairest and most efficient way to fund this activity is from general rates. While there may be arguments for imposing some direct costs on road users and, in particular, on heavy vehicles which cause a significant amount of wear and tear, the Council currently has no legal means of charging road users.

The amount of the NZ Transport Agency subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 7.1.3: CYCLE NETWORK

The Council maintains cycleways in the city and suburbs. These require regular upkeep to ensure they have smooth surfaces, clear lane markings and signage, as well as cycle stands at appropriate parking points.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* **–** the cycle network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* **–** the cycle network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the cycle network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* **–** the cycle network provides for easy and affordable movement to and around the central city.

Who Benefits?

Whole community	*100%*

The cycleways provide significant benefits to the whole community. By encouraging people to walk and use cycles, they benefit the environment and improve residents' overall levels of health. By reducing the amount of traffic, they make the city's roads safer. Also, though not all residents use them, the opportunity is available for all. As an integral part of the transport network, the cycleways are a public asset.

The direct beneficiaries of the city's cycleways are clearly the people who use them. This includes both cyclists and pedestrians who use the cycleways as de facto walkways. The cycleways provide these people not only with transport but recreational opportunities. However, it would be impractical to charge a fee on these users.

Who should pay?
Whole community *100%*

Because the community as a whole benefits from our provision of the cycleway network, the fairest and most efficient way to fund this activity is from general rates. Identifying individual users and charging them for their use would not be practical. Charging would also discourage people from using the cycleways, meaning the benefits from their use to the city's social and environmental well-being would be lost.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 7.1.4: PASSENGER TRANSPORT NETWORK

Support for the city's public transport network is a major commitment for the Council. Our aim is to encourage greater use of the buses and rail, as this would improve energy efficiency and reduce pollution.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* – the passenger transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure
- *Connected City* **–** the passenger transport network provides accessible and safe transport choices that connect people with each other and with places locally
- *Eco-city* **-** the passenger network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* **–** the passenger transport network provides for easy and affordable movement to and around the central city, especially by walking.

Who Benefits?
Whole community *100%*

The whole community benefits from this activity through improved access to public transport and provision of public shelters and transport information. While individual users of public transport receive

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the most direct benefit, the Council-provided services such as bus shelters are available to all. Encouraging use of public transport has wider community benefits including a cleaner environment and less congested roads.

Who should pay?

Whole community	*35%*
Other	*65%*

While the whole community benefits from this activity, the Council receives income for advertising on bus shelters. This income covers the majority of the cost of providing the Council's passenger transport network services, however this is dependant on advertising demand and revenue.

The funding target has been set in line with current forecasts for advertising revenue.

The Greater Wellington Regional Council also funds projects as a part of its statutory responsibilities for public transport.

Our funding targets: operating expenses	
User charges	0%
Other revenue	65%
Targeted rate	0%
General rate	35%
TOTAL	100%

ACTIVITY 7.1.5: PEDESTRIAN NETWORK

Pedestrian safety is a crucial aspect of the transport network. The Council maintains more than 800 kilometres of footpaths, as well as pedestrian subways, bridges, canopies, seats, bollards and fountains.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* – the pedestrian network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the pedestrian network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the pedestrian network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* – the pedestrian network provides for easy and affordable movement to and around the central city.

Who Benefits?

Whole community	*100%*

This work benefits the whole community by ensuring that footpaths and access-ways are safe and well maintained. While it might be argued the individuals who use footpaths are the direct beneficiaries, in practice that includes most residents, visitors to the city and therefore businesses. It would not be practical to assess benefits on an individual basis.

Who should pay?

Whole community *100%*

Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs. A small amount of user charge income is received from the operators of street-side commercial activities. However, this income is not consistent or predictable and is therefore not included in our targets.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
TOTAL	100%

ACTIVITY 7.1.6: NETWORK-WIDE CONTROL AND MANAGEMENT

Traffic flows need to be managed to minimise congestion at busy periods. We run a control system based on over 100 sets of traffic lights, and a dozen closed circuit television camera systems and a central traffic computer system. This activity also covers traffic sign maintenance and road marking maintenance.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* **–** the network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* **–** the network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the network reflects our commitment to sustainable, safe and efficient transport choices

Who Benefits?

Whole community *100%*

Network management is crucial in a modern, efficient vehicle network. The beneficiaries of our work in this area are the whole community. By controlling traffic flows, we make the city's roads safer, more efficient and help reduce travel times.

This work also has benefits for the whole community, as a safe, efficient transport system benefits the economy and is important for public health and social connectedness.

Who should pay?

Whole community *70%*

User Charges *15%*

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Other *15%*

The main elements of this activity benefit the whole community. A significant part of these activities are funded by subsidy from the Government New Zealand Transport Agency (NZTA), derived from fuel taxes.

There are also User Charges for individual users of the Transport Network. We are constrained in our ability to recover total costs from all individuals particularly when the whole community benefits from these activities on the network. In these cases the fairest and most efficient way to fund these activities is from general rates.

Our funding targets	
User charges	0%
Other revenue	25%
Targeted rate	0%
General rate	75%
TOTAL	100%

ACTIVITY 7.1.7: ROAD SAFETY

We make ongoing improvements to the safety of our road network. This work involves a wide range of measures including improving lighting, widening footpaths, installing 'traffic calming' measures such as speed humps, and installing barriers and handrails to protect pedestrians.

Community outcome
This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices that are safe and accessible from their homes to shops, for work, recreation and pleasure.

Who Benefits?
Whole community *100%*

This work helps reduce accidents and ensures the transport network is safe. The benefits are felt by the whole community, including all road users, pedestrians, cyclists and all others who benefit from the city having a safe, efficient transport network.

Who should pay?
Whole community *70%*
Other *30%*

A significant part of our costs for this activity are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from the fuel taxes it gathers. We also receive some income in relation to this activity from the Land Transport Safety Authority. Of the remaining costs, as the community as a whole benefits from a safe vehicle network, the fairest and most efficient way to fund this activity is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets	
User charges	0%
Other revenue	30%
Targeted rate	0%
General rate	70%
TOTAL	100%

7.2 Parking

ACTIVITY 7.2.1: PARKING

The Council provides short-term, metered roadside car parks in the city centre. We aim to have a high turnover of these parks. We also operate coupon and resident parking in areas to give city dwellers on the fringe of the central business district some relief from the daily influx of commuters.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – central city car and motorbike parking is important for shoppers, people working in the city, visitors to the city, and people coming in to the city for recreational activities. It is also necessary to allow for goods to be picked up and delivered throughout the city. The provision of car parking helps make Wellington a liveable, prosperous city.

Who Benefits?

Individuals	*75%*
Whole community	*25%*

The direct beneficiaries of the Council's parking services are clearly those people who use car parks. These benefits are private and exclusive. Two people cannot use the same car park at the same time and it is appropriate to charge people for using car parks. The Council's parking services operate in competition with other private sector providers.

It might also be argued that retailers benefit directly from the Council's provision of car parks. However, there is no practical way of assessing whether people are using car parks to go shopping or for other purposes such as recreation.

The community as a whole also receives benefits from the Council's parking activities. On-street car parking is time limited to encourage a high turnover of parks, as this helps bring people into the city and benefits the commercial sector. All ratepayers benefit from the income derived from this activity, as it offsets the cost of providing the vehicle network.

Who should pay?

Individuals	*100%*

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Since the principal benefit from the Council's parking services is to identifiable individuals it is appropriate for them to bear the costs through user charges.

While it might be argued general ratepayers should meet 25 percent of the costs, reflecting the benefit to the community as a whole, this would be inappropriate for a number of reasons. First, the level of demand for car parks suggests people using them believe they represent good value. As the principal benefit is to these individuals, it is appropriate to set user charges at a level the market will accept. Second, the Council's parking services operate in competition with private car park operators and setting lower fees would unfairly disadvantage those operators and potentially reduce the supply of off-street parking in the city. Third, the individuals using car parking spaces also benefit through being able to use ratepayer-funded roads and footpaths, and their contribution through parking fees offsets the cost of providing these services.

This activity recovers significantly more revenue, through enforcement and meter charges than the operating costs. The Council believes this is appropriate as it supports our transport and retail policies. These policies aim to improve access to on-street parking and increase turnover of parking.

Our funding targets: operating expenses	
User charges	100%
Other revenue	0%
Targeted rate	0%
General rate	0%
TOTAL	100%

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Revenue and Financing Policy Compliance

1.1. Compliance snapshot:

Category	Number of Activities	Non-rates income	Compliance gap $ (positive means more rates funding required)	Impact of proposed fee changes
Compliant activities	42	$4,750k	($145k)	-
Temporary non-compliance	10*	$19,018k*	($182k)*	-
Changes to fees	8	$27,735k	$569k	$401k
Changes to policy	6	$11,278k**	$244k**	-
New activities and policies	5	$14,666k	($14,666k)	-

**excludes Parking and Housing*

***Swimming Pools and Public Health Regulations have been counted twice - as part of both 'policy' and 'fee' categories*

1.2. Compliant activities

1. The following activities are within Council's 5% policy band and the dollar variance from policy targets are less than $100k. Officers have reviewed the current policy and targets and consider them appropriate.

Activity Component	R&F Policy Target Rates Funding	2015/16 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
1.1.1 City governance & engagement	100%	100%	-	-	
1.1.2 Civic information	95%	94%	(1%)	($43k)	Main income is from GWRC contract. Continue to look for opportunities to generate income by delivering services to paying customers.
1.2.1 Maori & Mana Whenua partnerships	100%	100%	-	-	
2.1.1 Local parks & open spaces	95%	95%	-	-	
2.1.2 Botanical gardens	90%	92%	2%	$89k	Retail sales forecasts are lower than the levels required to achieve policy compliance.
2.1.3 Beaches and coast operations	95%	96%	1%	$18k	Increase in general storm works and maintenance costs. Minor non-compliance.
2.1.5 Town belts	95%	95%	-	-	
2.1.6 Community environmental initiatives	100%	100%	-	-	
2.1.7 Walkways	100%	100%	-	-	
2.1.8 Biodiversity (pest management)	100%	98%	(2%)	($38k)	Over compliance due to income for services provided to another TLA. The variance to policy is minimal.
2.2.2 Closed landfills aftercare	100%	100%	-	-	
2.3.1 Water network	100%	100%	-	-	
2.3.2 Water collection & treatment	100%	100%	-	-	

Activity Component	R&F Policy Target Rates Funding	2015/16 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
2.6.1 Conservation visitor attractions	100%	100%	-	-	
3.1.6 International relations	100%	100%	-	-	Note name change (previously Regional & external relations)
4.1.1 Galleries & museums	100%	100%	-	-	
4.1.2 Visitor attractions (Te Papa/Carter Observatory)	100%	100%	-	-	
4.1.4 Cultural grants	100%	100%	-	-	
4.1.5 Access & support for community arts	90%	90%	-	-	
4.1.6 Arts partnerships	75%	72%	(3%)	($53k)	Small reduction in costs for this activity.
4.1.7 Regional amenities	100%	100%	-	-	
5.1.3 Sportsfields (synthetic)	60%	61%	1%	$18k	Minor non-compliance due to a reduction in revenue forecasts.
5.1.5 Recreation partnerships	100%	100%	-	-	
5.1.6 Playgrounds	100%	100%	-	-	
5.1.9 Recreation programmes	95%	95%	-	-	
5.2.2 Access support (leisure card)	100%	100%	-	-	
5.2.3 Community advocacy	100%	100%	-	-	
5.2.4 Grants (social & recreation)	100%	99%	(1%)	($19k)	Short-term funding for Councillor Eagle's contribution from directors' fees for the Wellington Regional Stadium Trust (WRST) committee.
5.2.6 Community	95%	93%	(2%)	($71k)	Over-compliance due to new

Activity Component	R&F Policy Target Rates Funding	2015/16 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
centres & halls					income for running centres on behalf of some communities.
5.3.1 Burials & cremations	50%	51%	1%	$20k	The timing of the closure and replacement of the cremator has temporarily affected compliance.
5.3.2 Public toilets	100%	100%	-	-	
5.3.4 City safety	100%	100%	-	-	
5.3.5 WEMO	95%	97%	2%	$24k	Minor non-compliance
6.1.1 Urban planning & policy	100%	99%	(1%)	($20k)	Budgeted income for District Plan changes. Minor non-compliance.
6.1.2 City Shaper Developments	100%	100%	-	-	Note name change (previously Waterfront development)
6.1.3 Public spaces & centres development	100%	100%	-	-	
6.1.4 Built heritage development	100%	100%	-	-	
6.2.3 Earthquake risk mitigation – built environment	100%	100%	-	-	
7.1.3 Cycle network	100%	97%	(3%)	($31k)	Income derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
7.1.4 Passenger transport network	35%	35%	-	-	
7.1.5 Pedestrian network	100%	99%	(1%)	($39k)	

1.2.a. Non-compliant activities - Permit temporary non-compliance

2. There are a number of activities for which the officers recommend temporary non-compliance and/or stretch user charge targets. For these activities officers consider that the current policy and targets are appropriate, but that for specific and acceptable reasons full compliance is unlikely to be achieved in 2015/16.

Activity Component	Current R&F Policy Target Rates Funding	2015/16 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
2.1.4 Roads open spaces	95%	93%	(2%)	($190k)	Income is derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
2.4.2 Sewage Treatment	95%	97%	2%	$362k	Main costs in this activity are management fees charged by Veolia, contribution to the Porirua joint venture, and asset stewardship costs. Income is from Veolia for the disposal of sewage sludge at a contracted price. Due to the limited ability to reduce expenditure and increase income, it is unlikely ro achieve compliance.
2.5.1 Stormwater management	100%	99%	(1%)	($126k)	Mainly NZTA funding for drainage maintenance.
5.1.4 Recreation centres	75%	73%	(2%)	($236k)	The budget currently assumes $200k funding from NZCT for "Youth in Sport" programme. This funding is approved on a year by year basis and is yet to be confirmed. If this income does not eventute, the activity will be compliant.
5.2.1 Libraries	90%	92%	2%	$481k	Income from overdue fines are trending down due to digital books not attracting fines. There has also been an increase in costs due to the transfer of Capex to Opex to take into account purchase of licences for digital books and

Activity Component	Current R&F Policy Target Rates Funding	2015/16 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
					the impact of the Wellington Wage. It is recommended not to change the policy at this stage, but review it at the next LTP when the Johnsonville Library upgrade and forecasted decrease in volumes take effect.
5.2.5 Housing	0%	-69%	(69%)	($17,694k)	The Community Housing activity is ring-fenced with user charges through rental income funding 100% of operating expenses. The over-compliance relates to capex grants from Housing NZ. No changes to policy recommended.
6.2.1 Building control & facilitation	35%	34%	(1%)	($137k)	Temporary over-compliance due to additional revenue from processing Christchurch consents. The activity is expected to be compliant once the contract with Christchurch concludes in February 2017 .
7.1.1 Transport planning	85%	92%	7%	$66k	Income derived from NZTA funding only. Draft LTP indicates that compliance for this activity will be variable from year to year due to the eligibility of planned Transport Policy Projects. However over the LTP period, the activity will only be non-compliant by 2% which is within the 5% policy band.
7.1.2 Vehicle network	95%	92%	(3%)	($397k)	Income derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
7.1.6 Network-wide control & management	70%	67%	(3%)	($196k)	
7.1.7 Road safety	70%	74%	4%	$191k	The budget for this activity is

Activity Component	Current R&F Policy Target Rates Funding	2015/16 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
					consistent with previous years, but the proportion of NZTA claimable expenditure has decreased. Therefore rates funding requirement has increased.
7.2.1 Parking	0%	-115%	(115%)	($14,710k)	This activity recovers significantly more revenue than the operating costs. The surplus from this activity subsidises transport infrastructure projects, thereby reducing the rate funding for transport projects.

1.2.b. Non-compliant activities - Changes to fees and charges

3. Officers are recommending fee changes for the following activities which will improve policy compliance by $401k. Any changes not approved ultimately by Council will result in the equivalent value being put back onto rates. Activities marked with an asterisk are also recommending a change to policy targets in addition to fee changes.

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
1.1.3 City archives	90%	(3%)	($40k)	A fee and income review was carried out, and a new fee structure proposed which is more aligned to customer needs and the resourcing required to deliver the service. It proposes a move to set fees for the Building Plan Search Service.	Introduce new single-search fees and apply an inflationary increase to other miscellaneous fees. Note there is no additional revenue as the new fees are set to generate the same level of income at under the old fee structure, based on current volumes.	-	No change	(3%)	($40k)
2.2.1 Waste minimisation, disposal & recycling management	0%	0%	($0.8k)	Revenue in this activity is from Landfill fees and levies, rubbish / recycling bag sales, Kai to Compost, and sale of other	Increase landfill fees by 3% ($3.13+gst per tonne) and Kai to Compost fees to $10 per bin lift, in order to bring the activity into compliance.	$200k	No change	0%	($0.8k)

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
				recoverable materials. There is a gradual decline in rubbish bag sales, as recycling increases and/or residents choose commercial providers for kerbside rubbish collection.	Note the proposed fee increases are already factored into the draft budgets.				
2.4.1 Sewage collection & disposal network	95%	2%	$407k	The user charges in this activity are trade waste levies. If in the future the targeted objective of reduced waste is achieved, Council's revenues through trade waste charges will reduce. This would result in an increase in the rates funding to this activity.	Increase Trade Waste user fees to reflect CPI movements (using the BERL Water index)	$44k	No change	2%	$363k
5.1.1 Swimming pools*	60%	3%	$576k	Non-compliance mainly driven by a reduction in revenue targets, net impact	• Increase fees to adult spas at the WRAC and Community Pool,	$6k	Revise policy target to 38% user charges and 62% rates funding (to	1%	$204k

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
				of Keith Spry Pool upgrade, and the impact of Wellington Wage. Our current fees are at the top end of the market, hence a fee increase across all pool activities and fitness centres is not recommended.	and • Revise policy target to 38% user charges and 62% rates funding. When the Wellington Wage was approved, Council signalled the intention to fund this from rates rather than user charges.		reflect the impact of Wellington Wage).		
5.1.2 Sportsfields	90%	2%	$54k	Non-compliance due to impact of recent trends in Wellington Sport on Council sportsfield operations, such as increased requirements for elite sport, national & international sporting events etc.	Increase fees to: • premier sand-carpet fields from $1,971 to $2,350 and • average 2% inflationary increase on other fees	$10k	No change	1%	$43k
5.1.7 Marinas	0%	4%	$22k	Expenditure increases have been absorbed over the last three years. This	Fee increases of 2% for Evans Bay Marina and 2.4% for Clyde Quay to bring the activity	$12k	No change	2%	$10k

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
				year, costs are slightly ahead of revenue and therefore a fee increase is proposed.	closer to target				
5.3.3 Public health regulations*	50%	(10%)	($567k)	Non-compliance driven by a combination of increased income from liquor licensing fees set by legislation and an increase in dog registration volumes.	Revise policy target to 60% user fees and 40% rates, introduce a new fee for public notification of Alcohol licensing, and increase food licensing fees by 4.3% to cover additional costs to implement changes in the Food Act. Officers also recommend working towards implementing a bylaw to revise Alcohol Licencing fees.	$40k	Revise policy target to 60% user fees and 40% rates	(1%)	($63k)
6.2.2 Development control & facilitation	50%	2%	$118k	Fees have not increased in the last 3 years as cost increases have	Increase the following Subdivision certification fees from $600 to $900:	$89k	No change	0%	$29k

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
				generally been minimal. The proposed hourly rates are consistent with rates for similar councils around New Zealand	- Combination of 2 or more stage certificates - Certification s224(c) And increase other fees by an average of 2-3% to bring the activity into compliance. The intention is to increase fees by inflation on an annual basis in future.				

1.2.c. Non-compliant activities - Changes to policy

4. Officers are recommending policy target changes for the following activities after a review of the current policy rationale. The policy targets are proposed to be amended in 5% bands in line with previous Council decision, with the exception of Swimming Pools where it is recommended to amend the policy by 2% to reflect the impact of Wellington Wage on the activity. Activities marked with an asterisk are also recommending a change to fees in addition to policy changes.

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
3.1.3 Retail support (free weekend parking)	100% (99% Downtown targeted rate and 1% Commercial targeted rate)	-	-	This activity relates to CBD free weekend parking and Business Improvement Districts (BID). The free weekend parking is funded by the Downtown targeted rate and the BIDs funded by commercial targeted rates. With the addition of new BIDs, the current funding needed to be reviewed to ensure that the funding split is appropriate.	Recommend to split the BIDs into a new activity (3.1.7) but retain the free weekend parking under activity 3.1.3. The policy remains 100% rates funded, but revise the rating split to 100% Downtown targeted rate. A new activity and policy is proposed to be set up for BIDs under 3.1.7.	-	Retain policy at 100% rates funding, but revise the rating split to 100% Downtown targeted rate. A new activity and policy is proposed to be set up for BIDs under 3.1.7.	-	-
4.1.3 Arts & cultural festivals	80%	6%	$177k	Additional funds have been budgeted for events to help deliver	Revise policy to 15% user charges and 85% rates	-	Revise policy to 15% user charges and 85% rates	1%	$30k

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
				on Council commitments, but no additional income is expected to be received. Grants and sponsorship funding is increasingly hard to attract and therefore puts future compliance at risk.	funded. This reflects the reality that grants and sponsorship income is increasingly hard to attract, and have no direct impact on service levels.		funded		
5.1.1 Swimming pools*	60%	3%	$576k	Non-compliance mainly driven by a reduction in revenue targets, net impact of Keith Spry Pool upgrade, and the impact of Wellington Wage. Our current fees are at the top end of the market, hence a fee increase across all pool activities and fitness centres is not recommended.	• Increase fees to adult spas at the WRAC and Community Pool, and • Revise policy target to 38% user charges and 62% rates funding. When the Wellington Wage was approved, Council signalled the intention to fund this from rates rather than user		Revise policy target to 38% user charges and 62% rates funding (to reflect the impact of Wellington Wage).	1%	$204k

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
					charges.				
5.1.8 Golf course	50%	21%	$58k	The golf course was split out as a separate activity during the 2012/22 LTP, and a user fees target was set based on recovering the costs specific to the golf course. At that time it was assessed that 50% of the costs factored into the budget were direct costs. Further analysis done last year reassessed the direct costs at 38%, so it is recommended to change the policy in line with this. Utilisation is forecasted to increase over the next 3 years to levels required to reach compliance.	Revise policy to 40% user charges and 60% rates	-	Revise policy to 40% user charges and 60% rates	11%	$31k
5.3.3 Public	50%	(10%)	($567k)	A combination of	Revise policy target	$40k	Revise policy target	(1%)	($63k)

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations	Officer recommendation	Additional Revenue / Reduction in Costs	Policy change recommended	Revised variation to policy (positive variance is unfavourable)	
health regulations*				increased income from liquor licensing fees set by legislation and an increase in dog registration volumes.	to 60% user fees and 40% rates, introduce and new fee for public notification of Alcohol licensing, and increase food licensing fees by 4.3% to cover additional costs to implement changes in the Food Act. Officers also recommend working towards implementing a bylaw to revise Alcohol Licencing fees.		to 60% user fees and 40% rates		

1.3. New activities and policy

5. The following activities are new and officers have recommended new policies and targets after consideration of who benefits and who pays for these activities:

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target		Officer recommendation
2.2.3 Energy efficiency & conservation	n/a	n/a	n/a	Set new policy targets at 100% general rates funding
3.1.1 WREDA and Venues	n/a	n/a	n/a	Set new policy targets at 100% rates funding (30% Commercial targeted rate; 50% Downtown targetd rate; 20% general rate)
3.1.2 Wellington Convention Centre	n/a	n/a	n/a	Set new policy targets at 100% rates funding (40% Downtown targeted rate; 60% general rate)
3.1.4 WEID Fund and Economic Grants	n/a	n/a	n/a	Set new policy targets at 100% general rates funding
3.1.5 Major Projects	n/a	n/a	n/a	Set new policy targets at 100% general rates funding
3.1.7 Business Improvement Districts	n/a	n/a	n/a	Set new policy targets at 100% Commercial targeted rates funding
2.1.9 Waterfront Public Space	n/a	n/a	n/a	Set new policy targets at 5% user charges, 15% other income and 80% general rates funding

2015-25 LTP DRAFT RATES REMISSION POLICY

1. INTRODUCTION

In accordance with Section 85 of the Local Government (Rating) Act, 2002:

i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
   a. the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002, and
   b. the local authority is satisfied that the conditions and criteria in the policy are met.

ii. The local authority must give notice to the ratepayer identifying the remitted rates.

Where there is more than one remission applicable to the same rating unit, the same rates that would normally be applicable will not be remitted more than once in the same rating year.

2. CIRCUMSTANCES WHERE A REMISSION MAY APPLY

2.1. RURAL OPEN SPACE REMISSION

REMISSION STATEMENT
The Council may grant a 50 percent remission on land classified as rural under the District Plan where the rating unit is rated under the Base differential and used principally for farming or conservation purposes.

POLICY OBJECTIVE
To provide rates relief for rural, farmland and open spaces.

CONDITIONS AND CRITERIA
Land used principally for farming or conservation purposes

A rates remission of 50 percent of the Base general rate will be granted to rating units that are classified as rural under the District Plan and used principally for farming or conservation purposes. Under this policy ‘principally for farming or conservation purposes’ is defined as where:

i. The rating unit (or property) exceeds 30 hectares in area, and
ii. 50 percent or more of the rateable capital value of the property is made up of the land value, and

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iii. the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

2.2. REMISSIONS ON LAND USED PRINCIPALLY FOR GAMES OR SPORT

REMISSION STATEMENT

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of general rates where the rating unit:

i. has a club licence under the Sale of Liquor Act 1989, and
ii. would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act, and
iii. the property is rated at the Base differential.

POLICY OBJECTIVE

To reduce the adverse financial impact of the Local Government (Rating) Act 2002 on land used principally for games or sports, occupied by clubs that hold a club liquor licence and no longer qualify as 50 percent non-rateable.

CONDITIONS AND CRITERIA

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. A remission under this policy will apply for one year only. Applicants must reapply annually. The application for a rate remission must be made prior to the commencement of the rating year (1 July). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated. For the avoidance of doubt, this policy specifically excludes chartered clubs and clubs holding permanent charters.

2.3. REMISSION OF TARGETED RATES ON PROPERTY UNDER DEVELOPMENT OR EARTHQUAKE STRENGTHENING

REMISSION STATEMENT

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

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

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POLICY OBJECTIVE

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

CONDITIONS AND CRITERIA

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

i. the property (rating unit) will not hold sufficient consents to permit occupation and,
ii. the property (rating unit) will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works and
iii. the property (rating unit) will not generate any revenue stream

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

2.4. REMISSION OF METERED WATER RATES

REMISSION STATEMENT

The Council may grant a remission on a metered water rate where excess water consumption has occurred due to a leak beyond the point of supply on the ratepayer's property. The excess water consumption may only be remitted to the level of the current Greater Wellington Regional Council bulk water rate.

POLICY OBJECTIVE

The objective of this remission policy is to provide a measure of rates relief where a water leak has been detected on the ratepayer's property with a water meter, and prompt remedial action to repair the leak has been undertaken. However the ratepayer is responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Services Bylaw.

CONDITIONS AND CRITERIA

A remission of the metered water rate may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last four readings prior to the leak . The full water rate will be charged on the average daily usage over the last four readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. Where sufficient information is not available on

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historic readings, excess water consumption will be calculated as the difference between the latest reading prior to the fault being remedied, and the average daily metered usage over the last three monthly readings after the fault is remedied. This remission should only be applied for if:

i. the leak occurred on a metered water property; and
ii. excess water consumption has occurred through a broken or leaking pipe; and
iii. evidence is provided that the fault has been remedied within a reasonable time period and prior to the application for a remission;

In the advent of a recurrence of a water leak, Council would require the property owner to get a condition assessment of the pipes on the property prior to any decisions to remit a subsequent remission.

2.5. SPECIAL CIRCUMSTANCES REMISSION

REMISSION STATEMENT
It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the rates assessed for a rating unit (or property) on the condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

POLICY OBJECTIVE
To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

CONDITIONS AND CRITERIA
The Council may remit part of the general rate assessed in relation to particular rating unit where:

i. the rates on that rating unit are disproportionate to those assessed in respect of comparable rating units, or
ii. the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.

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2.6. REMISSION OF RATES FOR BUILDINGS REMOVED FROM THE EARTHQUAKE PRONE BUILDINGS LIST

REMISSION STATEMENT

The Council may grant a remission on a property's rates where the property was on the Council's Earthquake Prone Building List and the owner has taken action to remove that building from the list (either by strengthening that building to above 33 percent of the New Building Standard (NBS) or by removing the building from the site).

The building owner (ratepayer) may qualify for this remission for a period of 3 rating years after the removal of the building from the earthquake prone building list. If the building is listed in the District Plan Heritage List then the building owner may qualify for this remission for a period of 5 years after the removal of the building from the earthquake prone building list, or up until the building is sold (whichever is the sooner)

The building owner must apply for this remission within 12 months of the removal of the building from the earthquake prone building list (by issuance of a code of compliance for work performed).

For earthquake-prone buildings that have been seismically strengthened to > 33 percent NBS the following will apply:

a. the remission application will be accepted after the code of compliance has been issued for the seismic strengthening project
b. the remission shall equate to the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable due to the valuation uplift[1] that may arise from seismic strengthening works
c. if there has been no property valuation uplift as a result of seismic strengthening work then no remission will be calculated

The valuation uplift from seismic strengthening works will be calculated as:

Final Improvement Value $ per m2 (A)	-	Initial Improvement Value $ per m2 (B)	x	Initial floor area of earthquake prone building (C)

[1] Rating valuation adjustments will occur either as part of the Council's three-yearly city wide revaluation cycle, or through adjustments that occur in between cycles where improvement works have taken place resulting in a measurable value change. Building owners will be notified of any valuation change in both circumstances. Under both circumstances rates are not impacted until the next rating year commencing 1 July. Officers reserve the right to use their discretion in determining valuation changes that may arise from seismic strengthening under this policy.

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A = This is the total improvement value portion of the revaluation of the whole rating unit (after issuance of the code of compliance and after removal of building from the Earthquake Prone Building List) divided by the floor area at the time of code of compliance, after removal of the building from the Earthquake Prone Building List

B = This is the total improvement value portion of the rateable value of the earthquake prone building at the time the building consent for earthquake strengthening work is approved, divided by the floor area of the earthquake prone building at the time the building consent for earthquake strengthening work is approved.

C = This is the floor area of the earthquake prone building at the time the building consent for earthquake strengthening work is approved.

The valuation uplift amount that has been calculated using the above methodology will be used to calculate the rates remission for the duration of the remission. The valuation uplift amount will not be re-calculated to take into account any future changes to the building's valuation post the first valuation assessment carried out after removal from the Earthquake Prone Building List (by issuance of a code of compliance).

For earthquake prone buildings that have been removed from the site the following will apply:

a. the remission application will be accepted after evidence of the building removal has been provided to Council and the building has been removed from the earthquake prone building list
b. the remission will be calculated as 10 percent of the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable on the property, on the valuation post removal of the earthquake-prone building from the site, for each of the three years following the acceptance of the remission application

POLICY OBJECTIVE

The objective of this remission policy is to minimise the rates impact of valuation increases arising for property owners who have taken positive action to address the structural safety of their earthquake-prone buildings.

CONDITIONS AND CRITERIA

A remission of rates may apply under the following conditions and criteria:

i. the building must have been on the Earthquake Prone Buildings list[2]
ii. the building owner must have taken action to remove their building from this list either through seismic strengthening or building removal

[2] As maintained by Wellington City Council

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iii. the remission must be applied for within 12 months of the building being removed from the Earthquake Prone Buildings list and will relate to the following three rating years only (the property owner does not need to reapply in years 2 and 3). *If the building is listed in the District Plan Heritage List then the building owner may apply for this remission for a period of 5 years after the removal of the building from the earthquake prone building list.*

iv. the remission will not be available retrospectively for buildings already removed from the list prior to this policy being implemented

v. the remission is only available to the property owner who has taken action to remedy their building. It will not be available to a third-party purchaser of the building even if a sale took place within three years *(or 5 years for a building listed on the Heritage List of the District Plan)* of the building being removed from the Earthquake Prone Buildings list

vi. For earthquake prone buildings that have been removed from the site, evidence must be provided to Council of the building removal and the building must have been removed from the earthquake prone building list

Valuation changes
Wellington City Council is currently on a three-yearly valuation cycle for all properties in the city. The next city-wide valuation will occur as at 1 September 2015 and will be used to calculate rates for the next three rating years commencing 1 July 2016.

Rating valuations are also subject to adjustments at any time between the valuation cycles when there has been a measurable value change, usually triggered by improvement works.

Building owners will be notified when the capital value of their property has changed. Rates will be calculated using the new capital value from the next rating year commencing 1 July.

Application
This remission may be applied for at anytime during the year. If approved by Council officers the remission will take effect either from the next rating year (1 July), or will be backdated to take effect from the start of the current rating year at the nomination of the property owner and agreement of Council officers. The remission will cease after three years from the agreed effective start date or after five years in the case of a building listed in the District Plan Heritage List.

2.7. REMISSION FOR NATURAL DISASTERS AND EMERGENCIES

REMISSION STATEMENT
In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so. Individual events causing a

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disaster or emergency are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time. Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

POLICY OBJECTIVE

The objective of this remission policy is to provide a measure of rates relief where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

CONDITIONS AND CRITERIA

Council may remit all or part of any rate or charge assessed in relation to a particular rating unit where:

i. a natural disaster or other type of emergency has affected its capacity to be inhabited, used or otherwise occupied for an extended period of time
ii. Council considers it fair to do so and has identified the individual event causing a disaster or emergency through Council resolution
iii. it meets the criteria for remission that is set by Council for the particular event, depending on the nature and severity of the event and available funding at the time

2.8. REMISSION FOR NEW RESIDENTIAL GREENFIELD DEVELOPMENTS

REMISSION STATEMENT

The Council may grant a remission on a new residential greenfield development of 30 or more allotments (or dwellings where it is proposed that the dwellings will be unit-titled) in the Lower Stebbings and Lincolnshire-Woodridge Special Housing Areas.

The property owner may qualify for this remission for a period of 2 years after a section 224(c) certificate and new titles are issued, or until the allotment or title is sold (whichever is the sooner).

The remission shall equate to the approximate increase in rates (general rate, base sector targeted rates, and stormwater network rates) payable due to the increase in land value that may arise from a residential greenfield subdivision.

The remission may be applied for once a section 224(c) certificate and new titles have been issued, and only within the duration of the Housing Accord which ends on 30 June 2019. The remission will apply for two rating years and the property owner does not need to reapply in year two.

The remission will be calculated on the uplift in rates from subdividing greenfield land into residential lots. The amount is calculated as the land value of each allotment (after title is issued) less the equivalent land value for the allotment before

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subdivision. The 'equivalent' value before subdivision is calculated as $20 per m2 multiplied by the allotment area.

POLICY OBJECTIVE

The objective of this remission policy is to minimise the rates impact of valuation increases arising for developers from new residential greenfield developments in the Special Housing Areas, to promote the supply of land for housing.

CONDITIONS AND CRITERIA

A remission of rates may apply under the following conditions and criteria:

i. the new residential development must be within the Lower Stebbings and Lincolnshire-Woodridge Special Housing Areas[4]
ii. the development must be of 30 or more allotments (or dwellings where it is proposed that the dwellings will be unit titled)
iii. the remission must be applied for within the duration of the Housing Accord. No application will be eligible for this remission after 30 June 2019
iv. the remission will apply to the general rate, base sector targeted rate, and stormwater network rates
v. the remission will not be available retrospectively for residential greenfield developments that are already completed
vi. the remission will apply for a maximum of two years; commencing when the new allotment titles are issued and ending two years later, or when the new allotment or title is sold (whichever is the sooner)

3. APPLYING FOR A RATES REMISSION

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year, except the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List and the Remission for New Greenfield Developments which may apply to multiple rating years.

Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the following remission applications which may be received after the start of a rating year:

i. the Special Circumstances Remission,
ii. the Metered Water Rates Remission,
iii. the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List, and

[4] As defined by the legislative instrument 'Housing Accords and Special Housing Areas (Wellington) Order 2014'

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iv. the Remission for New Greenfield Developments.

No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July), with the exception of the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List and the Remission for New Greenfield Developments.

The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

Applications made for a remission will be considered on their own merits and any previous decisions of the Council will not be regarded as creating a precedent or expectations.

4. DELEGATION

Decisions relating to the remission of rates are delegated to the Chief Executive, the Chief Financial Officer,the Manager Financial Accounting, and the Rates Team Leader.

5. RATES PENALTY REMISSION

POLICY OBJECTIVE

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

CONDITIONS AND CRITERIA

Upon receipt of an application from the ratepayer, or as identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

i. This is the first time a penalty is applied during a prior three year period and either:
   a) the payment of the full amount of rates due within 14 days of due date, or
   b) the ratepayer entering into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or

ii. There was an extraordinary event leading to the late payment of the instalment and either:
   a) the payment of the full amount of rates due within 14 days of due date, or

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b) the ratepayer entering into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or

iii. The ratepayer has agreed to pay future rates by direct debit

The Council reserves the right to impose conditions on the remission of penalties.

APPLYING FOR A RATES PENALTY REMISSION

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email (rates@wcc.govt.nz).

DELEGATION FOR A RATES PENALTY REMISSION

Decisions relating to the remission of penalties on rates are delegated to the Chief Executive, the Chief Financial Officer, the Manager Financial Accounting, and the Rates Team Leader.

6. NON - RATEABLE LAND

In addition to rates remissions, some types of property are not rateable or are partly non-rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non rateable property uses refer to this legislation or the Council's website.

7. REMISSION OF RATES ON MAORI FREEHOLD LAND

The Council's objectives in relation to rates remission and postponement apply equally to Maori Freehold land. Therefore the rates remission and postponement policies applicable to Maori Freehold land are identical to those that apply to non-Maori Freehold land.

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2015-25 LTP DRAFT RATES POSTPONEMENT POLICY

Policy objective

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

Conditions and criteria

For residential and other land rated at the Base differential:

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i) the applicant must be unable to pay their rates bill because of personal circumstances, and
- ii) the applicant must have tried all other avenues (including seeking a reverse mortgage from their bank) to fund their rates, and
- iii) the applicant must have no significant assets (other than their family home), and
- iv) the applicant must accept a legal charge to the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form. An application fee of $200 (including GST) will be charged and added to the total value of rates postponed on the first successful postponement application granted on each rating unit.

Before applications are processed, applicants must be provided with information that clearly sets out the long term effect of postponing rates on their estate. Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

For land rated at the Commercial, Industrial and Business differential

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

- i) the applicant must be unable to pay their rates because of business circumstances, and

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ii) the applicant must have tried all other avenues (including obtaining a loan from their bank) to fund their rates, and
iii) the net value of an applicant's property (after the value of all mortgages on the property and the total value of the rates postponed) must exceed 10 percent of the market value of the property i.e. the Council will not postpone rates where there is a significant risk that the rates will not be paid at some time in the future, and
iv) the applicant must accept the Council's legal charge over the property.

Approval of rates postponement is a one-off event. A one-off application fee of $200 (including GST) will be charged on all successful postponement applications. Rates postponed on commercial, industrial or business property must be paid in full by the start of the Council's next financial year (ie 1 July).

Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

Delegation

Decisions relating to the postponement of rates are delegated to the Chief Executive, Chief Financial Officer, and Manager Financial Accounting.

Investment and Liability Management Policies

GENERAL POLICY OBJECTIVES

The Council's general policy objectives relating to its investment and liability management are to:

- Minimise the Council's overall costs and risks associated with its borrowing activities and the general management of its other liabilities.
- Manage its borrowings and cash assets on a "net debt" basis in order to reduce the overall net cost to the Council.
- Optimise the return on its investment portfolio and other financial assets.
- Manage the Council's exposure to adverse interest rate movements.
- Borrow and invest funds and transact risk management instruments within an environment of control and compliance.
- Regularly review and consider the performance of the Council's financial assets and investments. Where appropriate, the Council will dispose of under performing assets or those assets and investments that are not essential to the delivery of services and activities set out in the Council's Long Term Plan (LTP).

More detail on the Council's investment and borrowing policies, operating procedures and associated internal controls is contained in the Treasury Management Policy.

INVESTMENT POLICY

Policy Statement

The Council operates on a "net debt" basis, and does not separately maintain significant long term cash investments. The general policy with respect to surplus short term cash is to invest any short term surplus cash or to utilise it to reduce borrowings.

The Council currently maintains an equity interest in Wellington International Airport Limited (WIAL) and an ownership and financial interest in ground leases and investment properties. The Council will continue to review the level of investment as well as the return it receives on these investments.

Where appropriate, the Council may choose to dispose of investments/financial assets that no longer meet our investment objectives.

Investment Mix and Associated Objectives

The Council categorises its investments into 5 broad categories:

Cash and Cash Equivalents

The Council may invest funds with approved registered banking institutions. These investments generally mature in less than one year, and are held primarily for working capital/liquidity purposes or the pre-funding of debt maturing within twelve months.

Income generating commercial debt instruments

These are principally loans to other organisations (on commercial terms) which deliver a cash-flow return to the Council.

Income generating commercial equity investments

Equity investments arise from the Council owning or controlling an equity holding (e.g. shares) in another entity.

The Council currently maintains a 34% shareholding in Wellington International Airport Limited (WIAL). In the event that a call for capital is made by WIAL the Council's objective is to maintain its shareholding at 34% unless a specific resolution is passed not to do so. As a result, should the Council be required to inject additional capital in WIAL to maintain its existing shareholding, it will do so without further consultation.

Income generating commercial property investments

Investment properties are the Council's ground leases and land and buildings held primarily for investment purposes. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in comparison to other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership to the City and in terms of the most financially viable method of achieving the delivery of Council services.

Non income generating investments

This includes loans to other organisations, and equity investments in Council Controlled Organisations. The Council may consider the provision of loans to Community groups but only in exceptional circumstances. The Council's non income generating investments are held for strategic or ownership reasons.

In addition to the above investment categories, the Council may assume financial risk associated with providing contributions, guarantees and underwrites, where these meet the Council's strategic objectives and outcomes. Such undertakings require a Council resolution.

New Zealand Local Government Funding Agency Limited

The Council currently maintains a 8% shareholding and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA).

The Council's objective in making any such investment is to:

a. obtain a return on the investment; and
b. ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council has invested in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

The Council has also subscribed for $2m of uncalled capital in the LGFA.

Investment Acquisition/Addition/Disposal

With the exception of the day to day investment of short term cash and cash equivalents, all new investments, additions to existing investments, and/or disposals of existing investments must be approved by the Council. The day to day management and investment of short term cash and cash equivalents may be made by Council officers in accordance with the Treasury Management Policy.

The Council will continue to maintain its current level of investment in WIAL (being a 34% equity interest) until it considers that it is strategically, financially and economically prudent to dispose of the investment.

Proceeds from the sale of investments will be used to repay existing borrowings, unless the Council specifically directs that the funds be put to another use.

Reporting

Investments in CCOs

Monitoring of the Council's equity investment and ownership interest in Council Controlled Organisations (CCOs) is undertaken by the Council Controlled Organisation Performance Sub-Committee. The Sub-Committee reports to the Governance, Finance and Planning Committee and is responsible for:

- monitoring Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), and Council Organisations (COs),
- reviewing the above organisations' quarterly reports, annual reports, business plans, strategic plans and statements of intent, and
- monitoring the performance of appointed members on CCOs.

All other investments

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The Governance, Finance and Planning Committee is responsible for monitoring all other investments and providing recommendations to the Council in regard to strategies, policy and guidelines in relation to those investments. The Governance, Finance and Planning Committee will receive and review the quarterly Treasury report contained within the consolidated quarterly report.

Risk Management

The Council's principal exposure on its financial investments is credit risk. Credit risk is minimised by the Council investing in approved institutions with satisfactory credit ratings which are assessed and reviewed by independent credit rating organisations. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

Assessment and management of specific risks associated with the Council's investment in WIAL, LGFA and investment properties will be performed on a regular basis. Any significant changes in the risk profile for these investments will be reported to the Governance, Finance and Planning Committee.

Investment Ratios

For the purposes of setting its Borrowing and Investment Ratios, the Council defines investments as assets which are cash or readily convertible to cash (either through fixed repayment and maturity profiles, or through sale or exchange) and assets which are held primarily for investment purposes (either for capital growth, commercial rental or interest). This is likely to include:

- Cash and cash equivalents (e.g. term deposits),
- Income generating commercial debt instruments
- Income generating commercial equity instruments
- Income generating commercial property instruments

LIABILITY MANAGEMENT POLICY

In broad terms, the Council manages both current and term liabilities.

CURRENT LIABILITIES

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day to day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

TERM LIABILITIES

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months. Borrowings comprise the majority of the Council's term liabilities.

The Council approves the borrowing programme for each financial year as part of the LTP or Annual Plan. Additional borrowings may be approved by Council on a case by case basis. The Council primarily borrows to fund its new and upgraded capital expenditure programme. In approving new borrowings the Council considers the impact of the proposed level of borrowings on its overall borrowing limits and impact on rates and rates limits.

POLICY OBJECTIVES

The Council primarily borrows to pay for the upgrading of existing assets and the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing is therefore considered the most cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. In addition, Council borrows to meet the costs associated with settling liabilities arising with respect to weathertight homes issues, and the borrowings are repaid from future rates revenues. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment or weathertight homes liabilities affordable to today's ratepayers. Borrowings are maintained at a prudent level, in accordance with the Council's overall financial strategy and specific borrowing limits.

POWER TO BORROW

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002 and its Treasury Management Policy. The Council approves the level of new borrowing in general terms as part of the LTP or Annual Plan. The Council delegates the authority to officers to raise the approved borrowing during the financial year as and when the funding is required. Any additional borrowing beyond that approved in the LTP or Annual Plan must be approved by the Council.

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INTEREST RATE EXPOSURE

Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest-rate risk. The Council manages its cash flow interest-rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Council has set the following specific limits for its interest rate exposure:

MASTER FIXED/FLOATING INTEREST RATE RISK CONTROL LIMIT

Minimum Fixed Rate	Maximum Fixed Rate
50%	95%

The level of fixed interest rate cover at any point in time must be within the following maturity bands:

FIXED RATE MATURITY PROFILE LIMIT

Period	Minimum Cover	Maximum Cover
1 to 3 years	15%	60%
3 to 5 years	15%	60%
5 to 10 years	15%	60%

LIQUIDITY

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 115% of the existing external net debt level. The Council will only drawdown or borrow against these facilities as required.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity risk by managing the maturity of its borrowing programme within the following maturity limits:

BORROWING MATURITY PROFILE LIMITS

Period	Minimum	Maximum
0 to 3 years	20%	60%
3 to 5 years	20%	60%
5 years plus	15%	60%

CREDIT EXPOSURE

The Council borrows from approved institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of credit risk. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

LOCAL GOVERNMENT FUNDING AGENCY

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, will enter into the following related transactions to the extent it considers necessary or desirable:

a. contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA; and
b. secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

The Council guarantees the indebtedness of other local authorities to the LGFA, and the indebtedness of the LGFA itself.

BORROWING REPAYMENT

The Council will repay borrowings from a combination of excess depreciation over and above renewals, sale of surplus or underperforming assets, operating surpluses, and any rates specifically set to repay borrowings, including those associated with settling weathertight homes liabilities, or from the renewal of borrowings.

SPECIFIC BORROWING LIMITS

In determining a prudent level of borrowings the Council assesses the level of net borrowing against the Council's operating income.

Total Council Net Borrowings will be managed within the following macro limits:

RATIO	LIMIT
Net borrowing as a percentage of income	<175%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (Term borrowing + committed loan facilities to existing external net debt)	>115%

SECURITY

Council borrowings are secured by way of a Debenture Trust Deed (representing a charge over Council rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over its physical assets.

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CREDIT RATING

To provide an independent assessment of the Councils' credit quality, Council maintains a credit rating with an independent rating agency.

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Fees and user charges

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

We are proposing some changes fees and charges in the following areas.

- City Archives
- Trade Waste
- Development control and facilitation
- Swimming Pools
- Marinas
- Public Health Regulations
- Recycling
- Sports fields

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

Development control and facilitation
We are proposing to increase our fees for development control and facilitation work, including fees for consents, compliance monitoring and enforcement.

Resource Consent Fees	Current Deposit / Fee	Proposed Deposit / Fee
Service		
Pre-application meetings: planner / expert / compliance officer (charge per hour)	$150.00	$155.00
Non-notified Resource Consent: land use	$1,500.00	$1,650.00
Non-notified Resource Consent: subdivision	N / A	$2,000.00
Non-notified Resource Consent: land-use and subdivision	N / A	$2,700.00
Limited notified Resource Consent: subdivision and / or land use	$8,000.00	$8,400.00
Fully notified Resource Consent: subdivision and / or land use (includes $1,500.00 towards the cost of the public notices)	$15,000.00	$16,000.00
Additional Charges		
Additional hours (per hour):		
- All consents: additional processing hours (per hour) – planner / advisor / compliance officer	$150.00	$155.00
- All consents: additional processing hours (per hour) – administrative officer	$85.00	$90.00

Resource Consent Fees	Current Deposit / Fee	Proposed Deposit / Fee
Compliance Monitoring		
Monitoring Administration of Resource Consents: subdivision or land use – minimum of one hour then based on actual time after that	$150.00	$155.00
Additional hours (per hour):		
- planner / expert / compliance officer	$150.00	$155.00
- administrative officer	$85.00	$90.00
Subdivision Certification		
Below are minimum fees. Charges will be based on actual time if over and above that		
Stage certification: each stage for s223, s224(f), s226 etc	$300.00	$310.00
Combination of two or more Stage certificates: s223, s224(f), s226 etc	$600.00	$900.00
Certification s224(c)	$600.00	$900.00
All other RMA, Building Act, Unit Titles Act and LGA certificates, legal documents etc (disbursements charged separately) - up to 2 hrs	$300.00	$310.00
Bonds: each stage of preparation or release	$300.00	$310.00
Vehicle Access		
Plan check linked to a building consent or resource consent	$300.00	$310.00
Initial inspection fee	$150.00	$155.00
Vehicle crossing inspection fee over 1 hour	$150.00	$155.00
District Plan Check Fee		
All applications (except minor works)		
Building consents with a project value of less than $20,000 (initial charge for 30 mins, then additional charges apply per hour of processing time above this)	$75.00	$80.00
Building consents with a project value of $20,001 or over (initial charge for first hour, then additional charges apply per hour of processing time above this)	$150.00	$155.00
Additional hours – per hour	$150.00	$155.00
Outline Plan Waiver	$300.00	Removed
Planning Policy		
Additional planner / advisor's time (per hour)	$135.00	$155.00
Additional administrative officer's time (per hour)	$70.00	$90.00

Trade Waste
We are proposing to increase our fees for trade waste.

Conveyance and Transport of Trade Waste	Current Fee	Proposed Fee
Volume		
Up to 100m3/day	$0.27/m3	$0.28/m3
Between 100m3/day and 7000m3/day	$0.13/m3	$0.13/m3
Above 7000m3/day	$0.85/m3	$0.89/m3
B.O.D		
Up to 3150kg/day	$0.29/m3	$0.30/m3
Above 3150kg/day	$0.64/m3	$0.68/m3
Suspended Solids		
Up to 1575kg/day	$0.28/m3	$0.29/m3
Above 1575kg/day	$0.52/m3	$0.55/m3

Recycling
We are proposing to increase our fees for the recycling levy component of the landfill levy.

Landfill Fees	Current Fee	Proposed Fee
Landfill Levy (per tonne)	$118.20	$121.80
Kai to Compost (per bin lift)	$7.50	$10.00

Marinas
We are proposing to increase our fees for Marinas.

Marinas	Current Fee	Proposed Fee
Evans Bay Marina:		
Berth (12m to 20m)	$2,580.00	$2,632.00
Berth (Sea Rescue Jetty)	$1,520.00	$1,548.00
Boat Shed (8 to 11)	$1,016.00	$1,036.00
Boat Shed (1 to 7, 12 to 32)	$2,032.00	$2.072.00
Boat Shed (33 to 46)	$3,048.00	$3,108.00
Dinghy Locker	$304.00	$310.00
Live-Abroad	$532.00	$542.00
Clyde Quay Boat Harbour:		
Mooring	$1,020.00	$1,044.00
Boat Shed (2 to 13)	$2,144.00	$2,196.00
Boat Shed (14 to 27)	$1,928.00	$1,976.00
Boat Shed (38B)	$1,548.00	$1,586.00
Boat Shed (38A to 42B, 48A and 48B)	$2,224.00	$2,280.00
Boat Shed (43A to 47B)	$2,572.00	$2,636.00
Dinghy Racks	$180.00	$184.00

Swimming Pools
We are proposing to increase some of our fees for swimming pools.

Pool Fees	Current Fee	Proposed Fee
Adult Spa (Community Pool)	$4.80	$5.00
Adult Spa (WRAC)	$5.70	$6.00

Public Health Regulations
We are proposing to increase our fees for Public Health Regulations.

Public Health Regulation Fees	Current Fee	Proposed Fee
Health Licensing and Inspection		
New food premises (first year set up)	$495.00	$515.00
New non-food premises (first year set up)	$250.00	$260.00
Change of occupiers base fee – min one hour	$190.00	$200.00
Change of occupiers base fee – additional per hour	$130.00	$135.00
Inspections (per hour) for legal action	$130.00	$135.00
Annual licence for register food premises		
*Excellent grade	$185.00 – $615.00	$195.00 - $645.00
*Very good grade	$310.00 – $865.00	$325.00 - $900.00
*Ungraded	$370.00 – $1,110.00	$385.00 - $1,160.00
*Ungraded – high risk	$495.00 – $1,900.00	$515.00 - $1,985.00
*VIP registration and verification	$485.00 – $1,850.00	$505.00 - $1,935.00
Additional inspections (over 3 hours) per hour	$130.00	$135.00
Re-grading of premises (per hour)	$130.00	$135.00
Health license		
*Sports clubs (minimal food preparation)	$155.00	$160.00
*Unregistered eating houses	$215.00	$225.00
Temporary license		
*Temporary/mobile food stalls base fee – min one hour	$185.00	$195.00
*Temporary/mobile food stalls – additional one hour	$130.00	$135.00
Public notice under Sale and Supply of Alcohol Act 2013	n/a	$150.00

City Archives
We are proposing changes to our fees for City Archives.

City Archive Property Plan Fees	Current Fee	Proposed Fee
New Single-charge Search and copy fees		
Residential building single property search and copy fee	n/a	$55.00
Commercial building single property search and copy fee	n/a	$125.00
Registered student single property search and copy fee	n/a	$30.00
Fee for search and copy of a single permit or consent	n/a	$25.00
Fee for search and copy of a single permit or consent; student	n/a	$10.00
Existing search costs		
First permit/consent residential building plan search fee	$27.50	Removed
Subsequent permit/consent residential building plan search fee	$5.50	Removed
First permit/consent commercial building plan search fee	$38.50	Removed
Subsequent permit/consent commercial building plan search fee	$7.70	Removed
First building plan search fee for students with ID for registered courses	$7.00	Removed
Subsequent building plan search fee for students with ID for registered courses	$3.00	Removed
Miscellaneous or one-off charges for smaller jobs		
Archives research (per ½ hour)	$27.50	$30.00
Photocopy A0	$8.50	$9.00
Photocopy A1	$4.50	$5.00
Photocopy A2	$4.50	$5.00
Photocopy A3	$0.80	$1.00
Photocopy A4	$0.50	$0.50
High res photographic reproduction (digital)	$37.50	$40.00
Standard res photographic reproduction (digital)	$18.50	$20.00
Digital copy of a plan (since 2011-12)	$2.00	$2.00

Sportsfields
We are proposing increases to some of our fees for sportsfields.

Sportsfield Fees	Current Fee	Proposed Fee
Cricket		
Casual		
Level 1	$379.00	$386.50
Level 2	$251.00	$256.00
Artificial pitch on concrete base	$162.00	$165.00
Artificial pitch on grass base	$162.00	$165.00
Seasonal		
Level 1	$2,862.00	$2,917.00
Level 2	$2,388.00	$2,433.00
Level 3	$1,392.00	$1,417.00
Rugby, League, Soccer, Aussie Rules		
Casual		
Level 1	$139.00	$142.00

Sportsfield Fees	Current Fee	Proposed Fee
Level 2	$105.00	$107.00
Level 3	$81.00	$82.50
Seasonal		
Level 1	$1,971.00	$2,350.00
Level 2	$1,505.00	$1,535.00
Level 3	$1,274.00	$1,299.00
Softball		
Casual		
Level 1	$173.00	$176.00
Level 2	$122.00	$124.00
Seasonal		
Level 1	$725.00	$739.50
Level 2	$487.00	$497.00
Touch, 5-a-side, Ultimate Flying Disk, Gridiron		
Casual		
Level 1	$182.00	$185.50
Level 2	$146.00	$149.00
Seasonal		
Level 1	$1,505.00	$1,535.00
Level 2	$1,163.00	$1,186.00
Netball – per court		
Court per season	$139.00	$142.00
Off-season or organized	$11.00	$11.00
Casual	$42.00	$43.00
Tennis		
Court per season	$189.00	$193.00
Off-season or organized	$18.00	$18.00
Casual	$42.00	$43.00
Cycling		
Casual	$170.00	$173.00
Seasonal	$1,713.00	$1,747.00
Athletics		
Casual	$621.00	$633.50
WRFU speed trials	$138.00	$141.00
Seasonal	$10,360.00	$10,568.00
Croquet – one lawn		
Casual	$168.00	$171.00
Seasonal	$787.00	$803.00
Training		
Ground Only		
1 night	$105.00	$107.00
1 night (season)	$376.00	$384.00
2 nights (season)	$753.00	$768.00
3 nights (season)	$1,128.00	$1,150.50
4 nights (season)	$1,505.00	$1,535.00
5 nights (season)	$1,880.00	$1,917.50
Ground and Changing Rooms		
1 night	$189.00	$193.00
1 night (season)	$792.00	$808.00
2 nights (season)	$1,582.00	$1,613.00
3 nights (season)	$2,373.00	$2,420.00

Sportsfield Fees	Current Fee	Proposed Fee
4 nights (season)	$3,164.00	$3,227.00
5 nights (season)	$3.955.00	$4,035.00
Elite Parks		
Rugby League Park	$627.00	$639.50
Newtown Park	$627.00	$639.50
Picnics	$57.00	$58.00
Marquees		
Booking fee (non-refundable)	$84.00	$86.00
Marquee up to 50m2	$502.00	$512.00
Marquee up to 100m2	$835.00	$851.50
Marquee > 100m2	$1,330.00	$1,356.50
Add-ons		
Groundsman – hourly rate (minimum 2 hours)	$35.00	$36.00
Toilets open	$35.00	$36.00
Toilets and changing rooms open	$84.00	$86.00

SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2015-25 LTP FINANCIAL AND FUNDING STATEMENTS

Purpose

1. The purpose of this report is to recommend to the Governance, Finance and Planning Committee the draft financial and funding statements as supporting documents to the Consultation Document.
2. This report includes the following attachments:
   - Indicative Financial Statements and Statement of Significant Accounting Policies (attachment 1)
   - Funding Impact Statements (attachment 2)
   - Significant Forecasting Assumptions (attachment 3)
   - "What it Costs" Statements (attachment 4).

Summary

3. This report seeks agreement of the Committee to recommend the supporting documents for the Consultation Document 2015-25 Long-term Plan to Council for adoption.

Recommendations

Officers recommend that the Governance, Finance and Planning Committee:

1. Receive the information.
2. Agree to recommend to Council that it is prudent to forecast a surplus in 2015/16 as detailed in this report.
3. Agree to recommend to Council the Indicative Financial Statements and Statement of Significant Accounting Policies (included as attachment 1 to this report) for consultation.
4. Agree to recommend to Council the Funding Impact Statements (included as attachment 2 to this report) for consultation.
5. Agree to recommend to Council the Significant Forecasting Assumptions (included as attachment 3 to this report).
6. Note that the "What it Costs" Statements included in attachment 4 will form part of the activity statements summarised in the Consultation Document and detailed in the 2015-25 Long-term Plan.
7. Note the following statements will form part of the supporting information for the 2015-25 Long-term Plan Consultation Document:
   - Funding Impact Statements
   - Financial Statements
   - Statements of Significant Accounting Policies
   - Significant forecasting assumptions.
8. Note that any changes arising as part of these deliberations will be incorporated into

the final statements presented to the Council meeting on 25 February 2015.

9. Agree to delegate to the Chief Executive the authority to make any editorial changes to all relevant financial documents to reflect the decisions of this meeting, and include any necessary amendments to obtain Audit NZ approval, for consideration at the Council meeting on 25 February 2015.

Background

4. The Council is required under the Local Government Act 2002 (LGA) to adopt Financial Statements and Funding Impact Statements prior to the adoption of the Consultation Document. The Funding and Financial Statements attached are based on the project and programmes outlined in Report 7 and are informed by the Financial Strategy (Report 6) and significant forecasting assumptions (as included in attachment 3 to this report).

5. The Governance Finance and Planning Committee has considered the significant forecasting assumptions at the committee meeting on the 10th of December 2014

Discussion

Explanation of the Council's 2015/16 net surplus

6. The proposed Long-term Plan shows a budgeted surplus of $18.927 million in 2015/16. The majority of this surplus is due to the $34.277 million of income that the Council is forecasting to receive from third parties to pay for capital expenditure. As a result, these funds are not available to offset rates. This is offset by $16.514 million of operating expenditure (depreciation) which is not funded as per the Council's Financial Strategy. Other items impacting on the forecast surplus include:
   - Items where the Council is rating for repayment of debt (e.g. weathertight homes)
   - Items where operating expenditure is proposed to be funded from prior year surpluses (e.g. Economic Development Fund)
   - Items where operating expenditure is spread over the period of benefit received by the ratepayer (e.g. Ocean Exploration Centre)

EXPLANATION OF SURPLUS

	$000's
Less expenditure not funded under section 100 of LGA:	
NZTA Transport funded projects	(8,873)
General	(834)
Clearwater sewerage treatment plant	(2,955)
Decommissioned Living Earth joint venture plant	(198)
Wellington Waterfront Limited Depreciation	(3,654)
Total expenditure not funded under section 100 of LGA	**(16,514)**
Revenue received for capital purposes	
NZTA capital funding	13,356
Movement in housing ring-fenced surplus/(deficit)	(2,974)

Housing capital grant	20,668
Development contributions	2,000
Bequests, trust and other external funding	1,226
Total Revenue received for capital purposes	**34,277**
Items funded from prior year surpluses	
Economic Development Fund	(3,000)
Lyall Bay operational grant	(350)
Total items funded from prior year surplus	**(3,350)**
Additional items	
Weathertight Homes funding	7,560
Ocean Exploration Centre funding	(6,000)
Alex Moore Park funding	(221)
Software funding	(1,079)
Waste minimisation activity	4
Reserves purchases and development fund	(39)
Unrealised fair value adjustment for loans and receivables	624
Fair value movement on investment properties	3,665
Total additional items	**4,514**
Total Surplus	**18,927**

Attachments

Author	Brendan Eckert, Team Leader Financial Planning
Authoriser	Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Consultation and Engagement
Consultation will be undertaken as part of the 2015-25 Long-term Plan

Treaty of Waitangi considerations
Targeted consultation will be undertaken with iwi as part of the 2015-25 Long-term Plan.

Financial implications
The financial implications are set out within this report

Policy and legislative implications
This report is consistent with Council policy. Specific changes to Council policies recommended within report will be consulted upon as part of the 2015-25 Long-term Plan consultation process.

Risks / legal
This report meets statutory requirements under the LGA under Section 93

Climate Change impact and considerations
Included in the LTP considerations and proposed.

Communications Plan
Communication will be through the 2015-25 Long-term Plan communication plan.

PROSPECTIVE STATEMENT OF COMPREHENSIVE FINANCIAL PERFORMANCE

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
INCOME				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
Revenue from rates (excluding metered water)	241,387	255,664	14,277		270,340	286,722	301,679	318,720	333,540	348,142	366,174	379,618	389,642
Revenue from water by metered	13,879	13,546	(333)		14,137	14,945	15,779	15,904	17,292	18,135	18,770	19,890	20,526
Revenue from development contributions	2,000	2,000	0		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Revenue from grants, subsidies and reimbursements	51,090	42,118	(8,972)		38,485	22,388	25,124	23,264	23,114	23,671	24,145	24,581	25,706
Revenue from operating activities	119,913	121,287	1,374		124,809	127,841	130,756	134,823	136,546	137,260	140,376	143,416	146,810
Investments	20,215	20,135	(80)		20,135	20,235	19,635	20,635	24,053	26,693	26,637	29,182	30,429
Fair value movement on investment property revalaution	-	3,665			4,324	4,821	5,143	5,482	6,057	6,449	6,865	7,543	8,027
Other revenue	1,100	1,050	(50)		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Finance revenue	603	637	34		650	663	719	693	731	776	827	886	952
TOTAL INCOME	**450,187**	**460,102**	**6,250**		**475,930**	**480,665**	**501,885**	**522,571**	**544,383**	**564,176**	**586,844**	**608,166**	**625,142**
EXPENSE													
Finance expense	23,041	23,724	683		28,515	31,996	35,093	38,885	39,871	43,285	50,493	52,466	54,312
Expenditure on operating activities	298,596	318,177	19,581		325,521	327,737	334,867	347,706	359,495	373,088	383,895	394,958	407,346
Depreciation and amortisation	102,165	99,275	(2,890)		102,205	109,032	113,421	117,770	126,090	130,549	133,430	141,664	145,480
TOTAL EXPENSE	**423,802**	**441,176**	**17,374**		**456,241**	**468,765**	**483,381**	**504,361**	**525,456**	**546,922**	**567,818**	**589,088**	**607,138**
NET SURPLUS FOR THE YEAR	**26,385**	**18,926**	**(11,124)**		**19,689**	**11,900**	**18,504**	**18,210**	**18,927**	**17,254**	**19,026**	**19,078**	**18,004**
OTHER COMPREHENSIVE INCOME													
Fair value movement - property, plant and equipment - net	57,073	-	(57,073)		223,243	73,306	-	238,867	104,157	-	332,176	141,845	-
Share of equity accounted surplus from associates	-	-	-		-	-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**57,073**	**-**	**(57,073)**		**223,243**	**73,306**	**-**	**238,867**	**104,157**	**-**	**332,176**	**141,845**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**83,458**	**18,926**	**(68,197)**		**242,932**	**85,206**	**18,504**	**257,077**	**123,084**	**17,254**	**351,202**	**160,923**	**18,004**

Notes:

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
ASSETS													
Current assets													
Cash and cash equivalents	2,389	820	(1,569)		1,369	1,075	817	1,333	1,470	829	975	997	1,241
Derivative financial assets	409	-	(409)		-	-	-	-	-	-	-	-	-
Receivables from exchange transactions	39,556	42,284	2,728		43,791	45,271	46,680	48,308	49,518	50,351	51,872	53,320	54,650
Prepayments	15,048	12,239	(2,809)		12,584	12,639	12,930	13,509	14,023	14,591	15,036	15,479	15,990
Inventories	875	888	13		906	922	941	958	974	1,002	1,025	1,051	1,076
Non-current assets classified as held for sale	-	-	-		-	-	-	-	-	-	-	-	-
Total current assets	**58,277**	**56,231**	**(6,457)**		**58,650**	**59,907**	**61,368**	**64,108**	**65,985**	**66,773**	**68,908**	**70,847**	**72,957**
Non-current assets													
Derivative financial assets	3,280	-	(3,280)		-	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	-		-	-	-	-	-	-	-	-	-
Other financial assets	8,928	10,473	1,545		11,110	11,760	12,466	13,146	13,864	14,627	15,441	16,314	17,253
Intangibles	16,743	24,453	7,710		24,793	27,873	27,041	26,829	26,713	29,163	29,751	32,752	36,420
Investment properties	205,951	196,566	(9,385)		200,890	205,711	210,854	216,336	222,393	228,842	235,707	243,250	251,277
Property, plant & equipment	6,974,749	6,669,174	(305,575)		6,941,278	7,070,667	7,130,425	7,393,518	7,523,861	7,618,224	7,993,713	8,166,799	8,203,506
Investment in subsidiaries	3,809	3,809	-		3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809
Investment in associates	19,519	19,504	(15)		19,504	19,504	19,504	19,504	19,504	19,504	19,504	19,504	19,504
Total non-current assets	**7,232,979**	**6,923,979**	**(1,332)**		**7,201,384**	**7,339,324**	**7,404,099**	**7,673,142**	**7,810,144**	**7,914,169**	**8,297,925**	**8,482,428**	**8,531,769**
TOTAL ASSETS	**7,291,256**	**6,980,210**	**(7,789)**		**7,260,034**	**7,399,231**	**7,465,467**	**7,737,250**	**7,876,129**	**7,980,942**	**8,366,833**	**8,553,275**	**8,604,726**
LIABILITIES													
Current liabilities													
Derivative financial liabilities	404	-	(404)		-	-	-	-	-	-	-	-	-
Trade and other payables	57,945	60,245	2,300		60,685	65,067	65,344	61,526	64,633	77,396	71,469	72,628	75,602
Revenue in advance	11,405	30,551	19,146		12,151	11,295	11,553	11,912	12,065	12,128	12,403	12,672	12,971
Borrowings	155,562	229,247	73,685		260,987	292,887	319,860	327,893	336,419	383,055	400,811	413,580	430,233
Employee benefit liabilities and provisions	5,698	6,783	1,085		6,853	6,943	7,072	7,226	7,392	7,620	7,809	8,022	8,238
Provision for other liabilities	17,466	8,790	(8,676)		8,548	6,089	4,819	4,168	3,903	3,878	3,892	3,952	4,001
Total current liabilities	**248,480**	**335,616**	**68,230**		**349,224**	**382,281**	**408,648**	**412,725**	**424,412**	**484,077**	**496,384**	**510,854**	**531,045**
Non-current liabilities													
Derivative financial liabilities	12,831	-	(12,831)		-	-	-	-	-	-	-	-	-
Trade and other payables	-	630	630		630	630	630	630	630	630	630	630	630
Borrowings	248,601	204,929	(43,672)		233,302	261,818	285,929	293,110	300,731	342,421	358,292	369,707	384,594
Employee benefit liabilities	1,474	1,693	219		1,710	1,732	1,764	1,803	1,845	1,901	1,949	2,002	2,056
Provisions for other liabilities	43,687	23,945	(19,742)		19,402	17,329	16,429	16,221	16,313	16,566	16,861	17,143	17,383
Total non-current liabilities	**306,593**	**231,197**	**(62,529)**		**255,044**	**281,509**	**304,752**	**311,764**	**319,519**	**361,518**	**377,732**	**389,482**	**404,663**
TOTAL LIABILITIES	**555,072**	**566,812**	**5,700**		**604,267**	**663,789**	**713,399**	**724,488**	**743,930**	**845,594**	**874,115**	**900,335**	**935,707**
EQUITY													
Accumulated funds and retained earnings	4,992,265	4,990,244	(2,021)		5,009,930	5,021,824	5,040,326	5,058,533	5,077,456	5,094,704	5,113,727	5,132,800	5,150,803
Revaluation reserves	1,743,064	1,429,106	(313,958)		1,652,349	1,725,655	1,725,655	1,964,522	2,068,679	2,068,679	2,400,855	2,542,700	2,542,700
Hedging reserve	(9,955)	137	10,092		137	137	137	137	137	137	137	137	137
Fair value through other comprehensive income reserv	93	63	(30)		63	63	63	63	63	63	63	63	63
Restricted funds	10,716	10,309	(407)		10,311	10,317	10,319	10,322	10,326	10,331	10,334	10,338	10,340
TOTAL EQUITY	**6,736,183**	**6,429,859**	**(306,324)**		**6,672,790**	**6,757,996**	**6,776,500**	**7,033,577**	**7,156,661**	**7,173,914**	**7,525,116**	**7,686,038**	**7,704,043**
TOTAL EQUITY AND LIABILITIES	**7,291,255**	**6,996,671**	**(7,790)**		**7,277,057**	**7,421,785**	**7,489,899**	**7,758,065**	**7,900,591**	**8,019,508**	**8,399,231**	**8,586,373**	**8,639,750**

These notes will be updated and tabled at the GFP meeting - 17 February 2015

Notes:

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

Item 2.8 Attachment 1

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
EQUITY - OPENING BALANCES				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
Accumulated funds and retained earnings	4,965,881	4,971,304	5,423		4,990,241	5,009,928	5,021,822	5,040,324	5,058,531	5,077,454	5,094,703	5,113,726	5,132,800
Revaluation reserves	1,685,991	1,429,106	(256,885)		1,429,106	1,652,349	1,725,655	1,725,655	1,964,522	2,068,679	2,068,679	2,400,855	2,542,700
Hedging reserve	(9,955)	137	10,092		137	137	137	137	137	137	137	137	137
Fair value through other comprehensive income reserve	93	63	(30)		63	63	63	63	63	63	63	63	63
Restricted funds	10,715	10,320	(395)		10,309	10,311	10,317	10,319	10,322	10,326	10,331	10,334	10,338
TOTAL EQUITY - Opening balance	**6,652,725**	**6,410,930**	**(241,795)**		**6,429,856**	**6,672,788**	**6,757,994**	**6,776,498**	**7,033,575**	**7,156,659**	**7,173,913**	**7,525,115**	**7,686,038**
CHANGES IN EQUITY													
Retained earnings													
Net surplus for the year	26,385	18,926	(7,459)		19,689	11,900	18,504	18,210	18,927	17,254	19,026	19,078	18,004
Transfer to restricted funds	(3,766)	(3,768)	(2)		(3,767)	(3,771)	(767)	(768)	(769)	(770)	(768)	(769)	(767)
Transfer from restricted funds	3,765	3,779	14		3,765	3,765	765	765	765	765	765	765	765
Revaluation reserves													
Fair value movement - property, plant and equipment - net	57,073	-	(57,073)		223,243	73,306	-	238,867	104,157	-	332,176	141,845	-
Hedging reserve													
Movement in hedging reserve	-	-	-		-	-	-	-	-	-	-	-	-
Restricted Funds													
Transfer to retained earnings	(3,765)	(3,779)	(14)		(3,765)	(3,765)	(765)	(765)	(765)	(765)	(765)	(765)	(765)
Transfer from retained earnings	3,766	3,768	2		3,767	3,771	767	768	769	770	768	769	767
TOTAL COMPREHENSIVE INCOME	**83,458**	**18,926**	**(64,532)**		**242,932**	**85,206**	**18,504**	**257,077**	**123,084**	**17,254**	**351,202**	**160,923**	**18,004**
EQUITY - CLOSING BALANCES													
Accumulated funds and retained earnings	4,992,265	4,990,241	(2,024)		5,009,928	5,021,822	5,040,324	5,058,531	5,077,454	5,094,703	5,113,726	5,132,800	5,150,802
Revaluation reserves	1,743,064	1,429,106	(313,958)		1,652,349	1,725,655	1,725,655	1,964,522	2,068,679	2,068,679	2,400,855	2,542,700	2,542,700
Hedging reserve	(9,955)	137	10,092		137	137	137	137	137	137	137	137	137
Fair value through other comprehensive revenue and expense	93	63	(30)		63	63	63	63	63	63	63	63	63
Restricted funds	10,716	10,309	(407)		10,311	10,317	10,319	10,322	10,326	10,331	10,334	10,338	10,340
TOTAL EQUITY - Closing balance	**6,736,183**	**6,429,856**	**(306,327)**		**6,672,788**	**6,757,994**	**6,776,498**	**7,033,575**	**7,156,659**	**7,173,913**	**7,525,115**	**7,686,038**	**7,704,042**

Notes:

PROSPECTIVE STATEMENT OF CASH FLOWS

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
CASH FLOWS FROM OPERATING ACTIVITIES				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
Receipts from rates - Council (excluding metered water)	241,387	247,273	5,886		269,858	286,184	301,188	318,161	333,054	347,662	365,583	379,176	389,313
Receipts from water rates by meter	13,879	10,807	(3,072)		14,017	14,782	15,610	15,879	17,011	17,965	18,641	19,664	20,397
Receipts from rates - Greater Wellington Regional Council	50,341	52,659	2,318		55,693	59,081	62,174	65,697	68,762	71,781	75,510	78,290	80,362
Receipts from activities and other income	123,013	137,545	14,532		108,554	129,256	133,315	137,188	139,306	140,190	142,900	145,955	149,287
Receipts from grants and subsidies - operating	7,715	35,251	27,536		30,739	14,259	16,204	15,725	16,734	16,080	16,691	16,660	17,392
Receipts from grants and subsidies - capital	43,375	6,867	(36,508)		7,746	8,129	8,920	7,539	6,380	7,591	7,454	7,921	8,314
Receipts from investment property lease rentals	9,215	9,135	(80)		9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135
Cash paid to suppliers and employees	(286,780)	(281,489)	5,291		(286,984)	(296,630)	(301,697)	(310,096)	(317,734)	(328,244)	(338,719)	(349,254)	(361,027)
Rates paid to Greater Wellington Regional Council	(50,341)	(52,659)	(2,318)		(55,693)	(59,081)	(62,174)	(65,697)	(68,762)	(71,781)	(75,510)	(78,290)	(80,362)
Grants paid	(28,719)	(40,981)	(12,262)		(43,207)	(35,860)	(34,914)	(37,457)	(41,010)	(43,614)	(44,063)	(44,563)	(45,085)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**123,085**	**124,408**	**1,323**		**109,858**	**129,255**	**147,761**	**156,074**	**162,876**	**166,765**	**177,622**	**184,694**	**187,726**
CASH FLOWS FROM INVESTING ACTIVITIES													
Dividends received	11,000	11,000	-		11,000	11,100	10,500	11,500	14,918	17,558	17,502	20,047	21,294
Interest received	44	637	593		650	663	719	693	731	776	827	886	952
Proceeds from sale of investment properties	-	-	-		-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	4,050	4,017	(33)		(4,600)	5,250	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Purchase of Intangibles	(8,777)	(11,195)	(2,418)		(6,368)	(9,391)	(6,101)	(6,201)	(6,533)	(8,953)	(6,711)	(6,892)	(7,451)
Purchase of property, plant and equipment	(155,724)	(156,200)	(476)		(141,665)	(165,533)	(170,806)	(139,552)	(149,735)	(223,462)	(173,792)	(171,912)	(180,860)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(149,407)**	**(151,741)**	**(2,334)**		**(140,983)**	**(157,911)**	**(163,688)**	**(131,560)**	**(138,619)**	**(212,081)**	**(160,174)**	**(155,871)**	**(164,065)**
CASH FLOWS FROM FINANCING ACTIVITIES													
New borrowings	203,964	50,308	(153,656)		60,113	60,416	51,084	15,214	16,147	88,326	33,627	24,184	31,540
Repayment of borrowings	(155,562)	-	155,562		-	-	-	-	-	-	-	-	-
Interest paid on borrowings	(22,080)	(23,526)	(1,446)		(28,439)	(32,054)	(35,415)	(39,212)	(40,267)	(43,651)	(50,929)	(52,985)	(54,957)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**26,322**	**26,782**	**460**		**31,674**	**28,362**	**15,669**	**(23,998)**	**(24,120)**	**44,675**	**(17,302)**	**(28,801)**	**(23,417)**
Net increase/(decrease) in cash and cash equivalents	-	(551)	(551)		549	(294)	(258)	516	137	(641)	146	22	244
Cash and cash equivalents at beginning of year	2,389	1,371	(1,018)		820	1,369	1,075	817	1,333	1,470	829	975	997
CASH AND CASH EQUIVALENTS AT END OF YEAR	**2,389**	**820**	**(1,569)**		**1,369**	**1,075**	**817**	**1,333**	**1,470**	**829**	**975**	**997**	**1,241**

Notes:

PROSPECTIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS

	OPENING BALANCE 2014/15 $000	DEPOSITS $000	EXPENDITURE $000	CLOSING BALANCE 2024/25 $000	Purpose
SPECIAL RESERVES AND FUNDS					
Reserve purchase and development fund	287	0	0	287	Used to purchase and develop reserve areas within the city.
Economic initiatives development fund	-	34,125	(34,125)	-	
Insurance reserve	9,609	17,062	(7,000)	19,671	Allows the Council to meet the uninsured portion of insurance claims
Total special reserves and funds	**9,896**	**51,187**	**(41,125)**	**19,958**	
Trusts and bequests					
A Graham Trust	3	1	-	4	For the upkeep of a specific area of Karori Cemetery
A W Newton request	315	160	(150)	325	For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	6	-	-	6	For the benefit of the public library
E Pengelly Bequest	13	5	-	18	For the purchase of children's books
F L Irvine Smith Memorial	7	2	-	9	For the purchase of books for the Khandallah Library
Greek NZ Memorial Association	5	2	-	7	For the maintenance and upgrade of the memorial
Kidsarus 2 Donation	3	1	-	4	For the purchase of children's books
Kirkaldie and Stains Donation	17	-	-	17	For the beautification of the BNZ site
QEII memorial Book Fund	19	10	-	29	For the purchase of books on the Commonwealth
Schola Cantorum Trust	6	3	-	9	For the purchase of musical scores
Stanley Banks Trust	6	-	-	6	To be available for bursaries for children of World War II servicemen
Terawhiti Grant	10	-	-	10	To be used on library book purchases
Wellington Beautifying Society Request	14	-	(14)	-	Used towards "the Greening of Taranaki Street" project
Total trusts and bequests	**424**	**184**	**(164)**	**444**	
Total restricted funds	**10,320**	**51,371**	**(41,289)**	**20,402**	

In addition to the above, the Council is proposing to establish a Forest Carbon Reserve Fund on the basis that it will reinvest a share of revenue from the sale of forestry emission units under the New Zealand Emissions Trading Scheme or Permanent Forest Sink Initiative to protect or enhance the Council's forest carbon stocks. Other revenues generated from the sale of emission units or from costs recovered by way of fees and charges in regard to the New Zealand Emissions Trading Scheme will be treated as other revenues received by the Council. We are not anticipating any revenue for this fund in the 2014/15 year.

Summary of Significant Accounting Policies

Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, for the purposes of financial reporting, the Council is audited by the Auditor General, and is classed as a Public Sector Public Benefit Entity.

These draft prospective financial statements are for Wellington City Council (the Council) as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities (subsidiaries), joint ventures and associates have not been prepared.

Basis of preparation

Statement of compliance

The draft prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The draft prospective financial statements have been prepared to comply with Public Benefit Entity Accounting Standards (PBE Standards) for a Tier 1 entity. A Tier 1 entity is defined as being either publicly accountable or large (ie. expenses over $30m).

The reporting period for these prospective financial statements is the 10 year period ending 30 June 2025. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand ($000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used and the discount rate for forecast the long-term cost of borrowing are as per the "planning assumptions" which are disclosed on pages XX.

Judgements and estimations

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates and these variations may be material.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Some goods or services that Council provides (eg the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by Council operate on a full user pays, cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

Most of the services that Council provides for a fee are subsidised by rates and therefore do not constitute an approximately equal exchange. Accordingly most of Council's revenue is categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below:

Rates

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and are therefore defined as non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

Operating activities

The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Grants, subsidies and reimbursements

Grants and subsidies are recognised as revenue immediately except to the extent a liability is also recognised in respect of the same grant or subsidy. A liability is recognised when the grant or subsidy received are subject to a condition such that the Council has the obligation to return those funds received in the event that the conditions attached to them are breached. As the Council satisfies the conditions, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.

Reimbursements are recognised upon entitlement, which is when conditions relating to the eligible expenditure have been fulfilled.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. In the event that the Council is unable to provide the service immediately, or the development contribution is refundable, the Council will recognise an asset and a liability and only recognise revenue when the Council has met the obligation for which the development contribution was charged.

Rendering of services

Revenue considered to be from exchange transactions is recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised.

Fines and penalties

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment revenues

Dividends

Dividends from equity investments, other than those accounted for using equity accounting, are classified as exchange revenue and are recognised when the Council's right to receive payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

Other revenue

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Finance revenue

Interest

Interest revenue is exchange revenue and recognised using the effective interest rate method.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (eg beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Expenses

Specific accounting policies for major categories of expenditure are outlined below:

Operating activities

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Finance expense

Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Taxation

Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council controlled trading organisations andcomprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Goods and Services Tax (GST)

All items in the prospective financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Financial instruments

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Financial assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of three months or less.

Trade and other receivables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable.

Loans and deposits include loans to other entities (including subsidiaries and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of these receivables.

Financial assets at fair value through other comprehensive revenue and expense relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

Derivatives

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit. Where a derivative is used to hedge variability in the fair value of the Council's fixed rate borrowings (fair value hedge), the gain or loss is recognised within surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Inventories

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Inventories held for resale (such as rubbish bags), are recorded at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business.

Inventories held for distribution at no or nominal cost, are recorded at the lower of cost and current replacement cost.

Investment properties

Investment properties are properties which are held primarily to earn rental revenue or for capital growth or both. These include the Council's ground leases, and certain land and buildings.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Non-current assets classified as held for sale

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.
- A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

Property, plant and equipment

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Centre complex, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (eg infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these financial statements to the extent their value can be reliably measured.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

Operational assets

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets,* published by the Treasury Accounting Team, November 2002.

Land and buildings are valued at fair value on a three-year cycle by independent registered valuers.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (roading network, water, waste and drainage reticulation assets) are valued at optimised depreciated replacement cost on a three-year cycle by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The service concession asset class consists of the Moa Point, Western (Karori) and Carey's Gulley waste water treatment plants which are owned by the Council but operated by Veolia Water under agreement. The assets are valued consistently with waste infrastructure network assets.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Revaluations

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. The estimated useful lives and depreciation rate ranges of the major classes of property, plant and equipment are as follows:

Asset Category	Useful Life (years)	Depreciation Rate
Land	unlimited	not depreciated
Buildings	1 ~75	1.33 ~ 100%
Civic Centre Complex	10 ~ 78	1.28 ~ 10%
Plant and equipment	3 ~ 100	1 ~ 33.3%
Library collection	3 ~ 11	9.1 ~ 33.3%
Restricted assets (excluding buildings)	unlimited	not depreciated
Infrastructure assets:		
Land (including land under roads)	unlimited	not depreciated
Roading:		
Formation / earthworks	unlimited	not depreciated
Pavement	13 ~ 40	2.5 ~ 7.7%
Traffic islands	80	1.25%
Bridges and tunnels	3 ~ 175	0.57 ~ 33.3%
Drainage	60 ~130	0.8% ~ 130%
Retaining walls	30 ~ 75	1.33 ~ 3.33%
Pedestrian walkways	10 ~ 50	2 ~ 10%
Pedestrian furniture	10 ~ 25	4 ~ 10%
Barriers (handrails, guardrails)	25	4%
Lighting	3 ~ 50	2 ~ 33.3%
Cycleway network	25	4%
Parking equipment	8 ~ 10	10 ~ 12.5%
Passenger transport facilities	25	4%
Traffic infrastructure	5 ~ 40	2.5 ~ 20%
Drainage, waste and water:		
Pipework	50 ~ 130	0.77 ~ 2%
Fittings	25 ~ 110	0.91 ~ 4%
Water pump stations	20 ~ 100	1 ~ 5%
Water reservoirs	25 ~ 100	1 ~ 4%
Equipment	20	5%
Sewer pump stations	20 ~ 80	1.25 ~ 5%
Tunnels	3 ~ 175	0.57 ~ 33.3%
Treatment plants	3 ~ 100	1 ~ 33.3%

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Intangible assets

Intangible assets predominantly comprise computer software and carbon credits. They are recorded at cost less any subsequent amortisation and impairment losses.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives and depreciation rate range of these assets are as follows:

Computer software	1 to 7 years	14.29% to 100%

Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits are recognised at cost at the date of allocation or purchase.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

Research and Development

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

Leases

Operating leases as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

Operating leases as lessor

The Group leases investment properties and a portion of land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

Finance leases

Finance leases transfer to the Group (as lessee) substantially all the risks and rewards of ownership of the leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments.

The finance charge is released to surplus or deficit over the lease period and the capitalised values are amortised over the shorter of the lease term and the useful life of the leased item.

Employee benefit liabilities

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes: annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Retirement gratuities

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Other contractual entitlements

Other contractual entitlements include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Landfill post-closure costs

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council has a 21.5% joint venture interest in the Spicer Valley landfill. The Council's provision for landfill post-closure costs includes the Council's proportionate share of the Spicer Valley landfill provision for post-closure costs.

ACC partnership programme

The Council is an Accredited Employer under the ACC Partnership Programme. As such the Council accepts the management and financial responsibility of our employee work-related injuries. From 1 April 2009 the Council changed its agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, the Council is responsible for managing work related injury claims for a two-year period only and transfer ongoing claims to ACC at the end of the two-year claim management period with no further liability. Under the ACC Partnership Programme the Council is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to work-related injuries occurring up to the end of the reporting period for which the Council has responsibility under the terms of the Partnership Programme.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Council measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Council's best estimate of the obligation or the amount initially recognised less any amortisation.

Net Assets/Equity

Net assets or equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Net assets or equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of net assets or equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Prospective Statement of Cash Flows

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The prospective statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and the Group and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include members of the Group and key management personnel. Key management personnel include the Mayor and Councillors as Directors, the Chief Executive and all members of the Executive Leadership Team being key advisors to the Directors and Chief Executive.

The Mayor and Councillors are considered Directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Public Benefit Entity Financial Reporting Standard 42 *Prospective Financial Statements* (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Long-term Plan.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Long-term Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Long-term Plan.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(iv) Other Disclosures

These draft prospective financial statements were adopted as part of the assumptions that form the 2015-2025 Long-term Plan consultative documents for issue on XX XXXX 2015 by Wellington City Council. The Council is responsible for the draft prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Long-term Plan is prospective and as such contains no actual operating results.

FUNDING IMPACT STATEMENT
FOR WHOLE OF COUNCIL

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	134,936	149,137	14,201		159,711	170,019	179,978	190,748	199,731	209,496	222,501	228,958	233,871
Targeted rates (other than a targeted rate for water supply)	106,451	106,527	76		110,629	116,703	121,701	127,972	133,809	138,646	143,673	150,660	155,771
Subsidies and grants for operating purposes	7,714	6,868	(846)		7,745	8,129	6,931	7,539	6,379	7,591	7,453	7,923	8,313
Fees, charges, and targeted rates for water supply *	134,566	135,764	1,198		139,610	143,292	146,892	150,933	153,873	155,242	158,796	162,750	166,536
Interest and dividends from investments	11,044	11,013	(31)		11,013	11,113	10,513	11,513	14,931	17,571	17,515	20,060	21,307
Local authorities fuel tax, fines, infringement fees, and other receipts	9,541	9,255	(286)		9,517	9,679	9,827	9,980	10,149	10,336	10,533	10,741	10,984
Total operating funding (A)	**404,252**	**418,564**	**14,312**		**438,225**	**458,935**	**475,842**	**498,685**	**518,872**	**538,882**	**560,471**	**581,092**	**596,782**
Applications of operating funding													
Payments to staff and suppliers	269,637	276,927	7,290		282,022	291,570	299,637	309,923	318,150	329,147	339,495	350,048	361,899
Finance costs	23,041	23,724	683		28,515	31,996	35,093	38,885	39,871	43,285	50,493	52,466	54,312
Internal charges and overheads applied	-	-	-		-	-	-	-	-	-	-	-	-
Other operating funding applications	28,958	41,249	12,291		43,494	36,167	35,229	37,784	41,344	43,940	44,398	44,912	45,444
Total applications of operating funding (B)	**321,636**	**341,900**	**20,264**		**354,031**	**359,733**	**369,959**	**386,592**	**399,365**	**416,372**	**434,386**	**447,426**	**461,655**
Surplus (deficit) of operating funding (A - B)	**82,616**	**76,664**	**(5,952)**		**84,194**	**99,202**	**105,883**	**112,093**	**119,507**	**122,510**	**126,085**	**133,666**	**135,127**
Sources of capital funding													
Subsidies and grants for capital expenditure	43,375	35,250	(8,125)		33,739	27,359	25,693	15,725	16,734	16,080	16,692	16,659	17,393
Development and financial contributions	2,000	2,000	-		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Increase (decrease) in debt	34,964	50,306	15,341		60,113	60,416	51,086	15,214	16,143	88,328	33,626	24,187	31,539
Gross proceeds from sales of assets	4,050	2,650	(1,400)		4,600	5,250	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**84,389**	**90,206**	**5,816**		**100,452**	**95,025**	**80,779**	**34,939**	**36,877**	**108,408**	**54,318**	**44,846**	**52,932**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	2,558	2,557	(1)		1,783	7,688	2,845	6,353	4,512	9,744	7,369	9,163	3,118
- to improve the level of service	69,965	58,993	(10,972)		68,414	82,789	85,842	50,903	46,264	105,683	66,517	71,735	69,140
- to replace existing assets	79,480	102,021	22,541		88,807	96,069	93,161	86,527	103,380	113,936	105,442	97,007	115,597
Increase (decrease) in reserves	15,002	3,299	(11,704)		25,642	7,681	4,814	3,249	2,228	1,555	1,075	607	204
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**167,005**	**166,870**	**(136)**		**184,646**	**194,227**	**186,662**	**147,032**	**156,384**	**230,918**	**180,403**	**178,512**	**188,059**
Surplus (deficit) of capital funding (C - D)	**(82,616)**	**(76,664)**	**5,952**		**(84,194)**	**(99,202)**	**(105,883)**	**(112,093)**	**(119,507)**	**(122,510)**	**(126,085)**	**(133,666)**	**(135,127)**
Funding balance ((A - B) + (C - D))	-	-	(0)		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	102,165	99,275	1,027		102,205	109,032	113,421	117,770	126,090	130,549	133,430	141,664	145,480

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR GOVERNANCE, INFORMATION AND ENGAGEMENT

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	14,214	15,419	1,205		16,085	15,830	16,115	17,499	17,385	17,964	18,825	18,259	18,870
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	565	508	(57)		889	528	539	945	562	575	1,012	603	619
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**14,779**	**15,927**	**1,148**		**16,974**	**16,358**	**16,654**	**18,444**	**17,947**	**18,539**	**19,837**	**18,862**	**19,489**
Applications of operating funding													
Payments to staff and suppliers	7,820	9,059	1,239		9,841	9,163	9,475	10,568	9,851	10,229	11,431	10,720	11,073
Finance costs	15	16	1		19	21	24	28	29	31	37	39	41
Internal charges and overheads applied	6,570	6,794	224		7,065	7,109	7,091	7,793	8,002	8,228	8,320	8,055	8,327
Other operating funding applications	313	10	(303)		10	10	10	10	10	10	10	10	10
Total applications of operating funding (B)	**14,718**	**15,879**	**1,161**		**16,935**	**16,303**	**16,600**	**18,399**	**17,892**	**18,498**	**19,798**	**18,824**	**19,451**
Surplus (deficit) of operating funding (A - B)	**61**	**48**	**(13)**		**39**	**55**	**54**	**45**	**55**	**41**	**39**	**38**	**38**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(48)	(48)		77	(55)	(54)	81	(55)	(41)	99	(38)	(38)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**(48)**	**(48)**		**77**	**(55)**	**(54)**	**81**	**(55)**	**(41)**	**99**	**(38)**	**(38)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-		-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-		116	-	-	126	-	-	138	-	-
Increase (decrease) in reserves	61	-	(61)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**61**	**-**	**(61)**		**116**	**-**	**-**	**126**	**-**	**-**	**138**	**-**	**-**
Surplus (deficit) of capital funding (C - D)	**(61)**	**(48)**	**13**		**(39)**	**(55)**	**(54)**	**(45)**	**(55)**	**(41)**	**(39)**	**(38)**	**(38)**
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses for this activity grouping include the following depreciation/amortisation charge	**61**	**48**	6		**39**	**55**	**54**	**45**	**55**	**41**	**39**	**38**	**38**

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR MAORI AND MANA WHENUA PARTNERSHIPS

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding													
General rates, uniform annual general charges, rates penalties	225	281	56	These notes will be updated and tabled at the GFP meeting - 17 February 2015	288	296	304	312	321	330	340	352	365
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	-	-	-		-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**225**	**281**	**56**		**288**	**296**	**304**	**312**	**321**	**330**	**340**	**352**	**365**
Applications of operating funding													
Payments to staff and suppliers	214	267	53		274	281	289	298	306	316	326	337	350
Finance costs	1	1	-		1	1	1	-	-	-	-	-	-
Internal charges and overheads applied	8	11	3		11	12	12	12	13	13	13	14	14
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**223**	**279**	**56**		**286**	**294**	**302**	**310**	**319**	**329**	**339**	**351**	**364**
Surplus (deficit) of operating funding (A - B)	**2**	**2**	**-**		**2**	**2**	**2**	**2**	**2**	**1**	**1**	**1**	**1**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(2)	(2)		(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**(2)**	**(2)**		**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(1)**	**(1)**	**(1)**	**(1)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-		-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	2	-	(2)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**2**	**-**	**(2)**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus (deficit) of capital funding (C - D)	**(2)**	**(2)**	**-**		**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(1)**	**(1)**	**(1)**	**(1)**
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses for this activity grouping include the following depreciation/amortisation charge	2	2	2		2	2	2	2	2	1	1	1	1

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR GARDENS, BEACHES AND GREEN OPEN SPACES

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	27,267	30,243	2,976		30,732	31,727	33,038	34,842	35,568	36,317	38,099	38,949	40,153
Targeted rates (other than a targeted rate for water supply)	632	-	(632)		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	671	664	(7)		782	834	792	880	699	879	851	915	967
Fees, charges, and targeted rates for water supply *	1,314	1,437	123		1,465	1,494	1,525	1,557	1,591	1,629	1,667	1,708	1,751
Internal charges and overheads recovered	5,101	5,111	10		5,203	5,311	5,418	5,536	5,658	5,791	5,934	6,088	6,251
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**34,985**	**37,455**	**2,470**		**38,182**	**39,366**	**40,773**	**42,815**	**43,516**	**44,616**	**46,551**	**47,660**	**49,122**
Applications of operating funding													
Payments to staff and suppliers	17,767	19,159	1,392		19,330	19,973	20,736	21,697	21,991	22,676	23,316	23,995	24,808
Finance costs	1,834	2,036	202		2,377	2,616	3,029	3,526	3,688	3,928	4,627	4,858	5,045
Internal charges and overheads applied	11,520	12,212	692		12,445	12,733	12,999	13,483	13,756	13,942	14,367	14,565	14,866
Other operating funding applications	100	120	20		121	101	101	102	102	102	103	103	103
Total applications of operating funding (B)	**31,221**	**33,527**	**2,306**		**34,273**	**35,423**	**36,865**	**38,808**	**39,537**	**40,648**	**42,413**	**43,521**	**44,822**
Surplus (deficit) of operating funding (A - B)	**3,764**	**3,928**	**164**		**3,909**	**3,943**	**3,908**	**4,007**	**3,979**	**3,968**	**4,138**	**4,139**	**4,300**
Sources of capital funding													
Subsidies and grants for capital expenditure	620	650	30		-	50	600	150	507	507	507	507	507
Development and financial contributions	183	183	-		183	183	183	183	183	183	183	183	183
Increase (decrease) in debt	411	(2,234)	(2,645)		(1,482)	(779)	(1,475)	(1,767)	(1,053)	3,603	(1,977)	(1,812)	(703)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**1,214**	**(1,401)**	**(2,615)**		**(1,299)**	**(546)**	**(692)**	**(1,434)**	**(363)**	**4,293**	**(1,287)**	**(1,122)**	**(13)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	34	34	-		35	36	37	38	39	4,040	42	43	45
- to improve the level of service	1,180	1,062	(118)		817	860	1,209	452	995	1,154	929	961	995
- to replace existing assets	1,791	1,431	(360)		1,758	2,501	1,970	2,083	2,582	3,067	1,880	2,013	3,247
Increase (decrease) in reserves	1,973	-	(1,973)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**4,978**	**2,527**	**(2,451)**		**2,610**	**3,397**	**3,216**	**2,573**	**3,616**	**8,261**	**2,851**	**3,017**	**4,287**
Surplus (deficit) of capital funding (C - D)	**(3,764)**	**(3,928)**	**(164)**		**(3,909)**	**(3,943)**	**(3,908)**	**(4,007)**	**(3,979)**	**(3,968)**	**(4,138)**	**(4,139)**	**(4,300)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	4,042	3,928	(414)		3,909	3,943	3,908	4,007	3,979	3,968	4,138	4,139	4,300

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR WASTE REDUCTION AND ENERGY CONSERVATION

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	404	758	354		684	511	492	547	566	1,163	1,862	1,961	2,117
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	12,926	12,876	(50)		13,273	13,602	13,772	14,382	14,756	14,682	14,419	14,767	15,140
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**13,330**	**13,634**	**304**		**13,957**	**14,113**	**14,264**	**14,929**	**15,322**	**15,845**	**16,281**	**16,728**	**17,257**
Applications of operating funding													
Payments to staff and suppliers	11,873	12,127	254		12,423	12,732	13,074	13,442	13,820	14,256	14,707	15,213	15,745
Finance costs	1,005	878	(127)		777	661	463	442	414	494	490	471	414
Internal charges and overheads applied	(112)	44	156		43	42	47	83	100	90	65	21	4
Other operating funding applications	5	255	250		255	105	105	105	105	105	105	105	105
Total applications of operating funding (B)	**12,771**	**13,304**	**533**		**13,498**	**13,540**	**13,689**	**14,072**	**14,439**	**14,945**	**15,367**	**15,810**	**16,268**
Surplus (deficit) of operating funding (A - B)	**559**	**330**	**(229)**		**459**	**573**	**575**	**857**	**883**	**900**	**914**	**918**	**989**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	67	4,521	4,454		2,412	3,097	4,649	264	211	1,048	(303)	2,315	2,359
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**67**	**4,521**	**4,454**		**2,412**	**3,097**	**4,649**	**264**	**211**	**1,048**	**(303)**	**2,315**	**2,359**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	67	-	(67)		-	-	-	-	-	-	-	-	-
- to replace existing assets	709	4,851	4,142		2,871	3,670	5,224	1,121	1,094	1,948	611	3,233	3,348
Increase (decrease) in reserves	(150)	-	150		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**626**	**4,851**	**4,225**		**2,871**	**3,670**	**5,224**	**1,121**	**1,094**	**1,948**	**611**	**3,233**	**3,348**
Surplus (deficit) of capital funding (C - D)	**(559)**	**(330)**	**229**		**(459)**	**(573)**	**(575)**	**(857)**	**(883)**	**(900)**	**(914)**	**(918)**	**(989)**
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses for this activity grouping include the following depreciation/amortisation charge	435	326	(383)		459	573	575	857	883	900	914	918	989

* Only the Water activity includes metered water rates

Notes:

**FUNDING IMPACT STATEMENT
FOR WATER**

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	-	-	-		-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	25,408	24,590	(818)		25,789	27,353	29,010	31,704	34,406	36,007	37,193	39,345	40,518
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	13,912	13,581	(331)		14,172	14,981	15,816	15,942	17,330	18,174	18,810	19,931	20,568
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**39,320**	**38,171**	**(1,149)**		**39,961**	**42,334**	**44,826**	**47,646**	**51,736**	**54,181**	**56,003**	**59,276**	**61,086**
Applications of operating funding													
Payments to staff and suppliers	21,547	22,210	663		23,672	24,930	27,050	29,406	32,248	34,499	35,730	37,433	39,167
Finance costs	2,104	2,147	43		2,447	2,621	2,951	3,332	3,374	3,471	3,938	3,972	3,951
Internal charges and overheads applied	1,522	1,532	10		1,559	1,593	1,626	1,676	1,716	1,756	1,790	1,824	1,870
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**25,173**	**25,889**	**716**		**27,678**	**29,144**	**31,627**	**34,414**	**37,338**	**39,726**	**41,458**	**43,229**	**44,988**
Surplus (deficit) of operating funding (A - B)	**14,147**	**12,282**	**(1,865)**		**12,283**	**13,190**	**13,199**	**13,232**	**14,398**	**14,455**	**14,545**	**16,047**	**16,098**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	671	671	-		671	671	671	671	671	671	671	671	671
Increase (decrease) in debt	2,520	4,136	1,616		2,234	1,814	6,715	7,738	4,719	8,690	11,503	3,578	6,404
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**3,191**	**4,807**	**1,616**		**2,905**	**2,485**	**7,386**	**8,409**	**5,390**	**9,361**	**12,174**	**4,249**	**7,075**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	358	571	213		547	651	502	665	630	735	756	647	666
- to improve the level of service	2,833	3,093	260		4,325	5,328	7,390	7,635	7,222	10,977	11,420	6,452	6,666
- to replace existing assets	9,104	13,425	4,321		10,316	9,696	12,693	13,341	11,936	12,104	14,543	13,197	15,841
Increase (decrease) in reserves	5,043	-	(5,043)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**17,338**	**17,089**	**(249)**		**15,188**	**15,675**	**20,585**	**21,641**	**19,788**	**23,816**	**26,719**	**20,296**	**23,173**
Surplus (deficit) of capital funding (C - D)	**(14,147)**	**(12,282)**	**1,865**		**(12,283)**	**(13,190)**	**(13,199)**	**(13,232)**	**(14,398)**	**(14,455)**	**(14,545)**	**(16,047)**	**(16,098)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	14,739	12,282	(69)		12,283	13,190	13,199	13,232	14,398	14,455	14,545	16,047	16,098

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR WASTEWATER

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding													
General rates, uniform annual general charges, rates penalties	-	-	-	These notes will be updated and tabled at the GFP meeting - 17 February 2015	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	36,257	39,484	3,227		40,975	42,993	44,592	46,580	49,028	50,771	52,964	56,038	57,950
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	1,227	1,233	6		1,256	1,281	1,308	1,335	1,364	1,396	1,430	1,464	1,501
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**37,484**	**40,717**	**3,233**		**42,231**	**44,274**	**45,900**	**47,915**	**50,392**	**52,167**	**54,394**	**57,502**	**59,451**
Applications of operating funding													
Payments to staff and suppliers	21,070	23,013	1,943		24,079	25,148	26,348	27,759	29,083	30,617	32,195	33,901	35,661
Finance costs	3,577	3,783	206		4,157	4,290	4,570	4,995	5,020	5,099	5,597	5,631	5,616
Internal charges and overheads applied	3,541	3,646	105		3,714	3,799	3,885	4,003	4,104	4,208	4,303	4,403	4,525
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**28,188**	**30,442**	**2,254**		**31,950**	**33,237**	**34,803**	**36,757**	**38,207**	**39,924**	**42,095**	**43,935**	**45,802**
Surplus (deficit) of operating funding (A - B)	**9,296**	**10,275**	**979**		**10,281**	**11,037**	**11,097**	**11,158**	**12,185**	**12,243**	**12,299**	**13,567**	**13,649**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	549	549	-		549	549	549	549	549	549	549	549	549
Increase (decrease) in debt	(377)	(259)	118		651	1,889	309	2,096	(1,879)	(2,135)	(767)	142	11,591
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**172**	**290**	**118**		**1,200**	**2,438**	**858**	**2,645**	**(1,330)**	**(1,586)**	**(218)**	**691**	**12,140**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	172	225	53		233	322	319	368	319	325	358	400	533
- to improve the level of service	-	-	-		318	1,622	1,746	1,796	153	158	163	169	175
- to replace existing assets	7,573	10,340	2,767		10,930	11,531	9,890	11,639	10,383	10,174	11,560	13,689	25,081
Increase (decrease) in reserves	1,723	-	(1,723)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**9,468**	**10,565**	**1,097**		**11,481**	**13,475**	**11,955**	**13,803**	**10,855**	**10,657**	**12,081**	**14,258**	**25,789**
Surplus (deficit) of capital funding (C - D)	**(9,296)**	**(10,275)**	**(979)**		**(10,281)**	**(11,037)**	**(11,097)**	**(11,158)**	**(12,185)**	**(12,243)**	**(12,299)**	**(13,567)**	**(13,649)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	13,416	13,428	(740)		13,434	14,421	14,481	14,542	15,847	15,881	15,933	17,549	17,631

* Only the Water activity includes metered water rates

Notes:

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

FUNDING IMPACT STATEMENT
FOR STORMWATER

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	-	-	-		-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	18,648	16,198	(2,450)		16,823	17,519	18,228	19,155	20,135	20,822	21,872	23,118	23,642
Subsidies and grants for operating purposes	120	130	10		152	161	152	168	133	166	161	173	183
Fees, charges, and targeted rates for water supply *	9	10	1		10	10	10	10	11	11	11	11	12
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**18,777**	**16,338**	**(2,439)**		**16,985**	**17,690**	**18,390**	**19,333**	**20,279**	**20,999**	**22,044**	**23,302**	**23,837**
Applications of operating funding													
Payments to staff and suppliers	7,432	5,743	(1,689)		5,882	5,803	5,885	6,088	6,243	6,606	6,640	6,866	7,109
Finance costs	2,875	2,968	93		3,461	3,797	4,384	5,082	5,292	5,606	6,561	6,840	7,049
Internal charges and overheads applied	1,473	1,575	102		1,600	1,634	1,666	1,720	1,760	1,797	1,828	1,857	1,900
Other operating funding applications	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**11,780**	**10,286**	**(1,494)**		**10,943**	**11,234**	**11,935**	**12,890**	**13,295**	**14,009**	**15,029**	**15,563**	**16,058**
Surplus (deficit) of operating funding (A - B)	**6,997**	**6,052**	**(945)**		**6,042**	**6,456**	**6,455**	**6,443**	**6,984**	**6,990**	**7,015**	**7,739**	**7,779**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	58	58	-		58	58	58	58	58	58	58	58	58
Increase (decrease) in debt	499	(2,232)	(2,731)		(2,762)	(2,634)	(3,870)	(2,300)	(1,902)	(145)	2,293	2,060	504
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**557**	**(2,174)**	**(2,731)**		**(2,704)**	**(2,576)**	**(3,812)**	**(2,242)**	**(1,844)**	**(87)**	**2,351**	**2,118**	**562**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	106	147	41		146	149	123	153	185	248	279	291	280
- to improve the level of service	451	909	458		910	931	825	1,391	2,313	4,782	5,033	5,219	5,317
- to replace existing assets	3,697	2,822	(875)		2,282	2,800	1,695	2,657	2,642	1,873	4,054	4,347	2,744
Increase (decrease) in reserves	3,300	-	(3,300)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**7,554**	**3,878**	**(3,676)**		**3,338**	**3,880**	**2,643**	**4,201**	**5,140**	**6,903**	**9,366**	**9,857**	**8,341**
Surplus (deficit) of capital funding (C - D)	**(6,997)**	**(6,052)**	**945**		**(6,042)**	**(6,456)**	**(6,455)**	**(6,443)**	**(6,984)**	**(6,990)**	**(7,015)**	**(7,739)**	**(7,779)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	6,997	6,052	(9)		6,042	6,456	6,455	6,443	6,984	6,990	7,015	7,739	7,779

* Only the Water activity includes metered water rates

Notes:

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

Item 2.8 Attachment 2

FUNDING IMPACT STATEMENT
FOR CONSERVATION ATTRACTIONS

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	6,126	6,631	505		7,862	7,916	7,960	8,079	8,136	8,210	8,229	8,246	8,274
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	-	-	-		-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**6,126**	**6,631**	**505**		**7,862**	**7,916**	**7,960**	**8,079**	**8,136**	**8,210**	**8,229**	**8,246**	**8,274**
Applications of operating funding													
Payments to staff and suppliers	138	216	78		221	225	230	236	242	249	256	264	274
Finance costs	755	919	164		1,158	1,137	1,126	1,159	1,120	1,083	1,094	1,046	992
Internal charges and overheads applied	264	285	21		288	289	288	292	294	295	295	293	294
Other operating funding applications	3,632	9,689	6,057		3,759	3,832	3,914	4,001	4,091	4,195	4,302	4,423	4,549
Total applications of operating funding (B)	**4,789**	**11,109**	**6,320**		**5,426**	**5,483**	**5,558**	**5,688**	**5,747**	**5,822**	**5,947**	**6,026**	**6,109**
Surplus (deficit) of operating funding (A - B)	**1,337**	**(4,478)**	**(5,815)**		**2,436**	**2,433**	**2,402**	**2,391**	**2,389**	**2,388**	**2,282**	**2,220**	**2,165**
Sources of capital funding													
Subsidies and grants for capital expenditure	129	126	(3)		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	387	5,668	5,281		(1,621)	(1,595)	(1,548)	(1,503)	(1,467)	(1,448)	(1,312)	(1,218)	(1,128)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**516**	**5,794**	**5,278**		**(1,621)**	**(1,595)**	**(1,548)**	**(1,503)**	**(1,467)**	**(1,448)**	**(1,312)**	**(1,218)**	**(1,128)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	516	516	-		-	-	-	-	-	-	-	-	-
- to replace existing assets	278	800	522		815	838	854	888	922	940	970	1,002	1,037
Increase (decrease) in reserves	1,059	-	(1,059)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**1,853**	**1,316**	**(537)**		**815**	**838**	**854**	**888**	**922**	**940**	**970**	**1,002**	**1,037**
Surplus (deficit) of capital funding (C - D)	**(1,337)**	**4,478**	**5,815**		**(2,436)**	**(2,433)**	**(2,402)**	**(2,391)**	**(2,389)**	**(2,388)**	**(2,282)**	**(2,220)**	**(2,165)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,337	1,522	206		1,553	1,550	1,519	1,508	1,506	1,505	1,399	1,337	1,282

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR CITY PROMOTIONS AND BUSINESS SUPPORT

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	5,207	5,530	323		6,096	8,620	11,942	14,384	16,248	20,688	24,023	24,940	25,503
Targeted rates (other than a targeted rate for water supply)	15,012	15,632	620		15,762	17,289	17,944	17,927	17,311	17,864	18,185	18,436	19,501
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	14,035	14,365	330		14,638	14,925	15,241	15,557	17,320	18,333	18,765	19,212	19,690
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**34,254**	**35,527**	**1,273**		**36,496**	**40,834**	**45,127**	**47,868**	**50,879**	**56,885**	**60,973**	**62,588**	**64,694**
Applications of operating funding													
Payments to staff and suppliers	26,079	22,164	(3,915)		22,595	26,932	28,229	28,677	29,121	30,631	31,530	32,205	34,133
Finance costs	710	745	35		816	840	894	978	1,331	3,439	5,862	6,272	6,181
Internal charges and overheads applied	1,848	1,275	(573)		1,307	1,315	1,305	1,427	1,462	1,500	1,512	1,765	1,811
Other operating funding applications	7,553	12,548	4,995		17,548	12,548	12,548	14,715	16,882	19,048	19,048	19,048	19,048
Total applications of operating funding (B)	**36,190**	**36,732**	**542**		**42,266**	**41,635**	**42,976**	**45,797**	**48,796**	**54,618**	**57,952**	**59,290**	**61,173**
Surplus (deficit) of operating funding (A - B)	**(1,936)**	**(1,205)**	**731**		**(5,770)**	**(801)**	**2,151**	**2,071**	**2,083**	**2,267**	**3,021**	**3,298**	**3,521**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	3,169	3,169		7,869	2,171	(1,628)	(813)	8,609	47,395	7,706	(2,600)	(1,509)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**3,169**	**3,169**		**7,869**	**2,171**	**(1,628)**	**(813)**	**8,609**	**47,395**	**7,706**	**(2,600)**	**(1,509)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-		-	-	-	-	8,330	47,702	8,877	-	-
- to replace existing assets	1,341	1,964	623		2,099	1,370	523	1,258	2,362	1,960	1,850	698	2,012
Increase (decrease) in reserves	(3,277)	-	3,277		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**(1,936)**	**1,964**	**3,900**		**2,099**	**1,370**	**523**	**1,258**	**10,692**	**49,662**	**10,727**	**698**	**2,012**
Surplus (deficit) of capital funding (C - D)	**1,936**	**1,205**	**(731)**		**5,770**	**801**	**(2,151)**	**(2,071)**	**(2,083)**	**(2,267)**	**(3,021)**	**(3,298)**	**(3,521)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,618	1,795	(746)		1,805	1,774	1,726	1,646	1,658	1,842	2,596	2,873	3,096

* Only the Water activity includes metered water rates
Notes:

Item 2.8 Attachment 2

FUNDING IMPACT STATEMENT
FOR ARTS AND CULTURE ACTIVITIES

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	11,947	12,641	694		13,188	13,412	13,584	13,567	13,829	14,120	14,405	14,681	15,038
Targeted rates (other than a targeted rate for water supply)	5,243	5,362	119		5,525	5,597	5,718	5,671	5,722	5,817	5,908	6,000	6,108
Subsidies and grants for operating purposes	430	410	(20)		417	426	435	444	453	464	475	487	499
Fees, charges, and targeted rates for water supply *	583	577	(6)		588	600	613	625	639	654	670	686	703
Internal charges and overheads recovered	72	-	(72)		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**18,275**	**18,990**	**715**		**19,718**	**20,035**	**20,350**	**20,307**	**20,643**	**21,055**	**21,458**	**21,854**	**22,348**
Applications of operating funding													
Payments to staff and suppliers	3,510	3,972	462		4,062	4,163	4,222	3,780	3,881	4,000	4,120	4,256	4,398
Finance costs	211	475	264		798	788	779	808	795	783	799	786	770
Internal charges and overheads applied	1,049	1,007	(42)		1,061	1,076	1,082	1,179	1,221	1,254	1,262	1,244	1,282
Other operating funding applications	12,680	12,866	186		13,105	13,292	13,398	13,618	13,845	14,105	14,371	14,671	14,985
Total applications of operating funding (B)	**17,450**	**18,320**	**870**		**19,026**	**19,319**	**19,481**	**19,385**	**19,742**	**20,142**	**20,552**	**20,957**	**21,435**
Surplus (deficit) of operating funding (A - B)	**825**	**670**	**(155)**		**692**	**716**	**869**	**922**	**901**	**913**	**906**	**897**	**913**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	450	450		306	727	1,220	1,191	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	26	10,237	10,211		(254)	4,373	168	27	(871)	(882)	(874)	(863)	(878)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**26**	**10,687**	**10,661**		**52**	**5,100**	**1,388**	**1,218**	**(871)**	**(882)**	**(874)**	**(863)**	**(878)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	26	11,255	11,229		742	5,805	2,234	2,135	24	24	24	25	26
- to replace existing assets	1	102	101		2	11	23	5	6	7	8	9	9
Increase (decrease) in reserves	824	-	(824)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**851**	**11,357**	**10,506**		**744**	**5,816**	**2,257**	**2,140**	**30**	**31**	**32**	**34**	**35**
Surplus (deficit) of capital funding (C - D)	**(825)**	**(670)**	**155**		**(692)**	**(716)**	**(869)**	**(922)**	**(901)**	**(913)**	**(906)**	**(897)**	**(913)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	825	670	20		692	716	869	922	901	913	906	897	913

* Only the Water activity includes metered water rates
Notes:

Absolutely Positively **Wellington** City Council
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Item 2.8 Attachment 2

FUNDING IMPACT STATEMENT
FOR RECREATION PROMOTION AND SUPPORT

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	24,001	24,998	997		25,601	25,800	25,985	26,341	27,061	27,755	27,816	27,934	28,593
Targeted rates (other than a targeted rate for water supply)	1,039	1,089	50		1,218	1,338	1,491	1,871	1,914	2,033	2,077	2,108	2,249
Subsidies and grants for operating purposes	398	200	(198)		204	208	212	217	221	227	232	238	244
Fees, charges, and targeted rates for water supply *	11,483	11,547	64		11,847	12,002	12,352	12,669	12,579	13,024	13,400	13,831	14,248
Internal charges and overheads recovered	1,051	1,116	65		1,136	1,160	1,183	1,209	1,236	1,265	1,296	1,329	1,365
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**37,972**	**38,950**	**978**		**40,006**	**40,508**	**41,223**	**42,307**	**43,011**	**44,304**	**44,821**	**45,440**	**46,699**
Applications of operating funding													
Payments to staff and suppliers	16,950	17,961	1,011		18,467	19,066	19,510	19,912	20,632	21,502	21,841	22,461	23,036
Finance costs	3,725	3,628	(97)		3,830	3,791	3,742	3,854	3,718	3,606	3,683	3,578	3,457
Internal charges and overheads applied	9,411	9,109	(302)		9,301	9,651	9,875	10,177	10,365	10,496	10,755	10,853	11,048
Other operating funding applications	650	663	13		678	694	712	731	751	774	797	824	851
Total applications of operating funding (B)	**30,736**	**31,361**	**625**		**32,276**	**33,202**	**33,839**	**34,674**	**35,466**	**36,378**	**37,076**	**37,716**	**38,392**
Surplus (deficit) of operating funding (A - B)	**7,236**	**7,589**	**353**		**7,730**	**7,306**	**7,384**	**7,633**	**7,545**	**7,926**	**7,745**	**7,724**	**8,307**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	457	386	(71)		(316)	(1,617)	6,367	(3,962)	(2,412)	(1,937)	(3,585)	(4,251)	(4,350)
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**457**	**386**	**(71)**		**(316)**	**(1,617)**	**6,367**	**(3,962)**	**(2,412)**	**(1,937)**	**(3,585)**	**(4,251)**	**(4,350)**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	123	-	(123)		-	-	-	-	-	-	-	-	-
- to improve the level of service	334	1,126	792		1,651	1,335	5,627	91	93	96	99	103	107
- to replace existing assets	2,564	6,849	4,285		5,763	4,354	8,124	3,580	5,040	5,893	4,061	3,370	3,850
Increase (decrease) in reserves	4,672	-	(4,672)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**7,693**	**7,975**	**282**		**7,414**	**5,689**	**13,751**	**3,671**	**5,133**	**5,989**	**4,160**	**3,473**	**3,957**
Surplus (deficit) of capital funding (C - D)	**(7,236)**	**(7,589)**	**(353)**		**(7,730)**	**(7,306)**	**(7,384)**	**(7,633)**	**(7,545)**	**(7,926)**	**(7,745)**	**(7,724)**	**(8,307)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	7,324	7,589	(31)		7,730	7,306	7,384	7,633	7,545	7,926	7,745	7,724	8,307

* Only the Water activity includes metered water rates
Notes:

FUNDING IMPACT STATEMENT
FOR COMMUNITY SUPPORT

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	21,755	22,186	431		24,094	25,855	27,311	27,635	28,697	29,615	30,915	31,168	29,792
Targeted rates (other than a targeted rate for water supply)	4,179	4,172	(7)		4,537	4,614	4,718	5,064	5,293	5,332	5,474	5,615	5,803
Subsidies and grants for operating purposes	1,296	969	(327)		934	937	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	22,057	22,869	812		23,557	25,428	25,932	26,882	26,976	25,413	26,013	26,641	27,302
Internal charges and overheads recovered	1,287	1,171	(116)		820	600	496	496	579	1,149	1,166	1,181	1,207
Local authorities fuel tax, fines, infringement fees, and other receipts	659	586	(73)		551	526	503	483	465	450	436	425	435
Total operating funding (A)	**51,233**	**51,953**	**720**		**54,493**	**57,960**	**58,960**	**60,560**	**62,010**	**61,959**	**64,004**	**65,030**	**64,539**
Applications of operating funding													
Payments to staff and suppliers	26,166	26,545	379		26,379	26,999	27,436	28,204	29,048	30,442	31,296	32,600	33,530
Finance costs	(725)	(1,620)	(895)		(1,526)	(1,106)	(1,182)	(1,457)	(1,822)	(2,081)	(2,225)	(1,638)	(148)
Internal charges and overheads applied	10,410	11,332	922		12,016	12,430	12,718	13,500	14,051	14,425	14,452	13,529	13,843
Other operating funding applications	3,160	3,673	513		4,091	4,156	3,611	3,670	3,723	3,764	3,823	3,885	3,948
Total applications of operating funding (B)	**39,011**	**39,930**	**919**		**40,960**	**42,479**	**42,583**	**43,917**	**45,000**	**46,550**	**47,346**	**48,376**	**51,173**
Surplus (deficit) of operating funding (A - B)	**12,222**	**12,023**	**(199)**		**13,533**	**15,481**	**16,377**	**16,643**	**17,010**	**15,409**	**16,658**	**16,654**	**13,366**
Sources of capital funding													
Subsidies and grants for capital expenditure	32,036	20,668	(11,368)		17,777	200	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	250	(7,323)	(7,573)		19,063	5,322	(2,185)	(7,677)	(8,737)	(3,986)	(6,760)	14,436	22,566
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**32,286**	**13,345**	**(18,941)**		**36,840**	**5,522**	**(2,185)**	**(7,677)**	**(8,737)**	**(3,986)**	**(6,760)**	**14,436**	**22,566**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		822	1,270	-	-	-	-	-	-	-
- to improve the level of service	32,284	22,439	(9,845)		25,050	9,802	4,738	1,996	1,340	2,615	4,189	25,204	29,793
- to replace existing assets	6,915	8,761	1,846		6,724	9,731	9,454	6,970	6,933	8,808	5,709	5,886	6,139
Increase (decrease) in reserves	5,309	(5,832)	(11,141)		17,777	200	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**44,508**	**25,368**	**(19,140)**		**50,373**	**21,003**	**14,192**	**8,966**	**8,273**	**11,423**	**9,898**	**31,090**	**35,932**
Surplus (deficit) of capital funding (C - D)	**(12,222)**	**(12,023)**	**199**		**(13,533)**	**(15,481)**	**(16,377)**	**(16,643)**	**(17,010)**	**(15,409)**	**(16,658)**	**(16,654)**	**(13,366)**
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses for this activity grouping include the following depreciation/amortisation charge	15,730	15,318	2,556		16,409	17,594	19,218	18,490	18,787	19,829	20,307	21,340	21,106

* Only the Water activity includes metered water rates

Notes:

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

Item 2.8 Attachment 2

FUNDING IMPACT STATEMENT
FOR PUBLIC HEALTH AND SAFETY

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	8,266	9,350	1,084		9,502	10,012	10,250	10,886	11,155	11,384	11,874	12,085	12,626
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	25	25	-		25	26	27	27	28	28	29	30	30
Fees, charges, and targeted rates for water supply *	3,962	3,993	31		4,109	4,189	4,236	4,324	4,404	4,507	4,615	4,726	4,845
Internal charges and overheads recovered	676	664	(12)		676	690	704	719	735	753	771	791	812
Local authorities fuel tax, fines, infringement fees, and other receipts	52	39	(13)		39	40	41	42	43	44	45	46	47
Total operating funding (A)	**12,981**	**14,071**	**1,090**		**14,351**	**14,957**	**15,258**	**15,998**	**16,365**	**16,716**	**17,334**	**17,678**	**18,360**
Applications of operating funding													
Payments to staff and suppliers	8,284	8,868	584		8,904	9,378	9,474	9,871	10,075	10,245	10,589	10,912	11,341
Finance costs	76	93	17		106	114	129	147	149	155	179	183	185
Internal charges and overheads applied	3,980	4,338	358		4,490	4,563	4,627	4,899	5,026	5,106	5,240	5,251	5,388
Other operating funding applications	129	129	-		130	131	131	132	133	134	135	137	138
Total applications of operating funding (B)	**12,469**	**13,428**	**959**		**13,630**	**14,186**	**14,361**	**15,049**	**15,383**	**15,640**	**16,143**	**16,483**	**17,052**
Surplus (deficit) of operating funding (A - B)	**512**	**643**	**131**		**721**	**771**	**897**	**949**	**982**	**1,076**	**1,191**	**1,195**	**1,308**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	206	1,196	990		621	1,350	501	707	926	2,209	(18)	109	204
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**206**	**1,196**	**990**		**621**	**1,350**	**501**	**707**	**926**	**2,209**	**(18)**	**109**	**204**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	206	110	(96)		151	253	47	175	158	893	262	271	281
- to replace existing assets	1,104	1,729	625		1,191	1,868	1,351	1,481	1,750	2,392	911	1,033	1,231
Increase (decrease) in reserves	(592)	-	592		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**718**	**1,839**	**1,121**		**1,342**	**2,121**	**1,398**	**1,656**	**1,908**	**3,285**	**1,173**	**1,304**	**1,512**
Surplus (deficit) of capital funding (C - D)	**(512)**	**(643)**	**(131)**		**(721)**	**(771)**	**(897)**	**(949)**	**(982)**	**(1,076)**	**(1,191)**	**(1,195)**	**(1,308)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	527	643	(153)		721	771	897	949	982	1,076	1,191	1,195	1,308

* Only the Water activity includes metered water rates
Notes:

Absolutely Positively **Wellington** City Council
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Item 2.8 Attachment 2

FUNDING IMPACT STATEMENT
FOR URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	7,098	6,593	(505)		6,840	6,972	6,456	6,384	6,486	6,627	6,747	6,851	7,023
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	3,922	20	(3,902)		20	21	21	22	22	23	23	24	24
Internal charges and overheads recovered	310	-	(310)		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**11,330**	**6,613**	**(4,717)**		**6,860**	**6,993**	**6,477**	**6,406**	**6,508**	**6,650**	**6,770**	**6,875**	**7,047**
Applications of operating funding													
Payments to staff and suppliers	7,775	2,332	(5,443)		2,382	2,439	2,501	2,288	2,291	2,355	2,425	2,502	2,582
Finance costs	573	15	(558)		18	19	23	26	28	30	35	37	39
Internal charges and overheads applied	3,040	3,205	165		3,399	3,474	3,492	3,632	3,729	3,808	3,860	3,886	3,976
Other operating funding applications	490	1,050	560		1,050	1,050	450	450	450	450	450	450	450
Total applications of operating funding (B)	**11,878**	**6,602**	**(5,276)**		**6,849**	**6,982**	**6,466**	**6,396**	**6,498**	**6,643**	**6,770**	**6,875**	**7,047**
Surplus (deficit) of operating funding (A - B)	**(548)**	**11**	**559**		**11**	**11**	**11**	**10**	**10**	**7**	**-**	**-**	**-**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,429	8,412	6,983		5,412	1,851	16,273	13,209	14,984	33,872	24,355	13,774	1,427
Gross proceeds from sales of assets	2,050	650	(1,400)		2,600	3,250	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**3,479**	**9,062**	**5,583**		**8,012**	**5,101**	**16,273**	**13,209**	**14,984**	**33,872**	**24,355**	**13,774**	**1,427**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	1,429	2,230	801		918	928	15,529	11,946	6,963	15,684	15,607	13,028	650
- to replace existing assets	3,267	6,843	3,576		7,105	4,184	755	1,273	8,031	18,195	8,748	746	777
Increase (decrease) in reserves	(1,765)	-	1,765		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**2,931**	**9,073**	**6,142**		**8,023**	**5,112**	**16,284**	**13,219**	**14,994**	**33,879**	**24,355**	**13,774**	**1,427**
Surplus (deficit) of capital funding (C - D)	**548**	**(11)**	**(559)**		**(11)**	**(11)**	**(11)**	**(10)**	**(10)**	**(7)**	**-**	**-**	**-**
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses for this activity grouping include the following depreciation/amortisation charge	4,305	11	4,304		11	11	11	10	10	7	-	-	-

* Only the Water activity includes metered water rates
Notes:

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

FUNDING IMPACT STATEMENT
FOR BUILDING AND DEVELOPMENT CONTROL

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	7,319	9,317	1,998		9,630	9,985	10,027	10,813	11,042	11,340	11,427	11,315	11,692
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	12,655	12,027	(628)		12,159	11,908	12,160	12,412	12,687	12,985	13,294	13,615	13,959
Internal charges and overheads recovered	224	224	-		228	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	24	24	-		24	25	25	26	27	27	28	29	29
Total operating funding (A)	**20,222**	**21,592**	**1,370**		**22,041**	**21,918**	**22,212**	**23,251**	**23,756**	**24,352**	**24,749**	**24,959**	**25,680**
Applications of operating funding													
Payments to staff and suppliers	12,991	12,655	(336)		12,700	12,537	12,808	13,101	13,292	13,624	13,979	14,362	14,772
Finance costs	-	3	3		3	2	1	-	-	-	-	-	-
Internal charges and overheads applied	6,971	8,629	1,658		9,031	9,072	9,111	9,968	10,318	10,586	10,627	10,452	10,762
Other operating funding applications	135	135	-		136	137	138	139	141	142	143	145	146
Total applications of operating funding (B)	**20,097**	**21,422**	**1,325**		**21,870**	**21,748**	**22,058**	**23,208**	**23,751**	**24,352**	**24,749**	**24,959**	**25,680**
Surplus (deficit) of operating funding (A - B)	**125**	**170**	**45**		**171**	**170**	**154**	**43**	**5**	**-**	**-**	**-**	**-**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	17,651	2,770	(14,881)		3,461	25,938	24,929	5,625	273	304	294	284	254
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**17,651**	**2,770**	**(14,881)**		**3,461**	**25,938**	**24,929**	**5,625**	**273**	**304**	**294**	**284**	**254**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	17,651	2,940	(14,711)		3,632	26,108	25,083	5,668	278	304	294	284	254
- to replace existing assets	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	125	-	(125)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**17,776**	**2,940**	**(14,836)**		**3,632**	**26,108**	**25,083**	**5,668**	**278**	**304**	**294**	**284**	**254**
Surplus (deficit) of capital funding (C - D)	**(125)**	**(170)**	**(45)**		**(171)**	**(170)**	**(154)**	**(43)**	**(5)**	**-**	**-**	**-**	**-**
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses for this activity grouping include the following depreciation/amortisation charge	125	170	101		171	170	154	43	5	-	-	-	-

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR TRANSPORT

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	29,503	30,222	719		31,735	34,381	36,205	38,656	42,814	44,639	47,681	53,184	55,248
Targeted rates (other than a targeted rate for water supply)	33	-	(33)		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	4,774	4,470	(304)		5,231	5,537	5,313	5,803	4,845	5,827	5,705	6,080	6,390
Fees, charges, and targeted rates for water supply *	2,100	2,042	(58)		2,080	2,121	2,166	2,211	2,260	2,313	2,368	2,425	2,487
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-		-	-	-	-	-	-	-	-	-
Total operating funding (A)	**36,410**	**36,734**	**324**		**39,046**	**42,039**	**43,684**	**46,670**	**49,919**	**52,779**	**55,754**	**61,689**	**64,125**
Applications of operating funding													
Payments to staff and suppliers	12,530	11,599	(931)		11,564	11,852	12,239	12,601	13,087	13,527	14,013	14,555	15,123
Finance costs	4,774	5,277	503		6,093	6,639	7,536	8,657	8,944	9,393	10,799	11,145	11,277
Internal charges and overheads applied	5,785	6,054	269		6,271	6,361	6,453	6,745	6,908	7,069	7,174	7,260	7,442
Other operating funding applications	10	10	-		2,510	10	10	10	10	10	10	10	10
Total applications of operating funding (B)	**23,099**	**22,940**	**(159)**		**26,438**	**24,862**	**26,238**	**28,013**	**28,949**	**29,999**	**31,996**	**32,970**	**33,852**
Surplus (deficit) of operating funding (A - B)	**13,311**	**13,794**	**483**		**12,608**	**17,177**	**17,446**	**18,657**	**20,970**	**22,780**	**23,758**	**28,719**	**30,273**
Sources of capital funding													
Subsidies and grants for capital expenditure	10,590	13,356	2,766		12,656	13,282	14,384	14,384	16,227	15,573	16,185	16,152	16,886
Development and financial contributions	539	539	-		539	539	539	539	539	539	539	539	539
Increase (decrease) in debt	9,418	8,322	(1,096)		6,213	8,137	6,091	10,159	15,260	7,948	15,645	8,367	7,458
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**20,547**	**22,217**	**1,670**		**19,408**	**21,958**	**21,014**	**25,082**	**32,026**	**24,060**	**32,369**	**25,058**	**24,883**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	1,765	1,580	(185)		-	5,260	1,864	5,129	3,339	4,396	5,934	7,782	1,594
- to improve the level of service	10,968	9,494	(1,474)		11,959	11,590	14,094	15,643	16,146	17,072	17,455	17,778	22,555
- to replace existing assets	24,979	24,937	(42)		20,057	22,285	22,502	22,967	33,511	25,372	32,738	28,217	31,007
Increase (decrease) in reserves	(3,854)	-	3,854		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**33,858**	**36,011**	**2,153**		**32,016**	**39,135**	**38,460**	**43,739**	**52,996**	**46,840**	**56,127**	**53,777**	**55,156**
Surplus (deficit) of capital funding (C - D)	**(13,311)**	**(13,794)**	**(483)**		**(12,608)**	**(17,177)**	**(17,446)**	**(18,657)**	**(20,970)**	**(22,780)**	**(23,758)**	**(28,719)**	**(30,273)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	22,285	22,667	(654)		23,031	25,231	25,788	26,562	29,920	30,939	32,264	36,952	38,340

* Only the Water activity includes metered water rates

Notes:

FUNDING IMPACT STATEMENT
FOR PARKING

	2014/15 AP $000	2015/16 LTP $000	Variance to LTP $000	Notes	2016/17 LTP $000	2017/18 LTP $000	2018/19 LTP $000	2019/20 LTP $000	2020/21 LTP $000	2021/22 LTP $000	2022/23 LTP $000	2023/24 LTP $000	2024/25 LTP $000
Sources of operating funding				These notes will be updated and tabled at the GFP meeting - 17 February 2015									
General rates, uniform annual general charges, rates penalties	(14,086)	(14,081)	5		(15,050)	(15,400)	(15,652)	(15,623)	(15,623)	(15,674)	(15,664)	(15,624)	(15,591)
Targeted rates (other than a targeted rate for water supply)	-	-	-		-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-		-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply *	18,316	19,899	1,583		20,561	21,023	21,544	21,914	22,400	22,926	23,472	24,039	24,646
Internal charges and overheads recovered	-	-	-		-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7,706	7,556	(150)		7,853	8,038	8,208	8,379	8,564	8,765	8,974	9,191	9,423
Total operating funding (A)	**11,936**	**13,374**	**1,438**		**13,364**	**13,661**	**14,100**	**14,670**	**15,341**	**16,017**	**16,782**	**17,606**	**18,478**
Applications of operating funding													
Payments to staff and suppliers	9,850	10,348	498		10,590	10,778	11,069	11,347	11,652	11,999	12,360	12,782	13,205
Finance costs	17	479	462		582	770	865	953	1,222	1,505	1,798	2,090	2,383
Internal charges and overheads applied	1,593	1,955	362		2,007	2,053	2,090	2,214	2,283	2,329	2,338	2,314	2,362
Other operating funding applications	1	1	-		1	1	1	1	1	1	1	1	1
Total applications of operating funding (B)	**11,461**	**12,783**	**1,322**		**13,180**	**13,602**	**14,025**	**14,515**	**15,158**	**15,834**	**16,497**	**17,187**	**17,951**
Surplus (deficit) of operating funding (A - B)	**475**	**591**	**116**		**184**	**59**	**75**	**155**	**183**	**183**	**285**	**419**	**527**
Sources of capital funding													
Subsidies and grants for capital expenditure	-	-	-		-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-		-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	30	858	828		312	239	904	23	(71)	1,084	1,022	935	875
Gross proceeds from sales of assets	-	-	-		-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-		-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**30**	**858**	**828**		**312**	**239**	**904**	**23**	**(71)**	**1,084**	**1,022**	**935**	**875**
Applications of capital funding													
Capital expenditure													
- to meet additional demand	-	-	-		-	-	-	-	-	-	-	-	-
- to improve the level of service	30	1,449	1,419		496	114	117	120	112	128	132	137	142
- to replace existing assets	150	-	(150)		-	184	862	58	-	1,139	1,175	1,217	1,260
Increase (decrease) in reserves	325	-	(325)		-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-		-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**505**	**1,449**	**944**		**496**	**298**	**979**	**178**	**112**	**1,267**	**1,307**	**1,354**	**1,402**
Surplus (deficit) of capital funding (C - D)	**(475)**	**(591)**	**(116)**		**(184)**	**(59)**	**(75)**	**(155)**	**(183)**	**(183)**	**(285)**	**(419)**	**(527)**
Funding balance ((A - B) + (C - D))	-	-	-		-	-	-	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	475	591	40		184	59	75	155	183	183	285	419	527

* Only the Water activity includes metered water rates

Notes:

DRAFT 2015-25 LTP FUNDING IMPACT STATEMENT — PROPOSED RATING MECHANISMS

RATES

Rates are a property tax to fund local government activities. Rates are assessed under the Local Government (Rating) Act 2002 (the Act) on rating units in the Rating Information Database. Where rates requirements are allocated based on property value, the capital value of the property as assessed by the Council's valuation services provider will apply. The latest city-wide revaluation was carried out as at 1 September 2012. This revaluation remains effective for the 2015/16 rating year, except where subsequent maintenance valuations have been required under valuation rules or the Council's rating policies.

City-wide revaluations are performed every three years. The next city-wide revaluation will be carried out as at 1 September 2015 and will be effective for the 2016/17 rating year and the two consecutive rating years (subject again to subsequent maintenance valuations).

Policy objective:

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

GENERAL RATES

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

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

The general rate will be set on a differential basis, based on land use. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following rating differentials.

DIFFERENTIAL RATING CATEGORIES

Base Differential

This includes:

a. Separately rateable land used solely for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged
b. Vacant land zoned residential
c. Rural land (including farmland and lifestyle blocks) under the District Plan that is administered by the Council, but excluding any rating unit that is used for rural industrial purposes
d. Separately-rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation or community purposes and that does not generate any private pecuniary profit.

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

Commercial, Industrial and Business Differential

This includes:

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

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

Differential Rating Category Conditions

Differential rating 2.8:1 Commercial:Base

- The differential apportionment for the commercial, industrial and business sector is 2.8 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential. No changes are proposed to the differential apportionment in 2015/16.
- The separated parts of a rating unit will be differentially rated where a part of the property is non-rateable or the property fits under one or more rating differential and either:
    a) The total capital value of the rating unit is above $800,000 or
    b) Minority use(s) account for more than 30 percent of the total capital value of the rating unit.

  In any other case, the General rate differential is determined by principal use.

- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:

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a) The time at which the Council gives final approval of the completed works, or
b) The property is deemed (by the Council) to be available for its intended use.

- In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.

- The rating differential classification of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential classification during a rating year will apply from 1 July of the following rating year.

- Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate General rate differential classifications and the non-rateability applied to that rate.

Uniform Annual General Charge

The Council does not assess a uniform annual general charge.

NON-RATEABLE LAND

Non-Rateable

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

50 Percent Non-Rateable

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

TARGETED RATES

Targeted rates are set under section 16 of the Act.

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

Sewerage Rate

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy. This rate pays for the cost of the provision of the sewerage treatment facilities for the city.

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

The targeted Sewerage rate is calculated as follows:

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

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

For rating units incorporated in the Base differential:

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

Water Rate

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

This rate pays for water collection and treatment facilities, the water distribution network and water conservation for the city.

This rate is set on all rating units serviced by a water connection.

For the purposes of these rates, the water service is treated as being provided if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatorily non-rateable or 50 percent non-rateable under Schedule 1 or 2 of the Act.

The targeted Water rate is calculated as follows:

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

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

Or

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

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

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

Or

b) A fixed amount per annum per rating unit for administration, plus a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed, to collect the required Base differential contribution.

Stormwater Network Rate

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

This rate pays for the cost of the provision of the stormwater collection/disposal network for the city.

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

The targeted Stormwater network rate is calculated as follows:

For non-rural rating units incorporated in the Commercial, Industrial and Business differential:

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

For non-rural rating units incorporated in the Base differential:

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

Commercial, Industrial and Business Sector Targeted Rate

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to the commercial, industrial and business sector and where the activity is not incorporated in other service related targeted rates. This incorporates the following:

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

This rate is assessed on all properties incorporated in the commercial, industrial and business sector and is calculated on a rate per dollar of rateable capital value.

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Base Sector Targeted Rate

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category (incorporating residential ratepayers). This incorporates the following activities:

- 100 percent of the facilitation of community environmental initiatives, cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 95 percent of the provision of community centres and halls activities.
- 60 percent of the provision of the water network, collection and treatment, and the sewage collection, treatment and disposal network activities
- 77.5 percent of the stormwater management activity.

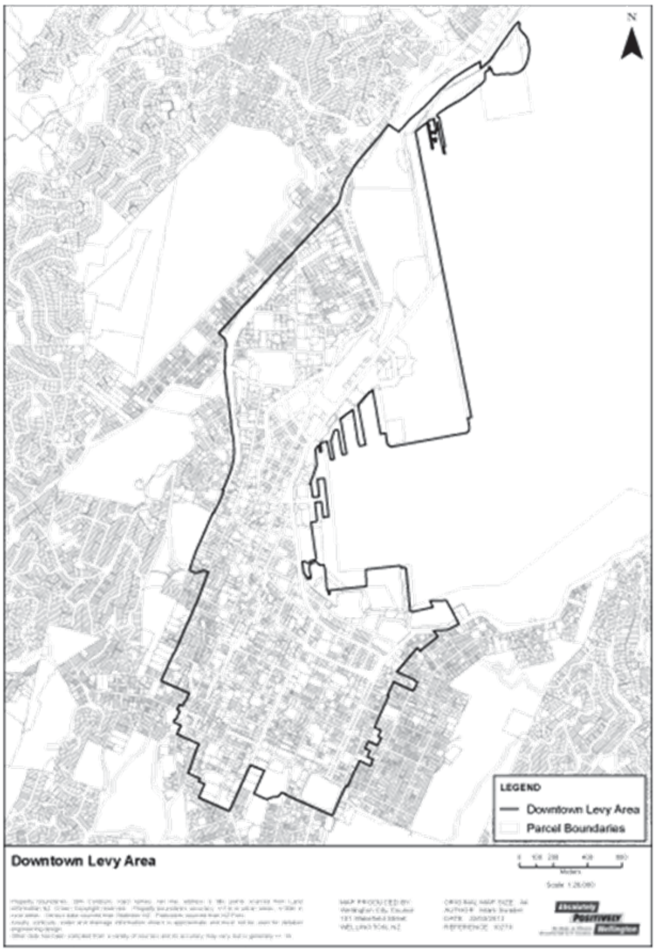
This rate is assessed on all properties incorporated under the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

Downtown Targeted Rate

This rate pays for tourism promotion and retail support (free weekend parking). It also pays for:

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

This rate is assessed on all commercial, industrial and business properties in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purposes of this rate, the downtown area refers to the area as described by the Downtown Area map as follows:



Tawa Driveways Targeted Rate

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

Marsden Village Targeted Rate

This rate is collected by the Council on behalf of the Marsden Village Association on all commercial, industrial and business properties in the Marsden shopping village (see map below) and is calculated on a rate per dollar of capital value to fund the maintenance of the area.

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Miramar Business Improvement District Targeted Rate

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

The category of land for which this rate is set is on all rating units within the Miramar Business Improvement District (see map) which are subject to the "commercial, industrial and business" differential, but excluding any rating unit that is a substation or used by local or central government for a non-business purpose.

Liability for this rate is calculated as a fixed amount per rating unit, plus a rate per dollar of capital value for any capital value over $1 million per rating unit.

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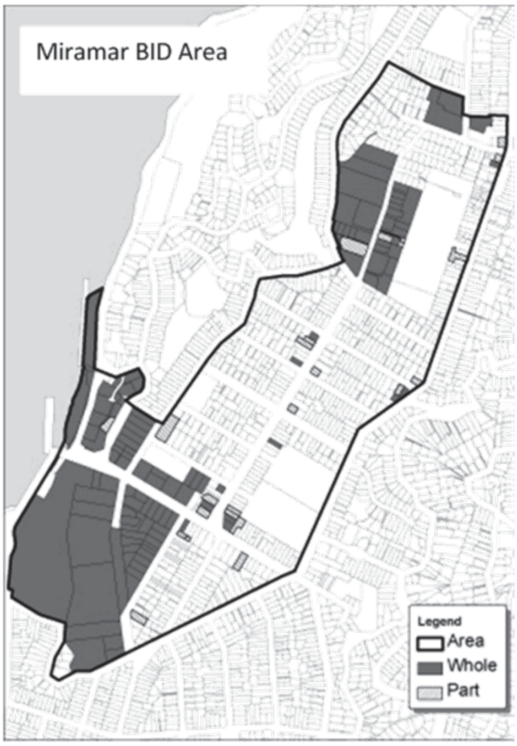

Khandallah Business Improvement District Targeted Rate

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

The category of land for which this rate is set is on all rating units within the Khandallah Business Improvement District (see map) which are subject to the "commercial, industrial and business" differential, but excluding any rating unit that is a substation.

Liability for this rate is calculated as a rate per dollar of rateable capital value.

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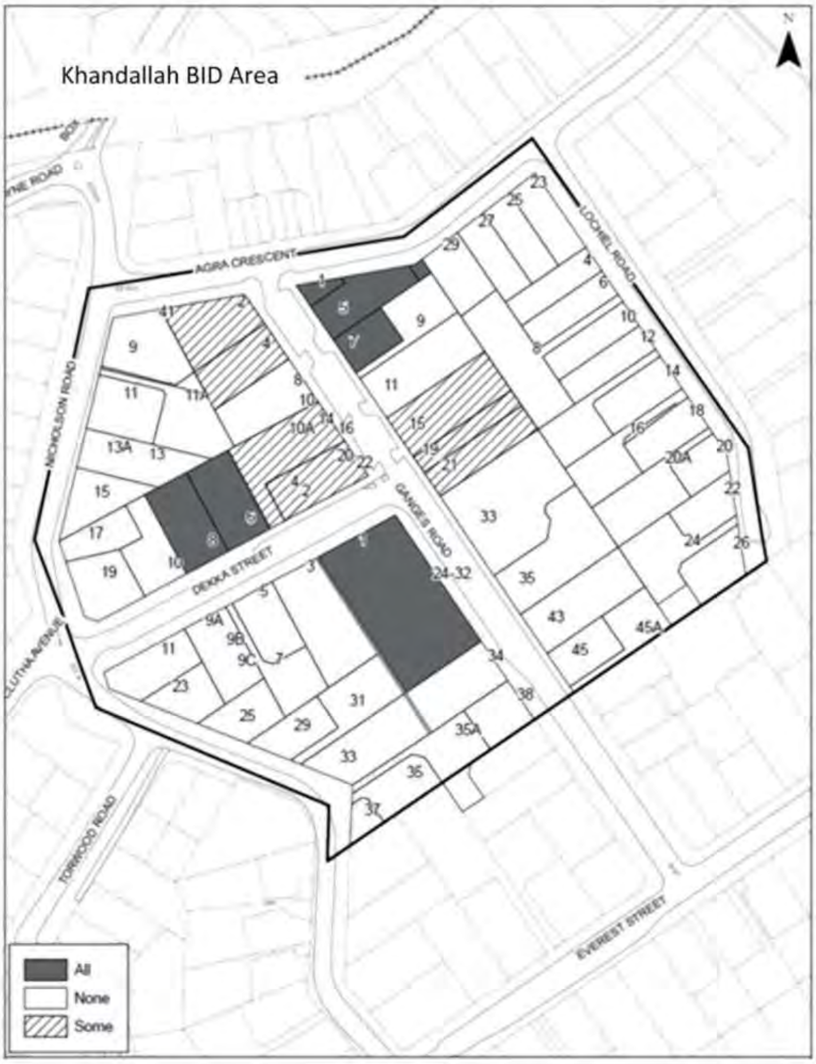

INDICATIVE RATES (TO BE TABLED AT MEETING)

The following table shows the indicative residential and commercial property rates inclusive of GST for a selection of billing categories, based on the draft 2015-16 budget. These are subject to change based on Council decisions made during the adoption of the 2015-25 Long-term Plan and changes in property valuations:

Indicative residential property rates (for properties without a water meter)	
Capital Values $	2015/16 Total

Indicative suburban commercial property rates (for properties without a water meter)	
Capital Values $	2015/16 Total

Indicative downtown commercial property rates (for properties without a water meter)	
Capital Values $	2015/16 Total

Indicative Marsden Village commercial property rates (for properties without a water meter)	
Capital Values $	2015/16 Total

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	Rates $
x	x
x	x
x	x
x	x
x	x
x	x

	Rates $
x	x
x	x
x	x
x	x
x	x
x	x

	Rates $
x	x
x	x
x	x
x	x
x	x
x	x

	Rates $
x	x
x	x
x	x
x	x
x	x
x	x

RATES REMISSION AND POSTPONEMENT POLICIES

Refer to the Council Rates Remission and Postponement Policies. Changes to the rates remission policy are described on page xx.

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2015-25 LTP
DRAFT
Significant Forecasting Assumptions

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2015-2025 LTP – Draft Significant Forecasting Assumptions

Budget and Forecasting Assumptions and Risk Assessment

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the ten year Long-term Plan (LTP). Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

The Council has made a number of significant assumptions in the preparation of the financial forecasts in this LTP. These assumptions are necessary as the LTP covers a 10 year period and to ensure that there is a consistent and justifiable basis for the preparation of the financial forecasts. The significant forecasting assumptions used in developing the financial forecasts in the LTP are detailed in the table below.

Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
General Assumptions:			
Strategic Direction The strategic direction set out in the *Wellington 2040: Smart Capital* strategy will influence the way the Council delivers services and infrastructure to Wellington's residents. Achieving the strategic directions will ensure Wellington thrives and prospers and is resilient against threats, both natural and economic. The strategy is supported by Wellington's residents. Our four strategic goals are our community outcomes: • People City • Eco City • Connected City • Dynamic Central City	That the strategic directions will not lead to Wellington prospering and thriving.	Low	The *Wellington 2040: Smart Capital* strategy is based on a significant body of research predicting six major global trends which will impact on the city between now and 2040. Thorough and comprehensive engagement with Wellington's residents show the vision and goals in the strategy are widely supported. The Strategy builds on strengths and mitigates against threats. The strategy's overarching vision and goals guide the development of the Long-term Plan, specific strategies to achieve outcomes, how the Council's activities can best align to a smart green future, and the setting of meaningful long-term targets to measure progress.

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Projected growth in the Wellington City economy: • GDP Growth 2015-25 (Aspirational Scenario): 3.1% per annum • Employment Growth 2015-25 (Aspirational Scenario): 1.7% per annum Economic growth assumptions inform the Council's Financial Strategy and aids decision-making for the LTP. This year our assumptions are informed by BERL Economics based on growth scenarios for the Wellington region and councils to 2041. The modelling considers four alternative futures for the Wellington Region – Business as Usual, IT, Infrastructure and Aspirational. The alternative futures (scenarios) consider the impact of various strategies on employment and GDP.	That economic growth is lower than forecasted due to: • Local infrastructure not aligned to key regional infrastructure projects to ensure scale and needs are met by businesses and residents • Strategies not developed to attract and retain skilled workers • Land use planning and zoning not keeping pace with substantial population and employment growth • Council not investing in key projects to achieve economic development at forecasted levels. • Counter-cyclic trends in underlying economic growth despite Council's efforts to stimulate economic activity.	Moderate	Economic growth impacts on affordability of Council rates and the utilisation of services with a user charge funding component as discretionary income is impacted. This in turn may drive changes to both operational and capital expenditure. The economic outlook also affects local businesses, level of employment and the rate of development which means it is closely correlated to the level of growth in the ratepayer base. It is noted that the aspirational scenario forecast is based on estimated impact of economic development activities under the Wellington Regional Strategy (WRS), rather than economic development projects specific to Wellington City Council.
Projected growth change factors: (see table below)	That growth is higher or lower than forecast thereby either putting pressure on Council to provide additional infrastructure and services or putting council at risk of over-investing infrastructure to cater for growth that does not eventuate.	Low	Low to Moderate growth can be accommodated within the present level of Council infrastructure. Where higher growth requires additional infrastructure, Council will collect development contributions to meet a portion of the costs of new or upgraded investment. Capital costs over this amount would result in additional Council expenditure funded through new borrowings which would in turn result in increased rates. On average a $1million increase in borrowing funded capex will result in a $140,000 increase in rates.

Projected growth change factors:

Year	*Population forecast*	*Households forecast*
2015	202,669	76,145
2016	203,933	76,807
2017	205,199	77,495
2018	206,665	78,201
2019	208,056	78,914
2020	209,473	79,607
2021	210,826	80,272
2022	212,083	80,947
2023	213,615	81,635
2024	214,854	82,308
2025	216,289	82,984

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Annul average | 0.65% | 0.86%			
City growth assumptions underpin the Council's Asset Management Plans, capital expenditure budgets, and level of services in the LTP. This year our assumptions are informed by Forecast.id for Wellington City modelling land development, housing markets and the role of suburbs. It is based on Statistics NZ data from the 2006 and 20013 censuses, converting usual resident data to estimated resident population for each neighbourhood. It is also mindful of larger economic and migration trends which are likely to effect the region. It provides a realistic projection based on current policy settings and how they are playing out. See our website www.wellington.govt.nz for the population forecast for the city as a whole and for each neighbourhood together with a list of assumptions that have been incorporated in the forecast.			
Growth in ratepayer base: Council plans to invest in a range of initiatives that it will provide an economic catalyst for the city which we forecast will provide ratepayer growth of: 2015/16 1.0% 2016/17 1.2% 2017/18 1.5% 2018/19 1.5% 2019/20 1.8% 2020/21 1.2% 2021/22 1.0% 2022/23 1.0% 2023/24 0.8% 2024/25 0.8%	The growth in the ratepayer base is higher or lower than projected.	Low – Moderate	The Council has used current property information from its valuation service provider (Quotable Value Ltd), forward looking consenting, and historic trends to assess the level of growth in rating units, together with longer term projections from the Forecast.id modelling used in the LTP. We are also utilising modelling prepared by Price Waterhouse Coopers to assess the potential impact each of the Council's economic investment projects will have on growth in the ratepayer base. The projected growth for 2015/16 to 2017/18 is considered robust, with a higher level of estimation for out-years. Accordingly we have been conservative with our growth estimates in years 4 -10 of the LTP. If growth is higher than forecasted, average rates funding increase will be reduced by an equivalent amount as there are a greater number of ratepayers across which the rates funding requirement will be allocated. If growth is lower than forecasted, the average rates increase for the ratepayer will be higher. The annual impact of a 1% of variance in growth in the ratepayer base is equivalent to approximately $2.5m of rates. We plan to manage this risk by conducting detailed business cases for each investment to assess their cost effectiveness and economic contribution. We will also measure and report on growth in the rating base and

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
			review the projections and underlying strategy on a three yearly basis.
Forecast cost savings and efficiencies The council is targeting savings of 1% of funded operating expenditure from shared services initiatives and a range of procurement related programmes each year of the LTP, equating to approximately $50m. This ongoing review will focus on: i. A review of the options, impacts and potential risks of reducing the renewals budget ii. The future need for assets and their ongoing strategic alignment. iii. The future capital programme, service levels, alternative service models, increased asset utilisation, holdings and potential income-generating opportunities. iv. Organisational alignment and increased use of inter council shared service alignment	That council does not achieve the forecast level of savings. Note that in making any decisions the Council will: • consider the need to appropriately maintain assets so that an unsustainable future financial liability does not result • comply with legislation • ensure the potential adverse impacts on the health and safety of staff and the public are adequately mitigated • outline levels of service impacts and any associated monitoring framework to ensure that changes are sustainable and do not cause unacceptable impacts or disruption to the services that the assets support.	Low – Moderate	The general rates requirement would increase or decrease by the difference between the actual and projected general rates reductions from savings. This would require the council to adjust rates, debt, fees and charges, and/or expenditure requirements where savings differ from those forecasted. The council has achieved additional savings targets in each of the past three years of between $4m and $8m. This provides confidence that further cost savings can be made, although the actual timing and impact will subject to a number of factors.
Levels of Service Demand for Council services and customer expectations regarding business as usual levels of service will not significantly change and therefore there will be no significant effect on asset requirements or operating expenditure beyond those specifically planned and identified within the LTP.	That there are significant changes in customer expectations regarding demand for services or levels of service from those planned in the LTP.	Low	The Council has well defined service levels for its planned activities which have been reviewed as part of the LTP process. Customer satisfaction surveys and other engagement strategies generally support the key assumptions made within the LTP and therefore there are currently no known additional areas of the Council's service that require significant modification.
Funding for major economic growth initiatives The 2015-2025 LTP identifies a number of projects that we forecast will provide a catalyst for economic and	That the funding allocated will be insufficient to fund all of the projects identified.	Moderate	Each of the major economic projects identified within the plan will undergo a robust business case to assess their cost effectiveness and anticipated contribution to the city

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
rating base growth in the city. These projects which include funding for urban development initiatives that provide a catalyst for growth and potential investment in extension of the airport runway, a film museum, indoor arena, film and tech hubs and targeted events. These projects are at different stages of development. Specific costs and timing will be clearer as we work through the project phases. Despite this uncertainty it is important that we show through the financial strategy and LTP the capacity the Council has to invest in these projects over the 10 year period of the LTP. To cater for these uncertainties we have used an envelope budgeting approach in years 4 to 10, incorporating $200m of capital expenditure funding for economic catalyst projects and an additional $76m for urban development projects. In addition we have assumed that $100m of the total $1.9 billion of asset investment planned across the 10 years of the LTP will be funded by an external party. We will continue to budget for the associated debt servicing costs but transfer the capital risk and debt from the Council's balance sheet.			economy. We cannot yet be certain that all these projects will proceed. Given the lead time it is also likely that a significant proportion of the investment will not be incurred in the first three years of the LTP. This will provide an opportunity to review the envelope funding allocation as part of the subsequent LTP in 2018.
Resource consents Conditions for existing resource consents held by Council will not be significantly altered. Any resource consents due for renewal during the 10 year period will be renewed accordingly.	Conditions of resource consents are altered significantly. Council is unable to renew existing resource consents upon expiry.	Low	The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance. Generally, the Council considers that it is fully compliant with existing Resource Consents and does not contemplate any material departure from these requirements over the next 10 years.
Development Contributions Significant assumptions in relation to development contributions are included within the Development Contributions Policy.	If growth is higher or lower than forecast, the level of development contributions collected could be insufficient to cover the costs of additional infrastructure required to meet the needs of Wellington's future population.	Moderate	The growth assumptions within the Development Contributions Policy are considered robust as they are based on the Forecast.id modelling on population, assumptions used across the LTP. The policy is adopted by Council after a robust process including the Special Consultative Procedure and external audit.

Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Civil Defence and Emergency Preparedness The LTP is prepared on the basis that the city is continually improving its emergency preparedness, and whilst the impact of a major natural disaster cannot be accurately predicted (and therefore the response required), increased community preparedness and regional consistency are cornerstones of our approach. In line with the rest of NZ, we follow the "4Rs": ▪ Reduction of risk ▪ Readiness for an event ▪ Response when it occurs; and ▪ Recovery, post-event. The focus areas for disaster preparedness within our plan are: ▪ Earthquake prone buildings ▪ Water ▪ Wastewater ▪ Transportation ▪ Electricity ▪ Gas ▪ Telecoms ▪ Welfare ▪ Community preparedness Most hazards we prepare for have an expected probability. For example, maximum size tsunami once every 2,500 years; major quake on the Wellington fault, 10% chance in the next 100 years.	That a significant event occurs (e.g. a major earthquake) and: ▪ insufficient risk reduction measures are in place to prevent large numbers of casualties, or ▪ the city is unable to recover sufficiently or quickly enough in order to prevent long-term adverse effects on population or local economy.	Low	Although the probability of a major earthquake or other natural disaster within the lifespan of the LTP is low, we take Emergency Preparedness very seriously with the aim to be as prepared as possible. We believe that preparedness activities are never finished and therefore aim for continuous improvement. Although we do consider ourselves capable of dealing with a large event, we will never know how adequate our plans are until the day they are tested for real. Regardless of preparedness levels, in a major event it will always be likely that regional, national and international assistance will be required. Similarly, the financial impact of such an event is unknown until such an event occurs. However, it is likely to have a significant impact to the current planned expenditure within the LTP.
Government Policy Most of the local government reforms are in place. No major changes to the Local Government Act are foreseen and assumed over the period of the LTP. That the Government policy framework will continue to provide a stable working and statutory framework.	That Government policy framework shifts, resulting in new or amended legislation	Moderate	The nature and significance of new or amended legislation will determine the level of response required, cost to implement and administer by Council, or result in a change to the services delivered by the Council. RMA changes might be significant but will not happen overnight.

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Changes to the Resource Management Act (RMA) is expected.			
Regional Governance Review The LTP assumes continuation of the current local authority structure within the Wellington Region. The Wellington local authorities will continue to work with the public toward a common view of regional governance. This will strengthen the opportunities for authorities to propose and drive any reform agreed with or by Central Government. In December 2014 the Local Government Commission announced a draft proposal for a single two tiered Council for the entire Wellington. Consultation on this proposal will close in 2015. At this stage there is insufficient certainty that the proposal will succeed to consider the impact of this structure within the Council's 2015-2025 LTP. Council's plan does reflect the impact of other decisions made collectively by the Councils in the region, including the formation of the Wellington Regional Economic Development Agency and the expansion of Wellington Water to serve the entire metropolitan area.	That councils in the region fail to lead a public discussion and reach a united and acceptable position on the issue of governance reform leading to inappropriate and/or rushed change is imposed by central government.	Moderate	Any change in governance arrangements for the city and region could impact on levels of service and their costs, and alter the LTP forecast. The Regional Governance Review was initiated by the Wellington Regional Mayoral Forum in 2010. The external environment has changed since that review was initiated – including central government announcing an intention to examine reform of the sector. The Council will need to ensure its public is informed on any subsequent proposals or debate. Should change be supported – and pass a community poll – any impact in terms of structure, services and costs would likely only impact on the out-years of the long-term plan (years 4-10.)
Significant Financial Assumptions:			
Inflation The Council has adjusted base financial projections to reflect the estimated impact of inflation.	That actual inflation will be significantly different from the assumed inflation.	Low - Moderate Years (1-3) Moderate - High Years (4-10) High Years (11-30)	Inflation is affected by external economic factors, most of which are outside of the Council's control and influence. Council's costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made.
Inflation Rates Applied:			While individual indices will at times vary from what has

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Inflation rates have been estimated using the BERL "Forecasts of Price level Change Adjustors to 2025." The applicable rates are (shown cumulative):			been included in this LTP, the Council has relied on the assumption that the Reserve Bank will use of monetary controls to keep CPI within the 1.5 to 3% range.

Index Forecast	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Roading	1.000	1.014	1.036	1.061	1.088	1.117	1.149	1.183	1.220	1.260
Property	1.000	1.024	1.050	1.078	1.107	1.139	1.174	1.211	1.250	1.294
Water	1.000	1.038	1.069	1.104	1.140	1.180	1.223	1.271	1.321	1.376
Energy	1.000	1.038	1.078	1.122	1.170	1.223	1.279	1.342	1.411	1.485
Staff	1.000	1.018	1.039	1.060	1.083	1.107	1.133	1.161	1.191	1.223
Other expense	1.000	1.025	1.051	1.080	1.111	1.143	1.180	1.218	1.261	1.306
Other income	1.000	1.019	1.039	1.061	1.083	1.107	1.133	1.160	1.188	1.218

Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Application of the Inflation Rates: The inflation rates above have been applied across all items within the financial statements with the exception of:		Low	
Revenue from investment properties – not inflated as most ground leases are subject to fixed rentals across the period.	That the revenue streams identified are influenced by changes in prices or the rate of inflation.	Low – Moderate	The assumption is considered reasonable in these cases due to the specific circumstances noted.
Petrol tax – forecast to remain constant. Revenue from petrol tax is driven by tax rates and volumes – both of which are expected to remain constant over the 10 year period.	That the revenue streams identified fluctuate annually as a result of external factors outside the control of the Council.	Moderate	Although the revenue streams may vary annually due to factors outside the control of the Council (eg, petrol consumption may vary and therefore affect the revenue received from Petrol Tax) it is not considered that annual variances will have a material effect on the financial forecasts in the LTP.
Interest revenue and expenditure – Interest rates do not increase annually in line with rates of inflation. Interest rates have been forecast to remain constant. Refer section below.	N/A		

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Grants - Our grant schemes and grants to other organisations do not increase with inflation and remain constant until Council make a decision to change the level of the grants. Therefore our assumption is there will be no change to the value of our grants over the 10 year period. **Dividends** – Although rates of inflation will affect the revenues and expenditures of those entities distributing dividends to the Council it is not anticipated that the level of dividend will be influenced by rates of inflation in the future.	That cost pressures experienced by organisations receiving grants is such that Council are inclined to increase grant funds available. N/A	Moderate	While no inflation is applied to grant funding the actual level of funding proposed is reconsidered on an annual basis taking these factors into account.
Expected interest rates on borrowings Interest is calculated using the following interest rates: 2015/16 5.60% per annum 2016/17 6.00% per annum 2017/18 6.00% per annum 2018/19 6.00% per annum 2019/20 6.30% per annum 2020/21 6.30% per annum 2021/22 6.30% per annum 2022/23 6.75% per annum 2023/24 6.75% per annum 2024/25 6.75% per annum	That prevailing interest rates will differ significantly from those estimated.	Moderate	Interest rates are largely driven by factors external to the NZ economy. Council manages its exposure to adverse changes in interest rates through the use of interest rate swaps. At any time Council policy is to have a minimum level of interest rate hedging equivalent to 50% of core borrowings. Based on the minimum hedging profile, a 0.1% movement in interest rates will increase/decrease annual interest expense by between $200,000 and $550,000 per annum across the ten years of the LTP.
Expected return on investments: Council has forecast the following returns for significant investments:			
Wellington International Airport Limited shareholding – it is assumed that the Council will retain its existing investment in WIAL of 34% and that a regular flow of revenue will be received by way of dividend. The forecast annual dividend from Wellington International Airport Limited is $11 million for 2015/16.	That Council will not achieve the forecast level of dividends	Moderate	The level of dividend is dependent on the financial performance of the company. If the actual returns are significantly less than forecast, the council will need to look for alternative funding through rates or borrowings. If the actual returns are significantly more than forecast, the Council may be able to reduce rates or forecast borrowings.

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Wellington Cable Car Limited – it is assumed that the Council will retain its existing investment at current levels with the exception of a $2.5 million investment in 2016/17 to fund replacement of the electric drive for the Cable Car. No dividends are assumed across the 10 year period	That actual levels of dividends differ from those forecasted in the plan.	Low	The level of dividend is dependent on the financial performance of the company. If the actual returns are significantly less than forecast, the council will need to look for alternative funding through rates or borrowings. If the actual returns are significantly more than forecast, the Council may be able to reduce rates or forecast borrowings.
The Greater Wellington Regional Council has signalled that the Wellington trolley-bus network will be decommissioned in 2017. WCC has written down the carrying value of its overhead wires & pole network accordingly, but has assumed that GWRC will meet any costs of dismantled the network.	The WCC incurs some cost in decommissioning the network.	Moderate	WCCL is currently undertaking an assessment of the cost of decommissioning. Until this is know the cost implications for GWRC and WCC are unknown.
Wellington Regional Stadium Trust loan – in accordance with the terms of the loan, no interest has been forecasted across the 10 year period. The loan is due to be repaid once the Trust has repaid all of its other liabilities and borrowings. The Trust may return part of its annual operating surplus to the Council to repay all or part of the outstanding loan.	That the loan will not be repaid	Low	As the Trust is currently servicing its other loan obligations to commercial lenders, the Council considers that it is unlikely that the Trust will make an annual repayment of the outstanding loan. Once these commercial loans have been repaid the Council expects that the Trust will be in a position to repay the loan advanced by the Council. There is currently no information / reason to suggest that the Trust will not be in a position to repay the Council's loan.
Convention Centre It is assumed that the operating costs of the proposed Wellington Convention Centre will be offset by dividends of $1.4m in 2020/21, increasing to $2.2m in 2024/25.	That operating profits and the dividend returned to Council are lower than forecast	Moderate	Profit and dividend forecasts assume a mid-case scenario based on a business case with robust and sound assumptions. A range of industry experts (including Price Waterhouse Coopers, BERL Economics, Howarth HTL Ltd, and Covec Ltd) were engaged in preparing market analysis, economic projections, property advice and assessment, and reviewing the draft business case. It is also prepared in full knowledge of the planned developments in other regions.
New Zealand Transport Authority (NZTA) funding Council has made assumptions on the level of subsidies it expects to receive from central government through the NZTA over the period of the LTP. The NZTA Funding	NZTA make further changes to the subsidy rate, the funding cap or the criteria for inclusion in the subsidised works programme.	Low	Variations in the subsidy rates of approx 1% would not impact the Council's funding income stream due to current eligible expenditure being in excess of the current funding cap.

Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Assistance Rates Review was finalised in October 2014. The agreed funding assistance rates for both the 2015-18 National Land Transport Programme (NLTP) period and at the end of the transition are as below: 2015/16 48% 2016/17 49% 2017/18 50% 2023/24 51% (end of transition)			
Vested assets No vesting of assets is forecast across the 10 year period.	That Council will have assets vested thereby increasing the depreciation expense in subsequent years.	High	The level of vested assets fluctuates considerably from year to year and is unpredictable. Historical levels have not been material. The recognition of vested assets in the income statement is non-cash in nature and will have no effect on rates. The financial effect of the uncertainty is expected to be low.
Sale of Assets We have assumed asset sales of $52m will be realised to repay borrowings across the 10 year period.	That the sale of assets do not occur at forecasted levels	Moderate	If the level of asset sales is less than forecasted, either our level of debt will increase by the relevant amount or Council may consider revising its level of asset investment. The interest cost of servicing this debt will be lower or higher depending on the level of asset sales.
Sources of funds for the future replacement of significant assets Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy (refer page xx)	That sources of funds are not achieved	Low	User charges have been set at previously achieved levels. Depreciation is funded through rates. The Council is able to access borrowings at levels forecast within the LTP.
Useful lives of significant assets The useful lives of significant assets is shown in the Statement of Accounting Policies (refer page xx). It is assumed that there will be no reassessment of useful lives throughout the 10 year period.	That assets wear out earlier or later than estimated.	Low - Asset lives are based upon estimates made by engineers and registered valuers.	The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated. However, these impacts could be mitigated as capital projects could be reprioritised in the event of early expiration of assets.

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
It is assumed that assets will be replaced at the end of their useful life.	That Council activities change, resulting in decisions not to replace existing assets. That Council replaces assets before the end of useful life.	Low	Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.
Planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.	That more detailed analysis of planned capital projects may alter the useful life and therefore the depreciation expense.	Low	Asset capacity and condition is monitored, with replacement works being planned accordingly. Depreciation is calculated in accordance with accounting and asset management requirements.
Revaluation of property, plant and equipment These forecasts include a three yearly estimate to reflect the change in asset valuations for property, plant and equipment in accordance with the Council's accounting policies (refer page xx). The following assumptions have been applied to projected asset revaluations: • Revaluation movements shall equate the inflation rates applied for all depreciable property, plant and equipment (refer section "Inflation") • The depreciation impact of inflation shall be in the year following revaluation. • The value of non-depreciable assets (e.g. land) is forecast to remain constant.	That actual revaluation movements will be significantly different from those forecast	Low	The majority of Council's depreciable property, plant and equipment assets is valued on a depreciated replacement cost basis. Therefore, using the projected inflation rate as a proxy for revaluation movements is appropriate and consistent with the treatment of price changes generally within the LTP. For land assets valued at market value (based on sales evidence), values have been assumed to remain constant. This reflects the wide disparity in views on the sustainability of current residential market prices.
Revaluation of investment properties It is assumed that the value of investment properties accounted for at fair/market value will remain constant across the 10 year plan.	That actual revaluation movements will be significantly different from those forecast	Moderate	For assets valued at market value (based on sales evidence), values have been assumed to remain constant. This assumption has no impact on depreciation as these assets are not depreciated.
LGFA Guarantee Each of the shareholders of the LGFA is a party to a deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and the guarantee obligations of other participating local authorities to the LGFA, in the event of default.	In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation	Low	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is low. The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge.

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Forecasting Assumptions	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
	to each guarantors relative rates income.		
Renewal of External Funding It is assumed that Council will be able to renew existing borrowings on equivalent terms.	That new borrowings cannot be accessed to fund future capital requirements	Low	The Council minimises its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Investment and Liability Management Policy. In accordance with the Liability Management Policy the Council must maintain its borrowing facilities at a level that exceeds 110% of peak borrowing levels over the next 12 months.
Weathertight Homes The Council will continue to spread the cost incurred by Council in settling weathertight homes claims by funding claims from borrowings and spreading the rates funded repayment across a number of years. The LTP assumes that the Council's weathertight homes liability will be fully settled and the associated borrowing repaid over the 10 years of this LTP.	That the level of the claims and settlements is higher than provided for within the LTP.	Low	The weathertight homes liability is an actuarial calculation based on the best information currently available. The liability provided for within the Council's financial statements is $50m, a 1% change in this figure would equate to $0.5m.

WHAT IT COSTS STATEMENTS

1.1 Governance, information and engagement	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
1.1.1 - City governance and engagement	(12)	9,091	9,079	116
1.1.2 - Civic information	(313)	5,410	5,097	-
1.1.3 - City Archives	(182)	1,425	1,243	-
2015-25 LtP 1.1 Total	**(507)**	**15,926**	**15,419**	**116**
2014/15 AP 1.1 Total	**(564)**	**14,778**	**14,214**	**-**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**57**	**1,148**	**1,205**	**116**

1.2 Maori and mana whenua partnerships	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
1.2.1 - Maori and Mana Whenua partnerships	-	281	281	-
2015-25 LtP 1.2 Total	**-**	**281**	**281**	**-**
2014/15 AP 1.2 Total	**-**	**225**	**225**	**-**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**-**	**56**	**56**	**-**

2.1 Gardens, Beaches and Green Open Spaces	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
2.1.1 - Local parks and open spaces	(414)	8,649	8,235	681
2.1.2 - Botanical gardens	(387)	4,749	4,362	528
2.1.3 - Beaches and coast operations	(51)	1,378	1,327	176
2.1.4 - Roads open spaces	(661)	8,140	7,479	-
2.1.5 - Town belts	(250)	4,692	4,442	212
2.1.6 - Community environmental initiatives	-	741	741	-
2.1.7 - Walkways	-	581	581	1,014
2.1.8 - Biodiversity (pest management)	(38)	1,680	1,642	-
2.1.9 - Waterfront Public Space	(301)	1,734	1,433	-
2015-25 LtP 2.1 Total	**(2,102)**	**32,344**	**30,242**	**2,611**
2014/15 AP 2.1 Total	**(1,985)**	**30,162**	**28,177**	**3,003**
Variance 2014/15 AP Yr 1 to LtP 2015-25 LtP	**(117)**	**2,182**	**2,065**	**(392)**

2.2 Waste reduction and energy conservation	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
2.2.1 - Waste minimisation, disposal and recycling management	(12,830)	12,826	(4)	2,871
2.2.2 - Closed landfills aftercare	-	522	522	-
2.2.3 - Energy efficiency and conservation	(46)	282	236	-
2015-25 LtP 2.2 Total	**(12,876)**	**13,630**	**754**	**2,871**
2014/15 AP 2.2 Total	**(12,926)**	**13,206**	**280**	**776**
Variance 2014/15 AP Yr 1 to LtP 2015-25 LtP	**50**	**424**	**474**	**2,095**

WHAT IT COSTS STATEMENTS

2.3 Water	Operating expenditure 2015-25 LtP Income ($000)	Expenditure ($000)	Net expenditure ($000)	Capital expenditure 2015-25 LtP Total ($000)
2.3.1 - Water network	(35)	23,236	23,201	15,189
2.3.2 - Water collection and treatment	-	14,935	14,935	-
2015-25 LtP 2.3 Total	**(35)**	**38,171**	**38,136**	**15,189**
2014/15 AP 2.3 Total	**(33)**	**39,912**	**39,879**	**12,294**
Variance 2014/15 AP Yr 1 to LtP 2015-25 LtP	**(2)**	**(1,741)**	**(1,743)**	**2,895**

2.4 Wastewater	Operating expenditure 2015-25 LtP Income ($000)	Expenditure ($000)	Net expenditure ($000)	Capital expenditure 2015-25 LtP Total ($000)
2.4.1 - Sewage collection and disposal network	(615)	21,118	20,503	11,481
2.4.2 - Sewage treatment	(618)	22,752	22,134	-
2015-25 LtP 2.4 Total	**(1,233)**	**43,870**	**42,637**	**11,481**
2014/15 AP 2.4 Total	**(1,227)**	**41,604**	**40,377**	**7,745**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**(6)**	**2,266**	**2,260**	**3,736**

2.5 Stormwater	Operating expenditure 2015-25 LtP Income ($000)	Expenditure ($000)	Net expenditure ($000)	Capital expenditure 2015-25 LtP Total ($000)
2.5.1 - Stormwater management	(139)	16,338	16,199	3,337
2015-25 LtP 2.5 Total	**(139)**	**16,338**	**16,199**	**3,337**
2014/15 AP 2.5 Total	**(129)**	**18,777**	**18,648**	**4,255**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**(10)**	**(2,439)**	**(2,449)**	**(918)**

2.6 Conservation attractions	Operating expenditure 2015-25 LtP Income ($000)	Expenditure ($000)	Net expenditure ($000)	Capital expenditure 2015-25 LtP Total ($000)
2.6.1 - Conservation visitor attractions	-	12,631	12,631	713
2015-25 LtP 2.6 Total	**-**	**12,631**	**12,631**	**713**
2014/15 AP 2.6 Total	**-**	**6,126**	**6,126**	**794**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**-**	**6,505**	**6,505**	**(81)**

3.1 City promotions and business support	Operating expenditure 2015-25 LtP Income ($000)	Expenditure ($000)	Net expenditure ($000)	Capital expenditure 2015-25 LtP Total ($000)
3.1.1 - WREDA	(14,365)	31,943	17,578	-
3.1.2 - Wellington Convention Centre	-	-	-	2,099
3.1.3 - Retail support (free weekend parking)	-	1,356	1,356	-
3.1.4 - Major Economic Projects	-	4,545	4,545	-
3.1.5 - WEID, Economic Growth & Economic Grants	-	-		-
3.1.6 - Regional and external relations	-	569	569	-
3.1.7 - Business Improvement Districts	-	114	114	-
2015-25 LtP 3.1 Total	**(14,365)**	**38,527**	**24,162**	**2,099**
2014/15 AP 3.1 Total	**(14,035)**	**37,808**	**23,773**	**1,341**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**(330)**	**719**	**389**	**758**

WHAT IT COSTS STATEMENTS

4.1 Arts and culture activities	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
4.1.1 - Galleries and museums (WMT)	-	9,305	9,305	718
4.1.2 - Visitor attractions (Te Papa/Carter Observatory)	-	2,840	2,840	-
4.1.3 - Arts and cultural festivals	(410)	2,683	2,273	-
4.1.4 - Cultural grants	-	1,048	1,048	-
4.1.5 - Access and support for community arts	(62)	657	595	27
4.1.6 - Arts partnerships	(515)	1,848	1,333	-
4.1.7 - Regional Amenities Fund	-	609	609	-
2015-25 LtP 4.1 Total	**(987)**	**18,990**	**18,003**	**745**
2014/15 AP 4.1 Total	**(1,013)**	**18,203**	**17,190**	**26**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**26**	**787**	**813**	**719**

5.1 Recreation promotion and support	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
5.1.1 - Swimming Pools	(7,587)	20,423	12,836	1,853
5.1.2 - Sportsfields	(295)	3,397	3,102	405
5.1.3 - Sportsfields (Synthetic)	(524)	1,354	830	1,399
5.1.4 - Recreation Centres	(2,657)	9,682	7,025	77
5.1.5 - Recreation partnerships	-	1,089	1,089	3,085
5.1.6 - Playgrounds	-	736	736	455
5.1.7 - Marinas	(592)	602	10	141
5.1.8 - Golf Course	(77)	269	192	-
5.1.9 - Recreation programmes	(15)	281	266	-
2015-25 LtP 5.1 Total	**(11,747)**	**37,833**	**26,086**	**7,415**
2014/15 AP 5.1 Total	**(11,879)**	**37,007**	**25,128**	**3,021**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**132**	**826**	**958**	**4,394**

5.2 - Community support	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
5.2.1 - Libraries	(1,590)	20,696	19,106	8,843
5.2.2 - Access support (Leisure Card)	-	104	104	-
5.2.3 - Community advocacy	-	1,272	1,272	-
5.2.4 - Grants (Social and Recreation)	-	3,296	3,296	-
5.2.5 - Housing	(43,271)	25,577	(17,694)	23,492
5.2.6 - Community centres and halls	(230)	3,130	2,900	262
2015-25 LtP 5.2 Total	**(45,091)**	**54,075**	**8,984**	**32,597**
2014/15 AP 5.2 Total	**(56,047)**	**53,453**	**(2,594)**	**39,199**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**10,956**	**622**	**11,578**	**(6,602)**

5.3 Public health and safety	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
5.3.1 - Burials and cremations	(803)	1,645	842	315
5.3.2 - Public toilets	-	2,705	2,705	1,026
5.3.3 - Public health regulations	(3,211)	5,247	2,036	-
5.3.4 - City safety	-	2,474	2,474	-
5.3.5 - WREMO	(43)	1,335	1,292	-
2015-25 LtP 5.3 Total	**(4,057)**	**13,406**	**9,349**	**1,341**
2014/15 AP 5.3 Total	**(4,039)**	**12,320**	**8,281**	**1,310**
Variance 2014/15 AP Yr 1 to 2015-25 LtP	**(18)**	**1,086**	**1,068**	**31**

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

Item 2.8 Attachment 4

WHAT IT COSTS STATEMENTS

6.1 Urban planning, heritage and public spaces development	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
6.1.1 - Urban planning and policy	(20)	1,916	1,896	-
6.1.2 - Waterfront development	-	969	969	7,105
6.1.3 - Public spaces and centres development	-	1,984	1,984	918
6.1.4 - Built heritage development	-	1,744	1,744	-
2015-25 LtP 6.1 Total	(20)	6,613	6,593	8,023
2014/15 AP 6.1 Total	(3,883)	15,834	11,951	4,696
Variance 2014/15 AP Yr 1 to 2015-25 LtP	3,863	(9,221)	(5,358)	3,327

6.2 Building and development control	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
6.2.1 - Building control and facilitation	(9,152)	13,730	4,578	-
6.2.2 - Development control and facilitation	(2,899)	5,937	3,038	-
6.2.3 - Earthquake risk mitigation - built environment	-	1,701	1,701	3,632
2015-25 LtP 6.2 Total	(12,051)	21,368	9,317	3,632
2014/15 AP 6.2 Total	(12,679)	19,998	7,319	17,651
Variance 2014/15 AP Yr 1 to 2015-25 LtP	628	1,370	1,998	(14,019)

7.1 Transport	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
7.1.1 - Transport planning	(82)	940	858	-
7.1.2 - Vehicle network	(1,257)	22,936	21,679	18,454
7.1.3 - Cycle network	(34)	966	932	4,424
7.1.4 - Passenger transport network	(950)	1,449	499	902
7.1.5 - Pedestrian network	(39)	6,615	6,576	3,646
7.1.6 - Network-wide control and management	(1,997)	6,793	4,796	1,230
7.1.7 - Road safety	(1,540)	5,906	4,366	3,360
2015-25 LtP 7.1 Total	(5,899)	45,605	39,706	32,016
2014/15 AP 7.1 Total	(6,269)	45,383	39,114	37,713
Variance 2014/15 AP Yr 1 to 2015-25 LtP	370	222	592	(5,697)

7.2 Parking	Operating expenditure 2015-25 LtP			Capital expenditure 2015-25 LtP
	Income ($000)	Expenditure ($000)	Net expenditure ($000)	Total ($000)
7.2.1 - Parking	(27,455)	13,374	(14,081)	496
2015-25 LtP 7.2 Total	(27,455)	13,374	(14,081)	496
2014/15 AP 7.2 Total	(26,022)	11,936	(14,086)	180
Variance 2014/15 AP Yr 1 to 2015-25 LtP	(1,433)	1,438	5	316

Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

LONG TERM PLAN 2015-2025: PRELIMINARY CONSULTATION DOCUMENT

Purpose

1. This report provides a preliminary draft of the content for the Long-term Plan 2015-25 consultation document. It is subject to editorial changes as a consequence of decisions on other matters on this agenda.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Recommend to Council the Long-term Plan 2015-2025 Consultation Document as attached in attachment 1 for adoption (subject to any changes that arise from decisions on other matters on this agenda).
3. Delegate to the Mayor and Chief Executive the ability to make editorial changes to the document to reflect decisions made at this meeting or requirements that might arise through audit review process.

Discussion

2. The Long-term Plan 2015-25 is subject to consultation. Legislation prescribes that a consultation document must be prepared that covers the major issues facing the city. It must be presented in a concise and simple manner. There are limits on what can be contained. Legislation states that it must not contain, for example, the full financial strategy or unnecessary detail.
3. The draft consultation document, attached as attachment 1, provides a sound basis for engagement with the public. It builds on the mayoral overview that was adopted in principle in December. This set out the main issue: the clear choice between a business as usual path and an invest to grow programme. It outlines rates and debt impacts and the overall context for that choice. The document has now been updated to reflect the key projects – the service changes – that contribute to the invest to grow programme.
4. These projects have been grouped into meaningful and tangible themes. While the primary issue for the consultation is whether or not to invest in growth, the inclusion of these projects allows the public to also comment on their merits.
5. The projects illustrate the breadth of investment that the Council is proposing. While they collectively contribute to economic growth, they also span social, environmental and cultural dimensions:
   - *A longer airport runway*: bringing in more international visitors, and enhancing business and education connections.
   - *Screen & tech industries*: supporting smart and sustainable economic growth.
   - *Inner city regeneration*: promoting housing and a vibrant inner city.
   - *Revitalise the Civic Square precinct*: a national music hub, more activity, and a strengthened Town Hall.

- *Reigniting our sense of place* through creative events and public space improvements.
- *Strengthening town centres*: creating liveable communities and accommodating growth.
- *New and improved venues* for music, sport, and conventions.
- *New visitor attractions*: celebrating Wellington's culture and environment.
- *Improved management of key infrastructure*: for greater efficiency, and better environmental and social outcomes.
- *Use smart technology* to reduce energy use, make streets safer, and make parking easier
- *Real transport choices* for an efficient, sustainable and safe transport network.

6. The consultation document notes that the projects are at different stages and that some in the out years remain subject to decisions on business cases.

7. The consultation document (attached to this report) is preliminary. It reflects the mayor's introduction of the plan and the principle agreement made by this committee in December. It is subject to editorial change as a result of decisions at this meeting. It is also subject to review by Audit NZ. The final consultation document will be presented to Council.

8. Other material will be available to the public during the consultation period. This covers specific subject areas and technical matters where people want more information. This includes:
   - Infrastructure Strategy;
   - Financial Strategy;
   - Urban Growth Plan (implementation plan);
   - draft statements of service performance;
   - draft funding impact statements and financial policies; and
   - Civic Square Revitalisation statement of proposal.

9. The Civic Square Revitalisation project is the subject of its own statement of proposal. This is because it relates to a strategic asset – the Civic Square – and leases that trigger legislative requirements. This is covered in a separate report on this agenda.

10. The consultation process will run between 13 March and 17 April with hearings held after that time. The approach to consultation was agreed by this committee on 10 December 2014.

11. The committee agreed as part of that report to a single hearings committee. It also requested that methods to make hearings more effective be provided. These methods include:

   - Ensuring some hearing sessions are themed to provide presenters with views on similar topics are able to hear others points.

   - Providing discussion slots in-between hearing topic. These slots can be used for informal interaction with submitters.

   - Effective meeting practices: being attentive, engaging the submitters to draw out their insights, providing explanation for the next steps in the process.

Attachments

Author	Brian Hannah, Director Strategy and External Relations
Authoriser	Brian Hannah, Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement
This report provides material to support a special consultative procedure.

Treaty of Waitangi considerations
Treaty matters are covered by another report on this agenda.

Financial implications
Financial elements of this report will be updated/populated as a consequence of other items on this agenda.

Policy and legislative implications
This report fulfils the Council's obligations in terms of the preparation of a Consultation Document as set out in the LGA. It states the key issue, options, and implications (i.e. projects, and rates and borrowings impacts) of agreeing to an invest to grow programme.

Risks / legal
The document has been reviewed against legislative requirements

Climate Change impact and considerations
Not applicable.

Communications Plan
The consultation plan was previously agreed by Committee.

Consultation document

Our ten year plan

WELLINGTON CITY COUNCIL'S
DRAFT LONG TERM PLAN 2015-25.

He pai te tirohanga ki nga mahara mo nga raa pahemo engari ka puta te maaramatanga i runga i te titiro whakamua.

It's fine to have recollections of the past but wisdom comes from being able to prepare opportunities for the future.

Mayoral Overview

It's true you can't live here by chance,
you have to do and be, not simply watch
or even describe. This is the city of action,
the world headquarters of the verb - - Lauris Edmond

This is a bold plan – one that lives up to Lauris Edmond's view of Wellington. It's a plan that builds on our strengths as a city: our stunning natural environment and quirky built heritage, our welcoming attitudes, our creativity and business savvy, our delight in those that are successful, and support for our most vulnerable citizens.

This is an ambitious plan. It doesn't waste rhetoric on trade-offs or service cuts. We are *not* here to manage decline. This plan invests in growth. It invests in our communities' ongoing prosperity.

Wellington sits at the edge of the world. We're the southern-most capital. The world starts *here*.

We *are* the place of the possible.

This plan reflects that fact – it sets out actions to shape the future of our city.

It's a plan for all Wellingtonians.

Celia Wade-Brown
Mayor of Wellington

This is Wellington's plan for sustainable growth.

It offers a simple choice.

Do we invest now to unlock Wellington's economic potential? Or do we continue along a 'business as usual' path, in which other cities grow faster and attract more people than Wellington does?

Do we commit fully to transforming our economy – making it smarter, more sustainable, and more creative? Or do we wait and hope?

Do we choose a future in which Wellington offers jobs and business opportunities that match its amazing environment and extraordinary quality of life? Or do we rely on government jobs, and leave the economy to others?

This long-term plan asks Wellingtonians to make that choice.

It provides for a 'business as usual' programme in which core Council services are maintained in line with current levels.

Under that programme, Wellington may continue to be a great place to live – but centre stage will elsewhere.

The better option is to 'invest for growth'. For a small and manageable increase in debt and rates, the Council will support new initiatives to unlock the city's growth potential.

Imagine Wellington with an international film museum, an indoor music arena, an extended airport runway able to bring in more visitors, students and business opportunities from Asia and North America.

Imagine the jobs that could be created by a convention centre, a tech hub, and a screen industry enterprise zone.

Imagine Adelaide Road and other parts of the inner city transformed into vibrant, mixed use areas with shops, offices, cafes and apartments.

The up-front investment is modest. The long-term benefit is potentially huge. We have the opportunity to make a difference.

Business as usual? Or invest for growth?
The choice is yours.

89%

Percentage of Wellington residents who rated their quality of life as 'good' or 'extremely good' in a February 2014 survey. This compares with 80% for both Auckland and Christchurch.

In national and international 'quality of life' surveys, Wellington consistently rates at or near the top.

In the 2014 Mercer International Quality of Living Survey, Wellington ranked 12th out of more than 200 cities globally.

58

Gigajoules of electricity used per person annually in Wellington. This compares with 81 gigajoules for an average European city and 228 gigajoules for an average Australasian city.

By any standard, Wellington is a low emission city. It is compact, its people are New Zealand's highest users of public transport, and it has significant areas of bush which offset carbon emissions.

But the main reason Wellington's carbon emissions are low is that its electricity comes from renewable sources: two wind farms west of the city together produce enough electricity for more than all the residential homes in the city.

In a 2012 survey of the environmental performance of Australasian cities, Wellington was a top performer in greenhouse gas emissions, energy consumption, waste reduction and recycling, and air quality.

1st place

In a 2014 survey of six NZ cities, Wellington residents were much more likely than residents of other cities to:

- say they were happy
- say they were healthy
- say they were satisfied with their lives
- rate their overall quality of life as good or very food
- be in paid employment
- be satisfied with their work-life balance
- use public transport
- feel safe in their city and neighbourhood
- value cultural diversity
- perceive their city and local area as great places to live
- be proud of the look and feel of their city and local area
- be positive about their city's urban design, including the quality of buildings and public spaces.
- perceive their natural environment as beautiful
- say they had easy access to a local park or other green space.

19%

Wellington city GDP growth –10 years to March 2014.This compared with 23% for Auckland, 27% for Tauranga, and 20.4% nationally.

Other New Zealand cities are also experiencing faster population growth, faster job growth, and faster retail and business growth than Wellington.

Although Wellington's economy hasn't reached its potential, the city does have huge strengths.

We are one of New Zealand's fastest growing tourism destinations.

We have competitive advantage in 'smart' industries such as screen production, science, education, and ICT.

We are New Zealand's most highly educated population.

Our culture values knowledge, creativity and new thinking.

Our city is compact – which makes it easy for people to get together and collaborate.

We are the Capital – and can connect with the diplomatic community, our public sector, and expertise from national institutions such as Te Papa, NIWA, GNS, the NZSO, NZ Ballet and more.

All of these factors will be increasingly important in the smart, clean economy of the future.

5

Number of Wellington tech companies in the TIN100 'EY Ten Companies to Watch' list 2013 – based on the 10 New Zealand tech companies with highest annual dollar value growth.

14

Number of Wellington companies in the Deloitte Technology Fast 500 Asia Pacific index 2014 – which ranks the 500 fastest-growing tech companies in the region. Auckland had 24 companies on the list, the Central North Island had 8 and Canterbury had 5.

A stronger economy means jobs, prosperity, and more opportunities for all Wellington residents.

Economic growth isn't only about business profits – though they are important. It is about providing opportunities for everybody.

Though Wellington offers outstanding quality of life, its economy has considerable untapped potential. Growing the city's economy is about:

- Making all residents more prosperous, so they can reach their potential and live enjoyable and fulfilling lives.
- Providing a wider range of opportunities – so residents have a choice of jobs, or creative or business opportunities – so they earn a living doing something they are passionate about.
- Making the city more vibrant – providing more entertainment and leisure opportunities, and a wider range of attractions.
- Improving Wellington's connections to the rest of the world – for the sake of business, tourism, education, and individual enjoyment.
- Releasing capital to invest in higher quality of life for all and a stronger environment.
- Increasing the city's value. After all, a bigger rating base means the costs of rates are spread across more people, making them more affordable.

Our plan focuses on core services, with an additional fund to sustain growth.

In the last 10 years, the Council has invested in capital works, and funded billions on its services for the community.

While the key spending priority has been infrastructure, there have been big increases in spending on community sport and recreation facilities, on tourism promotion, and on events.

In coming years, we will continue to focus on strong, resilient infrastructure; and we aim to maintain services in line with current levels.

We also propose to invest for economic growth – by establishing a programme of major projects and working in partnership with the private sector, the government and others in the region.

By focusing investment in this way, we can achieve real transformation of Wellington's economy, creating opportunities for future investment in quality of life.

Core services

Our plan aims to maintain and improve existing core services such as water supply, drainage, waste, parks and gardens, libraries, pools, sports fields recreation and centres, streets, social housing and so on.

One important area of focus will be on making infrastructure more resilient – better able to cope with environmental shocks such as earthquakes and climate change.

We'll continue to work to end homelessness and to include the most vulnerable citizens in city life.

We will keep working with others to make the city's transport system more efficient – by prioritising public transport, investing in new cycleways and walkways, and reducing bottlenecks on the road network.

We will continue to focus on reducing resource use, waste and pollution.

We will maintain existing levels of service for pools, recreation centres, sportsfields libraries and other Council-funded facilities. Our focus will be on accommodating demand within existing facilities. We want to make use of the capacity in the community facilities we have already invested before we face the expense of adding more.

Invest for growth

The proposal provides capacity for us to invest with others in a range of initiatives to stimulate economic growth in the city:

- A 300 metre extension to the Wellington International Airport runway, bringing extra visitors students and economic benefits.
- A new international film museum, to showcase talent and attract and encourage visitors to stay in the city for longer.
- A tech hub, supporting ICT start-ups to get established, collaborate with other businesses, and become successful exporters.
- Exploring a screen industry precinct, supporting the city's screen sector to create more film & TV productions.
- A large scale performance arena to fill a gap in our current offering and draw in more large concerts and more visitors.

In addition we aim to stimulate economic growth through:

- An urban development agency, to support the creation of vibrant, mixed use inner city neighbourhoods.
- Major urban regeneration projects to stimulate the supply of housing. The northern part of Adelaide Rd and the blocks along Kent and Cambridge Tce in Te Aro are priorities.
- An expansion of our arts and events programme including the New Zealand Festival.
- A contribution to the WW1 commemorative exhibition and capital provision for a permanent museum.

Expansions and smart projects

The *invest to grow* programme also has provision for a number of discretionary projects:

- Expansion of the City to Sea Museum adding to its appeal as one of the Top 50 museums in the world.
- Upgrade of Frank Kitts park with the inclusion of Chinese Garden and renewed playground.
- Funding for the creation of Ocean Exploration Centre on the south coast subject to matching funding from third parties.
- An urban activation fund that will see pop-up events making use of the existing open spaces around the city.
- A brand new library in Johnsonville to serve the growing northern area.
- A hydraulic model of the city to guide our future investment decisions around climate change adaptation.
- A real time stormwater modelling system to improve the performance of the network and quality of our waterways.
- A new hockey turf at the National Stadium and rejuvenation of the Basin Reserve.
- Exploring the uptake of new LED lights to lower energy use and costs of lights and signals.
- A $1m annual heritage building strengthening fund for three years.
- Provision for a living wage-rate for the Zoo and Museums trust and $1.4m increase to social and recreation grants over the ten years.
- A development scheme to strengthen the Town Hall and Civic Square and create a prime NZ music hub.

	Activity	Objectives	Spending on capital works	$ million Operational Spending			
Business as usual			**Total** 2015/16-2025/26	Current 2014/15	2015/16	2025/26	**Total** 2015/16-2025/26
Environment	Water, wastewater & stormwater; waste management; urban agriculture, gardens and reserves management; Zealandia & Wellington Zoo.	-Security of supply -Waste reduction -Access to green open spaces -Biodiversity	$XXX	-	-	-	$XXX
Social & recreation	Social housing; libraries; community centres/halls; sport & recreation facilities, community grants and access subsidies; public health & safety.	-Social cohesion -Participation in city life -Greater use of existing facilities -Safety (and child friendly)	$XXX	-	-	-	$XXX
Transport	Streets & roads; cycleways & walkways; bus priority lanes; road safety; parking; network planning & control.	-Increased active mode share -Road safety -Reliable transport routes -Reduced emissions	$XXX	-	-	-	$XXX
Urban development	Development of waterfront & public spaces; urban planning; heritage; building & development control (including consents); managing earthquake-prone buildings	-Smart growth / urban containment -Resilience -Character protection	$XXX	-	-	-	$XXX
Economic development	Tourism & city promotion; events; venues; regional & external relations; grants fund.	-Tourism spend -Investment attraction / digital exports -City vibrancy	$XXX	-	-	-	$XXX
Cultural and arts	Galleries & museums; festivals; grants; arts partnerships; community arts; cultural attractions (Te Papa & Carter Observatory)	-Sense of place and identity -Diversity and openness -Visitation -Exposure to creativity and innovation	$XXX	-	-	-	$XXX
Governance	Local elections; informing & engaging with residents; managing service requests; research, relationships with mana whenua; City Archives.	-Democratic decision-making -Open access to information - Recognition of Maori	$XXX	-	-	-	$XXX

Invest for growth projects	Airport runway extension, urban regeneration projects, convention centre, international film museum, indoor arena, tech hub, commemorative exhibition, expanded arts/events offering, efficient transportation – bus priorities, cycleways and working with NZTA on RONs in the city, Town Hall / Civic Square rejuvenation.	-Growing the economy -Growing the value of the city -Generating returns on investment -Accommodating growth and stimulating housing supply -Stimulating growth in tech and creative sectors -Providing real transport choices	$XXX
Upgrades, expansions and smart projects	Ocean Exploration Centre, expansion of the City to Sea Museum, upgrade of Frank Kitts Park including playground and Chinese Garden, urban activation fund, a new Hockey turf, a new Johnsonville Library, a hydraulic model to guide investment decisions around climate change, a real time stormwater monitoring system, LED light transfers, expanded retail support with Xmas and New Year celebrations.	-Improved amenity -Better knowledge.	$XXX

Savings	The proposal has been developed with a number of savings compared to past projections being included. These include the results of increased efficiency, lower IT costs, procurement practices and improved asset management practices.

The overall invest to grow programme delvers the major growth projects and business as usual and the discretionary projects with only a modest increase in rates and debt.

The Council's strong financial position means we can afford to invest in growth.

Wellington City Council has an AA credit rating – the same as the New Zealand Government.

We have far less debt than most local authorities. All up, our debt levels are currently less than 100% of our annual income; that's the equivalent of a household earning $50,000 a year having a mortgage of less than $50,000.

Our strong financial position means we can afford to invest in projects that will support economic growth. In the short term, this will require modest increases in debt and rates. In the long term, rates increases should become lower due to growth in business activity, business numbers, and overall population.

If we keep going as we are...

3.1% The rates take will rise by 3.1% on average annually over the next 10 years. And by 4.1% annually, on average, over the next 3 years.

150% Council debt will be capped at a maximum of 150% of annual income – the same as a household earning $50,000 a year having a mortgage of $75,000.

The price of labour, materials and general inflation all mean that providing 'business as usual' will cost more year on year. Adding nothing new to the city's offering would see us fall behind other places. We would in effect be funding our decline.

If we invest for growth

3.9% The rates take will rise by 3.9% on average annually over the next 10 years. And by 4.5% annually, on average, over the next 3 years

175% Council debt will be capped at a maximum of 175% of annual income – the same as a household earning $50,000 a year having a mortgage of $87,500.

The alternative is to continue current services *and* support a small increase in rates and debt, in order to fund the major new projects that bring and economic return. These in turn grow the value of the city – meaning the costs of rates are spread across a wider pool – getting more at affordable levels.

We've sharpened our financial approach

We've created headroom to allow us to deliver the programme within prudential limits. The key steps to ensure a sustainable financial approach include:

- an increase in rates funding over the 10 years (c.$175 million)
- lifting our borrowing limits – a forecast of 140% and maximum 175% of annual income (c.$200 million)
- improved asset management practices and associated cost decreases (c.$90 million)
- annual target of 1% savings from shared services and efficiencies (c.$50 million)
- growth in the rates base – average increase of 1.2% a year (c.$200 million).

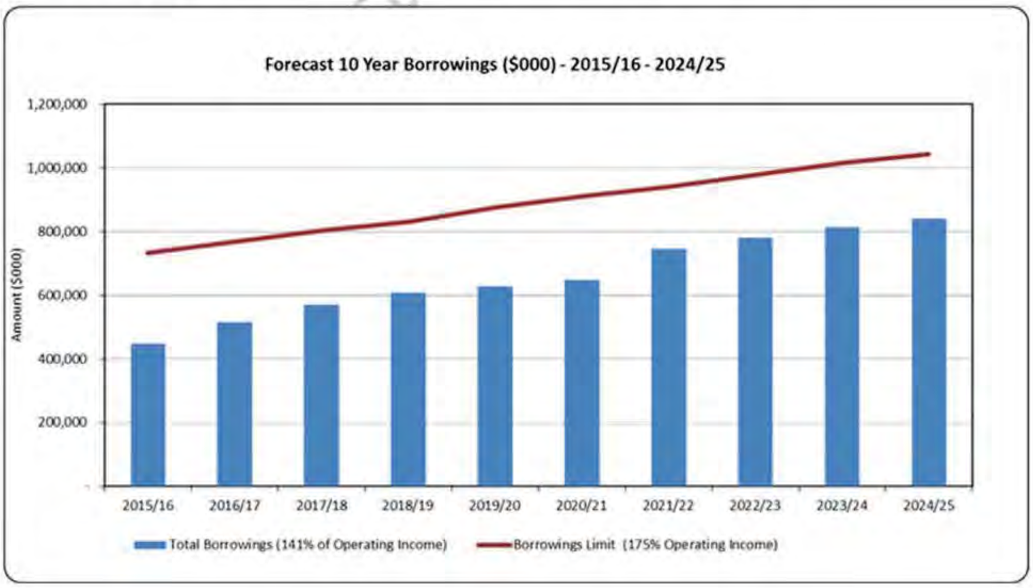
Rates

The proposal aims to keep rates at affordable levels. The proposal will ensure that average rates do not rise above 3.5% of average Wellington household income. This is significantly lower than the 5% affordability threshold identified in the 2007 Local Government Rates Enquiry.

[INSERT TABLES OF AVERAGE RATES INCREASES PER SECTOR POST COMMITTEE].

Borrowings

As noted, the proposal also keeps our borrowing levels within prudential limts.



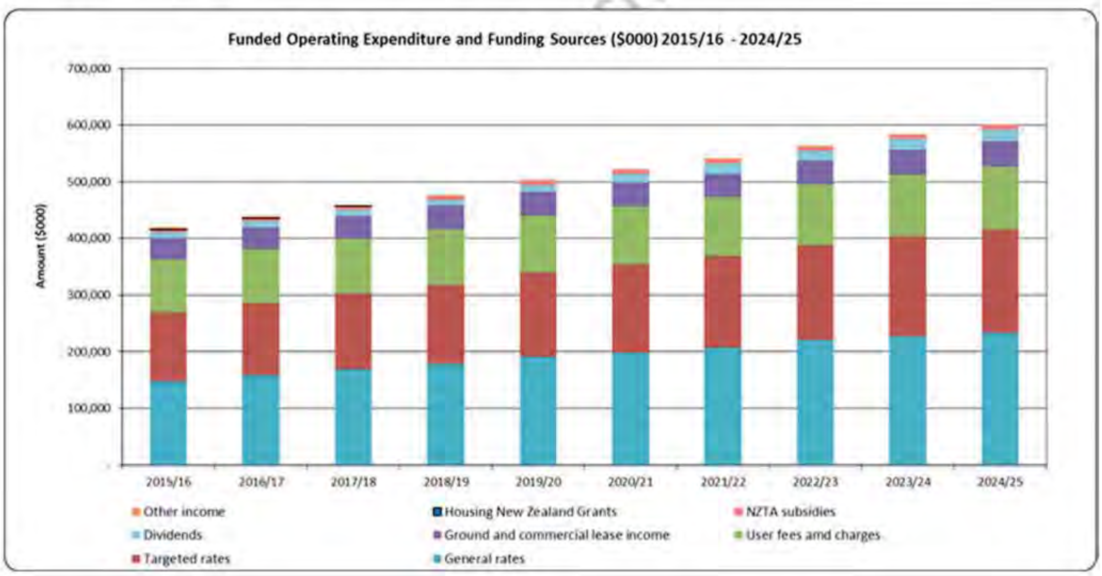
Funding

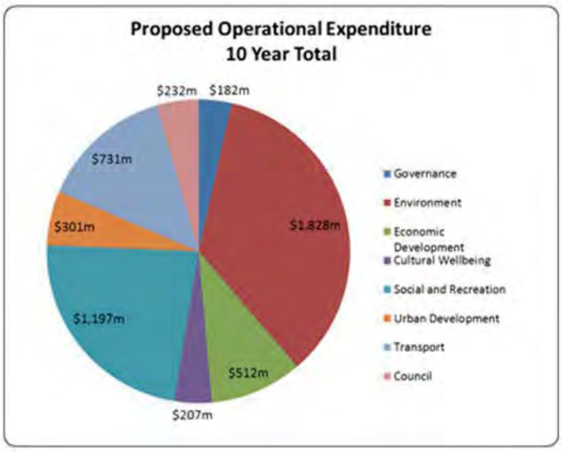
The overall financial approach also includes the aim of working with the Government and the private sector to secure support for some projects. This will include exploring options are to capture the uplift that our investments have on the wider economy. This could include earn back arrangements where a portion of the increased taxation generated by growth are redirected back into city projects, as occurs in other countries.

Wellington's economy has been flat for the last six years. We have been prudent in recent years and are now in a strong financial position. The time is right to invest in game-changing projects – as the city did in the 1990s with Te Papa, the waterfront and the stadium – to grow the economy.

A growing economy means more businesses and a larger rating base, which in turns means we can spread the costs further and allows us to reinvest in the things that make Wellington great and different. Our rates are drawn from both residential and commercial sectors. Every year the business community contributes over $30 million to community services.

One of our overall aims is to grow the rating base – the value of the city – but we will also draw funding from range of sources.



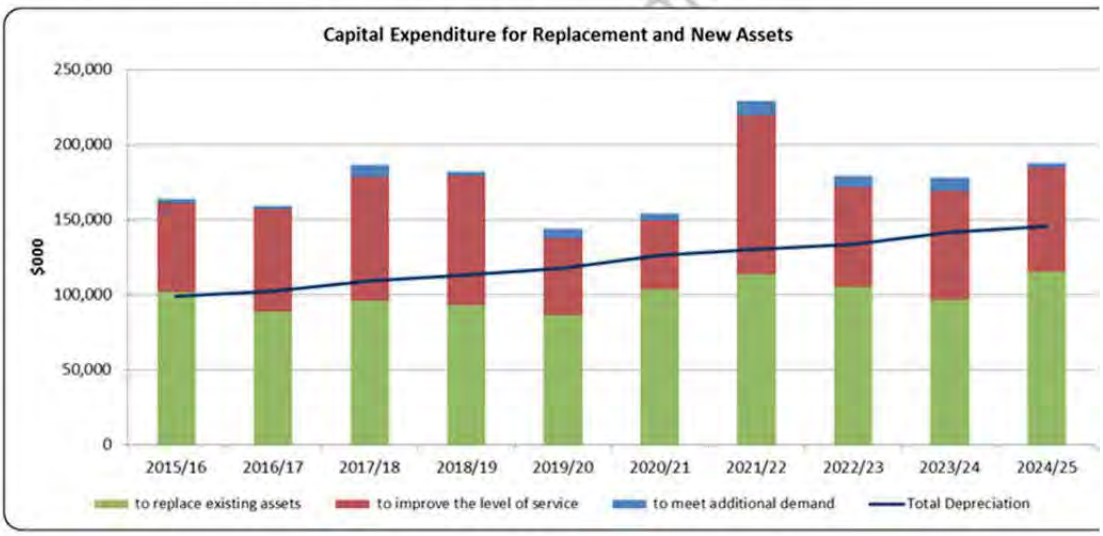

Proposed Operational Expenditure
10 Year Total
$232m
$182m
$731m
$301m
$1,828m
$1,197m
$512m
$207m
Governance
Environment
Economic Development
Cultural Wellbeing
Social and Recreation
Urban Development
Transport
Council

We're managing our assets smarter

We own $6.5 billion of assets. This includes such things as streets, pipes, libraries, swimming pools, retaining walls, signs, crematoria and much more. Our *Infrastructure Strategy* sets out how we intend manage these over the next 30 years. The key aspects of this are:

- overall, maintain assets in line with the current service offering
- continue to improve the information about our assets to guide future investment decisions
- make full use of an assets life and make use of technology to improve the performance of assets
- make use of the capacity in our existing facilities and assets before investing in new ones
- focus investments into areas of growth (our programme includes urban regeneration, bus priority and cycling investment, amongst others. See *Our sustainable growth agenda*).

This approach results in the following expenditure:

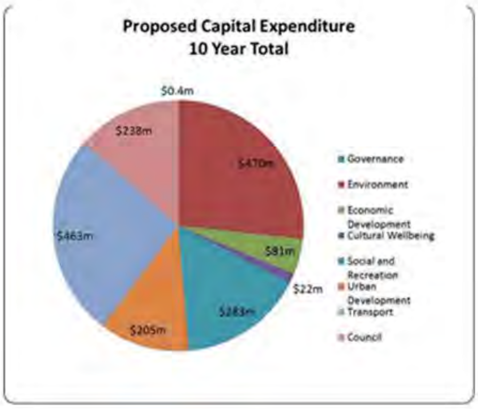


Our Infrastructure Strategy indicates that we will need to spend approximately $1 billion renewing the city's network and social infrastructure over the next 10 years. We have made provision for this within our financial strategy and long-term plan.

Our financial strategy also provides capacity for the Council to invest approximately $720m upgrading and funding new assets. Significant projects to upgrade or improve services include increasing the cycling network, building a new library in Johnsonville and improving the resilience of the city's water supply. We also plan to continue to improve earthquake resilience, including the town hall, central library and civic offices.

There is less certainty, however, around the details, costing and timing for a range of potential new economic growth initiatives. While these initiatives will all be subject to robust business cases and public consultation, it is important that we demonstrate the Council's capacity to invest in projects such as an international film museum, indoor music arena, extending the airport runway and urban development initiatives.

We have used an envelope budgeting approach to reflect the capacity that Council has within its financial strategy to fund 'invest to grow' economic initiatives in years 4 to 10 of the LTP.



Did you know...

6 dollars

Wellington City Council's total spending will amount to just over $450 million this year. That's about $6 per resident per day, which is less than the combined cost of a loaf of bread and a 2l bottle of milk. For your $6 a day, you get water, drainage, recycling, streets, footpaths, parks and gardens, libraries, pools, museums and much much more.

55%

Rates provide just over half of the Council's income. Just under 30% comes from operating activities. This includes user charges, development contributions, transport subsidies and grants. We also receive income from investments.

21%

Commercial ratepayers own 21% of Wellington's property (measured according to dollar value) but pay 46% of the rates. If this difference was evened out, homeowners would pay about $30 million more every year. This ratio (the rates differential) has been reduced in recent years and it is not proposed to be changed as part of this plan.

<3%

The average percentage of household income spent on rates nationwide.

>25%

The average percentage of household income spent on tax nationwide

4.0%

The average percentage increase in Wellington City rates over the past 15 years.

8.69%

The total rates take increase Wellington City in 2005/06

-0.1%

The average value of the commercial rating base in Wellington over the past 5 years.

"The city is humanity's laboratory, where people flock to dream, create, build, and rebuild." – Edward L. Glaeser

More people today, than at any other time in history have a choice about where they live.

That's why we need to invest.

Cities are in competition to secure a share of those choices: to attract people, jobs, trade and investment. Without investment, cities and towns *do* decline.

Successful cities recognise that:

- **Connections matter**: that's why we're proposing new infrastructure for air connections and mode choices.
- **The environment matters**: that's why the plan includes over $1.8 billion on access to green spaces and nature attractions, biodiversity, management of water and wastewater, our award winning smart energy initiatives, and better information to guide our adaption to climate change.
- **People and social cohesion matter**: that's why we're moving to the next phase our upgrade of 2,300 social housing units, building a new library in Johnsonville, continuing to provide free and subsidised entry to our extensive network of libraries, swimming pools, and recreational facilities, as will offering our community grants , safety and resilience programmes.
- **Economic prosperity matters**: that's why the plan is focussed on growth and why we are investing in the tech and creative sectors.
- **A sense of place matters**: that's why the proposal is to increase funding in events and museums. And that's why we're investing in urban regeneration initiatives to stimulate housing supply and choice and vibrant mixed use in inner city neighbourhoods. We've also extended our grants for heritage strengthening so that they can be appreciated by future generations.
- **Partnerships matter**: that's why we'll be taking a fresh approach to our relationship with government. We'll develop the Wellington Deal. A prospectus, drawing on many of the major projects noted in this plan. It will take a city-region based approach to economic development. The aim is to build certainty in a coherent investment plan for local and central government and private investors.

This plan aims to ensure Wellington is competitive on all of these fronts. It builds towards the city's goal of a *Smart Capital*[1]. The plan adds to the city so that people can choose this as here place to be.

[1] See Wellington Towards 2040: Smart Capital for a full outline of the Council's outcomes.

Things can change in ten years. We'll adapt to make sure the plan is successful.

Our decisions will be open to scrutiny.

The projects outlined in the long term plan are at different stages of development. Our 'business as usual' programmes are well established and, while we have no plans to change the level of service, we'll monitor and report on their effectiveness on an annual basis.

The proposed growth projects will be subject to business case development. The aim *is* to deliver them but other projects may emerge that provide even better returns or conditions beyond our control may make them less viable.

Before we decide to commit the funds we'll give consideration to things like: the economic returns to the city; the likely effects and the extent to which the project stimulates growth in other parts of the economy; partner's support; achievability; and the management of negative effects and risks.

Success will mean...

GDP growth **above** historical averages.

Faster population growth.

Value **uplift** in the city.

More business activity and **more** jobs.

Sustained high quality of life rankings.

Lower emissions.

Partnership **funding** secured.

Kāhore taku toa i te toa takitahi, he toa takitini

We cannot succeed without the support of those around us.

Our sustainable growth agenda

By choosing the option to *invest to grow* the following projects can be advanced:

1. **A longer airport runway:** bringing in more international visitors, and enhancing business and education connections.

2. **Screen & tech industries**: supporting smart and sustainable economic growth

3. **Inner city regeneration:** promoting housing and a vibrant inner city

4. **Revitalise the Civic Square precinct:** a national music hub, more activity, and a strengthened Town Hall

5. **Reigniting our sense of place** through creative events and public space improvements

6. **Strengthening town centres:** creating liveable communities and accommodating growth

7. **New and improved venues** for music, sport, and conventions

8. **New visitor attractions:** celebrating Wellington's culture and environment

9. **Improved management of key infrastructure:** for greater efficiency, and better environmental and social outcomes

10. **Use smart technology** to reduce energy use, make streets safer, and make parking easier

11. **Real transport choices** for an efficient, sustainable and safe transport network

1.

A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

Wellington's economic prosperity depends on the strength of its connections with the rest of the world.

Tourism is a fast-growing sector of the region's economy, supporting 16,000 jobs. Yet the industry's potential for future growth is limited, because Wellington International Airport isn't built for long-haul international flights.

The lack of long-distance direct air connections also reduces the region's ability to attract international students and make business connections.

Wellington International Airport is proposing to increase the length of its runway by about 300 metres, allowing it to support direct flights to and from Asia and North America.

The runway extension is estimated to require an investment of up to $300 million. The Council has contributed to the funding of an application for resource consent application along with the Airport. This is expected this year.

Independent economic analysis to date has found that, over 40 years, the extension has potential economic benefits to the Wellington region of between $389 million and $684 million in today's dollars; and potential economic benefits to New Zealand of between $714 million and $1.75 billion in today's dollars.[2]

These benefits would principally arise from growth in international tourism – estimated to be worth up to $1.3 billion nationally. Experience in other cities has shown that adding long-haul air services stimulates increases in inbound tourism by 50-100% or more within a very short timeframe.

Independent analysis commissioned by the airport has also concluded that the runway extension would support an increase in international student numbers. It is likely to reduce business travel times by about 33% on routes to and from Asia and North America, and reduce freight transport times.

A number of intangible benefits would arise from improved business-to-business connectivity – including improved knowledge-sharing opportunities, and better access to customers, suppliers, investors, and skilled labour.

BENEFITS

- Growth in international visitor numbers and spend
- Growth in international student numbers

[2] Ernst & Young, September 2014, Wellington International Airport Limited: Economic impact of the proposed runway extension (measured in today's dollars)

- More jobs and more freight movements
- Stronger international business connections.

The total costs and funding options will be considered as part of the business case. A decision to proceed will be made at that point and in light of resource consent process. It is anticipated that funding will be drawn from those that benefit – potentially the Airport, residents, businesses in the city and across the wider region, and the government in light of potential economic benefits to New Zealand.

Should the Council explore an infrastructure project that has the potential to bring up to $680 million of investment into Wellington?

2.

Film & tech industries: supporting smart and sustainable economic growth

A central city tech hub

ICT is Wellington's fastest growing business sector, contributing more than $2.4 billion in GDP to the region annually and supporting more than 15,000 jobs.

One of the critical conditions for success in high-tech industries is opportunities for people to connect with each other, sharing knowledge, ideas, innovation, investment, and pathways to national and international markets.

Wellington's compact central city naturally encourages these connections. The area already has many ICT companies, ranging from start-ups to successful, high-growth international businesses. The region also has several universities and training institutions. But more can be done to support the sector, and in particular to help small start-ups to become growing businesses.

A central city tech precinct offers opportunities to foster growth in high-tech companies, and to encourage connections between start-ups, established businesses, training providers and others in the sector, bringing innovation, skills, jobs and prosperity.

Wellington City Council proposes to establish a 'tech hub' to help high-tech start-ups connect with funders, investors and international speakers. The hub would comprise an inner-city premises or precinct where tech start-ups could co-locate. The hub may also support development programmes and space to showcase businesses' products and services.

The hub may complement and work closely with educational providers, research organisations, and established ICT businesses.

BENEFITS

- Encourage innovation
- Clearer pathways from start-up to commercial success
- More jobs and commercial opportunities for ICT graduates
- Higher profile for Wellington's ICT sector
- Increase talent and technology available to established ICT companies.

While the CBD as a whole is a collective of digital and tech companies, a hub to bring activities together and enable connections has considerable sector support.

Screen industry enterprise zone

Wellington's screen production sector thrills, inspires and amazes people here and around the world. It is a vital and growing part of Wellington's economy, employing about 2000 people and contributing about $400m in annual economic output. It also attracts tourists and contributes to regional identity.

However, the industry is also heavily dependent on one-off productions. A challenge is to create a growing and more continuous flow of projects.

The City Council proposes to explore with the industry the introduction of an enterprise zone. Key aspects of this could include:

- simpler planning and rates processes
- support for an international higher education facility to support the industry's demand for skills.

BENEFITS

- More jobs
- Higher economic output
- More stable and sustainable workflows
- Greater contribution to NZ's international profile.

The idea is in its early stages but gives an indication of the Council's openness to supporting growth industries. Such a zone could be located in Miramar close to the airport or as part of a new town centre as part of the proposed East West link rd.

A joined-up approach to smart growth

Wellington city's economy is not separate from the economies of neighbouring cities – the region forms a single economy.

Nor can the various sectors of the economy – such as events, tourism, hospitality, screen production and ICT – be considered separate from each other. The success of one sector inevitably contributes to the success of another, by making the city more prosperous, increasing opportunities available to residents, and attracting visitors, workers, and businesses.

For that reason, the City Council has worked with Greater Wellington Regional Council and other local authorities to establish the Wellington Regional Economic Development Agency (Wreda), a single agency responsible for economic development, events and tourism throughout the region.

The agency will provide a clear direction for economic development across the region, leading to higher growth, more jobs and stronger communities.

BENEFITS

- 'Joined up' approach to economic development
- Greater ability to promote the region nationally and globally
- More efficient use of resources.

Wellington city's future prosperity is dependent upon:

a. primary industry?
b. heavy manufacturing?
c. mining and other extractive industries?
d. the services, digital and creative sectors?

The choice is obvious – d: so, how do we best provide the conditions to make these growth industries continue to flourish?

3.

Inner city regeneration: promoting housing choice and a vibrant inner city

Revitalising the inner city

Though Wellington has a vibrant CBD, parts of the inner city remain underdeveloped. Fragmented ownership and a shortage of capital combine to slow development that could otherwise unlock economic potential and bring social and environmental benefits.

Of particular significance is the 'growth spine', linking northern suburbs to the central city, the Basin Reserve, Newtown and Kilbirnie. By focusing future development along this spine, we can significantly increase housing supply and create vibrant, new mixed use city and suburban areas.

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

Key projects will include:

Transforming Victoria Street.

Upper Victoria Street is being transformed into exciting, pedestrian-friendly inner-city neighbourhood. The upgrade that is underway will include street trees, new lighting, wider footpaths, and bus and cycle lanes, and will support proposed developments expected to provide a new higher education campus and up to 1100 new apartments.

Redeveloping the city end of Adelaide Road

The city end of Adelaide Road will be redeveloped into a vibrant, mixed-use neighbourhood with high quality public spaces, rapid bus links, improved pedestrian and cycle links, and stimulate new developments housing apartments, workplaces, shops and cafes. The redevelopment will include road widening and reconfiguration, and will support the development of up to 2500 new dwellings and 51,000 square metres of commercial space.

Redeveloping Kent and Cambridge Terraces

Kent and Cambridge Terraces will be redeveloped to:

- Strengthen transport connections for buses, cycles, pedestrians, and private cars
- Use planting and streetscape improvements to give the city a 'green edge' and strengthen connections with the waterfront, CBD and Memorial Park
- Support more apartment and commercial/retail development, ultimately providing for up to 2100 new dwellings and 180,000 square metres of commercial and office space.

BENEFITS

- Improve transport connections between the CBD and southern and eastern suburbs

- Catalyse commercial and housing development, creating vibrant, mixed use inner city suburbs
- Improve access to affordable, convenient housing.

Adelaide Road; and Kent/Cambridge Terraces: proposed new capital spending $XX over XX years

Victoria Street: no additional funding – this project will be completed during 2015.

Establishing an urban development agency

To act as a catalyst for inner city regeneration, the Council is considering the establishment of an urban development agency. This agency would likely have authority to buy (at market rates) and develop land and buildings.

Urban development corporations have proved successful internationally at driving urban regeneration. The success of Wellington's waterfront also shows the benefits of having a single organisation coordinating city development while working in partnership with other investors.

BENEFITS

Establishing such an organisation could allow us to:

- speed up inner city regeneration
- focus growth in targeted areas with strong transport links and other infrastructure.
- ensure that development aligns with other social, economic and environmental priorities
- protect heritage through targeted investment and strengthening of earthquake-prone buildings

There are different ways to construct such an agency and different limits that can be placed over them. The council will consider the best options in the coming year.

Strengthening heritage buildings

Heritage buildings make an important contribution to the city's character – but many require strengthening to make them safe in earthquakes. The Council provides support to building owners by providing grants for earthquake strengthening and waivers on some resource consents. For the next three years, we are proposing to increase the total funding pool to $1 million a year, in order to increase the number of buildings that are being strengthened.

BENEFITS

- Retain heritage buildings, contributing to character of inner city
- Strengthen heritage buildings to protect from earthquakes.

We will also be reviewing our regulatory environment to see what, if any, changes can be made to enable building owners to alter aspects of the buildings to make them more economically viable.

How should the Council work with developers to stimulate more and a greater mix of housing being built in the inner city?

Should ratepayers support private building owners to protect local heritage?

4.

Revitalise the Civic Square precinct: a national music hub, more activity, and a strengthened Town Hall

Civic Square is an important centre of Wellington's civic and cultural life. It provides a gateway from the CBD to the waterfront, houses several important cultural institutions, such as the central library, City Gallery and Town Hall.

Since its creation in 1992, building standards have increased. Several of the square's buildings now require strengthening to bring them close to modern earthquake standards.

This creates an opportunity to refurbish and revitalise the square, opening it up to a wider range of uses and improving links with surrounding buildings and streets to make the square more lively and attractive.

The Town Hall is currently closed pending a decision on how best to fund its strengthening. An aim of the proposal is to offset some of the costs that would otherwise fall to ratepayers.

Key aspects of the proposal include:

- Earthquake strengthening the Wellington Town Hall, the Wellington City Library, the office buildings currently occupied by the Council, and possibly the Capital E space.
- The potential to establish a national music hub in the Wellington Town Hall and Michael Fowler Centre. A partnership is being explored between the Council, Victoria University and the NZ Symphony Orchestra that would allow the refurbished town hall to be used as a performance and recording venue.
- Upgrading the square and improving links with surrounding streets.
- Possible 'opening up' of building ground floors so that cafes and shops can open on to the square, and people can more easily see into the square from surrounding streets.
- Leasing Jack Ilott green and the Michael Fowler Centre car park to allow construction of new buildings – with income used to offset earthquake strengthening costs.
- Making the Municipal Office Building.
- Making more efficient use of council office space – reducing space to current benchmarks.

BENEFITS

- Strengthening of the Town Hall and other significant buildings
- Enhance Wellington's reputation as a centre of music performance and recording
- Revitalise public spaces, making them more attractive, and bringing in more people and a wider variety of uses.

The total next costs of the proposal $XX compared to $XX (the stand alone costs for the Town Hall strengthening).

As this proposal includes the lease of land and involves the Civic Square, a strategic asset, it is required to have its own *statement of proposal*. In short, if you want to know more see the separate appendix to this plan.

Should the Council invest in strengthening the Town Hall and other earthquake prone buildings? Should we lease out land and office space help to offset the costs?

5.

Reigniting our sense of place through events and public space improvements

Increased funding for major events

Wellington is New Zealand's events and creative capital. From film premieres to major sports events to arts & culture festivals, there's always something to do in the city. Major events such as the WorldofWearable Art Awards and ensure that the city is a lively and enjoyable place to live.

Wellington faces increasing competition from other Australasian cities for the right to host major events. To maintain our economic and cultural edge, we will need to invest. The Council is proposing to increase the funding available to attract and support major events, ensuring that the city is able to bring in new attractions and retain those it currently has.

Our major events fund targets a 1:20 economic return on the investment that is made.

BENEFITS

- More vibrant and lively central city
- Stronger economy, with more jobs
- Strengthen Wellington's reputation as an events capital
- Wider range of entertainment & cultural opportunities.

We propose increasing our Events Development Fund to XX per year. In addition, we will continue our community festival grants funding.

The NZ Festival

The festival is New Zealand's premier arts and cultural event. It's currently held every two years, and attracts world class line-ups of performers. They bring many thousands of visitors to the city and expose locals to compelling, graceful, witty, fresh and challenging performances, artists and literary giants.

It's a centrepiece of the city's status as a cultural an arts capital. The 'off year' leaves a gap in the city's events calendar and means we are missing out on the economic and cultural returns from the quality events that the festival can attract.

We want to plug this gap and propose increasing our grant to the festival to secure 'off-year' events or shows in the city.

BENEFITS

- Greater access to world class performances
- Strengthen Wellington's identity and culture as one of creativity.

The proposal is to provide an additional annual grant of $500,000. The current grant is $XX per year. This complements the NZ Festivals own success at raising the majority of its funding from ticket sales and other sources.

Cheering up the streets and laneways

Streets make up around 80% of the open space in the inner city. They get us from A-

B but they can also be spaces where we spend time, congregate and have fun.

Lanes provide short-cuts for pedestrians through large urban blocks and – if lined with shops, cafes or other public uses – can make a vital contribution to the liveliness of the city, as well as making it easier to move around. The success of Melbourne's laneways – transformed since the late 1990s from service lanes to vibrant shopping and entertainment streets – provides a strong precedent.

Wellington has a number of lanes which are under-utilised, unattractive or unsafe.

We propose to work with others to increase levels of economic activity and pedestrian movement along inner city lanes and streets.

The works will include physical improvements such as lighting in key locations. More importantly it will introduce a rolling programme of low-cost, pop-up activities at changing locations across the city.

The recent changes to Bond St is an example of how these popular events can add a *sense of place* to an otherwise forgotten street.

BENEFITS

- New economic activity
- Makes the city safer, easier and more enjoyable to walk in
- Offers points of distinction and a sense of renewal to the city.

$XXk capital expenditure and $XX operating expenditure each year is proposed.

Redeveloping Frank Kitts Park

Frank Kitts Park plays an important role in the city as a gathering place and as a site for waterfront events. The park was completed in the 1980s, with a design aimed at allowing spectators to safely watch the annual waterfront street car race that ran in the city at the time.

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

The redeveloped park will support a variety of uses, from events to walking and relaxing, to play, while also creating a more diverse and attractive harbourfront space.

BENEFITS

- More attractive, user-friendly waterfront space oriented to the harbour

$5.5million has been set aside for the park's redevelopment.

We also plan to support another feature of the city's Waterfront: the Circa Theatre. We propose a grant of $250k over three years.

The city provides the stage for you to play and engage. Should we invest more in the city's lanes and events?

6.

Strengthening town centres: creating liveable communities and accommodating growth

Over the next 30 years, Wellington city's population is projected to grow by more than 44,000, taking the total population to about 246,000. To house these people, an additional 20,000 homes will be needed.

While some of this growth will occur in the central city, a significant proportion will also occur through intensification of existing town centres such as Johnsonville and through greenfields developments such as Lincolnshire Farm.

The Council is planning to facilitate growth by strengthening infrastructure in areas where growth is expected.

Johnsonville

In Johnsonville, transport improvements, new community facilities, greater housing choice, improved urban design and public spaces, and a greater range of shops are all part of a master plan for the Johnsonville town centre.

Major roading improvements – aimed at reducing congestion and improving access to the shopping areas – are already well under way. So, too, is redevelopment of the Keith Spry Pool, with new children's and learn-to-swim pools.

The next steps in the suburb's redevelopment are the completion of major redevelopments of Alex Moore Park and Johnsonville Library.

The first stage of the park's redevelopment occurred in 2014, with construction of a car park and perimeter walkway, and installation of artificial turf on the northern sports field.

We propose to complete stage 2 in 2018. It will involve joint funding of a new pavilion and sports centre on Bannister Avenue. The Council's contribution is $1.45 million, while clubs in the area have combined to fund raise for the remainder.

We propose to build a new, larger library in Johnsonville, to cater for increasing demand as the area's population grows.

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

Design work for the new library will be undertaken during 2015, with the aim of having the building open in 2018.

BENEFITS

- Community facilities keep up with demand from growth

- Improved quality and service
- Better integration of community facilities.

Alex Moore Park: $XXm proposed new WCC operational spending over XX years.

Johnsonville Library: $XXm proposed new WCC operational spending over XX years.

Karori and Tawa

Wellington's suburban housing stock is dominated by detached family homes. As the city's population ages and smaller households become more prevalent, we need to facilitate the development of a wider range of housing types.

Medium density residential areas support the development of houses on smaller lots, terraced housing, and low-rise apartments close to town centres, in areas of high accessibility to public transport, shops and facilities. Medium density housing provides opportunities for residents to age in their communities without the burden of maintaining a family house, and may provide a more affordable alternative to a traditional house.

The Council has already created medium density residential zones in Johnsonville (see above) and Kilbirnie. We now plan to consult with residents in Karori and Tawa, in the first instance, to determine the extent to which medium density housing may be suitable for those communities.

We will also work with the local communities to identify aspects of the town centres which could be improved to better accommodate an increased population.

BENEFITS

- Increases housing supply, choice and affordability
- Supports the use of public transport, walking and cycling
- Helps keep our city compact by reducing the need for greenfield development
- Optimises the use of existing infrastructure and facilities.

The Council proposes to set aside $1m for each of the two suburbs to support upgrades to town centres.

Investigations will occur in 2015 and will be followed by community consultation. Any District Plan change arising from this work will follow the normal regulatory process and timeline.

Other suburbs likely to be studied include Newlands, Crofton Downs, and Miramar. The town centres in these suburbs have been upgraded in recent years.

Should the Council prioritise its investment to target suburbs where growth and change is occurring?

7.

New and improved venues for music, sport, and conventions

An indoor arena

Live music performance is part of Wellington's DNA, and the region has a wide range of venues. But it has no indoor venue capable of seating more than 5000 people. As a result, the region misses out on international artists who play in other cities such as Auckland and Christchurch.

This comes as an economic cost to the city, because we are missing out on rock concerts and other music events that can attract large numbers of people to the city. It also has social and cultural costs – the city is less lively and vibrant than it otherwise might be, and its reputation as a centre for arts and culture is compromised.

Wellington City Council is progressing work to scope the possibility of developing a 8,000 – 12,000 seat indoor arena in the central city.

This would be a large investment, with significant payback for the region – allowing the region to attract many more live music, comedy and other performances, bringing in visitors and boosting the economy, as well as increasing entertainment options available to residents.

The project would likely be developed in partnership.

BENEFITS

- More international music, comedy and other acts
- More visitors to Wellington – bringing jobs and growth
- A more vibrant city.

At this stage the Council is exploring the feasibility of this project and undertaking a review of venues across the city. If a decision is made to proceed further, a business case will be developed and partnership funding options explored.

Wellington Convention Centre

Conventions bring people to the city from throughout New Zealand and overseas to discuss ideas, and make connections.

The Council has consulted on and received strong support for a new convention centre for Wellington. We are currently re-assessing options for the delivery of a facility with capacity to host conferences of up to 1200 delegates and banquets of 1,150.

Though Wellington is already New Zealand's second largest convention destination, we do not have a purpose-built conference venue. With Auckland, Christchurch and Queenstown all planning new convention centres, competition is getting tougher.

The Wellington Convention Centre will allow the city to maintain and increase its market share in the lucrative conference market, creating jobs and bringing up to $21.4 million a year into the Wellington economy.

Increasing the number of conferences held in Wellington will also attract events, increase Wellington's international profile, and encourage Wellington businesses and research organisations to strengthen connections with their counterparts overseas.

Without a dedicated convention centre, it is expected that Wellington will lose a share of the convention business to other cities.

BENEFITS

- Increase international visitor numbers
- Create more than 200 new jobs
- Boost growth in hospitality, tourism, retail and other sectors
- Protect and create new expenditure of $40 million per annum in the city
- Increase international profile and strengthen international connections.

Funding of the Council's contribution to this initiative is proposed that this be split between: the Downtown Levy 40%; and general ratepayers 60%.

Basin Reserve redevelopment

The Basin Reserve is ranked as one of the world's top ten cricket venues, and known as one of New Zealand's most picturesque and historic cricket grounds. But its future is far from assured, with competition from an increasing number of grounds around the country.

The Basin Reserve Trust has developed a Masterplan to present a 25-year vision for the future of the ground. The key features of the vision are to retain the premiere test status of the stadium and to enhance the Basin Reserve as a local recreation space for the community.

Redevelopment would include the integration of more usable public space to enhance the 'Village Green' feel of the grounds, the installation of flood lights, and developing flexibility in capacity through the use of temporary seating to accommodate a range of sporting and cultural events.

A question remains on the future of the earthquake prone 1924 pavilion and whether to strengthen the stand or to replace the structure with a tiered embankment that would include public space facilities such as a playground, trees and park seating. Event seating at the ground will be maintained at 9,000, but could be increased to 15,000 for major events through the use of temporary seating above the embankment when additional capacity is required.

The Masterplan will be brought to Council for approval later in the year.

BENEFITS

- Protecting and enhancing the Basin Reserve as a local recreation reserve
- Retaining the Basin Reserve as the premiere Test cricket venue in New Zealand
- Opening up the Basin Reserve more to the people of Wellington and enhancing community activity within it

$XX million has been budgeted for the upgrade.

National Hockey Stadium

The Council is considering a proposal for installation of a third artificial turf sports field at the National Hockey Stadium in Berhampore, to accommodate growing demand and improve the stadium's capacity to host hockey tournaments and events.

Participation in hockey has grown significantly in the last decade, to a point where the stadium is now operating at capacity with 95% winter utilisation rate. Wellington players frequently have to travel out of town for games.

Wellington Hockey Association is also proposing an upgrade of the existing stadium.

BENEFITS

- Improved access to sport/recreation opportunities, reflecting increased demand

$XX million has been budgeted for the upgrade.

- Enhanced capacity to host major hockey events.
-

What returns would you expect to see from a $xx million redevelopment of the Basin Reserve? Should the Council invest in attracting bigger and more international acts by investing in an indoor arena? Is capacity and demand the right measure for prioritising investment into sport facilities? Is the balance of funding for the Convention Centre right?

8.

New visitor attractions: celebrating Wellington's culture and environment

International film museum

Wellington is one of the country's fastest growing tourism markets, with rapid growth in visitor nights in the last 10 years. But there is still considerable untapped potential in the market. Not only can we attract more visitors, we can also encourage them to stay longer and spend more.

To do this, the region needs more high-quality tourist attractions – ones that can keep visitors here for an extra day or two.

Wellington City Council is working with private sector partners to establish an international film museum in central Wellington. The museum has potential to be a significant attraction.

The museum would likely require a purpose-built building in a central city location. Wellington City Council anticipates that this would be funded through a partnership, able to leverage both public and private investment.

Together with other initiatives that the Council, is working towards, this proposal has potential to significantly enhance Wellington's offering to domestic and international visitors.

BENEFITS

- Increase domestic and international visitor numbers
- Increase length of stay and visitor spend
- Raise Wellington's profile internationally
- Recognise and celebrate the role of film in Wellington and national identity.

The preferred site for the attraction is to be finalised but it is expected to be in the central city. The Council has provisionally budgeted $XX. The costs, returns and funding will be determined as part of the development of the business case.

Museum of City and Sea expansion

The Council proposes to part fund an expansion of the Museum of City & Sea, recently named one of the world's top 50 museums, allowing it to show more of its collection and attract more visitors.

The proposal would see the museum's exhibition area expanded by about 30%, by opening up the attic space in its premises in the historic Bond Store.

The expansion is expected to attract additional visitors and complements the City Gallery, Carter Observatory, Cable Car Museum and other offerings of the Wellington Museum's Trust.

BENEFITS

- Improved visitor experience
- Greater access to museum collections and the heritage building
- Strengthen the museum's contribution to the Wellington's identity and culture.

The City Council will contribute a $XX million capital grant towards the expansion. The Trust will also secure funding from other sources.

World War 1 commemorations

The years 2014-2019 mark the centenary of the First World War. More than 100,000 New Zealanders were directly involved in that conflict, from a population of just over a million.

Wellington City Council is working in partnership with the Government and others to commemorate New Zealand's involvement in the war.

Pukeahu National War Memorial Park is the Government's major project to acknowledge the centenary, and to commemorate New Zealanders who participated and died in World War 1. The City Council contributed $5m towards the parks creation.

The Ministry for Culture and Heritage is also developing an interpretation, exhibition & education centre, offering visitors opportunities to learn about New Zealand's involvement in military campaigns, and the impact of these campaigns on the country.

The City Council is supporting this exhibition and will work with the government on the concept of establishing a permanent facility.

This would add to the areas significance as a place of national commemoration and reflection.

BENEFITS

- Strengthen culture, identity and understanding of Wellington and national history
- Commemorate New Zealanders' involvement in World War 1

In a joint project with Parliament, the Council is currently redeveloping the Cenotaph site on the northern end of Lambton Quay. This will provide more public space for Anzac Day commemorations and provides an edge to the parliamentary precinct.

Ocean Exploration Centre

The Council is considering a proposal to support the establishment of an Ocean Exploration Centre at the former Maranui Quarry site in Lyall Bay, providing opportunities to discover Wellington's marine life and ocean environment.

The centre aims to be a significant visitor attraction, providing people with opportunities to discover and appreciate New Zealand's marine environments, with a particular focus on the Cook Strait's unique sea life. The centre also aims to play a role in promoting the long-term health of New Zealand's marine ecosystems.

The Centre would be built and operated by the Marine Education Trust. The Council would contribute a third of the $18m capital costs. The Trust aims to attract the remaining two thirds from Social Investors and the government.

BENEFITS

- New nature-based visitor attraction
- Strengthens Wellington's identity as a city that celebrates nature
- Increased awareness of and advocacy for the marine environment.

The operating costs of the Ocean Exploration Centre would be met by the Marine Education Trust. They have assessed that 180,000 visitors per annum would be required to make the centre viable. Initial estimates show projected visitation in excess of 200,000. This is similar to the number of people that visit the Wellington Zoo each year. The Council's contribution is conditional on the funding being secured from other parties and review of the final business case.

These additions (and the events and festival funding) aim to showcase the best of Wellington: the arts, film, nature, our 'capital' city status, and our very own stories. Have we got the mix right?

9.

Improved management of key infrastructure: for greater efficiency, and better environmental and social outcomes

Understanding key infrastructure

Wellington city's biggest infrastructure asset is one that is rarely seen. It lies out of sight, underground. There, more than 2700 kilometres of pipes and tunnels criss-crossing the city – carrying water to the city's homes, businesses, schools and hospital; or carrying sewage to treatment plants; or stormwater to the sea.

Together, this network and associated assets is valued at around $1.3 billion. Lay all of the pipes end to end and they would reach Sydney.

Managing these assets – and the environmental impacts associated with their use – is one of the biggest areas of Council activity: each year, we spend more than $50 million to operate the city's water, wastewater and stormwater networks; and invest more than $25 million in new or upgraded assets.

Through better management of these assets, we anticipate that we can savings on previous forecasts, without compromising service levels.

We will also be focusing new urban growth in areas where existing water & stormwater networks already have enough capacity to deal with added demand.

BENEFITS

- More efficient and better targeted use of resources
- Improved environmental outcomes
- Savings that can be reinvested into the city.

The network is managed and maintained by Wellington Water – a company established by five councils across the metropolitan region.

Real-time stormwater monitoring

Every year, millions of litres of stormwater is discharged into the city's streams, harbour and coastal waters. That stormwater can contain contaminants, such as oils, paints, detergents, litter, animal droppings, and – after heavy rainfall – sewage. The environmental impacts of stormwater runoff are monitored, and generally comply with resource consents and environmental standards.

In the next three years, we will be introducing real-time monitoring of the stormwater network. This will enable us to measure flows of stormwater and pollutants into waterways, and allow us to better manage pollutants when stormwater is causing environmental harm.

BENEFITS

- Better understanding of the networks performance

- Better understanding of environmental impacts from stormwater, and greater ability to control those impacts.

Understanding the impacts of climate change

During this century, according to scientific modelling, climate change is likely to have an increasingly significant impact on Wellington and other coastal cities.

The sea level is predicted to rise by somewhere between 60cm and 1.1 metres. With it, the water table could rise. Potential impacts include erosion and inundation of low-lying coastal land, damage to infrastructure and building foundations, increased flood risks, and increased risks of liquefaction in the event of an earthquake.

A warming climate is also likely to make severe storms more frequent, bringing risks of property and infrastructure damage.

Initial modelling suggests that a 60cm-1.1m sea level rise would mainly affect a small number of coastal areas. Nonetheless, the impact could be significant.

One of the most important tasks facing the Council is to prepare the city for these impacts. We will have to make decisions, for example, about whether coastal land needs to be protected by sea walls, or changes are needed to the stormwater system or other infrastructure.

The first step is to understand the possible impacts, and the measures that can be taken to reduce or mitigate those impacts. Over the next three years, we will:

- Develop a hydraulic model to assess the impact of increased storm intensity and rising sea levels on the stormwater network, so we can make sensible decisions about land use, building and infrastructure
- Review District Plan provisions for areas that might be vulnerable to rising sea levels.

BENEFITS

- Protect people and property from adverse effects
- Better understanding of potential impacts from climate change, allowing better decisions

The city is making progress towards mitigating its contribution to carbon. Examples include: the highest use of public transport per head of population in Australasia; low energy usage and secure renewable energy sources, with wind farms in the city's boundaries that generate sufficient power for 100% of residential needs; an expansion of the Town Belt by more than 700 hectares over the past two decades; and planning rules that aim to reduce the costs and impacts associated with sprawl.

More can be done. We propose to extend our contribution to Enviroschools and our award winning Smart Energy Challenge. We will also review our Climate Change Action Plan and secure independent accreditation from CEMARS to benchmark our work.

Supporting our natural capital

Wellington is literally set in nature. The environment is part of the city's infrastructure. It's the foundations on which the city is built.

Wellington is rare among cities. The ease with which people can connect with the natural world is a point of difference. Significant sites like the marine reserve on the South Coast, Otari Wilton's bush and Zealandia are complemented by a broader programme that aims to protect and enhance the biodiversity in the city.

To find out more about what we do and are proposing see our Biodiversity Action Plan.

Have we got the balance right?

10.

Use smart technology to reduce energy use, make streets safer, and make parking easier

Our services represent value for money. But we are always striving to find new, better and more efficient ways to deliver our services.

Installation of wireless car park sensors

We are trialling the use of smart technology aimed at making it easier for people to find car parks.

Wireless sensors fitted into the road surface can provide information on whether a car park is occupied. This information can be used to tell drivers (either through signs or online apps) where car parks are available, as well as the applicable price.

The sensors can be incorporated with online payment systems, making it easy for drivers to both find and pay for their parking, and ensuring they only pay for the time they use.

'Dynamic pricing' – in which the price falls as more parks become available – can also be introduced alongside the sensors. Where this system has been used overseas, it has resulted in reduced average parking prices and greater parking availability.

Of course, sensors can also help with parking enforcement, by ensuring that drivers comply with time limits, and don't park without paying or park in areas they are permitted to (such as disability parks or loading zones).

The Council is proposing to including funding in its long-term plan for installation of parking sensors in the central city. A final decision on implementation will be made after the results of the trial are known.

Implementation will require some changes to our policies, including the introduction of flexible pricing.

BENEFITS

- More convenient – with easier access to parking and easier payment options
- More efficient
- Better compliance, increasing availability of parks.

The costs of implementation are $XX. It is expected that there would be savings of $XX. The costs cover installation of wireless sensors, signs showing park availability, and integration with websites/apps showing parking availability and supporting online payment.

Installation of LED street lighting

The Council is exploring the option to reduce energy use by installing high efficiency LED streetlighting throughout the city.

Currently, the Council spends more than $2.3 million a year lighting the city's streets. Street lights use some 7.33 megawatts of electricity – enough energy to power several thousand homes.

Installation of LED lighting has potential to reduce energy use – and costs – by at least 50%, and probably much more.

LED technology also brings numerous other benefits. It offers better visibility and therefore safety than conventional street lighting. Light pollution is reduced. And LED lighting can be controlled – allowing lights to be dimmed when they are not needed, or lighting levels to be increased in areas of high demand. LED lights also last much longer than conventional lights, are easier to maintain, and are less harmful to the environment.

The introduction of new LED streetlights may also provide an opportunity for a city Wi-Fi 'mesh' suitable as the backbone for other 'sensing city' initiatives

LED lighting has already been successfully trialled on Courtenay Place. The Council now proposes to roll out LED lighting in stages across the city. There is an up-front cost because LED lamps are more expensive than conventional ones. However, this will be offset by lower energy and maintenance costs.

BENEFITS

- Safer
- Better environmental outcomes through reduced energy use and fewer toxins
- Reduced long-term costs.

The cost of the rollout is expected to be $XX. This will be offset by savings of $XXm in energy and maintenance costs over XX years.

Should the Council invest in LED street lights, with the up-front costs offset by ongoing savings on energy and maintenance?

Should we install wireless car park sensors in the central city, along with more flexible pricing and real-time information about car park availability?

11.

Real transport choices for an efficient, sustainable and safe transport network

Wellington's transport network plays an important role in the region's economy – helping people to connect with each other, and bringing goods to market.

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

Though parts of Wellington's transport network perform well, others are struggling. There is congestion – particularly at peak times – on northern routes into and out of the city centre, and on the route from the city to the airport.

The network is also potentially vulnerable in the event of an earthquake or other major emergency, due to the limited number of routes into and out of the city.

It also provides limited choice – currently supporting private vehicle transport more effectively than other modes such as buses or bikes.

Addressing these issues will require a balanced approach – with stronger public transport and cycle options alongside vehicle network improvements.

Wellington City Council is committed to working with others to see land transport network improvements implemented, so that residents can enjoy safer, more convenient journeys, and the region's economic potential can be unlocked.

A cycling network

Like other well-connected cities, we plan to encourage a greater uptake of cycling.

The car can provide flexibility for many journeys but can also be inefficient, requiring parking space and creating congestion, especially at peak times.

The implementation of a cycling network would increase the carrying capacity of our roads while improving our health and environment. By encouraging people to use active modes such as cycling, we reduce the congestion for other road users.

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

The network will span the city with routes connecting suburbs to the CBD and is currently planned to be rolled out over the next decade.

Bus priority and vehicle network.

Another key priority will be implementation of the Wellington Regional Transport Plan, under which a high-frequency, low emission bus service will be introduced on key routes linking the central city to the Basin Reserve, Newtown and Kilbirnie.

Improvements are also needed to the vehicle network. We support NZTA's programme to improve the state highway network in Wellington, which aims to unlock the city's economic potential by improving transport routes into the city, and from the city to the airport. One of our top priorities will be to find a solution to Basin Reserve traffic congestion in a way that supports smoother traffic flow while meeting community aspirations. The programme also includes double-tunneling the Mount Victoria and Terrace tunnels.

BENEFITS

- Safer, healthier, more environmentally friendly transport options
- Unlock economic potential with a more efficient transport network
- Reduced congestion and travel times.

Cycleways: $XXm proposed over XX years.

Public transport: $XXm set aside for bus priority measures in addition to the improvements to key routes such as Kent and Cambridge Tces and Adelaide Rd. The public transport service is funded by the Greater Wellington Regional Council. Wellington City Council provides the roading and pedestrian networks on which buses rely.

Vehicle network: $XXm is proposed to be spent on maintaining and renewing the network over the decade. State highway improvements are funded and delivered by the New Zealand Transport Agency.

Audit report

[To be inserted]

Making a submission

There are three main ways you can have a say:

- online – make a submission or post your thoughts www.Wellington.govt.nz.
- make a written submission — write a letter or use the form in this document and post to Long-term Plan, Wellington City Council, PO Box 2199, Wellington
- come to a meeting to discuss our plans (see below).

Submissions are open between 13 March and 17 April 2015.

Then what happens?

We appreciate the submissions we get, and we do take them seriously.

The Mayor and councillors are given copies of all submissions. We also prepare reports on the submissions, so that councillors know things like how many there are, and what issues are coming up often. Hearings will be held from 5-8 May for those that have submitted and want to be speak directly to councillors. A committee will then consider the submissions and recommend any changes to the Council. The final plan is schedule to be adopted on 24 June 2015.

To find out more:

Visit our website to find out more information, including our:

- Financial Strategy
- Infrastructure Strategy
- Urban Growth Plan
- Statement of proposal in relation to Civic Square
- Housing Portfolio Assessment Framework
- Draft Statements of Service Performance.

Come and discuss the plan

A number of public meetings have been scheduled for March and April. Council will host a ward forum in each of the 5 wards fronted by the local Councillors. The dates for these fora are as follow. See our website for locations and times:

Lambton Ward: 19 March 2015 Eastern Ward: 24 March 2015 Western Ward: 26 March 2015

Southern Ward: 31 March 2014 Northern Ward: 07 April 2015.

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

CHAIR'S REVIEW – ECONOMIC GROWTH AND ARTS COMMITTEE

Purpose

1. This report outlines the Economic Growth and Arts Committee programme to December 2014.

Recommendation

That the Governance, Finance and Planning Committee:

1. Receive the information.

Purpose of the Committee

2. The focus of the Committee is on sustainable long-term economic growth, increased employment, promoting the city's visitor attractions, delivering high-quality major events and supporting the development of smart businesses in the city. The Committee will also work to build Wellington's unique identity, bolster business confidence, raise the city's international profile, and ensure Wellington continues to be New Zealand's arts and culture capital by supporting a range of opportunities for entertainment and expression. There is a continuing focus on the ICT and Digital sector.

3. As well as its general areas of responsibility, the Committee has specific responsibility for:
   - arts partnership (Toi Pōneke)
   - community arts and cultural support
   - city promotion, major events, and attractions
   - business support
   - galleries and museums
   - the following council controlled organisations/other organisations:
     - Basin Reserve Trust (BRT)
     - Positively Wellington Tourism (PWT)
     - Positively Wellington Venues Limited (PWV)
     - Wellington Museums Trust (WMT)
     - Wellington Regional Stadium Trust
     - Wellington International Airport Ltd (WIAL)
   - The following council grants:
     - Business Improvement District Development Fund
     - Arts and Culture Fund

4. A key function of the Committee is to oversee the progress of the 2011 Economic Development Strategy (EDS). The EDS was developed with considerable input from business, Crown agencies, and community interests. When it was adopted in December 2011 the EDS had overwhelming support from the commercial sector and councillors.

5. The EDS has four key platforms that lay out a vision for a vibrant city and provide a roadmap of tangible initiatives and projects to achieve the EDS's objectives. These key platforms are:

- **Destination Wellington** – developing and promoting the City to attract the visitors, skilled people, business and investment needed to achieve greater prosperity including through events, amenities and promotional activities
- **Smart capital** – generating a significant proportion of future economic growth from smart, innovative, knowledge-intensive businesses
- **Connected capital** – increasing physical and virtual connectivity within the region, with other parts of New Zealand and internationally
- **Open for business** – delivering the Council's services with a "can do" attitude, providing a quality built and business environment where it is easy, efficient and affordable to invest and do business.

Committee's work July 2014 to December 2014

6. During the six months covered by this report the Committee has focussed on:

- The progress of the Wellington Economic Development Strategy (WEDS) – including monitoring economic performance against the objectives and targets in the Strategy
- Monitoring progress of major project proposals and initiatives (including the 8 big ideas) and preparation for the 2015-25 Long Term Plan
- Governance and oversight of the CCOs for which it is responsible
- Reviewing Toi Poneke.

7. In addition, the Committee received reports on the Arts Portfolio from Councillor Ahipene-Mercer, agreed funding allocations for the Arts and Culture Fund, received an update on the Te Papa Agreement, and was briefed by the Mayor on her visit to China and Japan.

Progress with the Wellington Economic Development Strategy (WEDS)

8. The Committee was briefed on progress in implementing the WEDS and trends in the City's economic development. We have established economic research and evaluation capability within Council to keep a close eye on performance and economic trends. This includes quarterly reporting that tracks many key economic indicators.

9. Overall, the City's performance is strong, coming out of unfavourable economic conditions overseas. While not as rapid as the economies of Christchurch (driven by the earthquake rebuild) and Auckland (driven by historically high net migration), Wellington's GDP grew at a healthy 1.7% in the year to September 2014. This is close to New Zealand's long-term average and superior to many developed economies like Japan, the UK, Denmark and Sweden.

   Some other major highlights include:

- GDP per capita for Wellington City increased 1.3% to $88,000 - close to the all-time high. This is **nearly double** the New Zealand GDP per capita figure of $45,000. Wellington City's GDP per capita growth has averaged 1% since 2012 and we are on-target to achieve the WEDS goal of a 10% increase in GDP per capita by 2021.

- Nearly 6,000 new jobs were created in Wellington City from January 2011 to December 2014. While this is below the 2,000 new jobs per annum required to reach the WEDS target for job growth, it is consistent with employment being a lagging indicator when an economy starts to improve. If the current employment growth rate (past year) continues until the end of 2015 then it is estimated that around 9,200 new jobs will have been created over the 5 year period; a little under the WEDS target of 10,000 new jobs.

- 72% of new jobs being created are in smart, knowledge intensive businesses, meaning we are exceeding the 50% target set in the WEDS.

10. This is a positive story and a major improvement on 2011. It is important that the Council tells this story, not only to acknowledge the city's achievements, but also because there is a vibrant and strong economy in Wellington that will be attractive to new investors and individuals; provided they know the positive things going on here.

11. Wellington's economy remains dependent on relatively few sectors particularly Government, financial services and ICT. While these are high-value sectors, there is a need to build greater resilience into the Wellington economy by diversifying through growing sectors like education services, tourism, accommodation and food, the creative arts sectors, and possibly high value manufacturing.

12. Destination Wellington is an important initiative to proactively promote Wellington as a destination for new business, people and investment. Council has funded this initiative with $2 million per year over the next 10 years.

13. The Committee was also briefed on investments made under the Wellington Economic Initiatives Development Fund. The fund was established in 2013 and has $6.6 million available to support economic development initiatives. So far $5.5 million has been committed to 20 projects out to 2019. 70 percent of the projects have been to support events, and a healthy 30 percent of funding has been allocated to supporting business growth and attracting new businesses to the city. Initiatives supported thus far include: the Summer of Tech initiative to facilitate nearly 360 tech internships, the Jazz festival, the football united tour, the Gillies McIndoe Research Institute, and the Cricket World Cup.

14. Another major initiative was bringing together the Council's economic development activity under a single integrated organisation and combining this with the activities of the Greater Wellington Regional Council.

15. The new organisation, the Wellington Regional Economic Development Agency (WREDA) will better utilise resources and foster greater coordination across the many economic development activities we support. WREDA has already attracted a board with exceptional business talent and is now looking for its first chief executive. Included within WREDA are the CCO's, Positively Wellington Tourism and Positively Wellington Venues and also the activities of Major Events and Destination Wellington. As a consequence the Committee's role in monitoring these entities and activities will fall within WREDA.

16. The Committee was also briefed on the events programme planned for 2014/15. There is a busy and varied events calendar planned, with the Council involved in the funding and/or delivery of over 90 events.

Major projects and initiatives – the 8 Big Ideas and the next step in the EDS

17. The implementation of the EDS has logically identified a number of major projects and initiatives that need to be advanced if Wellington's full economic potential is to be achieved. This includes the 8 big ideas which are a tangible outcome of the Strategy. For example, Wellington cannot be a truly **connected city** if people cannot easily

physically connect to North Asia and North America. Growing a **smart capital** means facilitating physical locations where innovative, knowledge-intensive businesses can hub to share ideas and resources; and making Wellington a **destination** means having infrastructure, attractions and venues that people and businesses expect in a leading city.

18. At each of its meetings the Committee received progress reports on the Council's proposed major projects (the new Convention Centre, a new covered events venue, new film museum, runway extension, a war and peace museum, and tech precinct) which are the next step in making the EDS a reality.

19. These projects are at various stages of development and, like all large investments, are going through a rigorous business case process. Projects will only be advanced where supported by the business case.

20. Key actions over the period have been Council funding to support the resource consent process for the runway extension and approval of the arrangements to facilitate the convention centre and hotel development. The latter initiative is now subject to further development with respect to commercial investors, but the Council's package of support remains available to support development of the convention centre.

21. Considerable progress has also been made on the tech hub initiative and work has started to evaluate the feasibility of a new covered events venue.

22. The Basin Reserve Trust made significant progress in developing the master-plan for the future of the Basin and Councillors participated in a briefing and workshop in December.

23. The next key steps for the major projects is the on-going development of business cases and provision has been made within the draft 2015-2025 Long Term Plan to advance those projects.

Governance and oversight of the CCOs / organisations for which it is responsible

24. The Committee received and reviewed annual reports for the 2013/14 financial year for:
    - Basin Reserve Trust
    - Wellington Regional Stadium Trust
    - Museums Trust
    - Positively Wellington Venues
    - Positively Wellington Tourism

25. The Committee also reviewed quarterly reports for the September quarter from a number of organisations for which it is responsible.

26. The Committee considered and agreed letters of expectation for the Museums Trust, Basin Reserve Trust and Wellington Regional Stadium Trust. These letters outline the key messages and general issues that CCOs will be asked to discuss as part of their 2015/16 Statement of Intent.

Review and extension of Toi Poneke

27. Toi Pōneke was established in 2005 and is an arts hub, providing facilities for established, emerging and community arts practitioners. The first lease renewal for the facilities is due in November 2015, so a review was undertaken in anticipation of this.

28. The Committee found strong support for Toi Pōneke and good evidence from users that it is generally meeting its objectives. There are areas for possible improvement, so along with agreeing in principal to extend the lease for a 5-year term, the Committee also asked officers to do further work on the objectives, monitoring and services provided under the initiative.

Focus over the next six months

29. The Council has a key focus on economic development (growth and diversification) over the coming year. The Committee will have an important role to play in the oversight and governance of the Council's economic development agenda.
30. Continuing to monitor and champion major projects as they progress through the business case process and on to implementation will be a key focus. For example, the business case for the tech hub is expected shortly.
31. In terms of events for the City it is going to be a big year for sports and cultural events with the ICC Cricket World Cup (February-March), FIFA U20 World Cup (May-June), Wellington's 150th birthday as the nation's capital (26 July), the 100th anniversary of Gallipoli (25 April) and CubaDupa (28-29 March), and the Sevens (in an Olympic year) among the events planned.
32. While the events programme is exciting for the coming year, there is scope to take a look at our events programme to ensure it is still meeting its economic development objectives and the City's needs, noting that WREDA will assume responsibility for Major Events. In the meantime work will not stop on negotiations to attract a number of major and exciting events to the city.
33. The establishment of WREDA is an exciting development for the City and the region. The Committee will want to ensure there is a smooth transition to the new structure and that the best possible advantage is captured from this initiative. We will also be looking forward to developing a relationship with the new Chief Executive once she or he is appointed.

Attachments

Nil

Author	Councillor Jo Coughlan, Chair

CHAIR'S REVIEW - COMMUNITY, SPORT AND RECREATION COMMITTEE

Purpose

1. This report provides the Chair's review of the Community, Sport and Recreation Committee work against its purpose and responsibilities to December 2014.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.

The Purpose of the Committee

2. The purpose of this Committee is to build strong, safe and healthy communities that improve the quality of life for Wellingtonians. The Committee is responsible for social infrastructure (including social housing) social cohesion, encouraging healthy lifestyles, supporting local community events, protecting public safety; and the provision of a wide range of recreation and sporting facilities such as marinas, libraries, sports fields and the golf course for residents and visitors to use and enjoy.

The Committee's focus to December 2014

3. The focus of the Committee has been to understand the issues and opportunities that rest within its areas of responsibility. We have received briefings – both formal and informal – on a wide range of issues which will inform part of the Committee's ongoing work programme.

   Updates were provided on the:
   - Graffiti Management Plan
   - Johnsonville Library Expansion/Community Hub Update
   - Urban Agriculture
   - Provisional Local Alcohol Policy Appeals
   - City Housing Portfolio Assessment Framework
   - The Kaka Project Brooklyn Area Community Planning

   Policies being undertaken include:
   - Social Housing Service Policy - Rental Policy Review
   - Draft Local Approved Products Policy (restricting where any legal psychoactive products may be sold in future).

4. The committee also had a paper on the 2014 Sport and Recreation Forum that was held in August and it fully distributed the Social and Recreation Fund. A presentation was also made by UNICEF on Child Friendly Cities. Officers suggested a review of the

School Pool Partnership Funding Programme before allocating further funding. The Annual Report for the Accessibility Action Plan was presented.

The Committee's focus for the next six months

5. Strategy: The development of an overarching social strategy will be an important focus this coming year. The primary aim is to ensure the City has a sharper focus on the social issues impacting on Wellingtonians. A scoping paper on the work is expected in March. There is also a desire to better understand the work of other social agencies so Council can support and contribute to the work they do in the City. Relationships with the social sectors also need to be built and a Social Issues Forum is proposed.

6. Housing: We are currently reviewing Council's Housing Policy including reviewing the rental policy for our social housing stock and the Business Model for our housing operations. These are related projects. They are important due to changes in social housing frameworks by the Government and to ensure the Council's housing portfolio is both sustainable and continues to provide high quality social housing that is affordable for the tenant. The Committee also called for a piece of work to be developed in anticipation that the Government would announce the sale and transfer of its state housing stock. This has come to fruition and a plan will be presented to the Committee.

7. Psychoactive substances: The Government has implemented legislation governing Psychoactive Substances. The Committee approved a draft policy and will undertake oral hearings in late February. The new legislation provides powers to TLAs to restrict the locations of where legal highs are sold and any policy would need to be in place by early 2015.

8. Libraries: Work will continue towards planning the proposed new Johnsonville library as a priority as is future spending on community facilities in the long term plan.

9. Alcohol: Appeals to the city's local alcohol plan were upheld. Options were presented to council on the next steps. This will come back to the Committee in March.

10. It is vital that the committee has a good understanding of the priorities for the long term plan and the funding for the City's community and recreation facilities and services continue to provide value for money to our rate payers.

Project priorities for the 2015-2025 Long-Term Plan

11. The following are project principles for the 2015.25 LTP:
    - Swimming Pools Partnership Fund – re-ignite the fund for those schools who have been working with council on their school pool proposals
    - Social and Recreation Fund – there is overwhelming pressure from organisations applying for assistance and a recommendation for an increase in funding for those organisations that deliver our City outcomes will be considered as part of the LTP
    - Additional pool space at the Wellington Regional Aquatic Centre, noting the link to new facilities for sporting codes on Kilbirnie Park and the possibility of a new community space

- Community centre redevelopments for Aro Valley, Miramar, Strathmore Park and Newtown, noting the opportunity for a 'Fale' to be incorporated
- Karori Events Centre – the fundraising target has been met and this will now be funded accordingly
- Johnsonville Library funding secured and other library initiatives investigated
- Artificial turfs for the National Hockey Stadium (no. 3)
- Allocating funding for projects detailed in the 10 year plan for the Basin Reserve; and those in the future vision for the Westpac Stadium
- Establishing Maori, Pacific and ethnic Wardens in Wellington City
- Implementing 'Village Plans' for Brooklyn and other communities
- Implementing the alcohol and graffiti management strategies
- Expansion of our role and need for more social housing stock
- Increased grant funding to be sought to allow for the Living Wage to be paid to community centre co-ordinators, an increase in hours for some centres and additional training for centre staff and volunteers.

Attachments

Nil

Author	Councillor Paul Eagle, Chair

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CHAIR'S REVIEW - ENVIRONMENT COMMITTEE

Purpose

1. This report outlines the progress of the Environment Committee against the Council work programme approved in February 2014 by Governance Finance and Planning Committee.

Recommendation

That the Governance, Finance and Planning Committee:

1. Receive the information.

The Purpose of the Committee

2. The Committee has a focus on climate change initiatives, enhancing the city's open spaces, protecting biodiversity in plant, bird and animal life, and ensuring there are high quality outdoor areas for residents and visitors to enjoy. The committee is also responsible for waste minimisation, energy efficiency and the three waters (drinking water, storm-water and wastewater).

Highlights and successes: July 2014 - December 2015

3. The last half of 2014 saw a number of successes including:
   - Extensive consultation and a decision on the future of the Island Bay seawall. This is of particular note due to the unprecedented level of public involvement with the project. This led me to decide to trial holding oral hearings in the community to allow for greater public involvement. These oral hearings were held in December at the Island Bay Baptist Church and received positive feedback.
   - Wellington won a bid to be part of the 100 Resilient Cities network supported by the Rockefeller Foundation which will give us access to $1m worth of expertise and resources to make our city more resilient.
   - Approval of the Town Belt Bill which has now been sent to Parliament for their consideration after four years of careful detailed work and consultation, winning a commendation from the International Association of Public Participation for the processes of consultation. A special thanks to Cr Ritchie for leading this process.
   - Approval of a comprehensive management plan for the Botanic Gardens.
   - Promulgation of a significant piece of work on Suburban Reserves which aims to protect reserves around the city for the future.
   - Continued success of Wellington Zoo with the organisation continuing to meet its targets and to win awards.
   - Zealandia also continues to build on its successes as the organisation repositions itself for the future.
   - Approval of money from the Plimmer Trust to build the Children's Garden and for the upgrade of Newlands Park.
   - Introduced the Freedom Camping Bylaw.
   - Considered changes to the Trading in Public Places Policy and confirmed the appropriateness of the existing Policy.

- An MOU has been signed with the Crown and Port Nicholson Block Settlement trust to develop a joint vision with Government for Watts Peninsula.
- Approval of a new Biodiversity Strategy to go out for consultation.
- The Environment Committee have agreed to complete the Skyline track and agreed on an indicative route for the eastern side of Stebbings Valley.
- Reinstating the Collection and Transportation of Trade Waste Bylaw.
- Work done to reduce the scope of the extension of the Southern Landfill, enabling savings. We will also consider further options to reduce waste.
- An active role in the establishment of Wellington Water and the appointment of new directors to replace the previous councillor and mayoral representatives.
- Oversight of the Integrated Catchment Management Plans as they develop.

4. I wish to thank my colleagues: Mayor Wade-Brown and Councillors Ahipene-Mercer, Foster, Free, Lee, Ritchie and Sparrow on the Committee for their hard work over the last six months, which have been demanding. The committee have steadily worked through numerous documents numbering hundreds of pages and led a number of projects.

5. I'd also like to thank the public for their input in the numerous rounds of consultation and oral hearings we have had over the last six months. This feedback has informed our thinking. Staff are also owed a big thanks for the enormous amount of work that they have had done for Council.

Our Monitoring Programme

6. We considered the annual reports for CCOs in October. We also reviewed the 2014/2015 first quarter reports and the 2015/2016 letters of expectation to these organisations in November. We have had presentations to the committee from all three CCOs. Regular meetings were also held with senior staff and board members. I am particularly pleased at the progress that Zealandia continues to make.

7. Additional monitoring of Wellington Water is now done through the chair's membership of the Wellington Water Committee. The Committee is working well together and it is expected that it will be a useful forum to discuss future challenges in the management of the three waters.

Operational matters and briefings

8. The Committee has also had a range of public participation and briefings from other sector groups including Wellington Water and Greater Wellington. Numerous meetings have been held with stakeholders and outside committees/organisations such as the Waste Forum, Porirua Harbour and Catchment Joint Committee (Harbour Committee) and the Animal Welfare Committee at Wellington Zoo.

9. A number of decisions were made on licences and land transfers.

Our Living City

10. We considered a number of grant applications from the Our Living City Grant Fund including from Makara Mountain Bike Park Supporters, Places for Penguins, Transitions Towns Brooklyn and other small and worthwhile environmental projects.

The Committee's Portfolio work

11. There are two portfolio leaders on the Committee: Cr Ritchie (Portfolio, Natural Environment) and Cr Lee (Climate Change). Report back from the two councillors follows:

Climate Change

100 Resilient Cities bid

12. The successful bid by the city to become part of this international network will give the Council unprecedented access to international resources as we work towards becoming more resilient. Given over 1000 cities applied to become part of this network, the acceptance of this bid is a real credit to our collective efforts in climate change, earthquake, community building and economic development area amongst others. It is hoped that we will be able to employ a Chief Resilience Officer over the next few months to begin work on a number of projects which will assist with our overall resilience objectives.

Smart Energy Challenge

13. The Smart Energy Challenge 2014 was a big success. WCC won the Renewables Innovation Award at the 2014 NZI National Sustainable Business Network Awards in November 2014. The Challenge created a platform for sharing knowledge and expertise, and combining networks and building new connections in Wellington. This was a fresh and innovative approach to issues, funding and project management. We are now pleased to launch the Smart Energy Challenge 2015. This year we are up-scaling the competition from three to five projects.

Sea Level Rise

14. The effects of climate change and the effects of sea level rise (SLR) are becoming more mainstream. We released Tonkin & Taylor's Sea-Level Rise Options Analysis report in late 2014; it is a tool for understanding climate change and for decision-making. It is consistent with approaches being developed in New Zealand and other countries. We are working with Waterfront Auckland, as they are very keen to follow our lead in SLR analysis and adaption planning.

Schoolgen

15. The Schoolgen programme is a renewable energy project. This is a partnership between Genesis Energy Ltd, WCC and schools in Wellington, to install solar photovoltaic (PV) panels in participating schools. 16 Wellington schools are now part of the programme, the largest number of any city in NZ.

Other PV projects

16. Requests for Proposal have been sought for the installations of solar PVs for both Wellington Zoo, and Te Whaea National Dance and Drama Centre.

Natural Environment

17. The focus of the natural environment portfolio has been on protecting, enhancing and celebrating our natural environment for present and future generations.

18. The Portfolio Leader has led and ensured political and governance oversight of:
    - The Town Belt Bill
    - The review of the Botanic Gardens Management Plan which covers Otari-Wilton Bush, the Bolton Street Cemetery and the Truby King Park along with the Wellington Botanic Garden.
    - Work towards the completion of the Outer Town Belt/Skyline
    - The Plimmer projects - Grasslees in Tawa; Alex Moore walkway around Alex Moore Park Johnsonville

- Ensuring that commitments in Our Capital Spaces are met - specifically completion of the Outer Town Belt and securing funding for two important projects: the Children's Garden and the upgrade of Newlands Park. The interactive Children's Garden will facilitate creativity and learning about nature in a natural environment, "getting their hands dirty" and linking with schools, community gardens and Rongoā Māori projects there and in the community.
- Ensuring that Truby King House and Garden as part of the Botanical Gardens are open to better use and enhancement - with tenders now being called and suggesting possible cooperation with the zoo
- The draft Biodiversity Strategy
- The draft Suburban Reserves Management Plan
- Living City grants
- Walking the talk…through our natural environment and reporting back to staff on track conditions
- Attending and being available to assist the Environment Reference Group; Zealandia Guardian meetings and the many various groups and individuals who voluntarily work at the grass and flax roots and who have helped to ensure the Outer Town Belt project come to fruition.

The Key Focus for the next six months

19. There are a number of key challenges to meet in the next six months and for the rest of the triennium.

20. The Council has an objective of reducing the city's Greenhouse gases by 30% over the next 5 years. Further work needs to be done on the Climate Action Plan to give more specific guidance to Council on how this target could be achieved.

21. In the waste area, the reduction in the scope of the landfill project is to be welcomed but much more work needs to be done to reduce business and residential waste. Our approach to waste management in New Zealand continues to lag behind other countries.

22. One of the key challenges in the water area will be to ensure that the investment mix is right. Councillors will have some important decisions to make over the next few months. Ensuring that our water infrastructure is resilient continues to be a challenge as well.

23. In the natural environment area, there are a number of plans and policies to vote on and then implement. Funding implications may also become more apparent as we work through the LTP. Ensuring the successful passage of the Town Belt Bill will also be a priority as well as completing the Children's Garden.

24. The work programme includes:
    - Careful scrutiny of expenditure in the environment area through the LTP process as well as ensuring the new Service Plans for waste and water and other relevant infrastructure are robust.
    - Considering changes to the RMA and their impacts on water, waste and the natural environment
    - Introduction of more water fountains
    - Resolution on the Prince of Wales Reservoir issue
    - More joint work with Porirua focused around the Harbour, especially through the Whaitua Committee

- Looking at further opportunities to co-operate with other Councils on waste
- Progress on implementing the Water Sensitive Urban Design Protocols
- Ensuring the Town Belt Bill has a smooth passage through Parliament
- Ensuring that the Outer Town Belt track is completed by 2016
- Ensuring that the Children's Garden is started in July 2015 and completed in September 2016
- Work towards the completion and opening of a major new recreation park- Spicer's Recreation Park
- Reviewing Animal Control Bylaw
- Continuing to support the successful Enviroschools programme
- Finalising the Suburban Reserves Management Plan
- Finalising the Biodiversity Strategy and Action Plan
- Working with the community on the Island Bay Seawall project
- A re-focused and more strategic Climate Change Action Plan
- Monitoring the Porirua Harbour and Catchment Strategy, through a joint committee

Attachments

Nil

Author	Councillor Iona Pannett, Chair

DEPUTY MAYOR INTERNATIONAL TRAVEL, MARCH 2015, MELBOURNE

Purpose

1. To approve the travel for the Deputy Mayor and his partner to represent Wellington city and attend the International Cricket Council (ICC) Cricket World Cup Final, Melbourne, 29 March 2015.

Summary

2. This paper seeks approval for the Deputy Mayor (on behalf of the Mayor) to travel to Melbourne to represent Wellington at the ICC Cricket World Cup Final.
3. New Zealand is jointly hosting the ICC Cricket World Cup with Australia. Wellington is a host city for the tournament.
4. The recommendation that the Deputy Mayor attend the Final, accompanied by his partner, is consistent with the approach taken for official representation at the 2011 Rugby World Cup Final.
5. Wellington's reputation as a successful international event host will be strengthened by high level attendance at the ICC Cricket World Cup Final.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Agree that the Deputy Mayor and his partner represent the city and attend the ICC Cricket World Cup Final in Melbourne on 29 March 2015.

Background

6. The ICC Cricket World Cup is cricket's biggest occasion. This year 14 countries will be contesting the trophy and a world wide audience will watch the tournament.
7. During the ICC Cricket World Cup 2015, Wellington will host matches involving teams from New Zealand, England, South Africa, Sri Lanka and the United Arab Emirates. Hosting these teams provides direct opportunities to strengthen Wellington's international business and cultural relationships with these nations.
8. The Deputy Mayor's attendance at the Final would provide another opportunity to build Wellington's international networks and visibility.

Discussion

9. The Deputy Mayor and his partner's attendance at the ICC Cricket World Cup Final would build on Wellington's commitment to the tournament and the sport.
10. About 12,000 people participate in structured cricketing events each year. Wellington's involvement with the ICC Cricket World Cup is an opportunity to energize and grow the sport in the capital and will improve the health and sustainability of club cricket.

11. The ICC Cricket World Cup brings economic benefits to the Capital and opportunities for building international relationships with the 14 countries directly involved in the tournament and the many others that take a strong interest in the sport.

Next Actions

12. The estimated cost of attendance is $2950, including flights and accommodation. If the travel is approved, the costs will be met from the Mayor's Office budget.

13. In line with Council policy, Carbon Credits will be purchased to reduce the carbon footprint of these flights.

Attachments

Nil

Author	Alex Grace, Information Coordinator
Authoriser	John McGrath, Chief of Staff

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SUPPORTING INFORMATION

Consultation and Engagement
Not applicable

Treaty of Waitangi considerations
Not applicable

Financial implications
Not applicable

Policy and legislative implications
The recommended attendance is consistent with previous Council representation at significant sporting events where Wellington has been a host city.

Risks / legal
Not applicable

Climate Change impact and considerations
Carbon Credits for International flights will be purchased in line with Council Policy

Communications Plan
Not applicable

3. Committee Reports

REPORT OF THE TRANSPORT AND URBAN DEVELOPMENT COMMITTEE MEETING OF 5 FEBRUARY 2015

Members: Mayor Wade-Brown, Councillor Coughlan, Councillor Foster (Chair), Councillor Lee, Councillor Lester, Councillor Pannett, Councillor Woolf, Councillor Young.

The Committee recommends:

POTENTIAL CYCLEWAY DEVELOPMENT PROGRAMME

That the Governance, Finance and Planning Committee:

1. Agree to include in the draft Long Term Plan a $54 million programme as set out in the paper.

Link to report: 2.1 Potential Cycleway Development Programme

Attachments

Nil

REPORT OF THE COMMUNITY, SPORT AND RECREATION COMMITTEE MEETING OF 11 FEBRUARY 2015

Members: Mayor Wade-Brown, Councillor Eagle (Chair), Councillor Free, Councillor Marsh, Councillor Peck, Councillor Ritchie, Councillor Sparrow, Councillor Woolf.

The Committee recommends:

SPORTSVILLE PARTNERSHIP FUNDING

That the Governance, Finance and Planning Committee:

1. Agree to increase the Social and Recreation Fund by $40,000 per annum to fund feasibility studies for 'sportsville' partnerships and is included in the Draft 2015-2025 Long Term Plan.
2. Agree to establish a 'Facilities Partnership Fund' of $500,000 per annum to fund feasibility studies, design and construction (Option Two) for 'sportsville' partnerships and is included in the Draft 2015-2025 Long Term Plan funding to commence in the 2018/2019 financial year.
3. Adopt the assessment criteria for 'sportsville' partnership projects as set out in "Attachment 1" to the officer's report.

Link to report: 2.1 Sportsville Partnership Funding

Attachments

Nil