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**ORDINARY MEETING**

**OF**

**LONG-TERM AND ANNUAL PLAN COMMITTEE**

**AGENDA**

**Time:** 11:30 am  
**Date:** Thursday, 6 April 2017  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**MEMBERSHIP**

Mayor Lester  
Councillor Calvert  
Councillor Calvi-Freeman  
Councillor Dawson  
Councillor Day  
Councillor Eagle (Chair)  
Councillor Foster  
Councillor Free  
Councillor Gilbert  
Councillor Lee  
Councillor Marsh  
Councillor Pannett  
Councillor Sparrow  
Councillor Woolf  
Councillor Young

**Have your say!**

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing [public.participation@wcc.govt.nz](mailto: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.*

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## **AREA OF FOCUS**

The Committee is responsible for developing the draft and final Long-term Plan and Annual Plans for the Council. The Long-term Plan and Annual Plan give effect to the strategic direction and outcomes set by the Strategy Committee by setting levels of service and budgets.

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

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

**Quorum:** 8 members

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**TABLE OF CONTENTS**  
**6 APRIL 2017**

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<b>Business</b>	<b>Page No.</b>
<b>1. Meeting Conduct</b>	<b>5</b>
<b>1.1 Apologies</b>	<b>5</b>
<b>1.2 Conflict of Interest Declarations</b>	<b>5</b>
<b>1.3 Public Participation</b>	<b>5</b>
<b>1.4 Items not on the Agenda</b>	<b>5</b>
<b>2. General Business</b>	<b>7</b>
<b>2.1 2017/18 Annual Plan: Report of the Revenue and Finance Working Party</b>	<b>7</b>
<b>2.2 2017/18 Annual Plan: Budget Position and Proposed Variances</b>	<b>55</b>
<b>2.3 2017/18 Annual Plan - Engagement Plan</b>	<b>113</b>
<b>2.4 Appointment of Members to the Revenue and Finance Working Party</b>	<b>117</b>





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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 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.

### **1.4 Items not on the Agenda**

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

***Matters Requiring Urgent Attention as Determined by Resolution of the Long-term and Annual Plan Committee.***

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 Long-term and Annual Plan Committee.***

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Long-term and Annual Plan Committee for further discussion.



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## 2. General Business

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### 2017/18 ANNUAL PLAN: REPORT OF THE REVENUE AND FINANCE WORKING PARTY

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#### Purpose

1. This report presents the recommendations of the Revenue and Finance (R&F) Working Party following its annual review of the Council's Fees and User charges and related Activity Funding Ratios set out in the Revenue and Financing Policy (RFP) as part of the 2017/18 Annual Plan.

#### Summary

2. On 9 November 2016, the Council agreed to the establishment of the Revenue and Finance Working Party and a Terms of Reference for the Working Party for the term of the 2016-19 triennium.
3. The key purpose of the R&F Working Party is to:
  - Review the Revenue and Financing Policy at least annually as it applies to all activity components;
  - Review the performance measure framework as part of the Long-term Plan process;
  - Review asset management plans as part of the Long-Term Plan process;
  - Provide a governance perspective and strategic overview of Council's revenue, funding and financing;
  - Provide input into the Annual Plan financials and underlying assumptions.
4. 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 (LTP).
5. The focus of the annual review is on addressing areas where the activity is not compliant with policy.
6. The Working Party recommendations for each activity are summarised into the following tables:
  - Compliant activities (within 5% policy band and less than \$100k variance)
  - Non-compliant activities (outside 5% policy band or more than \$100k variance)
    - Permit temporary non-compliance
    - Changes to fees and charges
    - Change policy targets at the next LTP
7. Where activities are compliant, the Working Party is not recommending any changes to the existing Revenue and Financing Policy.
8. Where activities have been identified as non-compliant, the Working Party reviewed the factors contributing to policy non-compliance, along with options and limitations for achieving compliance with existing Revenue and Financing Policy.
9. One of the eight activities with proposed fee changes is parking. While the Working Party's recommendation to establish a new hourly fee for parking within the CBD is set

out in this report, that particular recommendation will be progressed by the City Strategy Committee in accordance with Council's separate process for developing resolutions under the Traffic Bylaw.

10. The impact of non-compliance with the funding targets in the RFP on rates is as follows:

	Amount	% of rates
Policy non-compliance – higher rates funding required than targeted	\$5.0m	1.8%
Policy non-compliance – lower rates funding required than targeted	(\$1.2m)	(0.4%)
<b>Impact on rates of policy non-compliance</b>	<b>\$3.8m</b>	<b>1.4%</b>
Additional revenue from proposed fee increases (breakdown shown below)	(\$1.3m)	(0.5%)
Removal of smokefree outdoor (al fresco) dining fees – to be funded from rates	\$0.1m	<0.1%
Removal of swimming pool spectator/guardian fees – to be funded from rates	\$0.1m	<0.1%
<b>Net impact on rates of policy non-compliance</b>	<b>\$2.7m</b>	<b>1.0%</b>

11. The following table outlines the breakdown of the proposed changes to fees and charges. The key considerations made by the Working Party on each of these proposed fee changes are summarised on pages 14 to 18.

Activity	Proposed changes	Additional revenue from fee increases (\$000)	% of rates
2.4.1 Sewage collection and disposal network	Increase trade waste fees to reflect CPI increase.	\$20k	0.01%
5.1.1 Swimming pools	Average 2.5% increase for pool entry and Learn To Swim.	\$120k	0.04%
5.1.2 Sportsfields	Targeted fee increases and general CPI increase of 2%.	\$5k	<0.01%
5.1.3 Sportsfields (synthetic)	Average 5% fee increase	\$52k	0.02%
5.1.7 Marinas	Average 3% fee increase	\$4k	<0.01%
5.3.3 Public health regulations	Increase fee for standard (or 'normal') verifications and	\$243k	0.09%

	introduce a new fee for the reduced scope (or 'simple') verifications.		
6.2.1 Building control and facilitation	Average 2.8% fee increase.	\$261k	0.1%
7.2.1 Parking	Establish a new hourly fee of \$4.50 per hour for parking within the CBD.	\$548k	0.2%
Total		\$1,253k	0.5%

12. Note that the proposed fee increases have been included in the draft 2017/18 Annual Plan budget to bring the proposed rates increase to 3.3% after growth. Any fee changes not approved by Council will result in the equivalent value being put back onto 2017/18 rates.
13. Other funding considerations include:
  - Maintaining the commercial:residential general rate differential at 2.8:1
  - Increasing targeted water rates by 4.1% on average to reflect the increase in the cost of delivering the water activity
  - Inclusion of the proposed targeted rate for the Tawa Business Improvement District in Council's Rating Mechanisms
  - Inclusion of the proposed rates remission for first home builders in Council's Rates Remission Policy
  - Funding the cost of Living Wage
14. This report recommends preferred options from the Funding Workshops that were held with the Revenue and Finance Working Party on 10th and 20th February 2017.

## Recommendations

That the Long-term and Annual Plan Committee:

1. Receive the information.
2. Note that the Revenue and Finance Working Party reviewed compliance to the existing Revenue and Financing Policy targets and where relevant, considered factors contributing to policy non-compliance, along with options and limitations for achieving compliance for the 2017/18 Annual Plan.
3. Note the Working Party's recommendation to establish a new hourly fee for parking within the Central Business District as set out in this report, which will be progressed by the City Strategy Committee in accordance with Council's separate process for developing resolutions under the Traffic Bylaw.
4. Agree to record the Committee's support for the recommended new hourly fee for parking within the Central Business District.
5. Agree to recommend to Council to adopt the following as supporting documentation to the 2017/18 Annual Plan engagement document:
  - a. Proposed fees and charges outlined in attachment 1.

- b. The proposed Rates Remission for First Home Builders outlined in attachment 2.
  - c. The proposed targeted rate totalling \$95,000 + GST to be applied to the commercial properties in the Tawa Business Improvement District Area in Council's Rating Mechanisms outlined in attachment 3.
6. Note that any decisions and recommendations made by the Long-term and Annual Plan Committee of 6 April 2017 will be incorporated into the draft Financial and Funding statements and the draft Funding Impact Statements included as supporting documentation to the 2017/18 Annual Plan engagement document.

## **Background**

### **Revenue and Finance Working Party Terms of Reference**

15. On 9 November 2016, the Council agreed to the establishment of the Revenue and Finance (R&F) Working Party and a Terms of Reference for the Working Party for the term of the 2016-19 triennium.
16. The key purpose of the R&F Working Party is to:
  - Review the Revenue and Financing Policy at least annually as it applies to all activity components;
  - Review the performance measure framework as part of the Long-term Plan process;
  - Review asset management plans as part of the Long-Term Plan process;
  - Provide a governance perspective and strategic overview of Council's revenue, funding and financing;
  - Provide input into the Annual Plan financials and underlying assumptions.

### **Revenue and Financing Policy (RFP)**

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

- Extent to which action/inaction of individuals contribute to the need to undertake the activity (exacerbator/polluter pays)
  - Costs and benefits from funding the activity separately (transparency / accountability).
21. The LGA also requires Council to consider the overall impacts of allocation of liability on the community, such as affordability, barrier to access services, legal constraints, materiality and sustainability.

### **General Funding Principles**

22. To assist in establishing the funding policy for its various activities the Council has previously adopted a set of guiding principles. These principles include:
- The beneficiary / exacerbator pays
  - Individual benefit = user charge
  - Identifiable part of community = targeted rate
  - The whole community = general rate
  - Consideration of inter-generational equity
23. The Council has a range of potential funding sources for each of its activities. These include:
- Rates (general or targeted rates)
  - User fees and charges (where the specific user can be identified and it's practical to charge)
  - Grants & subsidies
  - Borrowings
  - Special funds
  - Other sources of funding
24. The policy bands are set in 5% increments for pragmatic purposes.

## **Discussion**

### **Revenue and Financing Policy Compliance**

25. The Working Party's key recommendations for each activity have been summarised into the following tables:
- Compliant activities (within 5% policy band and less than \$100k variance)
  - Non-compliant activities (outside 5% policy band or more than \$100k variance)
    - Permit temporary non-compliance
    - Changes to fees and charges
    - Change policy targets at the next LTP
26. For each non-compliant activity, the Working Party generally considered a range of remedial actions including:
- Considering changes to the service offering or expenditure on the activity
  - Increasing utilisation and throughput
  - Increasing user charges to improve policy compliance
  - Amending the policy to change the user charge proportion
  - Leaving the policy unchanged and noting temporary non-compliance with policy.

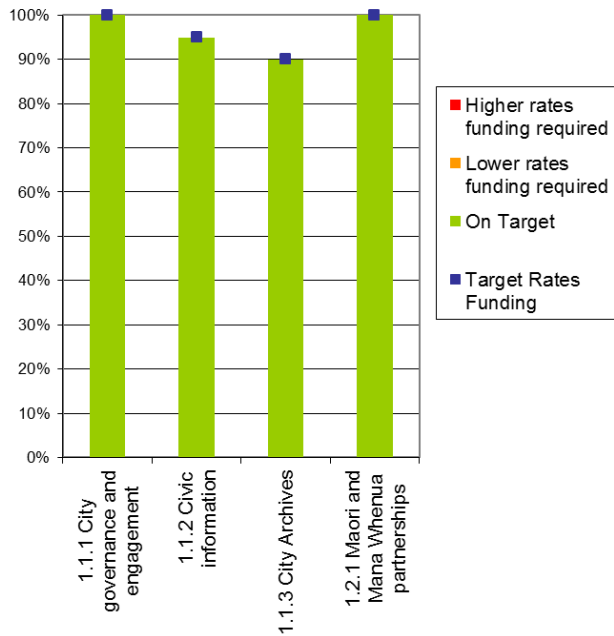
27. As part of its review, the Working Party received for each non-compliant activity, a report outlining the factors contributing to policy non-compliance along with options and limitations for achieving compliance with existing Revenue and Financing Policy.
28. These key considerations made for each non-compliant activity are summarised on pages 12 to 18.
29. The impact of non-compliance with the funding targets in the RFP on rates is as follows:

	Amount	% of rates
Policy non-compliance – higher rates funding required than targeted	\$5.0m	1.8%
Policy non-compliance – lower rates funding required than targeted	(\$1.2m)	(0.4%)
<b>Impact on rates of policy non-compliance</b>	<b>\$3.8m</b>	<b>1.4%</b>
Additional revenue from proposed fee increases (breakdown shown below)	(\$1.3m)	(0.5%)
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<b>Net impact on rates of policy non-compliance</b>	<b>\$2.7m</b>	<b>1.0%</b>

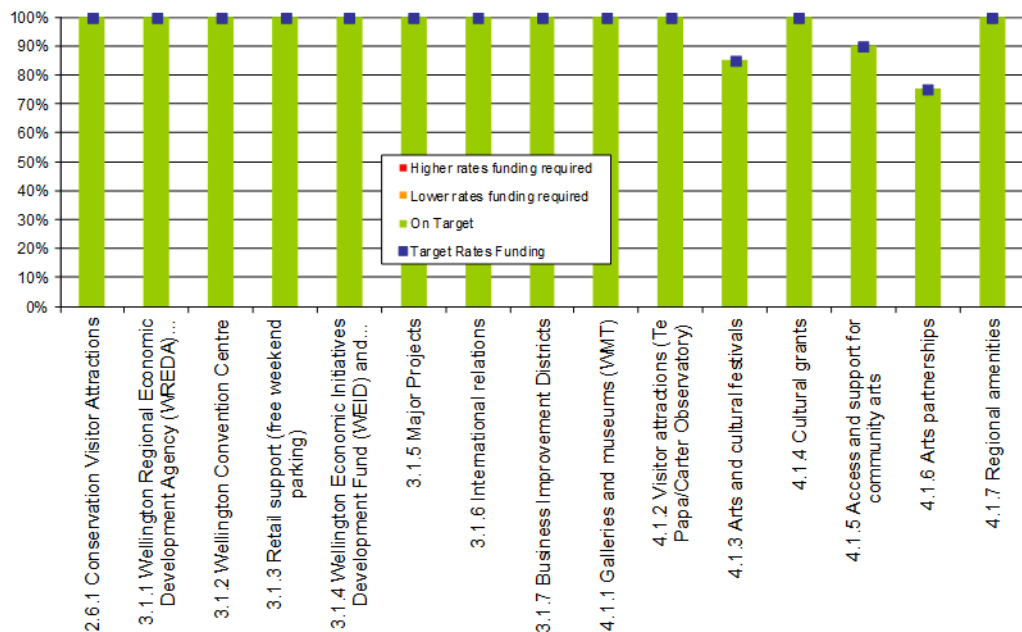
30. Note that the proposed removal of fees for smokefree outdoor (al fresco) dining and swimming pool spectator/guardian fees for children under 8 years old, have further impacts on the compliance position of the Public Health Regulations and Swimming Pool activities.
31. A full list of recommended changes to Fees and Charges is contained in Attachment 1.
32. Compliance snapshot:
- 'Higher rates funding required' means the activity requires more funding from rates than targeted in the RFP
  - 'Lower rates funding required' means the activity requires less funding from rates than targeted in the RFP
  - 'On target' means the activity is being funded from rates and/or other income in line with policy targets



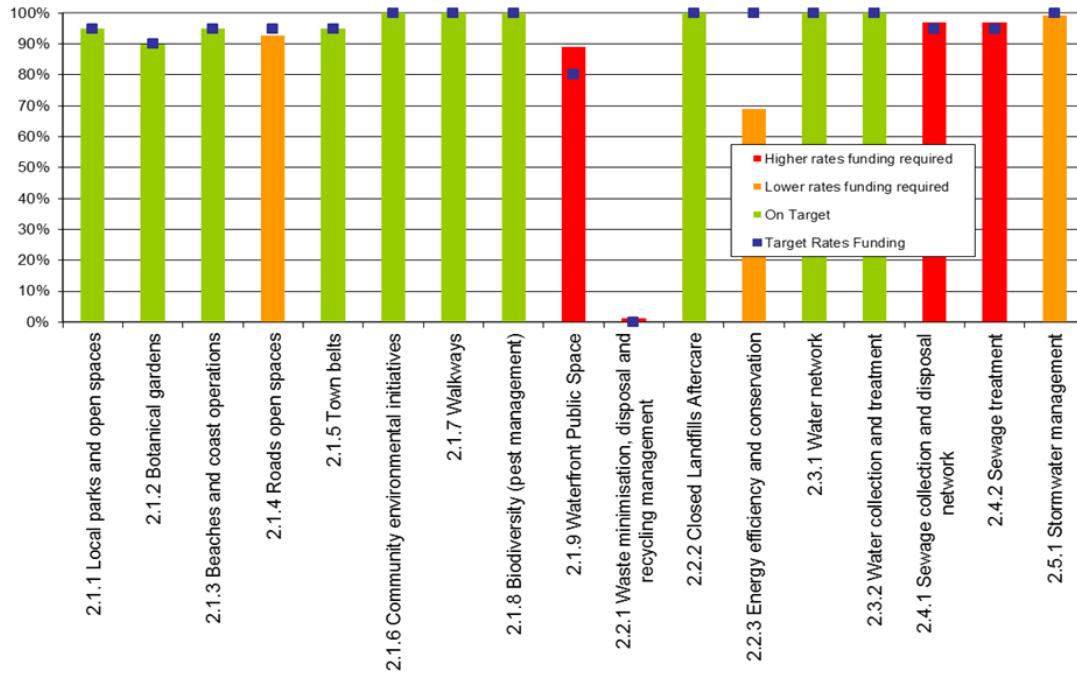
**Governance - R&F Policy Compliance**



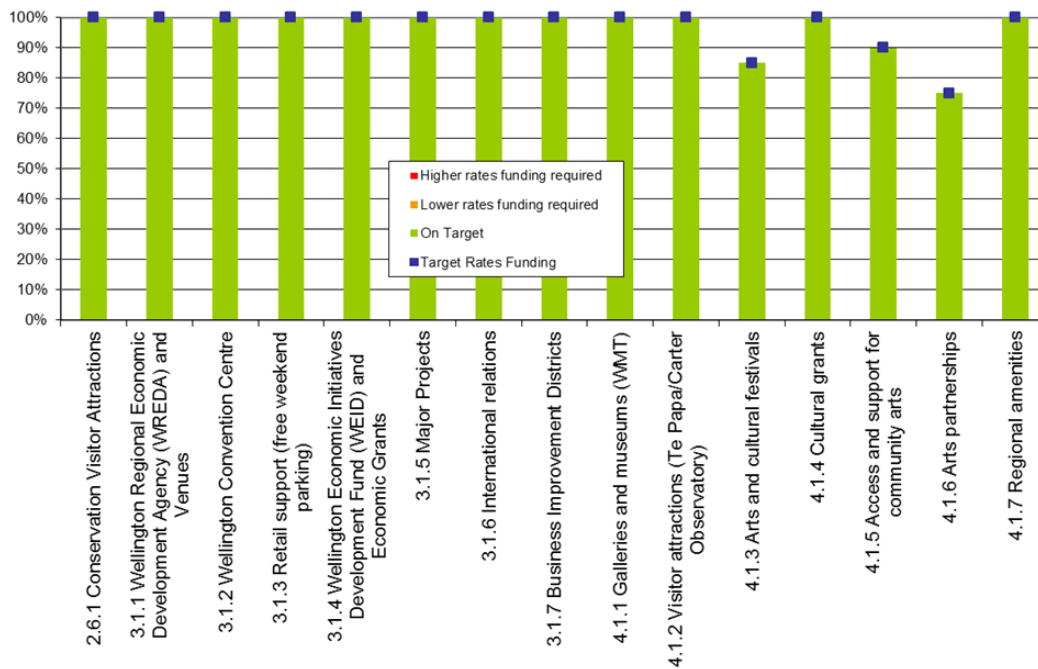
**Economic Growth & Arts - R&F Policy Compliance**



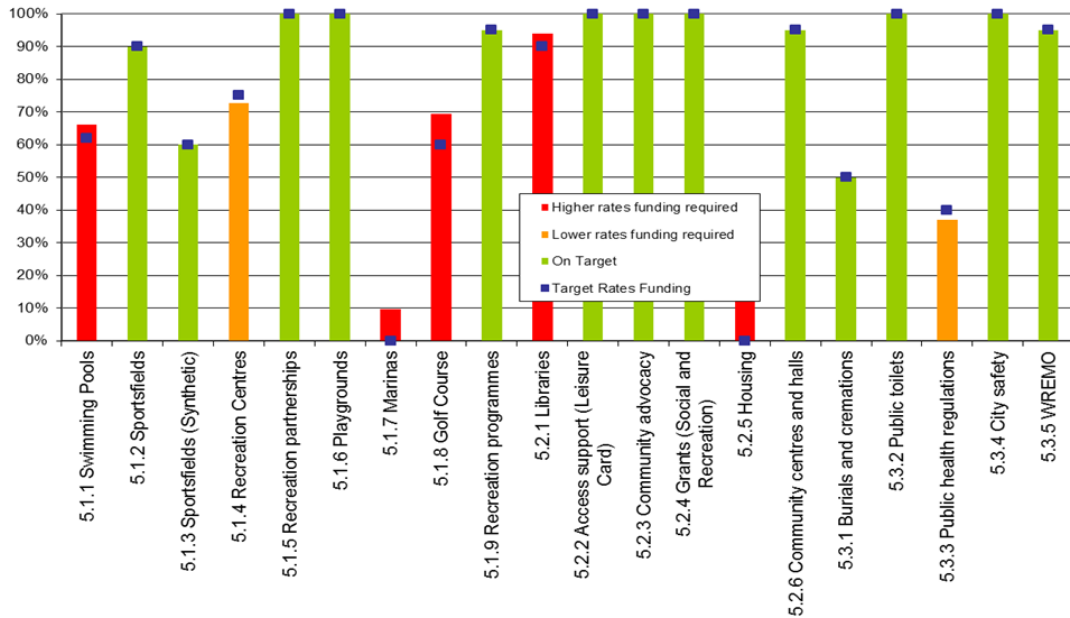
**Environment - R&F Policy Compliance**



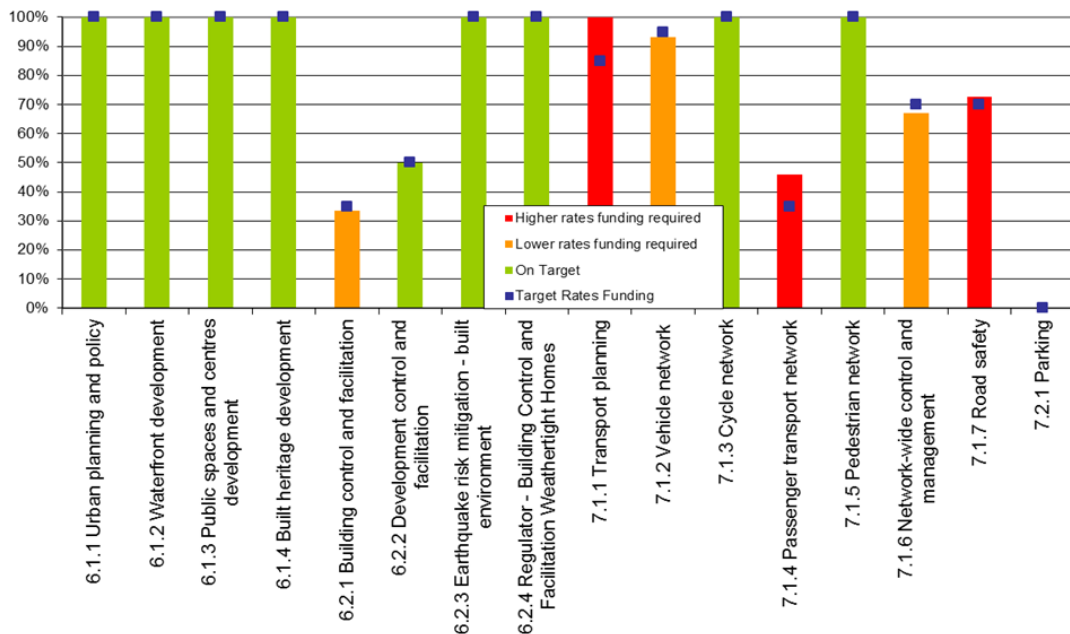
**Economic Growth & Arts - R&F Policy Compliance**



**Community, Sport & Recreation - R&F Policy Compliance**



**Transport & Urban Development - R&F Policy Compliance**



**Compliant activities**

33. The following activities are within Council's 5% policy band and the dollar variance from policy targets are less than \$100k. The Working Party notes that officers have reviewed the current policy and targets and consider them appropriate.

**LONG-TERM AND ANNUAL PLAN  
COMMITTEE  
6 APRIL 2017**

Item 2.1

Activity Component	R&F Policy Target Rates Funding	2017/18 Indicative Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations
1.1.1 City governance & engagement	100%	100%	-	-	
1.1.2 Civic information	95%	94%	(1%)	(\$69k)	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%	92%	2%	\$46k	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%	\$92k	Revenue budget in line with last financial year actuals which is lower than the level required to meet policy compliance.
2.1.3 Beaches and coast operations	95%	94%	(1%)	(\$12k)	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%	96%	(4%)	(\$81k)	Over compliance due to income for services provided to another TLA. The variance to policy is minimal.
2.2.2 Closed landfills aftercare	100%	100%	-	-	
2.3.1 Water network	100%	100%	-	-	
2.3.2 Water collection & treatment	100%	100%	-	-	
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	85%	86%	1%	\$40k	Community events programme

**LONG-TERM AND ANNUAL PLAN  
COMMITTEE  
6 APRIL 2017**

Activity Component	R&F Policy Target Rates Funding	2017/18 Indicative Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations
festivals					funding lower than anticipated
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%	78%	3%	\$88k	Additional activation grant to Toi Pōneke arts centre while associated user charges have remained consistent with prior year.
4.1.7 Regional amenities	100%	100%	-	-	
5.1.5 Recreation partnerships	100%	100%	-	-	
5.1.6 Playgrounds	100%	100%	-	-	
5.1.9 Recreation programmes	95%	94%	(1%)	(\$2k)	Minor over compliance - income levels the same as prior year.
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%	92%	(3%)	(\$93k)	Over-compliance due to new income for running centres on behalf of some communities.
5.3.1 Burials and cremations	50%	52%	2%	\$29k	Minor non-compliance due to higher costs relating to the new cremator installed in mid 2016.
5.3.2 Public toilets	100%	100%	-	-	
5.3.4 City safety	100%	100%	-	-	
5.3.5 WREMO	95%	99%	4%	\$79k	Budgeted non-rates income is mainly related to grants/reimbursements from regional and national bodies.
6.1.1 Urban planning & policy	100%	99%	(1%)	(\$21k)	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%	-	-	
6.2.2 Development control and facilitation	50%	51%	1%	\$36k	Minor non-compliance due to inflationary cost increases and changes in FTEs.
6.2.3 Earthquake risk mitigation – built environment	100%	100%	-	-	
7.1.3 Cycle network	100%	96%	(4%)	(\$70k)	Income derived from NZTA funding only. Over-compliance driven by favourable NZTA funding forecasts.
7.1.5 Pedestrian network	100%	99%	(1%)	(\$41k)	

Activity Component	R&F Policy Target Rates Funding	2017/18 Indicative Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations
7.1.6 Network-wide control and management	70%	70%	-	-	

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

34. There are a number of activities for which the Working Party recommend temporary non-compliance and/or stretch user charge targets. For these activities the Working Party considers that the current policy and targets are appropriate, but that for specific and acceptable reasons full compliance is unlikely to be achieved in 2017/18.

Activity Component	Current R&F Policy Target Rates Funding	2017/18 Indicative Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party Considerations
2.1.4 Roads open spaces	95%	93%	(2%)	(\$212k)	Non-rates income relates to NZTA subsidies for eligible street cleaning and roadside growth control activities.
2.1.9 Waterfront Public Space	80%	89%	9%	\$477k	With the integration of the Waterfront into WCC and the split into several Council activities, there has been significant movement in budgets and actual expenditure.  Officers have revised the budget to reflect the new operating environment for the Waterfront Open Spaces along with the other Waterfront activities. This has resulted in significant changes for this activity primarily in asset ownership costs, specifically depreciation and interest.
2.2.3 Energy efficiency and conservation	100%	69%	(31%)	(\$60k)	Contribution from Councillor Foster's airport director fees towards climate change initiatives.
2.4.1 Sewage collection and disposal network	95%	97%	2%	\$479k	Non-compliance is caused mainly by the decline in the revenue, due to reduction in the volume of waste being treated. Costs are keeping on increasing at the same time mostly due to the rise in rates/utilities costs and allocated interest costs.
2.4.2 Sewage Treatment	95%	97%	2%	\$408k	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

**LONG-TERM AND ANNUAL PLAN  
COMMITTEE  
6 APRIL 2017**

Activity Component	Current R&F Policy Target Rates Funding	2017/18 Indicative Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party Considerations
					compliance.
2.5.1 Stormwater management	100%	99%	(1%)	(\$140k)	Other income relates to NZTA subsidies for eligible drainage maintenance activities.
5.1.4 Recreation Centres	75%	73%	(2%)	(\$224k)	The Recreation Centres activity is currently over compliant, mainly as a result of at risk external income from NZCT for the 'Youth in Sport programme'. If this income is excluded, the activity is in line with target.
5.1.8 Golf course	60%	69%	9%	\$22k	Course usage and revenue from Morningside Golf Club (MGC) has been declining over the past decade, which is a national trend. Revenue targets for 2017/18 have been reduced, bringing the budget in line with the actual results. The MOU between WCC and MGC is due to review in June 2018, and officers recommend to use this opportunity to review the operating model.
5.2.1 Libraries	90%	94%	4%	\$910k	The budgeted revenue is decreasing across both fines and user charges – overall impact of 4.5% compared to 2016/17 budget. At the same time there has been an increase of 3.5% in costs, making the activity non-compliant.
5.2.5 Housing	0%	(32%)	(32%)	(\$8,726k)	The overcompliance of this activity is linked to Government funding for Housing Upgrade Program, which trending down and increases the risk of undercompliance. This is due to rising costs of depreciation, whilst rent income is trending behind. A review around creating a long term viable business model is currently being assessed.
7.1.1 Transport planning	85%	100%	15%	\$244k	The variance is mainly to the omission of funding from NZTA which is related to Let's Get Wellington Moving programme. The budget does not include any projected revenue since NZTA has yet to present a proposal for the next phase of the project.
7.1.2 Vehicle network	95%	93%	(2%)	(\$399k)	Non-rates income relates to NZTA subsidies for eligible road, kerb, channel, wall, bridge and tunnel maintenance and related asset stewardship activities. For the next LTP, Officers will review the long term work programme and expected NZTA funding and recommend changes to the R&F policy if appropriate.
7.1.4 Passenger transport network	35%	46%	11%	\$175k	The undercompliance is mostly due to changes in funding. Prior to 2016/17, other income included cost recoveries from GWRC for the

Activity Component	Current R&F Policy Target Rates Funding	2017/18 Indicative Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party Considerations
					cleaning, operation and maintenance of bus shelters, bus stops and bus signs. This work has been transitioned across to GWRC, and we have removed both the expenditure and the income (costs recovered) from the budget. This has a net nil impact on rates funding requirements for this project, but changes the percentage of expenditure funded by non-rates income.
7.1.7 Road safety	70%	73%	3%	\$164k	Under compliance is due to NZTA subsidies for eligible street lighting, fences and guardrails maintenance and road safety activities.
7.2.1 Parking	0%	(106%)	(106%)	(\$14,587k)	This activity recovers more revenue, through enforcement and meter charges, than the operating costs. The surplus from this activity part funds transport infrastructure costs, for example the cost of providing the city parking amenities, road seal, signs and markings, thereby reducing the rate funding requirement for transport projects.

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

35. This report recommends a range of changes to fees and charges for the following activities which will improve policy compliance. Any changes not approved by Council will result in the equivalent value being put back onto 2017/18 rates.

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations	Recommended changes to fees and charges	Additional revenue expected from proposed fee changes	Recommended policy change
2.4.1 Sewage collection & disposal network	95%	2%	\$479k	Trade waste charges were last increased in 2016/17. The revised fees would reflect CPI movements (using the BERL Water index), increasing revenue by approximately \$0.020m. The increase would be equitable for the user, reflecting a cost increase	Increase fees to reflect CPI increase.	\$20k	No change



**LONG-TERM AND ANNUAL PLAN  
COMMITTEE  
6 APRIL 2017**

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target  (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations	Recommended changes to fees and charges	Additional revenue expected from proposed fee changes	Recommended policy change
				<p>commensurate with their impact on the network. This option will allow for the activity to be maintained at an acceptable level.</p> <p>Council will continue to widen the Trade Waste discharger base by ensuring that all operators within the known Trade Waste discharge industry types were encompassed in the Trade Waste charge regime.</p>			
5.1.1 Swimming pools	62%	4%	\$776k	<p>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 Wellington Wage, and a competitive market which is impacting on utilisation and profitability of WCC facilities, such as the Learn to Swim programmes and fitness centres.</p>	<p>Increase fees on average of 2.5% for pool entry and Learn To Swim. This equates to an increase per swim of, 20c for an adult and 10c for a child, and an increase in learn to swim fees of 30c per lesson.</p>	\$120k	<p>No change for this year. During the LTP it is recommended to adjust the user charges policy target to 35%.</p>
5.1.2 Sportsfields	90%	1%	\$47k	<p>Non-compliance is mainly driven by rising focus on elite sport. This drives up the operational costs due to increased maintenance requirements, whilst losing regular income while events takes place or sportsfields are undergoing maintenance. There is usually minimal revenue associated with the elite sports events.</p>	<p>The proposed changes for 2017-18 are:</p> <ul style="list-style-type: none"> <li>Separation of the elite organisations facilities into a distinct project so that costs could be easily identified and not allowed to impact on community sport use which in effect subsidises the</li> </ul>	\$6k  (The budgeted revenue already takes into account the increase in fees)	No change

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations	Recommended changes to fees and charges	Additional revenue expected from proposed fee changes	Recommended policy change
					support of these teams; <ul style="list-style-type: none"> <li>Implement a targeted fee increase for premier sand-carpet fields and a general CPI increase of 2% for 2017/18.</li> </ul>		
5.1.3 Sportsfields (synthetic)	60%	5%	\$93k	Fees are being increased by 3% - in line with the CPI. This is suggested to keep meeting our targets, given the rising costs. Further fee increases will be required to meet the compliance levels.	Increase fees by 5% and accept temporary non-compliance with policy for 2017/18 and plan to increase fees annually by smaller increments (around 5%), in order to achieve compliance over the next few years.	\$43k  (The budgeted revenue already takes into account the increase in fees)	No change
5.1.7 Marinas	90%	2%	\$10k	Expenditure increases have been absorbed over the last two years. This year, costs are slightly ahead of revenue and therefore a fee increase is proposed.	Fee increases of 3% for Evans Bay Marina and 3% for Clyde Quay to bring the activity closer to target	\$15k  (The budgeted revenue already takes into account the increase in fees)	No change
5.3.3 Public health regulations	60%	(2%)	(\$110k)	The new, more onerous, requirements contained in the Food Act 2014 have resulted in increased officer time carrying out verifications than anticipated. Fees for verifications were initially based on two hours of labour. Officers now estimate that a standard verification requires four hours labour, whilst reduced scope verifications require two hours labour.	Increase the fee for standard verifications to cover the two additional hours and introduce a new fee for the reduced scope verifications based on two hours labour.	\$240k  (The budgeted revenue already takes into account the increase in fees)	No change
6.2.1 Building	66%	(1%)	(\$93k)	The activity is	Revenue will need to be increased by	\$261k	No change

**LONG-TERM AND ANNUAL PLAN  
COMMITTEE  
6 APRIL 2017**

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target  (positive variance means the activity requires more rates funding than policy targets)		Working Party considerations	Recommended changes to fees and charges	Additional revenue expected from proposed fee changes	Recommended policy change
control and facilitation				currently over-compliant due to temporary income provided by processing Building Consents for Auckland City Council. When this income removed, the activity moves into under-compliance by 1% or \$200k.	<p>\$261k to meet the additional costs and achieve underlying compliance. This would require a 2.8% increase of the hourly rate (\$3.00 for administration, \$4.50 for other staff), and hence a 2.8% increase across the whole fee structure.</p> <p>In addition, update the wording of the charge for additional hours spent on a LIM report to begin charging after 7 hours instead of 13. Officers believe it appropriate to begin to charge an hourly rate if more than a full day's work has been spent on one LIM report. Over the last 2.5 years 99% of all LIM reports were completed within 7 hours, the average time spent being 2.35 hours. Only 5 exceeded 13 hours and this brought in income of only \$675 over the 2.5 years. The estimate is for \$6,000 extra revenue each year at the updated hourly rate of \$103.</p>	(The budgeted revenue already takes into account the increase in fees)	
7.2.1 Parking	0%	(106%)	(\$14,587k)	WCC has not increased the pricing of on street car parking for 13 years. Officer's view is now is an appropriate time for Council to	The working party recommends that a wider conversation with Council is required regarding establishing a new hourly fee for	\$500k	No change

Item 2.1

Activity Component	Current R&F Policy Target Rates Funding	Variation to current policy target (positive variance means the activity requires more rates funding than policy targets)	Working Party considerations	Recommended changes to fees and charges	Additional revenue expected from proposed fee changes	Recommended policy change
			<p>review its pricing for on street parking.</p> <p>When considering this option officers took into account inflationary pressure over the past 13 years, the fees of other major metros in New Zealand (in particular Auckland), WCC's parking policy and the ability to use pricing to manage demand in the highest use area of the city to support our Transport and Economic development objectives.</p>	parking at \$4.50 per hour within the CBD.		

**Other Revenue and Financing Policy Considerations**

**General Rates Differential Review**

36. The general rate differential and its impact on Council rates had 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 55% Residential 45% 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. The Working Party is not proposing a change in the rates differential for the 2017/18 Annual Plan.

**Targeted Water Rates**

- 37. Water Activities are targeted to be 100% funded by targeted rates. There is an administration fee for all new domestic and commercial water connections and this revenue reduces the net expenditure required to be funded through rates.
- 38. 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 4.1% compared to 2016/17, mainly due to an increase in bulk water costs from the Greater Wellington Regional Council and an increase in depreciation costs. As a result, the Working Party is recommending that the water rates will on average increase by 4.1%.

### **Funding the cost of Living Wage**

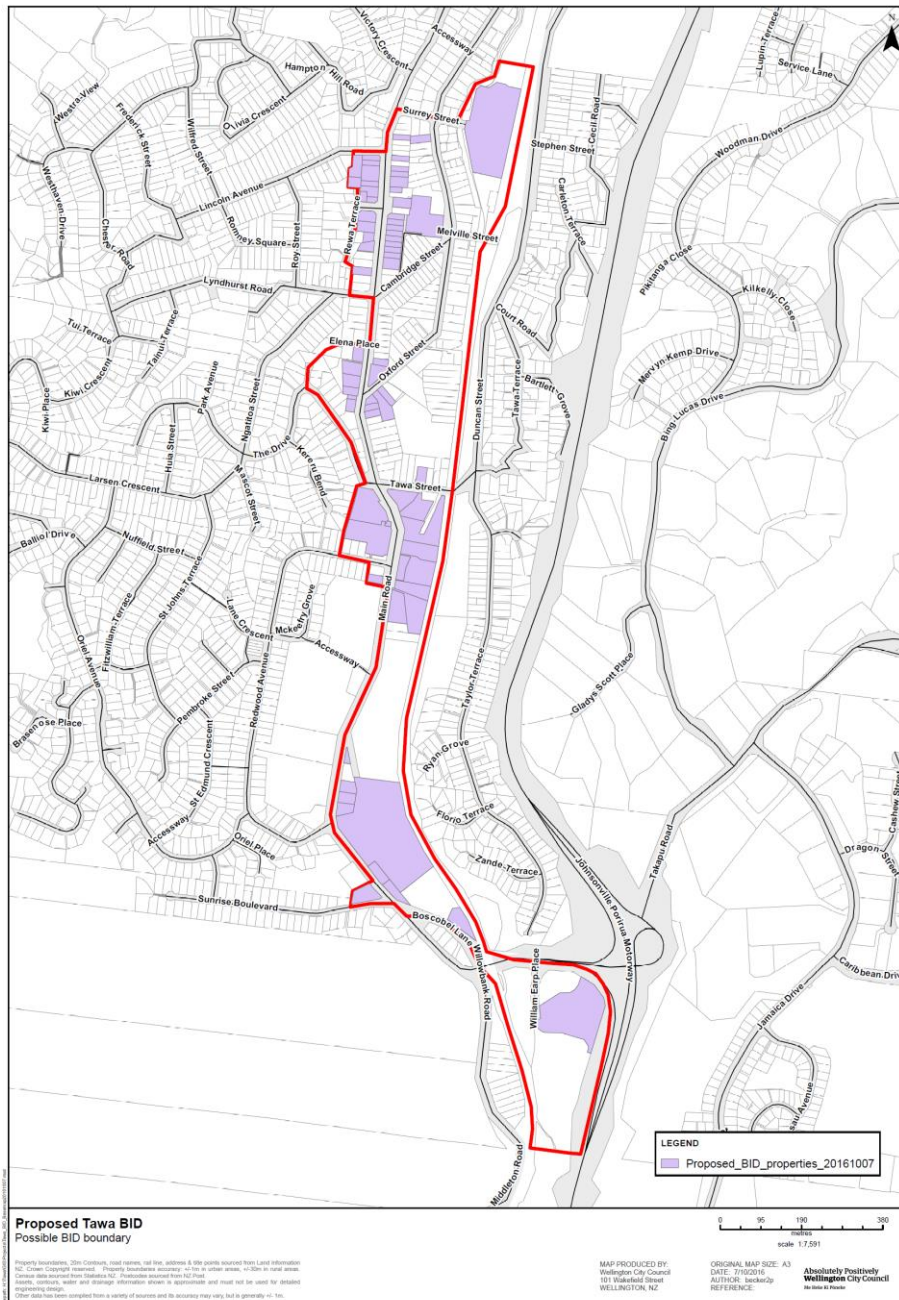
39. In June/December 2013, Council endorsed to implement the Living Wage for its staff from 1 January 2014.
40. Those primarily affected by the new rates are among Council's front line operations such as parks, gardens, recreation, library and parking services.
41. Since its introduction, Council has invested up to \$1.95m per annum into paying its staff the living wage (excluding the impact of relativity). This includes an additional estimated cost of \$700k in the 2017/18 Annual Plan to increase the hourly rate for current staff from \$18.63 to \$20.20.
42. Relativity relates to how parity between roles is maintained in order to mitigate workplace tensions or wage pressures (i.e. to apply an uplift to direct supervisory roles to maintain parity).
43. The Council's funding options are guided by its Revenue and Financing Policy. At its simplest, this aims to see costs rest with those that benefit and to avoid where practical cross subsidisation – the situation where one activity is funded by an unrelated activity or someone that does not benefit from the activity.
44. Currently, in the absence of a decision from Council on how the cost of implementing the living wage will be funded, the default situation is that this cost is funded in accordance with the Revenue & Financing Policy targets applicable to the activity impacted by the living wage. For example, the cost of swimming pools operations is funded 62% from rates and 38% from user fees.
45. It should be noted that some of these activities are already under pressure to meet existing funding targets.
46. The Working Party recommends that Council need to decide how to fund the cost of the living wage, whilst taking into consideration who benefits and who pays for this activity - either the full cost is borne by all ratepayers through rate increases, or by the beneficiaries of the service, which would result in significant fee increases for some of our service users.

### **Rating Mechanisms**

47. The Working Party proposes the following changes to the Council's rating mechanisms:

#### **Proposed targeted rate for Tawa Business Improvement District**

48. A targeted rate for the Tawa Business Improvement District (BID) is being proposed to be included in the 2017/18 Annual Plan under the terms of the BID Policy, for \$95,000 (excluding GST). This rate is proposed to be assessed on all commercial, industrial and business rating units in the Tawa BID area, but excluding any rating unit that is not connected to a service (refer map below).



49. Liability for this rate is proposed to be calculated as a fixed amount per rating unit, plus an amount set and assessed on capital values. Council will continue to work with the Tawa Business Group on developing the methodology.
50. A poll, which closed on 16 December 2016, was conducted among the BID eligible voters and the result of the poll was majority support for the proposed BID.
51. This proposed rate has been incorporated into the draft Financial and Funding statements and the draft Funding Impact Statements presented to the Committee in Item **x.x** – ‘2017/18 Annual Plan: budget position and proposed variances’.



**Rates Remission Policy**

- 52. The Rates Remission Policy was adopted by Council as part of the 2015-25 Long-term Plan and proposed to be amended as part of the 2017/18 Annual Plan.
- 53. The Working Party proposes the following changes to the Council's Rates Remission Policy:

**Proposed rates remission for first home builders**

- 54. A rates remission up to a maximum of \$5,000 (including GST) is being proposed to be offered to property owners who build their first home or apartment in Wellington, or purchasing a newly built home or apartment off plans.
- 55. The objective of this remission is to assist first home builders and promote the supply of housing in Wellington city.
- 56. The remission is funded by a redistribution of rates to other ratepayers of approximately \$200,000 per annum.
- 57. The proposed conditions and criteria for remission of rates are outlined in Attachment 2.

**Development Contributions Policy**

- 58. The existing Wellington City Council Development Contributions (DC) Policy was adopted by Council on 24 June 2015 as part of the 2015-25 LTP process.
- 59. No changes are being proposed to the DC Policy and charges as part of the 2017/18 Annual Plan.
- 60. For consistency with previous practice, the Working Party recommends that the existing Development Contributions Policy adopted by Council on 24 June 2015, effective from 1 July 2015, will apply until the time a review of the policy is done and consulted on at a future point in time.

**Attachments**

Attachment 1.	2017-18 Annual Plan Proposed Fees and Charges	Page 29
Attachment 2.	2017-18 Annual Plan Rates Remission for First Home Builders	Page 37
Attachment 3.	2017-18 Annual Plan Proposed Rating Mechanisms	Page 40

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## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

Subject to Council approval, the variances proposed and decisions made on this report will be engaged on with the community through the 2017/18 Annual Plan engagement process.

### **Treaty of Waitangi considerations**

Targeted engagement will be undertaken with Iwi as part of the 2017/18 Annual Plan engagement process using existing relationship channels.

### **Financial implications**

This report discusses the key funding policy considerations for the 2017/18 Annual Plan. These underpin the financial forecasts in the AP and therefore decisions made on these documents will impact on our operational and capital expenditure forecasts. The impact of these decisions and recommendations of this report are significant.

### **Policy and legislative implications**

This report meets all statutory requirements under the Local Government Act 2002, and is consistent with Council policy. Specific changes to Council policies recommended within the report will be engaged upon as part of the 2017/18 Annual Plan engagement process.

### **Risks / legal**

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

### **Climate Change impact and considerations**

Implications of climate change have been considered in relation to the 2017/18 Annual Plan, and therefore funding implications as related to the funding policies.

### **Communications Plan**

Communication will be through the 2017/18 Annual Plan communication plan.

### **Health and Safety Impact considered**

Health and safety impacts have been considered in relation to the 2017/18 Annual Plan, and therefore funding implications as related to the funding policies.



## 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 fees and charges in the following areas:

- Sewage collection and disposal network
- Swimming Pools
- Sportsfields
- Sportsfields (synthetic)
- Marinas
- Building Control and Facilitation
- Public Health Regulations

New fees are proposed to be implemented as of 1 July 2017 and are inclusive of GST. For more information see [www.Wellington.co.nz](http://www.Wellington.co.nz)

### Sewage collection and disposal network

We are proposing increases to some of our fees for sewage collection and disposal network.

Sewage collection and disposal network	Current Fee	Proposed Fee
<b>Conveyance &amp; Transport of Trade Waste</b>		
<b>Volume</b>		
Up to 100m <sup>3</sup> /day	\$0.29/m <sup>3</sup>	\$0.30/m <sup>3</sup>
Above 7000m <sup>3</sup> /day	\$0.91/m <sup>3</sup>	\$0.93/m <sup>3</sup>
<b>B.O.D (Biochemical Oxygen Demand)</b>		
Up to 3150kg/day	\$0.31/m <sup>3</sup>	\$0.32/m <sup>3</sup>
Above 3150kg/day	\$0.69/m <sup>3</sup>	\$0.71/m <sup>3</sup>
<b>Suspended Solids</b>		
Up to 1575kg/day	\$0.30/m <sup>3</sup>	\$0.31/m <sup>3</sup>
Above 1575kg/day	\$0.56/m <sup>3</sup>	\$0.57/m <sup>3</sup>

### Swimming pools

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

Swimming pools	Current Fee	Proposed Fee
<b>Pool Fees</b>		
Adult Swim	\$6.00	\$6.20
Child Swim	\$3.70	\$3.80
Khandallah Adult	\$3.10	\$3.20
Khandallah Child	\$1.60	\$1.70
Adult 10 concession card	\$54.00	\$55.80
Child 10 concession card	\$33.30	\$34.20
<b>Swim Memberships</b>		
Adult Monthly	\$60.50	\$62.00

<b>Swimming pools</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Adult Yearly	\$724.60	\$742.70
Child Monthly	\$36.20	\$37.10
Child Yearly	\$434.80	\$445.70

**Sportsfields**

We are proposing increases to some of our fees for sportsfields.

<b>Sportsfields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Cricket</b>		
<b>Casual</b>		
Level 1	\$386.50	\$388.00
Artificial pitch on concrete base	\$165.00	\$170.00
<b>Seasonal</b>		
Level 1	\$2,917.00	\$2,930.00
Level 2	\$2,433.00	\$2,440.00
Level 3	\$1,417.00	\$1,420.00
Artificial pitch on concrete base	\$955.00	\$970.00
<b>Rugby, League, Soccer/Football, Aussie Rules</b>		
<b>Casual</b>		
Level 2	\$107.00	\$108.00
Level 3	\$82.50	\$85.00
<b>Seasonal</b>		
Level 1	\$2,350.00	\$2,400.00
Level 2	\$1,535.00	\$1,600.00
Level 3	\$1,299.00	\$1,300.00
<b>Softball</b>		
<b>Casual</b>		
Level 1	\$176.00	\$178.00
Level 2	\$124.00	\$125.00
<b>Seasonal</b>		
Level 1	\$739.50	\$750.00
Level 2	\$497.00	\$500.00
<b>Touch, 5-a-side, Ultimate, Gridiron</b>		
<b>Casual</b>		
Level 1	\$185.50	\$187.00
Level 2	\$149.00	\$150.00
<b>Seasonal</b>		
Level 1	\$1,535.00	\$1,560.00
Level 2	\$1,186.00	\$1,200.00
<b>Netball – per Court</b>		
Court per season	\$142.00	\$144.00
Off-season or organised	\$11.00	\$12.00
Casual	\$43.00	\$44.00
<b>Tennis</b>		
Court per season	\$193.00	\$195.00
Casual	\$43.00	\$44.00
<b>Cycling</b>		
Casual	\$173.00	\$176.00
Seasonal	\$1,747.00	\$1,760.00
<b>Athletics</b>		
Casual	\$633.50	\$634.00
WRFU Speed Trials	\$141.00	\$144.00
<b>Training</b>		
<b>Ground Only (Unserviced)</b>		

<b>Sportsfields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
1 night	\$107.00	\$108.00
1 night (season)	\$384.00	\$386.50
3 nights (season)	\$1,150.50	\$1,158.00
5 nights (season)	\$1,917.50	\$1,920.00
<b>Ground and Changing Rooms</b>		
1 night	\$193.00	\$195.00
1 night (season)	\$808.00	\$818.00
2 nights (season)	\$1,613.00	\$1,633.00
3 nights (season)	\$2,420.00	\$2,450.00
4 nights (season)	\$3,227.00	\$3,267.00
5 nights (season)	\$4,035.00	\$4,085.00
<b>Elite Parks</b>		
Rugby League Park	\$639.50	\$642.00
Newtown Park	\$639.50	\$642.00
<b>Add-Ons</b>		
Groundsman – hourly rate(minimum 2 hours)	\$36.00	\$40.00
Toilets Open	\$36.00	\$38.00
Toilets and Changing rooms open	\$86.00	\$88.00

**Sportsfields (synthetic)**

We are proposing increases to some of our fees for sportsfields (synthetic turf).

<b>Sportsfields (synthetic)</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Synthteic Turf (full size)</b>		
Peak	\$75.00	\$78.50
Off peak	\$50.00	\$52.50
Junior/College	\$37.00	\$39.00
Weekend/Tournament/Event daily rate	\$750.00	\$787.5
<b>Nairnville Park/Terawhiti turf</b>		
Peak	\$51.50	\$54.00
Off peak	\$32.00	\$33.50
Junior/College	\$25.50	\$27.00
<b>National Hockey Stadium</b>	\$34,485.00	\$35,520.00

**Marinas**

We are proposing increases to some of our fees for marinas.

<b>Marinas</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Clyde Quay</b>		
Mooring	\$1,044.00	\$1,075.00
Boat Shed (2 to 13)	\$2,196.00	\$2,262.00
Boat Shed (14 to 27)	\$1,976.00	\$2,036.00
Boat Shed (28, 29)	\$2,744.00	\$2,826.00
Boat Shed (38B)	\$1,586.00	\$1,634.00
Boat Shed (38A to 42B, 48A, 48B)	\$2,280.00	\$2,348.00
Boat Shed (43A to 47B)	\$2,636.00	\$2,716.00
Dinghy Rack	\$184.00	\$189.00
<b>Evans Bay</b>		
Berth	\$2,632.00	\$2,712.00
Berth (Sea Rescue Jetty)	\$1,548.00	\$1,594.00
Boat Shed (8 to 11)	\$1,036.00	\$1,067.00
Boat Shed (1 to 7, 12 to 32)	\$2,072.00	\$2,135.00
Boat Shed (33 to 46)	\$3,108.00	\$3,200.00

<b>Marinas</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Dinghy Locker	\$310.00	\$319.00
Live-Aboard fee	\$542.00	\$558.00
Trailer Park	\$117.00	\$120.00

**Building Control and Facilitation**

We are proposing increases to some of our fees for building control and facilitation.

<b>Building Control and Facilitation Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Customer Services</b>		
Pre-application meetings: consent officer / expert / compliance officer (2 hours total officer time free, then a charge per hour thereafter).	\$159.00	\$163.50
Monthly report of Issued Building Consents	\$75.50	\$77.50
Official Information requests (property): Disbursements - 1st 20 A4 sheets free - 20 cents per additional sheet	POA	POA
Administration Fee (refunds / cancellations)	\$100.00	\$103.00
Time extension initial fee (30 mins admin, 30 mins inspector). Any time spent over this initial time will be charged at the relevant hourly rate	\$129.50	\$133.25
Time extension - additional inspectors time, hourly rate	\$159.00	\$163.50
Administration fee (other) - hourly rate	\$100.00	\$103.00
Restricted building work check (per notification)	\$50.00	\$51.50
<b>Minor Works</b>		
Drainage/Plumbing (val less than \$2000)	\$299.00	\$307.50
Free Standing Fireplace	\$198.50	\$204.00
In-built fireplace	\$418.00	\$430.00
Additional Inspection fee (per hour)	\$159.00	\$163.50
<b>Lodgment Fee</b>		
Lodging Fee for Building Consents	\$100.00	\$103.00
<b>Plan Check</b>		
Less than \$10,000 (Category 1)	\$357.00	\$367.00
Less than \$10,000 (Category 2)	\$555.00	\$570.75
Less than \$10,000 (Category 3)	\$714.00	\$734.00
\$10,001 - \$20,000 (Category 1)	\$793.00	\$815.50
\$10,001 - \$20,000 (Category 2)	\$793.00	\$815.50
\$10,001 - \$20,000 (Category 3)	\$793.00	\$815.50
\$20,001 - \$100,000 (Category 1)	\$872.50	\$897.25
\$20,001 - \$100,000 (Category 2)	\$872.50	\$897.25
\$20,001 - \$100,000 (Category 3)	\$872.50	\$897.25
\$100,001 - \$500,000 (Category 1)	\$952.00	\$979.00
\$100,001 - \$500,000 (Category 2)	\$1,428.00	\$1,468.50
\$100,001 - \$500,000 (Category 3)	\$1,428.00	\$1,468.50
\$500,001 - \$1,000,000 (Category 1)	\$2,221.00	\$2,283.75
\$500,001 - \$1,000,000 (Category 2)	\$2,538.00	\$2,609.75
\$500,001 - \$1,000,000 (Category 3)	\$2,855.00	\$2,935.75
\$1,000,000 + (Category 1)	\$2,935.00	\$3,018.00
\$1,000,000 + (Category 2)	\$2,935.00	\$3,018.00

<b>Building Control and Facilitation Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
\$1,000,000 + (Category 3)	\$2,935.00	\$3,018.00
for each \$500,000 or part thereof over \$1,000,000	\$753.50	\$774.75
Consent Suspend Fee (to review additional information), charge per additional hour of officer re-assessment time.	\$159.00	\$163.50
<b>Plan check for fast track consents</b>		
Fast Track - consents only - issued within 10 days (criteria applies, and applications will only be accepted on a case by case basis)	2 x consent approval charges	2 x consent approval charges
Fast Track - consents only - issued within 5 days (criteria applies, and applications will only be accepted on a case by case basis).	3 x consent approval charges	3 x consent approval charges
<b>Multi-proof Consent</b>		
Lodgement fee	\$100.00	\$103.00
Plan check - est 3 hours @\$154	\$476.00	\$489.50
Additional time per hour	\$159.00	\$163.50
<b>Code Compliance Certificate</b>		
Code Compliance Certificate (for Category 1 applications)	\$100.00	\$103.00
Code Compliance Certificate (for Category 2 applications)	\$100.00	\$103.00
Code Compliance Certificate (for Category 3 applications)	\$126.00	\$129.75
<b>Building Inspections</b>		
Hourly charge: the initial payment is based on estimate of inspections required. The final charges are based on actual time.	\$159.00	\$163.50
Engineering inspections (not covered by a Producers Statement), including fire, engineering, structural engineering for an unusual proposal or specific design	actual cost plus \$100	actual cost plus \$103
<b>Structural Check &amp; Additional Charges</b>		
Deposit for Category 1 structural work (on Plan Reviews)	\$283.50	\$291.50
Deposit for Category 2 structural work (on Plan Reviews)	\$386.50	\$397.25
Deposit for Category 3 structural work (on Plan Reviews)	\$706.00	\$725.75
Deposit for Category 1 structural work (for Amended Plans)	\$319.50	\$328.50
Deposit for Category 2 structural work (for Amended Plans)	\$319.50	\$328.50
Deposit for Category 3 structural work (for Amended Plans)	\$422.50	\$434.25
Hourly Charge for Engineers (including internal overheads), over and above deposit	\$285.00	\$293.00
Hourly charge for Contract Management, over and above deposit	\$136.00	\$139.75
Deposit for all categories for structural checking not supported by a producer statement from a Chartered professional engineer	\$706.00	\$725.75
<b>Levies</b>		
DBH levy per \$1,000 (of project value)	\$2.01	\$2.01
BRANZ levy per \$1,000 (of project value)	\$1.00	\$1.00

<b>Building Control and Facilitation Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Compliance Schedule</b>		
New compliance schedule (linked with Building Consent). This is the minimum charge (based on one hour of processing), additional charges will apply for time taken over this, at \$159 per hour for additional hours	\$238.00	\$244.75
Additional charge per hour for new compliance schedule (linked with Building Consent)	\$159.00	\$163.50
Alterations and amendments to compliance schedule (linked to building consent or application for amendment to CS Form 11) will be charged on a time-taken basis at \$159 per hour of officer time.	\$159.00	\$163.50
Minor compliance schedule amendments - change of owner/ agent, minor changes to Compliance Schedule requested by owner/ agent. This is the minimum charge (based on 15 min of processing). Additional charges will apply for time taken over this, at \$159 per hour for additional hours. (Application for amendment to Compliance Schedule required Form 11).	\$40.00	\$41.00
<b>NZ Fire Service Charges</b>		
Fire Service Review base fee collected with consent. Additional fees will be charged at cost.	\$202.35	\$208.00
Fire Service Review admin	\$75.50	\$77.75
Fire Service Courier charge	Actual cost	Actual cost
Consultants reports	Actual cost	Actual cost
<b>Certificate Lodgment</b>		
Processing time per hour	\$159.00	\$163.50
Preparation of legal documents (covers first two hours of processing time)	\$300.00	\$308.50
Disbursement of legal costs for registering certificates against titles	Actual Cost	Actual Cost
S77 building over two or more allotments - legal costs	Actual Cost	Actual Cost
S72 land subject to hazards - LINZ lodgement	Actual Cost	Actual Cost
<b>Certificate of Public Use (CPU)</b>		
Initial fee (includes 1 hour processing time)	\$159.00	\$163.50
Processing time over 1 hour	\$159.00	\$163.50
Lodgement fee	\$75.00	\$77.00
<b>Amended Plan</b>		
Initial fee (includes 1 hour processing time)	\$159.00	\$163.50
Processing time over 1 hour	\$159.00	\$163.50
Lodgement fee	\$75.00	\$77.00
<b>PIM (if lodged with building consent)</b>		
PIM ONLY - single residential dwelling including accessory buildings	\$397.00	\$408.25
PIM ONLY - other	\$476.00	\$489.50
<b>Certificates of Acceptance</b>		
Lodgement fee	\$100.00	\$103.00
Less than \$10,000 (Category 1)	\$674.50	\$693.50
Less than \$10,000 (Category 2)	\$872.50	\$897.25



<b>Building Control and Facilitation Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Less than \$10,000 (Category 3)	\$1,031.50	\$1,060.75
\$10,001 - \$20,000 (Category 1)	\$1,110.50	\$1,142.00
\$10,001 - \$20,000 (Category 2)	\$1,110.50	\$1,142.00
\$10,001 - \$20,000 (Category 3)	\$1,110.50	\$1,142.00
\$20,001 - \$100,000 (Category 1)	\$1,507.00	\$1,549.75
\$20,001 - \$100,000 (Category 2)	\$1,507.00	\$1,549.75
\$20,001 - \$100,000 (Category 3)	\$1,507.00	\$1,549.75
\$100,001 - \$500,000 (Category 1)	\$1,586.50	\$1,631.50
\$100,001 - \$500,000 (Category 2)	\$2,062.00	\$2,120.25
\$100,001 - \$500,000 (Category 3)	\$2,062.00	\$2,120.25
\$500,001 - \$1,000,000 (Category 1)	\$2,855.00	\$2,935.75
\$500,001 - \$1,000,000 (Category 2)	\$3,172.50	\$3,262.25
\$500,001 - \$1,000,000 (Category 3)	\$3,490.00	\$3,588.75
\$1,000,000 + (Category 1)	\$3,569.00	\$3,670.00
\$1,000,000 + (Category 2)	\$3,569.00	\$3,670.00
\$1,000,000 + (Category 3)	\$3,569.00	\$3,670.00
for each \$500,000 or part thereof over \$1,000,000	\$753.50	\$774.75
Consent Suspend Fee (to review additional information), charge per additional hour of officer re-assessment time.	\$159.00	\$163.50
<b>Building Warrant of Fitness</b>		
Independent Qualified Person (IQP) Registration Fee (New & Renewal)	\$159.00	\$163.50
Additional charge for each new competency registered	\$75.00	\$77.00
Building Warrant of Fitness - Annual Certificate. This is the base charge for 1 specified system. Additional charges will apply for time over 0.5 hours	\$79.50	\$81.75
Building Warrant of Fitness - Annual Certificate. This is the base charge for 2 - 10 specified systems. Additional charges will apply for time taken over 1 hour	\$159.00	\$163.50
Building Warrant of Fitness - Annual Certificate. This is the base charge for 11+ specified systems. Additional charges will apply for time taken over 1.5 hours	\$238.00	\$244.75
Additional charge per hour for processing Annual Certificate, where processing time exceeds that allowed for in the base charge.	\$159.00	\$163.50
Building Warrant of Fitness Inspection (per hour)	\$159.00	\$163.50
<b>Swimming Pool</b>		
Pool fencing inspection per hour.	\$159.00	\$163.50
Exemptions: Base fees (including 5.5 hours of processing time)	\$872.50	\$897.25
Exemptions: processing costs after the initial 5.5 hours	\$159.00	\$163.50
Hearing costs	Actual Cost	Actual Cost
<b>Special Activity and Monitoring</b>		
Hourly charge for officer time considering proposals and monitoring compliance	\$159.00	\$163.50
<b>Building Certificate (pre-requisite for</b>		

<b>Building Control and Facilitation Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>liquor license application)</b>		
Where application for building certificate received with application for town planning certificate	\$159.00	\$163.50
Where application received independently	\$257.00	\$264.25
Additional charge per hour for processing Building Certificate, where processing time exceeds one hour	\$159.00	\$163.50
<b>LIM and Information Services</b>		
LIMs : Residential	\$323.50	\$333.25
Fast track residential LIMs	\$485.00	\$499.50
LIMs: Commercial Base Fee	\$755.00	\$777.75
LIMs : Per hour after 7 hrs	\$100.00	\$103.00
Property Reports: Building Consents	\$151.00	\$155.50
Property Reports: Multi-residential 3-8 unit property	\$220.50	\$227.00
Property Reports: Multi-residential 8+ unit property	\$234.00	\$241.00
Building Consent printout (site specific)	\$27.00	\$27.75
Certificate of Title	\$26.00	\$26.75

#### **Public Health Regulations**

We are proposing the following changes to Public Health fees:

<b>Public Health</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Template or Model Food Control Plan</b>		
<b>Verification</b>		
1 <sup>st</sup> verification – Normal (changed from 2.5 to 4 hours)	\$387.50	\$620.00
2 <sup>nd</sup> verification – Normal (changed from 2.5 to 4 hours)	\$387.50	\$620.00
1 <sup>st</sup> verification – Simple (2 hours)	N/A	\$310.00 (New)
2 <sup>nd</sup> verification – Simple (2 hours)	N/A	\$310.00 (New)
Reduced Verification – 1 hour	\$155.00	Removed
<b>National Programme</b>		
<b>Verification</b>		
1 <sup>st</sup> verification	\$155.00 (1 hour)	\$310.00 (2 hours)
2 <sup>nd</sup> verification	\$155.00 (1 hour)	\$310.00 (2 hours)



**(Note: the Rates Remission Policy was adopted by Council as part of the 2015-25 Long-term Plan and proposed to be amended as part of the 2017/18 Annual Plan)**

**Rates Remission Policy:**

**1. Rates Remission for First Home Builders:**

**REMISSION STATEMENT**

The Council may grant a rate remission on a new residential dwelling (including apartments) on a separate rating unit, where construction is completed after 01 July 2017 within the boundaries of Wellington City Council.

The remission will be up to a maximum of \$5,000 (including GST). To qualify for this remission, the property owner must be:

- a New Zealand resident or citizen,
- this will be their first home,
- and the home must be a new build

The earliest the remission can be applied for is after a building code compliance certificate has been issued by the Council for the rating unit. The remission will end once the \$5,000 (including GST) has been remitted or when the rating unit is sold (whichever is the sooner).

The remission shall apply to all Wellington City Council rates assessed on the rating unit. Note that Greater Wellington Regional Council rates will still apply.

Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July).

**POLICY OBJECTIVE**

The objective of this remission policy is to assist new first home builders and promote the supply of housing in Wellington city.

**CONDITIONS AND CRITERIA**

A remission of rates may apply under the following conditions and criteria:

- i. the new residential dwelling must be within the Wellington City Council boundary
- ii. the new residential dwelling must be on a separate rating unit
- iii. the property owner(s) must be a New Zealand resident or citizen and provide evidence of this
- iv. the property must be the first home owned by the applicant

- v. the property must be a new residential dwelling (including apartments)
- vi. the property owner intends to use the property as their primary residence
- vii. the property must be either built for the first owner or purchased within six months of construction
- viii. the property owner must provide evidence that they own the property
- ix. application can be made by the ratepayer after a building code compliance certificate has been issued by the Council for the rating unit.
- x. the remission will not be available retrospectively for residential dwellings (including apartments) that are already completed before 1 July 2017
- xi. once granted, the remission will apply for a set period; commencing from the start of the following rating year and ending when the total amount of Wellington City Council rates remitted on the property reaches the \$5,000 (including GST) limit or when the rating unit is sold (whichever is the sooner)
- xii. Trusts, businesses and companies are not eligible for the remission

#### **APPLYING FOR A RATES REMISSION**

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year, except the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List, the Remission for New Greenfield Developments and the Remission for First Home Builders, which may apply to multiple rating years.

Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the following remission applications which may be received after the start of a rating year:

- i. the Special Circumstances Remission,
- ii. the Metered Water Rates Remission,
- iii. the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List,
- iv. and the Remission for New Greenfield Developments.

No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July), with the exception of the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List, the Remission for New Greenfield Developments and the Remission for First Home Builders

The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

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Applications made for a remission will be considered on their own merits and any previous decisions of the Council will not be regarded as creating a precedent or expectations.

**Rates Postponement Policy:**

No changes required.

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## **2017/18 ANNUAL PLAN FUNDING IMPACT STATEMENT**

### **— PROPOSED RATING MECHANISMS**

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#### **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 2017/18 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 to the differential apportionment in 2017/18.
- 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.

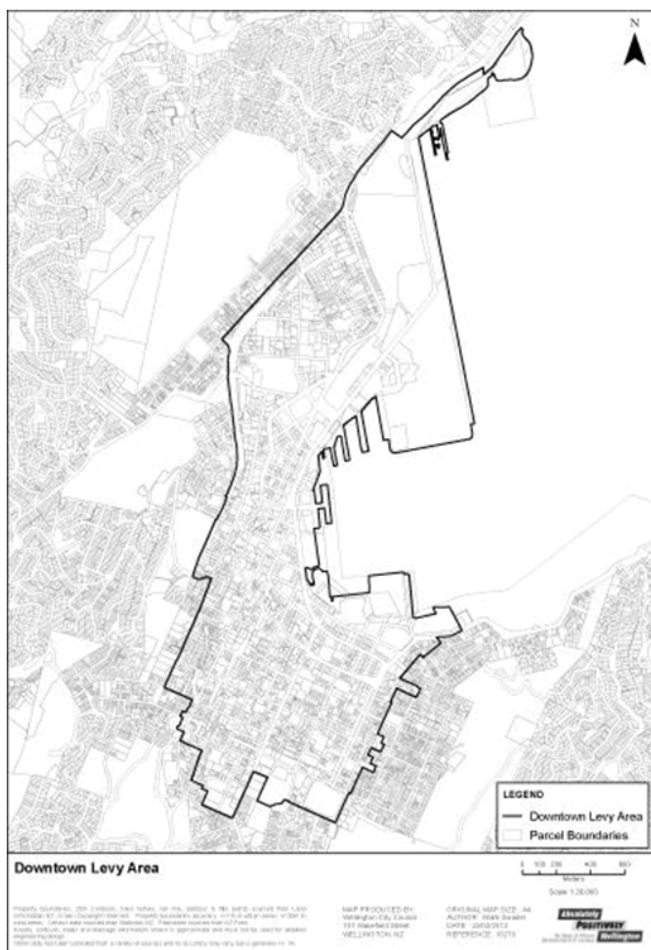
This rate is assessed on all properties incorporated under the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

#### **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.

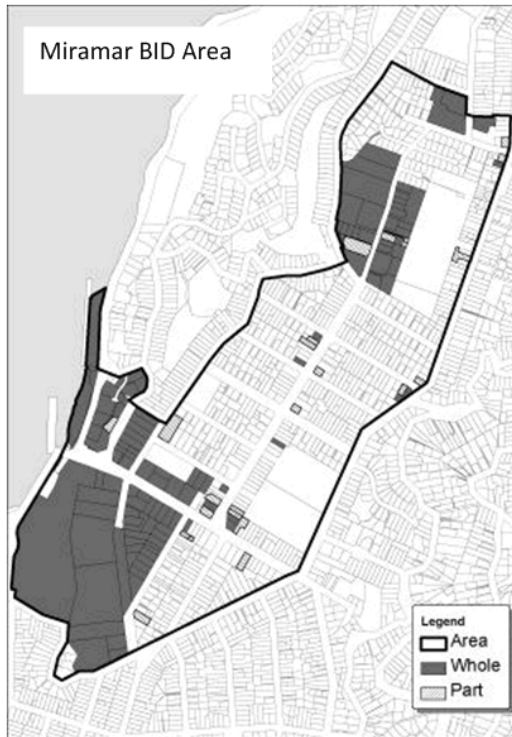


**Miramar Business Improvement District Targeted Rate**

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.



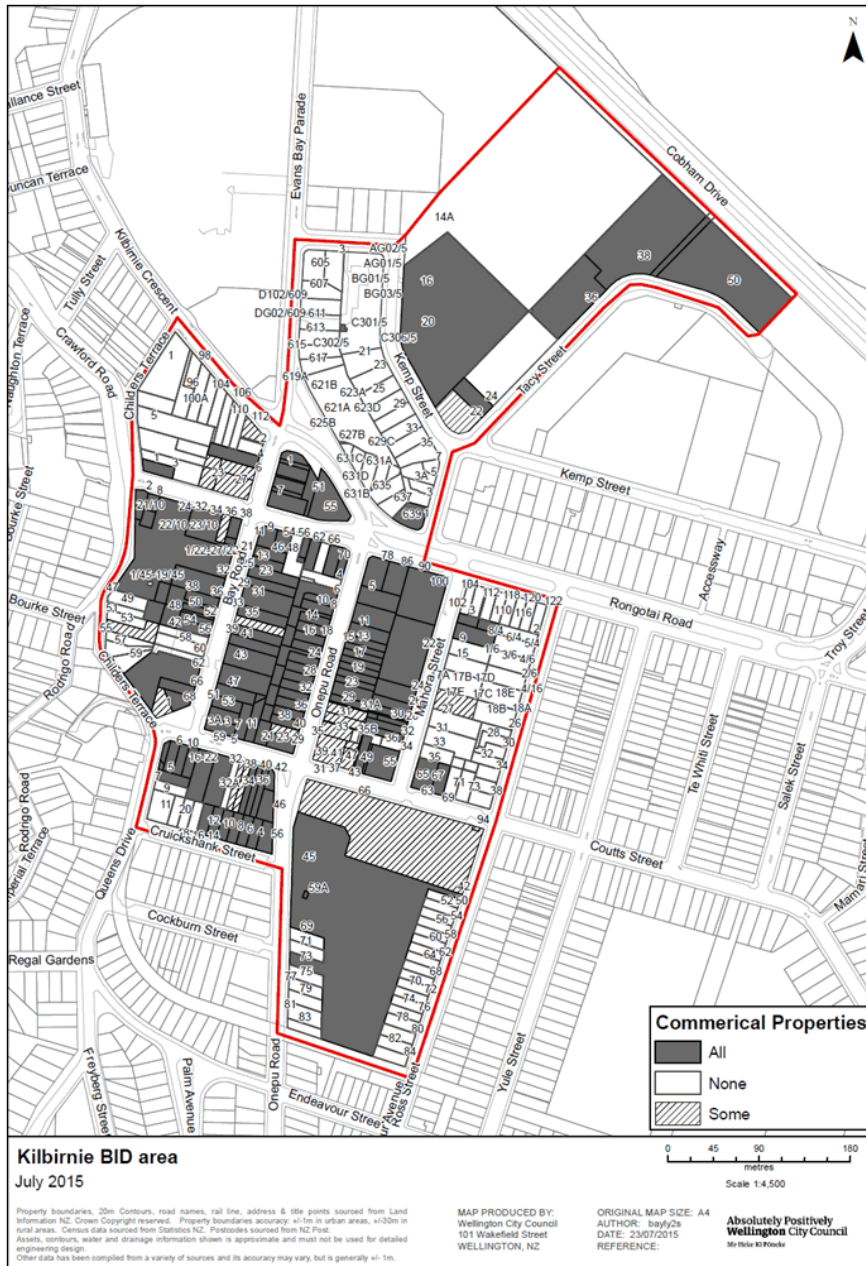
**Kilbirnie Business Improvement District Targeted Rate**

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.



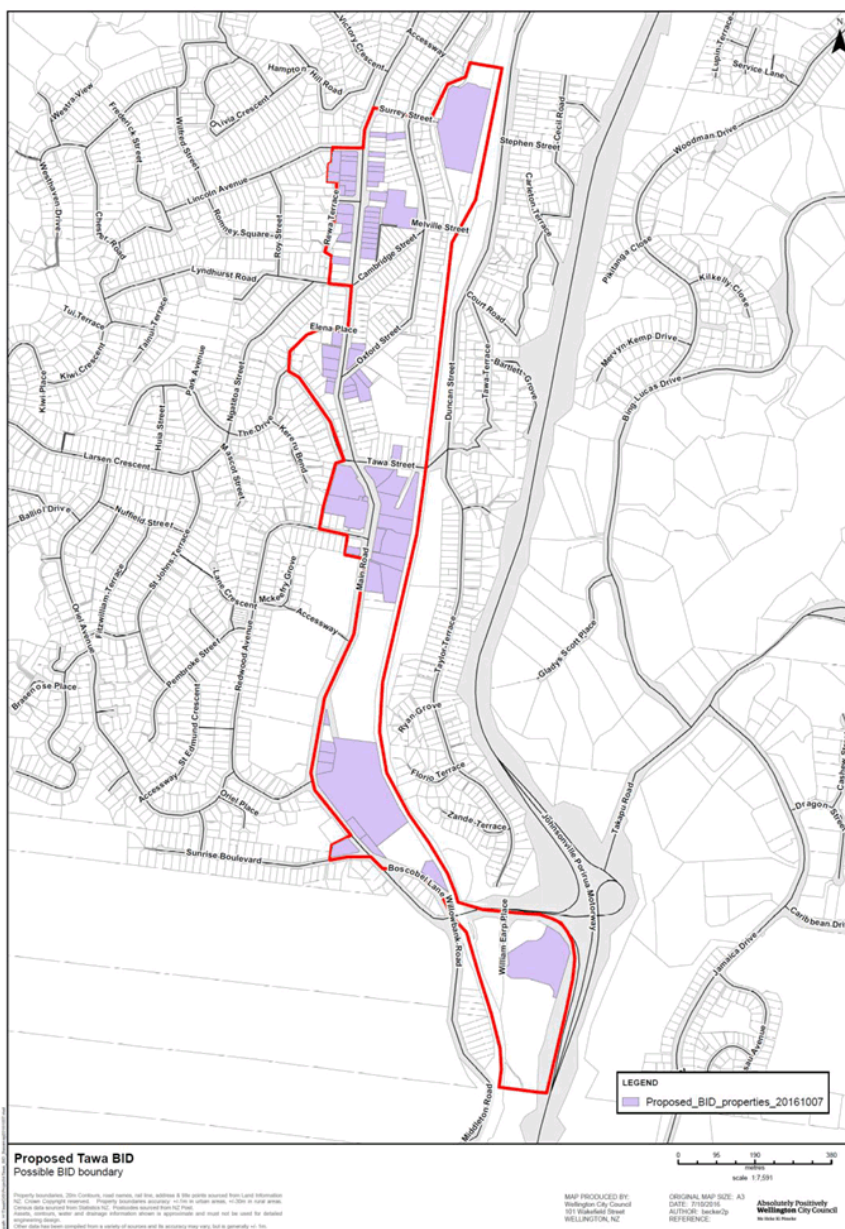


**Tawa Business Improvement District Targeted Rate**

This rate is proposed to be set by Council to fund the Business Improvement District activities of the Tawa Business Group Incorporated.

The category of land for which this rate is proposed to be set is on all rating units within the Tawa Business Improvement District (see map) which are subject to the “commercial, industrial and business” differential, but excluding any rating unit that is not connected to a service.

Liability for this rate is proposed to be calculated as a fixed amount per rating unit, plus an amount set and assessed on capital values. Council will continue to work with the Tawa Business Group on developing the methodology.



**INDICATIVE RATES**

The following table shows the indicative residential and commercial property rates inclusive of GST for a selection of billing categories, based on the proposed 2017/18 budget. These are subject to change based on Council decisions made during the adoption of the 2017/18 Annual Plan and changes in property valuations:

Indicative residential property rates (for properties without a water meter)		
Capital Values \$	2017/18 Proposed Rates \$	Increase over 2016/17 %
200,000	1,157	3.2%
300,000	1,589	3.2%
400,000	2,020	3.3%
500,000	2,452	3.3%
600,000	2,883	3.3%
700,000	3,315	3.3%
800,000	3,747	3.3%
900,000	4,178	3.3%
1,000,000	4,610	3.3%
1,100,000	5,041	3.3%
1,200,000	5,473	3.4%
1,300,000	5,904	3.4%
1,400,000	6,336	3.4%
1,500,000	6,767	3.4%
1,600,000	7,199	3.4%
1,700,000	7,630	3.4%
1,800,000	8,062	3.4%

Indicative suburban commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values \$	2017/18 Proposed Rates \$	Increase over 2016/17 %
1,000,000	10,186	2.7%
1,250,000	12,697	2.7%
1,500,000	15,209	2.7%
1,750,000	17,720	2.7%
2,000,000	20,231	2.7%
2,250,000	22,743	2.7%
2,500,000	25,254	2.7%
2,750,000	27,766	2.7%
3,000,000	30,277	2.7%
3,250,000	32,789	2.7%
3,500,000	35,300	2.7%
3,750,000	37,812	2.7%
4,000,000	40,323	2.7%
4,250,000	42,835	2.7%
4,500,000	45,346	2.7%
4,750,000	47,858	2.7%
5,000,000	50,369	2.7%

Indicative downtown commercial property rates (for properties with a water meter). This excludes water by consumption which is charged on actual usage.		
Capital Values \$	2017/18 Proposed Rates \$	Increase over 2016/17 %
1,000,000	12,268	2.3%
1,250,000	15,300	2.3%
1,500,000	18,332	2.3%
1,750,000	21,364	2.3%
2,000,000	24,396	2.2%
2,250,000	27,428	2.2%
2,500,000	30,460	2.2%
2,750,000	33,492	2.2%
3,000,000	36,524	2.2%
3,250,000	39,556	2.2%
3,500,000	42,588	2.2%
3,750,000	45,620	2.2%
4,000,000	48,652	2.2%
4,250,000	51,684	2.2%
4,500,000	54,716	2.2%
4,750,000	57,748	2.2%
5,000,000	60,780	2.2%



**RATES REMISSION AND POSTPONEMENT POLICIES**

Refer to the Council Rates Remission and Postponement Policies.

(Note: the Rates Remission Policy was adopted by Council as part of the 2015-25 Long-term Plan and proposed to be amended as part of the 2017/18 Annual Plan)

Changes to the rates remission policy are described on page xx.



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## **2017/18 ANNUAL PLAN: BUDGET POSITION AND PROPOSED VARIANCES**

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### **Purpose**

1. This paper provides the Long-term and Annual Plan Committee with:
  - a. a list of proposed variances to the Long-term Plan 2015-25 to be engaged on with the community as part of the 2017/18 Annual plan process;
  - b. an overview of the 2017/18 budget position based on the proposed variances;
  - c. an overview of the broader draft three year work programme (draft Triennial Plan) that will be included in the 2017/18 Annual Plan for engagement with stakeholders and the wider community.

### **Summary**

2. After the 2016 election a summit was held with Wellington stakeholders to identify goals and areas of focus for council for the next three years. On the basis of that work a draft three year programme of work (Triennial Plan) was developed to guide the work of the Council through to 2019/20.
3. The work identified a number of possible changes to the existing work programme of Council and a number of them have a budgetary impact for 2017/18, and consequently these now need to be included in the Annual Plan and engaged on with the wider community.
4. At its simplest, this paper seeks agreement to those variances and for them to be included in the 2017/18 annual plan. It also seeks agreement to the broader draft Triennial Plan and for that to be engaged on with stakeholders and the wider community. Engaging on both plans together places the 2017/18 variances in the broader and more strategic context of the draft Triennial Plan.
5. There are a small number of variances identified in the Triennial Plan for 2017/18 that are in development with central government and other external stakeholders. Further work is required to refine costs and the scale of these projects, and they are included in the Annual Plan engagement material as 'on the horizon' projects so stakeholder and community views can be gauged before making a final decision in June.
6. This paper also outlines the consolidated financial and funding impact statements for the 2017/18 Annual Plan. They are preliminary and reflect the recommendations of this report and of the Finance and Revenue Working Party. They will be updated to reflect the decisions of this meeting as required.

### **Recommendations**

That the Long-term and Annual Plan Committee agree to recommend to Council:

1. Receive the information.
2. Note that the contents of this report are preliminary. The variances and consolidated funding and financial statements attached to this report reflect the report's

recommendations and will be updated as a result of decisions made at this meeting.

3. Note that the complete 2017/18 capital and operational expenditure project and programme budgets were previously circulated as part of Annual Plan Workshops held with Councillors during February and March 2017.
4. Agree the following variations be engaged on as part of the 2017/18 Annual Plan process:

<b>VARIANCE TO 2015 LONG TERM PLAN</b>	
<b>a.</b>	<b>Removal of fees – Smoke free outdoor dining</b>
<b>b.</b>	<b>Wet House accommodation</b>
<b>c.</b>	<b>Supporting the Predatory Free Wellington Strategy</b>
<b>d.</b>	<b>Removal of spectator fee (swimming)</b>
<b>e.</b>	<b>Capital of Culture</b>
<b>f.</b>	<b>One Stop Shop Consenting Approach</b>
<b>g.</b>	<b>South Coast Resilience Project</b>
<b>h.</b>	<b>Rates remission for first homes</b>
<b>i.</b>	<b>Living wage</b>
<b>j.</b>	<b>Improving engagement</b>
<b>k.</b>	<b>Car sharing</b>
<b>l.</b>	<b>Wellington Town Hall / Music Hub</b>
<b>m.</b>	<b>Rephasing of capital programme</b>

5. Agree to include the following projects in engagement material as items 'on the horizon' in the 2017/18 annual plan process.

<b>a.</b>	<b>Seismic Building Intelligence System (Smart</b>
<b>b.</b>	<b>More Resilient Homes Project</b>

6. Agree the draft Triennial Plan as outlined in appendix P of attachment 1 to be engaged on with the community and stakeholders as part of the 2017/18 annual plan engagement process.
7. Agree that it is prudent to forecast a surplus of \$20.9 million in 2017/18 (included as attachment 2 of this report).
8. Agree the Prospective Financial Statements and Statements of Significant Accounting Policies (included as attachment 3 of this report) for engagement.
9. Agree the Funding Impact Statements (included in attachment 4 to this report) for engagement.
10. Agree the Financial Reporting and Prudence Annual Plan Disclosure Statement (included as attachment 5 to this report) for engagement.
11. Note the following statements will form part of the supporting information to the

2017/18 Annual Plan Engagement Document:

- Prospective Financial Statements and Statement of Significant Accounting Policies
  - Whole of Council Funding Impact Statements.
12. Recommend that officers prepare the 2017/18 Annual Plan engagement material based on the deliberations and recommendations of the Long Term Plan and Annual Plan Committee meeting of 6 April 2017 and delegate authority to the CEO, the Mayor and the Deputy Mayor to sign off on that engagement material.

## **Discussion**

7. The Council is required to adopt an Annual Plan by 30 June 2017. The Annual Plan process determines the Council's activities and budget for the financial year ahead and how they are paid for.
8. The purpose of the Annual Plan process is to:
- present the proposed annual budget and funding impact statement for the year
  - identify any variation from the 2015-25 Long-term Plan
  - support the long term plan providing integrated decision-making and the coordination of Council resources
  - contribute to the accountability of the local authority to the community.

## **Background**

9. The Annual Plan is primarily a budgeting tool and focused on variances and financial matters. The wider matters of city goals, priorities, and levels of service are included in the draft Triennial Plan.
10. Since the 2016 election, Council has developed a draft Triennial Plan that sets goals and a draft programme of work for the next three years. The Triennial Plan reflects election priorities, the impact of the Kaikoura earthquake and the feedback received from over 200 city stakeholders at the Mayoral summit in late 2016.
11. The Triennial Plan includes a small number of variations to the 2015-25 Long term Plan year and these will form the basis for engagement on the 2017/18 Annual Plan. The variances are either new projects, budget variances or changes to Council services.
12. A working party of councillors is also reviewed compliance against Council's Revenue and Financing Policy and other funding considerations, including changes to fees and charges, a new targeted rate proposed for the Tawa Business Improvement District and the rates remission for first home builders. The recommendations from the working party are on the agenda for this Long-term and Annual Plan Committee and if adopted will be incorporated in the 2017/18 Annual Plan for engagement with stakeholders and the wider community.

### *Financial position*

13. For 2017/18, after allowing for expected growth in capital value, our total rates are forecast to increase by 3.3 percent. Rates on the average residential property (valued

at \$579,304) are to increase by 3.3 percent to \$2,430 (excluding GST) in 2017/18. For commercial properties, including the impact of increases in metered water charges in 2017/18, an average rates increase of around 3.1 percent is forecast.

14. These increases average to a 3.3 percent rates impact overall, which is 1.8 percent below the rates increase signalled in the 2015-25 long term Plan.
15. Total borrowings are forecast to be \$537.4 million at the end of 2017/18. This equates to 116.5 percent of operating income, which is well within the 175 percent debt limit in the 2015-25 Long term Plan.
16. Setting limits on our rates and borrowings requires prioritisation of spending decisions and ongoing review of the costs of existing services.

<i>Measure</i>	<i>017/18 Annual Plan</i>	<i>2015-25 Long-term Plan</i>	<i>Proposed Long-term Plan amendment</i>
Operating expenditure	\$475.5 million	\$473.5 million	\$473.3 million
Capital expenditure	\$161.5 million	\$206.3 million	\$235.3 million
Average rates increase after growth	3.3 percent	5.1 percent	5.0 percent
Forecast year-end borrowings	\$537.4million	\$570.2 million	\$651.3 million
Debt over operating income	116.5 percent	124.4 percent	142.1 percent

## Conclusion

17. This paper provides for consideration of proposed variances for inclusion in the 2017/18 Annual Plan for engagement with stakeholders and the wider community.

## Attachments

Attachment 1.	Appendices A - O Draft Annual Plan initiatives and Appendix P 3 year work programme	Page 60
Attachment 2.	Appendix Q -Council Surplus	Page 103
Attachment 3.	Appendix R - Prospective Financial Statements	Page 104
Attachment 4.	Appendix S - Whole of Council Funding Impact Statement	Page 109
Attachment 5.	Appendix T - Financial Prudence	Page 110

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## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

An engagement plan for the 2017/18 annual plan is an agenda item at this meeting. The report contributes to the outcome that Wellington will operate an open and honest decision-making process that generates confidence and trust in the democratic system.

### **Treaty of Waitangi considerations**

There are no direct impacts on the Treaty of Waitangi to be considered.

### **Financial implications**

Development and consultation on the 2017/18 Annual Plan sits within the following project: C530 Annual Planning and Reporting.

### **Policy and legislative implications**

Not applicable.

### **Risks / legal**

Legal and risks have be considered.

### **Climate Change impact and considerations**

There are no direct climate change implications to be considered.

### **Communications Plan**

A communications plan is in place.

### **Health and Safety Impact considered**

Not applicable.

**a) Removal of fees – Smokefree outdoor (al fresco) dining**

**Introduction**

Wellington has a thriving hospitality sector. There are over 650 cafes, bars and restaurants. Outdoor dining areas in public spaces are important as they increase seating capacity and create dynamic social outdoor areas. Successful outdoor dining allows businesses to prosper and add vibrancy to the city. Businesses pay an annual fee per square metre of public space (e.g. footpaths) they use. In the 2017/2018 financial year it is estimated that there will be 107 pavement leases for outdoor dining across the city. The GST-inclusive per square metre fee for the central city is \$90.00 and \$58.00 for the suburbs.

Wellington has a goal to be smokefree by 2025. However, smoking often occurs in outdoor dining areas. Nationally about 5000 people die each year because of smoking or second-hand smoke exposure.<sup>1</sup> Promoting smokefree outdoor dining in public spaces would support Wellington's smokefree goal, the growth of a vibrant city and underpin a thriving hospitality sector.<sup>2</sup>

The Council's smokefree approach aims to educate and support smokers to make healthy decisions. This aim of this approach is to 'de-normalise' smoking - reducing its public prevalence. This in turn avoids the likely marginalising effect of bylaws and enforcement penalties.

**The proposal**

This initiative proposes that the Council:

- provide a 100% discount on per-square-metre fees for businesses offering smokefree outdoor dining
- provide a 50% discount on per square meter fees for outdoor dining with no smoking restrictions.

The initiative will:

- reduce costs for hospitality businesses, helping the sector to flourish
- give businesses the opportunity to make choices that they think will suit their customers
- provide additional support for Wellington's smokefree goal
- help the public make healthy decisions about smoking.

Note that other additional fees such as application fees and liquor licencing fees will remain.

**Costs**

Should all pavement leaseholders become smokefree in 2017/18 the estimated revenue loss to the Council would be \$103,900. This is now funded from rates. The impact of the reduction in revenue on rates is incorporated into the proposed average rates increase of 3.3% for 2017/18.

<sup>1</sup> Ministry of Health, ['Health Effects of Smoking'](#), 2015. Accessed 20 Jan 2017

<sup>2</sup> Thomson, G., et al. 2008. Head to Head: Should smoking in outside public spaces be banned? Yes. British Medical Journal.



## **b) Wet house accommodation**

### **Introduction**

There is a small but consistent core of street people who are homeless due to the complexity and severity of their needs which, in some cases, relate to alcohol addiction, meaning they have difficulty in maintaining tenancies.

Street homelessness in Wellington is perceived to be a significant problem. People without shelter have become more visible in our city and, for many, their situation is complex and chronic. Our current approach to addressing street homelessness sits within the Te Mahana framework - a cross-sector approach through the Te Whakamura collaboration aligning with the Housing First model to resolve homelessness.

### **The proposal**

There is an opportunity to address the fragility of tenure for these individuals while also maintaining a housing-first approach through a supported living arrangement - a wet house. This will provide an alternative accommodation option for people experiencing chronic homelessness and long-term alcohol dependence (while still within the framework of housing first).

The first step will be to develop a business case. It will:

- Determine an appropriate service model for the Wellington context that draws on work already done through the Te Whare Okioki Trust and that:
  - a. reflects international best-practice
  - b. ensures the underlying philosophy is holistic incorporating Maori models of wellbeing given that a high proportion of residents will be Maori.
- Develop options for premises for the wet house and determine a possible service provider
- Secure ongoing funding for service delivery.

### **Costs**

Development of the business case will be scheduled for 2017/18 and will cost \$75,000. Should the business case support the development of a wet house there are likely to be significant future costs in providing the house and support services. Where those future costs sit – with the Council or with partner agencies – will need to be worked through as part of the development of the business case.

### **c) Supporting the Predator-Free Wellington Strategy**

#### **Introduction**

The Predator-Free Wellington City Project is a partnership between the City Council, Greater Wellington Regional Council (GWRC) and the NEXT Foundation. It aims to eradicate introduced predators (possums, rats and mustelids) from the city. In 2016, the founding partners entered into a memorandum of understanding to work together to establish the project. This includes jointly paying a project director to develop a plan to eradicate rats and stoats from the Miramar Peninsula as a first phase of the project, followed by a strategy to extend this across the entire city.

#### **The proposal**

The proposal is to work in partnership and coordinate resources across agencies (GWRC, iwi and NEXT Foundation) to eradicate rats and stoats from the Miramar Peninsula in the first instance, and then develop a strategy to extend the Predator Free Wellington City Project across the city.

The broad goals of the project include:

- eradication of introduced pest species to protect and enhance our natural environment and wildlife
- providing the opportunity for communities to connect and work together for a common cause
- providing the opportunity to educate younger generations
- allowing for the reintroduction of lost species.

#### **Costs**

The Regional Council, NEXT Foundation and the City Council will jointly pay a project director to get the project underway. The cost to the City Council will be \$40,000 a year.

The total cost of the project is yet to be determined and will vary according to the level of partner and community involvement. As well as council and philanthropic investment, funding will be sought from the Government's Predator Free New Zealand 2050 organisation.

**d) Removal of spectator fee (swimming)**

**Introduction**

Learning to swim and being confident in water is a vital skill for children and contributes to reducing New Zealand's high drowning toll. Reducing unnecessary barriers for spectators, parents or guardians of under-8 year-old children to attend Council swimming pools supports a more inclusive family approach to the development of water safety knowledge and skills for children.

**The proposal**

The proposal is to remove the swimming pool spectator/parent/guardian fee. Removing the fee will support a safe learn-to-swim environment, reduce the barriers to families using Council facilities, and remove the anomaly of parents having to pay to supervise their children while swimming. The proposal is supported by the Water Safety Council.

The fee will remain for major aquatic events and tournaments.

**Costs**

It is expected this proposal will reduce revenue from Council pools by \$100,000 per year. This is now funded from rates. The impact of the reduction in revenue on rates is incorporated into the proposed average rates increase of 3.3% for 2017/18.

## e) Capital of Culture

### Introduction

Continuing to develop Wellington's reputation as New Zealand's 'Capital of Culture' provides positive benefits for the region such as:

- a reinvigoration of our identity and pride as a creative city
- compelling cultural experiences that will increase visitation to the city
- creative opportunities that will attract and retain talent; and
- more growth and more jobs in the city.

City events and festivals draw significant audiences and require quality supporting infrastructure (such as accessible venues). When there are diverse local arts and cultural programmes and quality events, the 'Wellington experience' becomes unique for both locals and visitors. Additionally, developing events for quiet times of the year (e.g. winter) extends the arts and culture calendar across the year. There is therefore an opportunity to:

- further expand Wellington's arts & culture events and programmes to support the city's position as the 'Capital of Culture'
- secure a significant free public event preferably during a quiet time in the event calendar.

### The proposals

The Capital of Culture proposal has **four** component parts:

- a) *Develop and deliver a significant new public event celebrating Matariki*  
The event will be developed in partnership with other key organisations such as Council's iwi mana whenua partners and leading indigenous arts groups. It will provide a platform for high-quality work appealing to niche and general audiences. The event will be at a scale where it is expected to attract visitors to the city, and strengthen our 'Capital of Culture' reputation.

- b) *Develop and deliver a new flagship outdoor event series called 'ReCut'*  
The series will focus on highly creative and innovative content and presentation, ReCut will spearhead Wellington's drive as the 'Capital of Culture'. The event series will be central-city focussed, transforming our unique urban spaces, free and accessible to all, affording optimal impact, and reaching both locals and visitors to the capital.

A core objective will be developing ongoing partnerships and fostering collaboration. This will involve artists, arts organisations and tertiary institutions, businesses, communities and property owners. The event schedule will be flexible and ongoing throughout the year and look to fill gaps in the CBD event calendar, especially during winter.

- c) *Develop an arts trail*  
We will work with Wellington's arts sector to research and develop an Arts Trail that will incorporate what the city has to offer in terms of our rich cultural life and heritage, exhibitions and public artworks, enabling a fresh and appealing approach to sourcing information about the city's cultural infrastructure – it's galleries, museums, laneways and creative spaces.

- d) *Develop and extend our public art mural programme in partnership with the private sector*

We will increase the number of ambitious, large-scale murals across the city giving Wellington a distinct edge as the arts capital and showcasing a diverse range of creative talent while also preventing graffiti and celebrating community. Murals are impactful, attractive to locals and visitors and provide great opportunities for artists to develop their skills.

**Costs**

An additional \$500,000 will be required to deliver these programmes of work and stage the winter event. The funding will be sourced from the existing City Growth Fund and other sources and will not require additional rates funding.

**f) One-Stop-Shop consenting approach**

**Introduction**

A core function of Council is to regulate land use and development, as well as food, entertainment and beverage offerings across the city. Navigating Council processes, including consenting requirements can be complex particularly when the client requires multiple consents from different areas of the Council.

**The Proposal**

In 2017/18 we will introduce a case management approach to make the process easier from a customer perspective. Case managers will proactively seek and facilitate discussions early in the process where a significant development is being considered. This will enable issues and opportunities to be identified early, before significant investment is made by the customer. The case manager facilitates the consenting process on behalf of the customer and ensures that the customer is aware of any matters that may be a concern during the consenting process.

In 2018/19 we will expand the concept and introduce a single Development Portal for all consents. This will allow the customer to have a seamless interface between Council and the applicant. The applicant will enjoy a facilitated approach where the items specific to their project are handled by a case manager, enabling the information-rich nature of the organisation is more easily navigated and coordinated.

The customer will only need to supply one application and set of documentation to cover all areas identified and will be able to be given a clear timeline for the application. To the customer they have only one application while in actuality there could be up to 7 or 8 applications running simultaneously. The One-Stop-Shop Development Portal takes the complexity and uncertainty out of the consenting process for the customer.

The core philosophy of the One-Stop-Shop Development Portal is to facilitate before regulate while ensuring that the regulations designed to make Wellington a great place to live, invest and play are positively applied.

The benefits of the One-Stop-Shop approach includes:

- Early discussion on significant development projects where issues and opportunities are identified early
- More efficient and effective consenting for developments
- Single point of contact for the customer
- More of a partnership with the customer than the current regulatory body/applicant relationship
- No surprises to the customer
- Fast timeframes at the time of consenting
- Greater certainty of outcome through the process.

**Costs**

Any additional costs associated through this new approach will be recovered in the first instance through consenting fees.

**g) South Coast resilience**

**Introduction**

The City Council is currently part-way through a programme of work to mitigate coastal erosion on Wellington's South Coast. Funding was allocated for stage 1 in the 2016/17 Annual Plan. Stages 2 and 3 are unfunded at this time.

**The proposal**

This work aims to deal with erosion around the South Coast caused by a succession of high-intensity storm surges in recent years. The work will rehabilitate and protect the natural and built coastal infrastructure.

The work includes sand-dune planting and protection, the introduction of rock riprap along the western edge of Lyall Bay, and extensions to stormwater outfalls. The existing 'Surfers' Corner' car park will also be shifted slightly inland.

**Costs**

The cost for 2017/18 is \$976,000 in capital expenditure.



## **h) Rates remission for first-home buyers**

### **Introduction**

Housing is a fundamental human right and a critical to the wellbeing of a city. It is a complex system influenced by a number of supply-and-demand factors. The City Council has a range of roles in the housing sector – it is a regulator, a partner (with the Government and the private sector), an advocate, and a service provider.

In recent years housing affordability has become more of a problem in Wellington with house prices and rents continuing to climb steadily.

Our approach to resolving housing affordability – and availability is multifaceted. It includes:

- *Increased Council housing* – in addition to the ongoing Housing Upgrade Programme to improve Council social housing to meet modern standards, the Council has recently agreed to develop 750 new units of social and affordable housing units over the next 10 years.
- *One-stop shop for consenting* – in 2017/18 we will introduce a case-management approach to make the consent process easier for customers – particularly for those requiring multiple consents.
- *Housing Taskforce* – we established a Housing Taskforce late in 2016. The Taskforce is working to identify the main issues to be tackled, build consensus across the sector on those issues and recommend strategic approaches and specific projects to address the breadth and depth of housing issues in the city.
- *Urban development agency* – in 2017/18 the Council will make a decision on the final makeup and structure of a Wellington urban development agency. One of its core functions will be to play an active role in increasing housing supply in the city.
- *Special Housing Areas* – we have created a number of Special Housing Areas to support the increased supply of housing into Wellington.

### **The proposal**

In addition to the initiatives detailed above, in 2017/18 the Council proposes to introduce a rates remission scheme on new residential dwellings/apartments (on a separate rating unit) where construction is completed after 1 July 2017. The objective of this remission policy is to assist new first-home/apartment buyers and expand the supply of housing in Wellington City. The rates remission will be up to a maximum of \$5000 (including GST). This is expected to cost the Council \$200,000 per year inclusive of the cost of administering the scheme.

The remission criteria include:

- the new house or apartment must be within the Wellington City boundaries
- the application can be made by the ratepayer after a Code of Compliance Certificate has been issued for the new dwelling.
- the remission will not be available retrospectively for houses/apartments completed before 1 July 2017; and
- the remission applies for a set period - from the start of the following rating year and ending when the total amount of City Council rates remitted on the property reaches the \$5000 (including GST) limit or when the rating unit is sold (whichever is the sooner).

*Please refer to the supporting documentation for the full list of proposed conditions and criteria.*

**Costs**

The proposal will result in a redistribution of rates to other ratepayers of up to an estimated \$200,000 per year.

**i) Living wage**

**Introduction**

In 2013 the City Council agreed to introduce a living wage – the first council to do so in New Zealand. At that time around 450 of Wellington's lowest paid people moved up the then living wage rate (\$18.40 an hour). Those primarily affected by the new rate were staff working on the Council's front-line operations such as parks, gardens, recreation and libraries.

The introduction of the living wage was seen as part of a wider workforce management strategy to encourage greater productivity, career pathways, commitment to public service and to address low wages within parts of the Council.

**The proposal**

In the coming year we aim to raise the minimum wage paid at by the Council and its council-controlled organisations to the official NZ Living Wage. This will rise to \$20.20 on 1 July 2017. Relativity will also be looked at this coming year.

In addition to this, the Council will commit to a staged implementation of the living wage on relevant contracts for regular and ongoing core services, to be processed on a case-by-case basis. Within this Annual Plan, our primary focus will be on cleaning and sanitation services. We will also examine which of these services could best be delivered through an in-house model. We will seek to obtain living wage accreditation within the triennium.

**Costs**

The costs associated with moving to the new living wage rate for Council and council-controlled organisation staff is \$700,000 for 2017/18.

## **j) Improving engagement**

### **Introduction**

It's our job to guide Wellington's development in line with the wishes and aspirations of its people. Residents have many opportunities to influence decisions about the city, and generally feel well informed. However there is room for improvement in the way the Council engages with the community.

### **The proposal**

Our broad approach to improving engagement centres on:

- providing residents with high-quality, relevant information about the city and Council decisions
- being open and transparent
- involving stakeholders and residents early in the process and introducing a participatory co-design approach to community planning
- involving a wide range of community advisory groups in the decision-making process
- seeking new, more relevant or meaningful ways to engage with stakeholders and residents
- introducing more quantitative research for major projects to support the decision-making process.

While engagement and consultation can be improved through process design and how and when stakeholders and the community are involved in the decision-making process, greater resourcing is also required for the Council to improve the way it engages and consults. An additional \$75,000 to support engagement on key projects is proposed.

### **Costs**

The cost is \$75,000 per year.

## **k) Car Sharing**

### **Introduction**

Interest in partnering with council in the car sharing area is rapidly increasing. Multiple additional entrants to the car sharing market are in discussion with Council about how we can best work together to facilitate market entry or expansion in a way that brings maximum value to Wellington residents and ratepayers. Some market entrants are asking for substantially increased commitment from Council, specifically in making available CBD car parks for no cost to these providers.

### **The proposal**

Council has previously agreed to allocate 100 car parks (30 in the CBD, which generate revenue, and 70 in the suburbs, which do not) to support the uptake of car sharing and electric vehicles in the city. They are initially provided free for car sharing providers to support growth of car share schemes, though electric vehicle charging spaces are charged parking fees.

Council's plan is to reintroduce charging for car sharing spaces once the market had matured. This is the global standard. To date 15 car parks have been earmarked in the CBD for EV and car share and 3 in the suburbs (Zealandia).

Over the coming year we will work with car share providers to allocate the 15 remaining CBD car parks and will consider expanding the number of carparks once the existing allocation of 100 car parks in the city has been made and there is demonstrable demand for more.

### **Costs**

The costs associated with allocating the remaining 15 CBD car parks under the Low Carbon Capital Plan is foregone revenue from those car parks. Allocation of the remaining 15 car parks to car share schemes will result in foregone revenue of up to \$150,000.

## **I) Wellington Town Hall / Music Hub**

### **Introduction**

Since late 2014, the Council has been working in partnership with Victoria University of Wellington's New Zealand School of Music (NZSM) and the New Zealand Symphony Orchestra (NZSO) to investigate the feasibility of developing a music hub. The three-way partnership is designed to create a centre of music excellence, cultural connections, education, and community engagement in the heart of Wellington. It will create a central city music campus comprised of an earthquake strengthened Town Hall and the Municipal Office Building, with the Michael Fowler Centre next door.

### **The proposal**

There are three possible scenarios that may emerge from this programme of work:

1. *Scenario 1: Town Hall Stand Alone* – the Town Hall is earthquake strengthened, but is not a music hub (although it may become the home to the NZSO)
2. *Scenario 2: Music Hub Uplift* - the Town Hall is strengthened and is managed in a three-way partnership between the Wellington City Council, the NZSO and the NZSM
3. *Scenario 3: Civic Music Hub* – a full and vibrant Civic Music Hub campus operates across the Town Hall, the adjacent Municipal Office Building and the Michael Fowler Centre

The Town Hall earthquake strengthening work has created a one-of-a-kind opportunity for Wellington to consider how it uses Civic Square to create a unique and pre-eminent musical and cultural destination. Strategically, the Civic Music Hub scenario is anticipated to add significant incremental value to the Town Hall Stand Alone scenario (earthquake strengthening only). It will enhance Wellington's reputation as the 'Creative Capital', add to the city as a place to live and visit, strengthen the relative roles of the NZSO and the NZSM in the city, and increase the ability of the NZSM to attract new students. It will also slightly reduce the rates impact of the strengthening project from 2021/22, as rental income will cover the Town Hall's future building operating costs.

The Civic Music Hub scenario (Scenario 3) is subject to two conditions being met: first, a successful fundraising campaign by the NZSO and Victoria University of Wellington (Victoria), and secondly, securing a long-term lease/developer for the Municipal Office Building. As a result, it will be subject to a subsequent Council decision on these matters, anticipated for late 2017. In the interim, the Council is planning to provide Victoria with a right of first refusal on the Municipal Office Building in order to allow for Scenario 3 if these conditions are met.

### **Town Hall Strengthening**

The Town Hall is an important building for Wellington. It is a significant contributor to the Civic Centre Heritage Area as identified in the District Plan, the acoustics in the main auditorium are considered world-class, and there is a high public appreciation for the building.

An earthquake strengthening scheme for the Town Hall was developed in 2013 (the 2013 scheme) that strengthened the building, but did not explore any redevelopment or restoration opportunities. In the 2015 Long Term Plan, a budget of \$58.5 million was identified for earthquake strengthening the Town Hall based on the 2013 scheme. At that time, the

Council requested that officers explore a further range of strengthening and utilisation solutions, including the music hub proposal. The 2015 Long Term Plan consultation document noted that a successful lease of the Town Hall (as part of a music hub proposal) would provide a trigger for the Council to proceed with the seismic strengthening work.

Since that time, further testing of strengthening options and investigation around the feasibility of a music hub proposal has led to a new concept design being developed which was finalised in November 2016 (the 2016 scheme). A range of strengthening solutions, to various levels, were considered as part of this process.

The 2016 Town Hall strengthening scheme improves on the 2013 scheme in a number of ways, including allowing for the option of a music hub, improving buildability, and reducing the temporary works risk during construction. It is a base-isolated scheme to 100% of NBS. The estimated cost of the 2016 scheme (based on the concept design) is \$89.9 million<sup>3</sup>, phased between 2016/17 and 2020/21. The higher overall cost estimate relative to the 2013 scheme largely reflects: an updated scope of works (basement storage, basement toilets, an extra goods lift), price escalation, consultant fees and a more buoyant construction market, and a more informed contingency given the complexity of the project.

#### **Costs**

The impact on 2017/18 of the updated cost estimate and timeline results in a decline in forecast capital expenditure of \$14.3m, but an increase in forecast capital expenditure in 2019/20 and 2020/21. The major impact on rates over time will result from a higher interest expense, particularly from 2021/22 onwards.

Under the 2016 scheme, it is proposed that construction will start in August 2018 and finish in June 2021.

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<sup>3</sup> Excludes FF&E allowance, external landscaping work and any street services relocations required.



## **m) Rephasing of capital programme and savings**

### **Introduction**

The key aims of the 2015-25 long-term plan were to facilitate economic growth, grow the ratepayer base and invest in core infrastructure. The long term plan capital programme included a substantial investment in a variety of different projects to achieve those goals.

Many of the larger capital projects included in the 2015 long term plan involved partnerships and co investment from external stakeholders, and consequently the timing of these projects as they developed has needed to be flexible. At the same time the 2016 earthquake has heightened the focus on the resilience of the city, and improving the city's resilience has now become a key priority for the next three years and beyond.

The need to be responsive to partners where we work in collaboration on projects, and the need to respond to the 2016 earthquake and improve the city's overall resilience has triggered a reprioritisation of the Council's capital programme which has resulted in the rephasing of a number of long term plan projects which in turn is forecast to lower overall debt levels.

The proposal is to rephase the capital programme of the 2015 long term plan and this will have a reduction of \$115m capex for 2017/18. The operation expenditure savings from interest and depreciation for 2017/18 is \$7.4m.

At the same time, the earthquake has also impacted the Council's building stock by undermining the usability of some buildings. This resulted in the better utilisation of other Council buildings and lowered the Council's overall cost base. Efficiencies have also been achieved through improved procurement processes, energy efficiency measures and increasing revenue resulting in a total savings for 2017/18 of \$11m.

### **The proposal**

The following table shows proposed changes to the capital programme – projects have either been rescheduled out of 2017/18, brought forward into 2017/18, or expenditure has been reprioritised.

<i>2017/18 AP capital deferrals</i>	<i>2017/18 \$000s</i>	<i>Explanation</i>
Film Museum	(31,591)	Final designs are being progressed with partners and the project will not require capital funding for 2017/18.
Convention Centre	(23,195)	
Civic Campus property	(20,431)	Scheduled improvements to the civic campus are being delayed. Once final remediation feasibility reports are completed on the Council Administration Building a decision will be made on its future. Staff have been relocated generally into existing Council buildings. No capital funding will be required for 2017/18.
Town Hall EQS	(14,346)	Council is negotiating with Victoria University on establishment of a Music Hub in the Town Hall and is consulting the community on this option. Preliminary work on the EQ strengthening has begun with the majority of physical works scheduled for 2018/19 through to 2020/21
Museum of Conflict	(10,000)	The timing of this project has been deferred into 2018/19, while the resilience programme takes priority.

16



Johnsonville Library upgrade	(5,900)	Changing scope to optimise community benefits has identified increased costs and complexity, which have impacted on delivery timeframes. The consequential impact will be reflected in the 2018 long term plan.
Northern Growth roading projects	(5,200)	The roading projects are contingent on developments and NZTA works. The timing of these has moved and no council funding is required for 2017/18
Cycling Improvements	(3,187)	This programme of work includes a stronger programme of community engagement which has required the programme to be rephased over a longer period.
Kumutoto Public Space and Frank Kitts Park	(3,000)	Frank Kitts park redevelopment is continuing with planning and is consequently being reprogrammed to 2018/19
Social Housing renewals	(2,700)	The ongoing redevelopment of the Arlington site has meant associated renewals for this site can be delayed. These were planned for 2017/18 in the long term plan.
Other deferrals	(15,075)	Other renewal and minor works projects have had the timing of their works re-programmed, enabling a focus on the resilience programme.
Prince of Wales reservoir	2,000	This project has been brought forward as a resilience priority
Rescheduled transport programme	1,867	The renewals programme has been re-programmed and some money has been brought forward to deal with resilience issues.
Taranaki Street sewer upgrade	1,784	This project has been brought forward as a resilience priority
N2A CBD speed limit changes	1,322	The funding has been reprioritised
Laneways funding	842	Plimmer steps and Garrett/Swan laneways upgrades
Carbon credits expense increase	790	Increased cost of Carbon Credit purchases
Johnsonville Mall roading infrastructure upgrade	500	Roading changes with the Johnsonville Mall
Other additions	8,083	Other renewal and minor works projects have had the timing of their works re-programmed, enabling a focus on the resilience programme.

#### **Costs / risks**

The reduction in the capital programme for 2017/18 by \$115m will reduce the forecast closing debt level. This means the interest and depreciation expenses will also be reduced, and with these operating costs being funded by rates, this saving will help reduce the increase to the proposed average rates increase of 3.3%.

Risks include heightened construction inflation costs due to supply and demand issues in the Wellington construction market following the November 2016 earthquake.

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### **Initiatives on the horizon**

For the following 'on the horizon initiatives' the Council is still working through funding options and expects to have a better understanding of costs and options in June 2017.

## **n) Seismic Building Intelligence System (Smart Buildings Project)**

### **Introduction**

Following the Kaikoura earthquake of November 2016, some opportunities and risks have been identified around the availability of information needed to support key decisions.

The ability to access real-time quality data on Wellington's building stock will be crucial in the future to support decision-making on city and building safety after an event like a large quake.

### **The proposal**

The proposal is to install sensors in buildings in partnership with GNS and Wellington building owners. A network of sensors in Wellington's buildings would:

- Enable virtually instant evidenced-based decisions on building and city safety issues immediately following a quake
- Provide information on which buildings should be prioritised for inspection and upgrade work and on what actual upgrade work is needed
- Contribute to the development of building standards, improve the design of new buildings and increase understanding of performance of structures on various ground formations to enable more targeted decision-making on city planning
- Assist the business continuity – allowing earlier occupation of safe buildings after a quake
- Increase Wellington's global reputation as a centre of excellence in seismic studies.

### **Costs**

A number of options are being explored in terms of how many sensors could be placed around the city and in Wellington's buildings. These will be worked through in coming months. The Council will also seek assistance from a partnership with organisations such as MBIE, GNS and EQC to deliver the programme. Options being examined for funding include Council grants, special rating and private owner and industry contributions (e.g. EQC, insurance industry, GNS).

## **o) More Resilient Homes Project**

### **Introduction**

Research shows that removing or securing brick chimneys and securing subfloor structures to foundations will have a significant impact on the resilience of Wellington homes.

Consideration is being given to how the city can best improve the resilience of Wellington's new and existing housing stock so homes can better withstand earthquakes and storms, and can be used afterwards as workplaces.

### **The proposal**

The aim is to undertake an assessment of 500 Wellington homes to assess resilience in partnership with the Government/EQC, and develop a programme to improve the resilience of Wellington homes by focusing on removing brick chimneys and securing subfloor structures to foundations. The benefits of developing a programme to resolve these issues include:

- homeowners, tenants, insurers and planners will have confidence that homes can withstand a moderate quake
- after an event like a quake, people are able to remain in their homes and work from home if commercial buildings are damaged and inaccessible
- communities are strengthened by providing an opportunity to design resilience into shared spaces
- the quality of homes is improved - making them safer, warmer, and healthier
- contribution towards improved guidance for working on older homes and develop training models on home renovations.

### **Costs**

The Council is still working through the project design phase and the results of the research will inform the scale and scope of the future programme of work. The Council will look to partner with EQC and others to deliver the programme. Funding options will be explored in coming months and the final programme and costs will be known in June 2017.

p) Draft Triennial Plan

# Draft Triennium Plan

2016-19

## Table of Contents

Introduction	X
About this plan	X
Goal 1: More resilient	X
• Focus Area 1 – Housing and infrastructure	X
• Focus Area 2 – Economic resilience	X
• Focus Area 3 – Strong and connected communities	X
Goal 2: Smarter Growth	X
• Focus Area 1 – Economic and job growth	X
• Focus Area 2 – Housing our people	X
• Focus Area 3 – Designing our city for growth	X
Goal 3: People Focused	X
• Focus Area 1 – Capital of culture	X
• Focus Area 2 – Community planning	X
• Focus Area 3 – Clean, green and safe city	X
Goal 4: More Sustainable	X
• Focus Area 1 – Our Natural Capital	X
• Focus Area 2 – Waste Management and Minimisation	X
• Focus Area 3 – Low Carbon Capital	X
Goal 5: Improving the way we work	X
• Focus Area 1 – Living wage	X
• Focus Area 2 – Improved engagement	X
• Focus Area 3 – Low Smart Council	X
• Focus Area 4 – Council Building Resilience	X
• Financial Sustainability	X

## Introduction

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## About this draft triennial plan

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## Goal 1: More Resilient

We want the city to be more resilient. We want people, communities, institutions and businesses to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience. In the coming three years we have identified three focus areas:

- Safer homes, and more robust infrastructure
- An economy ready to survive, adapt and thrive
- Connected and prepared communities

### **Focus Area 1: Safer homes, locations and more robust infrastructure**

#### **What success looks like in three years**

- Cuba Street, Newtown, Courtney Place heritage areas have Disaster Management Plans
- Unreinforced masonry in public spaces and along strategic routes is addressed
- The number of earthquake-prone buildings is reduced
- Residential dwellings are assessed and strengthened, unreinforced chimneys are secured or removed, and subfloor structures are secured
- Weaknesses in critical infrastructure and lifelines, such as electricity supply, fuel storage, port access and emergency port facilities, are identified and addressed
- Wellington's water network is significantly more resilient, and the city, its communities and households have adequate emergency water supply
- Transport infrastructure, including critical routes and all transport modes, are able to withstand major shocks
- There is a comprehensive understanding of the economic impacts of an infrastructure outage

- The Wellington Earthquake National Initial Response Plan is jointly planned with central and local government, and is widely understood and socialised
- The District Plan adequately accounts for natural hazards

#### **What we already deliver**

We already undertake a range of activities to make buildings and infrastructure in the city more resilient. This work includes:

- assessing earthquake-prone buildings and working with owners on strengthening them
- strengthening city infrastructure (eg the water network, water reservoirs, and retaining walls above and below roads)
- managing and upgrading the "three waters" network to make them more resilient to earthquakes and more frequent weather events – this includes flooding protection work and adaptation planning (eg encouraging uptake of water-sensitive urban design principles)
- earthquake strengthening Council buildings and facilities
- working with other councils in the region and network operators (eg Lifelines Group) to identify vulnerabilities in the region and

develop responses, adaptations or resolutions.

Note: For more information on our response to climate change and approach to “greening Wellington’s growth”, see Section 4 – More sustainable.

**New proposals and areas of focus for 2016-2019**

- *Unreinforced masonry*

We will provide funding support of \$1m in 2016/17 to strengthen unreinforced masonry, facades and parapets in public spaces in the city and along strategic routes. Central Government has also earmarked \$2m for Wellington for this initiative.

\$1m of funding has been allocated from the Built Heritage Incentive Fund

- *Prince of Wales Reservoir*

We will speed up the delivery of Prince of Wales Reservoir. Consents will be launched in the coming months with construction expected to start in 2018.

As Wellington’s bulk water supply pipelines cross major earthquake faults, the addition of a large-scale reservoir built to modern seismic standards will provide a secure water source in the event of disruption to normal water supplies.

The Council’s Long-term Plan has \$9.4m budgeted (uninflated) for this project. Discussions will continue with the DHB and Central Government around options for funding support for this critical piece of infrastructure. The full cost of the project is expected to be around \$26.75m (uninflated).

Funding options will be finalised in 2017 and consents are also expected to be lodged during the year. Construction is expected to start in 2018.

- *Improved transport network*

We will work with Central Government to explore opportunities to bring forward planned transport corridor improvements to enhance the resilience of the region’s transport network (eg P2G, Cross Valley Link, Let’s Get Wellington Moving, and Great Harbour Way).

This would essentially result in a re-phasing of existing NZTA and Council capital works. There could be a modest impact as part of the Let’s Get Wellington Moving programme in the next two years, but the majority of the impact is expected to be in 2019 and beyond.

- *More resilient homes*

We will work with Central Government, EQC, MBIE and the insurance industry to explore options for a programme of work to make Wellington’s homes safer and more resilient.

This project is a significant priority for Central Government. Research is being prepared to determine the impact on the resilience of Wellington homes and the results of the research will provide a more detailed picture of out-year costs.

- *Water resilience plan*

Wellington Water is investigating how to improve the resilience of the water supply network. Their water supply resilience project involves developing an investment plan for client councils’ 2018/19 Long-term Plans to ensure water supply networks meet agreed levels of service after a major earthquake. This work will include exploring opportunities for a cross-harbour pipe from the aquifer to Wellington.

- *Smart Buildings*

This initiative aims to deploy sensors in partnership with GNS in buildings throughout Wellington CBD and develop a tool to collate information from the building sensors, GNS ground sensors and our

building databases. This will enable us to make instant decisions about the safety and suitability of some of our larger building assets, inform which buildings should be prioritised for inspection/upgrade work, what upgrade work is needed, improve design of new buildings, allowing earlier occupation into buildings post-disaster and, more targeted decision making around buildings and spatial planning of the city.

There will be funding implications from the Smart Building project. Costs and partnership opportunities are still being worked through and more detail will be available in late 2017

### **Focus Area 2: An economy ready to survive, adapt, and thrive**

#### **What success looks like in three years**

- Increased business continuity planning by small to medium enterprises to allow for businesses to bounce back / recover from shocks and stresses
- Businesses are self-sufficient for at least seven days emergency water and sewage provision
- Businesses are easily able to access earthquake recovery and preparedness information
- The Council has improved information and intelligence about businesses in the city to inform decision making by local and central government during the initial response and recovery phases after major events

#### **What we already deliver**

Our work to support economic development in the city is focussed on providing core infrastructure and support so businesses can grow and create jobs.

Recent events highlighted two important factors that could negatively impact on the city's economic resilience and the

Council's ability to support businesses after an event.

- One: Many businesses do not undertake sufficient business continuity planning (particularly smaller to medium-sized enterprises). This was also evident after the Christchurch earthquakes. Insufficient business continuity planning can negatively impact on the viability of the business or cause it to move to other regions.
- Two: The Council currently holds insufficient information about individual businesses in the city to provide rapid support to those caught in a cordon and more broadly to determine the nature and scope of support packages with Central Government.

#### **New proposals and areas of focus for 2016-2019**

- *Business Continuity planning*

The Council and WREDA will work with the Chamber of Commerce and other stakeholders to develop a programme of work to improve the level of business continuity planning by small to medium-sized enterprises in Wellington.

To ensure success, businesses have to own the programme of work. The role of WREDA and the Council will be that of catalyst and facilitator.

- *Business Intelligence*

While a lot of data exists about buildings and businesses within Wellington, not all of it is held by the Council. This project will acquire and collate relevant data to build a comprehensive profile of businesses in the city so that the Council is in a strong position to support Central Government and businesses after an event.

This project is a data collation and management exercise and it is expected

that it can be delivered from within existing 2017/18 budgets.

**Focus Area 3: Connected and prepared communities**

**What success looks like in three years**

- The Quality of Life and Resident Satisfaction Surveys show that people are connected to their community, know their neighbour, have access to resources and spaces they need to look after themselves and those in need
- Communities and households have the information they need to enable them to make decisions that increase their resilience
- Households and communities are prepared – they have the required equipment and provisions to be self-sufficient for at least seven days following an event
- There is increased business continuity planning for community and voluntary organisations
- A framework for a sustainable food system for Wellington is developed

**What we already deliver**

We already undertake a range of activities to help communities build resilience. This work includes:

- community programmes that connect people such as #wellynextdoor, Neighbours Day Aotearoa and Growing Neighbourhoods
- providing community spaces as bases for volunteers where resources can be shared

- programmes that focus on building community resilience, developing stronger neighbourhoods and encouraging neighbours to get to know each other.

**New proposals and areas of focus for 2016-2019**

- *Resilient Communities*

Our work in this area will continue over the next three years with a specific focus on engaging communities (including cultural communities), and improving the connectedness, preparedness, adaptation and resilience in suburban communities and the central city.

In addition, we will be focusing on providing tools to the voluntary sector to enhance their resilience and developing the urban agriculture programme to ensure a sustainable food network is developed for Wellington.

- *Adaptation*

We will develop a community engagement and communications plan to guide how we raise awareness of the impacts and cost of climate change (including sea level rise, more intense weather events, and flooding). This will draw on best practice guidelines and prepare communities for the decisions that will need to be made in the development of a Climate Change Adaptation Strategy for Wellington. This strategy will guide District Plan changes and infrastructure investment in the years to come.

Over the next three years the focus will be on improving the resilience of Wellington's south coast to storm surges. These projects are part of the existing Council work programme. Funding of \$1m capex has been earmarked for south coast resilience work in 2017/18.

## Goal 2: Smarter Growth

We want smarter growth in the city. To achieve that we will work with the community and stakeholders to ensure the city develops and grows in ways that is inclusive and meets their aspirations, and two; we will work invest to grow the overall economy and support the continued transition towards a thriving knowledge economy.

In the coming three years we have identified three focus areas:

- Economic and job growth
- Housing our people
- Designing our city for growth

### **Focus Area 1: Economic and job growth**

#### **What success looks like in three years**

Wellington has been experiencing strong economic growth and net inward migration. A strong capital programme in Wellington and the wider region in the coming years will mean this trend will continue. A strong economy will increase the cost of construction and this will need to be managed well for Council projects. Housing affordability and increased congestion will also emerge as a result of a successful and growing economy.

Key sectors the Council (in partnership with WREDA) is focussing on to drive growth momentum include: film and screen, ICT/digital/tech, high-value manufacturing, education, research, science and technology, tourism and events, and professional services (including government).

For the economic and job growth focus area, success in three years is:

- GDP per capita growth of 1.5% (assumes population growth of 2% pa and GDP growth of 3.5% pa)
- above 2.5% pa growth in jobs in the city – with a strong focus on knowledge-intensive jobs

- an increasingly diversified economy to improve productivity and make it more resilient
- Wellington's central city remaining the most productive area of the country
- an increase in total visitor numbers, overall spend and length of stay.

#### **What we already deliver**

We already undertake a range of activities to support economic and job growth in the city. This work includes:

- Funding the Wellington Regional Economic Development Agency – which focusses its activities on promoting the city, tourism attraction/promotion, migrant attraction, student attraction, managing the Council's venues and supporting key growth sector development – to advance the prosperity and liveability of the Wellington region
- Funding projects, partnerships and programmes that contribute to the economic growth of the city through the City Growth Fund
- Investing in major infrastructure/facilities necessary for



- city development, eg the Movie Museum and Convention Centre
- Delivering free Wi-Fi in the central city
- Working with communities to establish Business Improvement Districts
- Supporting WREDA and Westpac Stadium to provide a range of major events, and venues
- Providing effective core infrastructure.

**New proposals and areas of focus for 2016-2019**

- *One-stop-shop consenting*

One of our core functions is to regulate land use and development. The process around the consenting can be complex – particularly when the client requires multiple consents from different areas of the Council. In 2017/18 we will introduce a case management approach to make the process easier from a customer perspective. This will be followed by introducing a Development Portal in the following year to coordinate consents for customers.

- *Business Improvement Districts (BIDs)*

BIDs involve a local business community within a defined geographical area developing projects and services that support local economic development. This is then funded through a targeted rate. BIDs – like the one established in Miramar – support the creation of vibrant suburban centres, and bring a community together.

We will work with other communities and support the development of BID areas where there is demonstrable potential and demand by the local community.

- *Alfresco dining fees*

In 2017/18 we will review fees and charges (rather than the regulatory

environment) and discount / remove alfresco dining fees.

- *Tech Hub expansion*

In 2017/18 we will evaluate the success of the tech hub and consider which model/s will best meet future demand for connection and collaboration across Wellington's technology sector.

Opportunities to collaborate with libraries will be considered as part of that. Funding for any expansion will be subject to the results of evaluation.

- *Economic growth and diversification*

Over the next three years we will work with WREDA to develop the capability for an increased number of start-ups, explore options to increase eco-tourism, strengthen tertiary to business links and position the Wellington as a city laboratory where new services, products and ideas can be trialled.

We will also continue to work with WREDA to support commercialisation of research and develop a major firms attraction programme.

- *Movie Museum and Convention Centre*

We will continue to work with stakeholders to deliver the Movie Museum and Convention Centre. This project will be funded through approved budgets.

- *Indoor arena*

We will undertake a feasibility study for an indoor arena in the city to attract a broader range, and larger acts to the city.

- *Long haul connections*

In 2017 the resource consent process of the runway extension project will be progressed, and we will continue work with Singapore Airlines to ensure the success of the route, and explore additional routes/airline opportunities.

## **Focus Area 2: Housing people**

### **What success looks like in three years**

- 1500 new housing units are entering the market per year
- There is an increased number of Council-owned social and affordable housing units (750)
- The overall number of homeless people is reduced and the number of homeless people successfully housed has increased
- Key worker accommodation is available
- Rental properties meet quality standards (a rental WOF has been introduced)

### **What we already deliver**

We already undertake range of activities to support housing development and providing housing to those in need. This work includes the following:

- *District Plan* – Our Urban Growth Strategy directs urban growth where it will benefit the city most and is supported by a quality transport network. To support greater housing supply we have set up Special Housing Areas and identified areas for medium-density housing development – Newlands and Tawa are under consideration for medium-density development, and Johnsonville and Kilbirnie are in place.
- *Social housing* – we house approximately 4000 people in 2200 social housing units across the city.
- *Housing upgrade* – we are progressively upgrading our housing stock so it is warm and meets modern standards. The current focus is on upgrading the Arlington Apartments.

- *Te Mahana programme* – we work with stakeholders on ending homelessness in Wellington.

### **New proposals and areas of focus for 2016-2019**

- *Rates remission*

In 2017/18 the Council proposes to introduce a rates remission scheme on new residential dwellings/apartments (on a separate rating unit) where construction is completed after 1 July 2017. The objective of this remission policy is to assist new first-home/apartment buyers and expand the supply of housing in Wellington City. The rates remission will be up to a maximum of \$5000 (including GST). This is expected to cost the Council \$200,000 per year inclusive of the cost of administering the scheme.

- *Build Wellington*

Funding and governance options for establishing Build Wellington to parcel land for development and expedite the delivery of more housing development in the city will be presented to the City Strategy Committee April / May.

- *Social Housing*

The current focus is developing a strategic investment plan that seeks to contribute to the key Council objective of increasing social and affordable housing in Wellington. This will assist in providing a picture of housing supply and demand in Wellington and a clear housing vision, outcomes and investment plan. The overall objective will be to create a financially sustainable business model to increase social and affordable housing provision in the city. This could in turn have financial implications; however it will be dependent on the nature and scale of any investments decided upon.

- *Housing Taskforce*



We have established a Housing Taskforce made up of the Mayor, Deputy Mayor and relevant external experts to provide advice on how the Council can best support additional housing provision in the city across the spectrum – private, affordable, social and supported living. The Housing Taskforce will use be using existing resources and inform areas of priority and report back in 2017.

- *Wethouse*

We will develop a business case for a wet house for homeless people who require a supported living environment. The business case will determine key factors including location, delivery mechanism, cost and stakeholders.

- *Rental Warrant of Fitness*

By 2018/19 we will develop a Wellington City housing quality standard framework to support the Council acting on cold, damp, and unsafe housing. Funding will be assigned through existing budgets.

### **Focus Area 3: Designing our city for growth**

#### **What success looks like in three years**

- The Council has developed a holistic plan for the future of central city development
- The overall amenity, enjoyment and safety of the central city is improved to cater for a larger and more diverse population living there
- Travel to and through the city is easier and safer
- Visitors and locals increasingly recognise Wellington as a unique, creative, safe and people-friendly city
- Journey times on main routes do not increase with additional population
- There is increased uptake of active transport modes (including walking in

the central city, for example), public transport, and reduced reliance on private transport

- Expanded network of cycleways is being increasingly used as a key/preferred mode of access across the city
- Well-developed and maintained lighting for pedestrians

#### **What we already deliver**

The guiding principles behind our long-term approach to urban development are to:

- keep our city compact, walkable and supported by an efficient transport network
- maintain the features that support our high quality of life
- protect the city's natural setting and reduce the environmental impacts of development and transport
- make the city more resilient to natural hazards, such as earthquakes, and the effects of climate change.

Our work to support these goals is multifaceted and involves: setting and administering the District Plan, regulating land use and development, protecting places that have citywide character and heritage value, making improvements to the urban fabric of the city to enhance its liveability (eg laneways, urban parks), and planning for and upgrading town centres.

It also involves implementing the cycling network and improvements to infrastructure to encourage walking, as well as working with stakeholders such as NZTA and GWRC on roading and public transport improvements – including bus hubs and bus priority measures – in the city and the wider region.

**New proposals and areas of focus  
for 2016-2019**

- *Laneways project*

Our laneways programme is targeting locations where we know we can achieve commercial uplift and growth. We want to design them to be places where small businesses and artisan producers locate to provide products and services that are uniquely Wellington. The design of the lanes leverages their unique character and adds to the tourism experience of being the creative capital. Continued funding for this project will be considered during the next Long Term Plan review.

- *Transmission Gully*

We will work with stakeholders, particularly NZTA to deliver Transmission Gully during 2020.

- *Petone to Grenada link*

We will work with NZTA on consent processes for this key road project. While this is an NZTA project, there will be funding implications associated with developing link roads to connect to P2N.

- *Cycling Network*

Council's prioritised 10 to 15-year cycleway programme are as follows:

- the Great Harbour Way/Te Ara o Pōneke, including sections along the Hutt Road and from Miramar to

Waitangi Park within the next three years

- the eastern suburbs linking Seatoun, Kilbirnie, and Newtown
- the southern suburbs linking to Pukeahu National War Memorial Park
- small to medium improvements in other areas.

We are aiming to deliver new cycling infrastructure plans across the city in agreement with partners using a place-based approach. Funding for this work has been allocated as part of the existing long-term plan and through NZTA.

- *Cost of public transport*

We will continue to advocate for affordable public transport, student concession, off-peak fares, and to move to a fully electric public transport fleet at the earliest opportunity. This will have no budget implications as it is falls within GWRC budget.

- *Future Central City Programme*

The Future Central City programme will plan for population and economic growth in the central city while enhancing pedestrian access, parking and overall attractiveness to residents, businesses and visitors.

## Goal 3: People Focussed

Although Wellington is a small city by global standards, it has a cosmopolitan culture and its residents are open-minded and outward-looking.

We have a culture that is welcoming, creative, and encourages people to tell their stories and express and celebrate their identities – whether those identities derive from ethnicity, culture, heritage, neighbourhood, belief, artistic or sporting endeavour, or any other source. While there is much to celebrate, there are always improvements that can be made. In the coming three years we have identified three areas of focus:

- Capital of Culture
- Community Planning
- Clean, green, save and inclusive city

### Focus Area 1: Capital of Culture

(buildings, Chinese New Year, Diwali Festival of Lights)

#### What success looks like in three years

- Progress has been made on the Town Hall and Music Hub
- The accessibility of medium-sized venues has been improved (incorporating fit-for-purpose and affordability issues)
- A dynamic events calendar to enliven the city, attract visitors, and strengthen our events reputation has been delivered (will require securing new events, revitalising others, and no longer supporting others)
- An engaging and well-attended Te Matatini event in 2019
- A new major event has been secured for winter – a traditionally quiet time in the events calendar and for accommodation providers
- Increased attendance at major festivals and events eg CubaDupa
- Movie Museum and Convention Centre has been delivered
- Increased number of arts and cultural initiatives across the city (eg art on

#### What we already deliver

We already undertake a range of activities to make Wellington the “Capital of Culture”. This work includes:

- Funding and managing Toi Pōneke to develop local artists and deliver the Arts Activation Initiative
- Delivering major events eg WoW, CupaDupa, New Zealand Festival
- Delivering key Wellington-based festivals and city events eg Christmas festival, New Year celebration, Waitangi Day, Gardens Magic
- Fostering community art and public art
- Delivering a range of museum and gallery experiences through Wellington Museums Trust
- Providing funding support to Te Papa (major visitor attraction)
- Working alongside WREDA to promote the city and its culture and events
- Delivering the Wellington Asia Residency Exchange (WARE) programme and supporting Te Whare Hera and other international artist residency programmes.

**New proposals and areas of focus for 2016-2019**

- *Arts and culture sector programmes*

We will allocate an additional \$500k of funding to develop and implement the new arts and culture sector programme to ensure the city's "capital of culture" reputations is retained and enhanced. Funding will be allocated to delivering on a range of opportunities including:

- developing Matariki Festival as a national festival
  - capitalising on the Te Matatini National Kapa Haka Festival in Wellington 2019
  - considering establishing a Wellington's Arts Trail
  - delivering the free creative events series to activate the capital
  - developing an art on buildings lights initiative with local artists.
- *Toi Pōneke Centre*

The current lease term ends August 2020. Options for the future will be prepared for consideration as part of the next long-term plan.

**Focus Area 2: Community planning, facilities and utilisation of spaces**

**What success looks like in three years**

- A place-based approach to community development has been developed and implemented, integrating a co-design participatory approach to local planning and service development reflecting local needs
- Increased sport and recreation participation to improve the health and wellbeing of our communities
- New and improved options supporting the delivery of community spaces that

supporting volunteers and community groups

- Increased utilisation of Council facilities

**What we already deliver**

We already undertake a range of activities to increase community planning, utilisation of facilities and development of spaces. This work includes:

- Providing recreational services including sportsfields, recreation centres, playgrounds, and swimming pools
  - Providing community centres and halls throughout the city
  - Toi Pōneke creative hub
  - Providing 11 branch libraries and the Central Library
  - Developing a model for delivery of community services and projects that responds to community issues, and supports community-led programmes
  - Encouraging participation in sports, group activities for active and healthy lifestyles.
  - Working with communities to realise their potential through various projects and programmes, eg Newtown community planning and Strathmore 44 rejuvenation project
  - Upgrading Council facilities to ensure they meet community needs, eg maximising Council facilities utilisation, completing Basin Reserve redevelopment, Civic Precinct upgrade and strengthening work, and Johnsonville Library upgrade
- *Integrated suburban plans*

Develop a community participatory approach to suburban planning to ensure local services and programmes meet local communities current and local needs are met. The planning and engagement phase can be delivered from within

existing funding, however, these processes often result in strong community demand for higher service levels, which will likely have funding implications in future years.

- *Youth Summit*

In 2017/18 we will run a Youth Summit to engage with the city's youth population and identify their priorities for the city. To ensure there is no impact on rates we will be working with Central Government to fund this initiative.

- *Swimming pools*

We will remove the swimming pool spectator/parent/guardian fee. Removing the fee will support a safe learn-to-swim environment, reduce the barriers to families using Council facilities, and remove the anomaly of parents having to pay to supervise their children while swimming.

This will result in approximately \$100k reduction in revenue annually.

- *Sports Hub*

Sports hubs allow for greater sharing and use of existing recreation facilities so that they are efficiently used. We will work with sporting codes and local communities to develop sports hubs where appropriate and this will be funded by existing funds allocated in the long term plan.

- *Community places and spaces*

We will capitalise on current approaches (eg Johnsonville) as well as explore new ways to provide and support community spaces and places. This could include a model for community dojos and spaces to provide opportunities for volunteers and community groups where resources can be shared. This initiative will be funded from existing budgets and will commence in 2018/19.

### **Focus Area 3: Clean, green, safe and inclusive city**

#### **What success looks like in three years**

- High satisfaction levels with street cleanliness and perceptions of safety across the city are maintained
- Reduced alcohol harm in Wellington
- On track to deliver a wet house in the city
- On track to achieve SmokeFree city status by 2020
- We progress towards becoming a UNICEF Child Friendly City
- We work with partners to reduce inequality and social deprivation across the city
- Accessibility of city streets, buildings and facilities is improved
- Local community safety plans are developed with the community

#### **What we already deliver**

We already undertake a range of activities to make Wellington an appealing clean, green, safe and inclusive city. This work includes:

This work includes:

- maintaining health standards
- encouraging activities that make people feel safe
- delivering safety (and child friendly) programmes.

Projects and programmes include:

- improving community safety, accessibility, appeal and connections (connected communities) through street cleanliness and safety, and making sure people are safe, connected to their communities, know their neighbours and look after those in need



- providing City Hosts to support locals and visitors in the city
- regulating food and liquor outlets, trade waste and environmental noise
- providing the Local Hosts
- improving city safety and accessibility with the Eyes-On safety programme, supporting the Eyes Safety and resilience initiative (in partnership with the Police and business community) and the comprehensive management of begging
- Delivering on Te Mahana through the partnership with Te Whakamura

**New proposals and areas of focus for 2016-2019**

- *Reduce social deprivation/inequality*

We will continue to work with communities and our stakeholders throughout the city to advocate for and help the city's most vulnerable. Our social housing programme, the implementation of the Living Wage and community outreach programmes are all geared towards providing a more inclusive community.

- *Smokefree Wellington*

We will continue to progress the extension of smoke free areas to achieve SmokeFree City status by 2025.

- *Community driven safety planning*

We will develop local community safety plans encompassing community safety in the broadest sense through a community participatory/co-design approach, reflective of the needs and concerns of the local community.

Wellington City has been making progress towards becoming a child and youth-friendly city and finalise accreditation. We will work with young people to document and map issues and develop an action plan to deliver on accreditation guidelines.

## Goal 4: More Sustainable

Like all cities, we face significant environmental challenges. One of the most important of these is the need to reduce greenhouse gas emissions, but others include: encouraging efficient use of resources such as water and energy; managing pests and promoting biodiversity; and continuing to reduce the amount of solid waste the city produces. We're working hard to respond to these challenges. After all, the environment is the foundation on which Wellington is built. Over the next three years we will focus on three key areas of activity:

- Our Natural Capital
- Waste Management and Minimisation
- Reducing our emissions

### Focus Area 1: Our Natural Capital

#### What success looks like in three years

- Expanded predator free zones as part of Predator Free Wellington
- Enhanced walking and biking trail access in the city, with more promotion to drive utilisation
- Improvement in all indicators in the City Biodiversity Index
- Completion of the Outer Green Belt Network

#### What we already deliver

We already undertake a range of activities under the Our Natural Capital plan to promote the outcomes sought. This involves:

- Controlling pest species and restoring habitats to ensure rare, threatened or locally significant species can thrive undertaken through the Our Natural Capital Plan.
- Protecting special areas, protect heritage trees, and manage land use

through our regulatory role through the District Plan

- Funding the Zoo and Zealandia, and work with the GWRC and local communities to improve biodiversity throughout the city.
- Working with stakeholders to establish a Marine Exploration Centre on Wellington's south coast.
- Providing over 300km of tracks throughout the city and are progressing plans with the local mountain bike community to improve Makara Peak Mountain Bike Park and tracks elsewhere in the city in the coming years.

#### New proposals and areas of focus for 2016-2019

- *Predator Free Wellington*

Deliver Predator Free Wellington in partnership with GWRC, the Next Foundation and local communities to exterminate pests progressively in the city which includes expansion of the suppression areas. This project will cost approximately 40K over the next 4 years.



- *Deliver Our Natural Capital*

Over the next three years Our Natural Capital will focus on restoring ecologically significant areas, creating buffer zones and raising awareness of issues facing indigenous biodiversity and working with local communities across all our reserves. All initiatives are currently funded through the Our Natural Capital Plan.

- *Makara Peak Mountain Bike Master Plan*

We will work with the local mountain bike community to deliver on the final master plan for the park. This will include new tracks, an improved entrance, additional parking and regional coordination. Any funding implications for the Council will be considered as part of the 2018 long-term plan process.

### **Focus Area 2: Waste management and minimisation**

#### **What success looks like in three years**

- Better managed waste volumes to landfill
- Reduced household food waste
- Solution for sewage sludge to landfill disposal identified
- Lower ETS obligations through waste minimisation and gas capture
- Increased rates of recycling across the city

#### **What we already deliver**

We already undertake a range of activities under the Waste Management and Minimisation Plan to promote the outcomes sought, including:

- *Education and Information* – we work with schools, community groups and the business sector, providing support services including the Enviroschools programme to organisations wishing to

explore opportunities for waste reduction.

- *Grants and community support* – we provide grants for community projects to reduce waste, and business development projects to create self-sustaining waste businesses.
- *Reuse/recycle* – we operate Second Treasures shop and industry-based reuse programmes, deliver the domestic kerbside collection, support recycling in schools and ECE centres. We also provide garden waste drop-off and composting facilities, support Kai to Compost, and run the Love Food, Hate Waste programme.
- *Waste to landfill* - we operate kerbside collection for residents, as well as a transfer station and existing operations at the Southern Landfill. We continue to capture landfill gas for energy production and care for closed landfills.
- *Clean streets* – we operate litter bins, street cleaning and enforcement operations necessary to maintain clean streets.
- *Trade waste* – we operate both wastewater treatment plants (and continue minority operations of Porirua WWTP) and strive to reduce the volume of and hazardous component of this waste.
- Predator eradication.

#### **New proposals and areas of focus for 2016-2019**

- *Sewage sludge*

We will undertake an options assessment for sewage sludge disposal to reduce stress on infrastructure, mitigate future capacity issues, and reduce the Council's ETS carbon liability.

- *Reduce waste to landfill*

Over the next three years we will continue to deliver initiatives to separate and reduce waste at source like Love Food Hate Waste, and continue work to better manage total waste to landfill. (Note: there is a correlation between strong economic growth/development and increased waste.)

We will confirm a new regional Waste Management and Minimisation Plan, look to improve gas capture at the Southern Landfill, increase recycling rates, and investigate the establishment of organic waste collection, public recycling bins, and going plastic bag free.

### **Focus Area 3: The Low Carbon Capital**

#### **What success looks like in three years**

- Lower building and residential emissions
- Increased public transport, walking and cycling
- Increased EV charging infrastructure across the city
- Lower Council organisational emissions
- Improved community understanding of the impacts of climate change and sea level rise

#### **What we already deliver**

We already undertake a range of activities under the Low Carbon Capital Plan to promote the outcomes sought, including the three pillars to fulfil the goals of the plan. They are:

##### *Greening Wellington's growth*

- Investigate District Plan changes to support more sustainable growth including phasing out the minimum parking requirement, requiring EV

charging in parking buildings, and more permissive density rules

- Continue and progressively evaluate programmes like Home Energy Saver, Warm Up Wellington, the Smart Buildings Challenge and the Low Carbon Challenge
- Support solar power across the city

##### *Changing the way we move*

- Support car share and electric vehicle charging
- Invest in walking, cycling and public transport modes
- Advocate for lower public transport fares and a fully electric public transport fleet
- Advocate for greater support for the development of biofuels

##### *Leading by example*

- Continue with CEMARS certification programme, Carbon Disclosure Project reporting, and Compact of Mayors reporting
- Invest in energy savings across the business
- Transition Council vehicle fleet to non-fossil fuelled vehicles
- Deliver Love Food Hate Waste with national partners
- Further implement green practice in the Council's procurement programme and supply chain
- Drive staff behaviour change through an in-house education programme
- Develop an implementation plan for the Carbon Management Policy
- Improve consideration of climate issues through better evaluation of all policies, investments and actions

**New proposals and areas of focus  
for 2016-2019**

- *Deliver the 2016-18 Low Carbon Capital Plan*

Deliver the initiatives highlighted in the Wellington 2016-18 Low Carbon Capital Plan namely around the three pillars of Greening Wellington's Growth, Changing the Way we Move, and Leading by Example.

- *Promote electric vehicle uptake*

Primarily through accelerating the installation of electric vehicle charging infrastructure across the city, make it more convenient to own an electric vehicle in Wellington City.

6 April 2016.

## Goal 5: Improving how we work

### Focus Area 1: Living Wage

#### What success looks like in three years

- Introduce official living wage for all Council and CCO staff
- implement living wage for relevant contracts delivering ongoing core services
- obtain Council accreditation within the triennium

#### New proposals and areas of focus for 2016-2019

In 2017/18 we will raise the minimum wage paid at by the Council and its council-controlled organisations to the official NZ Living Wage. This will rise to \$20.20 on 1 July 2017.

In addition to this, the Council will commit to a staged implementation of the living wage on relevant contracts for regular and ongoing core services, to be processed on a case-by-case basis. Within 2017/18 Council's primary focus will be on cleaning and sanitation services. We will also examine which of these services could best be delivered through an in-house model. We will seek to obtain living wage accreditation within the triennium.

The costs associated with moving to the new living wage rate for Council and council-controlled organisation staff is \$700,000 for 2017/18.

### Focus Area 2: Improved Engagement

#### What success looks like in three years

- Improved engagement across the board (including ward community engagement) – particularly for important

large-scale projects that have high community impact

- productive and ongoing engagement with iwi
- greater use of quantitative and qualitative (eg experiences) research to inform Council engagement and decision making
- simpler and more meaningful performance framework to guide decision making and accountability
- increasingly easier access to Council services and information
- engagement and consultation programmes support an increased community connection with the Council and understanding of Council plans, policies and programmes

#### New proposals and areas of focus for 2016-2019

- *Relationship with iwi*

We will continue to develop our relationships with our iwi partners and explore opportunities to work together on projects and programmes that benefit the city and its communities.

- *Engagement and consultation*

We will work to expand the Council's community engagement on significant projects and introduce more quantitative research for major projects to support the decision-making process.

We will also undertake more community led planning exercises. Our participatory co-design approach to community planning will target suburbs and the most vulnerable communities.

6 April 2016.

While many aspects of improved engagement can be achieved from within existing budgets, introducing new engagement tools and/or scaling the engagement and communications component of projects/policies could have budget implications. These will be built into the business case of each project/policy.

- *Performance framework*

We will review the monitoring framework as a decision-making tool, to ensure KPIs are meaningful for the Council and public. This work will be conducted in the first half of 2017 and includes setting performance measures and targets for this Triennium Plan. The new performance framework will be consulted on with stakeholders and the community as part of the 2018 long-term plan.

The review will be delivered from within existing resources. Depending on the nature and scale of data that needs to be collected for the new performance framework there may be a small additional cost, but in the first instance we will look to deliver this from existing resources.

### **Focus Area 3: Smart Council**

#### **What success looks like in three years**

- Key customer services redesigned for greater responsiveness, flexibility and resilience (including recording of jobs completed)
- Increased staff satisfaction
- IT network and Enterprise IT platform enables improved customer service, flexibility, and easier access to online services e.g. regulatory processes
- Council workplaces redesigned for improved customer service, flexibility, and resilience
- Council learnings seamlessly informs decision making

#### **New proposals and areas of focus for 2016-2019**

- *Smart Council programme*

Continue to develop and implement projects which focuses on becoming customer focussed, digitally enabled, agile, scalable, transparent and open. Funding implications will be brought to committee once further detailed work has been completed.

### **Focus Area 4: Council Building Resilience**

#### **What success looks like in three years**

- Council buildings are resilient for a range of events
- Council service hubs in a range of locations across the city, building on existing networks

#### **New proposals and areas of focus for 2016-2019**

- *Council buildings*

It is important that the Council is able to provide critical services after an event. Resilient accommodation for staff is a prerequisite.

The Council is currently operating out of a reduced accommodation portfolio. Information is pending on key buildings (eg the Civic Administration Building), and once detailed information becomes available, we will review the Council's entire accommodation portfolio and consider options.

### **Focus Area 5: Financial sustainability**

#### **What success looks like in three years**

- The Council's budget is sustainable, work is effectively prioritised to deliver on triennium goals
- Services are delivered in the most efficient and effective way

42

6 April 2016.

**New proposals and areas of focus  
for 2016-2019**

- *Budget*

Rates increases will be kept below 3.4%  
for the 2017/18 year and an efficiencies /  
savings target of \$8m will be set to achieve  
that position.

**EXPLANATION OF SURPLUS**

*Items that are presented in the Prospective Statement of Comprehensive Revenue and Expense but do not offset rates.*

	\$000's
<b>Balanced Budget</b>	0
<b>Depreciation not funded by rates:</b>	
<i>Depreciation collected for capital assets that will not be renewed</i>	
NZTA Transport funded projects	(7,598)
General	(80)
Moa Point sewerage treatment plant	(3,146)
Decommissioned Living Earth joint venture plant	(207)
Wellington Waterfront Limited Depreciation	(3,156)
<b>Total depreciation not funded by rates</b>	<b>(14,187)</b>
<b>Revenue received for capital purposes:</b>	
<i>Funding received from external parties for major capital expenditure projects</i>	
NZTA capital funding	17,672
Housing ring-fenced surplus	(2,464)
Housing capital grant	11,790
Development contributions	2,000
Bequests, trust and other external funding	50
<b>Total Revenue received for capital purposes</b>	<b>29,048</b>
<b>Items funded from prior year surpluses:</b>	
City Growth Fund	(3,000)
Resilience Team additional year funding	(300)
Earthquake emergency rental costs	(782)
Business transformation team one year costs	(500)
<b>Total items funded from prior year surplus</b>	<b>(4,582)</b>
<b>Additional operational expenditure items:</b>	
<i>Operational expenditure items identified as equitable to be funded through other funding mechanisms</i>	
Alex Moore Park	(245)
Cable car	125
Odyssey - related	221
Roading	130
Toitu Pōneke	80
Weathertight Homes funding	7,227
Westpac Stadium	425
Reserves purchases and development fund	(24)
Welly Moving project spend	(1,040)
Kilbirnie Bowling club demolition	(173)
Technology Infrastructure and Software	231
Unrealised fair value adjustment for loans and receivables	650
Fair value movement on investment property revaluation	3,058
<b>Total additional items</b>	<b>10,666</b>
<b>Total Surplus</b>	<b>20,946</b>



**PROSPECTIVE STATEMENT OF  
COMPREHENSIVE REVENUE AND  
EXPENSE**

	2016/17 AP	2017/18 AP	Variance to AP
	\$000s	\$000s	\$000s
<b>INCOME</b>			
Revenue from rates	284,138	297,897	13,759
Revenue from development contributions	2,000	2,000	-
Revenue from grants, subsidies and reimbursements	41,037	38,612	(2,425)
Revenue from operating activities	121,965	130,452	8,487
Investments	20,447	22,704	2,257
Fair value movement on investment property revaluation	3,989	3,058	(931)
Other revenue	1,050	1,050	-
Finance revenue	650	704	54
<b>TOTAL INCOME</b>	<b>475,276</b>	<b>496,477</b>	<b>21,201</b>
<b>EXPENSE</b>			
Finance expense	25,617	27,736	2,119
Expenditure on operating activities	334,923	341,312	6,389
Depreciation and amortisation	101,975	106,482	4,507
<b>TOTAL EXPENSE</b>	<b>462,515</b>	<b>475,530</b>	<b>13,015</b>
<b>NET SURPLUS FOR THE YEAR</b>	<b>12,761</b>	<b>20,947</b>	<b>8,186</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Fair value movement - property, plant and equipment - net	106,241	122,914	16,673
Share of equity accounted surplus from associates	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>106,241</b>	<b>122,914</b>	<b>16,673</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>119,002</b>	<b>143,861</b>	<b>24,859</b>

**PROSPECTIVE STATEMENT OF  
FINANCIAL POSITION**

	2016/17 AP	2017/18 AP	Variance to AP
	\$000s	\$000s	\$000s
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,714	1,144	(570)
Derivative financial assets	-	-	-
Receivables and recoverables	42,834	48,413	5,579
Prepayments	13,433	13,054	(379)
Inventories	906	932	26
<b>Total current assets</b>	<b>58,887</b>	<b>63,543</b>	<b>4,656</b>
<b>Non-current assets</b>			
Other financial assets	11,954	16,900	4,946
Intangibles	28,578	28,671	93
Investment properties	213,931	221,512	7,581
Property, plant & equipment	6,771,399	6,998,983	227,584
Investment in subsidiaries	5,071	5,071	-
Investment in associates	19,465	19,465	-
<b>Total non-current assets</b>	<b>7,050,398</b>	<b>7,290,602</b>	<b>240,204</b>
<b>TOTAL ASSETS</b>	<b>7,109,285</b>	<b>7,354,145</b>	<b>244,860</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Derivative financial liabilities	-	-	-
Trade and other payables	62,477	58,094	(4,383)
Revenue in advance	16,717	13,107	(3,610)
Borrowings	267,279	274,731	7,452
Employee benefit liabilities and provisions	7,180	7,769	589
Provision for other liabilities	7,972	12,028	4,056
<b>Total current liabilities</b>	<b>361,625</b>	<b>365,729</b>	<b>4,104</b>
<b>Non-current liabilities</b>			
Derivative financial liabilities	-	-	-
Trade and other payables	630	630	-
Borrowings	211,766	262,706	50,940
Employee benefit liabilities	1,593	1,460	(133)
Provisions for other liabilities	18,231	28,110	9,879
<b>Total non-current liabilities</b>	<b>232,220</b>	<b>292,906</b>	<b>60,686</b>
<b>TOTAL LIABILITIES</b>	<b>593,845</b>	<b>658,635</b>	<b>64,789</b>
<b>EQUITY</b>			
Accumulated funds and retained earnings	5,011,091	5,066,415	55,324
Revaluation reserves	1,489,442	1,611,492	122,050
Hedging reserve	-	-	-
Fair value through other comprehensive income reserve	106	1,648	1,542
Restricted funds	14,801	15,955	1,154
<b>TOTAL EQUITY</b>	<b>6,515,440</b>	<b>6,695,510</b>	<b>180,070</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,109,285</b>	<b>7,354,145</b>	<b>244,859</b>

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**

	2016/17 AP	2017/18 AP	Variance to AP	Notes
	\$000s	\$000s	\$000	
<b>EQUITY - OPENING BALANCES</b>				
Accumulated funds and retained earnings	4,999,468	5,046,221	46,753	
Revaluation reserves	1,383,201	1,488,578	105,377	
Hedging reserve	-	-	-	
Fair value through other comprehensive income reserve	106	1,648	1,542	
Restricted funds	13,663	15,202	1,539	
<b>TOTAL EQUITY - Opening balance</b>	<b>6,396,438</b>	<b>6,551,649</b>	<b>155,211</b>	
<b>CHANGES IN EQUITY</b>				
<b>Retained earnings</b>				
Net surplus for the year	12,761	20,947	8,186	
Transfer to restricted funds	(4,518)	(4,518)	-	
Transfer from restricted funds	3,380	3,765	385	
<b>Revaluation reserves</b>				
Fair value movement - property, plant and equipment - net	106,241	122,914	16,673	
<b>Hedging reserve</b>				
Share of other comprehensive income	-	-	-	
<b>Restricted Funds</b>				
Transfer to retained earnings	(3,380)	(3,765)	(385)	
Transfer from retained earnings	4,518	4,518	-	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>119,002</b>	<b>143,861</b>	<b>24,859</b>	
<b>EQUITY - CLOSING BALANCES</b>				
Accumulated funds and retained earnings	5,011,091	5,066,415	55,324	
Revaluation reserves	1,489,442	1,611,492	122,050	
Fair value through other comprehensive revenue and expense	0	0	-	
Restricted funds	106	1,648	1,542	
Hedging reserve	14,801	15,955	1,154	
<b>TOTAL EQUITY - Closing balance</b>	<b>6,515,440</b>	<b>6,695,510</b>	<b>180,070</b>	

**PROSPECTIVE STATEMENT OF CASH  
FLOWS**

	2016/17 AP	2017/18 AP	Variance to AP
	\$000s	\$000s	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from rates - Council	292,828	279,361	(13,467)
Receipts from rates - Greater Wellington Regional Council	56,838	60,941	4,103
Receipts from activities and other income	100,082	153,302	53,220
Receipts from grants and subsidies - operating	33,017	(4,000)	(37,017)
Receipts from grants and subsidies - capital	8,020	42,612	34,592
Receipts from investment property lease rentals	9,335	11,464	2,129
Cash paid to suppliers and employees	(298,973)	(312,172)	(13,199)
Rates paid to Greater Wellington Regional Council	(56,838)	(60,941)	(4,103)
Grants paid	(42,672)	(40,419)	2,253
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>101,637</b>	<b>130,148</b>	<b>28,511</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received	11,112	11,240	128
Interest received	650	704	54
Proceeds from sale of property, plant and equipment	4,600	(7,850)	(12,450)
Purchase of Intangibles	(5,102)	(8,527)	(3,425)
Purchase of property, plant and equipment	(165,583)	(177,668)	(12,085)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(154,323)</b>	<b>(182,101)</b>	<b>(27,778)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New borrowings	298,783	314,227	15,444
Repayment of borrowings	(227,516)	(233,427)	(5,911)
Interest paid on borrowings	(26,690)	(29,063)	(2,373)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>44,577</b>	<b>51,737</b>	<b>7,160</b>
Net increase/(decrease) in cash and cash equivalents	(8,109)	(216)	7,893
Cash and cash equivalents at beginning of year	9,823	1,360	(8,463)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,714</b>	<b>1,144</b>	<b>(570)</b>

**PROSPECTIVE STATEMENT OF CHANGES IN RESTRICTED FUNDS**

	OPENING BALANCE 2017/18 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE 2017/18 \$000	Purpose
<b>SPECIAL RESERVES AND FUNDS</b>					
Reserve purchase and development fund	782	0	0	782	Used to purchase and develop reserve areas within the city.
Economic initiatives development fund	3,876	3,000	(3,000)	3,876	
Insurance reserve	10,116	1,500	(750)	10,866	Allows the Council to meet the uninsured portion of insurance claims
<b>Total special reserves and funds</b>	<b>14,774</b>	<b>4,500</b>	<b>(3,750)</b>	<b>15,524</b>	
<b>TRUSTS AND BEQUESTS</b>					
A Graham Trust	3	-	-	3	For the upkeep of a specific area of Karori Cemetery
A W Newton Bequest					For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	319	16	(15)	320	
E Pengelly Bequest	6	-	-	6	For the benefit of the public library
F L Irvine Smith Memorial	15	1	-	16	For the purchase of children's books
Greek NZ Memorial Association	7	-	-	7	For the purchase of books for the Khandallah Library
Kidsarus 2 Donation					For the maintenance and upgrade of the memorial
Kirkaldie and Stains Donation	5	-	-	5	
QEII Memorial Book Fund	3	-	-	3	For the purchase of children's books
Schola Cantorum Trust	17	-	-	17	For the beautification of the BNZ site
Terawhiti Grant					For the purchase of books on the Commonwealth
Wellington Beautifying	21	1	-	22	
	8	-	-	8	For the purchase of musical scores
	10	-	-	10	To be used on library book purchases
	14	-	-	14	To be used on library book purchases
<b>Total trusts and bequests</b>	<b>428</b>	<b>18</b>	<b>(15)</b>	<b>431</b>	
<b>Total restricted funds</b>	<b>15,202</b>	<b>4,518</b>	<b>(3,765)</b>	<b>15,955</b>	

**FUNDING IMPACT STATEMENT  
FOR WHOLE OF COUNCIL**

	2016/17 AP	2017/18 AP	Variance to AP
	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	160,913	170,617	9,704
Targeted rates (other than a targeted rate for water supply)	123,271	127,281	4,010
Subsidies and grants for operating purposes	8,086	9,151	1,065
Fees and charges	123,171	134,003	10,832
Interest and dividends from investments	11,125	11,294	169
Local authorities fuel tax, fines, infringement fees, and other receipts	9,178	8,963	(215)
<b>Total operating funding (A)</b>	<b>435,744</b>	<b>461,309</b>	<b>25,565</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	291,914	300,659	8,745
Finance costs	25,617	27,736	2,119
Internal charges and overheads applied	-	-	-
Other operating funding applications	43,047	40,656	(2,391)
<b>Total applications of operating funding (B)</b>	<b>360,578</b>	<b>369,051</b>	<b>8,473</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>75,166</b>	<b>92,259</b>	<b>17,093</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	32,950	29,462	(3,488)
Development and financial contributions	2,000	2,000	-
Increase (decrease) in debt	71,263	78,059	6,796
Gross proceeds from sales of assets	4,600	18,350	13,750
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>110,813</b>	<b>127,871</b>	<b>17,058</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	1,922	1,810	(112)
- to improve the level of service	87,124	77,207	(9,917)
- to replace existing assets	91,736	82,545	(9,191)
Increase (decrease) in reserves	5,197	58,568	53,371
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>185,979</b>	<b>220,130</b>	<b>34,151</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(75,166)</b>	<b>(92,259)</b>	<b>(17,093)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses for this activity grouping include the following</b>			
depreciation/amortisation charge	101,975	106,482	4,507

## Annual plan disclosure statement for year ending 30 June 2018

### 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			
• income	Total rates collected \$302.0m	\$296.6.0m	Yes
• increases	4.5% after growth average rates increase over the first triennium	3.3%	Yes
Debt affordability benchmark	Net closing debt over operating income 175%	116.5%	Yes
Balanced budget benchmark	100%	104%	Yes
Essential services benchmark	100%	138%	Yes
Debt servicing	10%	5.5%	Yes

### 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 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 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 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 slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



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## 2017/18 ANNUAL PLAN - ENGAGEMENT PLAN

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### Purpose

1. This paper outlines the proposed engagement and communication approach to be undertaken for the 2017/18 Annual Plan and draft Triennial Plan.

### Summary

2. Since the 2016 election, Council has been developing a draft Triennial Plan that sets goals and a draft programme of work for the next three years. The draft Triennial Plan reflects election priorities, the impact of the Kaikoura earthquake and the feedback received from over 200 city stakeholders at the Mayoral summit in late 2016.
3. The draft Triennial Plan includes a number of changes to the existing work programme of Council and a number of them have a budgetary impact for 2017/18, and consequently these need to be included in the Annual Plan and engaged on with the wider community.
4. Engaging on the 2017/18 Annual Plan in conjunction with the broader triennial Plan will ensure the variances for the coming year are considered in the broader strategic framework and context provided by the draft Triennial Plan.

### Recommendations

That the Long-term and Annual Plan Committee:

1. Receive the information.
2. Agree the communication and engagement tools that will be used to support the 2017/18 Annual Plan and Triennial Plan.

### Discussion

5. The purpose of the Annual Plan is to:
  - provide the opportunity for the community to provide feedback on proposed variations to 2015 long term plan
  - extend the opportunity for public participation in the decision-making process
  - contribute to Council's accountability to the community
  - detail the annual budget and funding impact statement.
6. The wider matters of city goals and priorities are also outlined in the draft Triennial Plan.

#### *A less formal approach*

7. The emphasis of the engagement plan is on stakeholder focused dialogue (e.g. test what Council has heard with a broader audience, refine ideas with the community and increase understanding of what the Council is trying to achieve) as opposed to formal consultation framed around meeting statutory requirements which is normally the case.
8. The less formal approach centres around more support for portfolio leaders to engage with their communities and stakeholders, and replacing formal oral hearings with a series of forums.

9. This approach provides for the continuation of the conversation started as part of the Wellington Summit and provides the opportunity for multiple stakeholders to engage with Council as well as each other.

*Opportunity for continuous engagement*

10. There is no requirement to consult or engage on annual plans under the new legislative framework if variances to the long-term plan are assessed to be minor or modest.
11. While Council's proposed variances have been assessed as relatively modest, and in of themselves do not require formal consultation, the variances coupled with the broader Triennium Plan reflect a new direction and set of priorities for the Council that warrant engagement with stakeholders and the wider community.
12. It also provides an important opportunity to continue the conversations held during the election and at the Mayoral Summit about how the city should be developed.
13. The feedback we receive through this engagement exercise will also help guide the development of the 2018 long-term plan – and at its simplest – can be seen as early engagement to that more formal budgeting and planning exercise.

*Concurrent Consultation*

14. The Regional Waste Minimisation Plan is being engaged on concurrent to the annual plan process. This is a region wide engagement exercise that is being coordinated through Wellington City Council. While it has its own engagement process, a statement of what is proposed will be included in the Annual Plan engagement material.

*Engagement / communication tools and material*

15. It is proposed that the following engagement and communication tools be used to reach and encourage people to participate in the process to share their views with Council:
- *Engagement document* – the majority of the detailed information will be provided online (see below). There is however a need to have a succinct and engaging hardcopy documents that covers the major matters. The engagement document will be widely distributed from Council facilities and links to the online version will be sent to stakeholders. the document will be significantly shorter (circa 20 pages) than previous years to ensure more people use the material. There will be a focus on telling the story simply, using diagrams where possible and avoid being overly text focused. A one page summary and a set of FAQs will also be created to support the engagement process.
  - *Online presence / submissions*– a website outlining the Annual Plan variances and draft Triennial Plan is in development. It will be the main portal to find out about Council's draft plans and budget in detail and provides the mechanism to provide written feedback. An online presence is business as usual for these engagement exercises. Opportunities to spatially map variances will also be explored.

- *Portfolio Support* – elected members have important networks within their wards and with sectors relating to their portfolios. During the engagement period staff will provide support to elected members who wish to engage with their stakeholders and their communities.
- *Media releases / social media / advertising* – Council has a number of high profile social media channels and these will be utilised to raise awareness of the matters for engagement and encourage people to participate.
- *Research* – Council operates a research panel and this will be used to test community views on the proposed 2017/18 variances and the goals of the draft Triennial Plan. The results of the quantitative research will be presented back alongside feedback received through the submission process as part of the decision making process in June. Research is normally reserved for the long term plan process but with the introduction of the draft Triennial Plan there is an opportunity to obtain some quantitative feedback to sit alongside the qualitative feedback from the engagement process.
- *Fora* – two fora will be schedule towards the end of the engagement period with stakeholders and submitters to work through the annual plan variances and the wider draft Triennial Plan. This will provide the opportunity to test and refine ideas and increase understanding of what the Council is trying to achieve. These workshops are intended to replace the formal hearings process run in previous years. The forum model ensures the focus of conversations is centred around the draft Triennial Plan and the 2017/18 variances rather than on new funding requests or on other matters outside of what is being proposed (and therefore better addressed at the next long term plan). It also provides the opportunity for stakeholders to hear from and interact with each other and obtain a better understanding of competing views. Submitters that make a written submission can opt in to attending the forums.

## **Attachments**

Nil

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Authoriser	Jeremy Baker, Director Strategy and Communications

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## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

The engagement approach outlined in this report provides a range of communication / engagement tools to support the 2017/18 Annual Plan process.

### **Treaty of Waitangi considerations**

The annual plan team will be engaging with local iwi.

### **Financial implications**

Not applicable.

### **Policy and legislative implications**

The Annual Plan engagement is consistent with requirements under the Local Government Act 2002.

### **Risks / legal**

All legal risks have been considered.

### **Climate Change impact and considerations**

There are no impacts to climate change directly linked to this report.

### **Communications Plan**

The communications plan has been outlined in the report.

### **Health and Safety Impact considered**

Not applicable.

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## **APPOINTMENT OF MEMBERS TO THE REVENUE AND FINANCE WORKING PARTY**

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### **Purpose**

1. To make elected member appointments to the Revenue and Finance Working Party.

### **Summary**

2. Following a decision made at the Council meeting on Wednesday 9 November 2016 the Long-term and Annual Plan Committee was delegated authority to to appoint two additional members to the Revenue and Finance Working Party.
3. The current members are Councillor Andy Foster (Chairperson) Mayor Justin Lester and Councillors Nicola Young and Diane Calvert.

### **Recommendations**

That the Long-term and Annual Plan Committee:

1. Receive the information.
2. Agree to appoint two additional Councillors to the Revenue and Finance Working Party.

### **Discussion**

4. The Working Party works with officers on revenue and finance matters and reports to the Long-term and Annual Plan Committee. It reviews the Revenue and Financing Policy, the performance measurement framework and asset management plans. Two further members are required.
5. As agreed at the Council meeting on 9 November 2016 two additional members are required to be appointed as members to the Revenue and Finance Working Party.

### **Options**

6. The Council has already agreed to two additional members. The Long-term and Annual Plan Committee is appointing the two additional members to complete the membership of the working party.

### **Attachments**

Nil

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Authoriser	Kane Patena, Director Governance and Assurance



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## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

No consultation is required.

### **Treaty of Waitangi considerations**

There are not Treaty of Waitangi considerations.

### **Financial implications**

Appointing two members will not have any financial implications.

### **Policy and legislative implications**

Not applicable.

### **Risks / legal**

There are no implications.

### **Climate Change impact and considerations**

Not applicable.

### **Communications Plan**

No communications plan is required.

### **Health and Safety Impact considered**

There are no Health and Safety implications.