
ORDINARY MEETING

OF

GOVERNANCE, FINANCE AND PLANNING COMMITTEE

AGENDA

Time: 9.15 am
Date: Wednesday, 9 March 2016
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

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

Have your say!

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

AREA OF FOCUS

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

Quorum: 8 members

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1 Meeting Conduct

1.1 Apologies

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

1.2 Conflict of Interest Declarations

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

1.3 Confirmation of Minutes

The minutes of the meeting held on 18 February 2016 will be put to the Governance, Finance and Planning Committee for confirmation.

1.4 Public Participation

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

1.5 Items not on the Agenda

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

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

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

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

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

2. General Business

AMENDMENT TO CODE OF CONDUCT FOR ELECTED MEMBERS

Purpose

1. The purpose of the report is to amend Part Two: Roles and Responsibilities of the Code of Conduct for Elected Members (the Code) for the Mayor and Deputy Mayor to reflect new section 41A of the Local Government Act 2002 (the Act).

Summary

2. Changes to the Act in late October 2013 extended the role of the Mayor. This included leading the development of the Council's plans, policies and budgets and the ability to appoint the Deputy Mayor, establish committees and appoint the chairperson of each committee the Mayor establishes.
3. In order to avoid any confusion the Code of Conduct should be amended accordingly to take account of the role and powers of the Mayor in section 41A of the Act.
4. Any change to the Code requires a 75 percent majority of members.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Recommend that the Council amend the Code of Conduct for Elected Members to reflect section 41A including:
 - a) lead the development of the Council's plans, policies and budgets;
 - b) appoint the Deputy Mayor, establish committees; and
 - c) appoint the chairperson of each committee the Mayor establishes.

Discussion

5. The Act takes precedence in this matter. The Code should reflect what the Act provides for. Amending the Code will assist in providing greater clarity for elected members and the public.

Options

6. There are two options.
 - a. Not amend the Code which will mean that it is in conflict with section 41A of the Act and the Council will not be complying with the Act.
 - b. Amend the Code as provided for in the recommendation to reflect section 41A the Act.

Attachments

Attachment 1. Amended Code of Conduct

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Author	Clare Sullivan, Principal Governance Advisor
Authoriser	Anusha Guler, Acting Director Governance

SUPPORTING INFORMATION

Consultation and Engagement

No general consultation has been undertaken for this report.

Treaty of Waitangi considerations

There are no Treaty of Waitangi implications for this report.

Financial implications

There are no financial implications.

Policy and legislative implications

This amendment aligns the Council's Code of Conduct for Elected Members with the Local Government Act 2002.

Risks / legal

This amendment aligns the Council's Code of Conduct for Elected Members with the Local Government Act 2002.

Climate Change impact and considerations

Not applicable.

Communications Plan

Not applicable.

Wellington City Council Code of Conduct for Elected Members

Part One: Introduction

All councils are required to have a code of conduct under the Local Government Act 2002, Schedule 7, Clause 15.

This code of conduct provides guidance on the standards of behaviour that are expected from the Mayor and elected members of the Wellington City Council. The code applies to elected members in their dealings with:

- each other
- the Chief Executive
- all staff employed by the Chief Executive on behalf of the council
- the media
- the general public.

This code does not apply to members of Community Boards.

The objective of the code is to enhance:

- the effectiveness of the council as the autonomous local authority with statutory responsibilities for the good local government of Wellington City
- the credibility and accountability of the council within its community
- mutual trust, respect and tolerance between the elected members as a group and between the elected members and management.

The code of conduct that follows is based on the following general principles of good governance:

Public interest

- Members should serve only the interests of the city as a whole and should never improperly confer an advantage or disadvantage on any one person, or group of persons.

Honesty and integrity

- ⑩ Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

Objectivity

- Members should make decisions on merit including making appointments, awarding contracts, or recommending individuals for rewards or benefits.
- Members should also note that, once elected, their duty is to the interests of the entire city.

Accountability

- ⑩ Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with the scrutiny appropriate to their particular office.

Openness

- ⑩ Members should be as open as possible about their actions and those of the council, and

should be prepared to justify their actions.

Personal judgment

- ⑩ Members can and will take account of the views of others, but should reach their own conclusions on the issues before them, and act in accordance with those conclusions.

Respect for others

- Elected members should remember the respect and dignity of their office in their dealings with each other, management and the public.
- Members should treat people with respect, regardless of their race, age, religion, gender, sexual orientation, or disability, and should not unlawfully discriminate against any person or group of persons.

Duty to uphold the law

- ⑩ Members should uphold the law, and on all occasions, act in accordance with the trust the public places in them.

Stewardship

- ⑩ Members must ensure that the council uses resources prudently and for lawful purposes, and that the council maintains sufficient resources to meet its statutory obligations.

Leadership

- ⑩ Members should promote and support these proposals by example, and should always endeavour to act in the best interests of the community.

Part Two: Roles and Responsibilities

This part of the code describes the roles and responsibilities of elected members, the Mayor and Deputy Mayor, and Committee Chairpersons.

Elected Members

Elected members, acting as the council, are responsible for governance, including:

- the development and adoption of council policy
- monitoring the performance of the council against its stated objectives and policies
- prudent stewardship of council resources
- employment of the Chief Executive

Elected members are also responsible for representing the interests of the residents and ratepayers of the city.

Unless otherwise provided in the Local Government Act 2002 or in Wellington City Council's Standing Orders, the council can only act by majority decisions at meetings. Any individual member (including the Mayor) has no authority to act on behalf of the council unless provided for by statute or the council has expressly delegated such authority.

Elected members are expected to attend the meetings (ordinary and extraordinary) of Council, as well as the committees and subcommittees, working parties, and external organisations to which they are appointed. An elected member, unable to attend a meeting, should advise the Chair or Chief Executive as soon as possible.

Mayor

The Mayor is elected by the district as a whole and as one of the elected members shares the same responsibilities as other members of council. The Mayor also has the following roles:

- presiding at council meetings. The Mayor is responsible for ensuring the orderly conduct of business during meetings (as determined by Standing Orders)
- advocating on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support of the council
- spokesperson for the council
- ceremonial head of council
- providing leadership and feedback to other elected members on teamwork and chairing of committees
- fulfilling the responsibilities of a Justice of the Peace (while the Mayor holds office)
- lead the development of the council's plans (including long-term plan and annual plan), policies and budgets.

appoint the Deputy Mayor.

establish committees of the council and appoint the chairperson of each committee established.

Deputy Mayor

If the Mayor has not appointed the Deputy Mayor as noted above, then the Deputy Mayor must be elected by the members of council, at the first meeting of the council. The Deputy Mayor exercises the same roles as other elected members, and if the Mayor is absent or incapacitated, the Deputy Mayor must perform all of the responsibilities and duties, and may exercise the powers, of the Mayor (as summarised above). The Deputy Mayor may be

removed from office by resolution of council.

Committee Chairpersons

The council may create one or more committees (this includes subcommittees) of council. A committee chairperson presides over all meetings of the committee, ensuring that the committee acts within the powers delegated by council. Committee chairpersons may be called on to act as official spokespersons on issues within the terms of reference for their committees. Chairpersons may be removed from office by resolution of council. Council may also appoint deputy chairpersons of committees, who shall fulfil the functions of the chair when the chairperson is absent.

Part Three: Relationships and Behaviours

Relationships with Other Members

Elected members will conduct their dealings with each other in ways that:

- maintain public confidence in the office to which they have been elected
- are open and honest
- focus on issues rather than personalities
- avoid aggressive, offensive or abusive conduct.

Relationships with Chief Executive and Staff

The effective performance of council also requires a high level of cooperation and mutual respect between elected members and staff. To ensure that level of cooperation and trust is maintained, elected members will:

- recognise that the Chief Executive is the employer (on behalf of council) of all council employees, and as such only the Chief Executive or his or her delegated appointee may hire, dismiss or instruct or censure an employee
- make themselves aware of the obligations that the council and the Chief Executive have as employers and observe those requirements at all times
- ⑩ treat all employees with courtesy and respect (including the avoidance of aggressive, offensive or abusive conduct towards employees)
- ⑩ observe any guidelines that the Chief Executive puts in place regarding contact with employees
- not do anything which compromises, or could be seen as compromising, the impartiality of an employee
- avoid publicly criticising any employee in any way, but especially in ways that reflect on the competence and integrity of the employee
- raise concerns about employees only with the Chief Executive, and concerns about the Chief Executive only with the Mayor or the Performance Review Subcommittee
- not seek to improperly influence staff in the normal undertaking of their duties.

Elected members should be aware that failure to observe this portion of the code of conduct may compromise the council's obligations to act as a good employer and may expose the council to civil litigation and audit sanctions.

Relationships with the Community

Effective council decision-making depends on productive relationships between elected members and the community at large.

Members should ensure that individual citizens are accorded respect in their dealings with the council, have their concerns listened to, and deliberated on in accordance with the requirements of the Local Government Act 2002.

Members should act in a manner that encourages and values community involvement in local democracy.

Contact with the Media

The following rules apply for media contact *on behalf of council*:

- the Mayor (or in the Mayor's absence, the Deputy Mayor) is the first point of contact for the official view on any issue. Usually, a matter will be referred to the relevant committee chairperson for their comment

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- comment on operational or management matters should be left to the Chief Executive and management
 - ⑩ no other member may comment *on behalf of council* without having first obtained the approval of the Mayor, or in the Mayor's absence, the Deputy Mayor.
 - Elected members are free to express a *personal view* in the media, at any time. When doing so, they should observe the following:
 - media comments must not state or imply that they represent the views of council
 - where an elected member is making a statement that is contrary to a council decision or council policy, the member must not state or imply that his or her statements represent a majority view
 - media comments must observe the other requirements of the code of conduct, e.g. not disclose confidential information.

Confidential Information

In the course of their duties members will receive information that they need to treat as confidential. Confidential information includes information that officers have judged there is good reason to withhold under sections 6 and 7 of the Local Government Official Information and Meetings Act 1987. This will often be information that is either commercially sensitive or is personal to a particular individual or organisation. The Chief Executive is responsible for release of this information under the Local Government Official Information and Meetings Act 1987.

Elected members should be aware that failure to observe confidentiality will impede the performance of council by inhibiting information flows and undermining public confidence in the council. Failure to observe these provisions may also expose council to prosecution under the Privacy Act 1993 and/or civil litigation.

Conflicts of Interest

Elected members shall ensure they comply with the provisions of the Local Authorities (Members' Interests) Act 1968, which covers financial interests, and with other requirements relating to non-pecuniary conflicts of interest. Members should ensure they are familiar with the guidance contained in the Council publication *Conflict of Interest Guidelines*.

Members shall, within 30 days of a request by the Chief Executive, or following the triennial election, complete a declaration of interests. That declaration shall be updated whenever members' interests change.

Ethics

Wellington City Council seeks to promote the highest standards of ethical conduct amongst its elected members. Accordingly, elected members will:

- claim only for legitimate expenses as laid down by any determination of the Remuneration Authority then in force, and any lawful policy of council developed in accordance with that determination
- not influence, or attempt to influence, any council employee to take actions that may benefit the member, or the member's family or business interests
- not use council resources for personal business (including campaigning)
- not abuse the advantages of their official position for personal gain, or solicit or accept gifts, entertainment, rewards or benefits that might compromise their integrity.

Bankruptcy

Elected members who are declared bankrupt shall notify the Chief Executive as soon as practicable after being declared bankrupt.

Part Four: Compliance and Review

Compliance

Elected members must comply with the provisions of this code of conduct. Members are also bound by the Local Government Act 2002, the Local Authorities (Members' Interests) Act 1968, the Local Government Official Information and Meetings Act 1987, the Secret Commissions Act 1910, the Crimes Act 1961 and the Securities Act 1978. The Chief Executive will ensure that an explanation of these Acts is made at the first meeting after each triennial election and that copies of these Acts are freely available to elected members. Short explanations of the obligations that each of these Acts has with respect to conduct of elected members is attached in Appendix 1 to this code.

Breaches of statutory provisions

Where there are statutory provisions:

- breaches relating to members' interests render members liable for prosecution by the Auditor-General under the Local Authorities (Member's Interests) Act 1968
- breaches which result in the council suffering financial loss or damage may be reported on by the Auditor-General under the Local Government Act 2002, which may result in the member having to make good the loss or damage
- breaches relating to the commission of a criminal offence may leave the elected member liable for criminal prosecution.

Breaches of non-statutory provisions

Any alleged breach by a member of the provisions of the code for which there is not a process and penalty provided elsewhere shall be reported in a timely manner to the Mayor in the first instance. The Mayor, in concert with the Chief Executive (where appropriate), shall consider each allegation in a manner that is fair to all parties involved in the allegation, including ensuring that due process is respected. This will include ensuring that members named in an allegation are given an opportunity to consider and respond to that allegation. If, following the opportunity to respond to the allegation, it is considered that an allegation of a breach of the code is well-founded, the Mayor shall inform the member concerned and take any appropriate lawful action, such as censure.

Any alleged breach by the Mayor shall be reported in a timely manner to the Chief Executive, who shall consider and deal with the allegation, seeking advice as appropriate. The Chief Executive shall consider each allegation in a manner that is fair to all parties involved in the allegation, including ensuring that due process is respected. This will include ensuring that the Mayor is given an opportunity to consider and respond to that allegation.

If an alleged breach is considered to be of a serious enough nature, or if there is an allegation of repeated breaches of the code, the Mayor (or in the case of an alleged breach by the Mayor, the Chief Executive) may instead refer the matter to council. Council will be asked to consider and determine whether a breach of the code has occurred and, if so, what consequences for the elected member should arise from that breach. In completing a report to Council, fairness to all parties involved, and due process, will be respected, including ensuring the member named in the allegation is advised of the allegation and given an opportunity to consider and respond to it before the matter is considered by council. Council's consideration of the matter will comply with statutory requirements relating to matters such as personal privacy, or confidentiality of information.

Review

Once adopted, a code of conduct continues in force until amended by the council. The code can be amended at any time but cannot be revoked unless the council replaces it with another code. Once adopted, amendments to the code of the conduct, or the adoption of a new code, require a resolution supported by 75 per cent or more of the members of the council present.

Council will formally review the code as soon as practicable after the beginning of each triennium. The results of that review will be presented to council for their consideration and vote.

Appendix 1

Legislation Bearing on the Role and Conduct of Elected Members

This is a summary of the legislation requirements that has some bearing on the duties and conduct of elected members. Copies of these statutes can be found in the council library or in the office of the Chief Executive.

Local Authorities (Members' Interests) Act 1968

This Act regulates situations where a member's personal interests impinge, or could be seen as impinging on their duties as an elected member.

The Act provides that an elected member is disqualified from office if that member is concerned or interested in contracts under which payments made by or on behalf of the local authority exceed \$25,000 in any financial year.

Additionally, elected members are prohibited from participating in any council discussion or voting on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member's spouse contracts with the authority or has a pecuniary interest.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest, and if so, may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. The Chief Executive must also seek approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the \$25,000 annual limit.

Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authorities (Members' Interests) Act 1968. In the event of a conviction elected members can be ousted from office.

Local Government Official Information and Meetings Act 1987

The Local Government Official Information and Meetings Act 1987 sets out a list of meetings procedures and requirements. Of particular importance for the roles and conduct of elected members is the fact that the chair has the responsibility to maintain order at meetings.

Secret Commissions Act 1910

Under this Act it is unlawful for an elected member (or officer) to advise anyone to enter into a contract with a third person and receive a gift or reward from that third person as a result, or to present false receipts to council.

If convicted of any offence under this Act a person can be imprisoned for up to 2 years, or fines up to \$1000, or both. A conviction therefore would trigger the ouster provisions of the Local Government Act 2002 and result in the removal of the member from office.

Crimes Act 1961

Under this Act it is unlawful for an elected member (or officer) to:

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- accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of council
 - use information gained in the course of their duties for their, or another persons, monetary gain or advantage.

These offences are punishable by a term of imprisonment of 7 years or more. Elected members convicted of these offences will also be automatically ousted from office.

Securities Act 1978

The Securities Act 1978 essentially places elected members in the same position as company directors whenever council offers stock to the public. Elected members may be personally liable if investment documents such as a prospectus contain untrue statements and may be liable for criminal prosecution if the requirements of the Act are not met.

KARORI SANCTUARY TRUST PROPOSAL

Purpose

1. To consider a proposal by the Karori Sanctuary Trust (the Trust or ZEALANDIA) that seeks to strengthen its governance framework and transfer ownership of the Visitor Centre to Council.
2. The proposal involves Council's purchase of the Visitor Centre building from the Trust and the concurrent repayment of the Council's \$10.34m loan to the Trust.
3. The Trust Board's proposal also seeks Council's approval for an amendment to its Trust Deed that allows the Guardians to provide nominations for all future Trust Board members with Council having the ability to appoint all future Trust Board members.
4. The proposed Trust Deed changes, if approved, would result in the creation of a Council Controlled Organisation (CCO) which would require public consultation.

Summary

5. The Trust Board has expressed to Council a desire to address balance sheet pressure and to amend its governance arrangements. These discussions began soon after the appointment of the current Trust Board in 2012 and have progressed to a formal proposal from the Trust Board to the Council's Chief Executive.
6. The Trust has proposed that Council purchase the Visitor Centre building to allow the Trust to repay its \$10.34m loan to Council. If approved, the transaction results in a \$10.34m capital spend not currently budgeted in the 2015-25 Long Term Plan but does not increase Council's current debt funding requirement. This capital spend would be considered as part of the 2016/17 Annual Plan deliberations. The proposal would also result in a non-cash gain of \$5.6m, as a result of the write-up of the loan in Council's balance sheet.
7. The proposal requires that the Trust will maintain the building. The transaction is largely neutral, i.e. the interest cost of the loan is unchanged in the exchange for the building. However, Council's policy is to rates fund depreciation. This would result in an additional \$260k per annum from 2016/17 in rates funding requirement to fund depreciation on the Visitor Centre building.
8. In considering the next generation of the Trust's development and in the context of the proposed sale of the Visitor Center to Council the Trust has proposed that the Guardians provide nominations to Council for all future board appointments while the Council will have the ability to appoint all future board members. The Trust Board unanimously and firmly believe that having the Guardians involved in nominations for the future Trust Board members with Council appointing the future Trust Board members is a positive step for ZEALANDIA both in terms of its future governance and in responding to the relationship with Wellington City Council. The Guardians, by majority, are willing to approve these changes.
9. If approved, this would change the designation of the Trust, in terms of the Local Government Act 2002, from a Council Organisation to a Council Controlled

Organisation. This would require public consultation, which would occur alongside the 2016/17 Annual Plan consultation.

10. The proposed Deed of Amendment and a Memorandum of Understanding that would document the nominations and appointments process have been drafted. Both the Trust Board and the Guardians are in agreement that the proposed documentation is ready for signing if the proposal is approved by Council.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Note that the Trustees of the Karori Sanctuary Trust have advised the Council that the Trust does not anticipate being in a position to repay its \$10.34 million loan from the Council in terms of the Funding Deed dated 19 November 2007 and amended 18 August 2009.
3. Note that the Trust Board has provided a comprehensive proposal to the Council for its consideration that, if accepted, will change the nature of the Council's investment in the Trust from a loan to owning a building, and require consultation to consider establishing a Council Controlled Organisation.
4. Agree to recommend to Council to include a capital spend of \$10.34 million in the 2016/17 Annual Plan, for the purchase of the Visitor Centre building from the Karori Sanctuary Trust.
5. Agree to recommend to Council to consult on the Trust Board's proposal to amend the Trust Deed to allow the Guardians to provide nominations for the future positions on the Board of Trustees for the Karori Sanctuary Trust and allow Council to appoint the future positions on the Trust Board, and consult on this proposal alongside the 2016/17 Annual Plan consultation process.

Background

11. The Trust was established in 1995 (and is governed) by the Trust Deed of the Karori Sanctuary Trust as amended by unanimous decisions of the Trust Board on 21 April 1998, 16 February 1999, 17 October 2007, 25 June 2009 and 21 December 2012.
12. In 2012 the Trust sought additional funding from the Council which was granted subject to a review of the Trust's governance and management structures. The financial contribution by Council to funding the activities of the Trust is currently \$1.5m per annum, comprised of \$875k operating grant, \$590k interest free loan and \$35k other costs.
13. Changes to the Trust Deed in 2012 were agreed between the Trust Board and the Council as a result of the review process referred to above. Since then, the Trust Board has overseen a turnaround in the operational and financial performance of ZEALANDIA and the business is now trending positively under capable and experienced management.
14. The Trust Board has expressed to Council a desire to address balance sheet pressure

and to amend its governance arrangements. These discussions began soon after the appointment of the current Trust Board in 2012 and have progressed to a formal proposal from the Trust Board to the Council's Chief Executive.

15. The Trust's proposal advises the Council that it does not anticipate that it will be in a position to repay its loan from Council and the Trust expects that its liabilities will soon exceed its assets as a result of depreciation causing the book value of the Visitor Centre to diminish annually.
16. The Trust has proposed that Council purchase the Visitor Centre building in return for the Trust repaying its \$10.34m loan to Council. The 25 year limited recourse loan was to fund the building of the Visitor Centre at Zealandia and was intended to be repaid by 2040 via the Trust's 'surplus funds', if any. Since the loan was advanced in 2007, Council has not received any repayment of the loan by the Trust.
17. In April 2015 the Trust celebrated its 20th anniversary since its establishment. The Trust Board and Guardians are now looking at the next phase of the Trust's evolution and the opportunities and challenges this will bring.
18. In considering the next generation of the Trust's development and in the context of the proposed sale of the Visitor Center building to Council the Trust Board has proposed a refinement to the future appointments process for the Trust Board. The Trust has recommended that the Guardians provide nominations to Council for all future board appointments while the Council will have the ability to appoint all future board members. The Guardians have indicated their willingness to approve the Trust Deed changes.
19. This refinement to the Trust's governance framework is considered by the Trust Board to provide a more cohesive structure for the future governance of the Trust and to give the Council full confidence in the future governance of the Trust, and to further strengthen the operating partnership between the Trust and the City. The proposal does not bind the Council to appoint the Guardian's nominees but to engage with the Guardians in the process of appointing the future board members. This process has been agreed with the Guardians and, if approved by Council, will be documented by way of a Memorandum of Understanding between the Guardians and the Council.

The Trust's Proposal to Council

20. The Trust Board has made a proposal to Council that has two parts that, if accepted, will strengthen the Trust's balance sheet and its governance framework.

Visitor Centre

21. The Trust Board has advised Council that it cannot foresee the Trust being able to repay its \$10.34m loan from Council. The Trust proposes that the Council acquire the Visitor Centre building in consideration of the amount of its loan to the Trust, which would be repaid under this arrangement.
22. Depreciation on the Visitor Centre building and exhibition is forecast to cause the Trust's equity to become negative by the year ended 30 June 2018 and the Trustees are concerned that this is an unsustainable situation which will be unhelpful for both the Trust and the Council.

23. The Government's \$6.5m investment in the construction of the Visitor Centre was made pursuant to a Crown Significant Community Based Project Grant Agreement. The Trust Board has communicated with the Department of Internal Affairs (DIA) in relation to the potential sale of the building and has confirmed that there will be no negative financial consequences for the Trust in relation to the sale of the building to Council.

Governance

24. At present the Trust Board consists of a minimum of five and a maximum of seven persons. Council has the right to appoint up to two Trust Board members. The Guardians have the right to appoint three Trust Board members. Up to two additional board members may be co-opted by the Trust Board.
25. After careful evaluation of the Trust's long term sustainability, the Trust Board developed the view that a change to the appointment processes for the Trust Board would advantageously strengthen the relationship with the Council while retaining a significant and distinctive role for the Guardians.
26. Under the Trust's proposed amendments to the Trust Deed, the Guardians shall be entitled to participate in the appointment of the future Trust Board members via a nominations process with Council. Council will appoint the future Trust Board members either from the Guardians nominees or via Council's existing board appointment processes.
27. This is intended to minimize any potential divisions or 'us and them' that could develop in future between Council appointees and Guardian appointees under the current arrangements. The Trust Board believes this will provide a stronger and more cohesive framework for the future governance of the Trust and the Guardians are willing to approve the Trust Deed changes. The Trust Board also believes that the governance changes will help forge a deeper operating partnership between the Council and the Trust, reflecting the Trust's position as an essential part of the City's natural infrastructure which serves the City's strategic aims.
28. The proposed amendment to the Trust Deed would allow the Guardians to provide nominations for the future Trust Board members with Council having the ability to appoint the future Trust Board members. If approved, this would change the designation of the Trust, in terms of the Local Government Act 2002, from a Council Organisation to a Council Controlled Organisation which would require formal community consultation.
29. Under the Trust Board's proposal, the Trust Board shall still consist of a minimum of five and maximum of seven persons, with up to six appointed by the Council and up to two persons co-opted by the Trust Board. This responds to the Guardians requests that the Trust Board not be permitted to reach up to nine members but retains the Trust Board's ability to co-opt members, if required, in consultation with Council.

Stakeholders

The Council:

30. The Council is the most significant financial stakeholder in ZEALANDIA with a current annual contribution of approximately \$1.55 million (or \$15.5 million during the course of

Council's 2015-25 Ten Year Plan). Over the course of the Ten Year Plan, the average annual cost to Council is comprised of an operating grant of \$875,000 plus interest totalling approximately \$640,000 and other costs of \$35,000.

31. The Council is likely to remain committed to this activity for the long term and this is recognised in the 2015-2025 Ten Year Plan. The current grant funding recognizes that there is no long term future for ZEALANDIA that does not involve an ongoing and material financial commitment to the Trust by Council.

Members and Volunteers:

32. The other financial stakeholder in ZEALANDIA is its membership base of approximately 10,000 individual members which earns the Trust revenue of approximately \$280,000 per annum. In addition, a loyal base of over 400 volunteers holds a meaningful in-kind stake in ZEALANDIA. The ZEALANDIA volunteers contribute their time to the conservation and restoration work that underpins the sanctuary's existence. ZEALANDIA also recognizes three Patrons who were involved in its establishment.
33. The proposal has been communicated openly to the membership and volunteers by the Trust Board and was discussed extensively with the Guardians. In developing its proposal the Trust Board has considered what, if any, future impact the proposed changes could have on gaining and retaining the long term support of volunteers and members. The Trust Board believes that the proposal supports the continuation of the Trust as a flourishing community enterprise which actively seeks and fosters community support and participation through membership and volunteering.
34. The Trust also believes that the members and volunteers understand and value the Trust's close working partnership with Wellington City Council as an enduring feature of the Trust's future.

The Guardians:

35. Seven Guardians are appointed in accordance with clause 10.4 of the Trust Deed with four representatives elected by ZEALANDIA members, and appointments made by Victoria University of Wellington, Wellington City Council and the Wellington Tenth Trust. The main role of the Guardians is to safeguard the founding vision and strategic direction of the Trust, appoint up to five trustees to the Trust and provide advice to the Trust, but not to have any role in the decisions concerning the day-to-day management of the Trust.
36. The Trust Board's proposal, if approved, will replace the Guardians appointment role (for five trustees) with the role of providing nominations to Council for all trustees, which has the approval of the Guardians.

Management and Staff:

37. The Trust Board believes that there will be broad support for the steps that ensure the Trust's continuing sustainability and capacity to work towards its 500 year vision and notes that the Trust's management and staff is supportive of the proposal.

The Loan from Council to the Trust

38. A Funding Deed details the background and contains the terms of the \$10.34 million

interest free non-recourse loan including its repayment. The Funding Deed protects Council's loan and clearly outlines the obligations of Trustees in terms of business planning and reporting and contains the powers for Council to terminate the loan and the actions required for Council to take ownership and control of the Visitor Centre.

39. Since the loan was advanced in 2007, Council has not received any repayment of the loan by the Trust.
40. In the Council's financial statements to 30 June 2015, the Council's loan to the Trust has a nominal value of \$10,346,689 and is recorded in Council's financial statements to 30 June 2015 at a fair value of \$4,675,000.
41. Generally Accepted Accounting Principles (GAAP) requires that the fair value movement on loans reflects the timing of their expected repayments and the interest free nature of the loan. Over the remaining life of the loan the fair value will be amortised back up to its full nominal value. This loan is currently scheduled to be fully repaid by the end of 2040.

The Visitor Centre

42. The Visitor Centre (VC) is a 3 level building that was completed in 2009. It has a prominent raking glazed external wall to the western side. The lower level comprises the main entry with stairs and a lift providing access to the top two levels. The middle level accommodates the reception/ticketing area, retail shop plus main exhibition level. The top level has the Rata Café to the southern end, featuring a balcony to the western side, together with the balance of the exhibition space at the northern end, which is also now usable as a seminar and functions space.
43. It is proposed that the Council will purchase the building for \$10.34 million (the value of the loan it is owed by the Trust). The Council will not purchase the chattels or building fit out (e.g. the retail fittings, the Rata Café fit out or the exhibition). The chattels will continue to be owned, maintained and renewed by the Trust.
44. It is proposed that ZEALANDIA's continued occupation of the VC will be covered by way of a Contract for Services and that ZEALANDIA will have continued occupation of the VC based on the Trust maintaining its Contract for Services (i.e. still delivering the services that ZEALANDIA currently delivers) at a peppercorn rental.
45. Under the Trust Board's proposal, ZEALANDIA will meet the annual maintenance costs of the VC. Council has commissioned a condition assessment of the building to determine the expected maintenance and renewals programme for the building. At the time of writing the draft condition assessment indicates that the average maintenance costs for the VC over the next 10 years is \$65k per annum.
46. The arrangement between the Council and the Trust as to how the annual maintenance is paid has not been finalised. The options include either;
 - Council meets the annual maintenance costs under its normal facilities maintenance contract with one of Council's suppliers and the Trust reimburses Council for the annual cost (e.g. via a deduction from its operating grant), or
 - The Trust engages the same contractor on the same terms and pays the maintenance costs directly.

47. This detail will be finalised if the proposal is approved. The main point is that the maintenance costs will be borne by the Trust.
48. The cost of building insurance that will transfer from the Trust to the Council as a result of the proposed purchase will also be borne by ZEALANDIA in the same way as the building maintenance discussed above. Again, the mechanism for payment will be finalised if the proposal is approved.
49. The capital renewals costs of the VC will be funded by Council and the resultant depreciation is discussed below under Financial Impact of the Proposal.

The Trust Deed

50. The Trust's proposal, if accepted, will amend the Trust Deed and establish a mechanism that allows the Guardians to nominate the future Trustees for appointment to the Board, while giving the Council the right to make the appointments to the Board from the Guardians nominees or other Council appointment processes.
51. The proposed Deed of Amendment and a Memorandum of Understanding that would document the nominations and appointments process have been drafted. Both the Trust Board and the Guardians are in agreement that the proposed documentation is ready for signing if the proposal is approved by Council.
52. The proposed governance changes, if approved, would result in a proposal to create a Council Controlled Organisation (CCO) in terms of Section 56 of the LGA 2002, which would require public consultation that may be undertaken as part of the Annual Plan.

Discussion

53. The Trust's Forecast Financial Position

Statement of Financial Position (\$000s)	Actual 30-Jun-15	Forecast* 30-Jun-16	Forecast* 30-Jun-17	Forecast* 30-Jun-18
Total Assets	15,366	13,024	11,924	10,861
Total Liabilities	11,403	11,306	11,248	11,147
Equity	3,963	1,718	676	(286)

*Source: 2015-16 Statement of Intent

54. At the current rate of depreciation the Trust's equity will erode from approximately \$3.9m as at 30 June 2015 to negative during the financial year ended 30 June 2018. This outcome can be predicted with a relatively high level of certainty and was forecast in the Trust's 2015-16 Statement of Intent.
55. The table below sets out a forecast financial position based on the proposed building sale and loan repayment occurring during FYE 30 June 2017.

Statement of Financial Position (\$000s)	Actual 30-Jun-15	Forecast* 30-Jun-16	Forecast* 30-Jun-17	Forecast* 30-Jun-18
Total Assets	15,366	13,024	5,736	5,749
Total Liabilities	11,403	11,306	875	871
Equity	3,963	1,718	4,861	4,878

*Source: Karori Sanctuary Trust

56. The Trust expects to be able to meet the future maintenance costs of the building (average \$65k per annum over the next 10 years). The Trust's draft 2016/17 Statement of Intent forecasts an average net surplus before depreciation of just over \$300,000 for the years ended 30 June 2017 to 2019 and the Trust's forecast net surplus before depreciation for the current year ended 30 June 2016 is \$320k.

Financial Impact of the Proposal

57. If Council chooses to take on the ownership of the VC, then it is appropriate for Council to start funding the depreciation of the asset. Funding depreciation would increase the Council support for this conservation activity by approximately \$260k in 2016/17. It would ultimately reduce the overall financial burden on Zealandia.

58. The tables below compare the 2015-25 Ten Year Plan (LTP) funding to the indicative funding under this proposal.

Current LTP Funding

Account	000s										LTP Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Grants	875	875	875	875	875	875	875	875	875	875	8,750
Insurance	1	1	1	1	1	1	1	1	1	1	8
Depreciation	21	21	21	20	20	20	20	20	20	20	204
Rates expense	13	13	13	14	14	14	15	15	16	16	142
Interest expense	581	623	623	623	654	654	654	675	675	675	6,436
Total	1,490	1,532	1,532	1,532	1,564	1,564	1,565	1,586	1,587	1,587	15,539

Proposed LTP Funding Impact

Account	000s										LTP Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Grants	835	835	835	835	835	835	835	835	835	835	8,350
Insurance	41	42	43	44	45	46	47	48	50	51	456
Depreciation	21	288	288	288	288	288	288	288	288	288	2,612
Rates expense	13	13	13	14	14	14	15	15	16	16	142
Interest expense	581	615	599	583	595	578	561	561	544	526	5,742
Total	1,490	1,792	1,778	1,763	1,776	1,761	1,746	1,748	1,732	1,716	17,302

59. It is proposed the building purchase and loan repayment transactions occur in the 2016/17 financial year.
60. If the proposal is approved, a non-cash gain of \$5.6m will be recognised. As the proposed transaction is non-cash, it will be journalled in the financial statements for both parties.
- Loan: Council will recognize a \$5.6m fair value adjustment on the investment.
61. The fair-value adjustment to the loan equates to \$5.6m, as the value of the loan has previously been written down to reflect the net present value as repayment expectations have been extended.
62. The treatment of this transaction is in line with current Generally Accepted Accounting Principles (GAAP).

Governance

63. The Trust's proposal is designed to refine how the Trust's board appointments are made and to give Council full confidence in the Trust's long-term future governance.
64. The governance leg of the transaction will;
- give the Guardians the ability to make nominations to Council for up to six board appointments, and
 - give the Council the ability to appoint up to six members of the Trust Board (currently Council appoints a minority of the Board).
65. The Trust Board can co-opt up to a further two members under special circumstances and in consultation with Council. This feature exists in the current Trust Deed.
66. The proposal is considered by both the Trust Board and the Guardians to provide a cohesive framework upon which to ensure that the best possible governance for the Trust is achieved by leveraging the capabilities and networks of all stakeholders, while giving Council an appropriate level of confidence in the Trust's long-term future governance. The Guardians are willing to approve the Trust Board's intended changes to the Trust Deed.
67. The practicalities of how the Guardians will work with Council's appointments processes has been discussed with the Trust Board and the Guardians and refined

with input from both parties and is to be documented by way of a Memorandum of Understanding between the parties.

68. The proposed Deed of Amendment that gives effect to the Trust's proposal has been reviewed by Council officers, the Trust Board and by the Guardians and all parties are in agreement and, if approved, are ready to sign the Trust Deed amendments.

Council Controlled Organisation

69. A consequence of the governance leg of the Trust Board's proposal would change the status of the Trust from a Council Organisation (where Council has a minority influence) to a Council Controlled Organisation (where Council has overall governance control).
70. If the proposal is approved, Council would then undertake a further consultation on the establishment of the Council Controlled Organisation which may be undertaken alongside the Council's 2016/17 Annual Plan consultation.
71. The Trust Board unanimously and firmly believe that having the Guardians involved in nominations of the future Trust Board members with Council appointing the future Trust Board members (aside from co-opted members as required) is a positive step for ZEALANDIA both in terms of its future governance and in responding to the relationship with Wellington City Council. The Guardians, by majority, are willing to approve these changes.
72. The creation of a Council Controlled Organisation will mean that the entire operations and balance sheet of the Trust will be incorporated into the Council Group and reported as such in the Council's Annual Report.
73. Technically, this does not change Council's responsibility in relation to the Trust's assets and liabilities, but may create a higher moral obligation upon Council. It is therefore important that the proposed financial restructuring of the Trust is sufficient to ensure the Trust can operate sustainably within the parameters of its existing funding arrangements.

Key Points of the Proposal

74. In terms of the building sale and loan repayment
- a. From the Trust's perspective:**
 - i. In addition to extinguishing the Trust's \$10.34m liability to Council, the transaction reduces the Trust's annual depreciation charges. However, this is somewhat mitigated by the requirement that the Trust pay for the ongoing maintenance of the building based on Council's asset maintenance protocols.
 - ii. The Trust's ongoing use of the building will be assured by way of a contract for services and an accompanying lease of the building to deliver the services.
 - b. From Council's perspective:**
 - i. The proposal requires that the Trust will maintain the building.
 - ii. The transaction would result in a non-cash gain to Council of \$5.6m in

2016/17 financial year.

- iii. Council's \$10.34m purchase of the building results in a \$10.34m unbudgeted capital overspend but does not increase Council's debt funding.
- iv. The transaction is largely neutral, on the basis that Council is currently funding the associated debt related to the Visitor Centre and receives no interest payment from the Trust. However, Council's policy to rates fund the building's depreciation will have the effect of reducing the \$10.34m investment cost (which provides a saving in interest costs to Council)..
- v. The proposed LTP funding impact identifies an additional \$260k in 2016/17 to fund depreciation.
- vi. Any future capital improvements to the building would be considered in the normal course of Council's planning and budgeting activities.

75. In terms of Council appointing the Trust Board

a. From Council's perspective:

- i. This aspect of the transaction provides a degree of risk mitigation to Council that is commensurate with Council's investment.
- ii. Without this mitigation, at any stage in the future the Trust Board could make decisions that prove ill-advised and could further burden Council (as the Trust's only material financial stakeholder).

b. From the Trust's perspective:

- i. The proposed governance arrangements recognize the growing maturity of the Trust (it was established 20 years ago) and the future benefits it will enjoy by strengthening its relationship with Council in this way.
- ii. The Guardians will have a meaningful role in the appointment of the future Trustees via its nominations process.
- iii. The proposed governance changes are considered by both the Trust Board and the Guardians to provide a cohesive framework upon which to ensure that the best possible governance for the Trust is achieved by leveraging the capabilities and networks of all stakeholders, while giving Council an appropriate level of confidence in the Trust's long-term future governance.
- iv. If Council does not appoint the Trust Board then ZEALANDIA will always be treated differently to Council's Controlled Organisations. In future, this position could be detrimental to the Trust in terms of its future capital and operational funding needs and to the other opportunities that a Council Controlled Organisation might normally command.
- v. The 500 year vision for ZEALANDIA is far-reaching and it is appropriate that its financial security is equally far-reaching. The proposed transaction supports this.

Options

Option 1: The Trust's Proposal

76. The Trust's proposal refines the governance framework for the Trust to allow the Guardians to have a meaningful stake in the appointment of future Trust board members and allows the Council to appoint the Trust's board. This refinement provides the Council with an appropriate level of risk mitigation that is commensurate with its long-term financial commitment to the Trust while drawing on the capabilities and networks of both the Council and the Guardians in forming future Boards of Trustees.
77. The Trust Board believes the shift from appointing a majority of the board (currently) to providing Council with nominations for the future board members (proposed) is in the best long-term interests of the Trust.
78. The Trust will de-risk its balance sheet by selling the Visitor Centre building and repaying the loan and the long-term future sustainability of ZEALANDIA is more assured via its relationship with the Council. However, the building transaction alone changes the nature of Council's investment in this activity and the governance changes proposed by the Trust will minimize the Council's investment risk (discussed further under Option 2).
79. The Trust's auditors view the Trust's proposal and the recommended option as a favorable outcome.

Option 2: The Visitor Centre transaction only

80. The building sale and loan repayment increases Council's future capital expenditure risks (related to the building) and continues to expose Council to a trading underwrite (the operating grant) for an activity over which it has some influence but only reactive controls in terms of the Trust Deed.
 - Clause 29.1(d) of the Trust Deed grants the Council the power to "appoint and remove all trustees from the Trust Board" if the Council is not reasonably satisfied with the Trust's financial position (including but without limitation to the status of any loan facility).
 - Clause 29.1(d) is designed to allow Council to respond to events at the governance level whereas the Trust's proposal is designed to give Council confidence in the future governance of the Trust while respecting the Guardians' nominations in the process. Either way, Council would retain its reactive controls in terms of Clause 29.1(d).
81. Officers have considered the risk of Council using its proposed powers of appointment to effectively disregard the Guardians nominations or subvert the intentions of the Trust Board's proposal. This is considered unlikely but regardless, any amendments to the Trust Deed require the Guardians approval which secures the role of the Guardians and the objects of the Trust. Officers consider it would be difficult for Council to overpower the Guardians or the Trust in any way that is not already available to Council. The Guardians continue to have a significant and distinctive role in guiding the Trust's future.

82. While the building sale alone would relieve the Trust's immediate balance sheet pressures it does not address the opportunities ZEALANDIA would benefit from as one of Council's stable of Controlled Organisations. This status would support its activities through economic cycles over the long-term and is an important strategic component of the Trust Board's proposal.
83. Officers do not recommend Option 2, the Visitor Centre transaction alone.

Option 3: The status quo

84. Retaining the status quo (i.e. do nothing) effectively puts the Trust in a difficult position in terms of its concerns regarding negative equity. While this may not be insurmountable, if the status quo was preferred in the short term there may be two potential mitigating options which could be considered. These scenarios are independent of each other and could be deployed within the next 2 – 3 years. However, the actual timing could be dictated by the Trust's auditors and trustees on the basis of balance sheet concerns.
- a. **Write-down or write-off the loan.** If Council rejected the Trust's proposal to assume ownership of the Visitor Centre and accept repayment of its loan, then Council would probably need to address the pressures created by its loan to the Trust. Discharging the Trust's obligations to repay its loan to Council would provide the Trust with an immediate write-up of equity and strengthen its balance sheet. However, this option would not change the Trust's reliance on Council to fund the operation of ZEALANDIA now and in the future. Also, this option does not address the Trust's proposal to refine its board appointments process and governance arrangements, and is not recommended.
- b. **Letter of Comfort.** A potential (though untested) remedy to ensure that the Trust could continue to trade with negative equity in future could include the provision of a Letter of Comfort, or similar, by Council. This scenario would effectively provide the Trust with open-ended support to its trading activities. Without Council's control of the Trust Board this scenario carries a higher financial risk to Council than the Trust's proposal and is not recommended.

Cost to Council

85. Option 1 (the Trust's proposal) is budgeted to incur \$260k additional costs to Council as a result of rates funding the building depreciation. However, the annual maintenance costs for the building will be met by the Trust. This option also identifies that the cost of building insurance (estimated \$40,000 per annum) that Council would be required to pay will be deducted from the Trust's operating grant which reduces from \$875,000 per annum to \$835,000 per annum. The exact mechanism for the Trust reimbursing these costs which are incurred by Council has not been refined yet, but the principle of the Trust reimbursing the costs is confirmed.
86. Option 2 (the purchase of the Visitor Centre building only) is similar to Option 1 except it carries an unquantifiable risk that arises as a result of the board and management taking the Trust in a direction which Council is expected to fund but which it has no control over.

87. Option 3 (status quo) shows no change in the total costs to Council but it also carries the unquantifiable risk of the board and management taking the Trust in a direction which Council is expected to fund, but which it has no control over. This risk is not addressed by retaining the status quo.

Costs to Council (2016/17 onward)	Option 1	Option 2.	Option 3
	Trust's Proposal \$000	Visitor Centre Only \$000	Status quo \$000
Operating Grant	835	835	875
Insurance	42	42	1
Depreciation	288	288	21
Rates	13	13	13
Interest (\$10.4m loan)	615	615	623
Total Direct Costs to Council	1,793	1,793	1,533

Conclusion

88. Offices recommend the Trust's Proposal (Option 1) as providing a pragmatic solution to its balance sheet pressures and a comprehensive long-term enhancement the governance framework for the Trust that will benefit the Trust Board, the Guardians and the Council.

Attachments

Nil

Author	Warwick Hayes, CCO Project Manager
Authoriser	Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Consultation and Engagement

If approved, consult on the potential creation of a Council Controlled Organisation alongside the 2016/17 Annual Plan consultation.

Treaty of Waitangi considerations

If approved, consult with Iwi on the potential creation of a Council Controlled Organisation

Financial implications

If approved, the transaction results in a \$10.34m capital spend not currently budgeted in the 2015/25 Long Term Plan but does not increase Council's debt funding. This capital spend would be considered as part of the 2016/17 Annual Plan deliberations. The proposal would also result in a non-cash gain to Council of \$5.6m. The proposed LTP funding impact identifies an additional \$260k in 2016/17 to fund depreciation and renewals but has no impact on Council's debt.

Policy and legislative implications

None

Risks / legal

Not material.

Climate Change impact and considerations

None

Communications Plan

If approved, consultation alongside the 2016/17 Annual Plan.

CONSULTATION ON PROPOSED URBAN DEVELOPMENT AGENCY

Purpose

1. To seek approval to consult on establishing an Urban Development Authority for Wellington.

Summary

2. This paper summarises the case for an Urban Development Authority (UDA) for Wellington, and seeks approval to consult with the public and key stakeholders.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Note that the concept of an urban development agency for Wellington was consulted on as part of the 2015 Long Term Plan and Wellington Urban Growth Plan.
3. Agree to consult on the establishment of an Urban Development Agency in Wellington with the attached consultation material (consultation brochure attached as Attachment 1, and detailed business case attached as Attachment 2).
4. Agree to delegate to the Mayor and Chair Transport and Urban Development Committee the authority to make any editorial changes that may arise out of the publication process.

Background

3. An Urban Development Agency has been discussed for Wellington for some time as a vehicle to support the delivery of the Wellington Urban Growth Plan and its predecessor the Urban Development Strategy.
4. The 2015-2025 Long Term Plan and the Wellington Urban Growth plan both outlined Council's intentions to investigate an Urban Development Agency for the city, and community feedback on this aspect of the plan was largely positive.
5. Councillors were updated on key issues and progress in November 2015, and at the Councillor workshop on 2 March 2016.
6. Draft consultation material (attached) has now been prepared to allow detailed discussions to begin with the community and stakeholders on why an Urban Development Agency is being considered for Wellington, what it would do, the likely benefits, the risks, and how it would be structured.
7. Urban development agencies exist elsewhere in New Zealand and across the developed world, and have garnered a strong reputation for being effective tools to achieve urban renewal and targeted development.

Discussion

8. Over the past decade, Council has been pursuing, through various policies and strategies, urban intensification along Wellington's 'growth spine', running from Johnsonville to Kilbirnie. Despite having enabling regulation regimes to support this direction, many of the desired outcomes – for example regeneration of Adelaide Road and medium density housing in Kilbirnie – have not occurred.
9. In this time Council has made some strategic investments to support its strategies such as town centre and infrastructure upgrades, but overall has taken a relatively passive, regulatory role and waited for the market to respond.
10. There have been some successes, notably the proliferation of apartment development in the central city, but in many other areas the market response has been lukewarm or non-existent. This has particularly been the case in areas where Council has hoped to catalyse significant change or "urban regeneration".
11. It is now recognised that delivering on Council's urban development and economic priorities in a timely fashion requires Council to be a more active player in the property and development market and to facilitate stronger partnerships with the development industry.
12. With Wellington's steep topography, readily developable land has always been in short supply and current estimates are that our last remaining greenfield land which is zoned for development (in the Churton Park and Grenada area) will be fully developed in about 20 years or less, and brownfield land in 10 years or less. This is likely to be much sooner if population growth continues at its recent trajectory of over 1.5% as opposed to the 0.7% that has previously been projected.
13. Redevelopment in existing urban areas of Wellington currently represents the majority of development activity in the city, but is often complicated by legacy issues such as land fragmentation and lack of infrastructure capacity, and here again development opportunities are diminishing. This is particularly the case in established suburbs and "brownfield" areas.
14. An Urban Development Agency can assist in addressing these issues. Its goal will be to address market failure and 'bridge the gap' to development. It can do this in various ways but primarily we anticipate this would occur by assembling adjacent parcels of land to create viable development parcels, preparing masterplans and procuring private partners to physically deliver that masterplan.
15. The Urban Development Agency would be a council-controlled organisation (CCO) with a mandate to purchase and assemble land, partner with developers, and deliver projects which fit with Council's vision set out in the Wellington Urban Growth Plan. In particular it is proposed that the UDA facilitate the following types of projects:
 - medium-density and affordable housing in strategic locations (e.g. around suburban shopping centres);
 - redevelopment (through land assembly and master-planning) in identified urban regeneration areas such as Adelaide Road;
 - exemplar development projects in high-profile locations (e.g. high quality urban design, green buildings);
 - redevelopment of strategic areas where earthquake prone building issues are preventing a timely market response;

- attractive partnership projects with the private sector where the private sector party approaches Council in the first instance (“unsolicited bids”); and
 - land purchase, master-planning and development partnerships in relation to strategic sites that come onto the market.
16. For an Urban Development Agency to succeed, it will require a clear mandate, political support and adequate funding. It could also benefit from legislative change to support land assembly. This is something the Productivity Commission is exploring in more detail.
17. It is recommended that consultation is undertaken with the wider community and key stakeholders, using the attached consultation material.

Options

18. n/a

Next Actions

19. Consultation will be carried out alongside the 2016/17 Draft Annual Plan process and community feedback will be presented to Council in June 2016. Detailed work on funding options will also be carried out in the coming year and options will be presented to Council before the 2017/18 draft annual plan process.

Attachments

- Attachment 1. UDA Consult Document Page 45
Attachment 2. UDA Business Case Page 59

Author	Jim Robertson, Senior Strategy Advisor
Authoriser	John McGrath, Acting Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

Consultation on the concept of an Urban Development Agency occurred as part of the 2015-25 Long-Term Plan and as part of the 2015 Urban Growth Plan. Initial stakeholder discussions have also taken place in late 2015.

Treaty of Waitangi considerations

Discussions on the establishment of an Urban Development Agency will occur with Council's Treaty Partners during the consultation period.

Financial implications

There are no financial implications for the 2016/17 budget. Further detailed work will be carried out during this period to identify funding options, and these will be brought back to committee for decision.

Policy and legislative implications

There are no policy or legislative implications from consulting on this proposal.

Risks / legal

There are no risks or legal implications from consulting on this proposal. Risks associated with the operations of the Urban Development Agency are covered in the detailed business case.

Climate Change impact and considerations

The Urban Development Agency's guiding document will be the Wellington Urban Growth Plan which supports a compact and sustainable city.

Communications Plan

Consultation and communication will be carried out as part of the 2016/17 Draft Annual Plan process.

CONSULTATION DOCUMENT

An Urban Development Agency for Wellington City

Have your say
[insert date]



Introduction

Wellington City Council (Council) is seeking community views on a proposal to form an Urban Development Agency for Wellington. The Urban Development Agency would play an active role in the Wellington property and development market to help achieve Council's urban development goals for the city.

Council is obtaining feedback on a draft proposal for an Urban Development Agency through the 2016/17 Draft Annual Plan submission process. Once feedback has been received Council will consider the feedback and make a decision whether to progress the proposal and establish an Urban Development Agency.

Urban Development Agencies take various shapes and forms around the world so a proposal specific to Wellington has been developed in sufficient detail to help submitters understand what the Urban Development Agency might do in Wellington and enable meaningful feedback to be obtained.

This consultation document outlines why an Urban Development Agency is being considered for Wellington, what it would do, the likely benefits, the risks, and how it would be structured.

How to have your say

You can make a submission by:

Email: [insert details]

Online: [insert details]

Post: [insert details]

Feedback is invited by [insert date].

More detailed information on this proposal can be found at [insert details]

The issue

1. Wellington City is physically constrained – hemmed between the harbour and the hills and lacking flat land for expansion. The city’s inability to grow outward, raises unique challenges and raises the stakes when readily developable land does become available.

2.

Redevelopment in existing urban areas of Wellington currently represents the majority of development activity in the city, but is also often complicated by legacy issues such as land fragmentation and lack of infrastructure capacity, and development opportunities are diminishing. This is particularly the case in established suburbs and “brownfield” areas.

With Wellington’s steep topography readily developable land has always been in short supply and current estimates are that our last remaining greenfield land which is zoned for development (in the Churton Park and Grenada area) will be fully developed in about 20 years based on historic growth rates. Considering our population growth has accelerated in recent years – if this continues – available greenfield land may only last as little as ten years.

In 2015 Council adopted the Wellington Urban Growth Plan which sets out a long-term vision for the growth and development of the city. The Wellington Urban Growth Plan combines and supersedes Council’s 2006 transport and urban development strategies, though many of the directions in those documents have been reconfirmed. It also aligns with Council’s economic development priorities and projects.

Ten years of experience with stable transport and urban development policy settings has been beneficial but some of the desired outcomes – for example regeneration of Adelaide Road and medium density housing in Kilbirnie – have not occurred.

In this time Council has made some strategic investments to support its strategies such as town centre and infrastructure upgrades, but overall has taken a relatively passive, regulatory role and waited for the market to respond. There have been some significant successes, notably the proliferation of apartment development in the central city, but in many other areas the market response has been lukewarm or non-existent. This has particularly been the case in areas where Council has hoped to catalyse significant change or “urban regeneration”.

It is now recognised that delivering on Council’s urban development and economic priorities in a timely fashion requires Council to be a more active player in the property and development market and to facilitate stronger partnerships with the development industry. Many of the barriers to delivery relate to localised property constraints and market stigma which can be resolved through Council intervention such as land assembly and master-planning.

Public sector intervention in the land and property market creates the opportunity to consolidate and assemble land, and to make better use of strategic sites when they do become available. Put simply, without direct intervention many of the projects and outcomes set out in Council’s urban growth plan are unlikely to be realised. A dedicated function which better responds to (and proactively identifies) partnership opportunities would assist in bringing land to market and delivering the outcomes and projects set out in the Wellington Urban Growth Plan.

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

Breakout box

Urban Development Agencies – an overview

- *UDAs are a proven tool for facilitating urban regeneration.*
- *UDAs use public-sector tools and finances to attract private investment where otherwise there is market failure.*
- *Usually this is done in a planned way (i.e. with masterplans or development design briefs) to maximise benefits to the community.*
- *Benefits can be measured financially (i.e. public profit) or in terms of social and economic outcomes.*
- *Successful UDAs intervene strategically and attract several dollars in private investment for every dollar spent.*

The opportunity

By taking a more active role in city property and development activities there is an opportunity for Council to:

- purchase and assemble land to unlock development constraints and increase the supply of developable land in strategic locations;
- actively support delivery of projects which catalyse change and demonstrate the benefits of innovative development (e.g. compact housing, green buildings); and
- partner with private companies to deliver projects which align with the city vision (e.g. major facilities, remediation of earthquake prone buildings).

These actions would:

- ensure the city makes the best use of the limited land it has
- support the intensification and regeneration of the city in-line with the Wellington Urban Growth Plan
- bring more development opportunities onto the market
- support the delivery of major Council-led projects.

The formation of an Urban Development Agency would provide the city with a key tool to assemble land in the right places and co-ordinate the activities of Council and others to deliver critical projects and continue investing in Wellington.

The proposal in a snapshot

It is proposed to form an Urban Development Agency of Council. It would be a council-controlled organisation (CCO) with a mandate to purchase and assemble land, partner with developers, deliver projects which fit with Council's vision set out in the Wellington Urban Growth Plan, and liaise with Council's internal business units to align its activities with Council's policy settings and capital works programme.

What it would deliver

The primary purpose of the Urban Development Agency would be to unlock development potential in the city by removing barriers to development (through land assembly and master-planning) where that will enable Council objectives on urban renewal, housing delivery and affordability, and economic development. The type of activities it would undertake include:

1. *Lead and co-ordinate the regeneration of strategic precincts* – assembles and prepares land for development, procures private partners and undertakes other co-ordinating actions to deliver broad scale urban regeneration in key parts of the City.
2. *Increase supply of affordable housing* – support delivery of new medium density and affordable housing in strategic locations (e.g. around suburban shopping centres).
3. *Deliver large-scale Council development projects* – deliver Council development projects above a specified value threshold that would otherwise be delivered from in-house.
4. *Catalyse the market through demonstration projects* – conceptualise and lead delivery of demonstration projects to catalyse the market in support of Council objectives (quality medium density housing, high quality urban design, green buildings).
5. *Optimise development outcomes on strategic sites* – intervene and take a leadership role in strategic areas where earthquake prone building issues are preventing a timely market response.

Setting aside some local variations these activities reflect those of urban development agencies in the United Kingdom, Canada and Australia, as well as those

performed by Auckland Council's urban development agency *Panuku Development Auckland* and those proposed for Christchurch's recently formed *Regenerate Christchurch*.

Case studies

Currie Barracks

- *Calgary, Alberta, Canada*
- *Transformation of former WW2 military training base into contemporary urban village*
- *Development co-ordinated by UDA and based on principles of smart growth and sustainable community design*
- *Upon completion will have 5,700 dwellings, 20,000m² retail space and 60,000m² office space*



Melbourne Docklands

- *International profile as successful urban regeneration site*
- *By 1990s 150ha area of underutilised land and buildings*
- *Victorian state government formed a UDA to co-ordinate redevelopment and promote economic growth*
- *UDA purchased land, co-ordinating infrastructure delivery and procuring development partners*
- *Project is ongoing but has attracted \$10 billion in private investment – forecast \$17 billion by completion in 2025*
- *Mixed use development – 10,000 residents and 53,000 jobs, major head offices (e.g. ANZ Bank), international stadium, high quality public spaces*



Funding options

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

It is proposed that funding be built up over the first three years of operation to align with the staged build up in the scale of projects delivered by the Urban Development Agency, with smaller scale projects being undertaken first to allow the Urban Development Agency to demonstrate its capability and build a track record for the benefit of key stakeholders (including Council itself and the private development sector).

Options on how the Urban Development Agency could be funded will be explored in detail over the coming six to twelve months, and these will be considered as part of the 2017/18 draft annual plan process.

The potential to operate regionally

The Urban Development Agency's primary focus would be to assist Council to deliver its objectives as set out in Wellington Urban Growth Plan and therefore its activities would occur within Wellington City and be fully funded by Council. However, it would be established so that other local authorities could contract its services to deliver and facilitate development projects outside the city.

Relationship with Council business units

The Urban Development Agency would be a development facilitation and delivery agency and internal Council business units (other than its development unit) would not be affected by its formation. The Urban Development Agency would not have infrastructure delivery, policy making or regulatory roles - these would continue to be performed by internal Council business units.

The proposed structure

Council's current urban development structure allows it to perform its policy making and regulatory functions well but would benefit from a better resourced, arms' length function with a strong delivery focus.

This would assist in catalysing change and ensuring strategic development opportunities in the city are maximised.

It is proposed that the Urban Development Agency be set up as a Council Controlled Organisation. This would provide the right mix of operational efficiency, focused leadership and direction, and accountability to residents and ratepayers. It would be fully owned (100%) by, and be accountable to Council.

The benefits of an arms-length entity

Consideration has been given to delivering a development function from within Council's existing structure, but a Council Controlled Organisation offers the following distinct advantages:

- a) *Dedicated delivery focus* – by operating separately from other Council functions a CCO can focus on delivery actions separately from the broader policy directions of Council. This is especially beneficial in terms of the ability to move quickly and confidentially in a commercial environment.
- b) *Remove potential for conflicts of interest* – the urban development agency will be a significant development agent and advocate and these roles need to be kept separate from Council's policy making and regulatory functions to avoid actual and perceived conflicts of interest.
- c) *Attract the right talent* – an arm's length entity with a clear commercial focus will be attractive to the type of people the urban development agency would need to succeed in its objectives. Such skills are essential to making sure urban development agency delivers outcomes which represent value for money to ratepayers.
- d) *Ability to make decisions quickly* - the success of the urban development agency will hinge on its ability to gain the confidence of the private

development sector and procure suitable development partners. To gain and maintain the interest of these partners the urban development agency will need to be able to enter into secure commercial arrangements quickly. A CCO structure with delegated authority to enter into such arrangements (within specified parameters and value thresholds set by Council) would be beneficial in this regard.

- e) *Better use of resources* – establishing an arms' length entity with a clear focus on these type of activities will enable Council to have a greater impact on urban development outcomes in the city and receive a stronger return on its own investment.

Political oversight of the agency

The Urban Development Agency is a delivery vehicle – it would exist simply to deliver on the objectives, projects and policy settings agreed by Council. Political oversight of the agency would be provided by Council or one its committees eg. the Transport and Urban Development Committee. Council would approve the Urban Development Agency's constitution, its statement of intent (work programme and budget), and would monitor performance against agreed targets through quarterly and annual reports.

Overall Council would have the following functions in terms of overseeing the Urban Development Agency:

- a. Monitor the performance of the Urban Development Agency and its board
- b. Provide governance oversight of the Urban Development Agency
- c. Set the strategic outcomes for urban development
- d. Review and agree the strategies for achieving the desired outcomes
- e. Approve the Urban Development Agency's annual statement of intent (projects and budget)
- f. Respond to changes and market trends and consider modifications of the desired outcomes
- g. Appointment and review of the UDA's directors.

Board of directors

The Urban Development Agency's operations would be overseen by a board of independent directors, appointed for their specific commercial expertise and other relevant experience. It will be important that the board's skill set reflects the agency's core areas of activity.

There is proposed to be six directors, appointed on merit and with relevant skill sets.

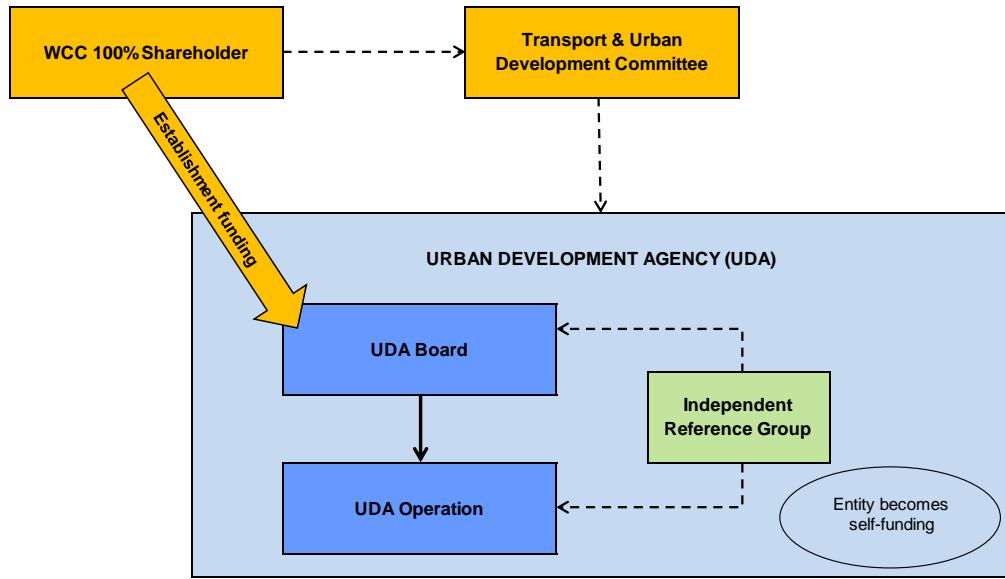
The Urban Development Agency would be an active participant in the Wellington property and development market and as such it will be subject to particular commercial and legal risks. It is therefore important that board members have skill sets specific to those risks. The six member board should have at least one member with experience in each of the following areas: commercial property or property development; property or commercial law; banking, finance or accounting; urban design or architecture; town planning / resource management; and local government.

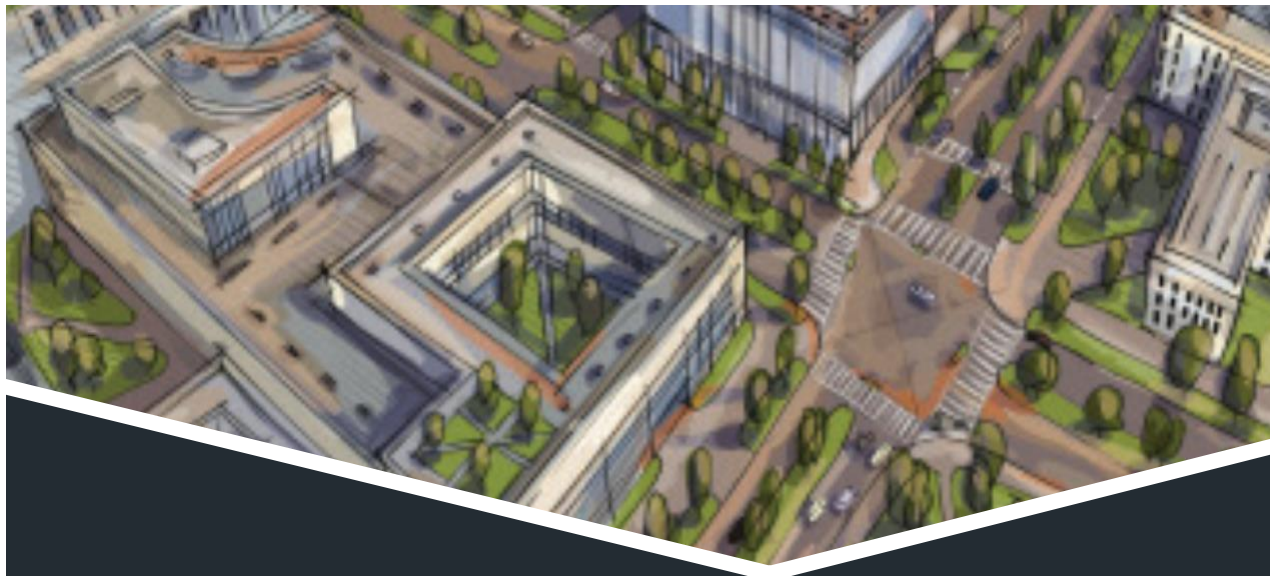
Directors will need significant business and commercial acumen and experience, along with a good understanding of corporate governance. Selection of board members would need to carefully consider candidates with local interests to ensure they do not have conflicts of interest.

Independent Review Group

It is also proposed that the Urban Development Agency have access to an Independent Review Group (IRG) with a technical focus. The IRG would be made up of reputable professionals and independently test aspects of projects. The IRG model is widely used in the field of urban design but it is proposed that the UDA's IRG have a wider collective skill set that can be drawn upon as required, including: urban design or architecture; landscape architecture; town planning / resource management; civil engineering; and traffic engineering.

Proposed UDA Structure





Wellington City Council

An Urban Development Agency for Wellington City
Business case and proposal

March 2016

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GLOSSARY

AC	Auckland Council
CCC	Christchurch City Council
CCDU	Christchurch Central Development Unit
CCO	Council-Controlled Organisation
CCTO	Council Controlled Trading Organisation
Council	Wellington City Council
EQPB	Earthquake Prone Building(s)
GFC	Global Financial Crisis
HASHAA	Housing Accords and Special Housing Areas Act
LGA	Local Government Act
LGOIMA	Local Government Official Information and Meetings Act
PWA	Public Works Act
RMA	Resource Management Act
UDA	Urban Development Agency
UGP	Wellington City Urban Growth Plan (2015)
SHA	Special Housing Area (identified under the WHA)
SPV	Special Purpose Vehicle
TAG	Technical Advisory Group
WHA	Wellington Housing Accord
WWL	Wellington Waterfront Limited

EXECUTIVE SUMMARY

CONTEXT

This business case supports the establishment of a Council-led urban development agency (UDA) for Wellington City. The UDA would be a council-controlled organisation (CCO) or council-controlled trading organisation (CCTO) to enable Council to effectively participate in the local property market and partner with private developers to deliver catalyst projects, Council facilities and achieve broad-scale urban regeneration. The idea of Council forming a UDA has been raised periodically over the last ten years but more recently Council initiatives and growth pressures have given it greater momentum.

UDAs are employed broadly around the world as special purpose vehicles (SPVs) to facilitate positive change in urban environments where there has been market failure or a partnership approach is required to address urban decay and redevelopment challenges. Although there is not a rich history of UDAs in New Zealand urban development pressures are being felt more keenly as urban areas continue to grow and face new challenges.

This is particularly the case in Auckland where Auckland Council (AC) has recently formed Panuku, a UDA with a mandate to oversee the redevelopment of Council policy in a manner consistent with AC's urban policy objectives. With its earthquake experience Christchurch has also provided fertile ground for public sector intervention in the property market with central government forming a UDA known as the Christchurch Central Development Unit (CCDU) which is currently transitioning into a joint central government / Christchurch City Council (CCC) entity called Regenerate Christchurch.

THE ISSUES FOR WELLINGTON

Wellington City's issues are unique in their own right and stem back to the physically constrained nature of the city (hemmed between the harbour and the hills and lacking flat land) and exacerbated by the demand pressures of being the economic hub of the lower North Island.

These factors constrain the city's ability to grow and raise the stakes on what readily developable land does become available. Public sector intervention in the land and property market poses the opportunity to consolidate and assemble land, and to make better use of strategic sites when they do become available. Put simply, without direct intervention many of the projects and outcomes set out in Council's urban growth plan (UGP) will not be realised. A dedicated function which better responds to (and proactively identifies) partnership opportunities would assist in bringing land to market and delivering the outcomes and projects set out in the UGP.

However, intervention should seek to leave as light a footprint as possible based on the principle of

“bridging the gap to the market and no more” (see below). This would be achieved by acting in partnership with the private sector to harness its abilities rather than compete against it.

The related Council initiatives and growth pressures which have given the idea of a UDA greater momentum include:

- Council’s economic development and investment initiatives;
- the recently adopted UGP;
- the Wellington Housing Accord (WHA) signed with central government; and
- associated housing supply and price pressures.

With these factors in mind we recommend the UDA operate in the follow main areas of endeavour:

- Purchasing and assembling viable development parcels in strategic locations.
- Delivering major Council projects (above specified significance and value thresholds).
- Acting as Council’s development advocate / developer facing function where support and or co-ordination with Council activities is required.

For clarity we note that the UDA would have a project delivery focus and would not impact Council’s planning (district plan and resource consents) or infrastructure delivery functions. These would continue to be delivered from in-house. Notwithstanding, alignment with these and other related functions of Council would clearly be beneficial.

If it is determined not to form a UDA and become a proactive player in the market we believe the primary risk is one of lost opportunity in terms of transforming Wellington consistent with Council’s economic growth and urban development goals. There is also a risk over the medium-term that left to its own devices the development sector will not be able to bring enough new housing product to market given the identified land scarcity and fragmentation issues in the city, together with lack of development capacity. In turn this could result in significant increases in house prices within the city and leakage of prospective new residents to local authorities to the north (and potentially the region altogether).

PRINCIPLES BASED APPROACH

To maximise effectiveness and limit risk to Council a principles based is recommended. In November 2015 officers presented eight broad principles for a UDA that would guide the operations of the UDA:

1. Supports Council’s urban development and urban growth initiatives.

2. Operates with clear terms of reference and is accountable to Council.
3. Bridges the gap to the market and no more.
4. Operates in a commercial manner at arms' length of Council
5. Self-funding (over time).
6. Is agile and able to scale up and down quickly in response to workflow.
7. Is independent of local property interests.
8. Operates within risk parameters established by Council.

ARMS' LENGTH ENTITY

Application of the principles allied to the findings of research and consultation has led us to a clear view that an arms' length entity, either a CCO or CCTO, is preferable to performing UDA type functions from inside Council's existing structure. Further work on tax implications is required to determine whether a CCO or CCTO is the best vehicle. The main reasons an arms' length entity is preferred are as follows:

1. Enhanced ability to perform a dedicated urban development delivery function.
2. Enhanced ability to attract board members and staff with the required expertise.
3. Self-funding structure could avoid / limit impacts on ratepayers.
4. Ability to ring-fence financial risk and limit the liability of the Council.

FUNCTION AND RATIONALE

The UDA would principally undertake the following four types of work:

1. Liaising directly with the development sector to encourage development.
2. Purchasing and assembling development parcels.
3. De-risking sites through activities such as land remediation, building demolition and upgrading infrastructure connections.
4. Procuring and managing private partners to deliver developments.

The advantage this has over a passive regulatory approach (i.e. controlling development exclusively through the district plan) is that they give Council (through the UDA) direct control over development outcomes where it choose to intervene. Because it would not be possible or desirable to be involved in all development in the city UDAs tend to focus projects and sites of strategic

importance which have “catalyst” or “knock on” effects in the local property market. There are numerous examples from around the world (e.g. Australia, Canada) where a dollar spent by the UDA has returned several dollars in private investment.

The set of activities list above is inherently riskier than the traditionally passive, regulatory focused roles Council undertakes. The risks are:

- financial – through active involvement in the property market;
- contractual – through procurement of private development partners;
- loss of control and scope creep – through placing delivery of the function at arms’ length;
- health and safety – projects involve physical development; and
- reputational – the function extends beyond Council’s traditional ambit and its every move will be closely watched.

For these reasons the following matters will need to be carefully considered:

- adoption of a specific risk management framework;
- reporting and accountability back to Council;
- the scale of intervention;
- the specific type of SPV used (we recommend CCO or CCTO).

Principal among the UDA’s activities would be attracting and facilitating development activity in the city (an advocacy role); disposing, purchasing and assembling land to create strategic development parcels; de-risking strategic land where existing encumbrances have presented a barrier to market activity; and procuring and managing development partners including leveraging land ownership to achieve outcomes with social or environmental benefits (e.g. affordable housing units, exemplar urban design, greenstar buildings). To maximise benefits the UDA’s activities should be aligned with Council’s activities, for example major infrastructure upgrades, to support development projects.

The primary barrier to realization of outcomes in the UGP is lack of supply of vacant, serviced and zoned (“shovel ready”) land in the city. Therefore assembling and readying shovel ready land in strategic locations would be a core focus for the UDA. More broadly the proposal for a UDA outlined in this report is predicated on removing existing barriers to market delivery of Council’s vision for the urban and economic development of the city. A core principle underpinning its activities would be “bridging the gap to the market and no more”. This approach will ensure the UDA does not overreach itself financially, rather it would facilitate partnerships with and harness the private development sector.

In particular, based on our analysis of the issues, we see there being particular utility in the UDA operating in the following areas to help Council achieve its vision for the city:

1. **Unlock development potential** – remove barriers to development where that will enable achievement of formal Council policy on urban renewal, economic development, housing delivery and affordability (e.g. land assembly, infrastructure investment).
2. **Increase supply of affordable housing** – support delivery of new housing into the market at affordable price points.
3. **Deliver large-scale Council development projects** – deliver Council development projects above a specified value threshold that would otherwise be delivered from in-house.
4. **Catalyse the market through demonstration projects** – conceptualise and lead delivery of demonstration projects to catalyse the market in support of strategic urban development policy including earthquake prone building (EQPB) clusters and medium density housing.
5. **Oversee development of strategic Council property** – oversee development of underutilised Council land holdings located in strategic locations or which have strategic development potential.
6. **Optimise development outcomes on strategic sites** – intervene to optimise strategic development opportunities (in terms of quality or scale) where there is a risk the market alone will not.

KEY ORGANISATIONAL ELEMENTS

Given its arms' length nature as a CCO or CCTO a number of checks and balances are proposed to ensure that the UDA delivers on the role and outcomes Council would envisage, these include:

- direct accountability to Council or a nominated Council committee;
- regular reporting and accountability mechanisms aligned with Council's annual and long-term plan process (and more regular – quarterly – reporting);
- an independent TAG group with a focus on development outcomes which vets individual projects and provides input into development design and configuration;
- an independent board with relevant, specialised skills; and
- nimble organisational structure based on a small number of permanent staff and use of contractors to give greater control of overheads given the lumpy nature of development projects.

NEXT STEPS

Establishing a UDA would represent a significant decision for Council, but without it, or something akin to it, Council's role in urban development will remain passive and regulatory in nature. Experience since 2006, when Council began taking a strategic, planned approach, is that this passive role has not delivered the outcomes sought. Based on certain assumptions about Council decision making we propose the following process for establishment of the UDA:

1. Seek Council approval to consult on the establishment of the UDA through the 2016-17 annual plan process.
2. Consider submissions received on the UDA proposal through the 2016-17 annual plan process. An in-principle decision to establish the UDA could be made following this stage
3. Seek Council approval for funding to operationalise the UDA on 1 July 2017 through the 2017-18 annual plan process.

1. INTRODUCTION

1.1 PREAMBLE

This business case supports the establishment of a Council-led urban development agency (UDA). The UDA would be a council-controlled organisation (CCO) or council-controlled trading organisation (CCTO) to enable Council to effectively participate in the local property market and partner with private developers to deliver catalyst projects, Council facilities and achieve broad-scale urban regeneration.

1.2 BACKGROUND

Councillors have asked officers to report on the merits of establishing a UDA to assist delivery of development consistent with the urban growth plan (UGP) and major projects. Council currently plays a passive - primarily regulatory - role in city development which has limitations in terms of delivering the UGP vision. To address this shortcoming the UDA could play an active role in the property market by undertaking activities such as assembling land in key locations and partnering with private developers to undertake and control “catalyst” developments (for example redevelopment of earthquake prone building (EQPB) clusters). Councillors were given a preliminary briefing in November 2015 where officers presented eight broad principles for a UDA as follows:

1. Supports Council’s urban development and urban growth initiatives.
2. Operates with clear terms of reference and is accountable to Council.
3. Bridges the gap to the market and no more.
4. Operates commercially at arms’ length from Council.
5. Self-funding (over time).
6. Is agile and able to scale up and down quickly in response to workflow.
7. Is independent of local property interests.
8. Operates within risk parameters established by Council.

Councillors were generally comfortable with the broad framework these principles establish and officers have prepared this business case and proposal for a UDA with them in mind.

Council previously had a UDA (Wellington Waterfront Limited / WWL) responsible for overseeing the development of Council-owned land in Lambton Harbour consistent with Council’s vision for that area (the Wellington Waterfront Framework).

1.3 CONSULTATION AND RESEARCH

Recent officer advice and the content of this report are underpinned by a programme of research and consultation. Consultation has been undertaken with Auckland Council (AC); Panuku (AC's UDA); Christchurch City Council (CCC); Regenerate Christchurch (a joint Council and Crown UDA); the Property Council; the Bank of New Zealand; and a full range of internal staff. This report draws directly on findings from these investigations. Specialist legal and tax advice has also been obtained to ensure the recommended approach is lawful and within prudent risk parameters, though further advice is being sought to determine whether a CCO or CCTO is the best special purpose vehicle (SPV).

2. WHAT URBAN DEVELOPMENT AGENCIES DO

UDAs are used widely around the world to intervene in the private property market to make land available for urban renewal, housing and local economic development projects. The exact scope of activities varies according to the problem and local political structure but is directed to a common set of development barriers like land fragmentation and urban decay that the market alone cannot overcome. In such cases UDAs intervene to remove the barriers and allow desirable development to occur. The risk spectrum below represents the types of activities UDAs are typically involved in:

LOW RISK
DEVELOPMENT ADVOCACY
PROPERTY MANAGEMENT AND DISPOSAL
PACKAGING AND MARKETING DEVELOPMENT OPPORTUNITIES
PROCURING AND MANAGING DEVELOPMENT PARTNERS
ACQUIRING AND ASSEMBLING DEVELOPMENT PARCELS
DIRECTLY UNDERTAKING DEVELOPMENT
HIGH RISK

The advantage this suite of tools has over a passive regulatory approach (i.e. controlling development exclusively through the district plan) is that they give public bodies (through their UDA) direct control over development outcomes. Because it would not be possible or desirable to be involved in all development in a city UDAs tend to focus projects and sites of strategic importance which have “catalyst” or “knock on” effects in the local property market. There are numerous examples from around the world (e.g. Australia, Canada) where a dollar spent by the UDA has returned several dollars in private investment.



Melbourne Docklands

Melbourne Docklands is a major urban regeneration project led by the Victorian State Government's UDA Places Victoria (formerly VicUrban).

Source: www.marevellephotography.com.au

We note up front that in the New Zealand context, a mixed-economy with a thriving private sector, there is little benefit in local authorities or UDAs directly undertaking development (construction). It is preferable to procure private development partners to manage and undertake this aspect of the process.

3. WELLINGTON CITY: PROBLEM DEFINITION AND BENEFITS OF ACTING

3.1 LAND SCARCITY

One of the biggest impediments to growth in Wellington City is a lack of well located, large land holdings to accommodate new businesses and residential development. Most new development occurs in mature “brownfield” areas which are often constrained by existing uses, fragmented ownership and other complexities arising from over one hundred years of urban use and development including clusters of earthquake prone buildings in Te Aro. Collectively these issues have a material impact on the ability of the city to renew and redevelop because they make projects risky and uneconomic. In Wellington this is exacerbated by the scale and balance sheets of some local developers¹.

3.2 GAP BETWEEN COUNCIL’S VISION AND THE PRIVATE DEVELOPMENT SECTOR

The UGP is Council’s integrated transport and land use vision for the city. It identifies “transformational growth areas” such as Adelaide Road and Kent and Cambridge Terraces as well as individual economic development / catalyst projects such as a new convention centre and concert venue. The transformational growth areas are large, mostly located in brownfield locations, and experience the complexities described in Section 3.1 above.

The projects identified in the UGP will have city-wide benefits but are generally not viable projects using traditional direct-return measurements. This represents a gap between the development market and the UGP vision which will not be bridged without the type of public sector intervention provided by UDAs.

Council has also entered into a partnership agreement with the Crown (the Wellington Housing Accord / WHA) to deliver more houses to market to help address housing affordability concerns in the city. There is potential to unlock strategic sites and deliver housing at-scale through the type of public sector intervention provided by UDAs.

3.3 CORE COUNCIL FUNCTIONS NOT GEARED TO PARTNER WITH THE PRIVATE SECTOR

Council is regularly approached by third parties to buy and sell land and partner in development projects. In recent months Council has been approached to buy large, strategic land holdings; engage in land swaps to create larger development parcels; and partner in the delivery of new social housing complexes. Our research indicates the approaches are increasing as a result of

¹ This combined with modest city-growth encourages low risk “easy in, easy out” development projects.

diminishing development opportunities in the city and more collaborative post-GFC development behaviour. Council is not optimally geared to respond to these opportunities because its' existing structure (and its legislative function as defined in the Local Government Act / LGA) is geared towards traditionally passive regulatory and property activities. Over time Council's practice is to form temporary project teams in response to these approaches – typically by appointing part-time secondees from core parts of the Council business (e.g. planning, property). Whilst officers have made admirable efforts they themselves advise it is difficult to do justice to these projects on a part-time basis given the speed at which partners generally require them to move and the demands they place on Council. A dedicated function which better responds to (and proactively identifies) partnership opportunities could assist in bringing land to market and delivering the outcomes and projects set out in the UGP.

3.4 DELIVERING MAJOR PROJECTS BETTER PURSUED BY A DEDICATED COMMERCIAL FUNCTION

In the current triennium Council is considering funding, delivery and partnership of major projects. The combined value of these projects is substantially larger than Council has considered in previous years and will come with commensurate levels of financial risk and partnership risk. An Urban Development Agency with its commercial skill-set is well suited to the delivery of large projects that have a development component (though not the policy considerations underpinning them). Delivering major projects through a UDA like that proposed presents opportunities to limit Council's financial liability by placing the project at arms' length. For these reasons projects above a specified value ceiling or with certain risk characteristics could be better delivered by an SPV (staffed with appropriate commercial expertise) in terms of mitigating risks².

3.5 LOCAL DEVELOPMENT MARKET DELIVERING TRADITIONAL PRODUCTS

For many years Council has provided advocacy, policy and regulatory leadership on the issues of housing intensification, urban design and development sustainability (e.g. green buildings). Whilst the approach taken to date has achieved some notable successes a proportion of the local development sector continues to provide relatively traditional products to the market. By taking a more active approach in the market Council, through a UDA, could catalyse improved market outcomes. Specific opportunities include:

- Delivery of quality medium density housing around key suburban centres (e.g. Johnsonville, Kilbirnie).
- Exemplar anchor projects (e.g. urban design, green star buildings) in the central city with

² It is not envisaged that this function would deliver Council infrastructure / infrastructure renewal projects.

potential to generate a positive “halo effect” on surrounding sites.

- Group strengthening of earthquake prone buildings in the Cuba Street area.

Such projects would be undertaken strategically on a demonstration or catalyst basis only and would need to be carefully evaluated for their “knock on” benefits.



Currie Barracks

Currie Barracks is a mixed-use development in Calgary, Canada with greenstar characteristics that was delivered by the Canadian Government’s UDA (the Canada Lands Company)

Source: www.clc.ca

4. WHAT DEVELOPMENT WELLINGTON WOULD DO

To address the issues set out in [Section 4](#) above we have identified some targeted activity areas which Council is not currently active in or where its' existing activities could be tangibly increased. These are set out below.

4.1 ACTIONS

4.1.1 Development attraction and advocacy

Council is involved in broader business and investment attraction but not specifically in the area of land development to support the UGP. This is a basic, low risk activity that could involve the following:

- More actively promoting the outcomes sought in the UGP to build market intelligence and support.
- Identifying prime development sites (on Council and non-Council owned land) and promoting desirable development outcomes.
- Demystifying and assisting major developers through Council's regulatory processes (primarily the district plan).

4.1.2 Land purchase, disposal and assembly

By more actively transacting in the local land market Council could increase the volume of attractive, viable development parcels coming to market. This would include the purchase and exchange of land to create larger, consolidated development parcels. Where Council became the owner of such sites it could simply sell the parcel on the open market or contract the purchaser to deliver specific development outcomes such as a certain number of affordable dwelling units or urban design criteria (also see [Section 3.5](#)). Leveraging land ownership in this way is the most direct and powerful way that Council can influence development outcomes. Transacting actively in the market carries financial risk, particularly when buying land (see [Section 5.1](#)).

Currently there are varying legal interpretations about whether local authorities or associated entities can compulsorily acquire land under the Public Works Act (PWA) to facilitate the types of projects referred to in this report. Given this doubt it would be prudent to assume these powers are not available. Such powers would significantly enhance Council's ability to purchase land at reasonable value and in a timely fashion and central government is considering the benefits of legislative amendment to empower local authorities in this way. We recommend that Council actively support such changes but note without such powers there is still a role for Council or an

associated entity to intervene in the property and development market.

4.1.3 De-risking development sites

As noted in [Section 4.1](#) Wellington’s land scarcity is exacerbated by the complexities of redeveloping brownfield sites with development constraints. Examples include:

Physical constraints	Legal constraints
<ul style="list-style-type: none"> ➤ Contaminated soils ➤ Leaky or earthquake prone buildings ➤ Poorly aligned access and servicing ➤ Lack of infrastructure capacity 	<ul style="list-style-type: none"> ➤ Existing (especially long-term) leases ➤ District plan rules ➤ Encumbrances and easements registered on the title

Individually or collectively these issues can make development projects unfeasible or simply elevate project risk beyond a level private developers will respond to. This is a particular issue for Wellington where the development constraints can be acute and the private development sector lacks the scale and capability to “ride out” the associated delays and costs.

Where sites with potential to contribute to Council’s strategic vision for the city are constrained Council could play a role in remediating them so that the private market will step back in and redevelop the site. Council’s larger balance sheet and “city-wide” perspective would provide the means and rationale for intervention. Any uplift in property value as a result of Council’s activities could be captured at the time of sale to recover some or all of the costs.

Access to special planning powers such as those used by UDAs in the United Kingdom (allowing them to rezone or consent land with streamlined powers) would assist in rapidly de-risking sites and creating immediate value uplift. This is explored further in [Section 4.3](#).

4.1.4 Procuring and managing development partners

Where public bodies and UDAs are involved in development it is very rare that they are directly involved in development or construction. The traditional model is to procure private sector partners with established skills, processes and disciplines. This has three main advantages:

- It enables the Council or UDA to hire the best skills in a flexible “as required” manner.
- It allows Council to transfer risk to the private partner (who in turn realises a profit).
- It reinforces the intention to enable rather than compete with the private market.

We recommend that this practice be followed for any Council-led development function or UDA but note it is also important to procure and manage private partners carefully to ensure maximum

benefit to Council. Competitive procurement processes should be followed as a general rule to maximise transparency and benefit to Council. Effective procurement requires a specialised skill set. In appropriate circumstances UDA ownership of land should be leveraged through the procurement process to commit the selected partner to the delivery of specific outcomes / success factors.

4.2 PROJECTS

Based on projects identified in the UGP and current pressures and opportunities we have identified five distinct types of projects that a UDA could be involved in. These are set out below. It is important to point out that every project considered by Council / the UDA will present its own opportunities, pressure points and cost structures and so there is no “one size fits all” way of operating. For these reasons it would be essential that the UDA develop business cases for every project being evaluated. Over time this business model approach could become sophisticated, efficient and standardised. The examples set out below are simply to demonstrate, in broad terms, the types of opportunities that exist for a UDA.

4.2.1 Strategic site acquisition and development

Because of the scarcity of large, well located development sites in the city Council actively monitors the upcoming availability of strategically located brownfield sites. In recent years examples have included school closures, the former defense land at Shelly Bay and a brownfield site at Rugby Street consolidated by Foodstuffs. In a land constrained city with steady demand such sites take on greater strategic importance than elsewhere. In particular they present an opportunity for Council to intervene to optimise outcomes rather than “leave it to the market”.

To demonstrate what role a UDA could play in this space we have chosen a hypothetical example of a school site. A review of school sites in suburban Wellington indicates that these vary in size but are often around two hectares in area. Land owned by the Ministry of Education for educational purposes is typically complicated by the Public Works Act (PWA) and Treaty of Waitangi settlements, meaning it cannot be sold on the open market without fulfilling other disposal obligations. These matters are explored separately in [Section 5.3](#) below.

Further assuming that a site became available in an established suburb like Miramar or Karori a UDA could buy the land at fair market value and oversee its redevelopment in a mixture of housing and community facilities. In many suburbs of Wellington this would present a rare opportunity to deliver a large number of new dwellings to the market and improve the provision of local services (e.g. community centre, recreation / sports facilities). Although such opportunities would typically also attract vigorous market responses these would typically not deliver the same sort of

community benefits. Our analysis suggests market driven outcomes in most suburbs at the current time would be a small retirement village or lower density residential development.

However, on a two hectare site it would be possible to develop 50 or more medium density residential units (100m² townhouses) and provide a new community centre and small neighbourhood park. This could meet numerous Council housing objectives; exhibit exemplar urban design; and improved social outcomes.

This scenario could be delivered through a UDA in partnership with a private developer. Initial analysis (based on existing suburban land prices, construction costs and a deal structured in a way that would attract a reputable development partner) suggests it is possible for the developer to achieve a feasible profit margin whilst delivering Council the community elements described above. The net financial result for Council / the UDA could be neutral.

As the scenario demonstrates, to achieve these outcomes the UDA would need to take a direct interest (ownership) in the land and contract a development partner. Both actions involve taking on greater liability and risk than simply “leaving it to the market”. On the flipside, as demonstrated by the hypothetical scenario, through its involvement a UDA can realise a higher development yield (and associated rating base), better urban design outcomes, delivery of community facilities and a direct financial return.

4.2.2 Medium-Density Housing Exemplars

We have chosen this example because a medium density housing exemplar projects in Kilbirnie or Johnsonville has been raised at various times as a means of supporting the medium density district plan zonings in these locations. The purpose of exemplar projects would be to demonstrate how good quality medium density housing can be delivered in Council’s preferred medium density housing locations to catalyse the private market and achieve broader community buy into the concept of medium-density suburban housing.

Based on existing lot sizes and the likelihood of assembling contiguous sites we have developed a hypothetical scenario of a 2,000m² site (three existing, standard sites) being redeveloped into a compliant multi-unit complex in the MDRA2³ zone of Johnsonville. Based on existing site sizes and configuration a UDA would likely need to acquire three contiguous sites at a combined value of around \$1.25m (a premium over market value in order to bring them together quickly). The UDA could then competitively procure a development partner and transfer the land at cost to that partner to allow it to deliver the project (demolition and construction).

³ Medium Density Residential Area 2 – the lower density of two medium density housing zones in Johnsonville



Medium density housing concept

Source: <http://wellington.govt.nz/your-council/projects/housing-choice-and-supply/karori/karori-as-a-medium-density-area>

Based on the district plan rules the site could be developed into a 12-unit complex of superior quality that would meet the definition of “exemplar” whilst achieving an acceptable profit margin that would attract a reputable private development partner. The net result for Council would be the delivery of an exemplar development and the associated rates revenue. The direct financial result to Council would be cost neutral. A development of greater scale would be required to generate a stronger margin including any direct revenue to Council (or transfer of units into Council ownership at no cost).

4.2.3 Earthquake prone building cluster redevelopment

There are well documented issues associated with earthquake prone buildings (EQPB) in the city, particularly in the Te Aro area - Cuba Street being the most prominent example. There are examples of solitary EQPBs and clusters which are constrained for redevelopment due to the financial circumstances of their owners (EQPBs are disproportionately owned by “mum and dad” investors). Unfortunately the financial issues are often circular, with owners unable to insure and tenant buildings because of their earthquake prone status, thereby affecting their ability to raise capital to strengthen or redevelop their property.

In some cases the issues are exacerbated by buildings having heritage status (in the district plan, with Heritage New Zealand or both). Further, because of the substantial clustering of EQPBs some owners will choose not to remedy their buildings because their adjoining owners will not or cannot (damage to one building by an adjoining building in an earthquake is known colloquially as “pounding”).

Some clusters of EQPBs, notably in the Cuba Street area, are strategically located for redevelopment but because of the fragmented ownership buildings and the issues described above co-ordinated redevelopment will not occur in a timely fashion. Over time, and there are already clear signs of this occurring, this results in ingrained urban decay which further resists reinvestment. Breaking this cycle in a timely fashion is dependent on some form of public intervention or co-ordination role.

Council is already playing a role in breaking these cycles but there could also be a role for a UDA in purchasing and assembling contiguous sites, demolishing buildings and creating a development brief or masterplan for its redevelopment. Such projects may realise a net financial loss to Council / the UDA but could still be undertaken for broader public good purposes. The benefits would include:

- Removal of redevelopment barriers.
- Potential “halo” effects on adjoining and adjacent buildings.
- Replacing EQPBs with modern, resilient buildings.
- Release of new development land in a strategic location supporting Council’s urban policy.
- Opportunity to deliver exemplar / catalyst projects in a highly visible location.

These benefits would need to be quantified and broadly considered before the UDA proceeded with such projects. The risks of involvement in such projects would include:

- Risks associated with purchasing “tarnished” assets.
- Risks of the project not proceeding and being left with assets without significant value.
- Risks of EQPB owners perceiving the UDA / Council as “bail-out” entities.

The risk of being perceived as a bail-out entity is particularly important. It would be important to ensure that the UDA’s involvement in such projects was based exclusively on the basis of broader public good. It would also be important to ensure the UDA’s involvement remained property based but was well aligned with other Council initiatives on EQPB issues.



Cuba Mall

4.2.4 Large-scale urban renewal projects

The UGP includes major urban renewal projects at Adelaide Road and Kent & Cambridge Terraces. Other large scale renewal projects are also being discussed within Council and may become part of the formal work programme in due course. For Adelaide Road there is a clear vision for the development underpinned by the 2008 Adelaide Road Framework. Kent & Cambridge Terraces are currently dominated by peripheral service and retail activities (including prestige car yards) and Adelaide Road is dominated by peripheral service and semi-industrial activities underlain by large property parcels. Both areas are strategically located close to the central city and present opportunities for high-quality mixed-use (residential and commercial) development.

Officer and consultant analysis has concluded that without direct Council intervention neither area will transition from existing uses to the desired vision in a timely manner that aligns with Council's strategic goals. The reasons for this are many and varied but with root causes being existing fragmentation of land and its ownership and numerous established businesses. Council's intervention would need to include:

- Direct purchase of property.
- Masterplanning.
- Demolition and remediation to prepare sites for development.
- Co-ordinated reinvestment in infrastructure and public realm.
- Procurement and management of private development partners.

Using Adelaide Road as an example we have identified the high-level of Council commitment

required to deliver major urban renewal projects. The Adelaide Road study area is approximately 5ha in area; includes over 100 individual property parcels; and it would cost in excess of \$100m to purchase all of the property within this area. Compulsory purchasing powers would be essential to assemble all of the land and redevelopment would need to be staged to align with market demand and avoid over-exposure of Council's finances at any given point in time. Further complications would arise in terms of ensuring ongoing ease of access along Adelaide Road during redevelopment and managing the impact of losing existing businesses from the area.

Under existing market conditions the project would take in the order of 10-20 years to deliver. This would need to be acknowledged up front to ensure a robust, long-term commitment is made. It will also need to be understood that market conditions will fluctuate throughout the delivery period so that short-term blips are not used to justify abandonment. Another key mechanism for offsetting Council's risk should be to procure private development partners to manage delivery of the individual development stages. To attract partners each stage will need to be presented to the market as financially viable propositions but in turn this will limit Council's capital involvement and risk. These projects are inherently complex and multi-faceted and a dedicated vehicle like a UDA would be essential deliver them. We are not aware of projects of this scale being successfully delivered from "in-house" at a local authority.

Across such large areas and with such high expectations the risks to Council (or UDA) are many and substantial. They include:

- Political risks associated with such a dramatic and cash-intensive intervention.
- Purchasing and holding such a large property portfolio in one part of the city.
- Entering into development agreements with private sector partners.
- Market downturn and natural hazard risks which could write off property value and threaten project viability.
- Lost appetite and political support over the extended project timeframes.
- Inability to sustain funding / the financial model over the extended project timeframes.
- Managing the local impact of works in terms of business continuity and neighbourhood amenity.
- Effective co-ordination with Council proper over the required infrastructure upgrades and timing of these to support the development.

In addition to the above we have identified that such projects, given the large amount of land involved, are only possible with legislative change that confers compulsory acquisition powers upon

Council. Without them the land cannot be brought into Council's direct control in a timely or cost effective manner. At this time no such powers exist, but the Productivity Commission has recommended that it be investigated.

Such projects will need to be the subject of detailed business cases and it is expected that each project will require its own model and expectations around the net financial result for the UDA and the community and social infrastructure delivered. As a general rule large financial returns should not be expected though the UDA should seek to realise returns on the value uplift in property it creates through land remediation, masterplanning and development certainty.



Adelaide Road Framework concept

Source: <http://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/adelaide-road-framework>

4.2.5 Unsolicited bids

Council is under regular pressure from third parties (primarily private developers) to partner in development projects or property transactions. We are aware of the following recent approaches:

- Proposal to jointly develop refugee housing in Te Aro.
- Proposal to jointly deliver a medium density housing project in Johnsonville.
- Proposal for Council contribution to redevelopment of Shelly Bay.
- Proposals to partner with Council in delivery of new social (city) housing.

Generally the approaching party comes to Council with a value proposition (usually land ownership or development capability) and sometimes this requires careful consideration by Council before

deciding to pursue the opportunity or not.

These sorts of approaches are known as “unsolicited bids” and current trends indicate Council will continue to come under pressure from third parties in this way. A mandated development function, preferably in the form of an arms’ length entity would be more effective at responding. In particular it would ensure consistency in terms of how Council responds; protect core business units from the associated resource pressures; and could develop uniform methodologies for assessing the risks and benefits of each approach.

See [Section 3.3](#) for more background on these matters.

4.3 LEGISLATIVE CONSTRAINTS AND CONSIDERATIONS

We believe there is a role for a UDA under the current legislative settings in New Zealand pertaining to property, planning and local government (the statutes of primary relevance being the RMA, LGA and PWA). Currently any UDA would have access to some of the empowering elements of the LGA but would be treated like any other under the RMA and would not have access to the compulsory purchasing powers of the PWA (see [Section 4.1.2](#)). Under these settings we believe a UDA could still be effective at effecting change at a small-medium scale or where a minimal number of property parcels are concerned (and it is notable that AC established Panuku under these settings). However, complex and large scale urban renewal projects like those described in [Section 4.2.4](#) would not be feasible with compulsory purchasing powers – simply because without them it would not be possible to assemble the land in a timely or cost effective manner.

4.3.1 Compulsory purchasing powers

As noted above larger scale change or unlocking more complex urban development problems will require compulsory purchasing powers and to this end we suggest that Council remain engaged in existing legislative reform on urban development matters because this is hinting at conferring such powers on local authorities for urban regeneration purposes. A recent report by the Productivity Commission (“Using Land for Housing”) and media statements by the Property Council are supportive of such change and we understand AC and CCC are directly engaged with the Crown on such matters. Joining them to form a tripartite for further engagement may be beneficial.

4.3.2 Offer back considerations

An issue related to compulsory purchase is “offer back” under the PWA. Where land has been

historically taken under compulsion (and is in the ownership of central or local government) the PWA prescribes a sequence of steps that must be followed when that land is disposed. Before such land can be sold on the open market it must first be offered to other crown bodies, the relevant local authority, local Iwi and former owners. This point is specifically noted because it would apply to any Council owned land originally taken under compulsion and should therefore be considered before any Council land is transferred and/or developed by a UDA.

4.3.3 Special planning powers

Access to special planning powers such as those used by UDAs in the United Kingdom (allowing them to rezone or consent land with streamlined powers) would assist in rapidly de-risking sites and creating immediate value uplift. In New Zealand these sorts of powers are not available although the designation provisions for public works in the RMA and the Housing Accords and Special Housing Areas Act (HASHAA) enacted in 2013 represent watered down examples.

However, due principally to housing affordability concerns we understand government is considering the benefits special planning powers could provide in terms of development certainty and reducing development costs. In particular we understand this relates to lessons from HASHAA which could be incorporated into future amendment to the Resource Management Act (RMA). We recommend that Council participate actively in such discussions given the potential benefits. We also note the HASHAA is already active in Wellington by virtue of the WHA and can be used as a tool to immediately create new development potential and value uplift.

5. COST BENEFIT ANALYSIS

The rationale and benefits of intervention (and forming a UDA) are set out in Section 3. These must be considered against the risks and disadvantages. Broadly speaking becoming an active player in the local property and land development market will increase Council's risk profile (whilst noting the potential benefits are also commensurately increased). These risks rise commensurate with the level of intervention. The risks are outlined below. The risks of not acting are also addressed. A risk management framework, to manage the risks identified, is set out in Section 6.6.

It is also important to note that Council has a number of projects in the pipeline, which regardless of the type of function formed, will see it involved in development partnerships and land acquisition (e.g. convention centre/movie museum). In this regard risks will remain to Council even in the absence of a UDA.

5.1 RISKS OF ACTING

5.1.1 Financial Risk

Deep involvement in the property and development market will expose Council to greater financial costs and risks. These include (but are not limited to):

- Purchasing land which incurs net holding costs or loses market value.
- Taking direct financial interests in development projects where the private partner fails to deliver or there is market downturn.
- Paying market premiums for land when it is known that Council (or an associated entity) is the purchaser.
- Council failing to deliver its agreed contribution meaning its own return on investment is compromised.

In each of the scenarios listed above Council may be left incurring losses (paper losses or actual losses). Depending on the scale of loss a spectrum of negative scenarios may arise from minor project delays through to aborted projects and realisation of substantial losses.

5.1.2 Contractual Risk

In order to deliver the types of projects identified Council will need to enter into partnership agreements with private developers. This will expose Council to associated contractual risks. These include (but are not limited to):

- The development partner failing to deliver on its agreed contribution.

- Council failing to deliver on its agreed contribution and associated risks of the partner seeking costs or damages.

Generally speaking the private partner will be the sole delivery agent (i.e. responsible for delivering all physical works) and therefore Council will need to carefully choose its partners to ensure that projects are delivered as agreed. Every agreement will be different but private partners will be expected to deliver a certain overall development outcome; specific development elements (e.g. exemplar design elements, sustainability features); and in some cases amenities and facilities for transfer into Council ownership (e.g. reserves). Failure by the partner to deliver some or all of the agreed project outcomes will fundamentally call into question Council's involvement.

In other cases a UDA may make financial commitments of its own to a project, for example:

- Completing capital works or public realm projects to support developments.
- Waiving or reducing development contributions.

Where the private partner does not deliver its agreed contribution, or does not do so in a timely fashion, there will inevitably be adverse cost and reputational impacts to Council. The greater the commitment made by Council the bigger those impacts will be. Given the type of projects and activities proposed failure to manage these risks financial and reputational impacts on Council could be significant.

Where the partner perceives that Council has not executed its responsibilities in line with the agreement it may seek costs or damages. It is therefore important that Council sets itself up to move quickly and confidentially as commercial property and development agreements require. This is a key reason we recommend the formation of a UDA as a CCO or CCTO.

5.1.3 Loss of control and scope creep

Ultimately this business case recommends the formation of an arms' length UDA, being a CCO or CCTO. On balance the benefits of an arms' length entity significantly outweigh any disadvantages, but it is still important to outline what the disadvantages are. To ensure the UDA functions effectively Council will need to empower it with an envelope of responsibilities that it can execute without referring back to Council for approval. Whilst these will need to be executed consistent with a constitution and statement of intent established and agreed by Council there is a risk that the UDA's actual decision making and execution of responsibilities will not always align with Council's expectations. As with any entity there is also a risk of scope creep. These are risks that Council can directly mitigate by setting the UDA up with an appropriate constitution, governance framework, board of directors, statement of intent and reporting and accountability mechanisms. These matters are addressed fully in [Section 6](#).

5.1.4 Reputational Risk

The establishment of a UDA in Wellington may not be supported by all sectors of the community. We anticipate this coming from three main perspectives:

- Parties who do not want to see Council funds put at risk.
- Parties who do not see it as Council's role to intervene in the property and development market.
- Parties who see partnership with the development sector as being to the detriment of other sectors of the community.

Council should expect these views to emerge if it decides to proceed with establishing a UDA. Such views will chorus if some of the identified risks materialise. Forming an arms' length entity will displace some of the direct reputational risks on Council, but ultimately there will be reputational damage to Council itself if projects are mismanaged.

5.1.5 Health and Safety Risk

This risk relates to personal injury or health impact (staff and contractors), and any health or safety incident involving the public. This risk can be managed by the UDA's policies and practices to ensure the health and safety of its workforce, contractors and the public, for example by good planning for hazards and risks, good processes, and training. The UDA's risk is mitigated because it will not directly undertake construction. The UDA would require potential construction partners to demonstrate a good track record in health and safety, and put in place a sound health and safety plan.

5.2 RISKS OF NOT ACTING

Council is already committed to various urban development projects risks associated with activities like land acquisition and development partnerships will remain whether a UDA is established or not. However, it is accepted that the scale of Council involvement in urban development will necessarily increase with the formation of a UDA, and therefore the scale of risk would also increase.

The risks of not forming a dedicated, arms' length development function fall into two main categories, being:

- Leaving Council to continue to facilitate development partnerships from "in-house", subject to existing structural constraints and constraints imposed by the LGA.

- Failing to deliver on desired urban development, housing and economic outcomes set out in key adopted policy documents (principally the UGP and WHA).

It is noticeable that Council is more actively partnering with the private sector currently than in the past. However, around urban development issues it is fundamentally still structured to deliver a traditionally passive local authority role. With almost ten years of experience to draw on it is apparent that the more transformative goals of the 2006 Urban Development Strategy (now mirrored in the UGP) cannot be achieved without a greater degree of intervention to guide and foster the market.

Drawing on the analysis in Section 3 there is a fundamental gap between the objectives of the UGP and the ability of the local development sector to deliver it. The primary issues relate to land scarcity; associated issues of land fragmentation and development constraints in already developed areas; and the limited capacity and capital in the local development sector to deliver transformational projects. We have concluded that a UDA can intervene strategically in the market to overcome this gap and deliver (through partnerships) a range of beneficial outcomes for the city.

If it is determined not to form a UDA and become a proactive player in the market we believe the primary risk is one of lost opportunity in terms of transforming Wellington consistent with Council's economic growth and urban development goals. There is also a risk over the medium-term that left to its own devices the development sector will not be able to bring enough new housing product to market given the identified land scarcity and fragmentation issues in the city, together with lack of development capacity. In turn this could result in significant increases in house prices within the city and leakage of prospective new residents to local authorities to the north (and potentially the region altogether).

5.3 OPTIONS

This section examines the merits of alternative organisational forms for delivering the development function. A report commissioned by Council in 2012⁴ suggested a series of questions to aid local authorities in determining the best organisational form when a new service or entity is proposed. These include:

- What are the drivers for change from the status quo?
- What is the problem that the proposal seeks to address?
- Should the service be delivered by the Council?
- If yes, should it be delivered in-house or at arms' length?

⁴ Plimmer Consulting (2012), What Works? A report for Wellington City Council on getting the best from council-controlled organisations.

The report also identifies key factors that should inform decision making on whether a service should be delivered from in-house or at arms' length, these are:

- The level of control required.
- Whether the activity is core to the governance role of the local authority.
- Whether as an arms' length entity more capable of attracting the skilled personnel required.
- Whether a commercial focus is important.
- Whether there should be a profit making motive.
- Whether there is reliance on Council-funding.
- Whether there is benefit in ring-fencing financial risk by using arms' length entity.

With regards to arms' length entities (CCOs and Council-Controlled Trading Organisations / CCTOs) the report identifies that these are preferable to in-house functions where the following factors apply:

- The activities objectives will not be subject to regular change.
- There is benefit in independence from Council proper.
- The function will be enduring / ongoing.
- There is an activity specific focus.
- The activities are dynamic.
- There is a commercial focus.
- The activity will represent a significant change or innovation from usual service.
- The activity will generate or rely on increased external funding.
- The activity will be self-funding or profit making.

These key aspects of the report have been taken into account in the evaluation of in-house and arms' length options below.

5.3.1 Status quo

Given the projects in the pipeline and issues facing the city we do not recommend that Council continue addressing these with the existing structure.

The primary benefit of the status quo is that it is embedded in the infrastructure of Council-proper,

meaning that elected representatives and Council officers collectively retain total control of development activities.

Whilst officers are doing an admirable job of running urban development partnerships with the private sector there are significant limitations of doing this from within the existing structure, including the ability to operate confidentially and at pace; the lesser ability to attract board members and staff with commercial skills perception; the inability to ring-fence the commercial risk of activities / projects to limit Council's financial liability.

Our overall assessment is that the limitations associated with the status quo led directly to investigations into the benefits of a UDA and on this basis it is not regarded as an efficient means of addressing the urban development issues identified in [Section 3](#).

5.3.2 Increased in-house development function

An in-house development function with increased resourcing could represent an improvement on the status quo. However, the remaining limitations identified for the status quo in [Section 5.3.1](#) above would remain and for this reason it is not recommended.

5.3.3 Arm's length entity

The development activities identified in [Section 4](#) strongly indicate that an arm's length entity is preferable to in-house delivery for the following five reasons:

1. Enhanced ability to perform a mandated urban development delivery function.
2. Places individual developments at arms' length which gives developers greater certainty
3. Enhanced ability to attract board members and staff with the required expertise.
4. Self-funding structure could avoid / limit impacts on ratepayers.
5. Ability to ring-fence financial risk and limit the liability of the Council.

These are critical considerations and in our view each offers substantial benefits for delivering the development function envisaged.

On the flipside of the equation devolving the function to an arms' length entity does present risks for Council in terms of losing direct control. However, in our view those risks are outweighed by the benefits and in any case can be fully mitigated through an appropriate constitution, governance framework, board of directors, statement of intent and reporting and accountability mechanisms (see [Section 6.1.3](#)).

The options for an arms' length organisation are a CCO or CCTO. The LGA sets out the

governance and accountability requirements for both. CCTOs trade for the purpose of making a profit. At first glance this does not fit with the foundation principle of operating for public good purposes but requires more careful consideration in light of the desire to make the UDA self-funding (which will require profits to be made in some projects). Overall, the foundation principles, issues and activities outlined in earlier sections of this report require an entity with a mixed commercial and public good focus and this would be best performed by a CCO or CCTO. Which option is best requires further investigation into tax matters.

CCO and CCTOs require the Council or group of councils to have a controlling share (more than 50%) and may take the form of a company, trust, incorporated society, incorporated charitable trust or joint venture. Overall we recommend that the UDA be formed as a CCO or CCTO (and a company), with Council as the sole shareholder. This is expanded upon in [Section 6](#).

5.3.4 Fully devolved entity

We have not fully investigated entity structures which are fully devolved from Council (e.g. private company structure). This is because the function would have a public good focus established by Council and needs to be accountable to Council to ensure that focus is not lost.

6. PROPOSED MODEL

6.1 RECOMMENDED OPTION - COUNCIL CONTROLLED ORGANISATION OR COUNCIL CONTROLLED TRADING ORGANISATION (CCTO)

The recommended option to deliver the actions described in [Section 4.1](#) is a CCO or CCTO (and company).

6.2 RELATIONSHIP TO COUNCIL

The UDA would be fully owned by Wellington City Council (100%). It could also be set up to allow transfer of shares to neighbouring local authorities or future local authority entities (to respond to partnership opportunities or potential amalgamation). The UDA would operate at arms' length from Council but would be subject to a robust framework of reporting and accountability (see [Section 6.4](#)).

6.3 ORGANISATIONAL GOVERNANCE AND STRUCTURE

6.3.1 UDA Board

The UDA would have its own board of independent directors. In addition, to avoid conflicts of interest, board members would not have substantial property interests in Wellington City. We propose that the board comprise six members (inclusive of the chair), at least one with background in each of the following areas:

- commercial property or property development;
- property or commercial law;
- banking, finance or accounting;
- urban design or architecture;
- urban planning / resource management; and
- local government.

The board would be appointed by Council on a triennial basis in alignment with LTP decision making.

6.3.2 UDA Staff

The UDA would have a small core staff as follows:

- Chief Executive Officer / General Manager;
- Finance Manager;
- Development Manager;
- Procurement Manager;
- Iwi Liaison Officer;
- Communications / Marketing Manager;
- Administration Officer.

This core group of staff would be supported by a panel of professional contractors able to provide professional support as needed for technical project teams. This panel would need to cover project management; urban design / architecture; legal services; town planning / resource management; civil engineering; traffic engineering; and development services. Outsourcing these services would enable the UDA to financially manage its inevitable “lumpy” project workload without carrying a large, ongoing staff overhead.

6.3.3 UDA Technical Advisory Group

We also recommend that the UDA has a part-time technical advisory group (TAG) similar to that which supported WWL. However, given that the UDA’s project portfolio would be more varied and complex we recommend that its TAG have a more varied technical skillset (i.e. not exclusively urban design). We recommend that it comprise members with the following skillsets:

- urban design or architecture;
- landscape architecture;
- town planning / resource management;
- civil engineering; and
- traffic engineering.

To ensure sufficient availability of TAG members and to avoid conflicts of interest it may be necessary to form a panel of preferred suppliers from which the TAG can be drawn on a project by project basis. The purpose of the TAG would be to provide independent advice to the UDA board, chief executive and project teams at critical points during projects. Generally this would not be detailed technical advice but rather high-level feedback and direction that would be considered and actioned by the UDA itself.

6.4 ACCOUNTABILITY AND REPORTING FRAMEWORKS

As the UDA will be carrying out its development activities for the primary purpose of improving urban development outcomes in the city and for Council it is important to establish accountability and reporting frameworks that ensure the UDA does so in the way Council wishes. This needs to be considered alongside the benefits of allowing the UDA to undertake its activities at arms' length to realise the benefits of that approach. The frameworks proposed below balance these considerations.

6.4.1 Accountability Framework

In developing the accountability framework below we have drawn on the recent experience of establishing CCOs in Auckland. The framework adopted by AC was endorsed by the Auditor General⁵. The components of the accountability framework proposed for the UDA are:

- **Constitution** – this would be a static element (rarely changed) covering key institutional arrangements such as the UDA's purpose, its relationship to Council and how the board operates and reports. The constitution would be developed and agreed by Council.
- **Long Term Plan** – Council can directly influence the UDA through its' triennial (long-term) planning process. Through the LTP Council will be able to set out its objectives and policies for the UDA for the three-year period ahead; its' intended activities; and key performance targets. In addition, all of these things can be amended annually through the Annual Plan process.
- **Wellington City Council Governance Manual (formerly referred to as the shareholders' expectation guide)** – this document will set out the nature of the relationship between Council and the UDA and how they will work together for Wellington's benefit. This would be reviewed annually with an expectation that Council and the UDA would collaborate to determine its contents, though ultimately it is for Council's benefit so Council would have the final say.
- **Statement of Intent** – this would be issued by the UDA annually to cover the ensuing three year period. It would be developed by the UDA board and outline to Council how the UDA intends to deliver on priorities and objectives set out for it. It would also articulate the nature

⁵Auditor General (2011), Letter to the Chief Executive of Auckland Council and Watercare Services Ltd, <http://www.oag.govt.nz/2011/auckland-water/>

and scope of activities to be undertaken and the performance measures and targets adopted to ensure Council's expectations are met.

- **Letter of expectation** – this would be issued by Council to the UDA. It would be an informal mechanism (it is not required by law) whereby Council could outline its priorities to the UDA board ahead of it issuing the statement of intent.

The above sets out the mechanical accountability framework but it will be essential that the purpose and emphasis in these documents makes the UDA accountable in terms of delivering the outcomes Council has in mind for it. We propose that this be achieved as follows:

- A purpose statement to be included in the constitution which describes the reason for the UDA's existence and the type of activities it will be involved in.
- Explicit reference to the UGP as the guiding document for the UDA's activities.
- Inclusion of the UDA's organisational objectives, core operational activities and performance measures in the statement of intent.

We think the UDA's organisational objectives could be derived from the following:

1. **Unlock development potential** – remove barriers to development where that will enable achievement of formal Council policy on urban renewal, economic development, housing delivery and affordability (e.g. land assembly, infrastructure investment).
2. **Increase supply of affordable housing** – support delivery of new housing into the market at affordable price points.
3. **Deliver large-scale Council development projects** – deliver Council development projects above a specified value threshold that would otherwise be delivered from in-house.
4. **Catalyse the market through demonstration projects** – conceptualise and lead delivery of demonstration projects to catalyse the market in support of strategic urban development policy.
5. **Oversee development of strategic Council property** – oversee development of underutilised Council land holdings located in strategic locations or which have strategic development potential.
6. **Optimise development outcomes on strategic sites** – intervene to optimize strategic development opportunities (in terms of quality or scale) where there is a risk the market alone will not.

6.4.2 Reporting Framework

The UDA would be responsible to Council via its board, though it is expected that reporting back to Council would be done by the UDA's chief executive on behalf of the UDA's board. Decision making and control of the UDA by Council could be exercised by full Council or delegated to a committee (e.g. Transport and Urban Development). We think there is likely to be value in having an Iwi appointee on the Council committee overseeing the UDA's activities. This would help to ensure that mana whenua and Māori cultural issues relevant to development are given appropriate attention at the governance / oversight level, including the development of the constitution and statement of intent. The major reporting junctures for the UDA back to Council would occur to align with Council's annual and long-term planning processes but less substantive reporting would need to occur on a quarterly or six-monthly basis.

6.5 FINANCIAL FRAMEWORK

Early engagement with Councilors signaled a clear preference for a development entity to become self-funding over time – see the broad principles outlined in [Section 1](#). Decision making on the form and quantum of establishment funding would be made as part of deliberations on the 2017-18 annual plan following public consultation.

Ultimately self-funding would be achieved by the UDA generating profits in development projects which could then be recycled into future projects and offsetting operating costs. However, in the first instance the UDA would need to be funded in some form to begin operations. Further work is required to ascertain the best option and the level of funding required.

6.6 RISK MANAGEMENT FRAMEWORK

The UDA should be established within a clear risk management framework. This would be drawn directly from Council's own risk management handbook which is based on best practice and the Australian – New Zealand Standard on Risk Management (AS/NZS4360:2004) and international standard ISO31000. Council's approach to risk management is:

- The management board and directors are consulted and kept informed about risks.
- Risks are evaluated and managed in line with the risk description and action table in the handbook.
- Accountability for the management of risks is assigned to relevant managers.
- Risk registers (risk management plans) are established and maintained.
- Risks and controls are regularly reviewed for relevance, sufficiency and effectiveness.
- Risks and treatment plans are regularly monitored and reported on.

- Consideration of risks is integrated into planning, project management and assurance activities.

The UDA will need to prepare a risk register and risk management plan which will:

1. Link the key goals and objectives of the UDA to the Council group's activities.
2. Identify all potential risks, when and where they could occur and the impacts.
3. Identify existing controls, the likelihood and consequence of the risk occurring with the controls in place, and determine the risk level based on the risk matrix in the policy handbook.
4. Evaluate the risks, whether the risk is tolerable and acceptable, and the options for responding to the risk including treat; accept; transfer; share; terminate; contingency or prevent.
5. Treat the risks by identifying who is responsible, when the plan will be implemented and what the plan involves.
6. Monitor and review treatment plans and any changes to the internal or external environment.

A preliminary assessment and identification of risks is set out in [Section 6.1](#).

6.7 SPATIAL JURISDICTION

Because the UDA would be formed by Council its obvious spatial jurisdiction is within city boundaries. However, it would be useful if the UDA can be set up so that it could operate outside the city boundaries in the future. This could be useful in the event of possible local government amalgamation / restructuring or demand from neighbouring local authorities to contract the UDA's services.

At a more local scale there are parts of the city where the UDA's intervention will be more likely / valuable than others and we think it is reasonable that the UDA would signal to Council annually and triennially (to align with the annual and long-term plan processes) the projects and areas where its' activities will be focused.

6.8 ORGANISATIONAL LIFESPAN AND REVIEW

As noted in [Section 6.5](#) the UDA will need a realistic period of time over which to become self-funding. It will also need a realistic period of time to prove its ability to deliver desirable urban development outcomes for the city. However, the effectiveness and ongoing need for the UDA

should be subject to regular review by Council given the resourcing and risks associated with it. We suggest the following review junctures based on an assumed organisational establishment date of 1 July 2017:

- Annual effectiveness reviews aligning with Council's annual plan processes.
- Substantive three-yearly reviews aligning with Council's long-term plan processes.

Specific consideration should be given to the scope of annual versus three-yearly reviews but we would suggest that annual effectiveness reviews focus on areas for organisational improvement whilst three-yearly reviews should also address Council's ongoing requirement for the UDA. However, to ensure the UDA is given sufficient time to succeed we suggest that the first review of the UDA's ongoing requirement occur as part of deliberations on the 2024-2034 long-term plan (i.e. in eight years' time). Given the strategic, large-scale nature of some of the projects the UDA might undertake we think this is the earliest point at which a full review should occur. This would be consistent with Section 17A of the Local Government Act which requires local authorities to review the cost effectiveness such structures not less than every six years. Assuming establishment on 1 July 2017 or thereafter this can be timed to tie in with deliberations on the 2024-34 long-term plan as suggested above.

At this stage we don't think it is necessary to place an end date on the UDA's activities. Unlike WWL it will not be operating in a discrete spatial area where an overall development timeframe can be estimated. Further, some of the large scale change and projects identified in the UGP will likely need extended timeframes (in excess of 10 years) to be realised.

We recommend that review of the UDA's activities be undertaken by Council's CCO team with findings being reported to a dedicated committee for decision making (see [Section 6.4.2](#)).

6.9 ALIGNMENT WITH OTHER COUNCIL ACTIVITIES

Outside of the UDA's activities Council will continue to deliver critical functions and services related to urban development. These will include:

- Strategic city planning / growth management (UGP).
- District plan policy (including special housing areas / SHAs).
- Major infrastructure funding and delivery.
- Development contributions policy and collection.
- Social infrastructure funding and delivery.

The UDA would exist exclusively for the purpose of assisting Council in achieving its strategic

urban growth goals (embodied in the UGP). For this reason it is critical that its activities are optimally aligned with related activities being delivered from “in-house” at Council. This will require close, disciplined communication between the UDA and Council proper. Particular opportunities / areas for alignment are:

- Ensuring the UDA’s activities generally occur within priority growth areas identified in the UGP (in its current form or as amended by future reviews).
- Ensuring the UDA’s activities occur in areas with favourable district plan zonings (or SHAs).
- Aligning Council’s infrastructure renewals / capital works programme with UDA projects where necessary to ensure sufficient infrastructure capacity is available.
- Review of Council’s development contributions policy to provide financial incentives to the private sector in support of UDA projects (e.g. waivers where there is adequate infrastructure capacity available or certain development conditions are met).
- Aligning Council’s social infrastructure programme with the UDA’s activities to provide investment / anchor tenant support.

Because the UDA would operate at arms’ length with a mandated delivery function, alignment between it and Council proper should be overseen and pursued primarily from in-house but should also be seen as an area of joint responsibility.

6.10 ESTABLISHMENT

The UDA could be formally be operating on 1 July 2017. In the period leading up to this date Council would need to make a decision to establish the UDA, approve funding, appoint the inaugural UDA board which would be charged with appointing its own chief executive who in turn would appoint other UDA staff. The decision to establish the UDA and its level of funding could be made next year as part of 2017-18 annual plan deliberations. An in-principle decision can be made prior to this.

7. CONCLUSION

The establishment of a broad ranging UDA as an arms' length entity of Council has been actively considered for almost 10 years. First and foremost limitations relating to land availability and the local development mean that Council's vision for Wellington embodied in the UGP will not be realised without some form of public sector intervention. In its guardianship role for the city Council is the agency best positioned to do this.

For reasons fully explained in preceding sections a dedicated UDA entity is proposed. It would be a CCO or CCTO and company with an independent board responsible to Council. To ensure value for money to ratepayers it would operate within a commercial framework but its organisational purpose would be to assist delivery of Council's vision for the city set out in the UGP.

A number of checks and balances are proposed to ensure that the UDA delivers on the role and outcomes Council would envisage, these include:

- direct accountability to Council or a nominated Council committee;
- regular reporting and accountability mechanisms aligned with Council's annual and long-term plan process (and more regular – probably quarterly – reporting);
- an independent TAG group with a focus on development outcomes which vets individual projects and provides input into development design and configuration;
- an independent board with relevant, specialised skills; and
- nimble organisational structure based on a small number of permanent staff and use of contractors to give greater control of overheads given the lumpy nature of development projects.

Principal among the UDA's activities would be attracting and facilitating development activity in the city (an advocacy role); disposing, purchasing and assembling land to create strategic development parcels; de-risking strategic land where existing encumbrances have presented a barrier to market activity; and procuring and managing development partners including leveraging land ownership to achieve "bonus" outcomes with social or environmental benefits (e.g. affordable housing units, exemplar urban design). To maximise benefits the UDA's activities should be aligned with Council's activities, for example major infrastructure upgrades, to support development projects.

The primary barrier to realization of outcomes in the UGP is lack of supply of vacant, serviced and zoned ("shovel ready") land in the city. Therefore assembling and readying shovel ready land in strategic locations would be a core focus for the UDA. More broadly the proposal for the UDA

outlined in this report is predicated on removing existing barriers to market delivery of Council's vision for the urban and economic development of the city. A core principle underpinning its activities would be "bridging the gap to the market and no more". This approach will ensure the UDA does not overreach itself financially and is focused on facilitating partnerships (rather than competition) with the private development sector.

Establishing the UDA would represent a significant decision for Council, but without it, or something akin to it, Council's role in urban development will remain passive and regulatory in nature. Experience since 2006, when Council began taking a strategic, planned approach, is that this passive role has not delivered the outcomes sought. Based on certain assumptions about Council decision making we propose the following process for establishment of the UDA:

- Seek Council approval to consult on the establishment of the UDA through the 2016-17 annual plan process.
- Consider submissions received on the UDA proposal through the 2016-17 annual plan process. An in-principle decision can be made at this stage
- Seek Council approval for funding to operationalise the UDA on 1 July 2017 through the 2017-18 annual plan process.



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BACKGROUND MATERIAL

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Wellington City Council (2001), *Wellington Waterfront Framework*.

DRAFT LOW CARBON CAPITAL 2016-18 - CONSULTATION DOCUMENT

Purpose

1. This paper presents the draft *Low Carbon Capital Plan* for consideration and recommends that it be consulted on alongside the 2016/17 draft annual plan process.
2. Note that the draft *Low Carbon Capital Plan* is an update of the 2013-15 Climate Change Action Plan. It builds on that plan, the city's Urban Growth Plan, and other council strategies including the 2015-25 Long Term Plan and Wellington 2040.

Summary

3. Wellington is not just the Low Carbon Capital of New Zealand, but of Australasia as well. With just 5.32 tCO₂ equivalent per capita released each year, Wellington is the lowest carbon city in Australasia. Wellingtonians enjoy a compact, liveable city with windfarms on our doorstep that provide enough power for all of our residences. The city has the highest public and active transport use in the country, and enjoys a beautiful natural setting that increases quality of life and builds a connection to nature unique to Wellington.
4. Wellington is also a centre of excellence when it comes to climate change response. The council pioneered both the Smart Energy Challenge to promote low carbon entrepreneurship and the Smart Buildings Challenge to promote energy efficiency in commercial buildings. Wellington was the only city in New Zealand to host a Climate-KIC Climathon, from which a Wellington business went on to place second in the global competition held alongside the conference of the parties in Paris in December 2015. Wellington enjoys the presence of numerous universities and research institutes including the Victoria University of Wellington Climate Change Research institute and the New Zealand Centre for Sustainable Cities. The council aims to build upon these existing relationships to improve climate outcomes overall.
5. As part of laying the groundwork for a reworked Climate Change Action Plan, the Council has invested substantially to ensure it has the best possible information to inform that plan. This has taken the form of a new greenhouse gas inventory for the city, a greenhouse gas inventory for the council including Certified Emissions Management and Reduction Scheme (CEMARS) certification, and the commissioning of the Wellington 2050 Energy Calculator. The inventories have provided accurate snapshots of the current state of play, while the 2050 calculator has allowed Council to explore varied pathways to reach the decarbonisation targets set for the city.
6. Building on this improved information, the draft 2016 Low Carbon Capital plan proposes a variety of programmes to reduce the carbon profile of the city and the Wellington City Council.
7. The Low Carbon Capital plan recommends that the city's 2020 targets are reset, that new targets are introduced for 2030 and 2040, and that the 2050 target of an 80% reduction in tCO₂ equivalent is reconfirmed. This is based on the greenhouse gas inventories and the 2050 calculator, which have allowed Council to explore possible targets in a science-based way rather than setting the targets based on global defaults – defaults which don't take into account Wellington's unique circumstances – as was the case with our existing targets.

8. The plan also recommends a series of projects related to three key pillars of action: Greening wellington's growth to maintain a liveable city, changing the way we move to enhance transport choices, and leading by example to establish organisational leadership.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Agree the draft Low Carbon Capital plan for consultation attached as Attachment 1.
3. Agree that the draft Low Carbon Capital plan will be consulted on as part of the 2016/17 draft annual plan process.
4. Note that the Low Carbon Capital plan includes certain aspects that are already underway to various degrees, including a car sharing pilot, "Love Food; Hate Waste", and investments in the cycleway network.
5. Delegate to the Mayor and Portfolio Leader Climate Change the authority to make any minor editorial changes to the consultation document as part of the publication process.

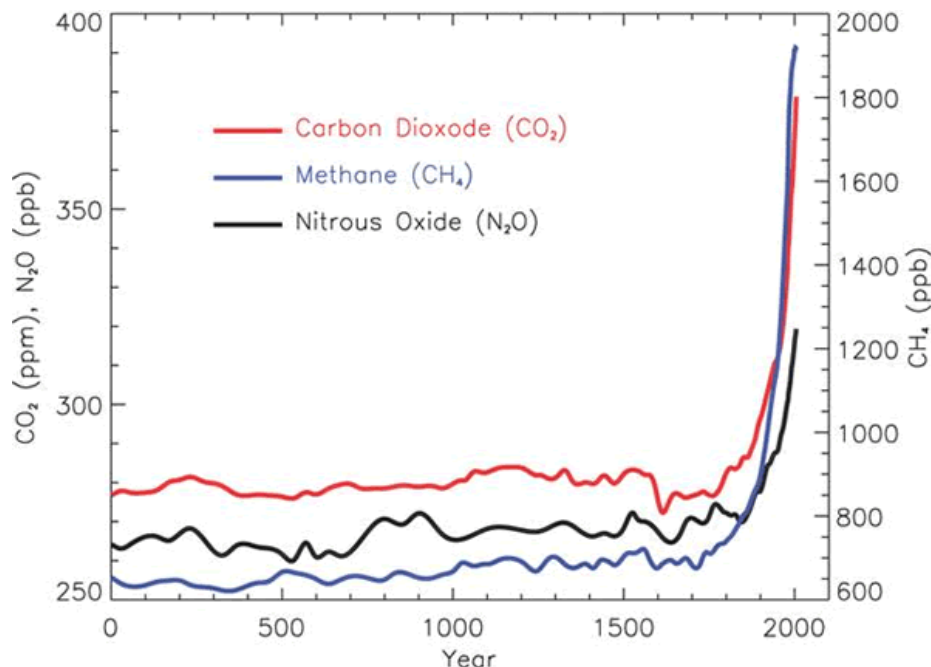
Background

9. The council adopts three-year Climate Change Action plans, with the last one adopted in 2013. A total of 30 of the 34 actions in the 2013-15 Climate Change Action Plan were completed.
10. In developing the 2016 Low Carbon Capital plan it became clear that city and organisational emission reduction targets and actions were not well-linked. This was largely due to Wellington's targets being based on global defaults – which provided the best information available at that time but did not take into account Wellington's unique circumstances. As a response, Council updated its greenhouse gas inventories and developed the Wellington 2050 Calculator so that links between actions and targets could be improved.
11. Past Climate Change Action Plans have focussed on sectoral action such as transport, aviation, and waste. The draft 2016 Low Carbon Capital plan focuses on mainstreamed themes that allow the council to engage with a broader audience, rather than just those who are already acquainted and engaged with climate change related terminology.
12. The 2016 Low Carbon Capital plan is focused three key elements: creating partnerships to deliver amplified impacts; delivering the basics with climate in mind; and delivering the best information and policies.

Discussion

13. Climate change, often called "global warming" will have a significant impact on the global population, threatening over 90% of cities due to their coastal nature and various levels of vulnerability to sea level rise and increasingly powerful storms, as well as vulnerability of legacy infrastructure. Greenhouse gases are emitted through human activity, particularly through those activities in cities, which are responsible for 70% of carbon emissions.

14. Since the beginning of the industrial revolution, there has been a significant increase in the emissions of various greenhouse gases, solidifying the link between human activities and global temperature rise.



15. While state actors are key in the area of climate change, as evidenced by the 200 countries that signed up to the accord at COP21 in Paris, the key non-state actors that emerged from that conference were cities.
16. Part of the reason climate action is beginning to mainstream is that action is not solely to reduce the carbon emitted, but also to provide a variety of co-benefits to those societies willing to take action. These co-benefits include a future-proofed economy, greater health and wellness due to reduced pollutants and increased physical activity, more affordable and accessible housing due to more space-efficient development, and a vibrant “weightless” economy based on knowledge industries.
17. The Low Carbon Capital plan has three main pillars of action to reduce greenhouse emissions and create co-benefits. The pillars are:
18. Greening Wellington’s growth. Key actions include:
- Phase out the minimum parking requirement where data justifies
 - Run the Smart Energy Challenge
 - Incentivise sustainable building solutions such as green roofs
 - Investigate and implement a regional solution to sewage sludge
 - Continue Home Energy Saver and Warm Up Wellington
 - Expand the Smart Buildings Challenge
 - Support expansion of our “weightless” knowledge economy through projects like the Tech Hub
19. Changing the way we move. Key actions include:
- Allocate 100 car parks across the city, based on demand, for car sharing or electric vehicle charging stations.
 - Participate in regional partnerships to support electric vehicle charging deployment

- Support car sharing in all its forms including ridesharing and carpooling
- Investigate bike sharing as the cycleway network is completed.
- Continue investments in the cycleway network and public transport
- Advocate for lower public transport fares.
- Advocate for biofuels to replace liquid fossil fuels.

20. Leading by example. Key actions include:

- Invest in energy savings across our operations.
- Continue CEMARS emissions benchmarking
- Include electric vehicles in our vehicle fleet
- Implement and run behaviour change programs for staff

21. Deliver “Love Food; Hate Waste” with national partners

Next Actions

22. The Low Carbon Capital plan presents an opportunity for Wellington City Council to solidify its leadership in the climate space. By adopting the Low Carbon Capital plan, Council would set in place a guiding document to continue to innovate, and continue to mainstream climate change. Additionally, it presents the opportunity to make significant progress towards setting science-based targets and laying out a pathway to achieving them. In this way, Low Carbon Capital allows Wellington City Council to take positive steps that build on our past success with prior Climate Change Action Plans.

Attachments

Attachment 1. Draft Low Carbon Capital document

Page 111

Author	Tom Pettit, Senior Advisor, Climate Change
Authoriser	John McGrath, Acting Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

We will consult on the Low Carbon Capital plan through the 2016/17 draft annual plan process.

Treaty of Waitangi considerations

None noted.

Financial implications

The Low Carbon Capital plan includes limited implications such as potential revenue foregone as part of supporting car sharing organisations. Other programs can be met through existing budgets.

Policy and legislative implications

None noted.

Risks / legal

None noted.

Climate Change impact and considerations

The Low Carbon Capital Plan will significantly improve the council's climate change position through taking pro-active action in areas the Council can control, and advocate and facilitate where we cannot.

Communications Plan

We will align communications about the Low Carbon Capital plan with the Draft Annual Plan consultation.

Draft consultation document

Low Carbon Capital

A Climate Change Action Plan for Wellington 2016 - 2018

Item 2.4 Attachment 1

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Introduction

Climate change is without a doubt the great challenge of our time. As noted in the Intergovernmental Panel on Climate Change's fifth assessment report:

“Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, and sea level has risen.”

In December 2015, 200 countries came together in Paris to set a pathway for unprecedented collective action to reduce the greenhouse gases entering the atmosphere, and further mitigate impacts of climate change on the planet. These 200 countries signed up to ambitious mitigation goals, aiming to limit warming across the climate system to 2 degrees Celsius or less, and have already pledged reductions that would reduce potential warming to 3.7 degrees Celsius or less. This agreement shows that belief that we need climate action is no longer the exception but the standard.

Cities have a strong role to play, as the source of 70% of greenhouse emissions and with 90% of them vulnerable to coastal impacts. Wellington City is no exception, and we have already established a position of leadership in the climate space - the council has pioneered innovative programs like the Smart Energy Challenge and the Smart Buildings Challenge, as well as being the only city in the southern hemisphere to host a Climathon in partnership with Europe's Climate-KIC. We have promoted climate action between local government and partners in the private sector – with both entrepreneurial start-ups and large businesses. We are lucky enough to host two wind farms in our city that provide enough power for all of our homes, and we have the highest active and public transport use in the country. In addition, we own substantive

forestry holdings and are aiming to plant 2 million trees across the city by 2020.

But it isn't just these outstanding features and efforts that make us a climate centre of action – we are a member of the Rockefeller Foundation's 100 Resilient Cities Network, and have recently joined the global Compact of Mayors. We host multiple universities and research institutes specialising in climate, including the Climate Change Research Institute at Victoria University of Wellington and the New Zealand Centre for Sustainable Cities. In addition, we host multiple Crown Research Institutes and the government itself.

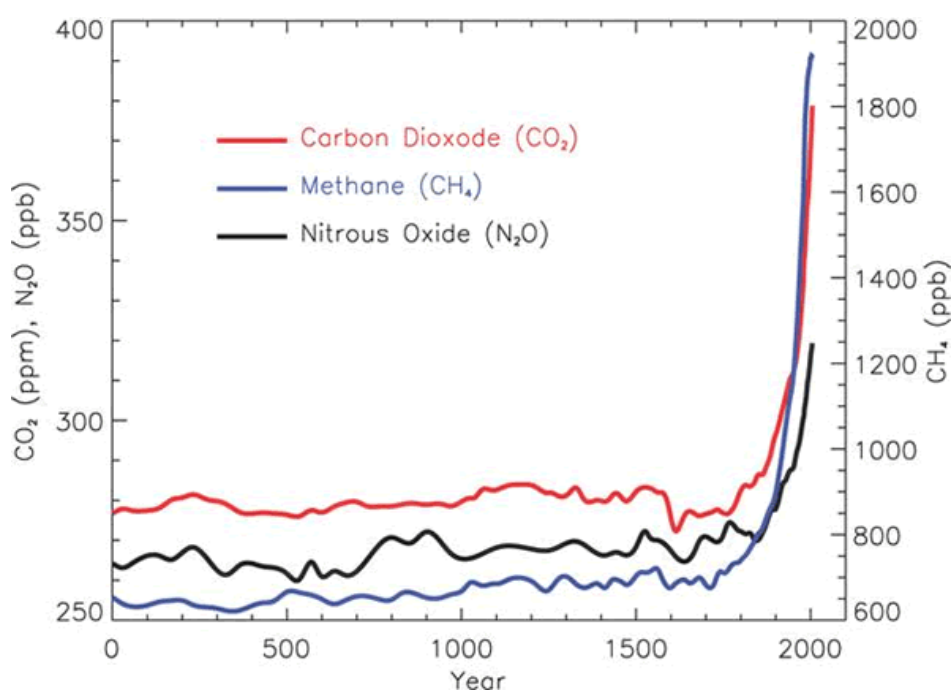
All of this means little if we don't set ambitious, science-based targets and lay out substantive actions to reach them, which the 2016 Low Carbon Capital plan aims to do. We have invested significantly in improving the information that underlies our action planning: with a freshly updated greenhouse gas inventory for the city, a newly-minted Certified Emissions Management And Reduction Scheme certification for the Council's corporate emissions, and the launch of the Wellington 2050 Energy Calculator, we have built an extremely strong foundation upon which to extend our climate efforts. Building on the success of the 2013 Climate Change Action Plan, Low Carbon Capital aims to continue some programs, while adding significant action in three key areas: greening Wellington's growth; changing the way we move; and leading by example.

Above all, it is important to keep in mind that reducing emissions is just one key reason to invest in carbon-friendly action. Wellington consistently places high in quality of life measures, the highest in New Zealand by some surveys, partially because of its compact, liveable city centre. By investing in climate-friendly infrastructure, we can further promote compact, healthy, and liveable communities without compromising the growth of our economy. Meeting our ambitious goals will take a concerted effort of tailored investments, made in partnership with the private sector and our central government partners, that help promote our weightless knowledge economy while reining in our carbon output.

The building momentum for climate action across the globe will not slow down, and Wellington is well-positioned to capitalise on its past successes to lead in many areas – not just by continuing its existing programs, but by breaking new ground.

Background

Climate change is now a clear and present global threat. Globally significant and sustained changes to the climate system are being driven by human activities – such as farming, driving, burning fossil fuels for electricity, and deforestation – pumping greenhouse gases like carbon dioxide, methane, and nitrous oxide into the atmosphere, where they gather and trap heat. Since the industrial revolution we have seen significant increases in greenhouse gas emissions unseen in millennia.



With 90% of global cities on the coast, vulnerable to threats driven by climate change like sea level rise and increasingly severe storms, it is imperative that we act to limit the damage caused

by climate change. Closer to home, Wellington City has already seen the recent impacts of severe storms with the destruction of the Island Bay sea wall, the disruption of roads along the south coast, and the impact of washouts on the rail corridor north, particularly in the June 2013 storms.

However as a city that emits just 5.32 tCO₂e per person, the lowest in Australasia, Wellington is starting from a strong base. We have windfarms at our doorstep which supply enough power to power all of Wellington City's residential homes. We have the highest rates of active and public transport in the country. We enjoy a compact, vibrant and liveable city centre. These existing assets provide a solid base that will act as a springboard to help us achieve our ambitious goals.

Action on climate change is not just good for mitigating emissions, or preventing negative impacts in the future. Acting to reduce emissions helps the city as a whole. Promoting a future-proofed knowledge economy to support the growth of the city and overall wellbeing; supporting the health and wellness benefits that come from active lifestyles and cleaner air; and promoting the vibrant liveable city centre that will result from a compact development profile are all examples of why climate change action is smart for the city.

The global context

Wellington City Council has been a leader in acting on climate change and supporting resilience for many years. Now the Low Carbon Capital plan, combined with membership in the 100 Resilient Cities network funded by the Rockefeller foundation, aims to solidify that strong leadership position. Wellington aims to be low carbon, liveable and fundamentally resilient to both the stresses and potential shocks that the city will face as a result of climate change.

Since our 2013-15 Climate Change Action Plan was released, the global context has seen a

significant shift in its approach to a changing climate. The IPCC Fifth Assessment Report was released in late 2014, warning in the strongest terms:

“Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, and sea level has risen.”

“The Paris Agreement is a monumental triumph for people and our planet.”

- United Nations Secretary-General Ban Ki-Moon

In late 2015, countries met in Paris for the 21st Conference of the Parties (COP). As a result nearly 200 countries signed a commitment, and many issued reduction pledges, to reduce emissions enough to limit global temperature increases to a maximum of 2 degrees Celsius by the end of the century. With large global emitters such as the United States and China pledging meaningful reduction targets the mood remains positive that we may finally be

reaching a tipping point for concerted global action to address climate change.

Domestically central government is currently undertaking a major review of the Emissions Trading Scheme (ETS) and foreshadowing more support for initiatives such as electric vehicles, cycle ways, and public transport.

Why cities?

Globally cities consume two-thirds of the world's energy and create over 70% of global greenhouse gas emissions. Over 90% of all urban areas are coastal, putting most cities on Earth at risk of flooding from rising sea levels and powerful storms. Ultimately, every city and state is responsible

for contributing to climate mitigation if we are to meet the ambitious goals the world has set in the most recent climate summit. Cities emerged out of COP21 in Paris as the key non-state stakeholders in meeting our global carbon challenge.

Wellingtonians each contribute 5.32 tonnes of CO_{2eq} each year. By lowering our carbon impact we contribute to the future-proofing of our city against the most negative impacts of climate change, whilst at the same time improving liveability and competitiveness by leveraging all the co-benefits that come with investing in climate-friendly policies, goods, and services. We also have an opportunity to show leadership in the reduction of our own corporate emissions.

“There is no single solution for solving global climate change, but cities have the ability, capacity and will to lead.”
- C40 Cities Initiative

We will continue to identify opportunities to partner with Central Government, the private sector, universities and research institutes, and NGOs in order to maximise our collective funding capability and ensure no duplication of services.

Wellington City has a proud history of commerce, culture, and innovation. We have the talent, the ideas, and the will to make a meaningful contribution to the global effort on climate change.

Co-benefits of climate action

Climate action doesn't just benefit the environment it also benefits the economy and contributes to Wellington's liveability:

- Greater health and wellness, particularly from active transport
- A more livable city with vibrant centres, particularly from compact development
- More affordable and accessible housing due to more space-efficient development
- A more vibrant economy due to an emphasis on "weightless," knowledge-intensive businesses.
- Cleaner air, water and natural environment

The state of play

Wellington City's emissions profile

1,084,979

tonnes CO₂ equivalent

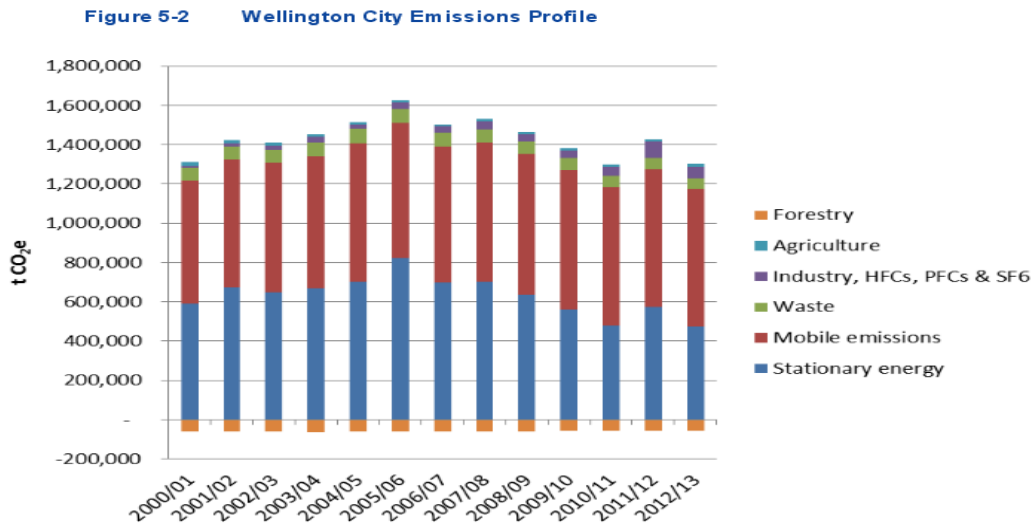
- Wellington's 2014/15 total
emissions per GHG inventory

Wellington City's production emissions are dominated by two key sectors – transport and stationary energy, which combined account for more than 90% of the city's emissions.

Wellington's emissions profile does not contain substantial agricultural and forestry components as is the norm in most other parts of New Zealand.

However Wellingtonians do consume significant amounts of agricultural products which add to

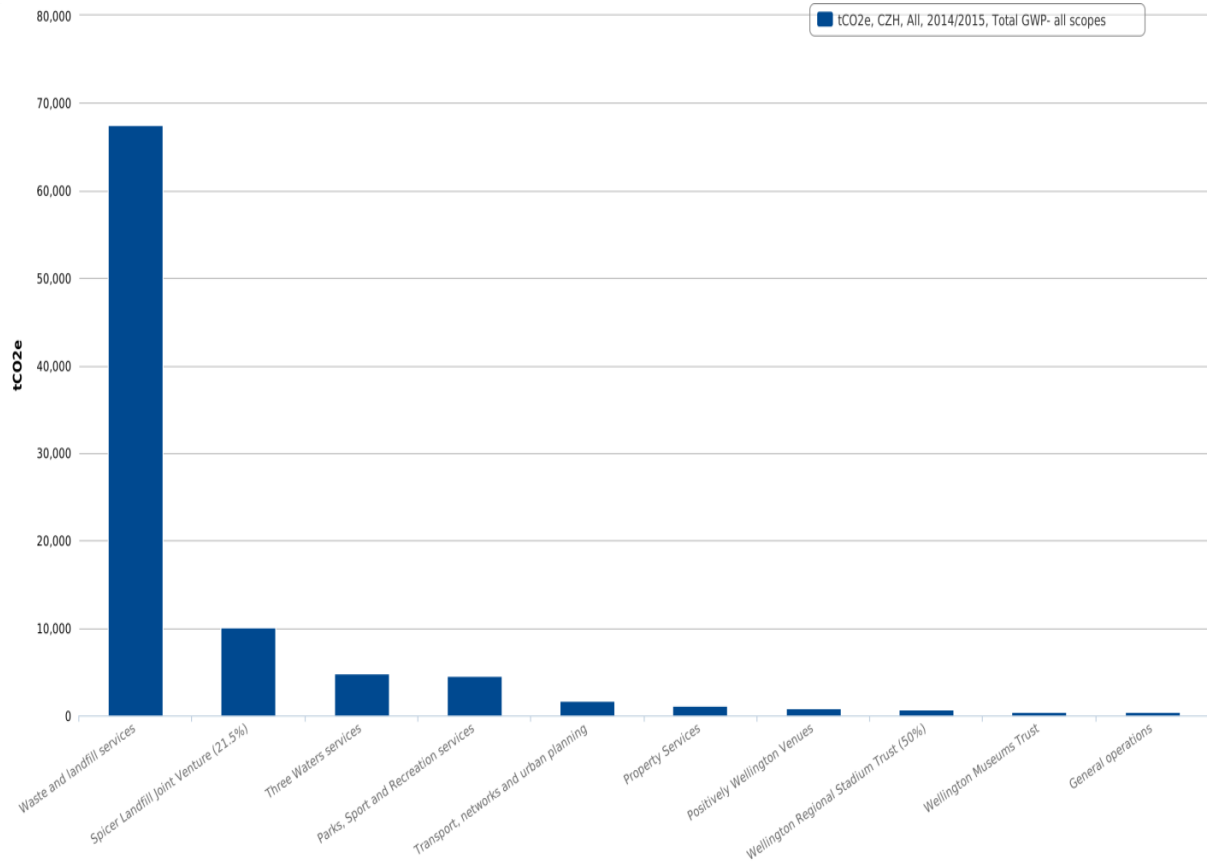
demand for production elsewhere. On the other hand, we have a major international airport within the city limits, so we are credited with the emissions of nearly all of the region's domestic air travel. This creates multiple complex challenges – with less forestry we aren't able to offset as much; and with aviation being a substantial contributor to our transport emissions, greenhouse gas reductions will be driven by the availability of international solutions for aviation such as biofuels or gains in aircraft efficiency. That said there are many opportunities where we can make a difference today – mostly in building energy use and private transport.



Wellington City Council’s Emissions Profile

Wellington City Council’s recently-audited greenhouse gas emissions inventory is remarkably different from that of the city. As an organisation, waste deposited at our two landfills accounts for more than 80% of the organization’s overall emissions. This poses a challenge for the council, as much of the emissions come from private waste deposited at our publicly-operated landfills. Whilst waste dominates our emissions profile there are still significant gains that can be made across the rest of Council operations and CCOs.

Item 2.4 Attachment 1



©

What have been the biggest challenges so far?

Linking targets to mitigation action

This is not a challenge unique to Wellington City. Governments, Councils, and businesses worldwide have been grappling with the difficulties of setting ambitious but realistic targets and then laying out clearly how they intend to achieve those targets.

Whilst we implemented or completed nearly every action point in the 2013-15 Climate Change Action Plan we still failed to meet our targets. This implies that our targets were not sufficiently linked to the actions that were chosen, and we need better information to help us identify the actions with the greatest potential to achieve the emissions reductions required to meet our targets.

The development of the 2050 energy calculator and the tools now available to us through our CEMARS certification will assist us to better align targets with pathways to meet those targets.



30 out of 34 actions
completed in the 2013-15 Climate
Change Action Plan

The levers we have available to us are limited

Most of the available levers to really accelerate action on climate change mitigation lie with central government. The price of carbon, further greening of the national grid, and accelerating the production and uptake of biofuels are all examples of central government policies over which we have no control that could significantly impact our city and Council emissions. However we do have a strong role to play in advocating on behalf of our community for policies and initiatives which drive down emissions across the city and the country as a whole. This also

provides an even greater incentive to make maximum use of the levers which are available to us.

Managing legacy infrastructure and climate change adaptation

Even if the world were to drastically reduce emissions overnight we are still locked into at least two degrees of warming by the end of the century. This will mean changes in weather patterns, temperature, and sea level rise.

One of the most challenging aspects of climate action is likely to be the management of legacy infrastructure. Much of the infrastructure with us today will still be in use fifty or even a

0.5 to 0.8m Sea level rise local councils are asked to plan for by central government.

hundred years from now, particularly housing, transport and water infrastructure. Managing this infrastructure in the face of rising seas, more severe storms and a significantly changing climate will be no small feat. Our membership in the 100 Resilient Cities network and the upcoming Resilience Plan will offer an opportunity to elucidate how we plan to manage this infrastructure over the next coming years.

Mainstreaming climate change policy and action

- Action on climate change mitigation and adaptation makes sense economically as well as environmentally. As such climate change policy shouldn't exist in a vacuum siloed away from all other areas of Council policy.
-
- There are also many actions that might only result in small reductions in greenhouse gas emissions, but that have many other co-benefits which on balance make them worthy of

support. An example of this would be home insulation, which also results in warmer healthier homes, or residential solar which with fast-developing battery technology increases resilience.

Our current targets

Wellington City Council has adopted two separate target pathways out to 2050 – one for Council operations and the other for the city as a whole. The targets were set in 2007 and based on recommendations for cities from ICLEI (International Council for Local Environmental Initiatives) due to a lack of Wellington specific data at the time.

Greenhouse gas emissions-reduction targets for Wellington City and Wellington City Council

	BASE YEAR	2010 (2009–2010)	2013 (2012–2013)	2020 (2019–2020)	2050 (2049–2050)
Wellington City	2001 (2000–2001)	Stabilise (0% increase)	-3%	-30%	-80%
Wellington City Council	2003 (2002–2003)	Stabilise (0% increase)	NA	-40%	-80%

Since that time we have implemented and delivered three key projects.

- The first is a Greenhouse Gas Inventory for Wellington City. The inventory measures emissions generated directly and indirectly by the communities of Wellington City across a number of different sectors including transport, waste, stationary energy, agriculture and forestry. With the release of our latest Greenhouse Gas Inventory in early 2016 we are now able to assess our citywide performance against our targets.
- The second is a city-wide energy calculator. The calculator allows users to explore how energy and transport choices shape Wellington city’s carbon emissions footprint and

discover which interventions would have the highest impact based on scientific data. Users can vary 31 'levers' that affect how energy is used and produced in the city— such as improving public transport or increasing the number of solar panel installations. The calculator will allow Wellington City Council to prioritise areas with the highest potential for emission reductions and use that data to inform future city targets.

- The third is the attainment of CEMARS (Certified Emissions Management and Reduction Scheme) certification for Wellington City Council – only the third Council in New Zealand to do so. Council achieved CEMARS certification in December 2015 following a two day audit of the energy and emissions

“Our emissions profile will now be regularly audited and includes all city Council emissions to international certified standards. This is a significant step and puts emissions into a category as important as an accurate balance sheet.”
- Mayor Celia Wade-Brown

data collected by Wellington City Council and CCOs. Certification means that we can now have confidence that the data we collect is accurate and comprehensive and a precise measure of how we are performing. This enables us to start measuring our energy and greenhouse gas emissions reduction progress against this original audit or 'baseline' year and make more informed decisions about our energy management and emissions reduction work programmes. These work programmes will inform the setting of future targets for Council Operations.

1.8% reduction in citywide CO₂e between 2000/01 and 2014/15
30% target reduction by 2020

So what do these tools tell us?

Based on the information in our updated Greenhouse Gas Inventory, Wellington City emissions have decreased by 1.8% between our

base year of 2000/01 and 2014/15. However we failed to meet our 2013 target of a 3% reduction in emissions with the city registering a 1.5% increase for that period. Similarly using our energy calculator we can predict that it is highly unlikely that we would be able meet our current target of a 30% reduction in city-wide emissions by 2020.

More importantly however it is still possible, with a concerted and sustained effort, to meet our 2050 target of an 80% reduction in city-wide emissions relative to 2001. It is the 2050 target that is critical and so while it is disappointing to not meet the 2013 or 2020 targets it is merely the trajectory that has changed, not the goal itself. We also now have comprehensive information that was not available back in 2007 to inform the setting of future targets and identify the interventions that will yield the greatest reductions in greenhouse gas emissions.

When it comes to the measurement and setting of targets for Wellington City Council's corporate emissions we also have historically had to rely on data that was compromised due to numerous changes in methodologies and unaudited emissions reporting going back to the base year of 2003. Gaining CEMARS accreditation has rectified this situation and given us a comprehensive standardised platform for our emissions reporting and management. As a result it is necessary to reset our base year to 2014/15 – the first year for which we have a complete audited set of data right across Council and CCOs. Achieving the current target of a 40% reduction in Council emissions by 2020 compared to the new base year would be extremely difficult. As with the City-wide emissions reduction target we believe it makes the most sense to focus on achieving the 2050 target and set the emissions reduction trajectory, and interim targets, accordingly based on the new information we now have available.

82.4% of Wellington City
Corporate emissions come from
Waste to landfill – CEMARS audit

We now have an opportunity to utilise the three tools that have been developed to inform Wellington-specific emission reduction targets rather than continuing to use the ICLEI default

targets. We also intend to set 2030 and 2040 targets for both Wellington City and Wellington Council in order to be able to map our progress on the path to 2050.

Identifying areas of greatest potential

With the development of the Wellington 2050 Calculator and our latest Greenhouse Gas Inventory, we now have much better information available to us to analyse the potential impact of different interventions and their overall potential for emissions reduction given various levels of effort. By far the most impactful areas of potential are:

1. Electrification of the vehicle fleet
2. Biofuels for liquid fuel replacement
3. A shift to renewables in the national grid
4. Reduced emissions from solvent and product use.

From this information we have identified a mix of proposed activities for Wellington City Council comprising both direct actions and strengthened advocacy roles.

There is enormous opportunity to bring central government, the private sector and local government together to deliver strong results for the climate in these and other

The calculator will allow people to see the impact of their choices on Wellington's emissions pathway, based on scientific data. It covers all parts of the economy and all greenhouse gas emissions released in the city, including non-energy-related emissions.

- Wellington Mayor Celia Wade-Brown

areas.

What this action plan does not cover

There is enormous crossover between climate change mitigation and adaption. After all, mitigation is first line of defence when it comes to adapting to a changing climate. If we don't stop creating the problem then our adaptation challenges become even more difficult. However this action plan will not lay out a strategy for climate change adaptation for Wellington City. That work is being carried out as part of our membership of 100 Resilient Cities and will be consulted on separately. As such this action plan's focus is solely on climate change mitigation.

The three pillars of climate change action for Wellington

1 • Greening Wellington's growth

Wellington City is widely recognised as a liveable city renowned for its high quality of life. Wellington already has the country's highest proportion of people walking, cycling and using public transport for journeys to and from work. Wellington has a head start on the rest of New

70% of the infrastructure that will exist in cities by 2050 hasn't been built yet.
- Rockefeller Foundation 100 Resilient Cities Global Trends

Zealand in responding to climate change, with a lower carbon footprint due to its compact urban form, higher rates of public and active transport, access to significant renewable energy resources, and a growing creative and knowledge-based, "weightless" economy.

Wellington City's population is conservatively expected to grow from the current 200,000 to approximately 250,000 over the next 30 years.

Wellington's Urban Growth Plan aims to ensure that as the city's population increases, new houses, transport networks, infrastructure and services are developed sustainably and in areas that benefit the city the most so that residents continue to enjoy a world-class quality of life and:

- maintain the city's liveability – the features that support our high quality of life and the city's character
- keep the city compact, walkable and supported by an efficient transport network

- protect the city’s natural setting – nested between our green hills and coastline, contributing to our distinctive character
- make the city more resilient to natural hazards such as earthquakes and the effects of climate change.
- instead of being a separate standalone strategy the Low Carbon Capital plan will form part of the early implementation of the Urban Growth Plan.

○

To continue reducing our city-wide greenhouse gas emissions we will maintain the compactness of our city as our population grows; and invest in our public transport network, footpaths and cycleways to reduce car use and car ownership and improve travel efficiency. We will continue to encourage low-emission economic development, building efficiency, water conservation and waste reduction.



40.6% increase in population in
Te Aro and Wellington Central
between 2006 and 2013 censuses

Long term goals:

- Our building stock is more energy efficient due to improvements such as better insulation in homes, and more efficient lighting, cooling and heating systems in residential and commercial buildings.
- An increasing proportion of the energy we use to power the city’s homes, buildings and transport comes from local renewable sources – wind, solar, tidal and wave energy, as well as biomass energy from waste.

-
- The city has a comprehensive network of natural assets – parks, gardens, coastline, Town Belt and reserves. Wellington City Council also has investments in PFSI (Permanent Forest Sinks Initiative) and ETS (Emissions Trading Scheme) forests. These help to support biodiversity, absorb carbon emissions, and form part of Wellington’s green infrastructure.
 - We use water more efficiently and minimise waste production.
 - We manage the risk of sea-level rise and extreme weather events through mitigation and adaptation, including ensuring infrastructure can cope with these effects.
 - Our planning documents reflect the risks associated with climate change, for example, controlling housing and infrastructure development in places susceptible to flooding, and areas prone to slips or coastal erosion.

Draft implementation plan for 2016 – 2018

Investigate phasing out the Minimum Parking Requirement (MPR)

MPRs are rules in District Plans that require developers to build a minimum number of off-street car parks with any new development – usually one or two parks per dwelling. While there is no MPR for developments within Wellington’s CBD, MPRs do apply across the rest of the city.

We propose exploring the phase out of the minimum parking requirement where it makes sense, starting in parts of the city where car ownership rates are already low and comparable to CBD levels. By phasing out this requirement we can limit dependence on parking and allow developers, both

commercial and residential, to build only the parking needed to meet demand rather than creating excess capacity that incentivises car ownership over alternative transport choices. This has been the practice in Wellington’s CBD for around 20 years. Developers are already incentivised to provide adequate parking in order to maximise the value of their investment. With car ownership decreasing on a per-capita basis across the city, and with increasing numbers of Wellingtonians taking advantage of the growing range of alternative transport choices on offer, it makes sense to let the market define what the optimal use of any given space is; be it car parking or some alternate land use.

Number of households with **2** or **3** or more cars has decreased between the 2006 and 2013 censuses

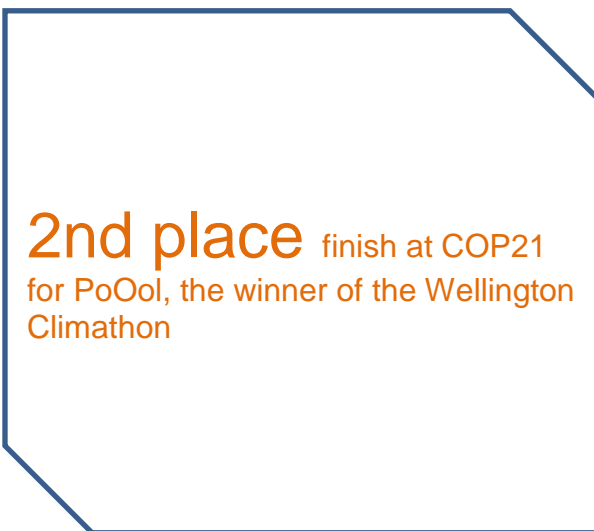
When: 2017/18

Cost: to be met from within existing budgets

Continue the Smart Energy Challenge

Wellington City Council has been partnering with Enspiral and a range of other partners to deliver the Smart Energy Challenge. The Challenge brings to life smart energy projects that benefit Wellington and contribute to the city's liveability and sustainability to life. The challenge also engages Wellington's innovative social entrepreneurs and helps build capacity within the sector whilst at the same time providing practical support through dollar-for-dollar fund matching for successful projects.

Two Smart Energy Challenges have been successfully run to date as well as a Climathon event; the winner of which was selected to present at the COP21 in Paris last year and placed second out of more than a hundred teams globally.



We are working with Enspiral to advance the next phase of the Smart Energy Challenge to continue to cultivate our local entrepreneur community and support the three pillars of this climate change action plan.

When: 2016/17

Cost: to be met from the existing Smart Energy Capital Fund (\$160k)

Investigate incentives for sustainable building solutions

With Wellington City's population set to grow by circa 50,000 residents over the next 30 years, and a focus on growth in the CBD, we want to ensure that effective incentives are in place for

new building developers, and owners of existing buildings, to provide facilities which add to the sustainability of that growth.

Over the next two years, we will investigate what incentives, financial or otherwise, could be effective in ensuring the provision of services including, but not limited to, recycling and food waste collection, electric vehicle charging infrastructure, green roofs and access to building car-share schemes.

When: 2016-18

Cost: to be met from within existing budgets

Investigate alternatives for sewage sludge disposal

One of the practical challenges that a growing Wellington City will face is how to deal with accompanying increase in wastewater being treated and then sent to the Southern landfill as sewerage sludge.

The amount of sewerage sludge going to landfill has climate change implications in two respects - the greenhouse gas effects of the sludge itself; and the potential impact on the landfill's emissions-reducing waste

minimisation programmes given the requirement for every tonne of sludge to be mixed with four tonnes of municipal waste. The Southern landfill is already approaching that 'tipping point' so the time is right to investigate alternatives to landfilling sewerage sludge. We propose to carry out this work over the next two years.

15,000 tonnes
production of sewage sludge disposed
of in the southern landfill, just under
20% of total waste

When: 2016 -18

Cost: investigations to be met from within existing budgets

Home Energy Saver

The Home Energy Saver scheme offers a free home energy audit to Wellington homeowners, landlords, and tenants. Following the audit participants are eligible for a 50% discount on certain energy saving products up to a limit in order to reduce their energy use and carbon footprint. Since 2011 more than 2000 homes have received upgrades through this program. We are currently in discussion with the provider of the scheme, Sustainability Trust, and Victoria University to carry out an evaluation of the scheme in order to ascertain its effectiveness in driving behaviour change when it comes to energy use.

When: 2016-18

Cost: \$60k per year – already funded through the 2015-25 Long Term Plan

Warm Up Wellington

Warm up Wellington is a subsidiary of the Government’s Warm up New Zealand (WUNZ) scheme. WCC in partnership with EECA, Sustainability Trust, Capital and Coast District Health Board, and Hutt Mana Charitable Trust provides insulation services to low-income homes. WUNZ is a three-year programme with a target of insulating 46,000 homes across New Zealand.

1,400 retrofits through the Warm Up Wellington program since 2011

The programme targets households exhibiting, or at risk of developing, respiratory disease and other health conditions linked to poor housing.

Eligibility for the WUNZ programme is limited to households that:

- Householder or head tenant holds a Community Services Card and,
- someone living in the home is under 18 years of age or over 65, or
- someone living in the home has a housing-related health condition.

More than 1400 retrofits have been undertaken in Wellington City since 2011. Central government funding, which provides the bulk of the subsidy via EECA, expires at the end of June 2016. WCC's continued role in this area will depend on whether or not EECA funding is extended beyond this financial year and we will be monitoring developments closely.

When: 2016-18

Cost: \$40k per year— already funded through the 2015-25 Long Term Plan

The Smart Buildings Challenge

The Smart Buildings Challenge is a collaboration between Wellington City Council, EECA, Microsoft, Switch Automation, Vector AMS and the Energy Management Association of New Zealand to pilot an energy management tool for commercial building owners. The challenge aims to provide a user-friendly platform which enables building owners to manage and reduce their own energy costs whilst at the same time reducing the carbon footprint of Wellington's commercial building sector. We currently have 20 commercial buildings entered into the challenge including WCC's Central Library Building.

Challenge participants sign up to an aspirational goal of a 10% reduction in energy usage over the first year and work towards achieving NABERS NZ accreditation.

The Smart Buildings Challenge is a pilot and has funding through 2016/17. We will monitor the progress of the scheme and investigate opportunities to extend the programme to a larger number of building owners as well as their tenants.

38% of emissions in the Wellington City Council boundaries are from stationary energy – such as commercial buildings heating and cooling

When: 2016/17

Cost: to be met from the existing Smart Energy Capital Fund (\$160k)

Solar Power

Currently residential solar does not have a large impact on emission reductions as it is at its most effective during the day when most people aren't home to use it. There may be a stronger case to make for solar on commercial buildings as they are occupied during the day but in this case the solar-generated electricity is simply replacing electricity generated from other renewable resources. However, battery storage technology is rapidly improving and as it improves the potential for solar installations to help reduce the City's greenhouse gas emissions increases.

There are also co-benefits of promoting solar in Wellington City. Homes and businesses are more resilient if they have the ability to generate and store their own electricity in the event of an outage. And in order to accommodate the desired uptake of electric vehicles across New Zealand we will need to increase electricity generation nationally so investment in solar could also be considered as investment in EV charging infrastructure.

We propose looking for opportunities to increase the uptake of solar in Wellington by working with solar providers and utilities in both residential and commercial contexts.

When: Ongoing

Cost: To be met from within existing budgets

2.

Changing the way we move

In order to meet Wellington's climate transport challenges we must make it easier for Wellington City residents to either not own a personal vehicle, or to own personal vehicles which operate on sustainable alternatives to fossil fuels.

Mobile emissions make up the largest segment of Wellington City's emissions profile. Having a high-quality diverse transport system is key to Wellington's economic, environmental and social success as well as meeting our climate change targets.



56% of emissions in the Wellington City Council boundaries are from transport

Wellington has many existing advantages. The city is compact, many people work in the CBD, and we have a comparatively young, educated population who have demonstrated they are open to change and new transport experiences. We have a good public transport system, and car ownership is relatively low by national standards. Walking as a transport mode is very high (17 percent of journeys to work) by national and international standards. There has also been

a large recent rise in the number of people cycling despite a current lack of supporting infrastructure.

As a city we must recognise the important role our public transport system plays in moving people around the city and the wider region and increase availability and quality of service, foster the safe and convenient development of walking and cycling, and support the provision and uptake of car-sharing and ride-sharing services and disruptive technologies such as electric and autonomous vehicles.

Draft Implementation Plan 2016 – 2018

Support car sharing and electric vehicle charging

Over the next three years we propose to identify up to 100 car parks citywide (suburbs 70%/CBD 30%), with an early focus on the CBD, to be made available based on demand for car-sharing operations, electric vehicle charging infrastructure, or any other service which reduces the need to own a car or makes it easier to shift to electric vehicles or any other type of sustainable transport fuel. We will do so in an integrated way being cognisant of the impact on other important transport modes such as walking, cycling, and public transport.

We will also develop a policy (currently out for consultation in relation to car-sharing) to outline the conditions under which public spaces will be made available and the guiding principles for granting such access. This will be an enabling policy with a focus on reducing compliance and cost particularly for small start-up companies. In addition to the policy, guidelines will be drawn up to identify the level of subsidy needed to grow electric vehicle infrastructure and car-sharing take-up, and the point at which they no longer need subsidised Council car-parking.

Support car sharing uptake

Council has supported car sharing in one form or another since 2008. We will now look to accelerate that support to enable greater provision of car-sharing services across the city and particularly in the CBD. This will primarily be in the form of provision of parking spaces which will initially be free. It could also be through initiatives such as the Smart Energy Challenge. We propose to build on the learnings of the current car sharing trial and develop a strategy that is enabling, effective, and responsive to the needs of car share providers. We also propose working with other Councils to develop region-wide car-sharing capability.

When: 2016-18

Forgone revenue: up to \$150k by year three of the plan

Promote Electric vehicle uptake

Increasing the number of electric vehicles as a proportion of Wellington’s transport fleet will have a significant impact on the city’s greenhouse gas emissions. Cost remains a barrier to the uptake of electric vehicles; however prices continue to fall with an increasing number of products being made available in the New Zealand market. As uptake of EVs increases so does the potential for a decent sized second-hand market at prices which rival those of conventional vehicles.

“Electric vehicles can drive us into a cleaner, more sustainable energy future. The IEA has shown that if global warming is to be limited to 2 degrees, at least a fifth of all vehicles on roads by 2030 should be electric.”
- Fatih Birol, Executive Director of the International Energy Agency

The other barrier to uptake of EVs is the lack of charging infrastructure around the city, particularly in the CBD, and in neighbouring cities in the Wellington region. This exacerbates “range anxiety” which may deter otherwise motivated car owners from going down the EV path. Wellington also has a higher than average number of residential properties without

garages for overnight charging which makes provision of charging near place of work a specific challenge for Wellington City.

“ZEVs will also reduce local air pollution in cities that is causing immense damage to health and the economy. The uptake of electric-mobility will be more feasible and also fruitful if cities adopt compact planning and measures to improve public transport.”
- Joan Clos, Executive Director UN-Habitat, UN Human Settlements Agency

As well as providing access to public spaces, including carparks, for the provision of EV charging infrastructure Council can also play a critical role in ensuring the consenting processes for the installation of chargers are as streamlined and affordable as possible. We are

currently working with a number of private sector partners and key stakeholders to progress this work with a view to producing an easy to understand guide for those looking to install chargers on public and private land within Wellington City, from the standard three pin socket (slow-charger) to the 50kWh fast chargers.

We will investigate removing the requirement for a resource consent for EV charging infrastructure right across the city. In order to facilitate the uptake of EVs by those without access to a garage it will also be important to investigate options for suburban on-street slow-charging.

We will also investigate the potential within council owned car parking buildings for low-cost EV standard chargers to immediately be introduced in order to get a basic level of public EV charging infrastructure into the CBD.

We will continue to work with Central Government, other councils, utilities providers, and other key stakeholders such as Drive Electric to progress the rollout of an integrated EV fast charging network across the country. By taking a leadership role in Wellington City we will then be in a position to share experiences and assist others to do the same.

When: 2016-18

Cost: Investigations to be funded from within existing budget

Invest in active and public transport modes

Wellington City Council in partnership with the New Zealand Transport Agency and Greater Wellington Regional Council will fund a significant expansion of our cycling and

**“The new blueprint is ... not anti-car.
It’s pro-choice.”**

- Janette Sadik-Khan, Former NYC
Transportation Department Head

public transport network in the coming years. To make the most of the improved cycling network, we will explore opportunities to establish a bike share scheme and identify public spaces that could be used to support such a scheme.

When: 2016-18

Cost: Investigations to be funded from within existing budget

Advocating for lower fares across our Public Transport network

Wellington City Council is quite aware of the critical impact public transport has on creating a balanced, low carbon, well-functioning transport network. We are also aware that while we don't control the public transport network, we have a strong advocacy role to play for our residents, especially vulnerable users who rely on public transport because they have no alternative. We view public transport fares as one of the key areas of action because while Auckland Council recover just 44% of their operating costs through public transport fares, and Environment Canterbury just 38%, Wellington recovers 57% of their operating costs through public transport fares. Greater Wellington Regional Council analysis indicates that while residents of other territorial authorities are paying between 10-40c/km, residents of Wellington City are paying as much as \$.60-1.80/km. Given this imbalance, we believe we have a strong role to play in advocating for more reasonable fares across the Wellington City public transport network. We can't deliver on lowering fares ourselves, but in partnership with Greater Wellington Regional Council we are exploring the possibilities through programmes like our discounted public transport fares piloted over the past Christmas period.

Advocate for greater support for the development of biofuels

New Zealand is uniquely placed to be able to produce ample sustainably produced bioenergy to replace both solid and liquid fuels across the country. In doing so it could also create major opportunities for carbon offsetting through forestry.

An effective price on carbon through the emissions trading scheme as well as regulatory or financial support from central government for greater biofuel production presents one of the greatest opportunities to make a meaningful difference in Wellington's emissions profile. Council will continue to advocate to Government for progress to be made in this area.

3 • Leading by example

Wellington City Council owns, manages, and provides a range of services that directly or indirectly produce greenhouse gas emissions. The main sources of emissions for Council operations are landfills and the energy used in our offices, pools, water treatment and pumping, street lighting and vehicle fleets. Wellington City Council continues to deliver an energy data monitoring and energy management programme through our Energy Manager. In this climate change action plan we propose to build on this work and take it to the next level.

Wellington City Council currently has a target of a 40% reduction in emissions by 2020 and an 80% reduction by 2050. As we have reset our baseline year to 2014/15 it will be extremely difficult to achieve a 40% reduction in less than four years. However we are on track to meet our 2050 target. We propose to reset our interim targets using the comprehensive data now available to us through our CEMARS accreditation.

Draft Implementation Plan 2016 – 2018

CEMARS certification

Wellington City Council achieved CEMARS certification in December 2015. Certification means that we can now have confidence that the data we collect is accurate and comprehensive which for the first time gives us an exact measure of how we are performing as an organisation in reducing our greenhouse gas emissions.

Now that certification has been achieved we move to the next phase of CEMARS and will be setting emission reduction targets for the next five years across Council and CCOs for all major emission sources. These will be audited annually to monitor progress leading up to our next full audit in 2020. This enables us to start measuring our energy and greenhouse gas emissions reduction progress against this original audit or 'baseline year' and make more informed decisions about our energy management and emissions reduction work programmes.

"Council is showing what can be done and now has the opportunity to inspire and influence suppliers and other organisation's to reduce their emissions."

- Dr. Ann Smith, Chief Executive of Enviro-Mark Solutions (CEMARS)

As nearly 85 percent of Council emissions are from landfill we will, as a priority, investigate waste minimisation options including alternatives for sewerage sludge disposal to landfill.

When: Ongoing

Cost: \$30k per year

14% potential energy savings identified since CEMARS certification through the energy management programme

Invest in energy savings across the business

Wellington City Council is fortunate to have strong energy management capability with

significant savings already being made despite no dedicated budget. We propose to invest in energy savings across the business over the next three years to take this to the next level. Projects have been identified which could result in significant energy savings and greenhouse gas emission reductions with short payback times. We propose developing a business case over the next year for an energy management budget that would allow these larger energy saving projects to proceed.

We will also implement an Energy Management Strategy to reduce energy costs, optimise systems, and reduce emissions.

When: 2016/17

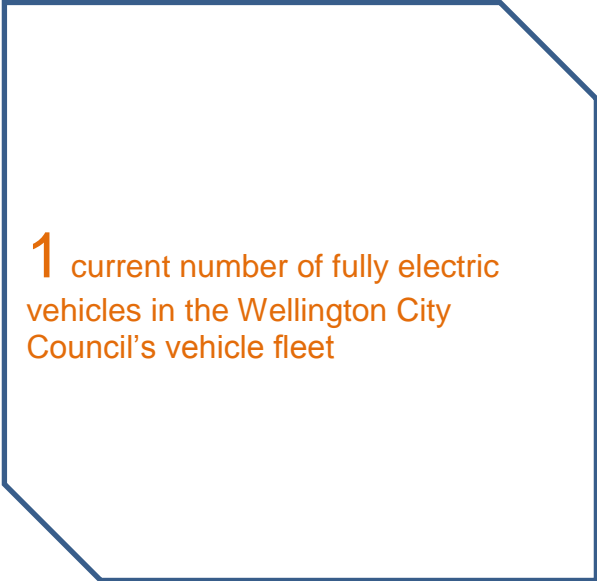
Cost: business case to be developed from existing budgets

Council Vehicle Fleet

Wellington City Council currently has one fully electric vehicle in its fleet of 197 vehicles as well as four hybrids.

Council vehicles, on average, do not have extended driving profiles that would normally restrict the use of EV or alternate fuel vehicles. However, these vehicles currently attract an approximate 25% cost premium when compared to equivalent diesel or petrol cars, and whole life and residual value analysis is not readily available for these vehicles.

Current policy states that if alternative fuel vehicles are to be considered then these



1 current number of fully electric vehicles in the Wellington City Council's vehicle fleet

should be subjected to the same base analysis that current vehicles are assessed against. EV would require infrastructure changes to incorporate base charging facilities as well as battery replacements (recommended after six to eight years) when considering the overall whole of life cost analysis of these vehicles.

Where appropriate and practical, and in conjunction with the Council's ongoing commitment to lower its carbon footprint, Council will look to increase the percentage of its fleet that use alternative fuels and EV technology for its 'Type 1 - small car' and 'Type 2 - large car' vehicles, and evaluate the new range of electric vehicles coming on stream over the next few years.

We will also be reducing the size of our light vehicle fleet and encouraging staff to walk, cycle, or take public transport.

We will also investigate over the coming year the potential for car-sharing to be incorporated into Council staff vehicle use.

When: Ongoing

Cost: To be met from within existing budgets

Deliver "Love Food, Hate Waste" with national partners

21% reduction in food waste in the United Kingdom since the introduction of "Love Food, Hate Waste"

The average New Zealand household throws away \$563 worth of food every year because they buy too much, do not store it properly or do not use it well. While some is composted, most of the food ends up as organic waste in landfills adding to our greenhouse gas emissions. Households are responsible for 61

per cent of the country's food waste with supermarkets responsible for 7 per cent.

WasteMINZ, the waste sector industry body, is set to formally launch an anti-food waste campaign "Love Food, Hate Waste" in 2016. Wellington City Council will be delivering this education programme along with 56 other councils around New Zealand.

A similar campaign in England has reduced household food waste by approximately 20 percent since its launch in 2007. Such a reduction would amount to thousands of tons less organic waste for Wellington City, and would reduce our corporate emissions.

We will also be looking for any opportunity to build off of the "Love Food, Hate Waste" campaign and further reduce the amount of food needlessly going to landfill.

When: Ongoing

Cost: To be met from within existing budgets

Procurement

Wellington City Council's Procurement Policy includes measures to support sustainable business practices and minimise adverse environmental impacts of procurement decisions.

Under standard templates, bidders are asked to supply information about their environmental/sustainability policies, strategies, and targets, including steps being taken to reduce greenhouse gas emissions.

The Council's Travel Information Handbook for staff prescribe the purchase of offset units to cover emissions associated with international air travel outside of the European Union, as these emissions are not covered by either domestic or international emissions trading legislation. The cost of offsetting is treated as part of the overall trip costs.

We will look for further opportunities to green the Council's supply chain by monitoring the best available information regarding the sustainability of goods and services being purchased and potentially using new tools available to us under CEMARS.

When: Ongoing

Cost: To be met from within existing budgets

Driving staff behaviour change

The enormous challenge of addressing climate change can be overwhelming. Individuals often feel as though the problem is so huge that it can only be solved by governments or large organisations. However there is much we can all do in our day to day lives to reduce our own carbon footprints and collectively have a major impact on greenhouse gas emissions. What is currently lacking is simple and accessible information to inform those decisions.

We will develop an in-house education programme designed to challenge and inform Wellington City Council staff and drive behaviour change.

Our staff are also a potentially valuable resource for identifying wasteful practices and proposing energy-saving ideas. We will investigate ways to tap into this resource and develop mechanisms for feeding such information back to our Energy Manager.

When: Ongoing

Cost: To be met from within existing budgets

Making maximum use of the levers we do have

Council has substantial legal powers in areas like encroachments and bylaws. Where possible, Council will investigate aligning these tools to our goals with respect to climate change. Of particular note are areas like road reserve encroachments for garages, where we can be more

permissive with encroachments provided infrastructure like electric vehicle charging stations will be installed. Council will investigate where and how these tools can be best employed, and implementing changes where opportune.

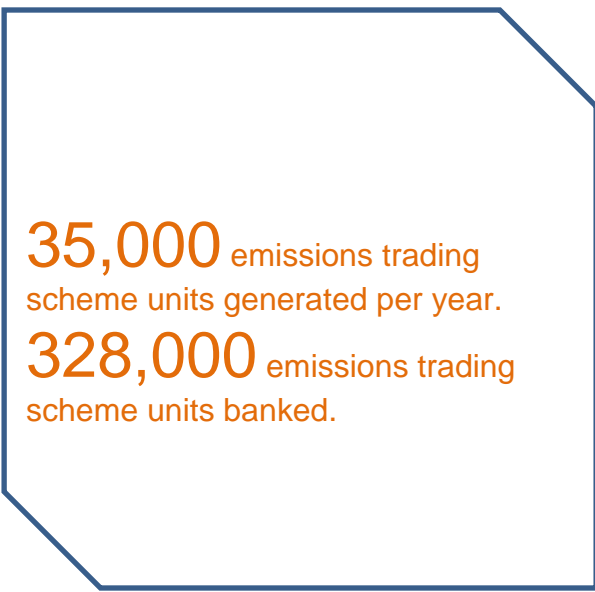
When: Ongoing

Cost: To be met from within existing budgets

Carbon management policy and forestry

Wellington City Council produced a Carbon Management Policy in 2011 to guide management of the Council's greenhouse gas emission liabilities from landfill and holdings under the New Zealand Emissions Trading Scheme (ETS) and the Permanent Forest Sinks Initiative (PFSI).

With major changes to the NZ ETS expected to be implemented over the next few years the price of carbon is likely to be highly volatile which will impact both the level of our liability and the value of the units we have earned through our forests or purchased to meet landfill obligations. An implementation plan for our Carbon Management Policy is currently being developed which will guide decisions in respect of all carbon unit activity and manage any financial risks.



35,000 emissions trading
scheme units generated per year.
328,000 emissions trading
scheme units banked.

We will continue responsibly managing our forests to reduce fire risk and continue our work to control browsing pest animals (such as possums or goats) to enable increased native regeneration and therefore increased carbon sequestration.

When: Ongoing

Cost: To be met from within existing budgets

Improving Consideration of Climate Issues

Currently, all policies, investments and actions that the council takes must be evaluated to determine whether or not there are climate change implications. We propose reviewing this practice to ascertain its effectiveness and identify any difficulties or barriers to accessing the required information to accurately evaluate climate change implications and whether there is currently the adequate resourcing to do so.

When: 2016/17

Cost: To be met from within existing budgets

Have your say

Consultation is open from X to X

Make a submission

- You can send written submissions to *[address]*
- You can also email submissions to *[address]*.
- Or you can make a submission online at *[address]*.

You can also discuss the proposal on Facebook at *[address]*.

If you make a written or online submission, you'll have an opportunity to present your views in person between X and X

Council decision

The Council proposes to make a decision on this proposal in June 2016.

WELLINGTON NIGHT SHELTER EMERGENCY FUNDING

Purpose

1. To seek approval for an emergency grant for The Wellington Nightshelter Trust.

Summary

2. n/a

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Agree to support the Wellington Nightshelter Trust with an emergency grant of \$20,000 to ensure continued operation to 30 June 2016.

Background

3. Grants are included in the Annual Plan and the Long-term Plan to provide a mechanism for the Council to respond to community groups that are undertaking projects that; meet a need identified by the community, align with council's strategic goals and community outcomes.
4. The Wellington Nightshelter Trust provide emergency and transitional accommodation for homeless men from their premises at 304 Taranaki Street, Mount Cook. The trust has an ongoing funding contract with Wellington City Council of \$95,000 per year, 2015/16 was the first year of the three year funding contract.

Discussion

5. Wellington Nightshelter Trust board have requested emergency funding of \$30,000. This request has been made as the organisation faces closure in April 2016 should funding not be secured. Funding of \$30,000 will ensure operation for the period April 1 to June 30 2016 after which Council funding for the 2016/17 year will be available for the trust.
6. Their financial situation was impacted in part by the 2014 Employment Court decision to remunerate night care workers for their work this meant that in addition to meeting their obligations for retrospective payments the decision increased the payroll costs by almost \$100,000 per year.
7. The request is outlined in the proposal attached as Appendix 1 which was distributed and presented to Council's Community, Sport and Recreation Committee on 3 March 2016. The Trustees are working to change the current model to one where men are supported to find more permanent accommodation alongside other agencies working in the city. Under the new model the operating costs for the Nightshelter are likely to be \$300,000 per year, Council Officers will be working closely with the trust in their discussions with other organisations including government agencies Corrections, the Ministry of Social Development and the Housing New Zealand Corporation.

8. The Social and Recreation Fund has specific criteria (Attachment 2), with a number of priority or focus areas which include outcomes directly relating to services provided through the Wellington Nightshelter. The ongoing Council contract funding of \$95,000 per year supports the provision of services; providing pathways for clients who are accommodated through a shared dormitory and longer term hostel type accommodation.
9. The trust are a committed partner in the Te Mahana Homelessness strategy and will be working with the three organisations directly involved in the collective Te Whakamura project who are delivering co-ordinated culturally appropriate case management and street outreach services. Te Whakamura organisations are ; Ngati Kahununu ki Poneke Social Services Inc, the Downtown Community Ministry and the Suzanne Aubert Compassion Centre Wellington Ltd (Soup Kitchen).
10. If made through the next funding round (closing 11 March 2016) the funding would not be approved until the following Community, Sport and Recreation Committee (on 13 April 2016).
11. A grant of \$10,000 has been approved through the Discretionary Grant Fund.
12. Officers are recommending the Governance, Finance and Planning Committee approve a one off emergency grant of \$20,000 from the Social and Recreation Fund to The Wellington Nightshelter Trust.

Options

13. n/a

Next Actions

14. n/a

Attachments

- | | | |
|---------------|-------------------------------------|----------|
| Attachment 1. | Night Shelter Funding 1 | Page 160 |
| Attachment 2. | Social and Recreation Fund Criteria | Page 164 |

Author	Mark Farrar, Team Leader Funding and Relationships
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

The organisation seeking support and the other organisations represented on the Board are an active partner in the social sector in the city and engage through the Te Mahana partnership and hui. This application was presented as part of the public participation Council's Community, Sport and Recreation Committee on 3 March 2016.

Treaty of Waitangi considerations

Maori are often over-represented in many determinants of social deprivation and are represented as users of the services offered by the Wellington Nighshelter and the agencies working through the Te Whakamura partnership.

Financial implications

The Long-term Plan makes provision for community grants in several places – 2.1.6 Community environmental initiatives, 3.1.4- Grants and creative workforce, 4.1.4 – (Art and Cultural grants, and 5.2.4 – Grants (Social and Recreation). The Our Living City Funds in comes under C652. The Social and Recreation is under C678, this request relates to funding available within the 2015/16 Annual Plan.

Policy and legislative implications

Council funds have been created to assist community initiatives in line with Council strategy. The Wellington Nighshelter Trust work closely with other organisations who contribute to objectives outlined in Te Mahana, the strategy to end homelessness in the city.

Risks / legal

n/a

Climate Change impact and considerations

n/a

Communications Plan

n/a

Wellington Night Shelter Trust (WNS)

Application to Wellington City Council for funding

WNS Mission/Purpose

To provide emergency and transitional accommodation for homeless men and to support them in their recovery.

Urgent appeal for funding

The Trustees of Wellington Night Shelter hereby make a request for Wellington City Council to for additional funding to cover costs of running the Wellington Night Shelter for the next Financial Year ended 31 March 2017.

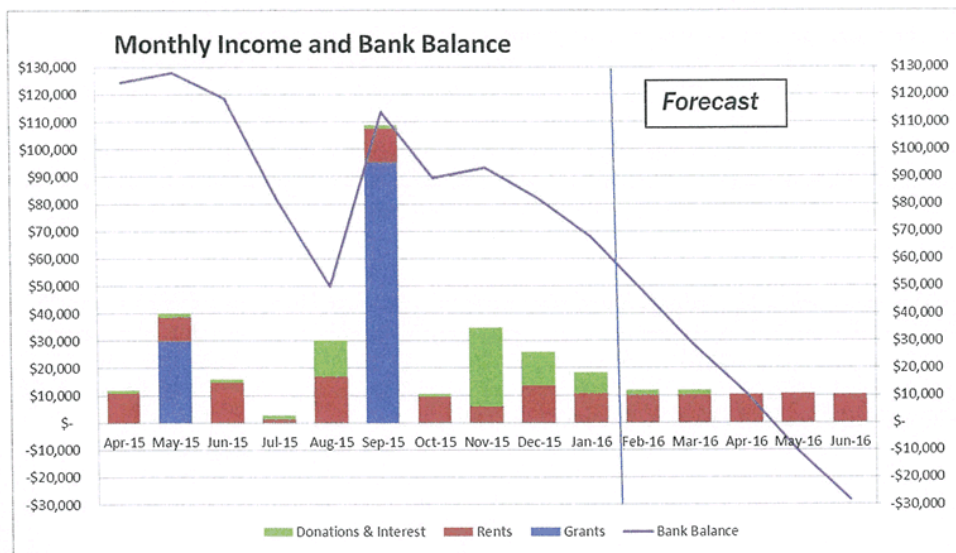
Background

In August 2015 WCC generously entered into a Funding Contract with WNS to provide funds of \$95,000 p.a. for 3 years. This grant was provided to assist WNS in meeting its goals and objectives of:

- Providing individual pathways for clients and strengthening the current mechanisms of collecting data
- Promoting co-responsibility for Shelter clients with other agencies
- Optimising building configuration and staffing structure for optimal client effectiveness
- Enhancing governance of the Trust

Unfortunately, WNS has not been able to generate sufficient additional cash income to meet its cash expenditure such that WNS funds are forecast to dry up in April 2016 (before the next \$95,000 payment is due from WCC).

The following chart shows monthly income and the bank balance and expenditure to income since April 2015 and forecast to June 2016 (assuming no additional funding):

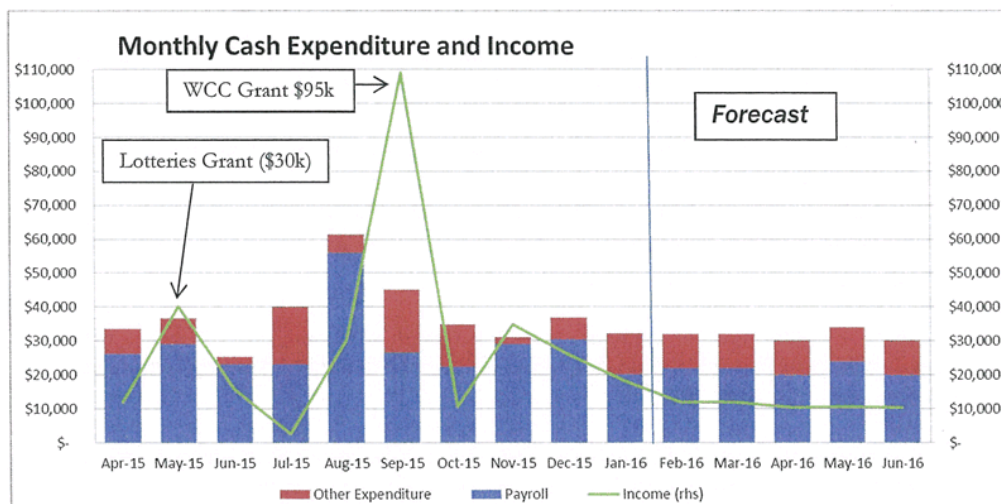


This shows a shortfall of funds of \$30,000 to 30 June 2016. The annual WCC grant of \$95,000 will assist in breaching the shortfall from 1 July 2016 (assuming the grant can be paid on 1 July 2016 for the next 12 months), however, \$30,000 is required before then.

WNS received a \$30,000 from the NZ Lotteries Board in May 2015. Unfortunately WNS missed the deadline for a NZ Lotteries Board Community Grant for May 2016 (applications closed 9 December 2015). WNS has made a request to Lotteries for emergency funding, however, this has been turned down.

WNS has also approached Housing Corp regarding its mortgage and is seeking a 12 month repayment holiday (\$833.33 per month) and an extension of the interest free period to 31 March 2017.

The following chart shows the monthly expenditure and income to June 2016 (the forecast does not allow for additional grants):

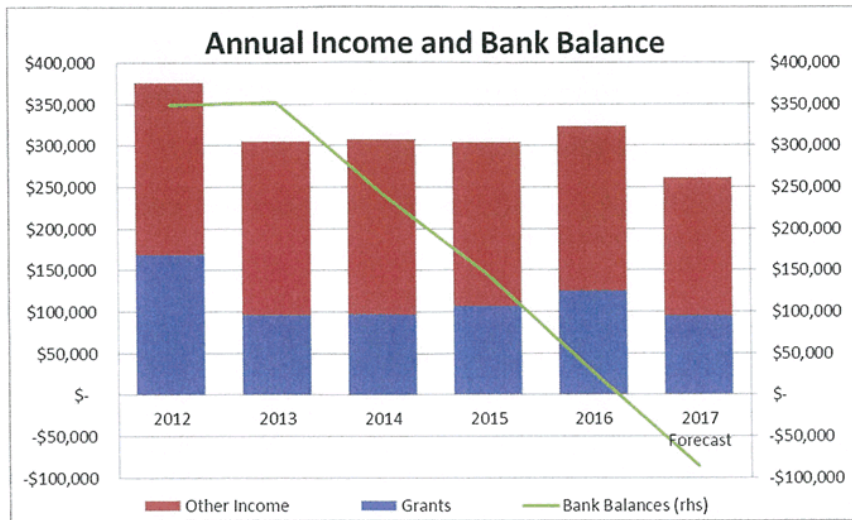


This chart highlights the dependence on grants to meet cash expenditure.

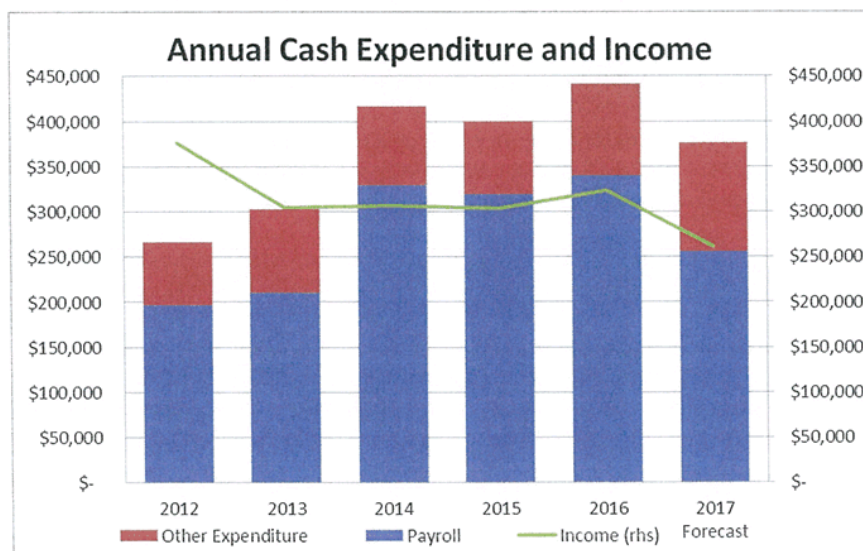
WNS therefore needs \$30,000 to tie it through to the next WCC \$95,000 annual grant payment.

The following charts show annual Income and Bank Balance for March years 2012-2016 with the forecast for the year ended 31 March 2017 (with the WCC \$95,000 grants income) and annual Expenditure to Income for the same periods (no additional grants assumed other than WCC grant):

The first chart below highlights the declining bank balance since 2013 and annual income of \$330k-\$325k from 2013-2016 with grants contributing \$100k-\$125k. The shortfall in funding for the year to 31 March 2017 is forecast to be close to \$100,000 (after allowing for the WCC annual grant of \$95,000). i.e. WNS will need to find an additional \$100,000 over and above the WCC grant to carry it through to March 17.



The following chart signals the need for additional funding above the \$95,000 WCC grant for WNS to meet its cash expenditure:



This chart highlights a significant increase in payroll expenditure from 2014 which has been above annual income. In the 2017 forecast, payroll is lower being based on current staff numbers which exclude a social worker.

The jump in payroll costs in 2014 followed the Employment Court decision for night care workers to receive the remuneration for working at nights. This pushed up payroll costs for WNS by up to \$100k p.a. WNS has not recovered financially since this decision.

The shortfall in forecast cash income to meet cash expenditure for the year ended 31 March 2017 is estimated to be close to \$100,000 without the support of additional grant funding as shown in the charts above and in the attached cash flow budgets.

We therefore make an urgent appeal for funds to WCC to enable WNS to remain open and continue to meet the emergency shelter needs of homeless men in Wellington.

We would like this to be \$30,000 to meet the funding costs to 30 June 2016.

WNS will then look to addressing its funding needs so that it has a steady reliable stream of income to meet its payroll and operating costs.

About WNS

WNS operates out of premises located at 304 Taranaki St, Mt Cook, Wellington.

Overnight accommodation is offered to homeless men at these premises. The premises are able to provide accommodation for up to 48 men. Current occupancy levels have been in the range of 30-35 overnight residents. The accommodation is available from 5:30pm to 7am. At 7 am the night stayers are required to leave the premises.

There are currently 4 full time employees and 5 part-time.

The full-time roles include a general manager evening supervisor/coordinator and two night supervisors.

The 5 part-time roles are involved in evening rosters supervising the night stayers plus a cleaner.

Men who stay the night in a shared dormitory are charged \$10 per night. Short to Mid-term stayers are charged \$130 per week and stay in a hostel. They are permitted to stay up to 3 months until they find alternative accommodation.

The Trustees are currently looking changing this model to one where night stayers are encouraged to find more permanent accommodation with the aid of social workers.

The Trustees are aware that part of the grant given was to fund a full time social worker. This position was filled during 2015 with the employee resigning in December 2015. Given the current funding position the Trustees have put on hold finding a replacement for this position.

Kieran Sweetman
Treasurer

John Kennedy-Good
Chair

29-Feb-16

Attachment 2- Social and Recreation Fund Criteria

Criteria

Your project makes a positive contribution to achieving the Council's Strategic outcomes:

Towards 2040: Smart Capital strategy

- **People Centred City:** Contributes to healthy, vibrant, affordable and resilient communities, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.
- **Connected City:** Supports a city with easy physical and virtual access to regional, national and global networks.
- **Eco-City:** Allows the city to proactively respond to environmental challenges and seize opportunities to grow the green economy.
- **Dynamic Central City:** Supports a central city of creativity, exploration and innovation, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city.

Long Term Plan 2012-22 priorities:

- An inclusive place where talent wants to live
- A resilient city
- A well managed city
- Annual Plan priorities for the relevant year.

The project is Wellington-based and mainly benefits the people of Wellington (exceptions may be made for projects based elsewhere in the region, but which significantly benefit Wellington City residents).

The applicant is a legally constituted community group or organisation

The applicant provides evidence of sound financial management, good employment practice, clear and detailed planning, clear performance measures, and reporting processes.

The applicant outlines how physical accessibility has been built into project development.

The applicant outlines how pricing has been set to ensure access by a wide range of people or by the intended users.

The project should show evidence of community support, collaboration, and building partnerships with other organisations (e.g. social media interest, letters of support from other organisations/leaders).

The applicant must show that the project discernibly improves community wellbeing and adds value to the range of similar types of services in the community.

Māori are often over-represented in many determinants of social deprivation. Outline whether and how the specific needs of Māori have been incorporated into the planning of your project.

Emergent and innovative community projects can be supported through this fund. Applicants that apply under this category will need to demonstrate the transformative nature of the project.

Focus Areas

Build capability and capacity within the community

Priority will be given to projects that:

- strengthen the local community, address local issues, strengthen and contribute to social wellbeing
- Support volunteers and foster skill development and training for the community.

Promote personal and community safety

Priority will be given to projects that:

- Support community activity that enhances Wellington as an International Safe Community
- Support projects that enhance community safety and/or personal safety.

Physically active communities encouraging health and wellbeing

Priority will be given to projects that:

- Target communities of interest, including youth and seniors.
- Support the strategic planning of sports codes

Youth

Priority will be given to projects that:

- Involve young people in the development and delivery of the project
- Help young people gain a better understanding of community, an increased sense of belonging as active citizens and positive contributors to society
- Promote volunteer opportunities for young people.

Community Preparedness

Priority will be given to projects that:

- Strengthen local neighbourhood connectedness in an ongoing manner
- Increase community resilience and emergency preparedness locally

Criteria for Residents and Progressive Association applicants:

The organisation must:

- be registered with Wellington City Council Community Services as a residents/progressive association
- have a committee
- meet at least twice a year and keep minutes of these meetings
- have an active membership of 10 or more, excluding the committee
- keep accurate and detailed accounts
- agree to make their accounts and minutes available to Wellington City Council on request.

When submitting an application Residents and Progressive Associations should give a summary of their current membership, meeting pattern (e.g. monthly) and provide a copy of minutes from recent meetings.

2015/16 PROJECT AND PROGRAMMES BUDGET CHANGE- (CX345 SPORTSFIELDS RENEWALS UPGRADES)

Purpose

1. This report is to update the Committee on a recommended reprioritisation to the 2015/16 projects and programmes approved as part of the 2015-25 Long-term Plan. Officers are recommending progressing works this financial year to create additional capacity in our sports field network to meet existing and future demand for training at an elite sport level. This project will involve the construction of 2 full sized sand fields at Martin Luckie Park in Berhampore.

Summary

2. The Council plans to spend just under \$600m in 2015/16, \$440m of this to cover operational costs and \$160m on capital projects. This programme of work covers the eight Activity Areas and delivers services to the community for roading, water, wastewater and stormwater networks, parks, libraries, recreational facilities, urban design and economic development activities, amongst others.
3. Recent external factors have given rise to the option to reprioritise our investment and to provide additional support for training facilities for elite sport.
4. Each Council committee has the ability to approve expenditure exceeding the budget level for a project or programme provided that the overall budget for the Activity Area is met. If the overall budget will also be exceeded the committee must recommend to Council that additional funding be approved.

Recommendation/s

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Recommend to Council to approve an overspend of \$550,000 capital expenditure in 2015/16 for CX345 Sports fields Renewals/Upgrades (Activity 5: Social & Recreation), for the upgrade of Martin Luckie Park to meet the requirements of elite sports teams.
3. Note that officers advise that there will be off setting timing variances in the 2015/16 capital works programme that will temporarily mitigate this overspend.

Background

5. Officers are proposing to progress works this financial year to create additional capacity in our sports field network to meet existing and future demand for training at an elite sport level. This project involves the construction of 2 full sized sand fields at Martin Luckie Park in Berhampore.
6. Stage one of the project at Martin Luckie Park is now completed with drainage and irrigation installed in the 2 fields. Stage one was completed within the approved CX345 budget. Stage two will involve the stripping of the surface of the two fields and construction of sand carpet fields.

7. The Martin Luckie project needs to be undertaken in early autumn to ensure the risk of wet and cold weather impacting on construction and establishment of grass is mitigated. Timing the works now will also ensure the two fields are available for restricted use from spring 2016.

Discussion

8. Councils continued investment in and support for sport at all levels makes a significant contribution to our health, wellbeing, economy and our local and national identity. Councils provide a key role in ensuring a supportive relationship between elite and community participation.
9. Council has provided training fields to the Phoenix since their establishment in Wellington in 2007 and similarly to the Hurricanes and Lions since the establishment of Wellington Rugby at RLP in 2003.
10. Wellington City Councils support for elite' sports teams with the provision of training facilities is consistent with what other major metro councils and provincial centres where teams are based may provide.
11. Council provides one full sized training field to the Wellington Lions and Hurricanes at Rugby League Park (RLP) and one full sized field to the Phoenix 'A' League team at Newtown Park. RLP is also used by the All Blacks as a training facility when based in Wellington.
12. The sports field network of parks provides a total of 51 senior full sized grass fields for community sport. Football have access to only 3 fields that are full sand fields at the level required for training elite teams. With 2 fields at Newtown Park and a third field at David Farrington Park. Newtown Park number one and David Farrington Park have a mix of community and elite use.
13. In addition to grass fields the Council also provide 6 full sized artificial turfs for community sport, this includes the 2 college partnership turfs.
14. The existing situation with the provision of training facilities for elite sport in the region is not sustainable on the 2 sand fields we currently provide at Rugby League Parks and Newtown Park. The planned works are to provide additional capacity for availability in the 2016/17 season. In future it is proposed that there will be a total of 3 full sized sand fields that are dedicated to elite sport in any given season. With Newtown Park number 2 proposed to eventually return to community sport use.
15. The Wellington Phoenix has widened their focus and in the past 2 years this has seen the establishment of a Training Academy and a Reserve Team, with the future possibility of a women's team. Council is now also supporting 2 teams in the NZ ASB Premiership (Team Wellington based at David Farrington Park and the Phoenix Reserve Team). It is no longer sustainable to support the Phoenix solely on a single field at Newtown Park and additional training field capacity needs to be built now for next season.
16. In recent years significant field renewal projects at Newtown Park and Rugby League Park (RLP) have been deferred due to the impact of major events such as the 2011 Rugby World Cup (RWC) and the 2015 FIFA under 20 World Cup. Both of these fields will in the near future require significant renewal work that will make them unavailable for up to 9 months. Additional training capacity needs to be created in the sports field network to allow for these planned renewal projects to happen.

17. Visiting teams also have to be accommodated in our sports field network and having additional fields will ensure we can provide appropriate training venues. This investment will also ensure we are better placed to meet the requirements for training when hosting future major events such as the British Lions tour in 2017.
18. The Martin Luckie Park project will require a change with the allocation of sports fields to community sport. This has already involved engagement with a wide range of community sporting groups with these discussions now well advanced. It is important that we conclude these discussions in a timely way while at the same time advancing projects that will ensure appropriate allocation and levels of service are maintained for all sporting groups.
19. We have prioritised the planned project to allow this programme of work to be undertaken. There are weather, stakeholder and resource related risks with delivering the project so it is essential to confirm with the supplier a proposed start date of mid-March.

Options

20. A range of options and sites were considered by officers as a potential solution to meeting the existing supply shortfall for appropriate training fields. An upgraded Martin Luckie Park will meet these training requirements and enable future renovation of other parks to be programmed in the out years.

Next Actions

21. Subject to Council approval and suitable weather work to proceed with stage 2 of the Martin Luckie Park project would start in mid to late March and be completed in mid May. The Park would then be available for restricted use in late spring/early summer 2016.
22. Engagement with community sport stakeholders will continue to ensure existing level of service and access to facilities is maintained.

Attachments

Nil

Author	Paul Andrews, Manager Parks, Sport and Recreation
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

The Council consulted on the projects and programmes as part of the 2015 - 25 Long-term Plan.

Treaty of Waitangi considerations

Local Iwi were consulted directly and indirectly throughout the development of the 2015 - 25 Long-term Plan.

Financial implications

The financial implications are set out within the report.

Policy and legislative implications

There are no policy and legislative implications.

Risks / legal

Any risks / legal implications have been considered.

Climate Change impact and considerations

No specific implications or considerations.

Communications Plan

n/a

FOOD ACT 2014 FEES - STATEMENT OF PROPOSAL

Purpose

1. To seek Council resolution to consult, as part of the 2016/17 Annual Plan process, on the attached Statement of Proposal to collect fees under the Food Act 2014.

Summary

2. The Food Act 2014 was passed into law in June 2014, replacing the Food Act 1981. A three year transition starts on 1 March 2016.
3. Territorial authorities may, by resolution, fix fees to cover direct and indirect costs for any registration, verification and/or compliance and monitoring activities. A council may not recover more than the reasonable cost incurred by the Council to perform that function.
4. The proposed Food Act 2014 fees were discussed as part of the 2016/17 Annual Plan funding workshops held with Councillors on 9 and 16 February 2016. The feedback from the workshops, along with the proposed fees, are summarised in Item 2.8 - Supporting Information to the Consultation Document: 2016/17 Annual Plan Fees and Charges.
5. In setting fees under the Food Act 2014, the Council must use the special consultative procedure set out in section 83 the Local Government Act 2002. The 2016/17 Annual Plan is proposed to be consulted on using the special consultative procedure.
6. It is recommended that the consultation on the proposed Food Act 2014 fees is carried out as part of the Council's annual plan consultation. The attached Food Act 2014 – Fees: Statement of Proposal outlines the information to consult on as part of the 2016/17 annual plan process.

Recommendations

That the Governance, Finance and Planning Committee:

1. Note the proposed Food Act 2014 fees were discussed at the 2016/17 Annual Plan funding workshops held with Councillors on 9 and 16 February 2016.
2. Agree to consult on the proposed Food Act 2014 fees and fee structure set out in Food Act 2014 – Fees: Statement of Proposal, and as outlined in Item 2.8 (Supporting Information to the Consultation Document: 2016/17 Annual Plan Fees and Charges).
3. Agree the Food Act 2014 – Fees: Statement of Proposal will be consulted as part of the 2016/17 Annual Plan consultation document as part of the 2016/17 Annual Plan special consultative procedure.

Background

7. The Food Act 2014 was passed into law in June 2014, replacing the Food Act 1981. A three year transition starts on 1 March 2016.
8. The purpose of the Act is to:
 - restate and reform the law relating to how persons trade in food

- achieve the safety and suitability of food for sale
 - maintain confidence in New Zealand's food safety regime
 - provide for risk-based measures that—
 - minimise and manage risks to public health
 - protect and promote public health
 - provide certainty for food businesses in relation to how the requirements of this Act will affect their activities
 - require persons who trade in food to take responsibility for the safety and suitability of that food.
9. High risk food service businesses with an alcohol on-license (such as hotels, restaurants, bars and cafes) will be among the first to transition to the new Act.
10. Territorial authorities may, by resolution, fix fees to cover direct and indirect costs for any registration, verification and/or compliance and monitoring activities. A council may not recover more than the reasonable cost incurred by the Council to perform that function.

Discussion

Consultation

11. In setting fees under the Act, the Council must use the special consultative procedure set out in section 83 the Local Government Act 2002. The Council is combining this process with the special consultative procedure being carried out for this year's Annual Plan process and Long Term Plan amendments.
12. The consultation on Food Act fees will also cover other fees, as included in the 9 March 2016 report to the Governance, Finance and Planning Committee "Supporting Information to the Consultation Document: 2016/17 Annual Plan Fees and Charges". The fees covered in these papers will be consulted on at the same time as part of the Council's Annual Plan consultation.
13. Legal advice supports running these consultations concurrently.

Proposed fees and fee structure

14. The proposed fees and fee structure are included in the attached Statement of Proposal. The proposed fee structure allows the Council to recover the full direct and indirect costs of the Council's functions under the Food Act 2014.
15. This option was undertaken by reviewing data and performance from previous years in terms of compliance and monitoring activities and linking them to the proposed fee model. Officers then aligned the prices per hour with Ministry for Primary Industries, Auckland City Council and Christchurch City Council pricing (based on comparable sized operations with similar direct, indirect and corporate support charges).

Attachments

Attachment 1. Statement of Proposal - Fees - Food Act 2014

Page 174

Author	Helen Jones, Manager Public Health Group
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Officers consulted with the Christchurch City Council, Auckland Council, and Ministry for Primary Industries on the content of this paper and during the development of the Food Act 2014 fees and fee framework.

Treaty of Waitangi considerations

No Treaty of Waitangi considerations are relevant for this paper.

Financial implications

Officers worked with the Finance Business Analyst to develop the fees and fees framework proposed in the attachment.

Policy and legislative implications

This paper arises from the requirements of the Food Act 2014, and implementation will be informed by public consultation.

Risks / legal

We have sought legal advice on the course of action for setting fees under the Food Act 2014.

Climate Change impact and considerations

No climate change impacts to consider.

Communications Plan

This paper is forming part of the Annual Plan 2016/17 consultation process, and communications will be managed through that process.

Statement of Proposal

Food Act Fees

Introduction

This Statement of Proposal has been drafted to fulfil Local Government Act 2002 (LGA) and Food Act 2014 (the Act) requirements.

Background

The Food Act 2014 was passed into law in June 2014, replacing the Food Act 1981. A three year transition starts on 1 March 2016.

The purpose of the Act is to:

- restate and reform the law relating to how persons trade in food
- achieve the safety and suitability of food for sale
- maintain confidence in New Zealand’s food safety regime
- provide for risk-based measures that—
 - minimise and manage risks to public health
 - protect and promote public health
- provide certainty for food businesses in relation to how the requirements of this Act will affect their activities
- require persons who trade in food to take responsibility for the safety and suitability of that food.

High risk food service businesses with an alcohol on-license (such as hotels, restaurants, bars and cafes) will be among the first to transition to the new Act.

Businesses affected

As at mid-February 2016, there were 1775 businesses in Wellington that will be subject to either a Food Control plan or national programme, with the split between these business estimated as follows⁶:

Category	Number of businesses
Food control plan	1408
National programme level 3	254
National programme level 2	19
National programme level 1	27
Total number of businesses	1775

⁶ It should be noted that this is an estimated split based on previous knowledge. It will not be possible to determine an actual split until the scope of operation of each business is explored further.

An additional number of premises may be required to register with the Council which were not previously required to register, the most significant sector of this market being early childhood education centres (ECEs). There are approximately 100 ECEs in Wellington (these will be subject to national programmes level 2).

Council may collect fees under the Act

Territorial authorities may, by resolution, fix fees to cover direct and indirect costs for any registration, verification and/or compliance and monitoring activities. A council may not recover more than the reasonable cost incurred by the Council to perform that function.

Territorial authorities are permitted to recover costs when performing the following functions:

Registration

This includes administration costs, including providing advice to new businesses, recording food premises details, providing licences and certificates.

Verification

This includes the auditing of food premises, including preparation (booking appointments, checking resource and building consents, checking prior history), travel time, actual on-site time, completing reports and recording system entries. Travel time has been averaged across all premises and will be set at 30 minutes per verification.

There may occasionally be a need to increase this charge for some verifications, as some may take significantly more than 2.5 hours to complete due to the size and scale of the premises. The time spent above the standard fixed verification charge will be charged on an hourly rate basis.

Compliance and monitoring activity

This will be charged on a per hour basis, however no charge will apply for investigation of complaints that do not result in an improvement notice being issued. This recognises that the investigation of complaints is a public good, and unless justified by the issuing of an improvement notice, should not penalise the food operator.

As part of the compliance and monitoring activity there will be a fixed fee for the first visit to a business, which is the opening inspection. This inspection will ensure that the business has complied with all building consents and resource consents and the business is ready to open to the public. At this inspection the health officer will also introduce the Food Control Plan or National Programme, dependent on the nature and scope of operations of the business.

Proposal to set fees

The Council is required under the Local Government Act 2002 to adopt a Revenue and Financing Policy that provides detail on the funding of operational and capital expenditure. During its development, analysis was undertaken regarding which parts of the community contribute to paying for activities.

Food businesses will transition to the new Food Act over a three year period. During this transitional period a portion of businesses will be charged under the Food Act 2014 and the remaining businesses will continue to be charged under the existing fees set pursuant to the Health Act 1956 and the Food Hygiene Regulations 1974.

Wellington City Council is proposing to sets fees in the fee structure contained in this paper to ensure the recovery of direct and indirect costs incurred by the Council in performing their functions under the Act from 1 March 2016.

The Council must not recover fees above what it spends.

Proposed fee structure

Under this proposal, the model for cost recovery is different than under the previous legislation. Operators will be required to pay an annual registration fee payable on the anniversary of their date of registration. Additionally, there will be a set fee for both registration and verification activities. An additional fee, calculated at an hourly rate, will be charged for all additional visits for opening inspections, education and compliance.

The Council has undertaken a process to estimate the volumes of registrations, verification and compliance visits it will carry out. This process was undertaken by reviewing data and performance from previous years in terms of compliance and monitoring activities and linking them to the proposed fee model. The Council then aligned the prices per hour with Ministry of Primary Industries, Auckland City Council and Christchurch City Council pricing which are comparable sized operations with similar direct, indirect and corporate support charges. Charges reflect an analysis of direct costs such as salary and operational expenditure, as well as indirect costs such as support functions, IT and property cost.

PROPOSED FEE SCHEDULE	Time included	Fixed cost
Template or Model Food Control Plan		
Registration	1 hour	\$ 155.00
Renewal/re register	half hour	\$ 77.50
Amendment		
Significant	1 hour	\$ 155.00
Minor	half hour	\$ 77.50
Change of circumstances	half hour	\$ 77.50
Voluntary suspension	half hour	\$ 77.50
Verification		
1st verification	2.5 hours	\$ 387.50

2nd verification	2.5 hours	\$ 387.50
Compliance		
Notice	1 hour	\$ 155.00
Application for review	1 hour	\$ 155.00
Statement of compliance	half hour	\$ 77.50
Opening inspections	1 hour	\$ 155.00
Additional hours	per hour	\$ 155.00

National Programme

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

Options considered

In determining the proposal Council considered the following options:

Option 1

Adopt the Statement of Proposal to fix fees to recover the full direct and indirect costs of the Council's functions under the Food Act 2014.

This is considered to be the most equitable option ensuring that funding for the Council's functions under the Act are from users or beneficiaries of these functions and not from rates and other general funding sources. This also aligns with the Council's Revenue and Financing policy.

This is the preferred option.

Option 2

Adopt an amended statement of fees to partially recover the direct and indirect costs of the Council's functions under the Food Act 2014.

The option is not in accordance with the Council's revenue and financing policy. The option would mean the full cost of the Council's functions under the Food Act 2014 would have to be recovered from rates or other funding sources.

This is not the preferred option.

Option 3

Adopt an amended statement of fees that charged all activity on an hourly rate basis with no upfront fixed fee.

The option wouldn't provide any certainty or estimate of the expected charges for the customer and would also have high administrative costs.

This is not the preferred option.

The table below sets out the advantages and the disadvantages of the reasonably practical options that have been identified:

Option	Positives	Negatives
<p>Option 1: Minimum fixed fee based on average time, with the ability to recover additional costs as required.</p> <p>Preferred option</p>	<ul style="list-style-type: none"> • Rewards good compliance and behaviour • Recovers costs for actual work performed • Minimum charge removes risk of not recovering full costs • Consistent with MPI charging methodology • Provides customer guidance on total fees 	<ul style="list-style-type: none"> • Some averaging for some operators • More invoicing than current approach
<p>Option 2: Subsidising cost recovery with rates funding to lower the hourly rate</p>	<ul style="list-style-type: none"> • Keeps costs for operators lower • Encourages use of Council as preferred verifier when competition is introduced 	<ul style="list-style-type: none"> • Increases costs to ratepayers • Inconsistent with Food Act principle of equity in that although users of food

		premises are beneficiaries, the real beneficiaries of safe food premises are the business owners
Option 3 Charging by the hour (no fixed, upfront fee)	<ul style="list-style-type: none"> Possible perceived lower charges for customers 	<ul style="list-style-type: none"> High administration costs which haven't been factored into fees. High transaction volume Uncertainty for operators as to likely total charges

Option 1 is the preferred method

The methodology for calculating fees has been amended to align with the Food Act 2014 requiring businesses to register annually and undergo verifications, the frequency of which is dependent on their performance with high performers being verified (audited) less frequently. The cost of verification will be on charged to businesses. Compliance visits will be charged to the business at an hourly rate.

Have your say

There are several ways you can have your say on this proposal, **from x date to x date**. You can complete a submission form online as part of the Annual Plan feedback process: **insert link**

Or post it to us: Wellington City Council, PO Box 2199, Wellington 6140

Drop it off: Wellington City Council, 101 Wakefield Street, Wellington

Or email us: **ghkdfh@wcc.govt.nz**

SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2016/17 ANNUAL PLAN FEES & CHARGES

Purpose

1. This report presents officers' recommendations following the review of the Revenue and Financing Policy (RFP) compliance for each activity completed as part of the 2016/17 Annual Plan. These policies have been reviewed by officers and informed by Councillors' feedback at the 2016/17 Annual Plan (AP) 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 2015-25 Long-term Plan.
3. The focus of the annual review is on addressing areas where the activity is not compliant with policy. The proposed recommendations and remedial actions resulting from the AP workshops are summarised below.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Note the summary of the Revenue and Financing Policy compliance discussed at workshops included as attachment 1.
3. Note the proposed changes to fees and charges discussed at workshops included as attachment 2.
4. Note that the proposed Food Act 2014 fees will be consulted on using the special consultative procedure as part of 2016/17 Annual Plan consultation process, and as outlined in Item 2.7 "Food Act 2014 Fees – Statement of Proposal".
5. Agree to recommend to Council to adopt the proposed fees and charges outlined in attachment 2 as supporting document to be consulted alongside the 2016/17 Annual Plan consultation document.

Background

4. 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 benefit and pay for Council's activities. It does it 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.
5. 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).

6. A review of the policy and the funding targets for each activity was completed as part of the 2015-25 Long-term Plan.
7. The focus of the annual review is on addressing areas where the activity is not compliant with policy.

Discussion

Revenue and Financing Policy Compliance

8. Officers' recommendations for each activity have been summarised into the following tables in attachment 1:
 - 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 for the next LTP
9. 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.
10. A full list of recommended changes to Fees and Charges is contained in attachment 2.

Other Revenue and Financing Policy Considerations

General Rates Differential Review

11. 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. The impost of the differential and all other rates on each sector, and the affordability of the rates on each sector were considered and the measures remain comparable to the analysis undertaken during the 2015-25 LTP. Officers are not proposing a change in the rates differential.

Targeted Water Rates

12. 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 increased by 4.3% compared to 2015/16, mainly due to increases in bulk water costs. As a result, the water rating mechanisms will on average increase by 4.3%.

Rating Mechanisms

New targeted rate for Kilbirnie Business Improvement District

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

commercially rated properties in the Kilbirnie Business Improvement District area (see attached).

14. Liability for this rate will be calculated as a fixed amount of \$500 (excluding GST) per rating unit, plus a rate per dollar of rateable capital value for any capital value over \$1 million per rating unit.
15. This rate has been incorporated into the draft Financial and Funding statements and the draft Funding Impact Statements presented to the Committee in Item 2.9 - "Supporting Information to the Consultation Document: 2016/17 Annual Plan Financial Overview".

Attachments

Attachment 1.	2016/17 AP Revenue & Financing Policy Compliance	Page 185
Attachment 2.	2016/17 AP Proposed Fees & Charges	Page 198

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

SUPPORTING INFORMATION

Consultation and Engagement

Subject to Council approval, the variances proposed and decisions made on this report will be consulted on with the community through the 2016/17 Annual Plan consultation process.

Treaty of Waitangi considerations

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

Financial implications

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

Policy and legislative implications

This report meets all statutory requirements under the Local Government Act 2002, and is consistent with Council policy. Specific changes to Council policies recommended within the report will be consulted upon as part of the 2016/17 Annual Plan consultation process.

Risks / legal

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

Climate Change impact and considerations

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

Communications Plan

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

2016/17 Annual Plan: Revenue and Financing Policy Compliance Overview

1.1. Compliant activities

- 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	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
1.1.2 Civic information	95%	94%	(1%)	(\$31k)	Main income is from GWRC contract. Continue to look for opportunities to generate income by delivering services to paying customers.
1.1.3 City Archives	90%	91%	1%	\$11k	Inflationary cost increases.
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%	\$80k	Retail sales forecasts are lower than the levels required to achieve policy compliance.
2.1.3 Beaches and coast operations	95%	96%	1%	\$21k	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%)	(\$39k)	Over compliance due to income for services provided to another TLA. The variance to policy is minimal.

Activity Component	R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
2.2.2 Closed landfills aftercare	100%	100%	-	-	
2.3.1 Water network	100%	100%	-	-	
2.3.2 Water collection & treatment	100%	100%	-	-	
2.6.1 Conservation visitor attractions	100%	100%	-	-	
3.1.1 WREDA and Venues	100%	100%	-	-	
3.1.2 Wellington Convention Centre	100%	100%	-	-	
3.1.3 Retail support (free weekend parking)	100%	100%	-	-	
3.1.4 WEID and economic grants	100%	100%	-	-	
3.1.5 Major Projects	100%	100%	-	-	
3.1.6 International relations	100%	100%	-	-	
3.1.7 Business improvement districts	100%	100%	-	-	
4.1.1 Galleries & museums	100%	100%	-	-	
4.1.2 Visitor attractions (Te Papa/Carter Observatory)	100%	100%	-	-	
4.1.3 Arts and cultural festivals	85%	85%	-	-	
4.1.4 Cultural grants	100%	100%	-	-	
4.1.5 Access & support for community arts	90%	92%	2%	\$14k	Minor non-compliance due to inflationary cost increases.
4.1.6 Arts partnerships	75%	77%	2%	\$48k	Non-compliance is due to Toi Pōneke arts centre income being lower than target
4.1.7 Regional	100%	100%	-	-	

Activity Component	R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
amenities					
5.1.2 Sportsfields	90%	91%	1%	\$37k	Minor non-compliance due to inflationary cost increases.
5.1.3 Sportsfields (synthetic)	60%	60%	-	-	
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%	100%	-	-	
5.2.6 Community centres & halls	95%	93%	(2%)	(\$62k)	Over-compliance due to new income for running centres on behalf of some communities.
5.3.2 Public toilets	100%	100%	-	-	
5.3.4 City safety	100%	100%	-	-	
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%	-	-	
6.1.3 Public spaces & centres development	100%	100%	-	-	
6.1.4 Built heritage development	100%	100%	-	-	
6.2.1 Building control & facilitation	35%	34%	(1%)	(\$82k)	Minor non-compliance due to changes in overhead allocations.
6.2.2 Development control & facilitation	50%	51%	1%	\$85k	Minor non-compliance due to inflationary cost increases.
6.2.3 Earthquake risk	100%	100%	-	-	

Activity Component	R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Comments
mitigation – built environment					
7.1.3 Cycle network	100%	97%	(3%)	(\$46k)	Income derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
7.1.5 Pedestrian network	100%	99%	(1%)	(\$40k)	

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 2016/17.

Activity Component	Current R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
1.1.1 City governance & engagement	100%	96%	(3%)	(\$385k)	GWRC contribution for election year
2.1.4 Roads open spaces	95%	93%	(2%)	(\$197k)	Income is derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
2.1.9 Waterfront Public Space	80%	94%	14%	\$664k	Temporary non-compliance during the transition phase of the integration of City Shaper into WCC. Policy targets to be reviewed at the next LTP once the transition is complete.
2.2.3 Energy efficiency and conservation	100%	87%	(13%)	(\$60k)	Contribution from the Mayor towards climate change initiatives.

Activity Component	Current R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
2.4.2 Sewage Treatment	95%	97%	2%	\$437k	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 to achieve compliance.
2.5.1 Stormwater management	100%	99%	(1%)	(\$134k)	Mainly NZTA funding for drainage maintenance.
5.1.7 Marinas	0%	9%	9%	\$62k	Non-compliance due to inflationary cost increases.
5.1.8 Golf course	60%	65%	5%	\$12k	As part of the 2015-25 LTP, Council agreed to allow the Golf Club to work towards improving usage of the club with a view to achieving R&F compliance by 2017/18. 2016/17 is year 2 of this programme.
5.2.1 Libraries	90%	93%	3%	\$794k	Income from overdue fines are trending down due to an introduction of due dates alerts and 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 the impact of the Living Wage. It was agreed as part of the 2015-25 LTP to review the policy targets at the next LTP when the Johnsonville Library upgrade and forecasted decrease in volumes take effect.

Activity Component	Current R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
5.2.5 Housing	0%	47%	(47%)	(\$11,895k)	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.
7.1.1 Transport planning	85%	71%	(14%)	(\$352k)	Over-compliance due to \$740k of one-off funding from NZTA to partially cover costs related to the development of the Nauranga to Airport (N2A) Corridor.
7.1.2 Vehicle network	95%	92%	(3%)	(\$595k)	Income derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
7.1.4 Passenger transport network	35%	46%	11%	\$167k	Temporary non-compliance due to the replacement of the Cable Car's electric drives and associated control systems.
7.1.6 Network-wide control & management	70%	65%	(5%)	(\$322k)	Over-compliance driven by favourable NZTA funding forecasts.
7.1.7 Road safety	70%	72%	2%	\$137k	The budget for this activity is consistent with previous years, but the proportion of NZTA claimable expenditure has decreased. Therefore rates funding requirement has increased.
7.2.1 Parking	0%	-121%	(121%)	(\$15,579k)	This activity recovers significantly more revenue than the operating costs. The surplus from this activity subsidises transport infrastructure projects,

Activity Component	Current R&F Policy Target Rates Funding	2016/17 Indicative Rates Funding	Variation to current policy target (positive variance is unfavourable)		Considerations
					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. Any changes not approved ultimately by Council will result in the equivalent value being put back onto rates.

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)	
2.2.1 Waste minimisation, disposal & recycling management	0%	0%	\$0k	Revenue in this activity is from Landfill fees and levies, rubbish / recycling bag sales, Kai to Compost, and sale of other recoverable materials. There is a gradual decline in rubbish bag sales, as recycling increases and/or residents choose commercial providers for kerbside rubbish collection.	Proposed fee increases: <ul style="list-style-type: none"> • Increase green waste fees by 3% (\$58.10 per tonne) • increase domestic general waste charge to \$158 and increase minimum charge to \$10 Note the proposed fee increases are already factored into the draft budget.	\$254k (already included in proposed budget)	No change	0%	\$0
2.4.1 Sewage collection &	95%	2%	\$350k	The user charges in this activity are	Increase Trade Waste user fees to reflect	\$44k	No change	2%	\$306k

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)	
disposal network				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.	CPI movements (using the BERL Water index)				
5.1.1 Swimming pools	62%	1%	\$215k	Non-compliance is mainly driven by changes in cost structure from major investment in swimming pools over the last 5 years and the adoption of the Living Wage, and a competitive market which is impacting on utilisation and profitability of WCC facilities.	Targeted fee increases up to 6% over three years. Proposed changes in 2016/17: <ul style="list-style-type: none"> • 2% increase to entry fees, concession card and leisure card prices, and • Review discount rates on the Leisure Card and LTS and fitness memberships 	\$43k	No change	1%	\$172k

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)	
		(%)	(\$)					(%)	(\$)
5.1.4 Recreation Centres	75%	(2%)	(\$209k)	The activity is over-compliant due to \$200k funding from NZCT for “Youth in Sport” programme which is yet to be confirmed. As this funding is at risk, small fee changes are proposed now to maintain future compliance and to avoid large increases in future .	<ul style="list-style-type: none"> Increase a range of fees for the Community Recreations Centres and the ASB Sports Centre. 	-	No change	(2%)	(\$209k)
5.3.1 Burials and cremations	50%	2%	\$32k	Although this activity is compliant, fee changes are being proposed to ensure future compliance is met and to cover additional costs relating to the new cremator at Karori Crematorium.	<ul style="list-style-type: none"> Increase the fees for headstone beams (from \$158 to \$166) , Rimu Ash urns (from \$68 to \$78), concrete stand for plaques (from \$80 to \$85). Reintroduce late service fees at \$50 per hour. 	\$1k	No change	2%	\$31k

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)	
5.3.3 Public health regulations	40%	(2%)	(\$92k)	Proposed new Food Act 2014 fees and fee structure are being consulted as part of the 2016/17 Annual Plan consultation process. Please refer to the Statement of Proposal for further details..					

1.2.c. Non-compliant activities - Changes to policy for the next LTP

4. Officers are signalling the following policy target changes to be considered as part of the next 2018-28 LTP after a review of the current policy rationale.

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)	
5.3.5 WREMO	95%	4%	\$59k	Budgeted non-rates income is mainly related to grants/reimbursements from regional and national bodies. The related activities are now covered by new regional bodies (namely WRFA),	Revise policy target to 100% as all funding will have to be sourced through rates revenue.	-	Revise policy target to 100% rates funding.	-	-

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)	
				eliminating any future funding opportunities.					

Contact Officers:
 Su Mon, Specialist Funding Advisor
 Martin Read, Manager Financial Strategy and Plan

2016/17 Annual Plan: Proposed Fees and User Charges

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

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

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

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

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

Burials and cremation

We are proposing increases to some of our fees for burials and cremations.

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

Trade Waste

We are proposing to increase our fees for trade waste.

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

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

Landfill

We are proposing to increase our fees for the landfill.

Landfill Fees	Current Fee	Proposed Fee
Green Waste Disposal (per tonne)	\$56.40	\$58.10
General Waste Disposal (Domestic) – per tonne	\$121.80	\$158.00
General Waste Disposal (Domestic) – minimum charge	\$8.00	\$10.00

Swimming Pools

We are proposing to increase some of our fees for swimming pools.

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

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

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

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

Pool Fees – Other Rental Fees (non POS items)	Current Fee	Proposed Fee
Freyberg - Aqua Instructor charge	\$55.10	\$56.20

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Pool Fees – Other Rental Fees (non POS items)	Current Fee	Proposed Fee
Freyberg - PST 1 child	\$6.80	\$6.90
Freyberg - PST 2 child	\$10.00	\$10.20
Freyberg - PST 3 child	\$13.40	\$13.70
Freyberg - Spa Pool Hire	\$104.00	\$106.50
Karori - Aquatic Activity Instructor	\$28.00	\$30.50
Karori - Inflatable	\$65.00	\$66.50
Karori - Schools Instructor	\$25.00	\$25.50
Khandallah - Adult Swim	\$3.00	\$3.10
Khandallah - Child Swim	\$1.50	\$1.60
KSP - Aquatic Activity Instructor	\$30.00	\$30.50
KSP - Flippaball registration fee	\$59.00	\$60.20
KSP - Schools Instructor	\$25.00	\$25.50
Sound System / Underwater speakers Full Day	\$160.00	\$164.00
Sound System 1/2 day	\$80.00	\$82.00
Tawa - Aquatic Activity Instructor	\$30.00	\$30.50
Tawa - Inflatable	\$60.00	\$61.50
Tawa - Schools Instructor	\$25.00	\$25.50
WRAC - Aqua Instructor charge	\$60.00	\$61.50
WRAC - Aquatic Activity Instructor	\$30.00	\$30.50
WRAC - Birthday Party Child	\$4.50	\$4.70
WRAC - Events Passes - Adult	\$5.50	\$6.00
WRAC - Events Passes - Child	\$2.50	\$3.70
WRAC - Fitness Class	\$10.60	\$11.00
WRAC - Inflatable	\$60.00	\$80.00
WRAC - Lifeguard non commercial	\$30.00	\$45.00
WRAC - Massage Space	\$33.10	\$35.00
WRAC - Police Swim Test	\$17.00	\$18.00
WRAC - Rugby Recovery	\$7.40	\$7.60
WRAC - Schools Instructor	\$25.00	\$25.50
WRAC - Scoreboard/BigScreen	\$120.00	\$125.00
WRAC - Showers	\$2.30	\$2.50
WRAC - Staff Hire	\$42.00	\$45.00

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

Pool Fees – Aquatic Programme	Current Fee	Proposed Fee
Beg School age (Up to Adv 1)	\$13.50	\$14.00
Int School age (Adv 2-3)	\$14.50	\$15.00

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Pool Fees – Aquatic Programme	Current Fee	Proposed Fee
Adv School age (Mini squad / sport fit)	\$15.00	\$15.50

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

Recreation Centres

We are proposing to increase some of our fees for Recreation Centres.

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

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Recreation Fees – Community Recreation Centres	Current Fee	Proposed Fee
Basketball League	\$262.50 per team/per term	\$300.00 per team/per term
Parkour (Karori)		\$12.50
Ezy Movers	\$5.00	\$5.50
Holiday Programme	\$32.00/\$42.00 Casual	\$35.00/ \$45.00 or \$50.00 Casual

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

Public Health Regulations

We are proposing new fees and fee structure for Food Act fees under the new Food Act 2014. The Statement of Proposal for the consultation on the Food Act 2014 fees is outlined on page xx of the 2016/17 AP Consultation Document.

Public Health Food Act 2014 Fees – Proposed Fee Schedule	Time Included	Proposed Fee
Registration	1 hour	\$155.00
Registration renewal/Re-register	half hour	\$77.50
Amendment		
Significant	1 hour	\$155.00
Minor	half hour	\$77.50
Change of circumstances	half hour	\$77.50
Voluntary suspension		
	half hour	\$77.50
Verification		
1 st verification	2.5 hours	\$387.50
2nd verification	2.5 hours	\$387.50
Compliance		

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Public Health Food Act 2014 Fees – Proposed Fee Schedule	Time Included	Proposed Fee
Notice	1 hour	\$155.00
Application for review	1 hour	\$155.00
Statement of compliance	half hour	\$77.50
Opening inspections	1 hour	\$155.00
Additional hours	per hour	\$155.00

Public Health Food Act 2014 Fees – National Programme	Time Included	Proposed Fee
Registration	1 hour	\$155.00
Registration renewal/Re-register	half hour	\$77.50
Amendment		
Change of circumstances	half hour	\$77.50
Voluntary suspension	half hour	\$77.50
Verification		
1 st verification	1 hour	\$155.00
2nd verification	1 hour	\$155.00
Compliance		
Notice	1 hour	\$155.00
Application for review	1 hour	\$155.00
Statement of compliance	half hour	\$77.50
Opening inspections	1 hour	\$155.00
Additional hours	per hour	\$155.00

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SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT: 2016/17 ANNUAL PLAN FINANCIAL OVERVIEW

Purpose

1. The purpose of this report is to agree the draft financial and funding statements as supporting documents to the Consultation Document.
2. This report includes the following attachments:
 - Prospective Financial Statements and Statement of Significant Accounting Policies (attachment 1)
 - Funding Impact Statements (attachment 2)
 - Financial Reporting and Prudence – Annual Plan Disclosure Statement (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 2016/17 Annual Plan to Council for adoption.

Recommendation/s

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 2016/17 as detailed in this report as outlined in paragraph 5.
3. Agree to recommend to Council the Prospective Financial Statements and Statements of Significant Accounting Policies (included as attachment 1 of 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 Financial Reporting and Prudence Annual Plan
6. Disclosure Statement (included as attachment 3 to this report) for consultation.
7. 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 2016/17 Annual Plan.
8. Note the following statements will form part of the supporting information for the 2016/17 Annual Plan Consultation Document:
 - Prospective Financial Statements and Statement of Significant Accounting Policies
 - Funding Impact Statements
9. Note that any changes arising as part of these deliberations will be incorporated into the final statements presented to the Council meeting on 23 March 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 the Mayor's Proposal for the 2016-17 Annual Plan.

Discussion

5. The proposed 2016/17 Annual Plan shows a budgetd surplus of \$15.6 million in 2015/16. The majority of this surplus is due to the \$31.6 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 \$14.4 million of operating expenditure (depreciation) which is not funded as per the Councils 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 ratepayers (e.g. Cable Car Grants).

EXPLANATION OF SURPLUS

	\$000's
Less expenditure not funded under section 100 of LGA:	
NZTA Transport funded projects	(7,597)
General	(158)
Clearwater sewerage treatment plant	(3,040)
Decommissioned Living Earth joint venture plant	(201)
Wellington Waterfront Limited Depreciation	(3,445)
Total expenditure not funded under section 100 of LGA	<u>(14,441)</u>
Revenue received for capital purposes	
NZTA capital funding	17,710
Housing capital grant and ring-fenced surplus	(6,187)
Housing capital grant and ring-fenced	18,082
Development contributions	2,000
Total Revenue received for capital purposes	<u>31,605</u>
Items funded from prior year surpluses	
Economic Development Fund	(3,000)
Total items funded from prior year surplus	<u>(3,000)</u>
Additional items	
Weathertight Homes funding	7,227
ICT Infrastructure project	(3,835)
Cable car	(875)
Westpac Stadium	(4,575)
Alex Moore Park	(472)
Odyssey	221
Roading	(848)
Reserves purchases and development fund	(30)
Unrealised fair value adjustment for loans and receivables	637
Fair value movement on investment property revaluation	3,989
Total additional items	<u>1,438</u>
Total Surplus	<u>15,602</u>

Options

6. n/a

Next Actions

7. n/a

Attachments

Attachment 1.	Financial Statements	Page 212
Attachment 2.	Funding Impact Statements	Page 234
Attachment 3.	Annual Plan Disclosure Statement	Page 266
Attachment 4.	What it costs statements	Page 269

Author	Brendan Eckert, Team Leader Financial Planning
Authoriser	Andy Matthews, Chief Financial Officer

SUPPORTING INFORMATION

Consultation and Engagement

This item will be consulted on as part of the 2016/17 Annual Plan consultation

Treaty of Waitangi considerations

Iwi members will be consulted with as part of the 2016/17 Annual Plan consultation

Financial implications

Outlined in the body of the report

Policy and legislative implications

Compliant with legislation

Risks / legal

None

Climate Change impact and considerations

None

Communications Plan

Consulted on during the 2016/17 Annual Plan

**PROSPECTIVE STATEMENT OF COMPREHENSIVE
REVENUE AND EXPENSE**

	2015-25 LTP Yr 1	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$001	\$000
INCOME				
Revenue from rates (excluding metered water)	270,907	270,907	284,043	13,136
Revenue from development contributions	2,000	2,000	2,000	-
Revenue from grants, subsidies and reimbursements	42,511	42,511	45,214	2,703
Revenue from operating activities	121,287	121,287	122,510	1,223
Investments	20,135	20,135	20,247	112
Fair value movement on investment property revaluation	3,665	3,665	3,989	324
Other revenue	1,050	1,050	810	(240)
Finance revenue	637	637	650	13
TOTAL INCOME	462,192	462,192	479,463	17,271
EXPENSE				
Finance expense	22,961	22,961	26,281	3,320
Expenditure on operating activities	316,333	316,330	334,106	17,776
Depreciation and amortisation	99,797	99,797	103,471	3,674
TOTAL EXPENSE	439,091	439,088	463,858	24,770
NET SURPLUS FOR THE YEAR	23,101	23,104	15,605	(7,499)
OTHER COMPREHENSIVE INCOME				
Fair value movement - property, plant and equipment - net	-	-	-	-
Share of equity accounted surplus from associates	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	23,101	23,104	15,605	(7,499)

**PROSPECTIVE STATEMENT OF
FINANCIAL POSITION**

	2015-25 LTP Yr 1	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
ASSETS				
Current assets				
Cash and cash equivalents	1,249	1,253	1,496	243
Derivative financial assets	-	-	-	-
Receivables and recoverables	42,333	42,333	42,971	-
Prepayments	12,096	12,095	13,441	1,346
Inventories	888	888	906	18
Total current assets	56,566	56,569	58,814	1,607
Non-current assets				
Derivative financial assets	-	-	-	-
Other financial assets	10,473	10,473	12,346	1,873
Intangibles	28,936	28,936	28,682	(254)
Investment properties	196,566	196,566	213,931	17,365
Property, plant & equipment	6,674,860	6,696,360	6,809,535	113,175
Investment in subsidiaries	3,809	3,809	5,071	1,262
Investment in associates	19,504	19,504	19,465	(39)
Total non-current assets	6,934,148	6,955,648	7,089,030	133,382
TOTAL ASSETS	6,990,714	7,012,217	7,147,844	134,989
LIABILITIES				
Current liabilities				
Derivative financial liabilities	-	-	-	-
Trade and other payables	59,122	59,122	70,123	11,001
Revenue in advance	33,496	33,496	16,765	(16,731)
Borrowings	219,789	231,141	280,555	49,414
Employee benefit liabilities and provisions	6,845	6,845	7,107	262
Provision for other liabilities	11,790	11,790	7,971	(3,819)
Total current liabilities	331,042	342,394	362,521	40,127
Non-current liabilities				
Derivative financial liabilities	-	-	-	-
Trade and other payables	630	630	630	-
Borrowings	196,474	206,622	222,285	15,663
Employee benefit liabilities	1,708	1,708	1,577	(131)
Provisions for other liabilities	23,945	23,945	18,231	(5,714)
Total non-current liabilities	222,757	232,905	242,723	9,818
TOTAL LIABILITIES	553,798	575,298	625,244	49,944
EQUITY				
Accumulated funds and retained earnings	4,994,681	4,994,684	5,018,836	24,152
Revaluation reserves	1,429,106	1,429,106	1,489,442	60,336
Hedging reserve	137	137	-	(137)
Fair value through other comprehensive income reserve	63	63	106	43
Restricted funds	12,928	12,928	14,216	1,288
TOTAL EQUITY	6,436,915	6,436,918	6,522,600	85,682
TOTAL EQUITY AND LIABILITIES	6,990,714	7,012,216	7,147,844	135,626

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	2015-25 LTP Yr 1	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$001	\$000
EQUITY - OPENING BALANCES				
Accumulated funds and retained earnings	4,972,119	4,972,119	5,003,784	31,665
Revaluation reserves	1,429,106	1,429,106	1,383,201	(45,905)
Hedging reserve	137	137	-	(137)
Fair value through other comprehensive income reserve	63	63	106	43
Restricted funds	12,389	12,389	13,663	1,274
TOTAL EQUITY - Opening balance	6,413,814	6,413,814	6,400,754	(13,060)
CHANGES IN EQUITY				
Retained earnings				
Net surplus for the year	23,101	23,104	15,605	(7,499)
Transfer to restricted funds	(4,518)	(4,518)	(4,533)	(15)
Transfer from restricted funds	3,979	3,979	3,980	1
Hedging reserve				
Share of other comprehensive income	-	-	-	-
Restricted Funds				
Transfer to retained earnings	(3,979)	(3,979)	(3,980)	(1)
Transfer from retained earnings	4,518	4,518	4,533	15
TOTAL COMPREHENSIVE INCOME	23,101	23,104	15,605	(7,499)
EQUITY - CLOSING BALANCES				
Accumulated funds and retained earnings	4,994,681	4,994,684	5,018,836	24,152
Revaluation reserves	1,429,106	1,429,106	1,489,442	60,336
Fair value through other comprehensive revenue and expense	137	137	0	(137)
Restricted funds	63	63	106	43
Hedging reserve	12,928	12,928	14,216	1,288
TOTAL EQUITY - Closing balance	6,436,915	6,436,918	6,522,600	85,682

PROSPECTIVE STATEMENT OF CASH FLOWS

	2015-25 LTP Yr 1	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$001	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates - Council	259,728	259,728	292,622	32,894
Receipts from rates - Greater Wellington Regional Council	53,018	53,018	56,818	3,800
Receipts from activities and other income	136,363	136,363	100,409	(35,954)
Receipts from grants and subsidies - operating	36,026	36,026	35,792	(234)
Receipts from grants and subsidies - capital	6,485	6,485	9,422	2,937
Receipts from investment property lease rentals	9,135	9,135	9,135	-
Cash paid to suppliers and employees	(294,178)	(294,174)	(293,752)	422
Rates paid to Greater Wellington Regional Council	(53,018)	(53,018)	(56,818)	(3,800)
Grants paid	(35,583)	(35,583)	(41,872)	(6,289)
NET CASH FLOWS FROM OPERATING ACTIVITIES	117,976	117,980	111,756	(6,224)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	11,000	11,000	11,112	112
Interest received	637	637	650	13
Proceeds from sale of property, plant and equipment	2,650	2,650	4,600	1,950
Purchase of Intangibles	(11,195)	(11,195)	(5,578)	5,617
Purchase of property, plant and equipment	(146,857)	(168,357)	(228,323)	(59,966)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(143,765)	(165,265)	(217,539)	(52,274)
CASH FLOWS FROM FINANCING ACTIVITIES				
New borrowings	239,327	260,827	322,891	62,064
Repayment of borrowings	(197,932)	(197,932)	(227,121)	(29,189)
Interest paid on borrowings	(22,763)	(22,763)	(27,746)	(4,983)
NET CASH FLOWS FROM FINANCING ACTIVITIES	18,632	40,132	68,024	27,892
Net increase/(decrease) in cash and cash equivalents	(7,157)	(7,153)	(37,759)	(30,606)
Cash and cash equivalents at beginning of year	8,406	8,406	39,255	30,849
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,249	1,253	1,496	243

PROSPECTIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS

	OPENING BALANCE 2016/17 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE 2016/17 \$000	Purpose
SPECIAL RESERVES AND FUNDS					
Reserve purchase and development fund	999	0	0	999	Used to purchase and develop reserve areas within the city.
Economic initiatives development fund	2,976	3,015	(3,015)	2,976	
Insurance reserve	9,277	1,500	(950)	9,827	Allows the Council to meet the uninsured portion of insurance claims
Total special reserves and funds	13,252	4,515	(3,965)	13,802	
TRUSTS AND BEQUESTS					
A Graham Trust	3	-	-	3	For the upkeep of a specific area of Karori Cemetery
A W Newton Bequest	319	16	(15)	320	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	14	1	-	15	For the purchase of children's books
F L Irvine Smith Memorial	7	-	-	7	For the purchase of books for the Khandallah Library
Greek NZ Memorial Association	5	-	-	5	For the maintenance and upgrade of the memorial
Kidsarus 2 Donation	3	-	-	3	For the purchase of children's books
Kirkaldie and Stains Donation	17	-	-	17	For the beautification of the BNZ site
QEII Memorial Book Fund	20	1	-	21	For the purchase of books on the Commonwealth
Scholia Cantorum Trust	7	-	-	7	For the purchase of musical scores
Terawhiti Grant	10	-	-	10	To be used on library book purchases
Total trusts and bequests	411	18	(15)	414	
Total restricted funds	13,663	4,533	(3,980)	14,216	

Indicative Financial Statements and Statement of Significant Accounting Policies

The following indicative financial statements show the 2015/16 financial year's income and expenditure, and financial position.

Balanced Budget

The Council operates a 'balanced budget'. This means that rates only fund what is required to pay for the services delivered each year.

Note that the prospective statement of comprehensive financial performance shows a surplus, mainly because revenue received for capital expenditure is required to be shown as income (operating).

So although there is a net surplus because of the accounting treatment, the council does not budget or rate to make an operating profit.

The capital funding that is the primary cause of the 'surplus' mainly comes from 3rd parties like the New Zealand Transport Agency (NZTA) for roads, and Housing New Zealand to partially fund the social housing upgrade programme.

The Capital expenditure that this pays for, is shown as changes in assets/equity and in the statement of financial position

The Funding and Financial Statements attached are based on the project and programmes outlined and are informed by the Financial Strategy and significant forecasting assumptions.

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 and comprises 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%
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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 2016/17 Annual Plan consultative documents for issue on 01 April 2016 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**

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	152,004	152,004	161,000	8,996
Targeted rates (other than a targeted rate for water supply)	118,903	118,903	123,043	4,140
Subsidies and grants for operating purposes	6,485	6,485	9,488	3,003
Fees and charges	122,218	122,218	123,180	962
Interest and dividends from investments	11,013	11,013	11,125	112
Local authorities fuel tax, fines, infringement fees, and other receipts	9,255	9,255	9,513	258
Total operating funding (A)	419,878	419,878	437,349	17,471
Applications of operating funding				
Payments to staff and suppliers	280,484	280,481	291,895	11,414
Finance costs	22,961	22,961	26,281	3,320
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	35,850	35,850	42,446	6,596
Total applications of operating funding (B)	339,295	339,292	360,622	21,330
Surplus (deficit) of operating funding (A - B)	80,583	80,586	76,727	(3,859)
Sources of capital funding				
Subsidies and grants for capital expenditure	36,026	36,026	35,726	(300)
Development and financial contributions	2,000	2,000	2,000	-
Increase (decrease) in debt	41,399	62,899	134,388	71,489
Gross proceeds from sales of assets	2,650	2,650	4,600	1,950
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	82,075	103,575	176,714	73,139
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,597	2,597	1,928	(669)
- to improve the level of service	62,680	84,180	145,657	61,477
- to replace existing assets	93,169	93,169	84,459	(8,710)
Increase (decrease) in reserves	4,212	4,215	21,397	17,182
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	162,658	184,161	253,441	69,280
Surplus (deficit) of capital funding (C - D)	(80,583)	(80,586)	(76,727)	3,859
Funding balance ((A - B) + (C - D))	-	-	-	(0)
Expenses for this activity grouping include the following				
depreciation/amortisation charge	102,165	99,797	103,471	1,027

FUNDING IMPACT STATEMENT
1.1 FOR GOVERNANCE, INFORMATION AND ENGAGEMENT

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	16,587	16,587	17,733	1,146
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	508	508	889	381
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	17,095	17,095	18,622	1,527
Applications of operating funding				
Payments to staff and suppliers	9,713	9,713	11,152	1,439
Finance costs	16	16	16	-
Internal charges and overheads applied	7,308	7,308	7,402	94
Other operating funding applications	10	10	10	-
Total applications of operating funding (B)	17,047	17,047	18,580	1,533
Surplus (deficit) of operating funding (A - B)	48	48	42	(6)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(48)	(48)	74	122
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(48)	(48)	74	122
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	116	116
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	116	116
Surplus (deficit) of capital funding (C - D)	(48)	(48)	(42)	6
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	48	48	42	(6)

FUNDING IMPACT STATEMENT
1.2 FOR MAORI AND MANA WHENUA PARTNERSHIPS

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	281	281	295	14
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	281	281	295	14
Applications of operating funding				
Payments to staff and suppliers	267	267	267	-
Finance costs	1	1	1	-
Internal charges and overheads applied	11	11	15	4
Other operating funding applications	-	-	10	10
Total applications of operating funding (B)	279	279	293	14
Surplus (deficit) of operating funding (A - B)	2	2	2	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(2)	(2)	(2)	-
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(2)	(2)	(2)	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	-	-
Surplus (deficit) of capital funding (C - D)	(2)	(2)	(2)	-
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	2	-	2	2

FUNDING IMPACT STATEMENT
2.1 FOR GARDENS, BEACHES AND GREEN OPEN SPACES

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	30,360	30,360	34,451	4,091
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	699	699	636	(63)
Fees and charges	1,437	1,437	1,465	28
Internal charges and overheads recovered	5,111	5,111	5,203	92
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	37,607	37,607	41,755	4,148
Applications of operating funding				
Payments to staff and suppliers	19,285	19,285	20,019	734
Finance costs	1,993	1,993	1,984	(9)
Internal charges and overheads applied	12,281	12,281	12,393	112
Other operating funding applications	120	120	80	(40)
Total applications of operating funding (B)	33,679	33,679	34,476	797
Surplus (deficit) of operating funding (A - B)	3,928	3,928	7,279	3,351
Sources of capital funding				
Subsidies and grants for capital expenditure	650	650	-	(650)
Development and financial contributions	183	183	183	-
Increase (decrease) in debt	(2,129)	(2,129)	(4,265)	(2,136)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(1,296)	(1,296)	(4,082)	(2,786)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	70	70	-	(70)
- to improve the level of service	1,121	1,121	986	(135)
- to replace existing assets	1,441	1,441	2,211	770
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,632	2,632	3,197	565
Surplus (deficit) of capital funding (C - D)	(3,928)	(3,928)	(7,279)	(3,351)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	3,928	3,928	7,279	3,351

FUNDING IMPACT STATEMENT
2.2 FOR WASTE REDUCTION AND ENERGY CONSERVATION

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	764	764	1,373	609
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	12,876	12,876	13,320	444
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	13,640	13,640	14,693	1,053
Applications of operating funding				
Payments to staff and suppliers	12,126	12,126	12,456	330
Finance costs	877	877	751	(126)
Internal charges and overheads applied	56	56	729	673
Other operating funding applications	255	255	363	108
Total applications of operating funding (B)	13,314	13,314	14,299	985
Surplus (deficit) of operating funding (A - B)	326	326	394	68
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	912	912	857	(55)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	912	912	857	(55)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	1,238	1,238	1,251	13
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,238	1,238	1,251	13
Surplus (deficit) of capital funding (C - D)	(326)	(326)	(394)	(68)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	326	326	394	68

FUNDING IMPACT STATEMENT
2.3 FOR WATER

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	38,291	38,291	39,921	1,630
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	35	35	35	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	38,326	38,326	39,956	1,630
Applications of operating funding				
Payments to staff and suppliers	22,501	22,501	23,383	882
Finance costs	2,100	2,100	2,104	4
Internal charges and overheads applied	1,443	1,443	1,602	159
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	26,044	26,044	27,089	1,045
Surplus (deficit) of operating funding (A - B)	12,282	12,282	12,867	585
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	671	671	671	-
Increase (decrease) in debt	3,999	3,999	1,397	(2,602)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	4,670	4,670	2,068	(2,602)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	563	563	538	(25)
- to improve the level of service	3,038	3,038	3,375	337
- to replace existing assets	13,351	13,351	11,022	(2,329)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	16,952	16,952	14,935	(2,017)
Surplus (deficit) of capital funding (C - D)	(12,282)	(12,282)	(12,867)	(585)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	12,282	12,282	12,867	585

FUNDING IMPACT STATEMENT
2.4 FOR WASTEWATER

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	37,425	37,425	39,393	1,968
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,233	1,233	1,244	11
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	38,658	38,658	40,637	1,979
Applications of operating funding				
Payments to staff and suppliers	21,117	21,117	21,671	554
Finance costs	3,741	3,741	3,833	92
Internal charges and overheads applied	3,525	3,525	4,481	956
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	28,383	28,383	29,985	1,602
Surplus (deficit) of operating funding (A - B)	10,275	10,275	10,652	377
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	549	549	549	-
Increase (decrease) in debt	(343)	(343)	125	468
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	206	206	674	468
Applications of capital funding				
Capital expenditure				
- to meet additional demand	223	223	230	7
- to improve the level of service	-	-	316	316
- to replace existing assets	10,258	10,258	10,780	522
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	10,481	10,481	11,326	845
Surplus (deficit) of capital funding (C - D)	(10,275)	(10,275)	(10,652)	(377)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	13,428	13,428	13,893	465

FUNDING IMPACT STATEMENT
2.5 FOR STORMWATER

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	17,442	17,442	17,691	249
Subsidies and grants for operating purposes	136	136	125	(11)
Fees and charges	10	10	10	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	17,588	17,588	17,826	238
Applications of operating funding				
Payments to staff and suppliers	7,131	7,131	7,157	26
Finance costs	2,904	2,904	2,890	(14)
Internal charges and overheads applied	1,501	1,501	1,536	35
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,536	11,536	11,583	47
Surplus (deficit) of operating funding (A - B)	6,052	6,052	6,243	191
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	58	58	58	-
Increase (decrease) in debt	(1,654)	(1,654)	719	2,373
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(1,596)	(1,596)	777	2,373
Applications of capital funding				
Capital expenditure				
- to meet additional demand	161	161	237	76
- to improve the level of service	1,501	1,501	4,550	3,049
- to replace existing assets	2,794	2,794	2,233	(561)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	4,456	4,456	7,020	2,564
Surplus (deficit) of capital funding (C - D)	(6,052)	(6,052)	(6,243)	(191)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	6,052	6,052	6,243	191

FUNDING IMPACT STATEMENT
2.6 FOR CONSERVATION ATTRACTIONS

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	6,459	6,459	6,818	359
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	6,459	6,459	6,818	359
Applications of operating funding				
Payments to staff and suppliers	214	214	216	2
Finance costs	748	748	787	39
Internal charges and overheads applied	286	286	260	(26)
Other operating funding applications	3,689	3,689	3,759	70
Total applications of operating funding (B)	4,937	4,937	5,022	85
Surplus (deficit) of operating funding (A - B)	1,522	1,522	1,796	274
Sources of capital funding				
Subsidies and grants for capital expenditure	126	126	-	(126)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(332)	(332)	(979)	(647)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(206)	(206)	(979)	(773)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	516	516	-	(516)
- to replace existing assets	800	800	817	17
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,316	1,316	817	(499)
Surplus (deficit) of capital funding (C - D)	(1,522)	(1,522)	(1,796)	(274)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	1,522	1,522	1,796	274

FUNDING IMPACT STATEMENT
3.1 FOR CITY PROMOTIONS AND BUSINESS SUPPORT

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	4,610	4,610	5,044	434
Targeted rates (other than a targeted rate for water supply)	15,226	15,226	15,002	(224)
Subsidies and grants for operating purposes	-	-	1,231	1,231
Fees and charges	14,365	14,365	14,369	4
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	34,201	34,201	35,646	1,445
Applications of operating funding				
Payments to staff and suppliers	21,483	21,483	21,857	374
Finance costs	736	736	1,747	1,011
Internal charges and overheads applied	939	939	756	(183)
Other operating funding applications	12,248	12,248	17,048	4,800
Total applications of operating funding (B)	35,406	35,406	41,408	6,002
Surplus (deficit) of operating funding (A - B)	(1,205)	(1,205)	(5,762)	(4,557)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,420	24,920	27,059	2,139
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	3,420	24,920	27,059	2,139
Applications of capital funding				
Capital expenditure	-	-	-	-
- to meet additional demand	-	-	-	-
- to improve the level of service	-	21,500	19,538	(1,962)
- to replace existing assets	2,215	2,215	1,759	(456)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,215	23,715	21,297	(2,418)
Surplus (deficit) of capital funding (C - D)	1,205	1,205	5,762	4,557
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	1,795	1,795	1,813	18

FUNDING IMPACT STATEMENT
4.1 FOR ARTS AND CULTURE ACTIVITIES

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	13,008	13,008	13,425	417
Targeted rates (other than a targeted rate for water supply)	5,148	5,148	5,382	234
Subsidies and grants for operating purposes	410	410	976	566
Fees and charges	577	577	588	11
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	19,143	19,143	20,371	1,228
Applications of operating funding				
Payments to staff and suppliers	4,072	4,072	4,119	47
Finance costs	276	276	850	574
Internal charges and overheads applied	1,024	1,024	1,132	108
Other operating funding applications	13,101	13,101	13,428	327
Total applications of operating funding (B)	18,473	18,473	19,529	1,056
Surplus (deficit) of operating funding (A - B)	670	670	842	172
Sources of capital funding				
Subsidies and grants for capital expenditure	1,914	1,914	-	(1,914)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(363)	(363)	33,587	33,950
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	1,551	1,551	33,587	32,036
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,119	2,119	34,427	32,308
- to replace existing assets	102	102	2	(100)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,221	2,221	34,429	32,208
Surplus (deficit) of capital funding (C - D)	(670)	(670)	(842)	(172)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	670	670	842	172

FUNDING IMPACT STATEMENT
5.1 FOR RECREATION PROMOTION AND SUPPORT

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	25,083	25,083	25,751	668
Targeted rates (other than a targeted rate for water supply)	1,088	1,088	1,191	103
Subsidies and grants for operating purposes	200	200	204	4
Fees and charges	11,547	11,547	11,847	300
Internal charges and overheads recovered	1,116	1,116	1,136	20
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	39,034	39,034	40,129	1,095
Applications of operating funding				
Payments to staff and suppliers	17,953	17,953	18,953	1,000
Finance costs	3,615	3,615	3,795	180
Internal charges and overheads applied	9,214	9,214	8,979	(235)
Other operating funding applications	663	663	678	15
Total applications of operating funding (B)	31,445	31,445	32,405	960
Surplus (deficit) of operating funding (A - B)	7,589	7,589	7,724	135
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	736	736	230	(506)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	736	736	230	(506)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,476	1,476	2,151	675
- to replace existing assets	6,849	6,849	5,803	(1,046)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	8,325	8,325	7,954	(371)
Surplus (deficit) of capital funding (C - D)	(7,589)	(7,589)	(7,724)	(135)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	7,589	7,589	7,724	135

FUNDING IMPACT STATEMENT
5.2 FOR COMMUNITY SUPPORT

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	22,792	22,792	24,776	1,984
Targeted rates (other than a targeted rate for water supply)	4,250	4,250	4,430	180
Subsidies and grants for operating purposes	969	969	934	(35)
Fees and charges	22,869	22,869	19,432	(3,437)
Internal charges and overheads recovered	1,171	1,171	1,125	(46)
Local authorities fuel tax, fines, infringement fees, and other receipts	586	586	547	(39)
Total operating funding (A)	52,637	52,637	51,244	(1,393)
Applications of operating funding				
Payments to staff and suppliers	26,470	26,470	26,235	(235)
Finance costs	(1,632)	(1,632)	(1,600)	32
Internal charges and overheads applied	11,542	11,542	12,934	1,392
Other operating funding applications	4,084	4,084	4,575	491
Total applications of operating funding (B)	40,464	40,464	42,144	1,680
Surplus (deficit) of operating funding (A - B)	12,173	12,173	9,100	(3,073)
Sources of capital funding				
Subsidies and grants for capital expenditure	20,668	20,668	18,082	(2,586)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(3,771)	(3,771)	24,314	28,085
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	16,897	16,897	42,396	25,499
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	923	923
- to improve the level of service	26,139	26,139	25,758	(381)
- to replace existing assets	8,763	8,763	6,731	(2,032)
Increase (decrease) in reserves	(5,832)	(5,832)	18,084	23,916
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	29,070	29,070	51,496	22,426
Surplus (deficit) of capital funding (C - D)	(12,173)	(12,173)	(9,100)	3,073
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	15,318	15,318	15,847	529

FUNDING IMPACT STATEMENT
5.3 FOR PUBLIC HEALTH AND SAFETY

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,540	9,540	9,938	398
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	25	25	-	(25)
Fees and charges	3,993	3,993	4,082	89
Internal charges and overheads recovered	664	664	676	12
Local authorities fuel tax, fines, infringement fees, and other receipts	39	39	39	-
Total operating funding (A)	14,261	14,261	14,735	474
Applications of operating funding				
Payments to staff and suppliers	9,012	9,012	8,847	(165)
Finance costs	91	91	93	2
Internal charges and overheads applied	4,386	4,386	4,973	587
Other operating funding applications	129	129	109	(20)
Total applications of operating funding (B)	13,618	13,618	14,022	404
Surplus (deficit) of operating funding (A - B)	643	643	713	70
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,028	1,028	1,303	275
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	1,028	1,028	1,303	275
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	110	110	739	629
- to replace existing assets	1,561	1,561	1,277	(284)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,671	1,671	2,016	345
Surplus (deficit) of capital funding (C - D)	(643)	(643)	(713)	(70)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	643	643	713	70

FUNDING IMPACT STATEMENT

6.1 FOR URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	6,896	6,896	7,401	505
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	20	20	20	-
Internal charges and overheads recovered	-	-	522	522
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	6,916	6,916	7,943	1,027
Applications of operating funding				
Payments to staff and suppliers	2,857	2,857	4,508	1,651
Finance costs	15	15	14	(1)
Internal charges and overheads applied	3,233	3,233	2,110	(1,123)
Other operating funding applications	800	800	1,300	500
Total applications of operating funding (B)	6,905	6,905	7,932	1,027
Surplus (deficit) of operating funding (A - B)	11	11	11	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	7,607	7,607	8,099	492
Gross proceeds from sales of assets	650	650	2,600	1,950
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	8,257	8,257	10,699	2,442
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	5,702	5,702	9,178	3,476
- to replace existing assets	2,566	2,566	1,532	(1,034)
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	8,268	8,268	10,710	2,442
Surplus (deficit) of capital funding (C - D)	(11)	(11)	(11)	-
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	11	11	11	-

FUNDING IMPACT STATEMENT
6.2 FOR BUILDING AND DEVELOPMENT CONTROL

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,449	9,449	9,222	(227)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	12,027	12,027	11,942	(85)
Internal charges and overheads recovered	224	224	228	4
Local authorities fuel tax, fines, infringement fees, and other receipts	24	24	24	-
Total operating funding (A)	21,724	21,724	21,416	(308)
Applications of operating funding				
Payments to staff and suppliers	12,655	12,655	12,594	(61)
Finance costs	3	3	3	-
Internal charges and overheads applied	8,761	8,761	8,534	(227)
Other operating funding applications	135	135	135	-
Total applications of operating funding (B)	21,554	21,554	21,266	(288)
Surplus (deficit) of operating funding (A - B)	170	170	150	(20)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5,770	5,770	6,264	494
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	5,770	5,770	6,264	494
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	5,940	5,940	6,414	474
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	5,940	5,940	6,414	474
Surplus (deficit) of capital funding (C - D)	(170)	(170)	(150)	20
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	170	170	150	(20)

FUNDING IMPACT STATEMENT
7.1 FOR TRANSPORT

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	32,648	32,648	35,854	3,206
Targeted rates (other than a targeted rate for water supply)	33	33	33	-
Subsidies and grants for operating purposes	4,046	4,046	5,182	1,136
Fees and charges	2,042	2,042	1,960	(82)
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	38,769	38,769	43,029	4,260
Applications of operating funding				
Payments to staff and suppliers	12,189	12,189	14,148	1,959
Finance costs	5,169	5,169	5,288	119
Internal charges and overheads applied	6,093	6,093	7,123	1,030
Other operating funding applications	515	515	1,260	745
Total applications of operating funding (B)	23,966	23,966	27,819	3,853
Surplus (deficit) of operating funding (A - B)	14,803	14,803	15,210	407
Sources of capital funding				
Subsidies and grants for capital expenditure	12,668	12,668	17,644	4,976
Development and financial contributions	539	539	539	-
Increase (decrease) in debt	10,563	10,563	10,618	55
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	23,770	23,770	28,801	5,031
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,580	1,580	-	(1,580)
- to improve the level of service	11,199	11,199	19,924	8,725
- to replace existing assets	25,794	25,794	24,935	(859)
Increase (decrease) in reserves	-	-	(848)	(848)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	38,573	38,573	44,011	5,438
Surplus (deficit) of capital funding (C - D)	(14,803)	(14,803)	(15,210)	(407)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	22,646	22,646	24,530	1,884

FUNDING IMPACT STATEMENT
7.2 FOR PARKING

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	(14,051)	(14,051)	(15,579)	(1,528)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	19,899	19,899	20,647	748
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7,556	7,556	7,853	297
Total operating funding (A)	13,404	13,404	12,921	(483)
Applications of operating funding				
Payments to staff and suppliers	10,346	10,346	10,263	(83)
Finance costs	479	479	584	105
Internal charges and overheads applied	1,987	1,987	2,021	34
Other operating funding applications	1	1	1	-
Total applications of operating funding (B)	12,813	12,813	12,869	56
Surplus (deficit) of operating funding (A - B)	591	591	52	(539)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	858	858	444	(414)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	858	858	444	(414)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,449	1,449	496	(953)
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,449	1,449	496	(953)
Surplus (deficit) of capital funding (C - D)	(591)	(591)	(52)	539
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	591	591	52	(539)

FUNDING IMPACT STATEMENT
 10.1 FOR ORGANISATIONAL

	2015-25 LTP	2015-25 LTP Yr 1 Amended	2016/17 AP	Variance to Amended LTP
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	(12,422)	(12,422)	(15,502)	(3,080)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	200	200
Fees and charges	29,793	29,793	32,455	2,662
Internal charges and overheads recovered	34,577	34,577	32,157	(2,420)
Local authorities fuel tax, fines, infringement fees, and other receipts	1,050	1,050	1,050	-
Total operating funding (A)	52,998	52,998	50,360	(2,638)
Applications of operating funding				
Payments to staff and suppliers	71,094	71,094	74,048	2,954
Finance costs	1,829	1,829	3,141	1,312
Internal charges and overheads applied	(30,727)	(30,727)	(35,933)	(5,206)
Other operating funding applications	100	100	(310)	(410)
Total applications of operating funding (B)	42,296	42,296	40,946	(1,350)
Surplus (deficit) of operating funding (A - B)	10,702	10,702	9,414	(1,288)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	15,148	15,148	24,544	9,396
Gross proceeds from sales of assets	2,000	2,000	2,000	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	17,148	17,148	26,544	9,396
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,370	2,370	17,805	15,435
- to replace existing assets	15,437	15,437	13,990	(1,447)
Increase (decrease) in reserves	10,043	10,043	4,163	(5,880)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	27,850	27,850	35,958	8,108
Surplus (deficit) of capital funding (C - D)	(10,702)	(10,702)	(9,414)	1,288
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following				
depreciation/amortisation charge	12,776	12,776	9,273	(3,503)

2016/17 ANNUAL PLAN FUNDING IMPACT STATEMENT — PROPOSED RATING MECHANISMS

RATES

Rates are a property tax to fund local government activities. Rates are assessed under the Local Government (Rating) Act 2002 (the Act) on rating units in the Rating Information Database. Where rates requirements are allocated based on 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 2015. This revaluation remains effective for the 2016/17 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 2018 and will be effective for the 2019/20 rating year and the two consecutive rating years (subject again to subsequent maintenance valuations).

Policy objective:

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

GENERAL RATES

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

The Council 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 2016/17.
- 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:

- 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.

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:

- 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.

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.

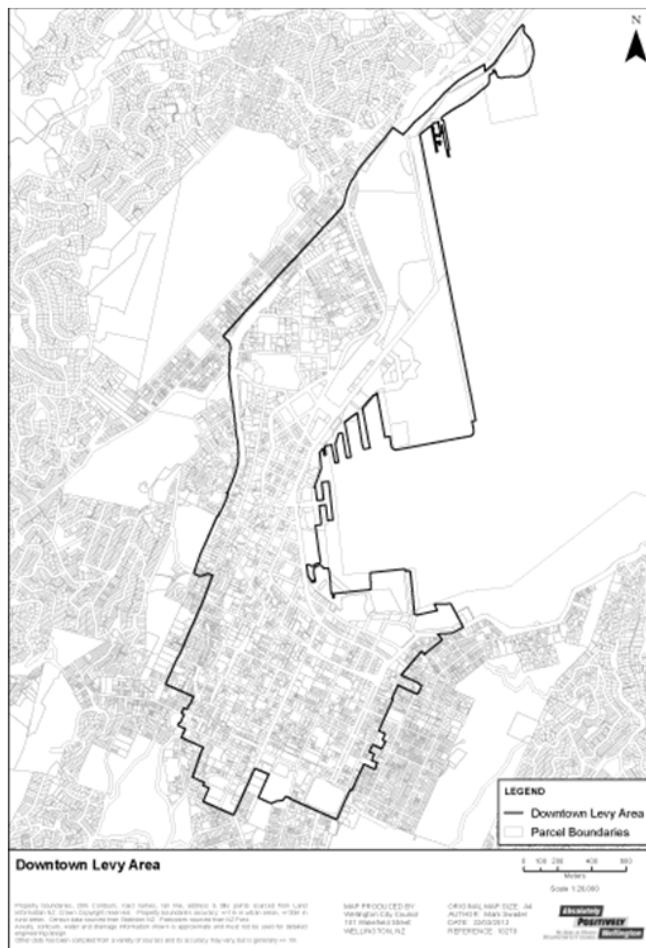
This rate is assessed on all properties incorporated under the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

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.

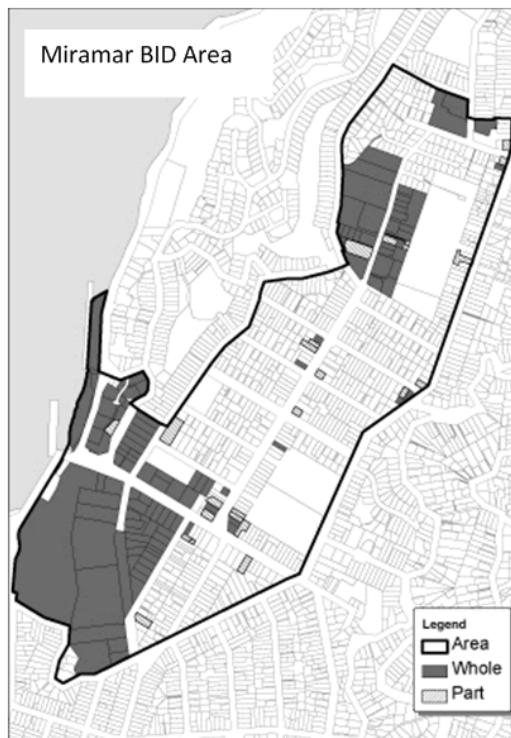


Miramar Business Improvement District Targeted Rate

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.



Khandallah Business Improvement District Targeted Rate

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

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.



Kilbirnie Business Improvement District Targeted Rate

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

The category of land for which this rate is set is on all rating units within the Kilbirnie 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 fixed amount per rating unit, plus a rate per dollar of capital value for any capital value over \$1 million per rating unit.



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 2016/17 budget. These are subject to change based on Council decisions made during the adoption of the 2016/17 Annual Plan and changes in property valuations:

Indicative residential property rates (for properties without a water meter)		
Capital Values \$	2016/17 Rates \$	Increase over 2015/16 %
200,000	x	%
300,000	x	%
400,000	x	%
500,000	x	%
600,000	x	%
700,000	x	%
800,000	x	%
900,000	x	%
1,000,000	x	%
1,100,000	x	%
1,200,000	x	%
1,300,000	x	%
1,400,000	x	%
1,500,000	x	%
1,600,000	x	%
1,700,000	x	%
1,800,000	x	%

Indicative suburban commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values \$	2016/17 Rates \$	Increase over 2015/16 %
1,000,000	x	%
1,250,000	x	%
1,500,000	x	%
1,750,000	x	%
2,000,000	x	%
2,250,000	x	%
2,500,000	x	%
2,750,000	x	%
3,000,000	x	%
3,250,000	x	%
3,500,000	x	%
3,750,000	x	%
4,000,000	x	%
4,250,000	x	%
4,500,000	x	%
4,750,000	x	%
5,000,000	x	%

Indicative downtown commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values \$	2016/17 Rates \$	Increase over 2015/16 %
1,000,000	x	%
1,250,000	x	%
1,500,000	x	%
1,750,000	x	%
2,000,000	x	%
2,250,000	x	%
2,500,000	x	%
2,750,000	x	%
3,000,000	x	%
3,250,000	x	%
3,500,000	x	%
3,750,000	x	%
4,000,000	x	%
4,250,000	x	%
4,500,000	x	%
4,750,000	x	%
5,000,000	x	%

RATES REMISSION AND POSTPONEMENT POLICIES

Refer to the Council Rates Remission and Postponement Policies. There are no changes proposed to the rates remission and postponement policies.

Annual plan disclosure statement for year ending 30 June 2017

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark		Planned	Met
Rates affordability benchmark			Yes
• income	Total rates collected	\$302.0m	282.9
• increases	4.5% after growth average rates increase over the first triennium	3.6%	3.6%
Debt affordability benchmark	Net closing debt over operating income	175%	Yes
Balanced budget benchmark	100%	103%	Yes
Essential services benchmark	100%	134%	Yes
Debt servicing benchmark	10%	6%	Yes

[Include a row in the table in this statement for each quantified limit on rates, for each quantified limit on rates increases, and for each quantified limit on borrowing.]

Notes

1 Rates affordability benchmark

(1)

For this benchmark,—

(a)

the council's planned rates income for the year is compared with [*a quantified limit/quantified limits*] on rates contained in the financial strategy included in the council's long-term plan; and

(b)

the council's planned rates increases for the year are compared with [*a quantified limit/quantified limits*] on rates increases for the year contained in the financial strategy included in the council's long-term plan.

(2)

The council meets the rates affordability benchmark if—

(a)

its planned rates income for the year equals or is less than each quantified limit on rates; and

(b)

its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

(1)

For this benchmark, the council's planned borrowing is compared with [*a quantified limit/quantified limits*] on borrowing contained in the financial strategy included in the council's long-term plan.

(2)

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

(1)

For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

(2)

The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

(1)

For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

(2)

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

(1)

For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

(2)

Because Statistics New Zealand projects that the council's population will grow [*as fast as, or faster than, / slower than*] the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than [*10%/15%*] of its planned revenue.

1.1 Governance, information and engagement	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
1.1.1 - City governance and engagement	10,099	9,901	10,896
1.1.2 - Civic information	5,437	5,435	5,758
1.1.3 - City archives	1,758	1,758	1,969
Total operating expenditure	17,294	17,094	18,623
Capital expenditure	(\$000)	(\$000)	(\$000)
1.1.1 - City governance and engagement	-	-	116
1.1.2 - Civic information	-	-	-
1.1.3 - City archives	-	-	-
Total capital expenditure	-	-	116

1.2 Maori and Mana Whenua partnerships	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
1.2.1 - Maori and Mana Whenua partnerships	281	281	295
Total operating expenditure	281	281	295
Capital expenditure	(\$000)	(\$000)	(\$000)
1.2.1 - Maori and Mana Whenua partnerships	-	-	-
Total capital expenditure	-	-	-

2.1 Gardens, beaches and green open spaces	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
2.1.1 - Local parks and open spaces	8,755	8,756	8,931
2.1.2 - Botanical gardens	4,751	4,752	4,735
2.1.3 - Beaches and coast operations	1,408	1,409	1,453
2.1.4 - Roads open spaces	8,147	8,147	8,701
2.1.5 - Town belts	4,647	4,665	4,718
2.1.6 - Community environmental initiatives	743	743	736
2.1.7 - Walkways	582	582	603
2.1.8 - Biodiversity (Pest management)	1,705	1,704	1,820
2.1.9 - Waterfront Public Space	1,737	1,737	4,855
Total operating expenditure	32,476	32,494	36,551
Capital expenditure	(\$000)	(\$000)	(\$000)
2.1.1 - Local parks and open spaces	1,286	1,286	1,177
2.1.2 - Botanical gardens	433	433	582
2.1.3 - Beaches and coast operations	227	227	176
2.1.4 - Roads open spaces	-	-	-
2.1.5 - Town belts	135	135	248
2.1.6 - Community environmental initiatives	-	-	-
2.1.7 - Walkways	550	550	1,014
2.1.8 - Biodiversity (Pest management)	-	-	-
2.1.9 - Waterfront Public Space	-	-	-
Total capital expenditure	2,632	2,632	3,196

2.2 Waste reduction and energy conservation	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
2.2.1 - Waste minimisation, disposal and recycling management	12,837	12,836	13,819
2.2.2 - Closed landfills aftercare	522	522	414
2.2.3 - Energy efficiency and conservation	282	282	460
Total operating expenditure	13,641	13,641	14,693
Capital expenditure	(\$000)	(\$000)	(\$000)
2.2.1 - Waste minimisation, disposal and recycling management	1,238	1,238	1,251
2.2.2 - Closed landfills aftercare	-	-	-
2.2.3 - Energy efficiency and conservation	-	-	-
Total capital expenditure	1,238	1,238	1,251

2.3 Water	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
2.3.1 - Water network	23,371	23,394	24,172
2.3.2 - Water collection and treatment	14,932	14,932	15,784
Total operating expenditure	38,303	38,327	39,956
Capital expenditure	(\$000)	(\$000)	(\$000)
2.3.1 - Water network	16,951	16,951	14,935
2.3.2 - Water collection and treatment	-	-	-
Total capital expenditure	16,951	16,951	14,935

2.4 Wastewater	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
2.4.1 - Sewage collection and disposal network	19,136	19,157	19,538
2.4.2 - Sewage treatment	22,654	22,654	24,341
Total operating expenditure	41,790	41,811	43,879
Capital expenditure	(\$000)	(\$000)	(\$000)
2.4.1 - Sewage collection and disposal network	10,481	10,481	11,327
2.4.2 - Sewage treatment	-	-	-
Total capital expenditure	10,481	10,481	11,327

2.5 Stormwater	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
2.5.1 - Stormwater management	17,555	17,588	17,826
Total operating expenditure	17,555	17,588	17,826
Capital expenditure	(\$000)	(\$000)	(\$000)
2.5.1 - Stormwater management	4,455	4,455	7,020
Total capital expenditure	4,455	4,455	7,020

2.6 Conservation attractions	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
2.6.1 - Conservation visitor attractions	6,625	6,459	6,818
Total operating expenditure	6,625	6,459	6,818
Capital expenditure	(\$000)	(\$000)	(\$000)
2.6.1 - Conservation visitor attractions	1,316	1,316	817
Total capital expenditure	1,316	1,316	817

3.1 City promotions and business support	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(\$000)	(\$000)	(\$000)
3.1.1 - WREDA	31,556	31,560	31,182
3.1.2 - Wellington convention centre	-	-	1,233
3.1.3 - Retail support (free weekend parking)	1,356	1,356	1,357
3.1.4 - WEID, economic growth and economic grants	3,599	3,599	3,601
3.1.5 - Major economic projects	-	-	5,000
3.1.6 - Regional and external relations	572	572	655
3.1.7 - Business improvement districts	114	114	194
Total operating expenditure	37,198	37,201	43,221
Capital expenditure	(\$000)	(\$000)	(\$000)
3.1.1 - WREDA	-	-	-
3.1.2 - Wellington convention centre	2,215	23,715	21,297
3.1.3 - Retail support (free weekend parking)	-	-	-
3.1.4 - WEID, economic growth and economic grants	-	-	-
3.1.5 - Major economic projects	-	-	-
3.1.6 - Regional and external relations	-	-	-
3.1.7 - Business improvement districts	-	-	-
Total capital expenditure	2,215	23,715	21,297

4.1 Arts and culture activities	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
	(\$000)	(\$000)	(\$000)
Operating expenditure			
4.1.1 - Galleries and museums (WMT)	9,488	9,208	10,074
4.1.2 - Visitor attractions (Te Papa/Carter Observatory)	2,839	2,840	2,918
4.1.3 - Arts and cultural festivals	2,693	2,692	2,751
4.1.4 - Cultural grants	1,103	858	961
4.1.5 - Access and support for community arts	659	659	768
4.1.6 - Arts partnerships	2,032	2,277	2,291
4.1.7 - Regional Amenities Fund	609	609	609
Total operating expenditure	19,423	19,142	20,372
Capital expenditure	(\$000)	(\$000)	(\$000)
4.1.1 - Galleries and museums (WMT)	1,914	1,914	-
4.1.2 - Visitor attractions (Te Papa/Carter Observatory)	180	180	34,402
4.1.3 - Arts and cultural festivals	-	-	-
4.1.4 - Cultural grants	100	100	-
4.1.5 - Access and support for community arts	26	26	27
4.1.6 - Arts partnerships	-	-	-
4.1.7 - Regional Amenities Fund	-	-	-
Total capital expenditure	2,220	2,220	34,429

5.1 Recreation promotion and support	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
	(\$000)	(\$000)	(\$000)
Operating expenditure			
5.1.1 - Swimming pools	20,477	20,476	21,089
5.1.2 - Sportsfields	3,405	3,405	3,374
5.1.3 - Sportsfields (Synthetic)	1,354	1,354	1,349
5.1.4 - Recreation centres	9,704	9,703	9,992
5.1.5 - Recreation partnerships	1,087	1,088	1,191
5.1.6 - Playgrounds	737	737	794
5.1.7 - Marinas	602	602	666
5.1.8 - Golf course	270	270	259
5.1.9 - Recreation programmes	282	282	279
Total operating expenditure	37,918	37,916	38,993
Capital expenditure	(\$000)	(\$000)	(\$000)
5.1.1 - Swimming pools	2,417	2,417	1,879
5.1.2 - Sportsfields	650	650	905
5.1.3 - Sportsfields (Synthetic)	560	560	1,399
5.1.4 - Recreation centres	260	260	90
5.1.5 - Recreation partnerships	3,468	3,468	3,085
5.1.6 - Playgrounds	414	414	455
5.1.7 - Marinas	558	558	141
5.1.8 - Golf course	-	-	-
5.1.9 - Recreation programmes	-	-	-
Total capital expenditure	8,325	8,325	7,954

5.2 Community support	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
	(\$000)	(\$000)	(\$000)
Operating expenditure			
5.2.1 - Libraries	20,844	20,843	22,774
5.2.2 - Access support (Leisure Card)	105	105	102
5.2.3 - Community advocacy	1,279	1,279	1,215
5.2.4 - Grants (Social and Recreation)	3,643	3,643	3,947
5.2.5 - Housing	25,542	25,540	25,382
5.2.6 - Community centres and halls	3,198	3,201	3,449
Total operating expenditure	54,612	54,611	56,868
Capital expenditure	(\$000)	(\$000)	(\$000)
5.2.1 - Libraries	5,627	5,627	9,223
5.2.2 - Access support (Leisure Card)	-	-	-
5.2.3 - Community advocacy	-	-	-
5.2.4 - Grants (Social and Recreation)	-	-	-
5.2.5 - Housing	29,121	29,121	23,861
5.2.6 - Community centres and halls	154	154	328
Total capital expenditure	34,902	34,902	33,412

5.3 Public health and safety	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Gross Expenditure	Gross Expenditure
	(\$000)	(\$000)	(\$000)
Operating expenditure			
5.3.1 - Burials and cremations	1,648	1,648	1,652
5.3.2 - Public toilets	2,661	2,661	2,814
5.3.3 - Public health regulations	5,277	5,276	5,254
5.3.4 - City safety	2,675	2,674	2,807
5.3.5 - WREMO	1,337	1,337	1,532
Total operating expenditure	13,598	13,596	14,059
Capital expenditure	(\$000)	(\$000)	(\$000)
5.3.1 - Burials and cremations	635	635	322
5.3.2 - Public toilets	984	984	1,622
5.3.3 - Public health regulations	-	-	-
5.3.4 - City safety	-	-	-
5.3.5 - WREMO	52	52	73
Total capital expenditure	1,671	1,671	2,016

6.1 Urban planning, heritage and public spaces development	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(5000)	(5000)	(5000)
6.1.1 - Urban planning and policy	2,277	2,277	2,088
6.1.2 - Waterfront development	972	972	1,015
6.1.3 - Public spaces and centres development	2,170	2,169	2,321
6.1.4 - Built heritage development	1,499	1,498	1,997
Total operating expenditure	6,918	6,916	7,421
Capital expenditure	(5000)	(5000)	(5000)
6.1.1 - Urban planning and policy	-	-	-
6.1.2 - Waterfront development	6,843	6,843	7,718
6.1.3 - Public spaces and centres development	1,425	1,425	2,991
6.1.4 - Built heritage development	-	-	-
Total capital expenditure	8,268	8,268	10,710

6.2 Building and development control	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(5000)	(5000)	(5000)
6.2.1 - Building control and facilitation	13,814	13,809	13,824
6.2.2 - Development control and facilitation	5,983	5,981	5,967
6.2.3 - Earthquake risk mitigation - built environment	1,710	1,710	1,397
Total operating expenditure	21,507	21,500	21,187
Capital expenditure	(5000)	(5000)	(5000)
6.2.1 - Building control and facilitation	-	-	-
6.2.2 - Development control and facilitation	-	-	-
6.2.3 - Earthquake risk mitigation - built environment	5,940	5,940	6,414
Total capital expenditure	5,940	5,940	6,414

7.1 Recreation promotion and support	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(5000)	(5000)	(5000)
7.1.1 - Transport planning	1,144	1,144	3,437
7.1.2 - Vehicle network	22,597	22,645	24,103
7.1.3 - Cycle network	1,660	1,660	1,444
7.1.4 - Passenger transport network	1,720	1,720	2,450
7.1.5 - Pedestrian network	6,564	6,548	7,058
7.1.6 - Network-wide control and management	6,799	6,799	7,514
7.1.7 - Road safety	6,094	6,095	6,344
Total operating expenditure	46,579	46,612	52,350
Capital expenditure	(5000)	(5000)	(5000)
7.1.1 - Transport planning	-	-	-
7.1.2 - Vehicle network	23,017	23,017	21,558
7.1.3 - Cycle network	5,673	5,673	11,884
7.1.4 - Passenger transport network	145	145	888
7.1.5 - Pedestrian network	4,583	4,583	4,671
7.1.6 - Network-wide control and management	2,804	2,804	2,960
7.1.7 - Road safety	2,352	2,352	3,498
Total capital expenditure	38,573	38,573	44,859

7.2 Parking	2015-25 LTP Yr 1	2015-25 Amended LTP	2016/17 AP
	Gross Expenditure	Yr1 Gross Expenditure	Gross Expenditure
Operating expenditure	(5000)	(5000)	(5000)
7.2.1 - Parking	13,406	13,404	12,921
Total operating expenditure	13,406	13,404	12,921
Capital expenditure	(5000)	(5000)	(5000)
7.2.1 - Parking	1,449	1,449	496
Total capital expenditure	1,449	1,449	496

MAYOR'S PROPOSAL FOR THE ANNUAL PLAN

Purpose

1. The purpose of this paper is to agree the content to include in the 2016/17 Annual Plan prior to consultation.

Summary

2. As part of the 2015-25 Long-term Plan (LTP) the Council adopted the Financial Strategy. This strategy set the rates limits an increase percentage and a total dollar as well as a debt limit. These limits were set for the ten years of the LTP.
3. This report outlines the current compliance with the Financial Strategy and notes the key variances to the adopted LTP.
4. The key variations to the LTP are outlined in the body of this report.

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Note that the expenditure itemised in attachment 1 includes changes from year 2 (2016/17) of the Long-term Plan. These changes are as a result of a range of budgetary pressures as presented and discussed by Councillors at previous workshops.
3. Agree the variances to the 2016/17 Annual Plan as presented in Table 1 (paragraph 11) for inclusion in the consultation material.
4. Agree the variances to the 2016/17 Annual Plan as presented in Table 2 (paragraph 12) for inclusion in the consultation material.
5. Agree the variances to the 2016/17 Annual Plan as presented in Table 3 (paragraph 13) for inclusion in the consultation material.
6. Note the variances to the 2016/17 Annual Plan as presented in Table 4 (paragraph 14) for inclusion in the consultation material.
7. Agree not to include additional expenditure associated with the renewal of privately owned sewerage or stormwater lateral pipes in the 2015/16 Annual Plan - as presented in Table 5 (paragraph 16)
8. Agree officers to further investigate implications and options for funding laterals Table 6 (paragraph 16)
9. Note the 2016/17 Annual Plan includes in excess of 10% funding on resilience projects as outlined in paragraph 17 and 18.
10. Agree to recommend to Council the projects and programmes (included as attachment 1) for consultation.
11. Note any changes arising from this meeting will be reflected in the projects and programmes for adoption by Council.
12. Note any funding requirements that result in a breach of any of the Financial Strategy

limits agreed within the 2015-25 Long-term Plan will be reported on as part of the Pre-election report.

Background

5. The Financial Strategy set rates increase limits of 4.5% average over the first 3 years and of 3.9% average over the ten years of the LTP. The LTP was adopted with rates increases within these parameters.
6. The Financial Strategy also set a debt limit for the Council to work within and this was set at a ratio of 175% of debt over operating income. The LTP was adopted with debt within this ratio.
7. Year two of the LTP was adopted with total rates of \$282.9 million and a rates increase of 3.6% after growth. The proposed 2016/17 Annual Plan is proposed at total rates of \$282.9 million with a rates increase of 3.6% after growth. The proposed plan is compliant with the Financial Strategy in the long-term plan.
8. Year two of the LTP was adopted with a closing net debt position of \$492.0 million and a debt to operating income ratio of 112.7%. The proposed 2016/17 Annual Plan contains a significant variance to the LTP associated with the 2015-25 Long-term Plan amendment as a result of a change to timing and funding structure for the Film museum and Convention centre project currently out for consultation, this amendment signals a net closing debt position of \$567.4 million and a debt to operating income ratio of 129.4%.
9. The proposed 2016/17 Annual Plan has a closing net debt position of \$551.3 million and a debt to operating income ratio of 126.1%. The variance between the proposed amended 2015-25 Long-term Plan and the proposed 2016/17 Annual Plan is \$16.1 million and 3.3%.

Discussion

10. The proposed 2016/17 Annual Plan contains variances to the adopted 2015-25 Long-term Plan, these are outlined in the table below;

11. Table 1

Item	2016/17 Annual Plan Initiatives - Mayor's inclusions	Project	2016/17		
			Capital expenditure \$'000	Net Operational expenditure \$'000	Rates impact %
a	Moving Wellington City Council staff towards the living wage rate.	Various		250	0.09%
b	Beijing Mayor visit, Japan week and Business week, preparation work for the New Zealand and China Mayoral forum and Sister city arrangement with San Francisco.	C145		50	0.02%
c	Ngauranga To Airport, minor capital projects.	CX492	375	11	0.00%
d	Energy initiatives funded partially through a reduction in the allocation to the Economic Development Fund.	C662 C696		75 (60)	0.03% -0.02%

12. Table 2

Item	2016/17 Annual Plan Initiatives - Public submissions	Project	2016/17		
			Capital expenditure \$'000	Net Operational expenditure \$'000	Rates impact %
e	Transferring ownership of the Karori Sanctuary visitor centre to Wellington City Council - this represents the associated depreciation	A288		275	0.10%

13. Table 3

Item	2016/17 Annual Plan Initiatives - funding included in proposed 3.6% rates increase, decision required to include in Annual Plan	Project	2016/17		
			Capital expenditure \$'000	Net Operational expenditure \$'000	Rates impact %
f	Johnsonville Library - this is the provision for potential acquisition of the kindergarten in conjunction with the Johnsonville Library development project	CX358 C467	350	10 240	0.00% 0.09%
g	Creation of the Kilbirnie Business Improvement District targeted rate	C698		80	0.03%

14. Table 4

Item	2016/17 Annual Plan Initiatives - Councillor initiatives with no funding impact	Project	2016/17		
			Capital expenditure \$'000	Net Operational expenditure \$'000	Rates impact %
h	Social housing –Exploration of opportunities for partnering with the private sector in social housing development for 2016/17 - will be managed through existing budgets			0	0.00%

i	Te Motu Kairangi (Miramar Peninsula) land management. Preliminary planning and project management for 2016/17 - will be managed from existing budgets		0	0.00%
j	Warm up Wellington extension funded by a reduction of the Social and Grants fund	C652 C678 C652	40 (20) (20)	0.01% -0.01% -0.01%
k	Support for volunteer initiatives in the removal of weeds/rubbish – will be funded from existing 2016/17 budgets		0	0.00%
l	Approve an additional grant through the Built Heritage Incentive Fund of \$150,000 from the 2016/2017 financial year, subject to 2016/2017 Annual Plan approval and that Governance, Finance and Planning Committee consider as part of the Annual Plan 2016/2017 additional funding for St Mary of the Angels for earthquake strengthening.		0	0.00%

15. Table 5

Item	2016/17 Annual Plan Initiatives - Committee recommendations that require additional funding	Project	2016/17		
			Capital expenditure \$'000	Net Operational expenditure \$'000	Rates impact %
m	Agree to recommend to Governance, Finance and Planning Committee that this proposal be included as part of the funding prioritisation process for the 2016/17 Annual Plan deliberations and consultation process.	Various	600	817	0.30%

16. Wellington has been selected as one of the Rockefeller Foundation-pioneered 100 Resilient Cities (RC), of around 1,000 applicants. Under the 100RC arrangement, Wellington is provided with support to develop a Resilience Strategy, and to commence implementation. The Strategy has strong linkages to other Council priorities and outcomes, including infrastructure, economic and social policy areas.

17. The Annual Plan includes in excess of 10% funding on resilience projects, which is consistent with the pledge to this effect. The 10% is spread over different areas of the budget, and this will be outlined in the Resilience Strategy.

Options

18. n/a

Next Actions

19. Council to agree project and programmes to include in the consultation material (9th - 10th March 2016.)

20. Council to adopt the consultation document (23rd March 2016.)

Attachments

Attachment 1. 2016/17 Projects and Programmes budgets

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SUPPORTING INFORMATION

Consultation and Engagement

This item will be consulted on as part of the 2016/17 Annual Plan consultation.

Treaty of Waitangi considerations

Iwi members will be consulted with as part of the 2016/17 Annual Plan consultation.

Financial implications

Outlined in the body of the report

Policy and legislative implications

Compliant with legislation.

Risks / legal

N/a

Climate Change impact and considerations

n/a

Communications Plan

Consulted on during the 2016/17 Annual Plan.

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

2016/17 AP 2015-25
 Amended LTP
 Yr2 VARIANCE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2						
1	Governance	1.1	Governance, information and engagement	1.1.1	City governance and engagement	C530	Annual Planning	Direct Expense	1,063,263	815,073	248,190						
							Indirect Expense	353,867	310,126	43,741							
						C532	Policy	Direct Expense	872,185	968,382	(96,197)						
								Indirect Expense	485,081	539,667	(54,586)						
						C534	Committee & Council Process	Income	(384,530)	(384,530)	-						
								Direct Expense	4,530,140	4,523,493	6,647						
						C582	Strategic Planning	Indirect Expense	2,093,088	2,194,522	(101,435)						
								Direct Expense	623,847	627,817	(3,970)						
						C590	Tawa Comm Brd - Discretionary	Indirect Expense	322,516	338,761	(16,244)						
								Direct Expense	10,690	10,944	(254)						
						C616	Smart Capital - Marketing	Direct Expense	541,296	552,262	(10,966)						
						City governance and engagement Total									10,511,444	10,496,517	14,926
						1.1.2	Civic information	C334	WCC City Service Centre	Income	(119,452)	(119,452)	-				
				Direct Expense	730,417					610,337	120,080						
				C338	Call Centre SLA			Indirect Expense	530,560	394,683	135,877						
								Income	(12,228)	(12,228)	-						
				C340	Valuation Services Contract			Direct Expense	1,268,599	1,317,178	(48,579)						
								Indirect Expense	1,008,741	986,887	21,854						
				C355	Lands Information			Income	(187,422)	(187,422)	-						
								Direct Expense	680,088	697,090	(17,002)						
				C355	Lands Information			Indirect Expense	47,387	47,387	-						
								Direct Expense	908,940	910,005	(1,065)						
				C355	Lands Information	Indirect Expense	583,543	623,861	(40,318)								
						Direct Expense	5,439,173	5,220,940	218,233								
				Civic information Total									5,439,173	5,220,940	218,233		
				1.1.3	City archives	C373	Archives	Income	(185,786)	(185,786)	-						
								Direct Expense	1,275,755	1,211,379	64,376						
Indirect Expense	693,367	674,641	18,726														
City archives Total									1,783,335	1,700,234	83,101						
Governance, information and engagement Total									17,733,951	17,417,691	316,260						
1.2	Maori and Mana Whenua partnerships	1.2.1	Maori and Mana Whenua partnerships	C529	Funding agreements – Maori	Direct Expense	192,216	207,219	(15,003)								
						Indirect Expense	624	707	(83)								
				C583	Maori Engagement	Direct Expense	98,738	80,491	18,247								
						Indirect Expense	3,807	3,807	-								
				Maori and Mana Whenua partnerships Total									295,385	288,417	6,968		
Governance Total									18,029,336	17,706,108	323,229						
2	Environment	2.1	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	A004	Parks and Reserves Planning	Direct Expense	482,252	485,918	(3,666)						
								Indirect Expense	152,023	169,844	(17,821)						
						A011	Reserves Unplanned Maintenance	Direct Expense	162,619	166,260	(3,641)						
								Indirect Expense	17,886	8,607	9,279						
						C515	Turf Management	Income	(7,922)	(7,922)	-						
								Direct Expense	934,178	943,683	(9,506)						
						C517	Park Furniture Maintenance	Indirect Expense	235,664	261,678	(26,013)						
								Direct Expense	1,478,164	1,475,798	2,366						
						C518	Maint- Park/Build/Infrastruct	Indirect Expense	159,282	141,769	17,513						
								Income	(202,549)	(202,549)	-						
						C563	Horticultural Operations	Direct Expense	1,894,411	1,656,818	237,593						
								Indirect Expense	177,096	160,581	16,515						
						C564	Arboricultural Operations	Income	(30,536)	(30,536)	-						
								Direct Expense	1,520,033	1,533,730	(13,697)						
						C564	Arboricultural Operations	Indirect Expense	355,615	387,888	(32,273)						
								Income	(181,072)	(181,072)	-						
				C564	Arboricultural Operations	Direct Expense	1,091,588	1,113,680	(22,092)								
						Indirect Expense	269,905	305,743	(35,839)								
				Local parks and open spaces Total									8,508,636	8,389,918	118,718		
				2.1.2	Botanical gardens	C560	Botanic Gardens Services	Income	(393,912)	(393,912)	-						
								Direct Expense	3,683,346	3,776,696	(93,350)						
								Indirect Expense	1,052,063	1,144,671	(92,608)						
				Botanical gardens Total									4,341,498	4,527,455	(185,958)		
				2.1.3	Beaches and coast operations	C298	Coastal Operations	Income	(51,969)	(51,969)	-						
								Direct Expense	1,243,164	1,254,012	(10,848)						
								Indirect Expense	210,086	190,920	19,166						
				Beaches and coast operations Total									1,401,281	1,392,963	8,318		
				2.1.4	Roads open spaces	C006	Open Space Vegetation Mgmt	Direct Expense	0	-	0						
								Income	(332,189)	(427,561)	95,372						
						C006A	Road Corridor Growth Control	Direct Expense	1,120,968	1,213,580	(92,613)						
								Indirect Expense	116,982	108,048	8,934						
						C289	Street Cleaning	Income	(300,175)	(299,580)	(595)						
Direct Expense	6,832,728	6,856,328	(23,599)														
Indirect Expense	630,387	247,699	382,688														
Roads open spaces Total									8,068,701	7,698,514	370,187						
2.1.5	Town belts	A008	Hazardous Trees Removal	Income	(5,910)	(5,910)	-										
				Direct Expense	390,560	396,433	(5,873)										
				Indirect Expense	66,000	58,200	7,800										

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Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/ Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
						C514	Town Belts Planting	Direct Expense	615,966	619,798	(3,832)
								Indirect Expense	90,781	97,708	(6,927)
						C524	Townbelt/Reserves Management	Income	(248,737)	(248,737)	-
								Direct Expense	1,812,835	1,833,096	(20,262)
								Indirect Expense	1,741,671	1,985,871	(244,201)
					Town belts Total				4,463,165	4,736,459	(273,294)
		2.1.6	Community environmental initiatives		Community greening initiatives	C513	Community greening initiatives	Direct Expense	539,934	543,768	(3,834)
								Indirect Expense	116,385	125,974	(9,589)
						C652	Environmental Grants Pool	Direct Expense	79,561	120,617	(41,056)
					Community environmental initiatives Total				735,879	790,358	(54,479)
		2.1.7	Walkways		Walkway Maintenance	C561	Walkway Maintenance	Direct Expense	501,252	487,503	13,750
								Indirect Expense	101,691	112,433	(10,742)
					Walkways Total				602,943	599,935	3,007
		2.1.8	Biodiversity (Pest management)		Weeds & Hazardous Trees Monit	C509	Weeds & Hazardous Trees Monit	Income	(39,130)	(39,130)	-
								Direct Expense	1,056,375	1,163,262	(106,887)
								Indirect Expense	234,478	231,283	3,195
						C510	Animal Pest Management	Direct Expense	473,252	475,020	(1,768)
								Indirect Expense	55,773	29,926	25,847
					Biodiversity (Pest management) Total				1,780,748	1,860,360	(79,613)
		2.1.9	Waterfront Public Space		Waterfront Public Space Management	C701	Waterfront Public Space Management	Income	(306,719)	(306,719)	-
								Direct Expense	4,708,048	1,559,693	3,148,355
								Indirect Expense	146,459	165,812	(19,353)
					Waterfront Public Space Total				4,547,788	1,418,786	3,129,002
			Gardens, beaches and green open spaces Total						34,450,638	31,414,749	3,035,889
	2.2	Waste reduction and energy conservation	Waste minimisation, disposal and recycling management		Landfill Operations & Maint	C076	Landfill Operations & Maint	Income	(5,469,139)	(5,249,152)	(219,986)
								Direct Expense	3,474,140	3,496,282	(22,142)
								Indirect Expense	318,164	195,969	122,194
						C078A	Suburban Refuse Collection	Income	(3,392,059)	(3,425,532)	33,474
								Direct Expense	2,887,338	2,879,009	8,329
								Indirect Expense	213,024	47,175	165,849
						C079	Domestic Recycling	Income	(3,519,295)	(3,599,682)	80,387
								Direct Expense	4,589,246	4,658,304	(69,058)
								Indirect Expense	459,659	131,443	328,216
						C391	Waste Minimisation Info	Income	(880,000)	(1,032,247)	152,247
								Direct Expense	1,480,847	1,536,998	(56,151)
								Indirect Expense	304,057	296,000	8,057
						C558	Litter Enforcement	Direct Expense	50,329	50,329	(0)
								Indirect Expense	42,415	43,339	(924)
					Waste minimisation, disposal and recycling management Total				558,726	28,234	530,492
		2.2.2	Closed landfills aftercare		Closed Landfill Gas Migr Monit	C077	Closed Landfill Gas Migr Monit	Direct Expense	412,944	412,957	(13)
								Indirect Expense	821	906	(85)
					Closed landfills aftercare Total				413,765	413,863	(98)
		2.2.3	Energy efficiency and conservation		Smart Energy	C662	Smart Energy	Income	(60,000)	(46,874)	(13,126)
								Direct Expense	460,164	334,050	126,114
					Energy efficiency and conservation Total				400,164	287,176	112,988
			Waste reduction and energy conservation Total						1,372,655	729,273	643,383
	2.3	Water	Water network		Water - Meter Reading	C112	Water - Meter Reading	Direct Expense	120,943	123,350	(2,408)
								Indirect Expense	15,507	10,420	5,087
					Water - Network Maintenance	C113	Water - Network Maintenance	Direct Expense	3,764,458	3,847,784	(83,326)
								Indirect Expense	317,134	110,259	206,875
					Water - Water Connections	C412	Water - Water Connections	Income	(35,359)	(35,359)	-
								Direct Expense	5	5	(0)
					Water - Pump Stations Maintenance / Ops	C462	Water - Pump Stations Maintenance / Ops	Direct Expense	927,135	952,801	(25,666)
								Indirect Expense	56,565	28,060	28,506
					Water - Asset Stewardship	C463	Water - Asset Stewardship	Direct Expense	15,547,397	15,061,441	485,956
								Indirect Expense	2,156,283	2,380,706	(224,424)
					Water - Reservoir / Dam Maintenance	C536	Water - Reservoir / Dam Maintenance	Direct Expense	83,977	85,172	(1,195)
								Indirect Expense	14,191	15,294	(1,103)
					Water - Monitoring & Investigation	C547	Water - Monitoring & Investigation	Direct Expense	514,083	525,425	(11,343)
								Indirect Expense	52,319	25,562	26,757
					Water - Asset Management	C671	Water - Asset Management	Direct Expense	531,187	539,598	(8,411)
								Indirect Expense	71,294	81,742	(10,448)
					Water network Total				24,137,117	23,752,259	384,858
		2.3.2	Water collection and treatment		Water - Bulk Water Purchase	C115	Water - Bulk Water Purchase	Direct Expense	15,776,899	16,170,848	(393,948)
								Indirect Expense	6,698	8,013	(1,315)
					Water collection and treatment Total				15,783,597	16,178,861	(395,263)
			Water Total						39,920,714	39,931,120	(10,406)
	2.4	Wastewater	Sewage collection and disposal network		Wastewater - Asset Stewardship	A041	Wastewater - Asset Stewardship	Income	(626,583)	(626,583)	-
								Direct Expense	12,108,253	11,900,332	207,921
								Indirect Expense	1,925,771	2,142,943	(217,172)
					Wastewater - Trade Waste Monitoring & Investigation	C084	Wastewater - Trade Waste Monitoring & Investigation	Direct Expense	158,011	158,933	(922)
								Indirect Expense	44,169	52,738	(8,569)
					Wastewater - Network Maintenance	C086A	Wastewater - Network Maintenance	Direct Expense	2,059,765	2,102,511	(42,746)
								Indirect Expense	247,152	151,179	95,973

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Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/ Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
						C497	Wastewater - Asset Management	Direct Expense	479,275	486,905	(7,630)
								Indirect Expense	68,760	73,668	(4,908)
						C501	Wastewater - Monitoring & Investigation	Direct Expense	1,097,877	1,114,310	(16,433)
								Indirect Expense	199,393	189,729	9,664
						C502	Wastewater - Pump Station Maintenance / Ops	Direct Expense	1,077,973	1,106,704	(28,731)
								Indirect Expense	71,758	27,237	44,521
					Sewage collection and disposal network Total				18,911,574	18,880,606	30,968
		2.4.2	Sewage treatment			C087	Wastewater - Treatment Plants	Direct Expense	19,476,066	19,632,309	(156,243)
								Indirect Expense	2,931,191	2,024,164	907,027
						C347	Sewerage Disposal	Income	(617,600)	(629,334)	11,734
								Direct Expense	1,906,079	1,919,849	(13,770)
								Indirect Expense	27,167	19,229	7,938
					Sewage treatment Total				23,722,904	22,966,217	756,687
					Wastewater Total				42,634,477	41,846,823	787,655
		2.5	Stormwater	2.5.1	Stormwater management	A041A	Stormwater - Asset Stewardship	Direct Expense	10,186,415	10,085,778	100,638
								Indirect Expense	2,935,002	3,331,947	(396,945)
						C086C	Stormwater - Network Maintenance	Direct Expense	1,811,131	1,848,259	(37,128)
								Indirect Expense	222,139	140,811	81,328
						C090	Stormwater - Monitoring & Investigation	Income	(9,681)	(9,681)	-
								Direct Expense	715,317	728,407	(13,090)
								Indirect Expense	106,623	82,984	23,639
						C498	Stormwater - Asset Management	Direct Expense	659,597	668,962	(9,365)
								Indirect Expense	100,976	120,648	(19,672)
						C677	Drainage Maintenance	Income	(124,514)	(141,889)	17,375
								Direct Expense	961,822	971,129	(9,307)
								Indirect Expense	86,782	35,998	50,784
						C689	Stormwater - Pump Station Maintenance / Ops	Direct Expense	36,218	37,016	(798)
								Indirect Expense	3,768	1,798	1,971
					Stormwater management Total				17,691,595	17,902,166	(210,571)
					Stormwater Total				17,691,595	17,902,166	(210,571)
		2.6	Conservation attractions	2.6.1	Conservation visitor attractions	A288	Karori Sanctuary	Direct Expense	1,184,013	909,034	274,978
								Indirect Expense	622,800	622,800	-
						C046	Wellington Zoo Trust	Direct Expense	4,586,882	4,624,034	(37,151)
								Indirect Expense	424,161	469,233	(45,072)
						C426	Marine Conservation Centre	Direct Expense	-	-	-
								Indirect Expense	-	-	-
					Conservation visitor attractions Total				6,817,856	6,625,101	192,754
					Conservation attractions Total				6,817,856	6,625,101	192,754
					Environment Total				142,887,935	138,449,232	4,438,703
3	Economic Development	3.1	City promotions and business support	3.1.1	WREDA	C105	Positively Wellington Tourism	Direct Expense	5,630,000	5,630,000	-
						C581	Events Fund	Direct Expense	4,523,075	4,523,075	(0)
						C686	Wellington Venues	Income	(14,369,185)	(14,637,732)	268,547
								Direct Expense	17,685,246	18,014,462	(329,217)
								Indirect Expense	633,826	926,590	(292,764)
						C690	Destination Wellington	Direct Expense	1,775,000	1,775,000	-
						C695	City Innovation	Direct Expense	723,665	599,083	124,582
								Indirect Expense	211,093	249,964	(38,871)
					WREDA Total				16,812,719	17,080,442	(267,723)
				3.1.2	Wellington convention centre	C703	Wellington Convention Centre	Income	(1,230,963)	(1,230,963)	(0)
								Direct Expense	216,418	1,232,665	(1,016,248)
								Indirect Expense	1,016,248	-	1,016,248
					Wellington convention centre Total				1,703	1,702	0
				3.1.3	Retail support (free weekend parking)	C105B	CBD Weekend Parking	Direct Expense	1,356,912	1,390,835	(33,923)
					Retail support (free weekend parking) Total				1,356,912	1,390,835	(33,923)
				3.1.4	WEID, economic growth and economic grants	C647	Economic Developmnt Grant Pool	Direct Expense	50,000	50,000	-
						C693	Economic Growth Strategy	Direct Expense	388,462	390,614	(2,153)
								Indirect Expense	147,620	164,822	(17,201)
						C696	Economic Development Fund	Direct Expense	3,015,000	3,075,000	(60,000)
					WEID, economic growth and economic grants Total				3,601,082	3,680,436	(79,354)
				3.1.5	Major economic projects	C704	Airport Runway Extension	Direct Expense	-	-	-
						C705	Indoor Arena	Direct Expense	-	-	-
								Indirect Expense	-	-	-
						C709	Westpac Stadium	Direct Expense	5,000,000	5,000,000	-
					Major economic projects Total				5,000,000	5,000,000	-
				3.1.6	Regional and external relations	C145	International Relations	Direct Expense	494,530	418,886	75,644
								Indirect Expense	160,341	163,891	(3,550)
					Regional and external relations Total				654,871	582,777	72,094
				3.1.7	Business improvement districts	C645	Marsden Village	Direct Expense	14,000	14,350	(350)
						C698	Miramar BID	Direct Expense	180,000	102,500	77,500
					Business improvement districts Total				194,000	116,850	77,150
					City promotions and business support Total				27,621,286	27,853,042	(231,756)
					Economic Development Total				27,621,286	27,853,042	(231,756)
4	Cultural Wellbeing	4.1	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	C102	Wellington Museums Trust	Direct Expense	8,757,844	8,675,758	82,086
								Indirect Expense	257,179	257,179	-

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Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/ Expense	2016/17 AP	2015-25	VARIANCE
									2016/17 (\$000s)	Amended LTP Yr2 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
						C702	Museum of Conflict	Direct Expense	500,000	512,500	(12,500)
								Indirect Expense	-	-	-
						C707	Film Museum	Income	(559,037)	(559,037)	0
								Direct Expense	-	559,037	(559,037)
								Indirect Expense	559,037	-	559,037
									9,515,023	9,445,437	69,586
				4.1.2	Visitor attractions (Te Papa/Carter Observatory)	C440	Te Papa Funding	Direct Expense	2,250,000	2,250,000	-
						C659	Carter Observatory	Direct Expense	638,135	587,374	50,761
								Indirect Expense	29,381	27,076	2,306
									2,917,516	2,864,450	53,066
				4.1.3	Arts and cultural festivals	C130E	Community Events Programme	Income	(417,422)	(417,422)	0
								Direct Expense	2,192,010	2,245,196	(53,186)
								Indirect Expense	537,315	477,734	59,581
						C587	Citizen's Day - Mayoral Day	Direct Expense	21,887	22,423	(536)
									2,333,790	2,327,931	5,859
				4.1.4	Cultural grants	C661	Cultural Grants Pool	Direct Expense	960,740	969,227	(8,487)
									960,740	969,227	(8,487)
				4.1.5	Access and support for community arts	C101A	Wgtn Conv Cntr Comm Subsidy	Direct Expense	200,000	200,000	-
						C130K	Community Arts Programme	Income	(63,178)	(63,178)	-
								Direct Expense	446,747	421,109	25,638
								Indirect Expense	121,057	97,904	23,153
									704,626	655,835	48,791
				4.1.6	Arts partnerships	C422	NZSO Subsidy	Direct Expense	216,000	216,000	-
						C605	Toi Poneke Arts Centre	Income	(525,183)	(525,183)	0
								Direct Expense	1,066,126	1,080,600	(14,474)
								Indirect Expense	181,066	191,252	(10,186)
						C670	Public Art Fund	Direct Expense	334,919	329,039	5,880
								Indirect Expense	67,845	68,937	(1,092)
						C710	New Zealand Ballet	Direct Expense	152,553	153,901	(1,348)
						C713	Orchestra Wellington	Direct Expense	272,854	275,264	(2,410)
									1,766,181	1,789,811	(23,630)
				4.1.7	Regional Amenities Fund	C691	Regional Amenities Fund	Direct Expense	609,429	609,431	(2)
									609,429	609,431	(2)
									18,807,305	18,662,121	145,183
									18,807,305	18,662,121	145,183
5	Social and Recreation	5.1	Recreation promotion and support	5.1.1	Swimming pools	C034	Swimming Pools Operations	Income	(7,798,672)	(7,798,672)	0
								Direct Expense	17,141,835	16,760,745	381,090
								Indirect Expense	3,946,923	4,158,021	(211,098)
									13,290,087	13,120,094	169,992
				5.1.2	Sportsfields	C562	Sportsfields Operations	Income	(300,815)	(300,815)	-
								Direct Expense	2,895,267	2,952,654	(57,386)
								Indirect Expense	479,002	519,422	(40,420)
									3,073,454	3,171,261	(97,806)
				5.1.3	Sportsfields (Synthetic)	C682	Synthetic Turf Sport Operations	Income	(534,084)	(534,084)	-
								Direct Expense	959,137	956,691	2,446
								Indirect Expense	390,021	388,705	1,316
									815,073	811,312	3,762
				5.1.4	Recreation centres	C037	Recreation Centres	Income	(767,409)	(767,409)	-
								Direct Expense	2,123,051	2,139,800	(16,749)
								Indirect Expense	574,106	637,696	(63,590)
						C669	ASB Sports Centre	Income	(1,939,884)	(1,939,884)	-
								Direct Expense	3,877,754	3,701,413	176,341
								Indirect Expense	3,417,212	3,435,890	(18,678)
									7,284,830	7,207,506	77,324
				5.1.5	Recreation partnerships	C008	Basin Reserve Trust	Direct Expense	1,078,500	1,093,665	(15,165)
								Indirect Expense	67,268	75,189	(7,921)
						C384	Recreational NZ Academy Sport	Direct Expense	45,000	45,000	-
									1,190,768	1,213,854	(23,085)
				5.1.6	Playgrounds	C559	PlayGnd & Skate Facility Mtnc	Direct Expense	716,481	669,503	46,979
								Indirect Expense	77,440	77,271	170
									793,922	746,773	47,148
				5.1.7	Marinas	C418	Marina Operations	Income	(603,248)	(603,248)	-
								Direct Expense	577,429	579,489	(2,060)
								Indirect Expense	88,210	89,487	(1,276)
									62,391	65,728	(3,337)
				5.1.8	Golf course	C688	Municipal Golf Course	Income	(91,710)	(91,710)	(0)
								Direct Expense	215,909	223,240	(7,332)
								Indirect Expense	43,571	49,051	(5,479)
									167,770	180,581	(12,811)
				5.1.9	Recreation programmes	C130D	Recreation Programmes	Income	(15,285)	(15,285)	-
								Direct Expense	216,918	217,808	(889)
								Indirect Expense	62,084	68,959	(6,876)
									263,717	271,482	(7,765)
									26,942,013	26,788,591	153,422

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Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/ Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
		5.2	Community support	5.2.1	Libraries	C050	Library Network - Wide Operation	Income	(869,143)	(869,143)	(0)
								Direct Expense	11,169,149	11,052,990	116,159
								Indirect Expense	4,918,663	4,971,795	(53,132)
						C467	Branch Libraries	Income	(614,771)	(614,771)	0
								Direct Expense	4,173,993	3,836,413	337,580
								Indirect Expense	2,512,425	2,461,442	50,983
					Libraries Total				21,290,317	20,838,727	451,590
				5.2.2	Access support (Leisure Card)	C419	Passport to Leisure Programme	Direct Expense	70,273	70,280	(7)
								Indirect Expense	31,750	35,890	(4,141)
					Access support (Leisure Card) Total				102,023	106,171	(4,148)
				5.2.3	Community advocacy	C130G	Community Advice & Information	Direct Expense	892,697	944,346	(51,648)
								Indirect Expense	321,889	346,262	(24,373)
					Community advocacy Total				1,214,587	1,290,608	(76,021)
				5.2.4	Grants (Social and Recreation)	C130A	Community Grants	Direct Expense	240,553	242,260	(1,707)
								Indirect Expense	20,985	23,774	(2,789)
						C637	Support for Wgtn Homeless	Direct Expense	143,392	144,658	(1,267)
						C678	Social & Recreational Grant Pool	Income	368	368	-
								Direct Expense	3,541,756	3,573,044	(31,288)
					Grants (Social and Recreation) Total				3,947,054	3,984,104	(37,050)
				5.2.5	Housing	C125	Housing Operations and Mtce	Income	(18,260,696)	(22,390,647)	4,129,951
								Direct Expense	24,026,149	24,697,904	(671,754)
								Indirect Expense	(392,600)	(840,529)	447,929
						C680	Housing Upgrade Project	Income	(19,016,538)	(18,711,538)	(305,000)
								Direct Expense	1,022,852	995,352	27,500
								Indirect Expense	725,822	659,109	66,713
					Housing Total				(11,895,010)	(15,590,349)	3,695,338
				5.2.6	Community centres and halls	A468	Crnty Props Programmed Maint	Income	(3,620)	(3,620)	0
								Direct Expense	661,463	666,887	(5,424)
								Indirect Expense	22,881	25,695	(2,814)
						C068	Community Halls Ops and Maint.	Income	(38,832)	(38,832)	-
								Direct Expense	179,125	161,864	17,261
								Indirect Expense	31,241	25,267	5,974
						C130B	Community Prop & Facility Ops	Income	(191,919)	(191,919)	-
								Direct Expense	1,650,341	1,654,579	(4,238)
								Indirect Expense	671,601	693,675	(22,074)
						C130I	Accommodation Assistance Fund	Direct Expense	231,984	234,033	(2,049)
					Community centres and halls Total				3,214,265	3,227,628	(13,363)
					Community support Total				17,873,234	13,856,889	4,016,346
		5.3	Public health and safety	5.3.1	Burials and cremations	C007	Burial & Cremation Operations	Income	(857,854)	(857,854)	0
								Direct Expense	1,348,400	1,387,300	(38,899)
								Indirect Expense	303,481	337,165	(33,684)
					Burials and cremations Total				794,027	866,610	(72,583)
				5.3.2	Public toilets	C072	Contracts - Public Conveniences	Direct Expense	2,580,326	2,640,752	(60,426)
								Indirect Expense	233,317	115,158	118,159
					Public toilets Total				2,813,643	2,755,910	57,733
				5.3.3	Public health regulations	C478	Public Health	Income	(3,244,959)	(3,272,008)	27,049
								Direct Expense	3,177,887	3,203,509	(25,623)
								Indirect Expense	1,400,382	1,414,699	(14,317)
						C675	Noise Monitoring	Direct Expense	535,751	545,099	(9,349)
								Indirect Expense	140,384	115,840	24,543
					Public health regulations Total				2,009,444	2,007,139	2,304
				5.3.4	City safety	C673	Anti-Graffiti Flying Squad	Direct Expense	595,901	606,240	(10,339)
								Indirect Expense	85,624	41,015	44,610
						P169	Safe City Project Operations	Direct Expense	1,571,522	1,484,163	87,359
								Indirect Expense	553,941	585,904	(31,963)
					City safety Total				2,806,989	2,717,321	89,667
				5.3.5	WREMO	C540	Emergency Mgmt Plan & Train	Income	(14,000)	(14,266)	266
								Direct Expense	1,118,201	1,088,137	30,064
								Indirect Expense	153,289	30,116	123,173
						C543	Emgncy Mgmt Rural Fire Mgmt	Income	(3,587)	(29,573)	25,986
								Direct Expense	245,485	251,683	(6,198)
								Indirect Expense	15,008	2,369	12,639
					WREMO Total				1,514,397	1,328,466	185,930
					Public health and safety Total				9,938,499	9,675,447	263,052
					Social and Recreation Total				54,753,746	50,320,927	4,432,820
6	Urban Development	6.1	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	C533	District Plan	Income	(20,380)	(20,380)	-
								Direct Expense	1,564,136	1,469,700	94,437
								Indirect Expense	484,383	493,938	(9,555)
						C650	Growth Spine Centres	Direct Expense	27,341	182,805	(155,465)
								Indirect Expense	11,943	70,329	(58,386)
					Urban planning and policy Total				2,067,423	2,196,391	(128,969)
				6.1.2	Waterfront development	C711	City Shaper Developments	Direct Expense	912,597	852,753	59,844
								Indirect Expense	102,157	138,180	(36,023)

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/ Expense	2016/17 AP	2015-25	VARIANCE
									2016/17 (\$000s)	Amended LTP Yr2 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
					Waterfront development Total			1,014,754	990,933	23,821	
				6.1.3	Public spaces and centres development	C350	Maintenance of City Art Works	Direct Expense	364,161	276,269	87,892
								Indirect Expense	65,135	52,152	12,983
						C370	Public Space/Centre Devl. Plan	Direct Expense	1,278,557	1,289,256	(10,699)
								Indirect Expense	612,841	530,273	82,568
					Public spaces and centres development Total				2,320,695	2,147,951	172,744
				6.1.4	Built heritage development	P065	City Heritage Development	Direct Expense	1,749,476	1,783,502	(34,026)
								Indirect Expense	247,778	223,329	24,449
					Built heritage development Total				1,997,254	2,006,831	(9,577)
					Urban planning, heritage and public spaces development Total				7,400,125	7,342,106	58,019
		6.2	Building and development control	6.2.1	Building control and facilitation	C480	Building Control/Facilitation	Income	(9,067,107)	(9,230,165)	163,058
								Direct Expense	8,224,914	8,165,066	59,848
						C685	Weatheright Homes	Direct Expense	4,899,546	5,130,463	(230,917)
								Indirect Expense	469,062	469,600	(537)
								Indirect Expense	230,300	247,242	(16,942)
					Building control and facilitation Total				4,756,715	4,782,206	(25,490)
				6.2.2	Development control and facilitation	C479	Development Cntrl/Facilitation	Income	(2,898,667)	(2,953,743)	55,076
								Direct Expense	3,901,763	3,895,277	6,486
								Indirect Expense	2,064,778	2,216,892	(152,114)
					Development control and facilitation Total				3,067,874	3,158,426	(90,552)
				6.2.3	Earthquake risk mitigation - built environment	P057	Earthquake Risk Building Proj.	Direct Expense	1,046,052	1,187,997	(141,945)
								Indirect Expense	350,688	409,846	(59,158)
					Earthquake risk mitigation - built environment Total				1,396,740	1,597,843	(201,103)
					Building and development control Total				9,221,330	9,538,475	(317,145)
					Urban Development Total				16,621,455	16,880,581	(259,126)
7	Transport	7.1	Transport	7.1.1	Transport planning	C681	Ngaurunga to Airport Corridor	Income	(740,000)		(740,000)
								Direct Expense	2,224,488	346,329	1,878,159
								Indirect Expense	212,382	12,705	199,677
						P249	Network Planning	Income	-	(89,846)	89,846
								Direct Expense	671,663	288,372	383,291
								Indirect Expense	328,754	169,318	159,436
					Transport planning Total				2,697,286	726,877	1,970,409
				7.1.2	Vehicle network	C304	Road Maintenance&Storm Cleanup	Income	(719,881)	(714,129)	(5,752)
								Direct Expense	1,536,763	1,547,492	(10,729)
								Indirect Expense	195,709	135,507	60,202
						C312	Mtc Tawa Shared Driveways	Direct Expense	29,510	31,500	(1,990)
								Indirect Expense	5,359	5,711	(352)
						C441	Walls, Bridges & Tunnel Mntnce	Income	(84,997)	(106,450)	21,454
								Direct Expense	230,651	240,257	(9,606)
								Indirect Expense	46,002	49,303	(3,301)
						C444	Drains & Walls Asset Stewardship	Income	(49,000)	(16,795)	(32,205)
								Direct Expense	5,733,871	5,412,436	321,435
								Indirect Expense	1,087,182	1,191,044	(103,862)
						C445	Kerb & Channel Maintenance	Income	(353,595)	(356,474)	2,879
								Direct Expense	725,091	734,457	(9,366)
								Indirect Expense	93,141	65,835	27,306
						C453	Vehicle Network Asst Stewardship	Income	(273,676)	(212,160)	(61,516)
								Direct Expense	11,039,101	10,381,241	657,860
								Indirect Expense	3,285,802	3,644,902	(359,099)
						C656	Port and Ferry Access	Direct Expense	84,389	88,710	(4,321)
								Indirect Expense	10,740	14,169	(3,430)
					Vehicle network Total				22,622,162	22,136,555	485,607
				7.1.3	Cycle network	C493	Cycleways Maintenance	Income	(46,853)	(39,200)	(7,653)
								Direct Expense	95,819	98,416	(2,598)
								Indirect Expense	14,316	12,628	1,689
						C577	Cycleway Asset Stewardship	Direct Expense	268,157	531,172	(263,016)
								Indirect Expense	28,455	28,246	209
						C694	Cycleways Planning	Direct Expense	960,882	1,017,063	(56,180)
								Indirect Expense	75,893	115,191	(39,298)
					Cycle network Total				1,396,669	1,763,516	(366,847)
				7.1.4	Passenger transport network	C072A	Passenger Transport Facilities	Income	(286,000)	(495,234)	209,234
								Direct Expense	523,132	624,266	(101,135)
								Indirect Expense	75,281	52,583	22,699
						C550	Bus Shelter Contract Income	Income	(570,000)	(473,218)	(96,782)
								Direct Expense	3,848	3,550	298
								Indirect Expense	1,814	1,949	(135)
						C576	Passenger Transport Asset Stew	Direct Expense	366,764	352,635	14,128
								Indirect Expense	385,146	389,675	(4,529)
						C655	Bus Priority Plan	Direct Expense	77,951	91,577	(13,626)
								Indirect Expense	10,820	19,289	(8,469)
						C708	Cable Car	Direct Expense	1,004,770	2,500,000	(1,495,230)
						C712	Public Transport Trials	Direct Expense	-	-	-
					Passenger transport network Total				1,593,526	3,067,072	(1,473,547)
				7.1.5	Pedestrian network	C307	Street Furniture Maintenance	Income	(6,270)	(6,270)	-

2016/17 AP PROJECTS AND PROGRAMMES - OPERATIONAL EXPENDITURE

2016/17 AP 2015-25
 Amended LTP
 Yr2 VARIANCE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/ Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
								Direct Expense	381,827	331,580	50,247
								Indirect Expense	58,402	35,798	22,603
						C377	Footpaths Asset Stewardship	Direct Expense	5,164,373	4,747,044	417,329
								Indirect Expense	406,722	431,815	(25,092)
						C448	Pedestrian Network Maintenance	Income	(33,513)	(33,513)	-
								Direct Expense	781,011	790,275	(9,263)
								Indirect Expense	99,586	70,233	29,353
						C492	Ped Network Structures Maint	Direct Expense	148,820	159,931	(11,111)
								Indirect Expense	17,560	16,077	1,484
								Pedestrian network Total	7,018,519	6,542,970	475,549
		7.1.6	Network-wide control and management		A026	Traffic Signals System Maintenance	Income	(589,284)	(557,678)	(31,606)	
								Direct Expense	1,169,891	1,099,283	70,607
								Indirect Expense	217,102	185,901	31,201
					A153A	Traffic Control Asset Stewards	Income	(88,250)	(34,321)	(53,929)	
								Direct Expense	2,753,129	2,352,616	400,513
								Indirect Expense	128,954	138,769	(9,815)
					C026C	Road Marking Maintenance	Income	(551,334)	(433,758)	(117,576)	
								Direct Expense	1,128,592	891,173	237,419
								Indirect Expense	158,234	109,847	48,386
					C452	Traffic Signs Maintenance	Income	(203,954)	(205,069)	1,115	
								Direct Expense	465,953	468,554	(2,601)
								Indirect Expense	103,576	101,159	2,417
					C481	Network Activity Management	Income	(890,709)	(890,709)	-	
								Direct Expense	916,591	954,257	(37,666)
								Indirect Expense	472,409	571,955	(99,545)
								Network-wide control and management Total	5,190,899	4,751,980	438,919
		7.1.7	Road safety		C026B	Street Lighting Maintenance	Income	(1,319,494)	(1,298,909)	(20,586)	
								Direct Expense	2,946,829	2,807,038	139,790
								Indirect Expense	111,168	118,208	(7,040)
					C450	Transport Education & Promotion	Income	(231,280)	(235,674)	4,394	
								Direct Expense	600,774	570,160	30,613
								Indirect Expense	163,460	165,400	(1,939)
					C494	Fences & Guardrails Maint	Income	(104,133)	(112,480)	8,347	
								Direct Expense	355,780	373,387	(17,607)
								Indirect Expense	40,748	29,844	10,904
					C575	Safety Asset Stewardship	Direct Expense	1,929,982	1,792,878	137,104	
								Indirect Expense	195,132	210,230	(15,097)
								Road safety Total	4,688,966	4,420,083	268,883
								Transport Total	45,208,027	43,409,054	1,798,973
		7.2	Parking	7.2.1	Parking	C290	Parking Services & Enforcement	Income	(27,329,129)	(27,243,129)	(86,000)
								Direct Expense	10,021,391	10,432,267	(410,876)
								Indirect Expense	1,614,255	1,652,683	(38,428)
						C378	Waterfront Parking Services	Income	(1,171,024)	(1,171,024)	0
								Direct Expense	630,015	645,767	(15,752)
								Indirect Expense	655,026	626,942	28,084
								Parking Total	(15,579,466)	(15,056,494)	(522,972)
								Transport Total	(15,579,466)	(15,056,494)	(522,972)
								Transport Total	29,628,561	28,352,560	1,276,001
10	Council	10.1	Organisational Projects	10.1.1	Organisational	A312	Waterfront Commercial Property Services	Income	(2,670,370)	(2,670,370)	-
								Direct Expense	3,331,908	6,626,893	(3,294,985)
								Indirect Expense	145,135	103,016	42,119
						C332	Commercial Property Man & Serv	Income	(2,909,667)	(2,909,667)	0
								Direct Expense	2,535,519	2,473,985	61,533
								Indirect Expense	1,394,191	1,485,197	(91,006)
						C333	Civic Centre Facilities Managt	Income	(216,281)	(216,281)	0
								Direct Expense	6,262,178	5,587,157	675,020
								Indirect Expense	(6,045,896)	(3,849,656)	(2,196,240)
						C374	Information Services SLA	Income	(1,708,578)	-	(1,708,578)
								Direct Expense	19,990,974	19,094,782	896,193
								Indirect Expense	(18,282,396)	(16,059,319)	(2,223,077)
						C388	NZTA Income on Capex Work	Income	(17,643,837)	(17,599,363)	(44,475)
						C700	Waterfront Utilities Management	Income	(423,478)	(423,478)	-
								Direct Expense	404,069	426,767	(22,698)
								Indirect Expense	24,097	24,142	(45)
					ORG	Organisation	Income	(312,591,251)	(285,680,709)	(26,910,542)	
								Direct Expense	55,747,911	54,581,600	1,166,311
								Indirect Expense	(47,520,291)	(49,619,127)	2,098,836
								Organisational Total	(320,176,064)	(288,624,430)	(31,551,634)
								Council Total	(320,176,064)	(288,624,430)	(31,551,634)

2016/17 AP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE

2016/17 AP 2015-25
Amended LTP
Yr2 VARIANCE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
1	Governance	1.1	Governance	1.1.1	City governance and engagement	CX420	Committee & Council Processes	Direct Expense	115,923	115,923	(0)
					City governance and engagement Total				115,923	115,923	(0)
					Governance Total				115,923	115,923	(0)
2	Environment	2.1	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	CX033	Property Purchases - Reserves	Direct Expense	-	-	-
						CX284	Park Structures - upgrades & renewals	Direct Expense	399,952	399,952	(0)
						CX436	Parks Infrastructure	Direct Expense	776,963	301,115	475,849
						CX510	Plimmer Bequest Project	Direct Expense	-	-	-
					Local parks and open spaces Total				1,176,916	701,067	475,849
				2.1.2	Botanical gardens	CX348	Botanic Garden	Direct Expense	582,181	527,947	54,234
					Botanical gardens Total				582,181	527,947	54,234
				2.1.3	Beaches and coast operations	CX290	Coastal - upgrades	Direct Expense	52,433	52,433	(0)
						CX349	Coastal	Direct Expense	123,785	123,785	(0)
					Beaches and coast operations Total				176,218	176,218	(0)
				2.1.5	Town belts	CX437	Town Belt & Reserves	Direct Expense	247,551	247,551	(0)
					Town belts Total				247,551	247,551	(0)
				2.1.7	Walkways	CX435	Walkways renewals	Direct Expense	1,013,587	1,013,587	-
					Walkways Total				1,013,587	1,013,587	-
					Gardens, beaches and green open spaces Total				3,196,453	2,666,370	530,083
		2.2	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	CX084	Southern Landfill Improvement	Direct Expense	1,251,180	1,232,494	18,687
					Waste minimisation, disposal and recycling management Total				1,251,180	1,232,494	18,687
					Waste reduction and energy conservation Total				1,251,180	1,232,494	18,687
		2.3	Water	2.3.1	Water network	CX126	Water - Network renewals	Direct Expense	9,902,045	9,902,045	-
						CX127	Water - Pump Station renewals	Direct Expense	668,133	668,133	(0)
						CX296	Water - Water Meter upgrades	Direct Expense	477,261	477,261	(0)
						CX326	Water - Network upgrades	Direct Expense	1,367,649	1,367,649	-
						CX430	Water - Network renewals	Direct Expense	508,833	508,833	-
						CX512	Water - Reservoir renewals	Direct Expense	1,661,901	1,661,901	-
						CX513	Water - Reservoir upgrades	Direct Expense	352,563	352,563	(0)
						CX518	Water - Water Meter renewals	Direct Expense	(3,481)	(3,481)	(0)
					Water network Total				14,934,904	14,934,904	(0)
					Water Total				14,934,904	14,934,904	(0)
		2.4	Wastewater	2.4.1	Sewage collection and disposal network	CX334	Wastewater - Network renewals	Direct Expense	9,996,331	9,996,331	-
						CX381	Wastewater - Network upgrades	Direct Expense	456,035	456,035	-
						CX517	Wastewater - Pump Station renewals	Direct Expense	874,401	874,401	(0)
					Sewage collection and disposal network Total				11,326,767	11,326,767	(0)
					Wastewater Total				11,326,767	11,326,767	(0)
		2.5	Stormwater	2.5.1	Stormwater management	CX031	Stormwater - Network upgrades	Direct Expense	4,081,401	4,081,401	(0)
						CX151	Stormwater - Network renewals	Direct Expense	2,938,958	2,938,958	-
					Stormwater management Total				7,020,359	7,020,359	(0)
					Stormwater Total				7,020,359	7,020,359	(0)
		2.6	Conservation attractions	2.6.1	Conservation visitor attractions	CX125	Zoo renewals	Direct Expense	817,487	817,487	(0)
						CX340	Zoo upgrades	Direct Expense	-	-	-
					Conservation visitor attractions Total				817,487	817,487	(0)
					Conservation attractions Total				817,487	817,487	(0)
					Environment Total				38,547,151	37,998,382	548,769
3	Economic Development	3.1	City promotions and business support	3.1.2	Wellington convention centre	CX275	Wellington Venues renewals	Direct Expense	1,758,894	1,742,233	16,661
						CX535	Convention Centre	Direct Expense	19,538,311	19,538,311	(0)
					Wellington convention centre Total				21,297,204	21,280,543	16,661
				3.1.5	Major economic projects	CX526	Indoor Arena	Direct Expense	-	-	-
					Major economic projects Total				-	-	-
					City promotions and business support Total				21,297,204	21,280,543	16,661
					Economic Development Total				21,297,204	21,280,543	16,661
4	Cultural Wellbeing	4.1	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	CX500	Gallery & Museum Upgrades	Direct Expense	-	-	-
						CX534	Museum of Conflict	Direct Expense	-	-	-
					Galleries and museums (WMT) Total				-	-	-
				4.1.2	Visitor attractions (Te Papa/Carter Observatory)	CX496	Cable Car Precinct	Direct Expense	-	-	-
					Visitor attractions (Te Papa/Carter Observatory) Total				-	-	-
					Major economic projects	CX536	Film Museum	Direct Expense	34,402,283	34,402,283	0
					Major economic projects Total				34,402,283	34,402,283	0
				4.1.4	Cultural grants	CX497	Te ara o nga tupuna - Maori heritage trails	Direct Expense	-	-	-
					Cultural grants Total				-	-	-
				4.1.5	Access and support for community arts	CX458	Arts Installation	Direct Expense	27,106	27,106	-
					Access and support for community arts Total				27,106	27,106	-
					Arts and Cultural Activities Total				34,429,390	34,429,390	0
					Cultural Wellbeing Total				34,429,390	34,429,390	0
5	Social and Recreation	5.1	Recreation promotion and support	5.1.1	Swimming pools	CX055	Aquatic Facility upgrades	Direct Expense	-	-	-
						CX056	Aquatic Facility renewals	Direct Expense	1,878,759	1,852,521	26,238
					Swimming pools Total				1,878,759	1,852,521	26,238
				5.1.2	Sportsfields	CX345	Sportsfields upgrades	Direct Expense	904,841	404,841	500,000
					Sportsfields Total				904,841	404,841	500,000
				5.1.3	Sportsfields (Synthetic)	CX506	Synthetic Turf Sportsfields renewals	Direct Expense	-	-	-
						CX507	Synthetic Turf Sportsfields upgrades	Direct Expense	1,398,670	1,398,670	-
					Sportsfields (Synthetic) Total				1,398,670	1,398,670	-
				5.1.4	Recreation centres	CX059	Recreation Centre Renewal	Direct Expense	28,421	15,078	13,344
						CX499	ASB Sports Centre	Direct Expense	61,977	61,977	-
					Recreation centres Total				90,398	77,054	13,344

2016/17 AP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE

2016/17 AP 2015-25
Amended LTP
Yr2 VARIANCE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/Expense	2016/17 (\$000s)	2016/17 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
				5.1.5	Recreation partnerships	CX503	Basin Reserve	Direct Expense	3,085,250	3,085,250	-
					Recreation partnerships Total				3,085,250	3,085,250	-
				5.1.6	Playgrounds	CX181	Playgrounds renewals & upgrades	Direct Expense	454,727	454,727	(0)
					Playgrounds Total				454,727	454,727	(0)
				5.1.7	Marinas	CX341	Marina renewals	Direct Expense	87,227	86,745	481
					Marinas Total	CX342	Marina	Direct Expense	54,056	53,981	75
					Recreation promotion and support Total				7,953,927	7,413,789	540,138
		5.2	Community support	5.2.1	Libraries	CX077	Upgrade Library Materials	Direct Expense	2,072,682	2,072,682	-
						CX269	Upgrade Computer Replacement	Direct Expense	-	-	-
						CX338	Central Library upgrades	Direct Expense	16,507	16,507	-
						CX358	Branch Library upgrades	Direct Expense	6,913,729	6,531,915	381,814
						CX359	Branch Libraries renewals	Direct Expense	220,384	217,039	3,345
					Libraries Total				9,223,301	8,838,143	385,158
				5.2.5	Housing	CX370	Housing upgrades	Direct Expense	19,645,971	19,340,971	305,000
						CX371	Housing renewals	Direct Expense	4,214,545	4,151,085	63,461
					Housing Total				23,860,516	23,492,055	368,461
				5.2.6	Community centres and halls	CX467	Community Halls - upgrades & renewals	Direct Expense	327,926	261,513	66,413
					Community centres and halls Total				327,926	261,513	66,413
					Community support Total				33,411,743	32,591,711	820,032
		5.3	Public health and safety	5.3.1	Burials and cremations	CX369	Burial & Cremations	Direct Expense	321,740	315,191	6,549
					Burials and cremations Total				321,740	315,191	6,549
				5.3.2	Public toilets	CX366	Public Convenience and pavilions	Direct Expense	1,621,656	1,364,592	257,064
					Public toilets Total				1,621,656	1,364,592	257,064
				5.3.5	WREMO	CX372	Emergency Management renewals	Direct Expense	72,700	-	72,700
					WREMO Total				72,700	-	72,700
					Public health and safety Total				2,016,095	1,679,782	336,313
					Social and Recreation Total				43,381,766	41,685,282	1,696,483
	Urban Development	6.1	Urban planning, heritage and public spaces development	6.1.2	Waterfront development	CX131	Wgtn Waterfront Development	Direct Expense	6,186,680	6,125,384	61,295
					Waterfront development Total	CX523	Waterfront Renewals	Direct Expense	1,531,761	979,376	552,384
				6.1.3	Public spaces and centres development	CX406	Central City Framework	Direct Expense	2,497,220	1,947,220	550,000
						CX446	Suburban Centres upgrades	Direct Expense	-	-	-
						CX522	Minor CBD Enhancements	Direct Expense	102,500	102,500	-
						CX527	Urban Regeneration Projects	Direct Expense	391,777	406,050	(14,272)
					Public spaces and centres development Total				2,991,497	2,455,770	535,728
					Urban planning, heritage and public spaces development Total				10,709,938	9,560,531	1,149,407
		6.2	Building and development control	6.2.3	Earthquake risk mitigation - built environment	CX505	Earthquake Risk Mitigation	Direct Expense	6,413,943	6,502,206	(88,263)
					Earthquake risk mitigation - built environment Total				6,413,943	6,502,206	(88,263)
					Building and development control Total				6,413,943	6,502,206	(88,263)
					Urban Development Total				17,123,881	16,062,736	1,061,144
7	Transport	7.1	Transport	7.1.2	Vehicle network	CX086	Wall,Bridge&Tunnel renewals	Direct Expense	2,457,196	2,486,571	(29,375)
						CX088	Thin Asphalt Road Surface renewals	Direct Expense	2,118,240	1,632,844	485,396
						CX089	Reseals renewals	Direct Expense	2,435,277	2,120,358	314,919
						CX090	Preseal Preparation renewals	Direct Expense	3,287,696	2,568,205	719,491
						CX092	Shape & Camber Correction	Direct Expense	4,266,800	3,978,462	288,337
						CX093	Sumps Flood Mitigation Upgrade	Direct Expense	221,347	221,796	(449)
						CX098	Road corridor new walls	Direct Expense	2,182,261	2,204,307	(22,045)
						CX101	Service Lane improvements	Direct Expense	50,722	50,722	(0)
						CX165	Tunnel and bridge improvements	Direct Expense	895,272	909,426	(14,154)
						CX253	Kerb & Channel renewals	Direct Expense	2,133,121	1,842,400	290,722
						CX311	Vehicle Network New Roads	Direct Expense	-	-	-
						CX350	Road Risk Mitigation	Direct Expense	720,053	727,011	(6,957)
						CX377	Road Capacity Projects	Direct Expense	-	-	-
						CX383	Area Wide Road Maintenance	Direct Expense	790,235	736,880	53,355
						CX493	Port and Ferry Access	Direct Expense	-	-	-
					Vehicle network Total				21,558,221	19,478,982	2,079,239
				7.1.3	Cycle network	CX112	Cycling improvements	Direct Expense	11,884,163	12,001,028	(116,865)
					Cycle network Total				11,884,163	12,001,028	(116,865)
				7.1.4	Passenger transport network	CX492	Bus Priority Planning	Direct Expense	887,757	902,377	(14,620)
					Passenger transport network Total				887,757	902,377	(14,620)
				7.1.5	Pedestrian network	CX091	Pedestrian Network Structures	Direct Expense	240,157	121,015	119,142
						CX094	Pedestrian Network Footpath renewals	Direct Expense	3,538,874	2,930,886	607,988
						CX099	Walking improvements	Direct Expense	408,821	408,821	(0)
						CX108	Street Furniture renewals	Direct Expense	261,119	167,900	93,219
						CX109	Pedestrian Network Accessways	Direct Expense	222,125	222,011	113
					Pedestrian network Total				4,671,096	3,850,634	820,462
				7.1.6	Network-wide control and management	CX095	Traffic & St Signs renewals	Direct Expense	1,435,511	287,851	1,147,660
						CX353	Traffic Signal renewals	Direct Expense	924,304	942,108	(17,804)
					Network-wide control and management Total				2,359,815	1,229,959	1,129,856
				7.1.7	Road safety	CX096	Safety Street Lighting renewals	Direct Expense	705,607	614,724	90,883
						CX097	Rural road improvements	Direct Expense	102,500	102,500	-
						CX171	Minor safety projects	Direct Expense	973,955	937,577	36,378
						CX352	Fences & Guardrails renewals	Direct Expense	623,624	613,587	10,038
						CX445	Safer Roads Project	Direct Expense	1,091,983	1,091,983	-
					Road safety Total				3,497,669	3,360,371	137,299

2016/17 AP PROJECTS AND PROGRAMMES - CAPITAL EXPENDITURE

Strategy	Strategy Name	Activity	Activity Name	Activity Component	Activity Component Name	Project	Project name	Income/Expense	2016/17 AP	2015-25	VARIANCE
									2016/17 (\$000s)	Amended LTP Yr2 (\$000s)	2016/17 AP to 2015-25 LTP Yr2
			Transport Total						44,858,721	40,823,350	4,035,371
		7.2	Parking	7.2.1	Parking	CX102	Parking Asset renewals	Direct Expense	-	-	-
						CX319	Roadside Parking Improvements	Direct Expense	495,875	495,875	-
			Parking Total						495,875	495,875	-
									495,875	495,875	-
			Transport Total						45,354,595	41,319,225	4,035,371
10	Council	10.1	Organisational Projects	10.1.1	Organisational	CX010	Enterprise Applications	Direct Expense	855,912	7,762,087	922,500
						CX245	Capital Replacement Fund	Direct Expense	4,468,896	4,389,600	4,468,896
						CX258	Disaster Recovery Assets	Direct Expense	1,096,194	472,653	1,127,458
						CX260	Technology Infrastructure Assets	Direct Expense	100,000	130,000	-
						CX299	PeopleSoft Version Upgrade	Direct Expense	461,250	50,000	461,250
						CX305	Health & Safety - Legislation Compliance	Direct Expense	317,340	309,600	317,340
						CX426	Civic Property renewals	Direct Expense	2,984,756	1,745,993	4,202,143
						CX501	Commercial Properties renewals	Direct Expense	1,455,849	538,367	452,370
						CX502	Community & Childcare Facility renewals	Direct Expense	271,907	263,402	596,524
						CX524	Legislative changes	Direct Expense	102,500	50,000	102,500
						CX525	Support for Business Unit Initiatives	Direct Expense	585,168	170,000	585,168
						CX528	Office Resilience and Efficiency	Direct Expense	15,196,284	950,000	13,695,225
						CX529	Civic Campus Resilience and improvements	Direct Expense	1,537,500	975,000	1,537,500
						CX300	Unscheduled infrastructure renewals	Direct Expense	2,360,965	-	5,103,589
			Organisational Projects Total						31,794,521	17,806,702	33,572,463
									31,794,521	17,806,702	33,572,463
			Council Total						31,794,521	17,806,702	33,572,463

2016/17 ANNUAL PLAN - CONSULTATION DOCUMENT AND SUPPORTING INFORMATION

Purpose

1. This paper provides a draft 2016/17 Annual Plan Consultation Document and Supporting Information for approval. It also seeks a delegation for the Mayor and Chief Executive to finalise the content of the Consultation Document to reflect the decisions of this Committee. It will then be submitted to Council for approval on 23 March.

Summary

2. A draft Consultation Document and Supporting Information for the 2016/17 Annual Plan (including a summary of the year two 2015-25 LTP work program) have been developed for consideration and approval by Governance, Finance and Planning Committee (GFP). Also included in the Consultation Document will be the new initiatives identified during the pre-engagement process and agreed at GFP. It is recommended that the Mayor and Chief Executive be delegated by GFP to finalise the text of the Consultation Document after approval by Council.
3. Following approval by GFP and Council, the Consultation Document will be finalised and prepared for printing and loading onto the Council website. Responses will be provided to all those that submitted public initiatives before the start of the engagement and consultation period on 29 March

Recommendations

That the Governance, Finance and Planning Committee:

1. Receive the information.
2. Agree in principle the draft 2016/17 Annual Plan Consultation document noting that it will be updated to reflect the decisions of this meeting.
3. Delegate authority to the Mayor and Chief Executive to finalise the content of the Consultation Document.
4. Agree the supporting information for draft 2016/17 Annual Plan Consultation document.
5. Note Council has committed 10% of its 2016/17 funding towards resilience projects as part of being involved in the 100 Resilient Cities programme.
6. Note next steps outline in paragraphs 19-21 of this report.

Background

4. The 2016/17 Annual Plan Consultation Document is the first produced by Wellington City Council under the new statutory requirements of the Local Government Act 2002. Under recent legislative changes, any proposed variations to the activities and budgets contained in the relevant LTP require explanation and justification in a consultation document which is the basis for engagement with Council's stakeholders on an Annual Plan. It is therefore not a draft Annual Plan that Council is required to consult stakeholders on, as occurred previously, but a consultation document on changes. It is

also now the statutory role of the Mayor to lead the development of the Council's policies and plans, including the Annual Plan.

5. On 22 October 2015 GFP agreed the approach and process for the development of the 2016/17 Annual Plan. This included a new pre-engagement phase to ascertain stakeholders' views on the 2015-25 Long-term Plan (LTP) and generate stakeholder input on the proposed year two work programme. GFP agreed that the focus of the 2016/17 Annual Plan was on ensuring the delivery of the work programme set in the 2015-25. In addition, GFP also indicated that it was willing to consider new spending proposals from Councillors and the public to help inform the development of the 2016/17 Annual Plan Consultation Document.
6. On 9 December GFP agreed the milestones and overall timeline for the development of the 2016/17 Annual Plan. This included that any new spending proposals received were to be assessed against the strategic objectives of the LTP and advice would be provided by officers on all proposals. It was also agreed that there would be a panel hearing process in February 2016 for public initiatives.
7. The public initiatives process ran from 15 December 2015 to 5 January 2016 and 184 public initiatives were submitted by 121 submitters. Submitters were given the option of presenting their ideas to Councillors at a panel hearing and 47 spoke at hearings held on 22 and 24 February.
8. The Councillor Initiatives process ran from 15 December 2015 to 12 January 2016 and 58 initiatives were submitted. The total funding sought for these initiatives was \$24.8 million.
9. During February two workshops for Councillors were held to provide information on revenue projections, capital expenditure, funding choices and internal funding pressures. At a workshop on 2 March the financial headroom for initiatives funding was identified and officers' advice on their assessments of Councillor and public initiatives was provided. It was also noted at the workshop that the Mayor would be proposing a suite of initiatives to be included in the Consultation Document at GFP on 9 March.

Pre-engagement outcomes

10. The pre-engagement process for the Annual Plan is considered to have:
 - Generated interest in the Council's Annual Plan process, the objectives and projects of the LTP and provided stakeholders a platform for direct engagement with Councillors;
 - Provided an indication of projects and interest areas early in the Annual Planning process;
 - Reconfirmed the level of support for existing services and community infrastructure (especially in Transport and the Park, Sports and Recreation area) as well as generating some new ideas for services and service levels; and
 - Demonstrated that Council is already meeting many of the aspirations of Wellingtonians in its work programmes and there are projects and policy processes in planning that will also meet these aspirations.

LTP amendment

11. The Convention Centre and Movie Museum proposal that is currently being consulted on is separate from the 2016/17 Annual Plan process. The impact of the business and financial changes associated with the Movie Museum and Wellington Convention Centre proposal were so significant that an amendment to the 2015-25 LTP was

required. This means the changes proposed in the Consultation Document will apply to the activity and financial parameters of the amended 2015-25 LTP.

Resilience funding

12. As part of being a participant in the 100 Resilient Cities programme(100RC), Council has pledged to commit 10% of its funding towards resilience projects. The Wellington Resilience Strategy will be finalised by July 2016 and it will identify the Council's resilience goals and projects. The proposed activities in the 2016/17 Annual Plan includes in excess of 10% funding on resilience projects, spread over different areas of the budget.
13. In return for the commitment to the 10% Resilience Pledge, 100RC commits to make available Platform Partner goods and services worth up to USD\$5 million over the next five years to support Wellington's resilience building efforts.

Discussion

14. Attached are drafts of the 2016/17 Annual Plan Consultation document and supporting information for approval.

Consultation Document

15. The Consultation Document includes information on proposed changes to the activities and spending of Council that were not identified in the 2015-25 LTP. These essentially reflect policy changes that have been agreed or finalised since the LTP was agreed. For each of the change proposals a rationale and the impact on Council's operations and/or budgets are identified. Also included in the Consultation Document will be the new initiatives identified during the pre-engagement process and agreed at GFP. For this reason it is recommended that the Mayor and Chief Executive be delegated by Council to finalise the text of the Consultation Document after approval by Council.
16. The change proposals and the reason why they are in the Consultation Document are:

<i>Proposal</i>	<i>Why we are consulting</i>
Draft Low Carbon Capital Plan	Proposing a new programme of work with ongoing costs and operational changes for WCC not contained in LTP
Urban Development Agency	Creating a new Council-Controlled organisation (CCO) that was not identified in LTP
Food Act fee changes	Changing fee structures from that outlined in LTP
Zealandia Governance changes	Creating a new Council-Controlled organisation (CCO) that was not identified in LTP
Kilbirnie Business Improvement District	Setting a new targeted rate not identified in LTP
New Initiatives	Proposing to fund a set of new initiatives not previously identified in the LTP

17. In addition to the change proposals above, the Consultation Document also includes a summary of the year two 2015-25 LTP work programme. This identifies the new activity

that is proposed for 2016/17 and contains summaries of the following activities and their budgets:

- New capital projects and initiatives - \$62.5 million
- Operational - business as usual - \$8.6m
- Operational projects – improvements - \$8.2m

18. Throughout the Consultation Document there are references and links provided to explanatory information for the change proposals to enable readers to understand the background and reasons for the policy decisions. There are also text boxes that provide further explanatory information.

Supporting Information

19. Council is statutorily required to provide specific information to support the understanding of the content of the Consultation Document. The following draft non-financial supporting Information is attached for approval:

- *Statements of Service Provision* – These identify the Council’s seven strategic activity areas and their performance measures and budgets.
- *CCOs statements* – These identify the governance structures, objectives and performance indicators of each of the Council’s CCOs.

20. The supporting financial information required to accompany the Consultation Document has been provided to GFP separately by the Finance directorate.

Next Actions

21. Following approval by GFP and Council, the Consultation Document will be finalised and prepared for printing and loading onto the Council website by the Mayor and Chief Executive under delegation. A final version of the Consultation Document will be submitted to Council for approval on 23 March. The Consultation Document and website are required to ‘go live’ on 29 March, the start of the engagement and consultation period for the Consultation Document.
22. Responses will be provided to all those that submitted public initiatives before the start of the engagement and consultation period on 29 March. These will provide the outcome of their proposal, advice on the next steps for their initiative (if relevant), a link to the Consultation Document and an invitation to participate in the Engagement and Consultation process.
23. The Consultation Document and Engagement and Consultation process will be launched by the Mayor on 29 March.

Attachments

- Attachment 1. Consultation Document Annual Plan 2016/17 Page 294
Attachment 2. Annual plan 2016/17 Statements of Service Provision Page 333

Author	Neil McInnes, Principal Advisor
Authoriser	John McGrath, Acting Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

As part of the pre-engagement process Council's Advisory groups and Community Boards were informed of the process and invited to submit initiatives. Promotional messages about the Annual plan process and public initiatives process were included in social media, print media and on the Council's website.

Treaty of Waitangi considerations

The Annual Plan process was discussed with manahwenua iwi groups and a Maori special interest forum will be held during Engagement and Consultation process.

Financial implications

The Annual Plan financial implications canvassed the financial issues considerably and the financial information contains plenty of stretch.

Policy and legislative implications

The Consultation Document's development is compliant with the new approach to Annual Planning as specified in the Local Government Act.

Risks / legal

N/a

Climate Change impact and considerations

N/a

Communications Plan

An engagement and communication plan has been developed for the Annual Plan process and will inform communications activity going forward.

Accessibility in Word
Document subtitle (double click to edit)

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

**2016/17 Annual Plan
Consultation Document**

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Mayoral overview

On the way.....

Executive Summary

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

The 2015-25 LTP is the Council's key strategic planning statement for the next 10 years and it identifies the key work programmes and financial parameters for a 3 year period. Annual Plans give effect to LTPs in that they identify in detail the proposed activity for a given year. This Consultation Document identifies the changes proposed to the LTP that will occur in 2016/17 which is the second year of the 2015-25 LTP.

There are 6 proposed changes that impact on the parameters of the 2015/25 LTP on which Wellington City Council is seeking the views of ratepayers and service users. These changes are:

- **Urban Development Agency** - Creating a new Council-Controlled organisation (CCO) with land development powers that was not specified in LTP.
- **Climate Change Action Plan and resilience** - Proposing a new programme of work with ongoing costs and operational changes for WCC that was not contained in LTP.
- **Food Act fee changes** - Changing fee structure from that outlined in LTP.
- **Zealandia Governance changes** - Creating a new Council-Controlled organisation (CCO) that was not specified in the LTP.
- **Kilbirnie Business Improvement District** - Setting a new targeted rate that was not identified in LTP.

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

A website containing supporting information that provides more detail on each of the proposed changes has been created and links to this information have also been provided in this document.

2016/17 is year 2 of the 2015-25 LTP and a summary of the activities and budgets already planned for 2016/17 is provided.

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

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

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

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

Overview

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

2015-25 Long-term Plan

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

- "Investing to grow" through establishing a programme of major projects that grow the economy and deliver returns on investment;
- Investing to maintain and improve existing services, including making infrastructure more resilient and the city's transport system more efficient;
- Increasing the use of existing assets rather than spending on new infrastructure;
- Improving asset management practices to better manage risk and timing of asset replacement; and
- Achieving ongoing efficiencies from shared services and improved customer experiences.

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

- Limits rates increases to 3.9% annually, on average, over the next 10 years, and 4.5% annually, on average, for the first 3 years of the LTP; and
- Caps Council debt at a maximum of 175% of annual income.

Detail on the 2015-25 LTP is available at: <http://www.our10yearplan.co.nz/>

2016/17 Annual Plan

Under s95 of the Local Government Act 2002 (LGA), the Council is required to prepare and adopt an Annual Plan for each financial year. It is also now the statutory role of the Mayor to lead the development of the Council's policies and plans, including the Annual Plan¹.

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

Council is required to consult those in the community "who will or may be affected by, or have an interest in" the Annual Plan before the Plan is adopted, if the proposed Plan includes "significant or material differences from the content of the LTP for the financial year to which the proposed annual plan relates". This Consultation Document highlights the 6 key proposals for change we want to bring to your attention and to get your feedback. These issues have been identified as either significant and/or material in nature and are different from what was proposed in the 2015-25 LTP.

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

Consultation proposals

In the following pages the proposed changes to the activities and budgets of the 2015-25 LTP that we are seeking your feedback on are summarised along with the reasons why it is proposed and an overview of the impact of these issues on rates, debt and/or levels of service.

In some cases, the Council have indicated the option they currently prefer, whereas in others there is only a single option proposed. In any case, key questions on the proposal are identified to help guide your feedback.

We are putting forward the following 6 proposals:

<i>Proposal</i>	<i>Why we are consulting</i>
Urban Development Agency	Creating a new Council-Controlled organisation (CCO) with land development powers that was not identified in LTP
Climate Change Action Plan and resilience	Proposing a new programme of work with ongoing costs and operational changes for WCC not contained in LTP
Food Act fee changes	Changing fee structures from that outlined in LTP
Zealandia Governance changes	Creating a new Council-Controlled organisation (CCO) not identified in LTP
Kilbirnie Business Improvement District	Setting a new targeted rate not identified in LTP
New Initiatives	Proposing to fund a set of new initiatives not previously identified in the LTP

Proposal 1: Urban Development Agency (UDA)

Proposal

It is proposed that Wellington City Council undertake work to establish an Urban Development Agency as a Council-Controlled Organisation (CCO) during 2016/17.

This CCO would purchase, dispose and assemble land to create viable development parcels, prepare design briefs and masterplans, enter into agreements with developers, co-ordinate to bring Council mandate and investment into alignment with private sector actions, and actively advocate for development in the city. The proposed UDA would have a broader mandate than existing Council business units and would not be confined only to the waterfront or dealing with Council owned land. The UDA would have the powers/authority to actively transact in the Wellington property market.

It is proposed that the UDA would operate on a commercial basis with an overall objective of becoming self-funding, agile and independent, while still operating within Council's risk parameters. It would have an independent board with relevant skills and ready access to technical advice. Regular reporting and reviews every three years as part of the LTP process will ensure accountability to Council.

Eight principles to cover the establishment of the UDA have been agreed by Council:

- Supports Council's urban growth and economic development policies
- Has clear terms of reference and is accountable to Council
- Bridges the gaps to the market and no more
- Operates commercially and at arms' length from Council
- Becomes self-funding
- Is agile and can scale its activities up and down quickly
- Board is independent of local property interests
- Operates within risk parameters set by Council

Should this proposal get the 'green light' the UDA would commence operations on 1 July 2017. This would require establishment work for the UDA to be undertaken during 2016/17 and Council will develop a full business case for public consultation during the 2017/18 Annual Plan process.

Rationale

The Wellington Urban Growth Plan adopted by Council in June 2015 identifies a range of urban development outcomes the Council is pursuing over the next 10 years. To achieve these outcomes it is considered that an 'outward facing' land development function that can effectively engage and transact with the private sector is needed. Opportunities to partner in land swaps and development projects, and take on other commercial land development activities require a commercially minded Board and staff, as well as an ability to operate with commercial focus/discipline. There is also scope for the UDA to deliver major Council-led land development activities and more actively manage Council's land portfolio.

Having a commercially-focused UDA operate as a CCO is considered a better option than retaining these functions in Council (as part of City Shaper). Having a land development CCO

would also ring fence Council's financial risks by limiting the financial liabilities of land development activity to a specific entity, as well making it easier to for the UDA to become self-funding.

Impact

It is proposed to establish a temporary in-house UDA during 2016/17 to undertake the necessary policy and planning activities within Council and develop the business case for public consultation. This activity would be funded from existing budgets.

2017/18 would be the first year of operation for the UDA, and it is currently thought that around \$1.5 million would be needed per annum to fund the operations of the UDA until it became self-funding. In addition, the UDA will need seed capital or an asset transfer from Council to enable it to trade land and undertake land development projects. Further work is needed on the best way forward and this will be included in the business case for public consultation.

Supporting information

For more details on the Wellington Urban Growth Plan see:

<http://wellington.govt.nz/~media/have-your-say/public-input/files/consultations/2014/09-wellington-uban-growth-plan/draft-wugp-2014-2043.pdf>

For more details on the background to the establishment of the UDA see:

Reference to what is on the website

Consultation questions

Do you support the establishment of a stand-alone Urban Development Authority consisting of functions transferred from Wellington City Council?

Council has agreed 8 principles to guide the establishment of the UDA. Do you agreed with these?

Text box - CCOs

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

***Council organisations** are any organisation in which one or council owns or controls any portion of the voting rights, or has the right to appoint one or more of the directors, trustees etc.*

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

- Achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent.*
- Be a good employer.*

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

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

Proposal 2: Climate Change Action Plan

Proposal

The Council's draft Climate Change Action Plan 2016-18 contains a range of initiatives aimed at making Wellington the 'Low Carbon Capital'. It focuses on three pillars which will offer us the most value in terms of immediate climate change action, as well as building a foundation that supports our low carbon aspirations.

Pillar 1: Greening Wellington's Growth

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

- Explore phasing out the minimum parking requirement - where it makes sense - starting in parts of the city where car ownership is already at CBD levels
- Continue to run the Smart Energy Challenge
- Incentivise sustainable building solutions such as recycling, electric vehicle infrastructure and green roofs
- Investigate and implement a regional solution to sewage sludge
- Continue Home Energy Saver and Warm Up Wellington, as well as investigating how we can broaden these programs.
- Expand the Smart Buildings Challenge
- Continue towards our goal of planting 2 million trees by 2020.

Pillar 2: Changing the way we move

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

- Allocate 100 car parks, based on demand, for car sharing or electric vehicle charging stations, including CBD and non-CBD locations
- Participate in regional partnerships to support electric charging deployment
- Support car sharing in all of its forms
- Investigate bike sharing as we complete our cycleway network
- Continue our investment in the cycleway and public transport networks
- Advocate for lower public transport fares
- Advocate for biofuels to replace liquid fossil fuels.

Pillar 3: Leading by example

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

- Invest in energy savings across the business – our energy manager has already identified potential energy savings that amount to as much as 15% of our total energy use.
- Continue our CEMARS certification and emissions benchmarking
- Include more electric vehicles in our vehicle fleet
- Implement and run behaviour change efforts for council staff
- Deliver "Love food; Hate waste" with national partners – a programme that when successfully implemented has resulted in a 21% reduction in food waste across the UK.

Building resilience

The Action Plan does not address Climate Change adaptation - it focuses on mitigation: the reducing of carbon emissions. However we believe we need to effectively plan for the coming threats posed by climate change². We therefore intend to engage with communities on building a broadly-supported and effective resilience strategy through our funding from the Rockefeller Foundations 100 Resilient Cities network³ that will address climate adaptation as well as other resilience issues.

Rationale

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

At a recent Climate Change Global conference in Paris conference, cities emerged as key non-state actors, given they are responsible for 70% of overall Greenhouse Gas (GHG) emissions globally. The New Zealand government has committed to an 11% reduction on 1990 levels of GHG emissions, and Wellington City Council has committed to an 80% reduction in our GHG emissions relative to 2001 by 2050.

As a city that emits just 5.32 tCO₂e per person, the lowest in Australasia, Wellington is starting from a good base. The Low Carbon Capital plan will deliver emissions reductions, help shape the future growth of the city, and support the knowledge economy we need to achieve our goals. The Low Carbon Capital plan also builds on our recent work to improve the information about emissions available to city decision-makers.

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

Impacts

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

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

Supporting information

For a copy of the Council's Draft Climate Change Action Plan 2016-18 see:

www.WCC

² Councils have recently been asked to plan for sea level rise of 0.5-0.8 metres by the NZ government.

³ The 100 Resilient Cities network is...

For more details on Wellington City Council's:

- GHG Inventory see: www.wcc
- Emission calculator see: www.wcc
- CEMARS certification see: www.wcc

Note that a specific consultation event focusing on resilience is proposed for Wednesday, xx April at the Arts Centre.

Consultation questions:

Do you support the Wellington City Council's aspiration to be the Low Carbon Capital?

Will the proposed 'Greening Wellington's Growth' activities support the movement to low-carbon lifestyles and improve the liveability of Wellington city? If not, what else could be done?

Will the proposed 'Changing the Way We Move' activities help reduce carbon emissions in Wellington city sufficiently? If not, what else could be done?

Will the emissions reduction activities proposed for Wellington City Council contribute to a meaningful reduction in its emissions? If not, what else could be done?

Proposal 3: Food Act Fee changes

Proposal

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

The new Act also seeks to provide certainty for food businesses in relation to how the requirements of the Act will affect their activities – particularly around the cost recovery aspects.

Under the provision of the Act the model for cost recovery is different than under the previous legislation. Food businesses will be required to pay an annual registration fee and there will be a set fee for both registration and verification activities (like audits of food premises). An additional fee will be charged for all further visits for opening inspections, education and compliance. Thus the frequency of verifications will be a key driver of fees as their cost of is recovered from food businesses.

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

Rationale

As part of its Revenue and Financing Policy the Council has estimated the volumes of food business registrations, verification and compliance visits it will carry out by reviewing data and performance from previous years and linking them to the proposed fee model. Charges reflect an analysis of direct costs such as salary and operational expenditure, as well as indirect costs such as support functions, IT and property cost. Council also aligned the prices per hour with Ministry for Primary Industries, Auckland City Council and Christchurch City Council pricing (based on comparable sized operations with similar direct, indirect and corporate support charges).

It is considered there are 3 options for the recovery of costs associated with Food Act changes.

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

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

Impact

As noted above by adopting a full cost recovery model, there will be no financial impacts for the Council when the new Food Act is fully implemented.

Food businesses will however transition to the new Food Act over a three year period. During this transitional period a portion of businesses will be charged under the Food Act 2014 and the remaining businesses will continue to be charged under the existing fees set pursuant to the Health Act 1956 and the Food Hygiene Regulations 1974. High risk food service businesses with

an alcohol on-license (such as hotels, restaurants, bars and cafes) will be among the first to transition to the new Act.

The new Food Act splits food business into those what will be subject to a Food Control Plan and those that will be part of a National programme. The impact of this is that higher risk businesses that are subject to the requirements of a Food Control Plan will be audited at anything between 3 month and 18 month intervals depending on their performance. Good performers will be audited less frequently than poor performers. Low risk businesses that are subject to national programmes will have an audit frequency of between 3 months and 3 years, depending on their performance. National programme businesses are also only required to register with the council once every 2 years, unlike food control plan businesses who must register on an annual basis.

Supporting information

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

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

A statement of proposal drafted to fulfil Local Government Act 2002 and Food Act 2014 requirements is available on the WCC website at:

Food Act 2014 – Fees: Statement of Proposal

For further information on the new Food Act go to:

<https://www.mpi.govt.nz/food-safety/food-act-2014/>

Consultation questions

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

Proposal 4: Zealandia CCO

Proposal

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

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

The Trust also seeks Council's approval for an amendment to its Trust Deed to allow the Guardians of Zealandia to provide nominations for all future Trust Board members, with Council having the ability to appoint all future Trust Board members. At the moment Wellington City Council has the right to appoint up to two members of the Board and the Guardians three. In addition, another two members can be co-opted by the Trusts Board.

The proposed Trust Deed changes, if approved, would result in the creation of a Council Controlled Organisation (CCO) where Council has overall governance control. Currently the Trust is Council organisation (where Wellington City Council has a minority influence).

It is current proposed that these two transactions (ie building purchase and Trust deed changes) would occur before 1 July 2016 (ie during 2015/16).

Rationale

The Council is the most significant financial stakeholder in Zealandia and it makes an average annual operating grant of \$875,000. The Council is likely to remain committed to this activity for the long term and this is recognised in the 2015-2015 LTP. The current grant reflects the fact that there is no long term future for Zealandia that does not involve an ongoing and material financial commitment to the Trust by Council.

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

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

The Trust Board believes the proposed governance changes this will provide a stronger and more cohesive framework for the future governance of the Trust and the Guardians are willing to approve the Trust Deed changes. The Trust Board also believes that the governance changes will help forge a deeper operating partnership between the Council and the Trust, reflecting the Trust's position as an essential part of the City's natural infrastructure which serves the City's strategic aims.

Impact

In the Council's financial statements to 30 June 2015, the Council's loan to the Trust has a nominal value of \$10.35 million and is recorded in Council's financial statements to 30 June 2015 at a fair value of \$4.68 million. If approved, the building purchase transaction results in a \$10.35 million unbudgeted capital overspend, but does not increase Council's debt funding. The proposal would also result in a non-operating gain to Council of \$6.82m in 2015/16 financial year if conducted prior to 30 June 2016 as proposed as the Visitor Centre s currently valued at \$11.50 million.

The capital renewals costs of the Visitor Centre will be funded by Council and the resultant annual depreciation is estimated to be \$260,000 for 2016/17.

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

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

Supporting information

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

See Text box on CCOs on page xx above

A policy paper on the proposed change is available on the WCC website at

www.....

For further information on Zealandia's current governance and operations go to:

<http://www.visitzealandia.com/karori-sanctuary-trust/>

Consultation questions:

Do you support the Council's intention to incorporate Zealandia as a Council-Controlled organisation? If not, what should happen to the Governance of Zealandia?

Do you support the Council's intention to buy the Zealandia Visitor Centre for \$10.3 Million? If not how should the Trust's balance sheet pressures be addressed?

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

Proposal 5: Kilbirnie Business Improvement District (BID)

Proposal

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

Rationale

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

Kilbirnie Business Network has undertaken a process to determine whether a BID should be established in its area and on 2 October 2015 a poll of businesses gained majority support to establish a BID in Kilbirnie. Under the terms of the BID policy, the Kilbirnie Business Network was grant funded to establish a BID in the Kilbirnie commercial area. The Kilbirnie Business Network undertook interviews and conducted public workshops, from which a business plan has been developed. The plan provides the foundation from which the proposed BID would operate.

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

Impact

This new rate is expected to generate \$80,000 in 2016/17. Liability for this rate will be calculated as a fixed amount of \$500 (excluding GST) per rating unit, plus a rate per dollar of rateable capital value for any capital value over \$1 million per rating unit.

This rate has been incorporated into the Council's Financial and Funding statements and the draft Funding Impact Statements presented as part of the Annual Plan 2016/17 supporting documentation.

Supporting information

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

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

For further information on the Kilbirnie BID see:

<http://kilbirnie.org.nz/>

Consultation questions:

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

Text box – Targeted Rates

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

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

Where any targeted rate is calculated as a fixed amount per rating unit, a council cannot collect more than 30% of its total rates revenue by way of a combination of those targeted rates and the uniform annual general charges (which are fixed charges applied to every rating unit, no matter the value of the property).

Proposal 6: New Initiatives

The 2015-25 LTP Year 2 Work Programme

Introduction

Annual Plans give effect to Long-term Plans in that they identify in detail the activity to be undertaken by Council and identify how expenditure will be funded in any given year. A summary of what is to occur in each of the 3 years of a local government planning cycle is provided in each LTP.

This section outlines what was proposed for year 2 of the 2015-25 LTP – 2016/17. It contains summaries of the following activities and their budgets:

- New capital projects and initiatives
- Operational - business as usual
- Operational projects – improvements

Table 1 – Summary of total expenditure

Activity area	
New capital projects	\$xx.x m
Operational BAU	\$yy.ym
Operational - projects	\$zz.zm
TOTAL	\$ss.sm

New capital projects

A number of new capital projects have been earmarked in the Long-term Plan. These projects will help deliver....

Table 2 – Summary of new capital projects

No.	Project	Cost
1	Adelaide Road redevelopment	\$ 400,000
2	Alex Moore Sports hub	\$ 1,450,000 ⁵
3	Arlington apartments upgrade	\$ 17,460,488
4	Basin Reserve	\$ 3,000,000
5	Cycleway implementation	\$ 10,350,000
6	Dog Exercise Areas	\$ 70,000
7	Earthquake strengthening the Town Hall	\$ 2,500,000
8	Frank Kitts upgrade	\$ 2,000,000
9	Harbour escarpment walkway	\$ 350,000
10	Hockey Stadium Artificial turf	\$ 1,300,000
11	Johnsonville library redevelopment	\$ 6,372,000
12	Lombard Lane redevelopment	\$ 1,500,000
13	North Kumutoto Public Space	\$ 3,000,000
14	Parking Sensors	\$ 400,000
15	Safer Speeds	\$ 1,000,000
16	Urban Activation Fund	\$ 400,000
17	Waters hydraulic modelling	\$ 5,270,005
18	Freyberg Pool renewal	\$ 1,700,000
19	Stormwater upgrades	\$ 3,982,450

1. Adelaide Road redevelopment

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

⁵ Unlikely to happen. The amount budgeted in the LTP was \$1.45 million (contribution) over three years to 2018 (LTP year 3)

Although Wellington has a vibrant Central Business District, parts of the inner city remain underdeveloped. Fragmented ownership and a shortage of capital combine to slow development that could otherwise unlock economic potential and bring social and environmental benefits. Of particular significance is the 'growth spine', linking the 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.

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

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

2. Alex Moore Sports hub

The redevelopment will include a new artificial turf and a community and sports facility building at the park to replace the existing clubrooms. We are completing stage 2 in 2018. It will involve joint funding of a new pavilion and sports centre on Bannister Avenue.

For more information <http://wellington.govt.nz/your-council/projects/johnsonville-projects/alex-moore-park-redevelopment>

3. Arlington apartments upgrade

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

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

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

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

4. Basin Reserve

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

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

The Basin Reserve Trust has developed a master plan to present a 25-year vision for the future of the ground. The key features of the vision are to keep the premiere test status of the ground and to enhance the Basin Reserve as a local recreation space for the community.

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

5. Cycleway implementation

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

Hutt Road cycleway

Wellington's busiest cycle route, and one of its busiest bus corridors, will be made safer and more efficient with a new cycleway and transport improvements planned for the Hutt Road between Ngauranga and the central city. Work is scheduled to start this year and will be completed in 2018. We have plans to build a new high-quality cycle path/footpath to make this route safer for pedestrians, cyclists and motorists. Two-thirds of the indicative \$9 million cost will be paid by the Government through the new Urban Cycleways Fund and the National Land Transport Fund. The Council's budgeted share is \$3.12 million.

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

6. Dog Exercise Areas

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

These areas make it possible to have dogs off their leash to run free and keep them and the public safe. The parks earmarked for this upgrade are:

- Ian Galloway Park
- Sinclair Park (part of)
- Taylor Park

7. Earthquake strengthening Town Hall

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

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

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

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

8. Frank Kitts upgrade

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

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

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

The redeveloped park is due for completion in 2008 and will cost \$5.5 million over the next two years. The redevelopment will create a more diverse and attractive harbour-front space, suitable for a range of uses including events, walking, relaxing and play.

9. Harbour escarpment walkway

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

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

10. Hockey Stadium Artificial turf

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

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

11. Johnsonville library redevelopment

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

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

12. Lombard Lane redevelopment

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

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

13. North Kumutoto Public Space

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

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

- Undertake wind effect investigation, so it can inform planning and location of shelter for public open space users.
- Undertake shade diagrams, so these can inform planning and location of shade for public open space users.
- Continue to seek input from Iwi and the Council's Accessibility Advisory Group.
- Ensure that the Creative Business Hub feature is retained as the building design is developed.

- Ensure that issues of vehicle and pedestrian movement, lighting and safety are addressed.

14. Parking Sensors

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

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

“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.

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

- When? On-going
- How much? \$1.5 million (over 10 years)
- Saving? \$8.7 million (over 10 years)

15. Safer Speeds

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

What we proposed and why

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

16. Urban Activation Fund

The Urban Activation Fund will see pop-up events make use of the existing open spaces around the city. **What is planned?**

17. Waters hydraulic modelling

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

The hydraulic modelling projects will address this over the next three years; planning controls will also play an important and increasing role in reducing flood risk. There are some known problem areas and we propose progressive improvement in these areas whilst still advancing our understanding of city wide issues.

18. Freyberg Pool renewal

The Freyberg Pool will be undergoing its five year maintenance closure. **More to come.**

19. Stormwater upgrades

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

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

We have an established programme of stormwater modelling.

Operational projects - business as usual

Table 3 - Operational projects - business as usual

No.	Project	Cost
1	Biodiversity Action Plan	\$ 197,000
2	Building Heritage Incentive Fund	\$ 1,250,000
3	Bus priority planning	\$ 700,000
4	CEMARS membership	\$ 30,000
5	Cycleway planning	\$ 850,000
6	Digitisation of information	\$ 345,000
7	Economic Development Fund	\$ 3,000,000
8	Graffiti removal	\$ 80,000
9	NZ Festival	\$ 1,450,000
10	School pools funding	\$ 250,000
11	Smart energy	\$ 150,000
12	Pukeahu National War Memorial Park	\$ 300,000

1. Biodiversity Action Plan

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

The Biodiversity Strategy and Action plan aims to:

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

Learn more about our Biodiversity Strategy & Action Plan

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

2. Building Heritage Incentive Fund

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

15% of the fund is reserved for conservation-specific work, while 85% is intended for work related to earthquake strengthening. Earthquake strengthening work can be:

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

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

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

3. Bus priority planning

We will continue to work with our partners to implement the Wellington Regional Transport Plan.

The Wellington Regional Transport Plan includes introducing a high-frequency, low-emission bus service on key routes that link the central city to the Basin Reserve, Newtown, and Kilbirnie. This work will deliver safer, healthier, and more environmentally friendly transport options. It will also reduce congestion and travel times.

- When? On-going
- How much? \$10 million (over 10 years on key routes such as Kent and Cambridge terraces and Adelaide Road.)

4. CEMARS membership

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

5. Cycleway planning

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

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

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

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

- When? On-going
- How much? \$45 million (over 10 years)

6. Digitisation of information

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

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

7. Economic Development Fund

This fund supports initiatives that will contribute to Wellington's economic growth. The objective of the fund is to support projects, partnerships and programmes that contribute to the economic growth of the city. Specifically they will:

- create and/or retain jobs
- increase the rating base
- support economic growth in key target sectors
- positively contribute to the Wellington's GDP and global reputation as a good place to do business.

\$3 million is available annually and is focussed on Events, Initiatives and Partnerships.

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

8. Graffiti removal

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

We will increase our graffiti-removal budget by a further \$180,000.

9. 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. We have increased our grant to the festival by \$500,000 to secure 'off-year' events or shows in the city. This complements the New Zealand Festival's own success at raising the majority of its funding from ticket sales and other sources.

10. School pools funding

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

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

11. Smart energy

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

- Reduction in energy use
- Increase in renewable energy
- Increase in alternatives to fossil fuels.

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

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

12. Pukeahu National War Memorial Park

This project was a key part of New Zealand's commemoration of the centenary of the First World War.

The new park and Arras Tunnel - which are fantastic additions to the city - were largely funded by the Government. The Council supported the project and worked in partnership with the Ministry of Culture and Heritage and the New Zealand Transport Agency throughout their development.

The park has significantly improved the setting around the war memorial and provides space for the increasing number of people attending major ceremonial occasions such as Anzac Day every year. Year-round, it provides another great park and public space for everyone to enjoy as well as good walking and cycling connections.

With assistance from the Government, we will maintain and look after the park from now on.

Operational projects – improvements

Table 4 - Operational projects – improvements

No.	Project	Cost
1	Cable car	\$ 1,000,000
2	Circa Theatre	\$ 100,000
3	Community Halls	\$ 100,000
4	Cultural grant funding	\$ 969,227
5	Enviroschools	\$ 45,000
6	Free CBD Wifi	\$ 100,000
7	Hataitai Park renewal	\$ 295,000
8	Iwi support	\$ 35,000
9	Playground upgrades	\$ -
10	Social and Recreation Grant	\$ 3,323,405
11	Te Mahana programme	\$ 50,000
12	Walkway upgrades	\$ 600,000
13	Zealandia	\$ 1,500,000
14	Electronic voting trial	\$ 100,000

1. Cable car

Replacing the drive mechanism for the cable car.

2. Circa Theatre

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

3. Community Halls

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

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

4. Cultural grant funding

In coming years, the Council will continue to encourage and celebrate diversity, by supporting arts and cultural events and small arts organisations ranging from Tawata, Randell, Orpheus, Matariki and Diwali to WOW and the New Zealand Festival.

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

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

5. Enviroschools

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

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

6. Free CBD Wifi

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

7. Hataitai Park renewal

Resurfacing of the pitch. **More to come.**

8. Iwi support

What is proposed?

9. Playground upgrades

We are undertaking the renewal of playgrounds at:

- Lyall Bay Pde play area
- Alexandra Road play area in Hataitai
- Allington Rd Play Area – in Karori
- Redwood/Brasenose Reserve play area in Tawa

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

10. Social and Recreation Grant

This fund aims to foster strong, sustainable communities and support building capacity in the community. Applications for any project meeting the criteria will be accepted; however the priority for the March 2016 round will be for classes teaching English as a second language (ESOL). <http://wellington.govt.nz/services/community-and-culture/funding/council-funds/social-and-recreation-fund>

11. Te Mahana programme

Te Mahana is a community driven strategy focussed on ending homelessness in Wellington and will continue to work strategically on the further development of partnership approaches to ending homelessness.

We are establishing a strategic partnership group to be chaired by the Mayor the group. This group will focus on an interagency approach to ensure services are aligned and resources are shared.

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

12. Walkway upgrades

What is proposed?

13. Zealandia

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

14. Electronic voting trial

During the local authority elections in September and October this year the Council hopes to participate in an online voting pilot along with other councils. Cabinet will decide whether it will proceed and the Council and its providers must meet a number of requirements regarding risk management, the security of the system and ensure that voters understand and have confidence in the system. If the pilot is approved, the Council will make a final decision later in the year.

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

Engagement and Consultation process

“Tell us your ideas”

A pre-engagement process was undertaken prior to the development and publication of this Consultation Document. This gave Wellingtonians the opportunity to share their ideas. For Councillors it was valuable feedback on the issues that matter to local people and different community groups.

In January 2016, through our website, Council publications, social media, and working with our community advisory groups we asked people to “tell us your ideas”. People were asked for ideas related to the objectives of the Long-term Plan 2015/25 - how to grow Wellington’s economy, be a smart resilient city, and make better use of infrastructure like parks, roads and libraries.

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

Annual Report 2016/17 Consultation Document

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

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

A programme of engagement, planned in conjunction with the Council’s advisory groups, will be publicised through media channels: Council publications, social media, and will be available on our website.

Because a greater number of people are choosing to engage with Council through social media we will have a continuous conversation approach on our Facebook and Twitter accounts, and our other channels. Our face to face events will use a mix of techniques encourage participation and conversation. This includes round table discussions, virtual elements, panel Q&A sessions and guest speakers.

People who make a submission on the Consultation Document will be able to speak at one of two oral hearings on 9 May and 13 May 2016. The Annual Plan 2016/17 will be adopted by council on 29 June 2016.

Next steps – Engagement and Consultation process

Participate and come and hear about the issues in this CD and the objectives of the 2015/25 LTP. It will also be an opportunity to network and discuss issues relevant for future annual plans and the upcoming 2018/28 LTP.

Submission Form

We want to hear from you

How

When

Where

Can use this form and send it in to us.

Go online and input directly

Send in a written submission to

Consultation Questions

Urban Development Agency

Do you support the establishment of a stand-alone Urban Development Authority consisting of functions transferred from Wellington City Council?

Climate Change

Do you support the Wellington City Council's objective of a low carbon capital?

Will the proposed *Greening Wellington's Growth* activities support the movement low-carbon lifestyles and improve the liveability of Wellington city? If not, what else could be done?

Will the proposed *Changing the way we move* activities effectively reduce carbon emissions in Wellington city? If not, what else could be done?

Will the emissions reduction activities proposed for Wellington City Council contribute to a meaningful reduction in emissions? If not, what else could be done?

Wastewater service pipes (laterals)

Assuming control/ownership of laterals represents a transfer of potential future liabilities from private landowners to all Council fee payers and ratepayers. Is this something Wellington City Council should do?

Wellington City Council is proposing a staged approach to the laterals issue over a numbers of years. Is this the best way to transition to the new regime? What other options are there?

Food Act fee changes

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

Zealandia Governance

Do you support the Council's intention to incorporate Zealandia as a Council-Controlled organisation? If not, what should happen to the Governance of Zealandia?

Kilbirnie BID

Do you support the use of a targeted rate for the Kilbirnie Business Network to be able to fund the establishment of their Business Improvement District? If not, how should the BID be funded?

Supporting documentation link

The second engagement and consultation tool during this Annual Plan process is our **XXX** website which offered individuals the opportunity to quickly and effectively scroll down through the relevant documents, focussing only on those they had a special interest in. **Each key issue has a dedicated page – instantly accessible - with more detailed facts and figures, interactive and engaging graphics and statistics and additional supporting information on the issue at hand.**

Annual Plan supporting documents will include the following:

1. Introduction (our plan) and *Draft Statements of Service Provision*
 2. *Draft Funding Impact Statement*
 3. *Draft Funding Impact Statement - Rates Mechanism*
 4. *Prospective Financial Statement*
 5. *Draft Summary of Significant Accounting Policies*
 6. *Draft Financial Prudence***
 7. *Draft Fees and User Charges*
 8. *Draft Projects and Programmes or Planned Capital projects – Y2*
 9. *Draft CCOs statements*
 10. Glossary
 11. Convention Centre and Film Museum LTP Amendment – reference
 12. Urban Development Agency
- ** *Draft Revenue and Financing Policy***** - Referenced in LTP amendment and online

Appendix 1

New Food Act Fees

PROPOSED FEE SCHEDULE

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

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

Wellington City Council

Annual Plan 2016/17
**STATEMENTS OF
SERVICE
PROVISION**
cairnc2m

Item 2.11 Attachment 2

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Statements of Service Provision

Our goals

We've set in place clear goals

The Council has set in place an overarching long term strategic vision for the city *Wellington Towards 2040: Smart Capital*. It aims to grow and sustain the city as 'an inclusive place where talent wants to live'.

The strategic vision is supported by four community outcomes or long term goals:

Connected city: With improved physical and virtual connections, we can unleash the potential of Wellington's people and businesses. Technology reduces the city's physical distance from the world and markets, and the city's compactness allows for relationships to form with ease.

People-centred city: Cities compete more for people – in particular, for the highly skilled, educated people who already make up a large proportion of Wellington's population. It will become increasingly important to draw on these strengths, to ensure the city is open, welcoming, vibrant and embraces diversity.

Eco-city: We can build on current environmental strengths to transition to a low carbon future. As an eco-city Wellington will achieve high standards of environmental performance, coupled with outstanding quality of life and an economy increasingly based on smart innovation.

Dynamic central city: By fostering the central city as a hub of creative enterprise, we can lead the region to the next level in economic transformation. With universities, research organisations and creative businesses all clustered in or near the central city, Wellington can grow, taking the wider region to the next step in prosperity and quality jobs.

These outcomes guide our activities.

1. Governance - Pārongo Ā-Tāone

Governance is about democratic local decision-making on behalf of the people of Wellington. Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views, making decisions in the best interests of the city and its people, and managing partnerships with mana whenua and other groups.

This work is essential for local democracy and for the quality of Council decision-making. Residents have a fundamental right to influence the makeup of the Council through elections, and to be informed about, and influence, Council decision-making. Public input and involvement improves the quality of decision-making by ensuring that all points of view and all relevant information are considered.

Our partnerships with mana whenua recognise their special place in the city's history and special relationships with its land, waterways and other parts of its environment.

KEY PROJECTS

Giving effect to the 2015/25 Long-term Plan

It's the Council's job to enable democratic local decision-making and meet the current and future needs of our communities for local infrastructure, public services and regulatory functions in the most cost-effective way.

Delivering value for money

It's the Council's job to enable democratic local decision-making and meet the current and future needs of our communities for local infrastructure, public services and regulatory functions in the most cost-effective way.

E-voting trial

During the local authority elections in September and October this year the Council hopes to participate in an online voting pilot along with other councils. Cabinet will decide whether it will proceed and the Council and its providers must meet a number of requirements regarding risk management, the security of the system and ensure that voters understand and have confidence in the system. If the pilot is approved, the Council will make a final decision later in the year. Online voting will have benefits including, making voting faster and easier, making it easier to vote for people who are overseas, encourage youth to vote and participate and will hopefully assist in lowering the number of errors on papers or invalid votes.

Local elections

The local authority elections are held every three years throughout New Zealand and this year Election day is Saturday 8 October. Elections will be held for the Mayor, 14 Councillors (who are elected from 5 wards) and Community Board members for the Tawa and Makara-Ohariu Community Boards.

Nominations from members of the public who are interested in standing will be open from 15 July and close at 12 noon on Friday 12 August. To be eligible to stand a candidate must be a New Zealand citizen and enrolled on the electoral roll.

Voting documents will be posted out to all electors who are enrolled from 16 September. The voting period is approximately 3 weeks. Voters fill out the form and post the voting document back by 12pm (noon) on Saturday 8 October.

Wellington uses the Single Transferrable Vote (STV) voting system where voters rank their preferred candidates with a number - (1) (2) etc. Candidates are elected by reaching the 'quota' the number of votes required to be elected. Wellington has used this system since 2002.

A progress result is generally expected by late afternoon on Saturday 8 October

Digitisation of information

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

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

STATEMENT ON MAORI AND MANA WHENUA

Our Treaty obligations

The Wellington City Council is involved in numerous activities that provide a platform for engagement with local iwi and the wider Māori community. We are also subject to a wide range of legal obligations and Te Tiriti o Waitangi considerations, including Memoranda of Understanding with local iwi mana whenua entities – Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira Incorporated.

Mana whenua partnerships and iwi support

The legal obligations may be the foundations for organisational policy and delivery but on their own they don't adequately emphasise the importance of Te Tiriti, the partnership with Māori and the critical value that this unique relationship can bring to the city both domestically and internationally.

As such, we will work to ensure the past, present and future role of Māori in our city will be valued and reflected in all aspects of our work, including urban design, economic development, resource management, social wellbeing, arts, culture and recreation

GOVERNANCE –GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
1.1 Governance, information and engagement 1.1.1 City governance and engagement 1.1.2 Civic information 1.1.3 City Archives	Facilitating democratic decision-making Providing open access to information	<ul style="list-style-type: none"> Providing advice, research and administrative support to elected members and community boards Hosting local body elections A call centre and website providing 24/7 access to information and a place to log service faults Management of archival information in line with legislation Provision of public access services to our archive collection, including the Building Consent Search Service Facilitating engagement on key issues and input form advisory groups Accountability planning and reporting 	There are no significant negative effects from these activities
1.2 Māori and mana whenua partnerships 1.2.1 Māori and mana whenua partnerships	Partnership and recognition of the special place of mana whenua	<ul style="list-style-type: none"> Maintaining formal relationships with two mana whenua partners. Facilitating opportunities to contribute to local decision making 	There are no significant negative effects from these activities

GOVERNANCE- PERFORMANCE MEASURES

GOVERNANCE	
Objectives	Democratic decision-making Open access to information Recognition of Māori
Outcome Indicators	Residents (%) who agree that decisions are made in the best interests of the city Residents (%) who state that they understand how the Council makes decisions Residents (%) who understand how they can have input into Council decision-making Mana whenua partners agree that the use and protection of the city's resources for the future is appropriate Residents (%) who believe they have the opportunity to participate in city life Voter turnout in local elections, referendums and polls

1.1 Governance, Information and Engagement				
1.1.1 City governance and engagement 1.1.2 Civic information 1.1.3 City Archives				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of the public's involvement in Council decision-making	Residents (%) satisfaction with the level of consultation (i.e. The right amount)	55%	55%	55%
	Residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	75%	75%	75%
To measure the quality and timeliness of residents' access to information	Council and committee agendas (%) are made available to the public within statutory timeframes (2 working days prior to the meeting)	100%	100%	100%
	Council and committee agendas (5) that are made available to <i>elected members</i> 5 days prior to the meeting	80%	80%	80%
	Residents (%) who agree that Council information is easy to access (i.e. From web centre, libraries, newspapers, etc)	55%	60%	<i>Increasing trend</i>
	Residents (%) who agree that Council website is easy to navigate and get information from	70%	75%	75%
	Contact Centre response times - calls (%) answered within 30 seconds	80%	80%	80%
	Contact Centre response times - emails (%) responded to within 24 hours	100%	100%	100%
1.2 Maori and Mana Whenua Partnerships				
1.2.1 Māori and mana whenua partnerships				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the health of our relationship with mana whenua	Mana whenua partner satisfaction with Council relationship (satisfied and very satisfied)	Satisfied	Satisfied	Satisfied
To measure the engagement of the city's Maori residents	Maori residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	75%	75%	75%

GOVERNANCE –ACTIVITY BUDGET

1.1 GOVERNANCE , INFORMATION AND ENGAGEMENT	2015/25 LTP YEAR 1 2015/16 GROSS EXPENDITURE	2015/25 LTP YEAR 2 2016/17 GROSS EXPENDITURE	2015-25 LTP ANNUAL PLAN 2016/17 GROSS EXPENDITURE	2015-25 LTP YEAR 3 2017/18 GROSS EXPENDITURE	2015-25 LTP 10-YEAR TOTAL GROSS EXPENDITURE
OPERATING EXPENDITURE					

2. Environment – Taiao

The Council is responsible for vital services such as water supply, waste reduction and disposal, and wastewater and stormwater services. We fund conservation attractions such as Zealandia and Wellington Zoo, manage open spaces such as the Town Belt and Outer Green Belt and the city's beaches and coastline.

We fund these services because they are critical to the lives of individual Wellingtonians and to the community as a whole. They ensure that the city is safe and liveable, and that basic human needs are met. They minimise harmful effects from human activity. They also provide recreation opportunities, attract visitors, and make the city a beautiful place to live.

KEY PROJECTS

CEMARS membership

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

Smart energy

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

- Reduction in energy use
- Increase in renewable energy
- Increase in alternatives to fossil fuels.

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

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

Enviroschools

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

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

Our Natural Capital

Biodiversity Action Plan

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

The Biodiversity Strategy and Action plan aims to:

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

This is an ongoing project with a budget of \$3.7 million (\$3.2 million operational and \$457,000 capital expenditure over the next 10 years)

Hataitai Park renewal

We will be resurfacing the pitch

Walkway upgrades

We deliver on-going renewals and upgrades of programme of trails as per the Open Spaces Access Implementation Plan and Our Capital Spaces. The purpose of the renewals and upgrade programme is to:

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

Harbour escarpment walkway

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

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

Zealandia

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

Wastewater Laterals

Wastewater laterals are pipes that connect the plumbing in homes and businesses to public sewer mains. Private property owners in Wellington are responsible for the repair and renewal of wastewater laterals all the way to the connection with the public sewer main, including any parts under road reserve (mainly roads and verges).

The Council proposes to take responsibility for wastewater laterals where they are in road reserve, mainly due to the cost and complexity of working in the road reserve for private property owners, and to achieve network management efficiencies. The proposal will cost some \$1 million per year and represents a shifting of costs from a user pays basis (for repairs and renewal of wastewater laterals in the road reserve), to repairs and renewal being funded by all ratepayers. Property owners will still be liable for wastewater laterals within private property boundaries.

This proposal will reflect:

- a staged approach – possibly over several years (for example, responsibility/more reimbursement, some limited renewal work, if approach decided - progress to ownership).
- a potential spike in first few years re: deferred maintenance

Next steps

Council will investigate this issue over the next year to fully understand the implications of either funding, or assuming ownership and the contingent liabilities that come with this proposal.

Hydraulic modelling

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

The hydraulic modelling projects will address this over the next three years; planning controls will also play an important and increasing role in reducing flood risk. There are some known problem areas and we propose progressive improvement in these areas whilst still advancing our understanding of city-wide issues.

Stormwater upgrades

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

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

ENVIRONMENT – GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
<p>2.1 Parks, gardens, beaches and green open spaces</p> <p>2.1.1 Local parks and open spaces</p> <p>2.1.2 Botanical gardens</p> <p>2.1.3 Roads open spaces</p> <p>2.1.4 Town belts</p> <p>2.1.5 Community environmental initiatives</p> <p>2.1.6 Walkways</p> <p>2.1.7 Biodiversity</p>	<p>Provide access to green open spaces</p> <p>Provide the public places to congregate and connect with the natural environment</p> <p>Provide access to recreational opportunities</p> <p>Enhance, protect and restore biodiversity</p> <p>Act as guardians or Kaitiaki for the natural environment</p> <p>Improve community health and wellbeing</p> <p>Maintain city pride and sense of place</p> <p>Contribute to economic growth and city resilience</p>	<p>Manage and maintain:</p> <ul style="list-style-type: none"> 4,000ha of parks, reserves and beaches 4 botanic gardens of national significance 200 buildings for community use 340km of walking and mountain bike tracks over 200,000 square metres of amenity bedding and horticultural areas operate and maintain beaches, boat ramps, wharves, seawalls and slipways Work in partnership with mana whenua, volunteer and friends groups Deliver a significant annual programme of pest weeds and animal control Operate a nursery that provides eco-sourced plants for a city-wide restoration programme 	<p>In our management of the city's green open spaces, we seek to balance recreation needs against environmental protection. While recreational use can have negative effects on the immediate environment, in most cases these are not significant and can be appropriately mitigated and managed</p> <p>The impact of climate change and sea-level rise will continue to require us to have an adaptive response to ensure future resilience</p> <p>Working in partnership with the community will ensure we continue to enhance Wellington's natural capital and build peoples' connection with nature</p>
<p>2.2 Waste reduction and energy conservation</p> <p>2.2.1 Waste minimisation, disposal and recycling</p> <p>2.2.2 Management</p> <p>Closed landfills aftercare</p> <p>2.2.3 Energy efficiency and conservation</p>	<p>Minimise and manage waste</p>	<p>Manage and monitor</p> <ul style="list-style-type: none"> landfill operations / composting waste at the Southern Landfill domestic recycling and rubbish collection the environmental impacts of closed landfills programmes to educate residents to manage and minimise waste effectively programmes and services to help residents and businesses monitor and reduce their energy use and make their homes and workplaces more energy efficient Council energy consumption and energy efficiency 	<p>Waste management has the potential to create leachates and gases. The construction and management of the southern landfill is designed to minimise the impact of these</p> <p>The service is subject to resource consent conditions and is monitored</p> <p>We do not anticipate any significant negative effects associated with our provision of energy efficiency and conservation services</p>
<p>2.3 Water</p> <p>2.3.1 Water network</p>	<p>Security of supply of potable water</p>	<ul style="list-style-type: none"> Ensure high quality water is available at all times for drinking and other household and business uses. Maintain 80 reservoirs, 34 pumping stations, 8,000 hydrants and 1,250km of pipes 	<p>We do not anticipate any significant negative effects associated with our provision of these services</p>
<p>2.4 Wastewater</p>	<p>Clean waterways are essential</p>	<p>Provide and monitor:</p>	<p>The wastewater network aims</p>

2.4.1 Sewage collection and disposal 2.4.2 Sewage treatment	for public health and to the city's environment	<ul style="list-style-type: none"> The city's sewage collection, treatment and disposal in line with resource consent conditions. Introduce a real time network monitoring system Monitor the performance of Wellington Water 	to protect public health. The council has made significant investment in the networks, plant and equipment to treat the waste before it is disposed. There is the risk of minor overflows into waterways during storm events. These occurrences are rare and are monitored to reduce public health impacts
2.5 Stormwater 2.5.1 Stormwater management	Keep people and property safe from flooding	<ul style="list-style-type: none"> Maintain, renew and upgrade the stormwater network to protect people and property from flooding Introduce a hydraulic model to provide better understanding of the risks Monitor the performance of Wellington Water 	The stormwater network aims to minimise the impact of flooding on people and property. The network can carry containments, such as oils from roads or run off from developments, into waterways. We educate residents to change behaviours, such as pouring paint down drains, and monitor our waterways
2.6 Conservation Attractions	Inform and educate on the importance of conservation and biodiversity Attract visitors Protection of flora and fauna	<ul style="list-style-type: none"> Provide funding and support to the Wellington Zoo Trust and monitor performance Provide funding and support to the Karori Sanctuary Trust (Zealandia) and monitor performance Resource consent provision has been made in the budget for the Ocean Exploration Centre on the south coast 	We do not anticipate any significant negative effects associated with our role in these services

ENVIRONMENT – PERFORMANCE MEASURES

ENVIRONMENT	
Objectives	Security of supply Waste reduction Access to green open spaces Biodiversity
Outcome Indicators	Open space land owned or maintained by WCC - total hectares and sqm per capita Residents' usage of the city's open spaces - local parks and reserves, botanic gardens, beaches and coastal areas, and walkways Residents' perceptions that the natural environment is appropriately managed and protected Hours worked by recognised environmental volunteer groups and botanic garden volunteers Water consumption (commercial and residential combined) Freshwater biological health (macro invertebrates) - Makara, Karori, Kaiwharawhara and Porirua stream Freshwater quality - Makara, Karori, Kaiwharawhara and Porirua streams (note data for Owhiro Stream not available) Energy use per capita Number/sqm of 'green star' buildings/space in the city Total kerbside recycling collected per capita Total waste to the landfill per capita Selected indicators from the City Biodiversity Index (specific indicators to be confirmed)
2.1 Gardens, Beaches and Green Open Spaces	
2.1.1 Local parks and open spaces	
2.1.2 Botanical gardens	
2.1.3 Beaches and coast operations	
2.1.4 Roads open spaces	

2.1.5 Town belts 2.1.6 Community environmental initiatives 2.1.7 Biodiversity (pest management)				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of the open spaces we provide	Residents' satisfaction (%) with the quality and maintenance of green open spaces - local parks, playgrounds and reserves; botanic gardens; beaches and coastal areas; and walkways	90%	90%	90%
	Number of visitors to the Botanic Gardens (including Otari-Wiltons Bush)	1,280,000	1,280,000	1,280,000
To measure the quality of street cleaning services	Residents' satisfaction (%) with the quality of street cleaning	85%	85%	85%
	Street cleaning (%) compliance with quality performance standards	98%	98%	98%
To measure the quality and quantity of work we undertake to protect biodiversity	We will plant 2 million trees by 2020	1,539,927 (77% of 2020 target)	1,690,127 (85% of 2020 target)	2 million by 2020 (100% of target)
	High value biodiversity sites (%) covered by integrated animal pest control or weed control	59%	63%	70% by 2020
	Proportion of grant funds successfully allocated (through milestones being met)	95%	95%	95%
2.2 Waste Reduction and Energy Conservation 2.2.1 Waste minimisation, disposal and recycling management 2.2.2 Closed landfills aftercare 2.2.3 Energy efficiency and conservation				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of waste reduction and recycling services	Residents (%) satisfaction with recycling collection services	85%	85%	85%
	Waste diverted from the landfill (tonnes)	at least 16,500 tonnes of recyclable material	at least 16,500 tonnes of recyclable material	at least 16,500 tonnes of recyclable material
	Residents (%) who regularly use recycling (incl weekly, fortnightly or monthly use)	90%	90%	90%
To measure the quality of our waste disposal services	Residents (%) satisfaction with waste collection services	90%	90%	90%
	Energy sourced from the Southern Landfill (GWh)	8 GWh	8 GWh	8 GWh

To measure the amount (quantity) of the Council's energy consumption and emissions	WCC corporate energy use (incl WCC general, pools and recreation centres, and CCOs)	Decrease in energy use from previous year	Decrease in energy use from previous year	Declining trend
	WCC corporate greenhouse gas emissions	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050	Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050
2.3 Water				
2.3.1 Water network				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of water supplied to residents and the services that ensure security of supply	Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance)	100%	100%	100%
	Maintenance of water supply quality gradings from Ministry of Health	Maintain	Maintain	Maintain
	Customer satisfaction with water supply	90%	90%	90%
	Number of complaints about: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water continuity of supply (e) responsiveness to drinking water complaints per 1000 connections.	n/a	n/a	n/a
	Median response time for:			
	(a) attendance for urgent call outs	60min	60min	60min
	(b) resolution for urgent call outs	4 hours 36 hours	4 hours 36 hours	4 hours 36 hours
	(c) attendance for non-urgent call outs			
	(d) resolution for non-urgent call outs	15 days <14%	15 days <14%	15 days <14%
	Percentage of real water loss from networked reticulation system			
Average drinking water consumption/resident/day	300 litres per day	300 litres per day	300 litres per day	
Number of unplanned supply cuts per 1000 connections	< 4	< 4	< 4	
2.4 Wastewater				
2.4.1 Sewage collection and disposal network				
2.4.2 Sewage treatment				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality and timeliness of the wastewater service	Number of wastewater reticulation incidents per km of reticulation pipeline (blockages) Dry weather wastewater overflows/1000	<=1.2	<=1.2	<=1.2

	connections	0	0	0
	Customer satisfaction with the wastewater service	75%	75%	75%
	Number of complaints about: (a) wastewater odour (b) wastewater system faults (c) wastewater system blockages (d) responsiveness to wastewater system issues per 1000 connections.	n/a	n/a	n/a
	Median response time for wastewater overflows: (a) attendance time (b) resolution time	(a) <= 1 hour (b) <= 6 hours	(a) <= 1 hour (b) <= 6 hours	a) <= 1 hour (b) <= 6 hours
To measure the impact of wastewater on the environment	Breaches of Resource consents for discharges from wastewater system. Number of: - abatement notices - infringement notices - enforcement orders - convictions for discharges from wastewater system	0	0	0
2.5 Stormwater				
2.5.1 Stormwater management				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality and timeliness of the stormwater service	Number of pipeline blockages per km of pipeline	<= 0.5	<= 0.5	<= 0.5
	Customer satisfaction with stormwater management	75%	75%	75%
	Number of complaints about stormwater system performance per 1000 connections	n/a	n/a	n/a
	Median response time to attend a flooding event	<= 60 minutes	<= 60 minutes	<= 60 minutes
To measure the impact of stormwater on the environment	Breaches of Resource consents for discharges from stormwater system. Number of: - abatement notices - infringement notices - enforcement orders - convictions for discharges from stormwater system.	0	0	0
	Number of flooding events	n/a	n/a	n/a
	Number of habitable floors per 1000 connected homes per flooding event	n/a	n/a	n/a
	Percentage of days during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use.	90%	90%	90%
	Percentage of monitored sites that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	90%	90%	90%
2.6 Conservation Attractions				
2.6.1 Conservation visitor attractions				

PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the success of our investments in conservation attractions	Zoo - total admissions	239,407	244,195	Increase 2% each year
	Zealandia - visitors	93,600	93,600	93,600

ENVIRONMENT –ACTIVITY BUDGET

2.1 GARDENS, BEACHES AND GREEN OPEN SPACES	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

2.2 WASTE REDUCTION AND ENERGY CONSERVATION	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

2.3 WATER	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

2.4 WASTEWATER	2015/25 LTP YEAR 1 2015/16 GROSS EXPENDITURE	2015/25 LTP YEAR 2 2016/17 GROSS EXPENDITURE	2015-25 LTP ANNUAL PLAN 2016/17 GROSS EXPENDITURE	2015-25 LTP YEAR 3 2017/18 GROSS EXPENDITURE	2015-25 LTP 10-YEAR TOTAL GROSS EXPENDITURE
OPERATING EXPENDITURE					

2.5 STORMWATER	2015/25 LTP YEAR 1 2015/16 GROSS EXPENDITURE	2015/25 LTP YEAR 2 2016/17 GROSS EXPENDITURE	2015-25 LTP ANNUAL PLAN 2016/17 GROSS EXPENDITURE	2015-25 LTP YEAR 3 2017/18 GROSS EXPENDITURE	2015-25 LTP 10-YEAR TOTAL GROSS EXPENDITURE
OPERATING EXPENDITURE					

2.6 CONSERVATION ATTRACTIONS	2015/25 LTP YEAR 1 2015/16 GROSS EXPENDITURE	2015/25 LTP YEAR 2 2016/17 GROSS EXPENDITURE	2015-25 LTP ANNUAL PLAN 2016/17 GROSS EXPENDITURE	2015-25 LTP YEAR 3 2017/18 GROSS EXPENDITURE	2015-25 LTP 10-YEAR TOTAL GROSS EXPENDITURE
OPERATING EXPENDITURE					

3. Economic Development - Whanaketanga ōhanga

4. Cultural wellbeing - Oranga ahurea

The Council attracts and supports business activity, markets Wellington to tourists from New Zealand and overseas, owns and operates performance venues and conference facilities, promotes business, education and cultural links through sister city relationships, and provides free weekend parking in the Central Business District.

We fund these activities to attract and retain talent, grow the tourism spend and economic returns from events, and increase inward investment and exports.

These activities make Wellington a more vibrant place to live and improve residents' quality of life, prosperity, identity and the opportunities available to them.

The Council funds events and festivals; supports attractions such as Te Papa, the Carter Observatory, and the city's galleries and museums; and supports community art and cultural activities.

The strength of Wellington's creative culture depends on people, the output of artists, writers, musicians, and dancers and on the expressiveness of Wellington's communities.

We fund these activities because they matter to the lives of individual Wellingtonians and to the community as a whole. They contribute to a diverse economy and build on Wellington's reputation as New Zealand's arts and culture capital. They also make the city a more vibrant place to live, help develop healthy and connected communities, and improve residents' quality of life.

KEY PROJECTS

Economic Development Fund

This fund supports initiatives that will contribute to Wellington's economic growth.

The objective of the fund is to support projects, partnerships and programmes that contribute to the economic growth of the city. Specifically they will:

- create and/or retain jobs
- increase the rating base
- support economic growth in key target sectors
- positively contribute to the Wellington's GDP and global reputation as a good place to do business.

3 million is available annually and is focussed on Events, Initiatives and Partnerships.

For more information go to:

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

Free CBD wifi

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

Business Investment Districts – Kilbirnie

Wellington City Council adopted its Business Improvement District policy in March 2013 and had great successes with establishing BIDs in both Miramar and Khandallah. BIDs involve a local business community within a defined geographical area, developing projects and services that support local economic development.

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

Under the auspices of the Kilbirnie Business Network interviews and public workshops were conducted, from which a business plan was developed. The plan provides the foundation from which the proposed BID would operate.

Next steps

With the Voter Return Percentage being 34%, the BID proposal will be considered by the Council, as more than 50% of the returned votes support the proposal as required by the Policy.

A Special General Meeting will be held at which the proposed budget will be ratified and establish a legal entity under which the BID will operate. Also scheduled for the Special General Meeting will be a proposal to pass a resolution to apply to the Council for a targeted rate to fund the BID.

In following the successes achieved with the Miramar and Khandallah BIDs a new targeted rate, raising \$80,000 is being proposed to be included in the Annual Plan 16/17 under the terms of the Business Improvement District Policy to be applied to commercially rated properties in the Kilbirnie Business Improvement District area. This would provide seed funding for the Kilbirnie Business Network to get things going in the area.

Liability for this rate will be calculated as a fixed amount of \$500 (excluding GST) per rating unit, plus a rate per dollar of rateable capital value for any capital value over \$1 million per rating unit. This rate has been incorporated into the Financial and Funding statements and the draft Funding Impact Statements presented as part of the Annual Plan 2016/17 supporting documentation.

Circa Theatre

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

Cultural grant funding

In coming years, the Council will continue to encourage and celebrate diversity, by supporting arts and cultural events and small arts organisations ranging from Tawata, Randell, Orpheus, Matariki and Diwali to WOW and the New Zealand Festival.

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

For more information go to:

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

NZ Festival

The major events team have planned a long list of events for Wellingtonians for this year, one of which is the NZ Festival. This 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. We have increased our grant to the festival by \$500,000 to secure 'off-year' events or shows in the city. This complements the New Zealand Festival's own success at raising the majority of its funding from ticket sales and other sources.

WREDA

The new organisational structure for WREDA was finalised just before Christmas. Work on the 2016/17 Statement of Intent commenced following receipt of the Letter of Expectations.

Pukeahu National War Museum Park

This project was a key part of New Zealand's commemoration of the centenary of the First World War.

The new park and Arras Tunnel - which are fantastic additions to the city - were largely funded by the Government. The Council supported the project and worked in partnership with the Ministry of Culture and Heritage and the New Zealand Transport Agency throughout their development.

The park has significantly improved the setting around the war memorial and provides space for the increasing number of people attending major ceremonial occasions such as Anzac Day every year. Year-round, it provides another great park and public space for everyone to enjoy as well as good walking and cycling connections.

With assistance from the Government, we will maintain and look after the park from now on.

ECONOMIC DEVELOPMENT – GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
3.1 City promotions and business support 3.1.1 WREDA 3.1.2 Major projects - economy	Talent attraction and retention Grow tourism spend and economic returns from events. Grow inward investment and	<ul style="list-style-type: none"> • Promoting Wellington to visitors • Attracting and supporting major events • Offering convention 	We do not anticipate any significant negative effects associated with our role in these services.

3.1.3 WIED fund/Economic Grants 3.1.4 Retail support 3.1.5 International relations	exports. Sustain city vibrancy.	concert venues • Building regional and international relations • Attracting and supporting business activity • Exploring major economic development initiatives such as the: • Runway Extension and airline attraction • Tech Hub • Film Museum • Convention Centre • Indoor Arena	
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ECONOMIC DEVELOPMENT – PREFORMANCE MEASURES

ECONOMIC DEVELOPMENT				
Objectives	Tourism spend Investment attraction / digital exports City vibrancy			
Outcome Indicators	Number of domestic and international visitors (guest nights) Average length of stay - international and domestic Number of major conferences Number of A-level events held in Wellington and their economic contribution New Zealand's top 200 companies based in Wellington Business enterprises - births and growths (net growth in business) Domestic and international airline passengers entering Wellington airport Free wifi usage (logons/day) - waterfront and central city Pedestrian counts - average of various Lambton Quay sites Businesses and employees in research and development sector Secondary (international) and Tertiary (international and domestic) students enrolled per 1,000 residents Events/activities held with international cities (in Wellington and overseas)			
3.1 City Promotions and Business Support				
3.1.1 WREDA 3.1.2 Major projects - economy 3.1.3 WIED fund/Economic Grants 3.1.4 Retail support 3.1.5 International relations				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of our investments in promoting the city	WREDA - Positively Wellington Tourism partnership funding	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income	Maintain council's funding at less than 50% of total income
To measure the usage of WCC supported events	Estimated attendance at WCC supported events	500,000	500,000	500,000
To measure the quality of our investments in economic development	Events Development fund - ratio of direct spend to economic impact	20:1	20:1	20:1
	The proportion of grant funds successfully allocated (through milestones being met)	95%	95%	95%

ECONOMIC DEVELOPMENT – ACTIVITY BUDGET

3.1 CITY PROMOTIONS AND BUSINESS SUPPORT	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

CULTURAL WELLBEING – GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
4.1 Arts and cultural activities 4.1.1 City Galleries and Museums 4.1.2 Visitor attractions (Te Papa/Carter Observatory) 4.1.3 Arts and cultural festivals 4.1.4 Cultural grants 4.1.5 Access and support for community arts 4.1.6 Arts partnerships 4.1.7 Regional amenities fund	The arts contribute to a vibrant CBD and provide opportunities for cultural expression. Build a sense of place and identity. Grow visitation and exposure to creativity and innovation.	<ul style="list-style-type: none"> Funding to Te Papa, Wellington Museum of City & Sea, City Gallery, Capital E, the Cable Car Museum, Carter Observatory and Nairn Street Historic Cottage. Support major events and festivals that generate economic returns Provide fund grants to arts organisations. Manage the Toi Pōneke Arts Centre, the City Art Collection. Te Aro o Nga Tupuna Heritage Trail & Te Motu Kairangi Plan 	We do not anticipate any significant negative effects associated with our role in these services.

CULTURAL WELLBEING – PERFORMANCE MEASURES

CULTURAL WELLBEING	
Objectives	Sense of place and identity Diversity and openness Visitation Exposure to creativity and innovation
Outcome Indicators	Residents frequency of engagement in cultural and arts activities New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts scene' Resident perceptions that Wellington's local identity (sense of place) is appropriately valued and protected Events held at key city venues New Zealanders' and residents' perceptions that "Wellington is the arts capital of New Zealand" New Zealanders' and residents' perceptions that "Wellington is the events capital of New Zealand" Residents' (%) agreement with the statement that "Wellington is an easy place to get involved in the arts" Te Papa visitors - total visitors, overseas visitors and NZ visitors from outside the region

	Customer (%) satisfaction with the NZ Festival Total tickets sold (#) to the NZ Festival and the proportion sold to customers outside the region Total visits to museums and galleries (including Carter Observatory)			
4.1 Arts and Culture Activities				
4.1.1 City Galleries and Museums 4.1.2 Visitor attractions (Te Papa/Carter Observatory) 4.1.3 Arts and cultural festivals 4.1.4 Cultural grants 4.1.5 Access and support for community arts 4.1.6 Arts partnerships 4.1.7 Regional amenities fund				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality and usage of our arts and culture support activities	Attendee satisfaction with Council supported arts and cultural festivals	90%	90%	90%
	User (%) satisfaction with Toi Pōneke facilities and services	90%	90%	90%
	Economic contribution (\$) the NZ Festival makes to the city's economy (direct new spend)	-	40m	40m (every 2 nd year)
	The proportion of grants funds successfully allocated (through milestones being met)	95%	95%	95%
	Proportion of outcomes delivered (previous projects - weighted by \$ value)	90%	90%	90%
	Venues Subsidy - Total number of performers and attendees at supported events	Increase on previous year	Increase on previous year	Increase on previous year
	Cultural grants - % first time applicants who are successful	50%	50%	50%

CULTURAL WELLBEING – ACTIVITY BUDGET

4.1 ARTS AND CULTURE ACTIVITIES	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

5. Social and Recreation - Pāpori me te hākinakina

The Council's social and recreation work includes providing housing for people in need, funding city safety initiatives, regulating and monitoring food and liquor outlets, preparing to deal with earthquakes and other emergencies, providing community and recreation centres and halls, providing public toilets and cemeteries, pools and libraries, supporting community groups and events, providing sport and recreation facilities, neighbourhood playgrounds and dedicated areas for our dogs.

We fund these services because they matter to the lives of individual Wellingtonians and to the community as a whole. They help to protect the most vulnerable people, keep people safe and healthy, and strengthen communities.

They provide opportunities for people to live healthy lifestyles, to reach their potential, and to enjoy themselves.

KEY PROJECTS

Arlington apartments upgrade

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

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

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

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

Alex Moore Sports hub

The redevelopment will include a new artificial turf and a community and sports facility building at the park to replace the existing clubrooms. We are completing stage 2 in 2018. It will involve joint funding of a new pavilion and sports centre on Bannister Avenue.

For more information <http://wellington.govt.nz/your-council/projects/johnsonville-projects/alex-moore-park-redevelopment>

Basin Reserve

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

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

The Basin Reserve Trust has developed a master plan to present a 25-year vision for the future of the ground. The key features of the vision are to keep the premiere test status of the ground and to enhance the Basin Reserve as a local recreation space for the community.

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

Hockey Stadium Artificial turf

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

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

Johnsonville Library

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

Design work for the new library has commenced and we are keen to involve the community in the design process. You can tell us what you our library designs think at: www.newjohnsonvillelibrary.co.nz.

Community Halls

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

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

School pools fund

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

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

Freyberg Pool renewal

The Freyberg Pool will be undergoing its five year maintenance closure.

Playground upgrades

We are undertaking the renewal of playgrounds at:

- Lyall Bay Pde play area
- Alexandra Road play area in Hataitai
- Allington Rd Play Area – in Karori
- Redwood/Brasenose Reserve play-area in Tawa.

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

Social and Recreation Grant

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

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

Te Mahana programme

Te Mahana is a community driven strategy focussed on ending homelessness in Wellington and will continue to work strategically on the further development of partnership approaches to ending homelessness.

We are establishing a strategic partnership group to be chaired by the Mayor the group. This group will focus on an interagency approach to ensure services are aligned and resources are shared.

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

Dog exercise areas

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

These areas make it possible to have dogs off their leash to run free and keep them and the public safe. The parks earmarked for this upgrade are:

- Ian Galloway Park
- Sinclair Park (part of)
- Taylor Park

Graffiti removal

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

We will increase our graffiti-removal budget by a further \$180,000.

SOCIAL AND RECREATION – GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
<p>5.1 Recreation promotion and support</p> <p>5.1.1 Swimming pools</p> <p>5.1.2 Sportsfields</p> <p>5.1.3 Sportsfields (synthetic)</p> <p>5.1.4 Recreation Centres</p> <p>5.1.5 Recreation partnerships</p> <p>5.1.6 Playgrounds</p> <p>5.1.7 Marinas</p> <p>5.1.8 Golf course</p> <p>5.1.9 Recreation programmes</p>	<p>Encouraging active & healthy lifestyles</p> <p>Improving health and wellbeing of our community</p> <p>Enabling participation in sporting & other group activities</p> <p>Building social cohesion and creating a strong inclusive city</p> <p>Increasing participation by providing accessible facilities</p> <p>Contributing to economic growth</p> <p>Contributing to city pride and sense of place</p>	<ul style="list-style-type: none"> Seven swimming pools, including 2 seasonal summer pools for people to learn to swim, exercise, participate in aquatic sports or have fun Dedicated learn-to-swim pools and a city-wide swim school Four multi-purpose recreation centres plus the 12 court ASB Community Sports Centre 44 natural and nine artificial sports turfs, including two in partnership with schools, two hockey turfs, eight croquet lawns, the 18 hole Berhampore Golf Course, Newtown Park athletics track, a velodrome and tennis / netball courts The Evans Bay Marina & Clyde Quay Boat Harbour Funding towards the Basin Reserve Master Plan Upgrade Two fitness centres A wide range of programmes and activities that support a healthy and active community, including holiday programmes, sport tournaments and leagues 	<p>Owning and operating facilities require significant capital investment and ongoing operational costs</p> <p>An appropriate balance between user charges and rates subsidy need to be maintained to ensure facilities remain accessible and well utilised</p> <p>Changing demographics and how people choose to use their discretionary recreation time and dollar require an adaptive response to our levels of service and use of facilities</p> <p>Working collaboratively with the sport and recreation, health and education sectors will ensure we have the capability and capacity to meet future challenges</p>
<p>5.2 Community support</p> <p>5.2.1 Libraries</p> <p>5.2.2 Access support</p> <p>5.2.3 Community advocacy</p> <p>5.2.4 Grants (Social and Recreation)</p> <p>5.2.5 Housing</p> <p>5.2.6 Community centres and halls</p>	<p>Fostering diverse and inclusive communities.</p> <p>Enabling people to connect with information & each other.</p>	<ul style="list-style-type: none"> 12 libraries plus an online branch providing access to a wide array of books, magazines, DVD, e-books and e-audio, online journals, e-music tracks. Community outreach & children's literacy programmes Through our grants and funding mechanisms we continue to strengthen the city's social infrastructure, build resilience and community connection We work with our partners to ensure the city's social infrastructure supports vulnerable people and that there is an effective city-wide welfare and social recovery response for people and animals in an emergency 	<p>We undertake these activities to enhance the quality of life of the city's residents</p> <p>There are minimal negative effects and we work to deliver these programmes and activities through partnerships and use grants to support community ownership of programmes</p>

		<ul style="list-style-type: none"> Housing approximately 4,000 people in 2,200 units We support a city-wide network of 18 community centres and halls providing services, programmes, spaces for hire, childcare and education services 	
<p>5.3 Public health and safety</p> <p>5.3.1 Burials and cremations</p> <p>5.3.2 Public toilets</p> <p>5.3.3 Public health regulations</p> <p>5.3.4 City safety</p> <p>5.3.5 WREMO</p>	<p>Maintaining health standards</p> <p>Activities that make people feel safe</p> <p>Safety (and child friendly)</p>	<ul style="list-style-type: none"> Cemeteries at Karori and Makara with a crematorium at Karori Cemetery 101 public toilets, beach and sportsfields changing rooms/pavilions Regulating food and liquor outlets, animal, trade waste and managing environmental noise issues We manage graffiti through the Graffiti Management Plan which includes a Graffiti Volunteer programme We support Wellington's International Safe City outcomes by strengthening partnerships with community patrols, neighbourhood support groups, the Local Hosts programme and the Police to monitor the CCTV safety cameras 	<p>These activities exist to mitigate and manage significant risks – from natural disasters, personal safety in the city, to unhealthy food preparation practices</p> <p>These activities are necessary to ensure negative effects from other people's activities or from a natural disaster are controlled and managed</p>

SOCIAL AND RECREATION – PERFORMANCE MEASURES

SOCIAL AND RECREATION	
Objectives	<p>Social cohesion</p> <p>Participation in city life</p> <p>Greater use of existing facilities</p> <p>Safety (and child friendly)</p>
Outcome Indicators	<p>Residents' usage of City Council community and recreation facilities</p> <p>Residents' perceptions that Wellington offers a wide range of recreation activities</p> <p>Residents' frequency of physical activity</p> <p>Residents' perceptions that there are barriers to participating in recreation activities</p> <p>Residents' importance of sense of community in local neighbourhood</p> <p>Residents' usage of libraries and frequency of use</p> <p>Residents' engaging in neighbourly actions</p> <p>Housing Services tenants who report positive social contact</p> <p>Residents' perceptions - city and community safety issues of most concern</p> <p>Recorded crime and resolution rates - by categories</p> <p>Number of notifications of the most prevalent food and water-borne diseases</p> <p>Residents' life expectancy</p> <p>Food premises - number of cleaning notices and closures per year</p> <p>Percentage of food premises with an inspection rating of excellent or very good that maintain or improve their inspection rating</p> <p>Number of uses of Leisure Card</p> <p>Dog control - complaints received (% of registered dogs)</p>
<p>5.1 Recreation Promotion and Support</p> <p>5.1.1 Swimming pools</p> <p>5.1.2 Sportsfields</p>	

5.1.3 Sportsfields (synthetic) 5.1.4 Recreation Centres 5.1.5 Recreation partnerships 5.1.6 Playgrounds 5.1.7 Marinas 5.1.8 Golf course 5.1.9 Recreation programmes				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality and usage (quantity) of the recreation facilities we provide	User (%) satisfaction - swimming pools	90%	90%	90%
	User (%) satisfaction - recreation centres and ASB centre	90%	90%	90%
	User (%) satisfaction - sports fields (including artificial sports fields)	85%	85%	85%
	Visits to facilities - swimming pools	1.260m	1.277m	Increasing trend
	Visits to facilities - recreation centres and ASB Centre	1.06m	1.07m	1.08m
	ASB Centre courts utilisation (%)	45%	46%	46%
	Sportsfields - % of scheduled sports games and training that take place	Winter 80%	Winter 80%	Winter 80%
		Summer 90%	Summer 90%	Summer 90%
	Marinas occupancy	96%	96%	96%
	Artificial sports fields % utilisation - peak and off peak (summer and winter)	Peak Winter 80%	Peak Winter 80%	Peak Winter 80%
	Peak Summer 40%	Peak Summer 40%	Peak Summer 40%	
	Off peak winter 25%	Off peak winter 25%	Off peak winter 25%	
	Off peak summer 20%	Off peak summer 20%	Off peak summer 20%	
5.2 Community Support				
5.2.1 Libraries 5.2.2 Access support 5.2.3 Community advocacy 5.2.4 Grants (Social and Recreation) 5.2.5 Housing 5.2.6 Community centres and halls				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality and usage (quantity) of the housing services we provide	Tenant satisfaction (%) with services and facilities	90%	90%	90%
	Tenant rating (%) of the overall condition of their house/apartment (good and very good)	90%	90%	90%
	Tenant (%) sense of safety in their complex at night	75%	75%	75%
	Occupancy rate of available housing facilities	90%	90%	90%

	All tenants (existing and new) housed with policy	98%	98%	98%
To measure the progress of the Housing Upgrade Project	Agreed milestones, design standards and budgets are met in accordance with the agreed works programme and Deed of Grant between the Crown and the Council	To achieve	To achieve	To achieve
To measure the quality and usage (quantity) of our community and recreation support services (including libraries)	Libraries - user (%) satisfaction with services and facilities	90%	90%	90%
	E-library users satisfaction (%) with the online library collection	75%	75%	75%
	Accessible Wellington Action Plan initiatives planned for next year	90%	90%	90%
	The proportion of grants fund successfully allocated (through milestones being met)	95%	95%	95%
	Proportion of outcomes delivered (previous projects) - weighted by \$ value	90%	90%	90%
	Libraries - residents (%) who are registered members	75%	75%	75%
	Libraries - physical visits	2.4m	2.4m	2.4m
	Libraries - website visits	2.5m	2.5m	2.5m
	Library items issued	3m	3m	3m
	Occupancy rates (%) of Wellington City Council Community Centres and Halls	45%	45%	45%

5.3 Public Health and Safety

- 5.3.1 Burials and cremations
- 5.3.2 Public toilets
- 5.3.3 Public health regulations
- 5.3.4 City safety
- 5.3.5 WREMO

PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of our public health and safety services and programmes and our timeliness in responding to service requests	Dog control - urgent requests responded to within one hour and non-urgent within 24 hours	Urgent 100%	Urgent 100%	Urgent 100%
		Non urgent 99%	Non urgent 99%	Non urgent 99%
	WCC public toilets - urgent requests responded to within four hours and non-urgent within three days	Urgent 100%	Urgent 100%	Urgent 100%
		Non urgent 95%	Non urgent 95%	Non urgent 95%
	WCC public toilets (%) that meet required cleanliness and maintenance performance standards	95%	95%	95%
	Percentage of medium, high and very high risk premises that are inspected annually	100%	100%	100%
	Percentage of inspections of medium, high and very high risk premises that are carried out during peak trading hours	25%	25%	25%
Graffiti removal - response timeframes met	80%	80%	80%	

SOCIAL AND RECREATION – ACTIVITY BUDGET

5.1 RECREATION PROMOTION AND SUPPORT	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

5.2 COMMUNITY SUPPORT	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

5.3 PUBLIC HEALTH AND SAFETY	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

6. Urban Development - Tāone Tupu Ora

The Council's urban development work includes urban planning, controlling building activity and land use, assessing risks from earthquake-prone buildings, and developing and enhancing public spaces.

Our work helps to make Wellington a compact, vibrant, attractive city in which it is easy to get from place to place, while reducing adverse effects on the environment. It is crucial for people's health and safety, in the buildings they live and work in, and the public spaces they use. It is vital for the environment because a city with a smaller footprint produces fewer emissions and consumes fewer resources.

The Council's key roles are to provide public spaces and infrastructure, to plan and control development so the city can support a strong economy and a high quality of life in an environment that is both attractive and sustainable.

All of our work involves partnerships with developers and home owners who want to build or extend, with commuters who want to get to and from work or school, with businesses taking goods to market and with everyone who lives, works and plays in the city.

KEY PROJECTS

Adelaide Road redevelopment

This is an urban intensification project. Work will begin on the initial planning stage of redeveloping Adelaide Road. Although Wellington has a vibrant Central Business District, parts of the inner city remain underdeveloped. Fragmented ownership and a shortage of capital combine to slow development that could otherwise unlock economic potential and bring social and environmental benefits. Of particular significance is the 'growth spine', linking the 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.

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

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

Lombard Lane redevelopment

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

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

Frank Kitts upgrade* (Under Waterfront Dev Plan?)

Frank Kitts Park plays an important role in the city as a gathering place and site for waterfront events. The park was completed in the 1980s, with a design aimed at allowing spectators to safely watch the annual waterfront street car race that ran at the time.

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

The redeveloped park is due for completion in 2008 and will cost \$5.5 million over the next two years. The redevelopment will create a more diverse and attractive harbour-front space, suitable for a range of uses including events, walking, relaxing and play.

Urban Activation Fund

The Urban Activation Fund will see pop-up events make use of the existing open spaces around the city.

Building Heritage Incentive Fund

The Council's Built Heritage Incentive Fund helps owners maintain their heritage building. The fund has \$3 million to allocate over three years.

The fund recognises the importance of conserving, restoring, protecting and caring for Wellington's heritage-listed buildings, objects, and buildings in heritage areas as in the Wellington City District Plan Heritage List or Heritage Areas. 15% of the fund is reserved for conservation-specific work, while 85% is intended for work related to earthquake strengthening.

Earthquake strengthening work can be:

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

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

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

City resilience

Wellington has been selected as one of the Rockefeller Foundation-pioneered 100 Resilient Cities. Around 1,000 cities submitted applications to join the programme. Under the 100RC arrangement, Wellington is provided with support to develop a Resilience Strategy, and to commence implementation. The majority of the Strategy development work will occur in the 2016/17 financial year, funded by 100RC. The Strategy has strong linkages to other Council priorities and outcomes, including infrastructure, economic and social policy areas.

100RC will seek a further US\$5m of goods and services over the next five years for Wellington if the City pledges to allocate 10% of budget to funding the city's resilience goals. The 10% can include current projects, as well as new ones, and can be achieved comfortably. The 10% is currently spread over different areas of the budget, we will look to pull this information together in constructing the Resilience Strategy.

Other Councils in the Region are participating in the Strategy, which will focus on 4-6 key themes. These are likely to include areas such as: adaptation to climate change; earthquake resilience; housing issues and vulnerable communities. The themes will be finalised following public engagement through surveys, focus groups and interviews.

Officers will report progress to Councillors at key junctures. It is anticipated that the Strategy will identify programmes of work and projects that will be presented to Council as part of the 2018 LTP deliberations.

Town Hall strengthening

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

As part of confirming the proposed base-isolation system and to manage costs wisely, we commissioned further detailed geo-tech investigations late last year.

Geotechnical engineers advised that the building's proposed foundations will need considerably more strengthening than earlier thought to counteract the impact of liquefaction.

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

To find out more go to:

<http://wellington.govt.nz/your-council/projects/earthquake-strengthening-projects/town-hall-strengthening/about-the-project>

URBAN DEVELOPMENT – GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
<p>6.1 Urban planning, heritage and public spaces development (including Waterfront development)</p> <p>6.1.1 Urban planning and policy development</p> <p>6.1.2 Waterfront development</p> <p>6.1.3 Public spaces and centres development</p> <p>6.1.4 Built heritage development</p>	<p>Smart growth/urban containment</p> <p>Resilience</p> <p>Character protection</p>	<ul style="list-style-type: none"> • Guiding where & how the city grows through the District Plan • Maintaining Wellington’s sense of place & pride by preserving the city’s heritage & developing public spaces including the Waterfront • Key projects include: <ul style="list-style-type: none"> • Frank Kitts Park upgrade • Adelaide Road regeneration • Kent and Cambridge Terraces urban regeneration project 	<p>Population growth and urban development, if not well managed, can have negative effects on a city’s environment and on social well-being. Left unchecked, growth can result in a reduction of open and green spaces with consequences for recreational opportunities, amenity and even some ecosystems.</p> <p>Development in the wrong areas, or the wrong types of development, can place strain on infrastructure and reduce people’s ability to access services and enjoy the opportunities the city offers. Poorly-planned growth and poor development and construction of individual buildings can reduce the attractiveness of the city and the ‘sense of place’ that people identify with and it can have a direct impact on people’s safety. As explained above, we aim to avoid or mitigate these negative effects by guiding future development into areas where the benefits are greatest and the negative effects least.</p> <p>The tools we use include planning, working with landowners, direct investment in development of public spaces, and using our regulatory powers under legislation such as the Building Act and Resource Management Act</p>
<p>6.2 Building and development control</p> <p>6.2.1 Building control and facilitation</p> <p>6.2.2 Development control and facilitation</p> <p>6.2.3 Earthquake risk mitigation – built environment</p>		<ul style="list-style-type: none"> • Ensuring building are safe in accordance with the Building Act • Ensuring natural resources are used sustainably in line with the Resource Management Act 	<p>These activities exist to mitigate and manage risks from development, construction, weather-tight homes issues and from earthquakes.</p> <p>Development and construction, if not well managed, can have negative effects on a city’s environment and on social well-being, and on the safety of individuals.</p> <p>Development in the wrong areas, or the wrong types of development, can place strain on infrastructure and reduce people’s ability to access services and enjoy the opportunities the city offers.</p> <p>Poorly-planned growth, and poor development and construction of individual buildings, can reduce the attractiveness of the city and</p>

			<p>the 'sense of place' that people identify with and it can have a direct impact on people's safety.</p> <p>Our quake-prone building assessment programme is focused on ensuring quake-prone buildings are strengthened to required standards to ensure the safety of those that occupy the building and its surrounds</p>
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URBAN DEVELOPMENT – PERFORMANCE MEASURES

URBAN DEVELOPMENT				
Objectives	Smart growth / urban containment Resilience Character protection			
Outcome Indicators	Residents' perceptions that Wellington is a great place to live, work and play Value of residential and commercial building consents Population - growth and density (central city, growth spine) Residents' perceptions of the city centre as an easy place to get to, use and enjoy Residents' perceptions of urban design/urban form safety issues (i.e. Graffiti, vandalism, Poorly lit public spaces, etc.) Building density throughout the city Proportion of houses within 100m of a public transport stop Residents' perceptions that heritage items contribute to the city and local communities' unique character New Zealanders' perceptions that Wellington is an attractive destination			
6.1 Urban Planning, Heritage and Public Spaces Development (including Waterfront Development)				
6.1.1 Urban planning and policy development 6.1.2 Waterfront development 6.1.3 Public spaces and centres development 6.1.4 Built heritage development				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of our urban planning, heritage protection and development work	Residents (%) who agree the city is developing in a way that maintains high quality design	Increase from previous year	Increase from previous year	increasing trend
	District Plan listed items that are removed or demolished	Nil	Nil	Nil
	Residents (%) who agree the central city is lively and attractive	87%	87%	87%
	Residents (%) who agree their local suburban centre is lively and attractive	60%	60%	60%
	Residents (%) who rate their waterfront experience as good or very good	90%	90%	90%
	The proportion of grants funds successfully allocated (through milestones being met)	95%	95%	95%
	Residents (%) who agree heritage items are appropriately valued and protected	65%	65%	65%
6.2 Building and Development Control				
6.2.1 Building control and facilitation 6.2.2 Development control and facilitation 6.2.3 Earthquake risk mitigation - built environment				

PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the timeliness of our building and development control services	Building consents issued within 20 working days	100%	100%	100%
	Code of Compliance Certificates issued within 20 working days	100%	100%	100%
	Land Information Memorandums (LIMs) issued within 10 working days	100%	100%	100%
	Resource consents (non-notified) issued within statutory timeframes	100%	100%	100%
	Resource consents that are monitored within 3 months of project commencement	90%	90%	90%
	Subdivision certificates - Section 223 certificates issued within statutory timeframes	100%	100%	100%
	Noise control (excessive noise) complaints investigated within one hour	90%	90%	90%
	Environmental complaints investigated within 48 hours	98%	98%	98%
To measure the quality of our building and development control services	Customers (%) who rate building control services as good or very good	70%	70%	70%
	Building Consent authority (BCA) accreditation retention (2-yearly)	n/a	To retain	n/a
To measure our progress on earthquake risk mitigation	Earthquake prone building notifications (section 124) (%) that are issued without successful challenge	95%	95%	95%

URBAN DEVELOPMENT – ACTIVITY BUDGET

6.1 URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

6.2 BUILDING AND DEVELOPMENT CONTROL	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

7. Transport – Waka

The Council's transport work includes transport planning, managing the city's assets and network of roads, cycleways and walkways, managing parking in the city and promoting safety.

Our work is essential for connections between people, their ability to interact with each other, and their enjoyment of the city and what it has to offer. It is necessary for the economy, the ability of businesses to reach their markets, and to collaborate and innovate.

KEY PROJECTS

Bus priority planning

We will continue to work with our partners to implement the Wellington Regional Transport Plan.

The Wellington Regional Transport Plan includes introducing a high-frequency, low-emission bus service on key routes that link the central city to the Basin Reserve, Newtown, and Kilbirnie.

This work will deliver safer, healthier, and more environmentally friendly transport options. It will also reduce congestion and travel times.

- When? On-going
- How much? \$10 million (over 10 years on key routes such as Kent and Cambridge terraces and Adelaide Road.)

Cycleway planning and implementation

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

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

Implementing cycleways in Wellington has its challenges because we are retrofitting them into established streets.

Because of the city's narrow and winding streets, some road or footpath space must be reallocated. This may mean prioritising cycle lanes or cycle parking over on-street car parking in some areas.

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

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

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

- When? On-going
- How much? \$45 million (over 10 years)

Hutt Road cycleway

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

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

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

Safer speeds

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

What we proposed and why

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

Cable car

As part of our maintenance programme we will be replacing the drive mechanism for the cable car.

Parking sensors

We are trialling the use of smart technology that will make it easier for people to find car parks and pay for parking. Wireless sensors fitted into the road surface can provide information on whether a car park is occupied. This information can be used to tell drivers (either through signs or online apps) where car parks are available, as well as the price for parking.

The sensors can be incorporated with online payment systems, making it easy for drivers to pay for their parking, and ensuring they only pay for the time they use.

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

- When? On-going
- How much? \$1.5 million (over 10 years)
- Saving? \$8.7 million (over 10 years)

TRANSPORT – GROUP OF ACTIVITIES

GROUP OF ACTIVITIES	RATIONALE	SERVICE OFFERING	NEGATIVE EFFECTS
7.1 Transport 7.1.1 Transport planning 7.1.2 Vehicle network 7.1.3 Cycle network 7.1.4 Passenger transport network 7.1.5 Pedestrian network 7.1.6 Network-wide control and management 7.1.7 Road safety	Increased active mode share Road safety Reliable transport routes Reduced emissions	<ul style="list-style-type: none"> • 54 road bridges (road and pedestrian) & 5 tunnels • 2,397 walls, 450 bus shelters & 18,000 street lights • 24.3km of cycle ways • 858km of pedestrian paths 680km of road pavements • 132km of handrails, guardrails and sight rails • 1500 hectares of road corridor land • 21,499 signs & traffic signals • Lincolnshire Farm link roads • Cycleways 	With any transport system, the potential negative effects are significant. In particular, there are environmental costs, ranging from air and noise pollution to surface water runoff from roads that may carry contaminants (by-products of tyres, brakes and engines and deposition from exhaust gases) into the stormwater system. This environmental impact is linked to the number of vehicles on the road, however the dominant impact is the surrounding land uses, which direct stormwater run-off to the road. There are also potential negative effects from individual projects: for example, construction of any new road has effects on neighbours and neighbourhoods Dealing with these effects is complex. Some issues, such as vehicle emission standards, are properly dealt with at a national level. Others, such as air and water quality, are

			<p>regional issues. Of those issues that can be dealt with at a local level, we seek to reduce the cause of the negative effects where possible. At present there are few statutory requirements for road controlling authorities to mitigate contaminants in road runoff before it is discharged to the receiving environment</p> <p>This Council does monitor the effects of stormwater run-off on aquatic receiving environments to ensure that adverse effects are avoided, remedied or mitigated</p> <p>Other potentially significant negative effects we must consider include:</p> <ul style="list-style-type: none"> • The timing of road works and other improvements. These can impact on local businesses but may also affect growth opportunities. Our transport planning is designed to minimise the impact and focus our work in growth areas • Safety. The transport network brings pedestrians, cyclists and vehicles together. This presents hazards to users. We've developed road safety programmes and design solutions to reduce the likelihood and severity of accidents
<p>7.2 Parking 7.2.1 Parking</p>	<p>Enabling people to shop, work and access recreation activities</p>	<ul style="list-style-type: none"> • 12,000 on-street parking spaces, 3,400 of which are in the CBD • Street spaces for taxis, couriers, people with disabilities, bus stops & diplomatic services • Managing off-street parking at Clifton Terrace, the Michael Fowler Centre, & beneath Civic Square 	

TRANSPORT – PERFORMANCE MEASURES

TRANSPORT	
Objectives	<p>Increased active mode share Road safety Reliable transport routes Reduced emissions</p>
Outcome Indicators	<p>Residents' perceptions that peak traffic volumes are acceptable Residents' perceptions that the transport system allows easy access to the city Residents' perceptions of quality and affordability of public transport services Air quality monitoring (i.e. Nitrogen dioxide, carbon monoxide, and particulate matter peaks) Change from previous year in the number of road crashes resulting in fatalities and serious injury.* Social cost of crashes Residents perceptions of transport related safety issues (i.e. Issues of most concern)</p>

	Number of cyclists and pedestrians entering the CBD (weekdays)			
	Residents (%) who agree the transport system allows easy movement around the city - vehicle users and pedestrians			
7.1 Transport				
7.1.1 Transport planning				
7.1.2 Vehicle network				
7.1.3 Cycle network				
7.1.4 Passenger transport network				
7.1.5 Pedestrian network				
7.1.6 Network-wide control and management				
7.1.7 Road safety				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality and timeliness of the transport infrastructure and service	Residents condition (%) rating of the network - roads and footpaths (good or very good)	R: 75% F: 75%	R: 75% F: 75%	R: 75% F: 75%
	Requests for service response rate - urgent (within 2 hours) and non-urgent (within 15 days)*	Urgent: 100% non-urgent: 100%	Urgent: 100% non-urgent: 100%	Urgent: 100% non-urgent: 100%
	Roads (%) which meet smooth roads standards (smooth roads - measured by Smooth Travel Exposure based on NAASRA counts)*	70%	70%	70%
	Footpath (%) condition rating (measured against WCC condition standards)*	97%	97%	97%
	Street lighting (%) for major roads (arterial, principal and collector roads) meets national standards)	100%	100%	100%
	Residents' satisfaction (%) with street lighting in the central city and suburban areas	Central: 85% Suburbs:75%	Central: 85% Suburbs:75%	Central: 85% Suburbs:75%
	Sea wall and retaining wall condition rating - walls (%) rated 3 or better (1 very good, 5 very bad)	90%	90%	90%
	Percentage of the sealed local road network that is resurfaced*	10%	10%	10%
*DIA Mandatory measure				
7.2 Parking				
7.2.1 Parking				
PURPOSE OF MEASURE	PERFORMANCE MEASURE	2016/17	2017/18	2018-25
To measure the quality of our parking provision	On-street car park turn-over rates - weekdays and weekends	Week: 6.8 Weekend:5.2	Week: 6.8 Weekend:5.2	Week: 6.8 Weekend:5.2
	On-street car park average occupancy	75%	75%	75%
	On-street car park compliance - time restrictions and payment	Time: 95% Payment: 90%	Time: 95% Payment: 90%	Time: 95% Payment: 90%
	Residents' perceptions (%) that parking enforcement is fair	Increase from previous year	Increase from previous year	Increase from previous year

TRANSPORT – ACTIVITY STATEMENT

7.1 TRANSPORT	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

7.2 PARKING	2015/25 LTP	2015/25 LTP	2015-25 LTP	2015-25 LTP	2015-25 LTP
	YEAR 1	YEAR 2	ANNUAL PLAN	YEAR 3	10-YEAR TOTAL
	2015/16	2016/17	2016/17	2017/18	
	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE	GROSS EXPENDITURE
OPERATING EXPENDITURE					

8. Council Controlled Organisations

In order to achieve our objectives for Wellington we have established several companies and trusts. These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake developments on behalf of the Wellington community. The following table explains what these organisations do and how their performance is measured.



WELLINGTON REGIONAL STADIUM TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC).</p> <p>As at 1 July 2015, they are John Shewan (Chair), Councillor Nigel Wilson (GWRC), Liz Dawson, Susan Elliott, Steven Fyfe, Mark McGuinness, Rachel Taulelei and Councillor Simon Marsh (WCC). The Chief Executive is Shane Harmon.</p>	<p>The Wellington Regional Stadium Trust owns, operates and maintains the Stadium as a high-quality multi-purpose sporting and cultural venue. It provides facilities to be used for rugby, cricket and other sports codes, musical and cultural events, and other users including sponsors and event and fixture organisers.</p>	<p>Operates the Stadium.</p> <p>Manages the event programme and seeks opportunities to provide regular quality events.</p> <p>Ensures the Stadium is provided to the community for appropriate usage.</p> <p>Administers the Trust assets and the Stadium on a prudent commercial basis.</p>	<p>Number of events</p> <p>Total revenue</p> <p>Event revenue</p> <p>Net surplus</p>



WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>WREDA is the new regional economic development agency for the lower North Island, combining the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.</p> <p>The Wellington City Council is an 80% shareholder, and the Greater Wellington Regional Council is a 20% shareholder</p> <p>As at 1 July 2015, the board members are Peter Biggs (Chair), Helen Anderson, Matt Clarke, Sarah Gibbs, Professor Grant Guilford, Richard Laverty, Paul Mersi, Thomas Pippas and Lorraine Witten.</p> <p>The Chief Executive is to be appointed by 1 July 2015.</p>	<p>WREDA is a new economic development agency that brings together the region’s economic development agency (Grow Wellington) with existing city tourism (Positively Wellington Tourism) and venues (Positively Wellington Venues) agencies, and the Wellington City Council’s major events activities.</p> <p>The benefits to the region of a single agency include: one voice, clearer focus, better use of resources, and improved scale and capacity.</p>	<p>To Be Confirmed</p>	<p>To Be Confirmed</p>



WELLINGTON MUSEUMS TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>All trustees are appointed by the Council.</p> <p>As at 1 July 2015, they are Quentin Hay (Chair), Councillor Nicola Young, Jackie Lloyd, Rachel Farrant, and Jill Wilson.</p> <p>The Chief Executive is Pat Stuart.</p>	<p>The Wellington Museums Trust (WMT) was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City & Sea, the Colonial Cottage, Capital E, the Wellington Cable Car Museum, and the Carter Observatory.</p> <p>WMT manages its facilities, establishes exhibition programmes and education policies for its facilities, and develops acquisition, deaccession and collection development policies for its collections and artefacts.</p>	<ul style="list-style-type: none"> • Deliver high quality experiences, events and exhibitions at its facilities. • Manage conservation and care for the objects of its collections, and conduct research and development to enhance visitors' experiences. • Offer quality education experiences to children and young people. • Promote and protect the heritage of venues. <p>Work with national and international artists and collectors.</p>	<p>Attendance:</p> <ul style="list-style-type: none"> • City Gallery • Capital E • Museum of Wellington • Cable Car Museum • Carter Observatory <ul style="list-style-type: none"> • Subsidy per visitor • Revenue per visitor • Total ownership cost to Council • Percentage of visitors who rate the quality of their experience as good or very good • Percentage of visitors that are repeat visitors



WELLINGTON CABLE CAR LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 1 July 2015, they are Anthony Wilson and Andy Matthews.</p> <p>The Chief Executive is Simon Fleisher.</p>	<p>Wellington Cable Car Limited owns and operates the Cable Car.</p> <p>It also owns and maintains the overhead wiring system for the trolley bus passenger network which services the city.</p>	<ul style="list-style-type: none"> • Maintain the cable cars and associated track, plant, tunnels, bridges and buildings in accordance with best engineering practice, and to meet the certification requirements of the New Zealand Transport Agency. • Market and manage the cable car passenger service operation. • Manage the contract for the inspection, maintenance and repair of the trolley bus overhead wiring system. 	<ul style="list-style-type: none"> • Cable car passenger numbers • Cable car service reliability • Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good



WELLINGTON WATER LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>Wellington Water was established in September 2014 and was formed by the merger of Greater Wellington Regional Council's water supply group with Capacity Infrastructure Services, which was owned by Hutt, Porirua, Upper Hutt and Wellington city councils. The five local authorities are joint and equal owners of Wellington Water.</p> <p>Each council owns its respective water, storm water and waste water assets and determines the level and standard of services to be provided to its customers and ratepayers.</p> <p>As at 1 July 2015, the four independent Directors are John Strahl (Chair), Nicki Crauford, Ian Hutchings and Raveen Jaduram.</p> <p>The Chief Executive is Colin Crampton.</p>	<p>To manage the provision of water services (water supply, storm water and wastewater) to the residents and businesses in the areas served by its customers.</p> <p>Wellington Water's customers are Wellington City Council, Hutt City Council, Porirua City Council and Upper Hutt City Council.</p>	<p>Provide high quality, safe and environmentally sustainable services to shareholding councils and other customers with a focus on contracted service delivery for the operation, maintenance and on-going development of drinking water, storm water and waste water assets and services, and asset management planning.</p>	<ul style="list-style-type: none"> • Provide a reliable water supply, wastewater and storm water management service. • Deliver budgeted capital expenditure projects for its shareholding councils. • Deliver budgeted operating and maintenance activities for its shareholding councils. • Comply with relevant standards, legislation and resource consents.



WELLINGTON ZOO TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council.</p> <p>As at 1 July 2015, they are Ross Martin (Chair), Frances Russell, Linda Meade, Raewyn Bleakley, Craig Ellison, and Councillor Sarah Free.</p> <p>The Chief Executive is Karen Fifield.</p>	<p>The Wellington Zoo Trust manages the assets and operations of Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. It promotes species conservation, educates the community by building an awareness of plant and animal species, and supports the conservation and educational activities of other organisations.</p>	<ul style="list-style-type: none"> • Cares for resident animals and manages the animal collection. • Provides a high-quality visitor experience • Participates in captive management breeding and breed-for-release programmes. • Develops and maintains high quality animal exhibits. • Delivers educational material and learning experiences. • Contributes to zoological, conservation and facilities management research projects. 	<ul style="list-style-type: none"> • Number of visitors • Conservation Programme Managed Species (% of total collection) • Average WCC subsidy per visitor • Total ownership cost to Council • Average income per visitor • Ratio of generated Trust income as % of WCC grant



BASIN RESERVE TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington.</p> <p>As at 1 July 2015, the two trustees appointed by the Council are Councillor Paul Eagle and Sir John Anderson (Chair). The two trustees appointed by Cricket Wellington are Don Neely and John Greenwood.</p> <p>The Chief Executive is Peter Clinton.</p>	<p>The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.</p>	<ul style="list-style-type: none"> • Manages the Basin Reserve for recreational activities and the playing of cricket for the residents of Wellington. • Contributes to the events programme for Wellington. • Operates as a successful not-for-profit undertaking. • Preserves and enhances the heritage value of the Basin Reserve. 	<p>Number of events</p> <ul style="list-style-type: none"> • Cricket • Other sports • Community <p>Number of event days</p> <ul style="list-style-type: none"> • Cricket • Other sports • Community <p>Attendance figures</p>

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

**LAMBTON HARBOUR MANAGEMENT LIMITED (TRADING AS
WELLINGTON WATERFRONT LIMITED)**

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE INDICATORS
<p>The Council is a 100% shareholder in this company and appoints all the directors</p> <p>As at 1 July 2015, they are council officers Kevin Lavery (chair), Derek Fry, Andy Matthews and Greg Orchard</p> <p>On 1 April 2014 the external Board of Wellington Waterfront Limited was disestablished.</p>	<p>Wellington Waterfront Limited holds the assets of the Wellington Waterfront project (as defined in the Wellington Harbour Board and Wellington City Council Vesting and Empowering Act 1987) as bare Trustee for the Council.</p>	<p>Since 1 July 2014, Wellington Waterfront Limited has functioned as a holding company for Waterfront assets.</p>	<p>Not Applicable.</p> <p>On 30 June 2014 the Council terminated the management agreement with Wellington Waterfront Limited that appointed it as the implementation agency for the waterfront.</p>

Wellington Waterfront Development Plan – Year 16/17

North Kumutoto Public Space

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

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

- Undertake wind effect investigation, so it can inform planning and location of shelter for public open space users.
- Undertake shade diagrams, so these can inform planning and location of shade for public open space users.
- Continue to seek input from Iwi and the Council's Accessibility Advisory Group.
- Ensure that the Creative Business Hub feature is retained as the building design is developed.
- Ensure that issues of vehicle and pedestrian movement, lighting and safety are addressed.