Questions & Answers

Kōrau Tōtōpū| Long-Term Plan, Finance and Performance Committee

15 Hui-tanguru 2024 (15 February 2024)

Item 2.1 2024-34 LTP Draft Budget & Plan Report.

Water, Baseline – Option 1

1. ***Please confirm how the baseline was calculated for both opex and capex?***

This was based on the advice provided by WWL in its 21 November presentation. For opex this reflected "option 2" being the FY2023/24 OPEX + unavoidable cost increases. For capex this reflected Council LTP baseline.

Water, Investment in water meters(capex)

2. ***What is the timing for the investment within the next 10 years and is it addressed in the Financial Strategy?***

We are working with other Councils in the region to ensure alignment as much as possible. There is a need to do early planning and procurement work in the first few years and the roll-out of water meters is currently programmed for year 4 of this LTP. As Wellington Water progress through the early planning work on this initiative, they will confirm the detailed timing.

Water, Increased investment in renewals and growth for wastewater and stormwater

3. ***What is the recommended increased investment from WWL for each of these ie wastewater and stormwater that we have not included?***

WWL (10 year LTP) recommended (max deliverable) is $1,793,493,147 for Capex (Stage 2 advice 12 Oct 2023)) .

WWL did not provide a full break down by water type for the 'max deliverable' option.

WCC Option 3 budget is $1.1b (inflated)this equates to approximately a $1.0b uninflated physical works programme required from WWL.

Drinking Water - $303,405,808 (uninflated)

Waste Water - $539,240,572 (uninflated)

Storm Water $ 181,353,620 (uninflated)

Water, Depreciation

4. ***What is the amount of depreciation for water renewals not being funded for each of the years not fully funded via rates funding?***

Total depreciation over 10 years $1.1b, unfunded over 10 years $109m (fully funded from 2028/29)

Water, Upgrades for Growth

5. ***How does the proposal support the changes contained within the final draft of the District Plan?***

Wellington Water has not recommended that the Council includes Growth funding in this LTP. Wellington Water's advice is to focus this LTP on investments in network renewals and those very high criticality assets that are either failing or at risk of failure, with potential adverse environmental effects. WWL's advice is to thread its Growth Investment Advice into the 2027 LTP.

Transport, Golden Mile, TQ/HR, City Streets

6. ***What is the planned capex and opex costs for next three years per project?***

The budget only includes capex as follows:

WCC Budget Rephased (Draft 24/25 LTP)

	2023/24 (Forecast)	2024/25 (Budget)	2025/26 (Budget)	2026/27 (Budget)	2027/28 (Budget)	2028/29 (Budget)	2029/30 (Budget)	2030/31 (Budget)	2031/32 (Budget)	2032/33 (Budget)	2033/34 (Budget)	Total
Golden Mile (WCC Share 49%)	2,096,828	11,337,480	11,337,480	16,570,715	18,533,870	8,723,628	0	0	0	0	0	68,600,000
Golden Mile (Waka Kotahi Funding 51%)	2,182,412	11,800,234	11,800,234	17,247,071	19,290,355	9,079,694	0	0	0	0	0	71,400,000
Golden Mile (Total)	4,279,240	23,137,713	23,137,713	33,817,786	37,824,225	17,803,322	0	0	0	0	0	140,000,000
Thorndon Quay (WCC Share 49%)	6,650,228	10,201,714	973,436	0	0	0		0	0	0	0	17,825,378
Thorndon Quay (Waka Kotahi Funding 51%)	6,921,665	10,618,110	1,013,168	0	0	0		0	0	0	0	18,552,944
Thorndon Quay (Total)	13,571,893	20,819,824	1,986,605	0	0	0		0	0	0	0	36,378,322
City Streets	1,041,390	12,498,924	24,436,079	19,071,221	10,336,819	6,358,894	6,358,894	6,358,894	6,358,894	6,358,894	6,712,704	105,891,607
Total (Gross)	**18,892,523**	**56,456,462**	**49,560,397**	**52,889,007**	**48,161,044**	**24,162,216**	**6,358,894**	**6,358,894**	**6,358,894**	**6,358,894**	**6,712,704**	**282,269,929**
WCC Share (Total)	**9,788,445**	**34,038,118**	**36,746,995**	**35,641,936**	**28,870,689**	**15,082,522**	**6,358,894**	**6,358,894**	**6,358,894**	**6,358,894**	**6,712,704**	**192,316,984**

Transport, Golden Mile

7. ***What is the cost of the Courtney Place water renewals? Is this only water supply or does it relate to all 3 waters? Please confirm the proposed timing for the different sections of the GM and relevant costs.***

The total cost of water renewals for Courtney Place is $6m (uninflated) and covers waste and drinking waters. Timing of overall GM delivery: Courtenay Place works will be undertaken first, with construction of main works starting in 2024. Lambton Quay upgrades are phased to start from 2027. Final timing of the various stages of the Golden Mile will be confirmed once the 100% design has been completed along with a definitive understanding of utility clashes which will inform the final construction methodology.

Transport, Thorndon Quay/ Hutt Road (TQ/HR)

8. ***Have WWL recommended any renewals for this route? If so for what period and the nature of the renewal?***

The early work at TQ/HR on the new Aotea Quay roundabout identified a watermain that was aged. With the "dig once" mindset the full renewal of this watermain was included in the scope of the project and undertaken. At the start of the TQHR project, LGWM engaged with Wellington Water to see if there were any assets that required renewal within the next five years but there were no critical asset replacements identified.

Transport, Cycleways

9. ***What is the 10-year budget across each year for both opex and capex? What is the amount reduced for each of these years?***

This programme delivers Bus, bike and walking improvements. The savings are comparing the 21-31 LTP and the proposed 24-34 LTP budget. all numbers in table are UNINFLATED. $226m was assigned to the 21/31 LTP. The above budgets show the difference for the next 10 b/w the remainder of the 21/31 budget and the proposed 24/34 LTP budget.

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	Total ($)
21 - 31 LTP CAPEX	33,896,440	25,767,702	21,293,860	21,599,011	19,600,675	19,480,201	1,337,488	1,356,454	1,373,503	1,390,806	**147,096,140**
21 - 31 LTP OPEX	1,016,893	773,031	638,816	647,970	588,020	584,406	40,125	40,694	41,205	41,724	**4,412,884**
24 - 34 LTP CAPEX	20,234,593	11,873,890	18,236,800	4,496,157	5,593,338	6,355,876	8,459,440	9,958,407	10,359,455	6,368,759	**101,936,713**
24 - 34 LTP OPEX	800,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	**5,750,000**
CAPEX Savings	13,661,847	13,893,813	3,057,060	17,102,854	14,007,337	13,124,325	-7,121,952	-8,601,952	-8,985,952	-4,977,953	**45,159,427**
OPEX Savings	216,893	223,031	88,816	97,970	38,020	34,406	-509,875	-509,306	-508,795	-508,276	**-1,337,116**

Transport, Travel Demand Change

10. ***Please advise details of what is budgeted for, across each year and what service is planned?***

We have ongoing work programmes to support safe and sustainable transport that receive 51% Waka Kotahi funding. The other 49% is rates funded ($432k p/a). On top of this we have also loaded in a 3% opex for all transport capex projects. See below for details of the BAU budgets.

The types of initiatives that this budget supports include:

- ***Workplace and school travel planning***
- ***Active workplace travel fund (supporting workplaces to put in end of trip facilities)***
- ***Bikes in schools (providing bike tracks and skills training to schools)***
- ***Bike Space (upskilling community on bike maintenance)***
- ***Events and activations (Go by bike day, Shelley Play, Aotearoa bike challenge, etc)***
- ***Walking school buses***
- ***"Get there together" road safety campaign***
- ***Route education (route maps, online videos, Welly on wheels guided route rides, etc)***

The service planned is lower than funded in FY23/24, due to several grants and external funding streams that end prior to FY24/25.

	FAR	**FY 24/25**	**FY 25/26**	**FY 26/27**	**FY 27/28**	**FY 28/29**	**FY 29/30**	**FY 30/31**	**FY 31/32**	**FY 32/33**	**FY 33/34**	**Total ($)**
BAU - Travel Demand Management	51%	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	**4,900,000**
BAU - Road Safety	51%	393,000	393,000	393,000	393,000	393,000	393,000	393,000	393,000	393,000	393,000	**3,930,000**
Total OPEX		883,000	883,000	883,000	883,000	883,000	883,000	883,000	883,000	883,000	883,000	**8,830,000**
Total WCC Opex		432,670	432,670	432,670	432,670	432,670	432,670	432,670	432,670	432,670	432,670	**4,326,700**

Climate Change, Service Levels- Transparency of costs and services,

11. ***Climate Insights & Engagement- why is this being removed? – Revenue & Financing Policy***

Climate insights and engagement support the organisation in delivering the other activities. We believe it's better to embed climate insights and engagement into existing activities, rather than have a separate activity.

12. ***What are the main activities and the opex and capex costs over the 10 year period (per year)?***

Opex for 1220 (Climate change response) can be found on page 339 of the LTP agenda. The main activities are to provide support to the organisation to deliver Te Atakura. The Climate Change Response team is not intending any capex spend. The $1.3m capex loaded against 2143 – EV Fleet has been double counted and will be removed at a later date.

13. ***What reductions have been made to the current proposed baseline?***

The Climate Change response budget is remaining the same with an internal budget reprioritisation to put more focus on adaptation work.

Māori and Mana Whenua Partnerships, Service Levels- Transparency of costs and services

14. ***why is this being removed – Revenue & Financing Policy***

This is no longer being included as a separate area of work as it is embedded across the organisation. This is in line with the current LTP Strategic Framework which sets out our commitment to Te Tiriti and our Tākai Here partners, to integrate te ao Māori, and to celebrate and make visible te ao Māori across the city.

15. ***What are the main activities and the opex and capex costs over the 10-year period (per year)***

The activities are articulated in our Tūpiki Ora Action Plan (linked here). It is very difficult to quantify the opex and capex costs as this work is embedded across the organisation. For example, in this FY, there are seven different housing related projects where we have identified an opportunity to reach the Tūpiki Ora Action Plan goal: 4.1 Whānau Māori are in warm, quality, safe and affordable housing throughout the city. Our approach is not to create or develop new initiatives, but to weave mātauranga Māori through these existing projects, and maximise the opportunities for Māori in our city.

16. ***What reductions have been made to the current proposed baseline?***

No reduction has been proposed.

Core Services, Decrease in service levels

17. ***Please advise the % of these savings that relate to staff costs***

Of the nine proposals for services managed by the COO's group, five of the proposed service reductions would not impact staff costs. Staff costs across the remaining four proposals – library hours reduction, Wadestown community centre, swimming pool operations and Arapaki Service Centre – make up the majority of the proposed savings.

Thorndon Pool – 70% (Impacting fixed term seasonal staff)

Khandallah Pool – 47% (Impacting fixed term seasonal staff)

Tawa Pool – 100%

Karori Pool – 100%

Library Hours Reduction – 88%

Arapaki Library – 74%

Wadestown Community Centre – 60%

18. ***Please provide details of the capex savings associated with each line of opex savings***

The LoS proposals presented at the 31 January workshop were opex savings proposals. Khandallah pool financials (opex and capex) is outlined in full in the report for the 15 February meeting.

19. ***Please advise what the proposal contains in respect of the proceeds of the Wadestown Community Centre***

As shared at the LTP briefing on 31 January 2024, the proceeds from the divestment will contribute to offsetting debt.

20. ***Please advise whether with the proposed reduced library hours could result in library closures and if so, which libraries may have this impacted?***

The committee report for the 15th February outlines a proposal to reduce library hours across the network. No unplanned library closures are anticipated. Noting that the intent has always been to close Te Awe and Arapaki libraries once Te Matapihi is open in early 2026.

Core Services, Berhampore Golf Course

21. ***What is the proposal by officers?***

No change to the current level of service at Berhampore Golf Course.

Fees and charges, Parking

22. ***Please provide details of income and expenditure in respect of parking revenue over the past five years and for next five years***
23. ***Please provide details of the number of on-street paid parks over the same period?***

Income & Expenditure:

	2018/19 GL Actual	2019/20 GL Actual	2020/21 GL Actual	2021/22 GL Actual	2022/23 GL Actual	2023/24 GL Budget	2024/25 GL Budget	2025/26 GL Budget	2026/27 GL Budget	2027/28 GL Budget
1 - Revenue	- 29,017,202	- 27,022,131	- 30,887,593	- 27,299,703	- 31,543,914	- 40,690,558	- 38,936,807	- 39,049,445	- 38,996,118	- 38,996,118
2 - Expenditure	12,216,130	12,729,360	12,743,264	11,926,365	13,346,178	15,181,838	15,949,090	15,956,014	16,058,407	16,253,793

Note: above budget figures are uninflated.

24. Please provide details of the number of on-street paid parks over the same period?

The number of on-street, central city car parks for the period between 2018 and 2023 were as follows:

Year	Number of on-street, central city car parks
2018	3170
2019	3078
2020	2974
2021	3050
2022	3185
2023	2243

The estimated number of on-street car parks for the period between 2024 and 2028 is listed in the following table. Note that the table incorporates both the number of parks that are predicted to be available in the central city and those suburbs that are currently being considered for metered parking as part of the development of the 2024 Long Term Plan.

Year	Central City	Island Bay	Johnson-ville	Kilbirnie	Newlan ds	Tawa	Conversion of Coupon parking to metered	Total
2024	2,010	58	38	108	61	119	1,199	3,593
2025	2,010	58	38	108	61	119	1,199	3,593
2026	1,651	58	38	108	61	119	1,199	3,234
2027	1,572	58	38	108	61	119	1,199	3,155
pan2028	1,477	58	38	108	61	119	1,199	3,060

Housing, Social Housing Upgrades required

25. ***Please provide details on the amount and how the costs will be provided for including for each year?***

Activities 2059 and 2060 include the costs for the housing upgrades and renewals. The HUP 2 costs included are as follows (inflated):

Year	HUP 2
2024/25	25,000,000
2025/26	36,260,001
2026/27	53,250,400
2027/28	76,339,773
2028/29	66,808,207
2029/30	68,010,755
2030/31	69,030,917
2031/32	29,136,799
2032/33	11,794,576
2033/34	2,082,310
Total	**$ 437,713,739**

Staffing structure, Reductions

26. ***what proposals are there to reduce overall FTEs***

There is a direct relationship between organisational FTE levels and the programmes of work and levels of service approved by the Council. The 2021 -31 LTP significantly increased programmes of work and as a consequence FTE had to increase to deliver on this. For this LTP, there are FTE reductions implicit in proposed levels of service changes and as a result of a reduced capital works programme. The organisation has also built a further $5 million efficiency target saving into the draft budget, on top of a $19.8 million opex reduction achieved via an internal line by line review, bringing the starting point rates increase down from 26% to 21%. Any proposals for the management of FTE reduction relating to levels of service or efficiency measures will need to be consulted upon with staff and the unions. Staffing for the Council, and the ways in which the workforce is managed, is the responsibility of the CE as the employer (Local Government Act, Section 42) and implications for staff must be managed in accordance with good employer obligations. If the Council wished to further reduce the cost of staff it would have to be on the basis of Council policy decisions on further reductions in levels of service and programmes of work (and not on any intervention in the role of the employer).

27. ***How much is the proposed revenue from the:***
28. ***waste levy***
29. ***waste minimisation component of landfill fees***
30. ***retail revenue***
31. ***I note that the draft LTP 2024/25 OPEX for the landfill shows $32.6M in income and $35.6M in expenditure giving an overall $2.9M operating loss.***

The breakdown of the waste activities that make up this amount show that the landfill is expected to generate an in-year surplus of almost $4m, which is offsetting the majority of the deficits expected across the other activities such as waste minimisation. There will also be activities that will be eligible for the Ministry for the Environment Waste Minimisation Activity funds which will help to further reduce the deficit.

32. ***How is this operating loss for Waste reduction and energy conservation to be funded?***

33. ***I also note in the draft LTP 2024/25 CAPEX there is the following item: 2.2 - Waste reduction and energy conservation - 2011 - Southern Landfill Improvement | 10,143,000***

If there is a deficit remaining at year-end it would be funded by the Landfill Surplus Fund (as it will be the waste minimisation activity that has the largest expected deficit).

34. ***Can you confirm that the LTP still includes this $10.1M CAPEX investment into improving the Landfill and how much of this amount is funded from the Landfill Surplus Fund?***

The $10.1M for the Southern Landfill Improvement in year 1 (2024/25) is made up of the following projects:

1.	*SLEPO Project*	*4.4m*
2.	*Carbon Credit Unit Purchases*	*4.1m*
3.	*Landfill Infrastructure Renewals*	*0.4m*
4.	*Organics Processing*	*0.4m (paid by landfill surplus)*
5.	*Resource Recovery Network Expansion*	*0.8m*

In year 1 of the program $0.4m of the $10.1m will be funded from the landfill surplus and the remainder will be debt funded. Over the 10-year period $16.8m will be funded out of the landfill surplus for capital projects, this includes rethinking collections and the resource recovery network expansion from year 2.

Questions in reference to the 31 January briefing presentation:

35. ***Page 9: A saving of 1.0% is shown through the "Increased user fees and charges". Can a list of these user fee and charge increases be provided?***

The committee report includes a list of all fees and user charges changes, attached as Attachment 7.

36. ***Page 9: A saving of 1.7% is shown through the "sale of surplus assets". Can a list of these asset be provided? CONFIDENTIAL***

Refer to Q249 for Answer

37. ***Page 9: A saving of 2.1% is shown through "Further unfunded depreciation". Can list of asset depreciation be provided showing:***
38. ***The recommended Depreciation amount***
39. ***The previously proposed underfunded depreciation amount***
40. ***The current proposed depreciation amount***

Total depreciation expense over 10 years $3.5b, previously proposed unfunded approx. $400m, current proposed approx. $500m.

41. ***Page 10: Can a list of the Draft Capital Programme items and their cost be provided?***

As per Capital Activity Report (Attachment 8) of the 15th Feb Committee report

42. ***Page 20: Can a before and after list of LGWM cost items (OPEX and CAPEX) please be provided?***

WCC Budget (23/24 Annual Plan)

	2023/24 (Budget)	2024/25 (Budget)	2025/26 (Budget)	2026/27 (Budget)	2027/28 (Budget)	2028/29 (Budget)	2029/30 (Budget)	2030/31 (Budget)	2031/32 (Budget)	2032/33 (Budget)	2033/34 (Budget)	Total
Golden Mile (Capex)	12,866,892	43,007,317	13,962,757	0	0	0	0	0	0	0	0	69,836,966
Thorndon Quay and Hutt Road (Capex)	16,398,936	14,797,837	733,980	0	0	0	0	0	0	0	0	31,930,753
City Streets (Capex)	1,041,390	27,075,057	21,474,793	36,795,179	19,505,188	0	0	0	0	0	0	105,891,607
LGWM - Mass Rapid Transit (Opex)	18,575,915	14,729,197	7,591,068	7,591,068	0	0	0	0	0	0	0	48,487,248
LGWM - State Highway Improvements (Opex)	5,798,456	0	0	0	0	0	0	0	0	0	0	5,798,456
LGWM - Travel Demand Management (Opex)	925,297	1,222	3,645,293	0	0	0	0	0	0	0	0	4,571,811
LGWM - City Streets (Opex)	2,733,233	0	0	0	0	0	0	0	0	0	0	2,733,233
	58,340,119	**99,610,630**	**47,407,891**	**44,386,247**	**19,505,188**	**0**	**0**	**0**	**0**	**0**	**0**	**269,250,075**

WCC Budget Rephased (Draft 24/25 LTP)

	2023/24 (Forecast)	2024/25 (Budget)	2025/26 (Budget)	2026/27 (Budget)	2027/28 (Budget)	2028/29 (Budget)	2029/30 (Budget)	2030/31 (Budget)	2031/32 (Budget)	2032/33 (Budget)	2033/34 (Budget)	Total
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43. ***Page 30: Can a list of the Activities requiring higher fee funding including the current and proposed fee income***

A list of all activities with increased fees are provided in Attachment 7 of the 15th February Committee Report

44. ***Page 30: Can a list of the Activities requiring lower fee funding including the current and proposed fee income***

There are no activities requiring lower fee funding.

45. ***Page 32: Can a list of the current and proposed fee income amounts be provided for each of the items?***

As per Draft Activity Report OPEX / CAPEX (Attachment 8) on the 15th February Committee Report. Impact included in income increases.

46. ***Page 41: A significant change to be consulted "Changes to Council's waste collection service to meet Zero Waste targets, including moving to a rates-funded service and the introduction of organics collection." Can the financial impact for each option being consulted on be explained including:***
47. ***The change in fee income***
48. ***The change in rates income***
49. ***The CAPEX amounts involved to support this change and the source of this CAPEX***
50. ***The cost of introducing organics collection***
51. ***The sources of income and amounts to support the organics collectionmption***
52. ***The CAPEX amounts involved to support the introduction of organics collection and the source of this CAPEX***

As the packages have changed from the business case to include additional practicable options based on legal advice, new costings are needed. The final costings for each of the specific options is still being developed and will be part of what is presented in the full consultation document in the 13 March meeting. The consultation document requires each option to have specific rates and debt impact listed.

The indicative costs in the business case presented in the 14 September 2023 Environment and Infrastructure Committee meeting agenda are the most up to date costs currently available. The preferred option in the business case (option F) is the same as the preferred options in the consultation document (option F for rubbish and organics and option C for recycling).

The following table shows how the costs from the business case map to the costs of the options in the LTP consultation document:

Business Case option	LTP consultation options
B Fortnightly rubbish Food scraps only Larger recycling bin Four weekly glass wheelie bin	Rubbish and organics option E Recycling option D
D Fortnightly rubbish Food and garden Larger recycling bin Four weekly glass wheelie bin	Rubbish and organics option F Recycling option D
E Fortnightly rubbish Food scraps only Larger recycling bin Status quo glass crate	Rubbish and organics option E Recycling option C
F Fortnightly rubbish Food and garden Larger recycling bin Status quo glass crate	Rubbish and organics option F Recycling option C

Capex for this project is primarily the cost of new bins for households and the WCC contribution to a new organics processing solution. Current recycling bins and glass crates are at the end of their useful life and will need to be replaced soon even if no changes are made. This is not an avoidable cost although it could be deferred noting that the rate of breakage of bins will continue to increase in the meantime. New organics bins are expected to be fully funded by a grant from the Ministry for the Environment which is already included in the LTP budget. Therefore, the only savings opportunity in infrastructure is related to rubbish bins for $3.8M. This is to be funded from the Landfill Surplus Fund.

WCC's budgeted contribution to the organics processing solution is ~$22 M, which is $19M for the facility with additional project costs. This assumes that MfE will fund 50% of a new facility and that HCC and PCC both contribute. Having a regional organics processing facility is a critical dependency to be able to deliver organics collection. If councillors wanted to delay introducing collections for 3 years we would continue to recommend the capital spending profile as it is in the LTP budget to ensure a processing facility would be available on time.

There is a proposed increase in the rubbish bag fee for 2024/25 to from $3.50 to $3.60 (incl GST). This covers increased costs of delivering the existing service. As we develop cost estimates for each of the options in the LTP consultation we will consider the possible effect on bag fees.

There are proposed increases to the landfill fees in future years. These fee increases are driven by the cost of operating the landfill and would change regardless of any changes made to collections services.

53. *What is the policy used to justify the introduction of metered parking to the suburbs of Kilbirnie, Island Bay, Johnsonville, Newlands, and Tawa?*

The relevant policy is the Wellington City Council Parking Policy, adopted by Council in August 2020. The most relevant section of the policy in this regard is 4.6.4 ("Parking management tools for suburban centres"). Specific parking related consultation will be undertaken after the LTP. We note that Councillors instructed officers to look for additional opportunities to increase revenue from parking in the early LTP workshops in late 2023.

54. *What is the analysis that decided that the above suburban centres were to get parking but the suburban centres of Miramar, Newtown, Mt Cook and Te Aro are not to have metered parking?*

Councillors instructed officers to look for additional opportunities to increase revenue from parking in the early LTP workshops in late 2023. Officers are therefore proposing charging in some suburban centres. These have been chosen as they are some of the busiest suburban centres within our network. The investigation considered number of factors including (i) the size and economic importance of the relevant centres in the regional and city economy (metropolitan centres and local centres); (ii) the likely peak occupancy of parking spaces in the relevant centres; (iii) the distance of suburban centres from the central city and from other regional centres (such as Porirua); (iv) the likelihood of displacement of parking activity to other suburban centres; and (v) the presence or absence of resident parking schemes in the surrounding residential areas. It is of course open to council to include additional suburban centres for detailed assessment as well as to remove from the schedule for detailed assessment any of those that are recommended.

55. *What is the proposed parking charging rules for suburban parking?*

Detailed recommendations as to the precise parking bays to be charged for, the days of the week and the times of the day that charging would be in place, and the charge or charges to be levied would be worked up once the principle of charging in a particular suburban centre had been determined through inclusion in the Long-term Plan. A standardized assumption of just parks directly in the main street of the business district area have been made across all of the recommended suburban centres to derive the potential parking revenue figures as outlined above. Rough maps can be seen below.

Extent, location and number of proposed metered parks to be determined

56. What is the expected future revenue for the current metered parking?

The answer has been provided as part of the answer to question 22 and 23.

57. What is the expected future parking revenue for each of five proposed suburbs?

Island Bay: $381k per annum; Johnsonville: $249k per annum; Kilbirnie: $709k per annum; Newlands: $400k per annum; Tawa: $781k per annum. Note: These figures are the full year budget expectations following implementation. Implementation would occur in 24/25 so revenue in that year would be less.

58. When would Metered parking be introduced to these suburbs?

Recommendations as to the timing of the introduction of charges would be made as part of detailed scheme design and following specific consultation. The key factor in this regard would be the precise occupancy of the relevant parking spaces across the hours of the day and the days of the week.

59. Can a copy of the metered parking assessment used to select the five suburbs for metered parking be provided?

There is no such assessment beyond the factors considered and set out in Q53. Detailed recommendations as to as to scheme designs would be worked up once the principle of charging in a particular suburban centre had been determined through inclusion in the Long-term Plan. This will be consulted on.

60. Can a copy of the parking funding model used to support this proposal be provided?

There is no such funding model developed as yet beyond the figures set above. Detailed recommendations as to scheme designs would be worked up once the principle of charging in a particular suburban centre had been determined through inclusion in the Long-term Plan. Consultation will also be undertaken.

61. Could we please have some advice on our partnerships in terms of installing the EV chargers, can we stop installing them if we decide this project is not delivering for the city?

We are contractually obliged to install and operate a minimum of 30 chargers. We have 16 chargers (across 7 sites) that are already operational. A further 8 are being installed before the end of this financial year and 16 are currently out for public consultation prior to a TR approval coming to Regulatory Process committee in April. We are in the process of site assessment for the remaining 20 chargers.

Our partners are Meridian and EECA. We can provide more information about specifics if requested.

62. How well are they being utilised?

There are currently 7 sites which are operational and have approximately between 40 -100 charging sessions each a week.

63. Also, how much is it costing in terms of the capital cost of install?

The current CAPEX allocation in the proposed LTP is $1.3M inflated. This covers installation costs and project management fees for full installation of upto 45 chargers.Installation of the remaining 15, as agreed in Te Atakura and the 21-31 LTP, would require another approximately $900K.

$1.8m has been spent so far.

The Energy Efficiency Conservation Authority (ECCA) are contributing $500k towards the first 30 chargers installed, of which we have already received the majority.

64. how much is it in terms of parking or other revenue gained?

There is no loss of parking revenue due to EV chargers.

To date no revenue has been returned to the council from their use.

This LTP proposed to begin charging for use of the chargers. A conservative estimate for returns from the proposed user fees in the draft LTP is roughly estimated at $4m over a 10-year period UNINFLATED.

This figure is based on an in-use rate of 10%. (2022 use figures and does not consider the forecast increase in the number of EVs in Wellington.)

65. Is there Parking revenue lost if EV chargers are replacing ordinary parking spaces?

No parking revenue has been lost to date from the addition of EV chargers in the Charged-up Capital project, as no chargers have been installed on metered parking spaces.

It is expected that the additional revenue from the EV charging services and infringement will surpass the minor reduction in revenue, for any future chargers located where there currently are parking meters.

66. What is the rationale for suggesting metered parking for Tawa, Newlands. Island Bay, Johnsonville and Kilbirnie, but excluding other areas such as Brooklyn and Hataitai?

Refer to question 53, 54

67. What is the proposal as to the extent of the metering (eg main street only, suburban centre?) and is it possible to include maps of what exactly is proposed for clarity?

Refer to question 59

68. Removing insurance headroom from YR3, I assume this is contingent on setting up the new fund, but what happens if the sale of airport shares is not approved?

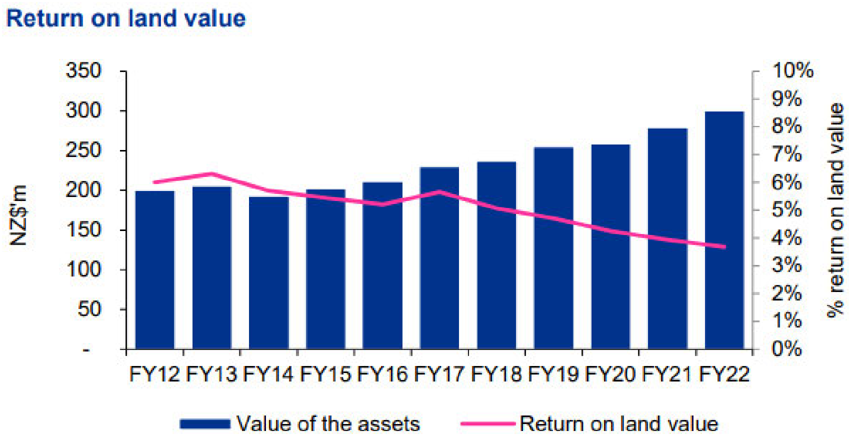
Yes, removing the insurance headroom only occurs if we set up the perpetual investment fund to replace the current self-insurance provision.

If the Council decides not to progress with the sale of airport shares, Council would retain the status quo as there is no alternative strategy to deploy at this time. Noting that with the current level of debt on the balance sheet, the insurance headroom capacity is not sufficient and exposes the Council to not having sufficient funds to respond post a significant event.

69. Just to note, p203 says the dividend is in the range $10-20 mill but to my knowledge we have never received more than about $14 mill, is it possible to confirm this?

This is based on forecasts from Wellington International Airport Limited, which is the best available information we have at this point.

70. Can we also have information on the total return on ground leases and land and buildings held for investment purposes?



71. High Axle loads causing additional wear and tear on roads (P13/P196), I understand we did not collect the money we are entitled to from GWRC for a time. Are we collecting it now?

The first report from the assigned consultants that was able to be invoiced was issued last year. The decision was made to waive this invoice due to Covid profit losses that GWRC had suffered as well as the insignificant cost compared to the total cost that Council spends on road renewals and maintenance (1%). We will be issuing invoices for the 22/23 year as well as the 23/24 year.

72. As the double deckers are legally overweight when fully loaded and we are entitled to fair compensation, now, given some years of operation are we confident in our assessment of the costs of the additional damage caused?

The modelling that estimates the cost of the damage to our roading network assumes an exponential increase over time so it will start to reflect the true cost of repair when we get to a point where a rebuild of damaged portions is required.

Wellington City is the only Council that charges for allowing double deckers access to the roading network but we are not the only Council which is experiencing damage from overweight buses and there is a open dialogue with Waka Kotahi to determine if additional funding can be made available to deal with the issue.

73. ***Are the renewals for the Moa Point and Western Wastewater treatment plant proceeding at the levels recommended by Wellington Water (p13)? The text is a bit ambiguous.***

No, under the recommended Option 3 WCC will fund $131,384,000 which is 84% of WWL recommended budget ($156 544 000) - Uninflated figures

74. ***What are our obligations in terms of the land at Shelly Bay, now that the consented development has been canned? If there are obligations, have they been accounted for? Do we still own our land there?***

The exact implications following the sale of the developers land to Green Tree Holdings Limited continue to be worked through. Further information will be provided to councillors in due course.

Council still owns the Council-owned land at Shelly Bay, and any actual and forecast residual costs or obligations WCC may have concerning Shelly Bay have been accounted for, both in this financial year and next.

Waste

75. ***Paragraph 26 - Can you provide a better explanation of the targeted rate for waste and recycling collection at 3%.***

Paragraph 26 says "It should be noted that the year 3 (2026/27) rates increase includes the new proposed waste targeted rate of approximately 3%."

Proposed changes to waste collection services are included in the LTP budget starting from 2026/27 or year 3 of the LTP. When considering the percentage rates increase for that and future years, councillors should keep in mind that 3% of that increase is part of a targeted rate that will only be applied to residential properties that can receive the new collection services. For many households the increase in rates would be offset by a reduction in their current user-pays cost of rubbish collection whether using council bags or a private wheelie bin service.

76. ***Organic seed minimisation Fund - $100k - have officers recommended to remove this? I can't see it anywhere in the papers***

No, officers have not recommended to remove the Organic Seed Minimisation Fund. There are no proposals to reduce or remove any of the waste minimisation grant funds. The Regional Waste Management and Minimisation Plan stipulates what the Waste Management Act levy can be spent on. As a new plan has just been approved there may be some changes required, however none are proposed at this stage.

77. Does the landfill fee increase include a small % to go toward waste expenses - ie organic seed fund? can we cope with a further Fee increase to cover waste minimisation projects like this?

The proposed fee increases from 1 July 2024 are as follows:

2025FY Landfill price increase

Product Name	Price from 1st July 2024: Price ($ GST Inclusive) Per Tonne/Item	Price from 1st July 2024: Minimum Price ($) (Where Applicable)	Current Price: Price ($ GST Inclusive) Per Tonne/Item	Current Price: Minimum Price ($) (Where Applicable)	Comments	
Commercial General Waste	252.43	126.23	225.98	113.00	11.7% increase, mainly due to increased WMA levy	11.70%
Commercial Green Waste	103.50	51.75	92.00	46.00	12.50% increase, bring the price closer to 50% of general waste	12.50%
Contaminated Soil	252.43	252.43	225.98	225.98	11.70% increase, mainly due to increased WMA levy	11.70%
Domestic General Waste	287.00	20.00	264.00	20.00	8.71% increase, mainly due to increased WMA levy	8.71%
Domestic Green Waste	103.50	5.00	92.00	5.00	12.50% increase, bring the price closer to 50% of general waste	12.50%
Moa Point Screen	333.50		310.50		7.41% increase, mainly due to increased WMA levy	7.41%
Moa Point Sludge	333.50		310.50		7.41% increase, mainly due to increased WMA levy	7.41%
Western Grit	333.50		310.50		7.41% increase, mainly due to increased WMA levy	7.41%
Western Screen	333.50		310.50		7.41% increase, mainly due to increased WMA levy	7.41%
Western Sludge	333.50		310.50		7.41% increase, mainly due to increased WMA levy	7.41%
Special Waste Type A - Asbestos	332.35	166.18	304.75	152.38	9.06% increase, mainly due to increased WMA levy	9.06%
Special Waste Type D - Other	287.50	143.75	262.20	131.10	9.65% increase, mainly due to increased WMA levy	9.65%

Councillors could choose to further increase the Base2 waste minimisation component of the landfill fee. When setting landfill fees, the key risk that WCC is managing is waste flight to other landfills in the region (Spicers and Silverstream). Private waste operators are very sensitive to price and will travel significant distances if the landfill disposal cost is lower. We are already at the 4 to 1 mixing ratio for burying sludge at the Southern Landfill. Waste flight to other landfills will put the mixing ratio at risk. Keeping our fees similar to other regional landfills also reduces the unnecessary transport of waste, reducing regional emissions.

Our landfill fees are currently the most expensive in the region, as shown in this table below:

	Price per tonne (incl GST)	Proposed 2024/25 fee
Southern Landfill	$264 domestic $225.98 commercial	$287 domestic $252.43 commercial
Spicers Landfill	$229.86	
Silverstream Landfill	$233	

The landfill fees are made up of several components. Base1 aims to fund landfill operations and associated costs. There is an ETS levy built into the gate fee to cover carbon liability per the emissions trading scheme. Another component of the landfill fee is the Waste Minimisation Act (WMA) levy. All of the funding collected in accordance with the WMA is paid through to the Ministry for the Environment, a portion of which is then redistributed back to territorial authorities to implement the regional Waste Management and Minimisation Plan. The landfill fee also includes a recycling levy which funds the suburban and CBD recycling collections and associated processing costs. The only component of the landfill fee that WCC charges for waste minimisation purposes is referred to as Base2.

The following table sets out the total annual revenue in 2024/25 for each component.

Component	2024/25 expected revenue
Base1 landfill operations	7,819,030
Base2 waste minimisation	250,629
ETS	2,420,350
Recycling levy	6,524,780
WMA levy	5,818,990
Total	**22,833,779**

The revenue from base2 waste minimisation is currently funding the proposed new Resource Recovery Centres.

78. If we don't do the organics collection in Year 3 (2026) what will the impact be on the new landfill extension- what are the other risks of this?

If organics collection is not introduced in 2026 then organic waste will continue to be disposed of at Southern Landfill using up landfill capacity. The amount of material that could be diverted from landfill depends on the type of collection and participation rates. The business case estimated between 3,000 and 6,000 tonnes per year of organic material could be diverted.

Part A and Part B of the Landfill extension have been approved and funded. These are the smallest stages of the extension. Part A is expected to provide 1 year of capacity and Part B approximately 4 years. These estimates were made assuming no change to the current collection services. Deferring organics collection would remove the best opportunity to extend the lives of these early stages of the landfill extension by between 3,000 and 6,000 tonnes of organic matter per year.

Organic waste that is buried in landfill also generates emissions. The proposed organics collection would reduce emissions by between 1,500 and 3,500 tonnes of eCO2. The carbon price has been quite volatile in recent years, assuming a carbon price of $50 that represents an additional cost to WCC of $75,000 - $175,000.

Other risks of deferring the organics collection include:

- WCC falling out of step with our other council partners
- Loss of potential grant funding from the Ministry for the Environment for the new organics bins and implementation costs ($4.65M), and for the required new organics processing solution (grant of up to $35 million across the region, reducing WCC share by $19M)
- Risk of signing a new collections contract that is not futureproof and locks us into a service model for 10-15 years. An organic service 'add on' could be included later, however this is a less efficient approach.

79. Is the new Landfill extension on track?

Yes, the Southern Landfill Extension (Piggyback Option) project is currently on track to be delivered and operational by June 2026. The resource consent decision is expected in mid-March.

80. ***Can we please see the breakdown of proposed expenses/investments for all of the waste minimisation expenditures?***

The Waste Minimisation activity covers multiple activities including the Tip Shop, Capital Compost, scrap metal recycling, education and the Zero Waste Programme. Many of the costs of these activities are offset by revenue from goods sold. There is no rates impact from these projects as they are funded from either landfill fees or the WMA waste levy.

The following table shows the revenue, expenses, and net funding required for each cost centre within the 1039 Waste Minimisation activity. The 2024/25 figures here include the budget envelopes agreed at the 14 September 2023 E&I committee meeting.

	Actuals 22/23	Adopted Budget 23/24	Revised Budget 23/24	Proposed Budget/ Forecast 24/25
306 Compost Operations				
Revenue	$ (686,081)	$ (749,124)	$ (749,124)	$ (922,760)
Expenses	$ 628,820	$ 670,738	$ 670,738	$ 611,070
Net	$ (57,261)	$ (78,386)	$ (78,386)	$ (311,690)
307 Scrap Metal				
Revenue	$ (114,959)	$ (60,365)	$ (60,365)	$ (57,600)
Expenses	$ 49,047	$ 45,048	$ 45,048	$ 69,228
Net	$ (65,912)	$ (15,316)	$ (15,316)	$ 11,628
308 Tip Shop				
Revenue	$ (989,124)	$ (943,840)	$ (943,840)	$ (977,026)
Expenses	$ 1,174,801	$ 1,191,058	$ 1,191,058	$ 1,829,108
Net	$ 185,677	$ 247,218	$ 247,218	$ 852,082
309 Education				
Revenue	$ -	$ -	$ -	$ -
Expenses	$ 518,341	$ 579,239	$ 474,603	$ 644,785
Net	$ 518,341	$ 579,239	$ 474,603	$ 644,785
331 Zero Waste Programme				
Revenue	$ -	$ -	$ -	$ -
Expenses	$ 625,325	$ 388,038	$ 388,038	$ 403,470
Net	$ 625,325	$ 388,038	$ 388,038	$ 403,470
334 Waste Strategy				
Revenue	$ -	$ -	$ -	$ -
Expenses	$ 267,762	$ 578,569	$ 578,569	$ 676,315
Net	$ 267,762	$ 578,569	$ 578,569	$ 676,315

Climate change

81. ***What will the financial impact be of not implementing the electrification of pools?***

The table below shows the financial impact of implementing all opportunities from the energy decarbonisation plan, the portion allocated to the pools is shown in brackets. Collectively over the life of the projects (20 years) they have a net present value of $2.4M.

Once fully implemented the pool projects provide an operational saving of $1.37m/year. With forecast rises in gas prices and carbon prices this saving is also forecast to rise, reaching $1.56m by 2033/34.

Year	CAPEX ($/year)	OPEX saving ($/year)	Net cashflow ($/year)
24/25	*2.8m* (2.45m)	-	*-2.8m (-2.45m)*
25/26	*2.8m (2.13m)*	*0.19m (.18m)*	*-2.61m (-1.95m)*
26/27	*9.9m* (9.17m)	*0.33m (.29)*	*-9.57m (-8.88m)*
27/28	*4.7m (2.68m)*	*1m (.94m)*	*-3.7m (-1.74m)*
28/29	*.3m (.3m)*	*1.31m (1.19m)*	*1.01m (.89m)*
29/30	*2.3m (-)*	*1.49m (1.37m)*	*-0.81m (1.37m)*
30/31	*1.2m (-)*	*1.79m (1.42m)*	*0.59m (1.42m)*
31/32	- *(-)*	*1.91m (1.47m)*	*1.91m (1.47m)*
32/33	- *(-)*	*1.97m (1.52m)*	*1.97m (1.52m)*
33/34	- *(-)*	*2.03m (1.56m)*	*2.03m (1.56m)*

All figures are uninflated.

82. ***Also what might the impact of the increase in ETS fees and modelling on further costs for the council if we don't implement electrification of pools?***

If these projects are not implemented, costs to the council include:

- An increased ETS liability of up to $809,000/year ($344,000/year for pools only) by 2030 and $1,348,000/year ($574,000/year for pools only) by 2050.
    - This assumes ETS prices rise in line with the Climate Change Commissions modelled pathway. Note that this ETS liability is indirect and is passed on to us through the rising cost of energy.
- WCC not achieving its 2030 corporate emission reduction target, which may carry a reputational cost.
- Market observations following the development of the energy plan show higher gas price rises than modelled, resulting in greater forecasted savings. This is indicative of New Zealand's declining gas supply; see Gas Supply and Demand Study, Ernst & Young, prepared for Gas Industry Company (08/12/2023); and Gas supply and demand projections, Concept Consulting, (24/03/2022).

All figures are uninflated.

83. 141 climate and sustainability fund - was this the fund proposed by the Mayor?

The Climate and Sustainability Fund was established in FY21/22 and is ongoing. The Mayor's proposal is to repurpose all or part of the Environmental and Accessibility Performance Fund to supporting community resilience projects (a "Climate Resilience Fund"). This is discussed on page 90 of the agenda.

84. How much is the redirection of climate funds from working with the business community?

Around $520k was budgeted at the start of FY23/24 for working with the business community. This has been reprioritised in FY24/25 to the adaptation work programme including the Roadmap.

85. Can you please confirm all DIA funding will still be going to Community Climate Adaptation planning?

We have agreed with Government that the $2.7m balance of the $3m DIA funding allocated to climate change will not be released for that purpose. We are intending to continue with the early implementation of the Community Climate Adaptation planning (the "Roadmap") using existing climate change response budgets.

LGWM

86. City streets - can we confirm we still have funding for the second spine - and priority bus routes east west north and south bus routes?

The LTP proposal is to continue with the second spine and CBD to Miramar projects starting in year 1 of the LTP as priority projects.

87. Have we still got funding to connect the inner city gap to connect cycleways?

This will be addressed through the two priority City Streets projects we are proposing to prioritise in the coming LTP period and then through a fuller prioritisation of projects post development of a city wide network plan.

88. Are there still funds available for green infrastructure - ie stormwater and freshwater solutions as we partially continue this work?

1000 trees are funded through this LTP proposal. These will, where possible, be included in larger infrastructure changes where possible. We will also be working with Wellington Water to scope a Blue Network Plan which may identify opportunities include Green infrastructure options as part of the storm water renewals and upgrades programme.

Te Awe Mapara - community facilities plan

89. $10 million per annum- when does this start?

The implementation of the Plan is due to commence 1 July 2024.

90. specifically how much is allocated each year?

The estimated provision of $300m capital budget (uninflated) for the plan over the next 30 years will be phased as each of the 44 investigation actions is completed.

91. when does this start to be included in the LTP?

The bulk of investigations/actions will be carried out in the first 10 years, as per the table below.

Term	Number of actions	Estimated investigation costs
Very short-term (1-3 years)	14	$1,090,000
Short-term (4-6 years)	12	$585,000
Medium-term (7-10 years)	11	$385,000
Long-term (11-20 years)	6	$260,000
Very long-term (21-30 years)	1	$80,000
TOTALS	**44**	**$2.4m**

Therefore, the estimated capex spend (response to investigations) in these early years is relatively low as we are still carrying out the investigations. For example, the only capex we have forecast in the first three years is $400k in response to Action D2 (Centralised information and booking system).

The $300m capital budget is an estimate based on an average square meterage rate of recent community facility developments. The table below sets out the provisions phased over the next 30 years. Note that as we do not know the appropriate response (capex spend) until the investigations are completed with the community, these are estimates.

As we complete the investigations over the next 30 years, these implementation costs of any changes to community facility network will need to be updated in future annual or long-term planning cycles.

Term	Estimated capital budget
Very short-term (1-3 years)	$400,000
Short-term (4-6 years)	$11,250,000
Medium-term (7-10 years)	$101,490,000
Long-term (11-20 years)	$155,815,000
Very long-term (21-30 years)	$30,675,000
TOTAL	**$299,630,000**

Suburban Parking

92. Can there be more clarification on the proposed timing and the plan for this?

Dependant on LTP decisions, these will need to go through a Traffic Resolution Process, which will include community consultation etc. It is expected that this process could take up to 1 year.

93. what was the Rationale for the suburbs proposed?

Refer to question 53, 54.

94. Can there be more balance over the wards?

It is of course open to Council to include additional suburban centres for detailed assessment as well as to remove from the schedule for detailed assessment any of those that are recommended.

Suburban Centres Investment

95. ***Can we confirm that this funding could also be spent on Build Back Better -especially around water- ie if we are upgrading a town centre do we look at the pipes at the same time?***

This opportunity is always explored, supported by the forward works team / viewer, the actual above ground upgrade is the focus of the funding.

96. ***And vice versa if water is being looked at in suburban centres - are there the funds available to build back better? Is the Urban development team involved when Water infrastructure is being upgraded?***

Not currently. There have been early conversations with Wellington Water around the Kent and Cambridge, as the storm water pipe needs replacement in the next 8 years or so.

CCO's

97. ***Was the opportunity regarding regional traffic management services and the potential price reduction of fees researched?***
98. ***Yes***
99. ***Was there an outcome and recommendation?***

Yes – the outcome and recommendation fund that an in-house model for traffic management would not be recommended – excert from the report below**:**

CASE STUDY – TRAFFIC MANAGEMENT

Background

Council operates a mixed model for Temporary Traffic Management (TTM) – In-house delivery of low-risk activities and outsourcing of high-risk activities.

The approximate cost of TTM over the past three years is NZD$1.5m per annum. Road maintenance contracts managed by Transport & Infrastructure business unit account for the largest part of this.

Health and Safety

A change from the current model would signal an acceptance of significant risk should a serious injury or fatality result from inadequate traffic management.

Council would need lift capability across the discipline including in systems such as Near Miss and Incident Recording and Reporting, WorkSafe Reporting of Notifiable Incidents, and the Certified Incident Cause Analysis Method.

Adherence to the Code of Practice for Temporary Traffic Management

The Waka Kotahi Code of Practice for Temporary Traffic Management (CoPTTM) is the best practice guideline for TTM in New Zealand. It is not a statutory document but carries weight with coroners and the Environment Court.

The CoPTTM is currently being reviewed. Changes for TTM include a certification for Traffic Management Plan (TMP) specialists. (Anecdotally?) Temporary Traffic Management contractors are a struggling to fulfil the certification requirement.

Land Transport Management Act 2003

The Land Transport Management Act (LTMA) governs the funding mechanism between Waka Kotahi and Council. Deviation from the LTMA would result in a breach in Waka Kotahi's Procurement Manual rules and may have implications on the level of funding provided by Waka Kotahi.

It is possible to mitigate this risk by setting up a subsidiary, such as a Council Controlled Organisation (CCO) and contracting them to deliver physical works. This approach is used by the Napier City Council.

Delivery through a Council Controlled Organisation

Delivery through a CCO has implications including:

- Resources required to set up a new organisation.
- The ability of the CCO to contract their services to other organisations
- Additional transactions required, with the CCO fundamentally treated as a contractor

High Level Costs of In-house TTM

Building an in-house TTM model requires Council investment. Some costs are detailed below in Table 1:

Table 1 – Estimated Costs

	Low Estimate	High Estimate
Attenuator Trucks	$ 2,000,000	$ 2,500,000
Other vehicles	$ 400,000	$ 600,000
Variable Message Sign boards	$ 50,000	$ 62,500
Site Traffic Management Specialist	$ 720,000	$ 900,000
Traffic Controller	$ 2,720,000	$ 3,400,000
Labour	$ 3,250,000	$ 4,550,000
TMP writers	$ 400,000	$ 700,000
Training	$ 25,000	$ 150,000
Cones & delineators	$ 200,000	$ 500,000
Signs	$ 100,000	$ 300,000
Poles	$ 25,000	$ 75,000
PPE	$ 50,000	$ 20,000
Paddles	$ 2,250	$ 6,750
Rapid Plan	$ 180	$ 315
Pedestrian Ramps	$ 15,000	$ 30,000
Total Capex Investment	**$ 2,842,430**	**$ 4,094,565**
Ongoing Opex Investment	**$ 7,115,000**	**$ 9,700,000**

Note this table is not exhaustive. Subject matter experts may identify additional costs.

Requirements

Certifications, software and functions will be required to run TTM in-house including:

- Traffic Management Plan (TMP) writer's certification per TMP writer
- Traffic Controller (TC) certification per TC
- Senior Traffic Management Supervisor (STMS) certification per STMS
- SiteSafe membership and SiteWise certification
- Health and Safety plan for TTM services
- Internal auditing function
- Software (ie RapidPlan) to develop TMP diagrams

Summary Analysis
Table 2 – Options analysis

	Description	Pros	Cons
In house model	• Staff, plant and equipment to deliver TTM for whole of council.	• Increased Council control of: - Management of network - Allocation of resources - Workflow of TTM - Staff Health & Safety • Revenue potential (servicing the other RCAs) • Development opportunities for staff	• Capex investment required ($2.5m to $4m) • Increased Opex costs ($7m to $10m pa) • Requires Health and Safety capability uplift • Waka Kotahi funding risks • Management of resources (labour hire etc) • Resourcing in a constrained market
No change	Maintain existing process – contracting TTM as required.	• No new Capex or Opex investment • No new management required • H&S subject matter experts with Council maintaining responsibility as the RCA • Maintain Waka Kotahi and LTMA compliance	• Council does not have direct control of services
TTM Contract	TTM contract to service whole of council.	• Increased Council control of: - Management of network - Allocation of resources - Workflow of TTM - Health & Safety of staff • Continuous improvement of TMP design and delivery • Quality standardised service • Greater control of Health & Safety • Cost reduction potential	• Relationships contractors may suffer with if TTM removed • Potential variation claims from maintenance contractors & need to procure another contractor - potential to double current cost • Additional contract management • Uncertainty of potential cost savings

Table 3 – Multi Criteria Analysis of options

The scores are rated from 1 (least risk/ greatest benefit) to 5 (greatest risk/ last benefit).

Weighting	40%	30%	20%	10%	
Options	**Safety risk**	**Cost to Council**	**Customer impact**	**Management requirements**	**Score**
In house model	4	5	2	5	4.00
No change	3	3	3	3	3.00
TTM Contract	3	4	3	4	3.40

Ratings:	1 (Good)	2	3 (Current)	4	5 (Bad)

Arts

100. when will Toi Poneke's strategy be ready to be discussed?

Toi Pōneke. A detailed business case is currently being developed. Subject to funding for Toi Pōneke being included in the 2024 LTP, the business case is expected to be presented for approval by the end of 2024.

101. Are we still looking at Te Whaea opportunities? what is the proposed timeline for this?

Te Whaea has been ruled out due to a number of reasons, including insufficient available space due to committed tenancies.

Bus and Bike improvements funding

102. Funded 100% in financial planning?

Our Bike, Bus and Pedestrian improvement programmes of work are contained within The Bike Network Plan funding and City Streets funding. Both assume a Waka Kotahi financial assistance rate of 51% for 85% of the programme.

Te Papa funding

103. is there any proposed funding?

No

104. Does it come from the Downtown targeted fund?

70% of Te Papa's current funding comes from the Downtown Levy

105. Business community will this be reduced or redirected?

If we reduce the budget for an activity funded by the downtown targeted rate then that rate would be reduced.

Fee's and Charges

106. Swimming pools - have we done any modelling/ research on children's free and increasing adults prices for example to increase usage?

In Wellington, children under 5 years old enjoy free pool entry. Guardians of children under 8 years old are permitted to enter for free, with up to two parents allowed, provided they actively supervise the children in the water. This change was implemented approximately 6 years ago as a Council decision to offer free pool entry to under 5s, yet it has not resulted in a change in overall pool utilisation.

Auckland Council has under 16 free policy. Officers have talked to colleagues in Auckland who advised when this was initially introduced there was a surge in utilisation, but visitation has returned to a stabilised level since. Auckland did complete a post implementation report, which we have requested to receive a copy.

As noted in the table below (next question) Wellington's adult entry prices is lower than Auckland's, but additional spa and sauna services are included in Auckland's price, but are charged as additional services in Wellington.

Forecast revenue for children's entry in 2023/24 is $685,000.

107. How do other pools around NZ manage charges?

There are many different models for charging and free or discounted access across the country. We benchmark our fees with other councils when advising on fee increases.

This year we are not proposing fee increases on general pool admission. However, a range of other pool related fees will increase. Additionally, we offer a Leisure card scheme that provides various discounts to different customers off our base fees.

The table below shows examples of pool entry fees around the region as well as some other Metro Councils.

Regional Pool Entry Prices - Current	Adult Swim	Under 5	Supervising Adult	Child Swim	Tertiary Student	Swim + Spa / Sauna	Senior
Wellington*	$7.20	free	free under 8	$4.00	20% discount $5.76	$10.70	20% discount $5.76
Hutt City	$6.50	$4.50	free under 8	$4.50	$5.00	$8.40	$5.00
Porirua	$6.50	$4.10	free under 8	$4.10	n/a	$6.50	$3.30
Kapiti	$5.70	$1.90	$1.90	$3.40	$3.40	$7.70	$3.40
Upper Hutt**	$5.10	$3.10	free under 8	$4.10	n/a	$5.10	$4.10
Masterton	$5.10	free with adult	$5.10	$3.60	n/a	n/a	$3.60
Metro Council Examples							
Christchurch	$6.70	free during school hours	free under 5	$3.80	n/a	$6.70	25% discount $5.03
Auckland***	$9.00	free	$1.00	free	$7.50	$9.00	$7.50
Hamilton	$7.80	free with adult	$7.80	$4.00	n/a	$12.80	$4.00
Dunedin	$7.60	$3.50	$7.60	$3.50	$4.40	$7.60	$4.40
Tauranga	$6.60	Under 2 Free 2-4: $3.30	$6.60	$4.00	n/a	n/a	$4.60
Tauranga Baywave	$9.00	Under 2 Free 2-4: $4.30	$9.00	$5.70	n/a	$14.70	$5.70

* Leisurecard discount is 50% off general entry prices
**Upper Hutt pool is currently closed for significant 2-year refurbishment and upgrade
***Prices vary by facility. Have used Albany for this comparison

Glyphosate reduction

108. ***what is the status of the plan to measure and report on glyphosate use and identify opportunities to reduce use?*** *(Answer combined with below question)*
109. ***How is progress going on the last recommendation for this?***

In summer 2023, a report was produced about glyphosate use as part of WCC's weed management programme. It covered off current usage and explored the economic, environmental, health and Te Ao Māori perspectives/implications. Based on the report, the area of the business responsible for the weed management programme recommended that WCC carry out a trial to test reduction options and the public's appetite for a change in weed management approach. The trial will be led by the Parks, Sports and Recreation business unit and supported by Strategy, Policy and Research business unit.

110. ***The table comparing the 3 options for three water funding is very helpful. Under the options for three waters (page 349) it says our preferred option 3 will have less renewals (new pipes) for drinking and waste water than options 1 and 2. Why is this? I thought we were funding the full WWL recommendation for drinking water under option 3?***

Option 3 in the proposed LTP has been developed by officers to include key investments on high risk critical assets. To ensure that those investment profiles for Option 3 remains affordable for Council, renewals across all three waters have been either reduced or deferred in favour of the more significant projects (e.g Airport intercepter, Eastern Trunk, Moa Point WWTP, etc)

111. ***If possible it would be useful to know roughly how many kms of renewals that option 3 will deliver over the next 3-10 years. However, I'm guessing WWL will not be able to provide that detail to us.***

WWL does not provide the investment options or risk profiles in a formula that allows officers to comment on the Kms of renewals that would be achieved. Officers have requested WWL to provide this information.

112. ***Will the installation of smart water meters reduce any opex costs for water meter reading in later years? I see budgeted opex costs for water metering are $0 after year 1, is this related?***

The first three years focuses on the options analysis and implementation plan for the deployment of water meters . Once the analysis is complete and a preferred technology selected, we will need to revisit the opex and capex provisions from year 4.

WWL 's metering options analysis on meters will answer this question once its completed.

113. ***On a range of the proposed reductions in capex and opex work I can't see an obvious reflection in the budget table figures. For example I thought we agreed to reduce opex spend on graffiti, but in the table the budget for the flying graffiti squad still increases each year, is this separate to our main graffiti spend? Similarly, I can't see any obvious pattern of reduction of budget for footpath maintenance in early years as was agreed on 9 November. I'm sure these have been factored in but it would be helpful to have it explained how those reductions are reflected in the budget table.***

The reduction for graffiti was based on the 2023/24 Annual Plan budget, the increases each year relate to inflation. The budget also includes the cost of removal of graffiti from WCC buildings and

PSR assets, however the agreed reduction relates to the removal of graffiti from private property only. The budget for year 2 onwards does not currently reflect the agreed reduction.

The reduction agreed on 9 November related to the capital expenditure on footpath upgrades (Activity 2098).

All reductions will be reflected in the 2024/25 budget compared to 2023/24 budget.

114. Why does the climate change response budget line (1220) reduce in later years? Is this a particular project ending?

In the early years, the Environmental and Accessibility Performance Fund is included in that line (the Fund was intended to run for seven years and has been open for two).

Note that it has been agreed on 9th November 2023 - "Investigate repurposing the Environmental and Accessibility Performance Fund toward a Climate Resilience Fund"

115. Whereabouts in the table is the Mayor's proposed new Climate Resilience Fund reflected? How much funding is there for this in years 1-3?

On page 90 of the agenda it's noted that at the November 9th meeting Council resolved to **"**Investigate repurposing the Environmental and Accessibility Performance Fund toward a Climate Resilience Fund." The fund is incorporated into activity line 1220, and has $12.75m of funding in years 1-3.

116. I'm concerned about the proposal to use a flat targeted rate to pay for the new rubbish and recycling system. That seems more regressive than just putting it on general rates. I know these decisions have already been made to a certain degree, but is it still possible to reconsider this at some point in the process?

The proposed targeted rate for Organics and Rubbish Collection starting in year 3 of the LTP is being signaled through this LTP process but will not be finally determined. It is intended that the proposal to introduce a targeted rate be consulted on and a decision made as part of the 2026/27 annual plan, in time for the new collection services to begin on 1 July 2026. There will therefore be further opportunities for Councillors to consider this proposal.

Using a general rate to fund this activity may present challenges as these are residential collection services which would have close to zero benefit for commercial properties.

No decisions have been made about how to structure a targeted rate and further work on this issue is needed before advice can be brought to Councillors. While a flat rate is standard across councils in New Zealand that is not the only option. It would be possible for example to charge targeted rate only on residential households but to use the property or land valuation to calculate the rate instead of a flat fee. Some other councils adjust for smaller or larger households by allowing properties to choose different sized bins with the charge changed to match the size. This is another way a targeted rate could be adjusted to manage affordability and fairness.

117. I can't see how the phasing of Golden Mile is reflected in the budget table, is it covered in LGWM Early Delivery line (2142)? Again I'm sure this has been done but would be good to understand how it is reflected in the budget table.

LGWM Early Delivery (activity 2142) includes both Golden Mile and Thorndon Quay.

WCC Budget Rephased (Draft 24/25 LTP)

	2023/24 (Forecast)	2024/25 (Budget)	2025/26 (Budget)	2026/27 (Budget)	2027/28 (Budget)	2028/29 (Budget)	2029/30 (Budget)	2030/31 (Budget)	2031/32 (Budget)	2032/33 (Budget)	2033/34 (Budget)	Total
Golden Mile (Capex) (WCC Share 49%)	2,096,828	11,337,480	11,337,480	16,570,715	18,533,870	8,723,628	0	0	0	0	0	68,600,000
Golden Mile (Capex) (Waka Kotahi Funding 51%)	2,182,412	11,800,234	11,800,234	17,247,071	19,290,355	9,079,694	0	0	0	0	0	71,400,000
Golden Mile (Capex) (Total)	4,279,240	23,137,713	23,137,713	33,817,786	37,824,225	17,803,322	0	0	0	0	0	140,000,000
Thorndon Quay (Capex) (WCC Share 49%)	6,650,228	10,201,714	973,436	0	0	0		0	0	0	0	17,825,378
Thorndon Quay (Capex) (Waka Kotahi Funding 51%)	6,921,665	10,618,110	1,013,168	0	0	0		0	0	0	0	18,552,944
Thorndon Quay (Capex) (Total)	13,571,893	20,819,824	1,986,605	0	0	0		0	0	0	0	36,378,322
City Streets (Capex)	1,041,390	12,498,924	24,436,079	19,071,221	10,336,819	6,358,894	6,358,894	6,358,894	6,358,894	6,358,894	6,712,704	105,891,607
Total (Gross)	**18,892,523**	**56,456,462**	**49,560,397**	**52,889,007**	**48,161,044**	**24,162,216**	**6,358,894**	**6,358,894**	**6,358,894**	**6,358,894**	**6,712,704**	**282,269,929**
WCC Share (Total)	**9,788,445**	**34,038,118**	**36,746,995**	**35,641,936**	**28,870,689**	**15,082,522**	**6,358,894**	**6,358,894**	**6,358,894**	**6,358,894**	**6,712,704**	**192,316,984**

118. How much revenue is estimated to be generated by the suburban parking and motor cycle parking initiatives? What are the likely administration costs to Council of establishing and enforcing these new parking fees?

Estimates are that parking revenue from the introduction of metered parking in Newlands, Tawa, Johnsonville, Kilbirnie, Island Bay would be in the vicinity of $2.5m p/a, noting that year 1 revenue will be less to account for implementation. That's includes both metering and enforcement revenue. For motorcycle parking the revenue is estimated to be in the vicinity of $900k p/a, again a total of both metering and enforcement revenue. Note: Revenue quoted is projected full year revenue – however implementation in each suburb may not be able to be achieved in year 1.

Ongoing administration costs will be approximately $100k (Not including the costs of additional parking meters), which will be largely related to the operational costs associated with the addition of more parking meters. Council staffing costs are expected to be same as we already have staff patrolling in these suburbs / central city currently.

Note: Figures quoted are uninflated.

119. What increase in debt is forecast over the next three years and what part of that debt is funding work in progress?

Debt is forecasted to increase by $742m over the first 3 years of the LTP. At a high level, $241m is relating to WIP, including projects such as Te Matapihi and Town Hall.

120. Capitalisation of interest. The papers indicate projected rate increases over the next three years of 15.5%, 11.8%, 12.5%, which then drops away markedly to about 5%pa. for each of the following seven years. Could Council not follow conventional accounting policy and capitalise interest on work in progress, which would materially move the burden of rates increases beyond the next three years? Noting that (excluding the SMF) capex is projected to be $533m, $519m, and $446m over the three years.

Our accounting policy is not to capitalise interest costs. This policy is consistent with the majority of public benefit entities in the public sector. Further, the way in which we manage our debt (at a balance sheet level, rather than a project level) means we do not have the information to easily apply this policy. Capitalising interest to an individual asset would also be redundant as soon as the first revaluation of an asset takes effect.

We have sought accounting advice from PWC on this matter and they have confirmed our existing approach is suitable to our organisational type and consistent with how the majority of the LG sector manages this.

121. On page 17 of the Diligent papers (para 25) is a table which shows projected rates increases and projected SMF levies. Could you combine the two to show the total projected total uplift over the period?

Year	Rates increase incl sludge levy
2024/25	17.0%
2025/26	14.6%
2026/27	16.3%
2027/28	10.2%
2028/29	9.6%
2029/30	9.4%
2030/31	8.9%
2031/32	8.8%
2032/33	8.8%
2033/34	8.7%

122. On page 11 (para 12) it is noted that the preferred 3W spending programme for the ten years is:

a. Opex $3.25B of which $590m is to pay WWL. Can you confirm the two figures and explain the $266m that is not being paid to WWL?

The difference between the total three waters operating costs and what is paid to WWL is costs such as bulk water purchasing, depreciation, interest and insurance.

123. Capex $1.4B of which $1,046m is to pay WWL. Can you confirm the two figures and explain the $354m that is not being paid to WWL?

The difference relates to the cost of the sludge minimisation facility.

b. What is the projected total amount of rates income (over the ten years) which will go to meeting the above noted 3W costs?

Approximately $3.1b over 10 years

124. Are WCC management confident that the additional WWL funding is appropriate given:

a. WWL's demonstrated inefficiency?

Answer combined below

b. The very poor data about the condition of WCC's 3W assets?

Officers support further investment in the 3 water infrastructure however we expect that WWL will implement the efficiency and reporting improvements identified in the Independent Field Force review.

125. Page 53. Two "Table 2" are shown. Both have the same associated text but they show different figures . Please confirm which is correct (or if the text is wrong).

The description of the table is incorrect. It should read "**Table 3: Climate Change Commission's Recommended Auction Reserve Price from 2024 to 2028".** The figures in Table 2 and 3 are correct.

126. Availability and cost of insurance. Can you confirm that Council is projecting that its cost of cover will be about 3% of the cover amount. Ie. so that if cover for about $700m is sought, that the cost will be about $21m?

The cost of cover is not only a function of the cover amount but also the total insured value (TIV), the TIV increases with additions to the portfolio as well as increases in the valuation (or replacement cost) of the current portfolio. For the 23/24 year $729m of cover was purchased for $22.6m which is approximately 3%, the TIV was $13bn for this period. Any significant escalation of the TIV will increase the cost of cover in relation to the cover amount.

127. If WCC established a "perpetual investment fund", will it use a part of that fund to provide insurance cover? eg were the fund to amount to $400m and 50% of it was used to provide insurance cover would that allow WCC to reduce its purchase of cover from the market, with a saving of $6m pa. (in this example)?

The officer recommendation for the proceeds of any sale of WIAL shares is to invest this into a Perpetual investment fund which will diversify the investment portfolio and allow for the option for the investment to be readily liquidated in the event of a major catastrophe impacting the city.

At this initial phase, it is not officer recommended to divert and funds to setting up a captive insurance company (which is what is being described in this question) however, a captive insurance company is described in the insurance roadmap program of work as one of the alternative risk transfer mechanisms available as an option to Council in the medium to long term.

128. What income is Council forecasting to receive over the next three years from its investment in the Airport and the ground leases?

Approximately $75m.

129. How much does WCC spend (via WellingtonNZ) promoting Wellington to domestic and international visitors?

WCC provides a grant of $6.4m to WellingtonNZ on destination management and attraction programmes. This covers marketing, the Screen Wellington office, Business Events Wellington (our convention bureau), international tourism trade activity, business services programmes and personnel.

Of that, WellingtonNZ invests approximately $2.7M on 'marketing' programmes which include support of major events, trade, media, content and consumer programmes.

Just under half of this is invested in major destination attraction campaigns that historically run twice year in support of city businesses.

130. I note the advice to terminate the "Environment and Accessibility Performance Fund" and to establish a "Climate and Sustainability Fund". What is the potential saving of the first action and the potential cost of the second?

The net financial impact of this would depend on the budget allocated to the Climate Resilience Fund which has not been decided – pg 90 of the agenda notes that a decision of the November 9 meeting was to "Investigate repurposing the Environmental and Accessibility Performance Fund toward a Climate Resilience Fund." Note that the Climate Resilience Fund is different to the Climate and Sustainability Fund which has been running since FY21/22 and is proposed to continue.

131. Has Council investigated the potential to utilise its Outer Town Belt property to plant native bush for the purpose of capturing carbon credits? In particular with the objective of identifying what contribution this could make to Council's goal of "net zero by 2050"?

Yes this has been investigated, and we estimate that we could earn an additional 2800 NZUs per year if opportunities in the Outer Town Belt were realised (not all these opportunities will be possible so this is a high estimate). Council's current emissions inventory is around 100,000 tCO_2e.

132. WCC has committed to gift Te Toi Mahana $10m of property and to provide TTM with $22m to develop property. Where are these sums shown in the LTP and do they have any rates impact?

When the CHP was established, Council passed a LTP amendment providing $23M of development capital to the new CHP, $20M of which is included in the LTP figures under activity code 1125.

133. On page 164 it is noted that the Housing Renewals Programme cost over the period of the LTP is $126m. What does this figure relate to?

As Council remains the owner of the housing assets, these sums relate to the costs of major renewals of the assets. Examples of a major renewal includes roof replacements, exterior finishings, lifts etc.

134. On page 156/7 it is noted that the ORV of Council's venues/museum/etc is $620.7m and the ORV of its housing stock is $401.8m Can you confirm that these values are not Optimised Replacement Values, and can you tell me what the values represent? If, however, they are ORV, can you provide details of the replacement value.

Yes, confirming that these numbers are Optimised replacement cost (ORC). ORC equates to the monetary cost of replacing an existing asset with a direct or substantially similar new asset in respect of productive output and/or service potential. For the Council's venues, museums, housing stock, the ORC figures attributed to the buildings have been ascertained by our external valuer in the following ways:

- ***From costs held in our extensive cost database and published and or online construction indices/rates.***
- ***Based on latest actual cost information supplied by Council from recent new construction.***

In addition, the optimised depreciated replacement cost (ODRC) recognises the following factors in respect of each asset or asset category:

- ***Current effective or actual age.***
- ***Anticipated current and future utilisation.***
- ***Total overall and remaining economic life.***
- ***Current condition.***
- ***Obsolescence (both physical and economic).***

The ODRC amounts are presented below for comparison.

Councils Venues, Museums, and other Operational Buildings

ORC / Cost	$620.7m
ODRC / Net book value / Carrying value	$355.6m

Council's Housing Portfolio

ORC / Cost	$401.8m
ODRC / Net book value / Carrying value	$390.3m

It is noteworthy that the housing portfolio valuation reflects the significant upgrade and refurbishment programme (HUP) hence a higher ODRC.

135. Page 168 "Acquisition of land of neighbourhood parks, etc etc $7-8m annually". What is the potential consequence of Council not buying such land?

The quality and provision of neighbourhood parks will require targeted investment in coming years to respond to the city's anticipated growth and housing intensification (50,000-80,000 more people over the next 30 years). About 90-95% of growth is expected to be accommodated within existing urban areas. More densely populated urban areas will put pressure on existing parks and open spaces as they will be relied upon more intensively. Successful higher density development is contingent on a range of factors including access to quality parks, open spaces and recreation opportunities. Alongside investment in existing neighbourhood parks to improve quality and level of service, acquisition of land will be required to expand existing parks and to create new open space opportunities, particularly in high-growth areas. Not acquiring land for provision of neighbourhood parks will exacerbate current gaps in our neighbourhood park network, increase the risk of poor-quality density, and negatively impact the health and wellness of communities and the environment.

136. Page 169 "Implementation of the Central City Green Network Plan". Is it correct that it will cost $6m over the next three years to plant and maintain 1,000 trees ($6,000 per tree)?

Yes. Increasing the number of trees in our dense urban environment is complex, mainly due to underground infrastructure configurations. Within this budget we have included allowance for trees and establishment (opex) as well as tree pits, design, construction, project and traffic management costs (capex). Our current canopy cover in the central city is 5% and has been decreasing. Internationally most cities aim for approximately 30%. Since 2017 we have lost 268 trees in the central city and replaced them with 104 new trees.

Our cost estimate breakdown can be seen in the table below:

Green Network Target Delivery (1000 trees)									
Project	**Sub Items**	**units**	**Rate per unit**	**Sub Cost**	**30% contingencies (10% design, 10% construction, 10% inflation)**	**Sub Total**	**OPEX design cost (30% for trees)**	**CAPEX (Construction cost (70% for trees))**	**Total Cost**
Trees + Tree Pits	New Pit + Tree	400	$10,000	$4,000,000	$1,200,000	$5,200,000	$1,560,000	$3,640,000	**$6,040,000**
	Pit Extension+ Tree	300	$2,000	$600,000	$180,000	$780,000	$234,000	$546,000	
	New Trees without tree pit.	300	$200	$60,000	$0	$60,000	$18,000	$42,000	
							$1,812,000	**$4,228,000**	**$6,040,000**

137. Page 171 "Begonia House". What is the current rental WCC receives from the cafe?

The current annual income from the Begonia House Cafe is $39,188 (ex GST) per annum (Uninflated). The proposed income after full refurbishment is estimated at $65,000 (ex GST) per annum.

138. Page 172. FKP upgrade. What is the projected cost?

The Frank Kitts Park Redevelopment Project has an estimated total cost of $40.8m, there was an error on page 172 of the report which missed a decimal point.

139. Page 177. What is the current level of emissions associated with heating the pools?

The annual energy related emissions from WCC pools are around 3,000 $tCO_{2\text{-}e}$.

With regards to charges/fees:

140. Why is there no plan to charge bikers for using trails on WCC land (noting that users of sports fields, pools, rec facilities pay roughly about 25% of the cost of the facilities)?

We have no policy for charging users of many of our services or a practical way of charging people, walkers, mountain bikers and runners use our trail network. Many of these users in the community contribute significant volunteer hours to trail, building, pests weed and pest animal control and planting.

141. Why is there no plan to charge bikers for using WCC parking facilities? (noting that there are plans to charge motor bikes).

There is no way to register or enforce infringements in regards to parking of bikes. Our sustainable Transport Hierarchy adopted through the Spatial Plan and Te Atakura encourages the use of bikes to free up space on our streets and parking for those who really need to drive – providing WCC bike parking is essential to reduce clutter on footpaths and as a key element of implementing Paneke Pōneke.

142. Why is there no plan to charge people for using Council provided toilets?

As per the direction in the recently adopted Te Awe Māpara (Community Facilites Plan) the Council's provides public toilets free to access, with small charges for additional services such as showers and washing machines.

143. Why are WCC's charges for waste disposal (tip fees) so low? Especially in comparison to Auckland's

When setting landfill fees, the key risk that WCC is managing, is waste flight to other landfills in the region (Spicers and Silverstream). Private waste operators are very sensitive to price and will travel significant distances if the landfill disposal cost is lower. We are already at the 4 to 1 mixing ratio for burying sludge at the Southern Landfill. Waste flight to other landfills will put the mixing ratio at risk. Keeping our fees similar to other regional landfills also reduces the unnecessary transport of waste, reducing regional emissions.

Our landfill fees are currently the most expensive in the region, as shown in this table below:

	Price per tonne (incl GST)	Proposed 2024/25 fee
Southern Landfill	$264 domestic $225.98 commercial	$287 domestic $252.43 commercial
Spicers Landfill	$229.86	
Silverstream Landfill	$233	

Landfill prices vary across the country based on several factors including the number of available landfills in the region and the cost of operating the landfill. Privately owned landfills may have higher fees as they need to cover their higher interest costs compared to councils and deliver a profit margin.

144. Are the proposed charges for Tory Street carparks consistent with the acquisition business case ?

Yes – The acquisition of these car parks was made to provide viable alternatives to the removal of on-street parking as other street-based initiatives are rolled out. Fees in both our off-***street*** parking areas are reviewed regularly to ensure that fees charged cover increases in operating costs and to ensure that we remain competitive with other off-street parking suppliers and are charging. The proposed increases achieve that.

145. Council's FY25budget for Maori partnerships, strategic advice, and capability is $5.6m What is the money actually spent on?

Please refer to Q166 to 168.

Questions based on the Activities Budget movement

To answer the questions about budget movements, it is important to provide context on how the budget was set.

Following the 9 November 2023 LTP, Finance and Performance Committee meeting staff commenced the process of pulling together detailed budgets. The first cut of the budget reflected a significant rates increase of approximately 26% for year one of the LTP. This was based on the estimated costs to deliver our current levels of service.

Given the significant proposed rates increase, a line-by-line review of all operating costs took place. The expectation in undertaking this review was to hold budgets at the same level as 2023/24 annual budget, except where:

- ***Costs were already contracted***
- ***Costs were unavoidable (e.g. increase in electricity, insurance or bulk water charges)***
- ***The change would result in a level of service change (which are decisions reserved for elected members).***

This review identified approximately $18m of organisational savings & funding adjustments. It decreased the rates requirement to approximately 21.7%.

Following that process Officers provided advice to decrease the rates requirement further, including:

- ***Organisational savings (Further efficiencies of approx. $5m through organisational change that can be implemented over time)***
- ***Levels of service reductions (For decision making at 15 February 2023 Committee meeting). Note There was a further $1.8m that was identified by ELT to remove from the budget adding to the savings identified by the line-by-line review to $19.6m)***
- ***Not funding depreciation for certain assets***
- ***Increasing fees and charges (For decision making at 15 February 2023 Committee meeting).***
- ***Using the sale proceeds of surplus non-strategic assets (For decision making at 15 February 2023 Committee meeting).***

Despite these actions operating costs for the first year of the LTP are still significant because of:

- ***Depreciation – this forms a material component of the rates increase and provides funding for the renewal programme.***

- ***Interest rates are expected to remain higher in the near future and this will impact rates more than in previous years***

146. Why have the following OPEX Activities been increased by over $1M and what additional services does the council get for this increased expenditure:
1220 Climate change response

The Grants in Climate Change Response, the Environment & Accessibility Performance Fund and the the Climate & Sustainability Fund, have an additional $0.633m to distribute in FY25. Depreciation of $0.495m has also been budgeted for Climate Change Response CAPEX projects.

147. Why have the following CAPEX Activities been increased by over $1M and what will this capital expenditure purchase:

a. 2008 Coastal

Change in Asset Management planning - The 24/25 figure of $1.485m stems from the AMPs that were drawn up and represents 75% of the value of that AMP.

b. 2009 Town Belt & Reserves

The increase was from the approved 22/23 Carry forward to 24/25 for Workingmen's Bowling club Newtown project.

c. 2011 Southern Landfill Improvement

The Southern Landfill extension Project construction due to start early in July 24

d. 2035 Wellington Venues renewals

This increase in capex spend is driven by the Asset Management Plan developed for Property team

e. 2043 Aquatic Facility upgrades

The increase in 24/25 relates to the approved 22/23 Carry Forward for Khandallah Pool which was rephased to 24/25

f. 2076 Earthquake Risk Mitigation

Majority of this cost for EQS Town Hall

g. 2077 Wall, Bridge & Tunnel Renewals

This increase in capex spend is driven by the Asset Management Plan developed for Property team

h. 2083 Wall Upgrades

Increase in upgrades in response to increased slips – climate change response

i. 2141 LGWM - City Streets

Final WCC budgets are being developed at the moment. Further due to the projects coming in house the full cost of the works has been included in the budget (with corresponding revenue from NZ Transport Agency Waka Kotahi) as opposed to only reflecting our funding to LGWM.

j. 2142 LGWM - Early Delivery

Final WCC budgets are being developed at the moment. Further due to the projects coming in house the full cost of the works has been included in the budget (with corresponding revenue from NZ Transport Agency Waka Kotahi) as opposed to only reflecting our funding to LGWM.

k. 2109 Parking Upgrades

Increase relates to additional car parks and meter installations related to proposed revenue initiatives

l. 2128 Civic Campus Resilience and Improvements

Te Matapihi remediation

148. Why have the following CAPEX Activities been decreased by over $1M and what impact will this reduced capital funding have on these services:

a. 2006 Botanic Garden

Begonia House rephased to 25/26 & 26/27 (years 2 and 3)

b. 2013 Water - Network renewals

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

c. 2016 Water - Network upgrades

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

d. 2020 Water - Reservoir upgrades

Omaroro Reservoir completed in 23/24 with only minor residual spend remaining. Significant projects to be considered by Council in future

e. 2023 Wastewater - Network renewals

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

f. 2036 Venues Upgrades

Planned upgrades pushed out till year 4 of LTP

g. 2048 Recreation Centre Renewal

Change in asset management planning

h. 2064 Safety Initiatives

This relates to the Inglewood Place public toilets, which are being installed to replace the Te Aro Park toilets that were demolished in 2022. This project is scheduled to be completed in August/September 2024.

i. 2073 Suburban Centres upgrades

Funding has been removed and reprioritised towards Waters.

j. 2105 Minor Works Upgrades

Upgrades Transport Minor works budget reduced to increase Wall upgrade budget

Other Questions:

149. What is the total value of council Assets

Total assets per 30 June 2023 Statement of Financial Position $11b

150. What is the value of Assets to be sold to reduce rates, what type of assets will we sell and what is the value of this type of asset?

Assets per question 249 . Approximate value of $4m

151. What is the funding for the Recommended Zero Waste Program and under what activity is this included in the budget?

The LTP budget includes the costs approved at 14 September 2023 E&I committee: the costs associated with option F as set out in the Collections business case and the costs associated with option C as set out in the Resource Recovery business case.
These costs are under the relevant activity codes: 1037 Suburban Refuse Collection, 1038 Domestic Recycling, 1039 Waste Minimisation, and the new 1227 Organics activity.
The spread of costs across these activity centres should not be seen as indicative of the component costs as this was done very roughly given we had no information from Tonkin+Taylor about the estimated cost splits across rubbish, recycling and organics. Tonkin+Taylor are preparing updated cost estimates and these will show the cost split across the different collection types. These will be included in the 13 March committee paper.

152. What is the funding required if the current Waste System is continued and the Zero Waste Program is postponed for 3 years?

Levels of service for rubbish and recycling collections must be decided ASAP as our current contract expires 30 June 2026 and cannot be extended due to the ageing vehicle fleet. New vehicles need to be purchased and there are long lead times for these specialty vehicles. This cannot be deferred.

If councillors choose to defer some or all of the collection changes we would still strongly recommend consulting on the change to the level of service now. Understanding the preferred state of the future service now will allow us to ensure that the new collection contract starting 1 July 2026 will be structured to accommodate the preferred future collection service.

The new organics processing solution is expected to be operational around 1 March 2028. This could be sooner if the chosen facility has already made progress on the necessary resource consent or later if the resource consent were challenged in the Environment Court. It is uncertain whether an interim processing solution is feasible. If interim processing is not possible then organics collection would need to be deferred. In that case councillors could choose to proceed with changes to rubbish and recycling as scheduled, or could defer all the collections.

On 14 September 2023 councillors agreed to develop a Resource Recovery Network including opening 3 new resource recovery centres across the city and an expansion of the resource recovery hub at Southern Landfill. They agreed to include funding for these projects in the LTP consultation budget and requested a detailed business case on the options in May 2024.

If councillors wanted options to defer some of the resource recovery projects due to cost pressures, we would recommend proceeding with the 3 new resource recovery centres as planned and deferring the hub expansion until those 3 new centres are operational.

The resource recovery centres are fully funded from waste minimisation landfill fees. If these projects were deferred that funding would still be spent on waste minimisation. Officers recommend that the resource recovery centres are high priority compared to other potential projects. This project now also includes working with community centres to leverage their wider network for resource recovery.

Once we understand how these new centres are going, we would have a better understanding of the requirements for the hub expansion. For example, if the centres are operating well then there may be less need for a retail presence at the Southern Landfill in future.

153. RE: 2029 Stormwater - Network renewals – Does this include funding for the Zero Waste Program?

- *No*

154. RE: 2094 Cycling Network Renewals – Does this include funding for additional cycleways and, if so how much is for additional cycleways?

There are no additional routes added, this covers implementation of the network approved in Paneke Poneke in March 2022.

155. (Received 2:30) Why have the following OPEX Activities been increased by over $1M and what additional services does the council get for this increased expenditure:

Where the costs of activities have increased, this is due to increases in:

- ***Depreciation***
- ***Interest***

- ***Insurance***
- ***Utilities***
- ***Inflation on contracts***

Where the reason for the variance is due to something different we have explained this below.

a. 1035 Waterfront Public Space Management
b. 1038 Domestic Recycling
c. 1037 Suburban Refuse Collection
d. 1039 Waste Minimisation
e. 1051 Water - Bulk Water Purchase

GWRC increased bulk water charges

f. 1044 Water - Network Maintenance

The 3 Waters budget is based on advice from WWL.

g. 1043 Water - Meter Reading

Including funding to research and plan for the roll out of water meters.

h. 1060 Wastewater - Treatment Plants

Reflects increased WWL costs treating waste e.g. sludge disposal at landfill and increased plant reactive maintenance

i. 1070 Wellington Zoo Trust
j. 1075 Wellington Venues
k. 1098 Cultural Grants Pool
l. 1102 Toi Poneke Arts Centre

Transitional running costs of the old and new Arts centres while the proposed new building is being fitted out

m. 1111 ASB Sports Centre
n. 1107 Swimming Pools Operations
o. 1119 Branch Libraries
p. 1125 Housing Operations and Maintenance
q. 1206 Housing Investment Programme
r. 1215 Te Ngakau Programme

MOB/CAB demolition costs

s. 1157 Drains & Walls Asset Management
t. 1171 Footpaths Asset Management
u. 1154 Road Maintenance
v. 1175 Traffic Control Asset Management
w. 1159 Vehicle Network Asset Management
x. 1156 Wall, Bridge & Tunnel Maintenance
y. 1184 Parking Services & Enforcement

156. Why have the following OPEX Activities been decreased by over $1M and what impact will this reduced funding have on these services:

Where the costs of activities have decreased, this is due to:

- ***Proposed Level of Service changes***

- ***One off type funding in 2023/24***
- ***LGWM – Reclassification to Capital expenditure***

Where the reason for the variance is due to something different we have explained this below.

157.

a. 1036 Landfill Operations & Maint
b. 1086 Sky Stadium
c. 1092 Te Papa Funding
d. 1135 Anti-Graffiti Flying Squad
e. 1209 LGWM - Mass Rapid Transit
f. 1211 LGWM - Travel Demand Management
g. 1179 Street Lighting Maintenance
h. 1210 LGWM - State Highway Improvements
i. 1212 LGWM - City Streets
j. 1213 LGWM - Early Delivery
k. 1186 Waterfront Commercial Property Services

Other Questions:

158. RE: 1078 Wellington Convention & Exhibition Centre (WCEC) – What service does this budget fund ?

It covers the Building / Asset ownership costs (Depreciation, Interest, Rates, Insurance and Maintenance) and all revenue and costs associated with the business operations (Te Papa Agreement, Exhibition business, Cafe utilities and staffing). The service is running the conference centre and exhibition space, both which contribute to an estimated $44m in economic impact each year for the city.

159. RE: 1115 Marina Operations – Why was this budget not cut as part of savings?

The marina operation is 100% funded by user fees and charges not rates, The activity is compliant across the LTP. The existing level of service is basic for a marina operation and any cuts to service would carry risk and impact on the services that tenants pay for.

160. RE: 1116 Municipal Golf Course – Why was this budget not cut as part of savings?

This activity is compliant with the funding policy, The existing level of service is modest with cuts to service likely to impact on future utilisation and revenue from the activity.

161. RE: 1162 Cycleway Asset Management – What service does this budget fund ?

Answer to be provided at a later date

162. RE: 1161 Cycleways Maintenance – What service does this budget fund ?

Answer to be provided at a later date

163. RE: 1163 Cycleways Planning – What service does this budget fund ?

Opex is set at 5% of the capex costs for this programme. 3% is behaviour change support needed to implement these projects (industry best practice is 5-10%) and 2% is set aside to fund programme management, development of project briefs (project initiation documents in our project management framework) as well as post installation monitoring, evaluation and community support services (LGOIMA responses etc).

164. RE: 1152 Ngauranga to Airport Corridor – What service does this budget fund ?

Answer to be provided at a later date

165. RE: 1167 Bus Priority Plan – What service does this budget fund ?

Bus shelter upgrades

166. RE: 1218 Maori Capability and Success – What service does this budget fund ?

Monitoring and reporting on Tūpiki Ora. Te reo Māori and Tikanga services. These services have been brought inhouse rather than using external contractors as a cost savings measure.

167. RE: 1012 Maori Partnerships – What service does this budget fund ?

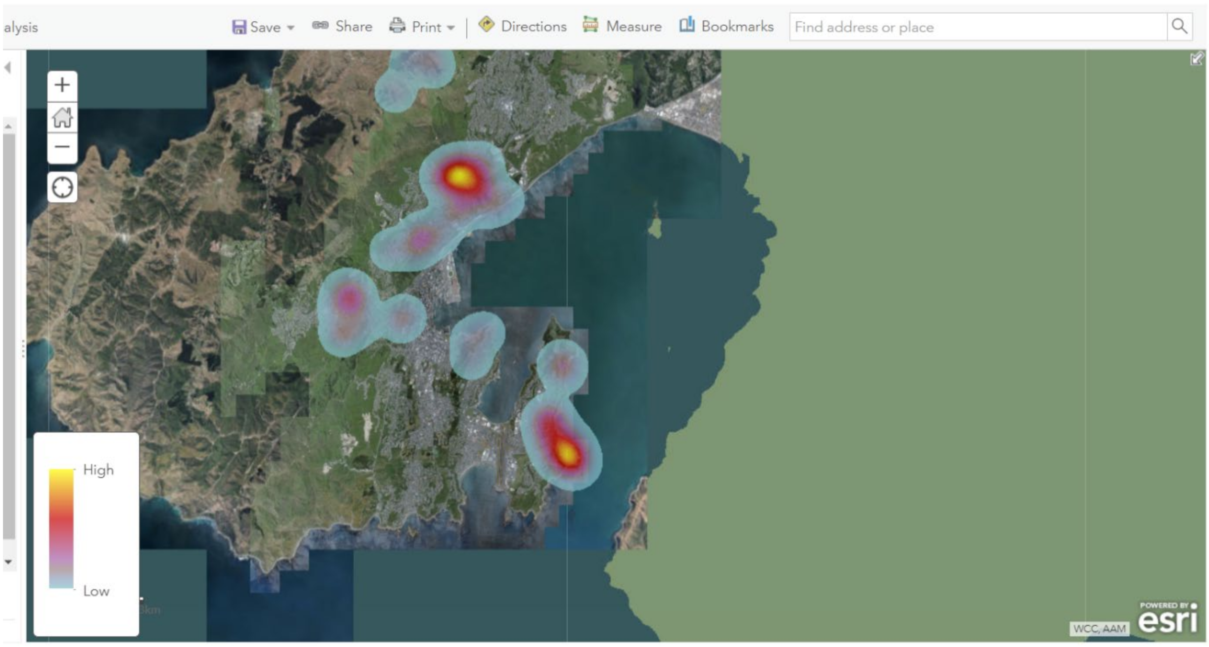
Our Tākai Here partnerships, collaborations and partnered initiatives. The allocation for our Pouiwi remuneration sits in this budget.

168. RE: 1013 Maori Strategic Advice – What service does this budget fund ?

Strategic advice and guidance across the organisation to support the organisational commitments to Te Tiriti, our Tākai Here partners and Tūpiki Ora.

169. Can you please provide information on where the bulk of outdoor swimming pools are located across the city?

There are approximately 85 outdoor pools across Wellington including privately owned pools. The two notable suburbs are Khandallah with 29% of the total and Seatoun with 22%. The density is shown further in the heatmap below.



170. ***Could you please confirm where the funding for Carrara Park toilets is within the budget?***

Capex funding of $0.5m for the toilets is provided for in year 4 of the LTP. Operating funding takes effect from year 5.

Opex Activity, Description, Questions

Where the costs of activities have increased, this is due to increases in:

- ***Depreciation***
- ***Interest***
- ***Insurance***
- ***Utilities***
- ***Inflation on contracts***

Where the costs of activities have decreased, this is due to:

- ***Proposed Level of Service changes***
- ***One off type funding in 2023/24***
- ***Increased fee revenue***

Where the reason for the variance is due to something different we have explained this below.

We have not attempted to re-answer questions that have been raised above.

171. ***1007, City Service Centre, Please explain why the City Service Centre has a reduction in opex for 24/2523/24- $5,604,000 24/25 -$5,125,000 ?***

172. ***1011, Archives, What is the reason for proposed additional increase over the first 2 years of the LTP ?***

173. ***1016, Parks Mowing, It appears that there will be a small increase or small reduction over the next 3 years, why is this?***

174. ***1019, CBD & Suburban Gardens, Why is there a reduction proposed in the budget for the first couple of years***

175. ***1027, Town Belt Planting, Why is there a significant increase in current year's budget ie100% increase in year 2***

176. ***1035, Waterfront Public Space gmt., What is the 50% increase in 24/25 budget due to?***

177. ***1146-, Building control, Why is there a significant reduction planned in year one?***

178. ***1148, Development Control, Why is there a significant reduction planned in year one?***

179. ***1024, Road corridor growth control, Why is there a significant reduction planned in year one?***

180. 1165, Street Furniture advertising, Why is there a drop in revenue being forecasted

181. 2112, Information Management, What is the significant increase (500%) due to?

182. 2114, ICT Infrastructure, What is the significant increase (75%) due to?

183. 2128, Civic Campus, What is included in this budget including in the 23/24 year

This covers Te Matapihi, demolition and potential strengthening projects in Te Ngākau, a provision for earthquake prone venues (e.g. Opera house, MFC and Bond store). In addition, further investigation works including demolition of City to Sea Bridge, Former Capital E and Civic Basement and associated structures.

184. 2133, Quarry Renewals and Upgrades, Noting that there is a 30% increase from 23/24, what is included in the LYP budget?

The budgets in the quarry listed in the LTP are for the development of the southern face which will provide Council with access to much needed raw materials such as aggregate as well as a future revenue stream.

185. 2064, Safety Initiatives , Why has a significant reduction in budget occurred? 23/24- $2 310,000 24/25-$119,000

186. 1200, Org, What is included in this budget and why a close to 20% increase? Please provided details of this budget over the past 4 years.

This is where rates revenue, investment revenue and development contributions revenue is recorded. The increase over time is generally due to the increase in rates.

2023/24	2022/23	2021/22	2020/21
$(494,519)	$(435,470)	$(404,944)	$(354,840)

187. 1141, Build Wgtn Devs, What is the 15% increase do and what does this budget fund?

It is unclear how the 15% has been arrived at. In any case any increase would be minimal given the active opex cost management.

1141 funds the city development interventions and includes Shelly Bay, Frank Kitts Park Redevelopment, and MFC carpark development.

188. 1217, PSR Nursery Operations, What is the significant increase in year 2 for?

189. 2098, Footpath renewals, Why has there been a significant decrease in the budget since 23/24 ie nearly 25%

190. ***2105, Transport- Minor works, Often these include road safety improvements – why has this budget been reduced by over 20%***

191. ***2107, Speed management, The 23/24 budget includes an amount of $7m. How much of this will be spent?***

For 2023/24 we've spent $0.062m so far this year and will likely spend very little more by year end. Current forecast is around $0.30m. The full year budget was rephased in Q1 to be $0.50m

192. ***1037, Suburban Refuse Collection, Why has this gone from a surplus to an expense in two years?***increases owing to reduction in sale of rubbish bags and higher contract costs.

- Contract cost increased due to CPI
- Also impacted by landfill fee increase and increase in weight per bag (the disposal cost part of the contract is calculated by the average bag weight x agreed tonnage rate x number of bags sold

An example - P6 this year Revenue was $27k less than last year due to 35,000 less rubbish bags sold which is a 21.5% decrease

P6 this year Contract cost was $355k higher than last year because commercial general waste price increased from $196.07 per tonne to $225.98 per tonne which 15.25% increase compared with last year.

So in short – CPI, less bags sold and higher disposal fees

193. ***1038, Domestic Recycling, Why is there a planned reduction in costs***
194. ***1055-1068, Waste water and Stormwater, Why is their only minimal increase in opex?***

195. ***1075, Wgtn Venues, What is the 100+% increase in opex due to?***

196. ***1107, Swimming Pools Ops, What is the first years increase due to?***

197. ***1111, ASB Sports Centre, What is the nearly 20% increase in year one due to?***

198. ***1119, Branch libraries, What is the 20% increase due to in year one***

199. ***1078, Convention centre, Why does this the convention centre have increasing opex plus what does the current opex provide for?***

Current budget does not have budget for utility costs and adequate Rates charges budget, this has been corrected in LTP budget.

1082, City Growth Fund, What does this fund?

This fund supports initiatives that contribute to Wellington's economic wellbeing. Specifically, initiatives that create and retain jobs, increase the rating base, support economic wellbeing in target sectors, and positively contribute to Wellington's GDP.

Funding goes towards a number of initiatives including the Council's support of the Hurricanes, Pulse, Phoenix, business support such as the Parliamentary Protest Fund and City in Transition business impact and activating the Courtenay Place Precinct Plan.

It is also how the city invests in major events such as the FIFA Women's World Cup, which generated in a $24.6million net benefit for Wellington.

200. 1098, Cultural Grants Pool, What is the near 100% annual increase for 24/25 in expense due to?

Consolidation of funding for various arts organisations into one code; as well as an overall net increase of $600K as one of the proposed levels of service changes.

201. 1103, Public art Fund, What would be the impact if no funding was provided to this fund for 3 yearsThe Council provides very little direct support to the city's visual (including moving image) artists and PAF is the only primarily visual arts-dedicated programme. It is primarily a granting programme, with some part-time labour and administration costs. The part-time staff also supports internal work programmes for other Council business units.

The granting programme focuses on enabling a public art presence in Wellington's street and cityscape, a core concept of Aho Tini 2030. It funds the Wellington Sculpture Trust, the Performance Arcade artists' fees, and Circuit Artist Moving Image Aotearoa as well as direct funding to specific artists and their projects.

PAF was cut in 2008 and the granting programme has operated on the same budget since 2013.

Savings could not be incurred in the first year as there are contractual obligations to artists and organisations. Panel costs would still be incurred as the Public Art Panel is part of the Council public art approval process. There are work programmes being undertaken by PAF-funded staff related to the Wellington Town Hall, move of the City Archive and Te Matapihi which would need to continue and be resourced from elsewhere if PAF were removed.

Ceasing PAF would mean:

no commissioned work for artists (creation and exhibition) including the Courtenay Place light boxes, the Vivian St Cobblestone light boxes and the Masons Lane Screen.

the work includes commissions which align with, and amplify City Events, particularly Matariki.

the lightbox and screen infrastructure, if intended to be dark for a number of years would need to be removed.

suspension of the city's art collection purchases, which buys work from visual artists up to $28,000 per year

cessation of the Council's art collection installation, conservation and management processes.

PAF is a high quality programme of support to these activities. The cut would be significant to those affected and have the Council would suffer reputational impact in those communities as well as a wider concern related to Aho Tini priorities.

202. 1207, Capital of Culture, What does this activity fund?

It funds ongoing grants to Circa Theatre, the NZ Portrait Gallery, the Wellington Sculpture Trust (part thereof) and the Cuba Dupa Festival as well as the professional performing arts-ringfenced component of the Arts and Culture Fund. A small portion funds one-off grants to arts organisations for specific events (such as Wellington Opera, Katherine Mansfield centenary). If Council makes a specific additional grant to a company or project, such as the contribution to Circa Theatre's current building renovation, this money is paid through Capital of Culture.

203. 1114, Municipal Golf Course, What is the 20% increase in year one due. How many playing members does the club have and or regular playing users

Cost increase is due to depreciation, interest, insurance, utilities, inflation on contracts. Club currently has around 100 members, membership renewals are happening now, and they expect to be over 100 once complete. Casual golf users (for last financial year 22/23) were 5452. Around 3000 of these were for disc golf.

204. 1124 , Social & Rec Grant Pool, Why the significant increase when social and rec core services are being cut and some other grants are having smaller increases?

The increase for 24/25 reflects a previous decision to approve a grant of $383k for the City Mission's Whakamaru project. It also incorporates a 2.8% increase the grant pool, and consolidates the former 1123 (Support for Homelessness) line of $232k into 1124.

The 2.8% increase is already reflected in multi-year funding agreements in place.

205. 1125, Housing ops, Would you please provide details on why there are increasing costs when the ultimate aim is for social housing funds to be ringfenced

In 2008, council entered into a partnership agreement with the Crown to upgrade Council's social housing portfolio, also referred to as the Housing Upgrade Programme (HUP).This partnership agreement saw a $220m financial contribution from the Crown. The full Crown contribution was expended in the first phase of the programme (HUP1), which saw upgrade to approximately 50%of the portfolio. The cost to complete the programme has recently been reassessed as part of programme feasability / long term planning processes, through which estimated costs that Council are required to commit have increased.

The ring fencing of public housing rental income from wider Council revenues is a contractual requirement included within the partnership agreement between Council and the Crown. This requires that income generated through the public housing portfolio be reinvested in public housing until at least 2038.

Further to this, and in addition to the cost of delivering the HUP programme, increased depreciation, insurance premiums and other costs associated with owning the housing assets have been factored in current LTP forecasting. Furthermore, Council also passed a LTP amendment providing $23M of development capital to the new CHP which is included in these figures.

206. 1135, Anti-graffiti, With a high amount of graffiti on the streets, why is this fund being cut significantly

The suggested reduction returns the amount budgeted for the removal of graffiti from private properties back to the level it was at prior to 2022/2023. We will continue to remove graffiti from all council facilities.

This reduction reflects an expectation that private owners should be responsible for maintaining their buildings and facilities, while continuing to make a significant contribution towards this.

207. 1136, Safe City, IS this the CCTV cuts? What else is included in this budget?

This activity reflects a range of initiatives that contribute towards improving safety in the city. This includes the Hāpai Ake Safety Officer service, operation and maintenance of the CCTV network, our support for retail and hospitality industry safety and security initiatives.

208. 1139, District Plan, What does this Opex cover?

This funds the resources required to deliver the District Plan. It includes the cost of internal personnel expenses as well as external expertise as required.

209. 1206, Housing Investment Programme, What is the expense from and why the significant increase?

Activity line 1206 includes more than the Te Kainga programme, it also includes the delivery of our housing strategy/housing action plan and the delivery of our pro-active development pipeline of work such as the old Johnsonville Library site that we have discussed previously.

Within 1206 there has been a slight reduction in OPEX as it relates to the Housing Strategy and Proactive Development activities, but an increase in OPEX as it relates to the Te Kainga activity.

The increase is roughly 900K and comprises;

Set up costs of two new Te Kainga buildings which we are in negotiations for and which will likely land in Y1 of the new LTP. Whilst these costs are accounted for in Y1, they are incorporated in the total project cost and therefore will ultimately be recovered by the programme over the 20-year horizon and break even. This accounts for just over $500K of the $900K.

Haining Street- As per the Councillor briefing the sublease does not fully recover all costs.

Lastly Council agreed that we could not fully pass on the CPI increase on our headleases to individual tenant leases whilst continuing to achieve the programme objective of providing affordable rentals. As such there was a decision by Council to increase rents by only 3%, compared to CPI. This created some short term losses where our headlease costs were higher than our revenue even at targeted occupancy levels. All of this cost is intended to be recovered over the 20 year term.

The majority of this budgeted increase in OPEX in 1206 will ultimately be recovered by the Te Kainga programme.

210. 1025, Street cleaning, Why is there a significant reduction planned?

We are forecasting an increase in NZTA roading subsidies revenue for this activity, not a reduction in service levels

211. 1161, Cycleways Maintenance, Why is there a significant increase planned? (400% in year one)

Beacuse we have and will continue to increase km's of bike lanes in coming years, which require asset management funding**.**

212. 1162, Cycleways Asset Mgmt, Why is there a 500% increase. Does this cost include depreciation and is depreciation being fully rates funded?

This is due to the depreciation on the cycleways. Yes the depreciaition is fully funded.

213. 1163, Cycleways Planning, Why has there been a minimal decrease (10%) in planning given there is a reduction in planned cycleways?

We have and will continue to increase km's of bike lanes in coming years, which require asset management funding.

214. 1213, LGWM-early delivery, What projects are included in this and where does the income come from?

This is NZTA roading capital subsidies revenue budgeted against LGWM Capex spend

215. 1184, Parking Services, Why is there a a20% drop in net revenue budgeted for in year 1. Would you please provide details of his budget for the previous 3 years ie 21-22, 22-23, 23-24

We have assumed that you are referring to a net drop in budgeted revenue between years 2023/24 and 2024/25. There is a 5% drop in the budgeted revenue between those two years and this relates to delays in rolling out some of our new enforcement technology, such as Static Cameras on Bus lanes which had been expected to be in place in 2023/24, reduced expected levels of car park occupancy and the ongoing reduction in the number of on-street metered car parks as the Council implements other street related initiatives.

The budgeted revenue for the years requested in as follows:

	2021/22 GL Budget	2022/23 GL Budget	2023/24 GL Budget
1 - Revenue	41,158,394	39,468,706	40,690,558

Budgeted revenue for the 24/25 year is $38.9m.

216. ***1220, Climate Change response, Why has this budget seen a significant increase ie approx. 75%***

Q response to question 125.

217. ***1203, PPORB Ground lease, In 23/24- this generated $10m in revenue but I can't see it in the LTP. Where is this now?***

We still have $10.3m budgeted for year one of LTP and continuing beyond

Capex Activity, Description, Question

218. ***2011, Southern Landfill Improvement, What does this budget include and why the significant increase in 25/26***

This budget is for the southern landfill extension project and construction planned to start after expected resource consent approval in March this year

219. ***2013, Water network renewals, Why is there a an approx. 15% drop in 24/25?ie reduction of nearly $3m***

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

220. ***2016, Water network upgrades, Why is there a an approx. 40% drop in 24/25?ie reduction of nearly $1.7m***

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

221. ***2023, Wastewater- network renewals, Why is there a an approx. 30% drop in 24/25?ie reduction of nearly $9.4m***

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

222. ***2024, Wastewater- upgrades, Why is there minimal upgrades (only $700K) planned for 24/25?***

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

223. ***2028, Stormwater upgrades, Why is there a slight reduction on a small budget ($5.4m) for the 24/25 year?***

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

224. ***2029, Stormwater renewals, Why was there no budget in 23/24 for renewals?***

WWL operates under a One- budget model and we allocate total funding between activities based on their advice, this is subject to change based on their programme of works. As a result there may be unders and overs between each of the three waters. However, the overall budgeted spend is in line with recommended phasing and ability to deliver. Annual spend trends upwards in outlying years.

225. ***2043, Aquatic Facility Upgrades, What does year on budget(7.6m) provided for?***

This is the funding which was rephased into Year 1 for the Khandallah Pool upgrade.

226. ***2054, Library Materials, Why the increase of approx. 20% in year one of the budget?***

This money has been carried forward from prior LTP years to cover the collection and shelving costs associated with the opening of Te Matapihi, and is not a permanent uplift.

227. ***2055, Library computer system, Was this project not delayed?***

There are multiple costs lines sitting within this budget code. The Library Management System funding was removed as any future replacement of this system will be opex, not capex. The remaining money is associated with library-specific technology across the network. Money has also been carried forward from prior LTP years to cover specific technology costs associated with the opening of Te Matapihi, and is not a permanent uplift.

228. ***2060, Housing renewals, Total 10 year budget of $592 m and a significant increase in year one (over 100%). Please provide an explanation of both opex and capex costs on what the budgets will provide for and what options Council has to find savings?***

Answer to be provided at a later date

229. ***2070, Central City Framework, What does this budget provide for?***

This includes funding for the implementation of the Urban Growth Plan (UGP) and Central City Framework (CCF). This project funds minor flagship projects that are located within the central city. Projects include Central City Greening and Frederick St park, Laneways in future years.

230. ***2094, Cycling Network Renewals, Budget of $52m over three years. What does this provide***

Delivery of Paneke Poneke - almost full network within 10 years. Year 1 is developing designs for next tranche of projects as well as delivery of the projects with approved TR's. These approved projects have waka kotahi funding assistance of 51%-90%confirmed.

231. 2141, LGWM – City Streets, What are the budget items included in each of the three years of the LTP. What further savings could there be?

Network Plan development and new business case development plus 2 priority projects - 2nd Spine and CBD to Miramar.

232. 2142, LGWM- Early delivery, What are the budget items included in each of the three years of the LTP. What further savings could there be?

Golden Mile and Thorndon Quay Hutt Road Projects. All LGWM budgets are being reworked and reviewed at the moment.

233. 2109, Parking Upgrades, What is included in this budget which has had a significant increase in the first year

Funding has been included in the 2024/25 capex budgets to allow for implementation of the parking related initiatives currently up for discussion as part of the development of the 2024 LTP. If the decision is to not proceed, then this funding will be removed. As an example, capex funding has been included to allow for the purchase and placement of new parking meters that would be required to allow metered parking in the suburbs

234. 2143, EV Fleet Transformation, IS it possible to delay some of the upgrades?

This activity will be deleted. This work has become embedded - when we replace vehicles, we change them over to electric, with the aim to have all our vehicles electric by 2030. The cost premium for an electric vehicle vs a petrol vehicle is recovered through fuel and maintenance savings, so there is no operational or financial benefit in delaying this programme. Vehicles are only replaced when they are due for renewal, and if a suitable EV model is available to meet the use case.

235. I wanted to understand the implications of Capital works -rephasing of the KB SkatePark, What would be the current timeline of the project if the 2024-34 Year 1? I.e what does this look like with community engagement - and the people we've bought on board with CONVIC.

The recommendation is to rephase the skatepark budget to spread it over Years 1 and 2 of the LTP instead of the whole budget sitting in Year 1. This allows time to finalise planning, engagement and design work, complete the business case and secure any resource consents needed during Year 1 before construction begins in Year 2. The budget rephasing is to ensure deliverability of the project.

236. Have we had conversations with the Skate Stakeholders Group or COVIC about the change?

We have discussed the project timeframes with CONVIC at a high level and they are aware of the time it will take to finish planning, design and consenting work before any construction can begin. CONVIC are coming to Wellington next week to undertake targeted engagement with the skate community and local schools over the next few weeks to inform the skatepark concept design. Communications with the skate community and others interested in the project will include the proposed timeframe for delivery.

237. I note the plimmer fund is coming up i believe on the FWP. Is there a way we can allocate more funding to allow the project to progress on the original timeline?

As above, the proposed budget rephasing is to ensure deliverability of the project. Additional Plimmer funding would not impact the timeline for delivery as we need time to finish planning, design and consenting work before construction can begin. A paper outlining the proposed forward programme for spending Plimmer funds over the next 10 years will form part of the agenda for the 29 February Council meeting. The current budget allocation of Plimmer funds for Kilbirnie Park is aligned to support the investment in skate and play to maximise open space outcomes. There are constraints on what Plimmer funding can be spent on. The deed specifies that the bequest is to be spent on beautifying the bays, beaches and reserves around Wellington by planting trees, shrubs and other beautification works. Increasing the allocation of Plimmer funding for Kilbirnie Park could help deliver more landscaping, planting and beautification elements of the masterplan but this would need be considered as part of the 29 February Council meeting.

238. ***I see no mention of Huetepara park in Lyall bay. I might be looking in the wrong spot- could you let me know where in the paper? Similar to Cllr Abduramans question about Carrara Park toilets***

The agreed funding for Huetepara has been rephased into Y1 -2.37M (Activity 2011142009 - Huetepara Park Lyall Bay)

239. ***I note the CCO CPI adjustments are unchanged. Do we know if the CCOs are working on their response yet/ or on course to feed into the LTP?***

The CCOs are currently working on their draft Statements of Intent (SOI) for FY24/25, which each CCO is preparing following ongoing engagement in the LTP process. The CPI for CCO'S rate will take into account the agreed all-of-Council CPI adjustment. The draft SOIs will be shared in advance of a workshop with Councillors in April.

240. ***Do we know where the Motu Kairangi/Miramar Peninsula master plan or park planning has got too? Any change we could delay any budgeting for the sculpture park/ top of the peninsula.***

The Crown and iwi are still in discussions about the future ownership and management of Te Motu Kairangi. It is uncertain when these discussions will be concluded but Te Motu Kairangi remains an important potential future partnership opportunity with mana whenua.

241. ***Can we have advice on Mana Whenua's preferred funding option for WW?***

Mana Whanua are represented on the Wellington Water Committee and at the Whaitua Committee, that made specific recommendations to Regional Council on how the NPS FM (Freshwater Management) should be shaped. Both representative fora influence the council's strategic investment priorities, current and future Resource Management Act discharge consents and how Te Mana o Te Wai is given effect.

242. ***lastly, I just wanted to check where Tākai Here priorities are - I. if we're making LOS changes to waste water / urban stream networks***

LOS changes are not proposed; however, the regulatory environment is focused on improving water quality over the following decades. Wellington Water has included early investment now to continue this course and signalled increasing investment necessary in both wastewater and stormwater assets to see the continued improvement in the quality of our receiving environments.

243. ***It seems that the capex budget for upgrades to our social housing stock has increased to nearly $600 million (from memory we put aside $440 million in the last LTP).***

The 2021/31 LTP had housing upgrades/renewals of approx. $450m.

The forecast cost of the Housing Upgrade Programme has increased from ~$280m to ~$400m since the last LTP. Further to this, and in addition to the cost of delivering the HUP programme, increased depreciation, insurance premiums and other costs associated with owning the housing assets have been factored in current LTP forecasting. Furthermore, Council also passed a LTP amendment providing $23M of development capital to the new CHP which is included in these figures.

244. Can we please urgently have some details about the work programme that this figure has been based on?

In 2008, a programme partnership / contract between the Crown and Wellington City Council (Council) was established. The key terms of the programme is that Council would upgrade its full portfolio in exchange for a Crown financial contribution of $220m. The first phase of the programme was completed in 2018 which saw the full expenditure of the Crown contribution. This saw upgrade of approximately half of the portfolio. The Council is now required to complete (and fund) remaining upgrades to the remaining balance of housing (~880 units across over 200 buildings).

245. What will be the outcomes this budget will address, in terms of remediation/upgrades?

The objective of the programme is upgrade Council's social housing portfolio to be safe, secure and to a good standard for modern living. There are 67 individual scope requirements defined within Council's contract with the Crown which define how these objectives are to be achieved. A programme business case is underdevelopment of the

246. And the percentage of housing stock that will then be in a good state, versus the percentage still needing to be done?

Approximately 50% of the housing stock within the programme has been upgraded.

247. Is there any way of spreading this investment over a longer period of time

There are time parameters for delivery defined within the Council's contract with the Crown that would require negotiation with the Crown should spending be substantially deferred.

CONFEDENTIAL ITEMs

248. How in the budget is op ex savings in the budget for the council accommodation?

CONFIDENTIAL

[redacted]

[redacted]

[redacted]

[redacted]

249. Page 9: A saving of 1.7% is shown through the "sale of surplus assets". Can a list of these asset be provided? CONFIDENTIAL

[redacted]

RE: 2149 Reading Cinema Land Purchase – The Reading Deal was said to be worth $32M. Does this budgeted amount fully or only partially fund this deal?

The budget only includes part of the purchase ($26m), with the initial deposit expected in the current financial year ($6m).

RE: 2149 Reading Cinema Land Purchase – Is the intention to still fund the Reading Deal through Asset Sale?

That is the assumption made in the budget preparation.