

Wellington City Council's

**2012-22 Draft Long-Term Plan
- Summary**

What you have told us is important?

To develop this plan, we have talked to a lot of people, undertaken research, and followed what people have said about issues being discussed in public. From all this, we think the five key issues for most people living and working in Wellington are:

1: The economy and jobs

The global financial environment is unstable. Some local businesses are struggling. People are concerned about getting or keeping their jobs. This has created a lot of uncertainty. It is important to all of us that Wellington's economy adapts to this changing environment. We want good quality jobs that keep people in the city, and we also want to attract and develop new businesses that will flourish here. There are great examples of creative and innovative businesses that are doing this and we want to see more.

2: Earthquake preparedness

The recent earthquakes have changed people's thinking about the likelihood of natural disasters and how to prepare for them. Wherever people lose their lives, we always think about what we can do to prevent it happening again. We are all now focussed on how we can be better prepared for earthquakes and natural disasters.

3: Transport

This is an issue that people always want to talk to us about. People are concerned about parking, public transport, congestion and cycling. Different people have different views about these issues. However, everyone realises that how we move around the city is critical to our economy, quality of life, and environment.

4: Maintaining what's special about Wellington

People are passionate about Wellington and love all the great things there are to do here. They tell us that they like living in a creative, diverse, environmentally sustainable and inclusive city. We want these things about our city maintained, not see our city go backwards during these difficult times.

5: Balancing our budget

The uncertain economic environment is making people very careful about how they spend money. People are concerned about the rising cost of basic things such as food, transport and housing. Our surveys have told us that people want Council rates to remain affordable. To do this, Councils have been challenged to budget carefully and keep rate increases down.

What is this draft plan?

The Wellington City Council's 2012-22 draft long-term plan will be our response to these and other important issues facing the city now and into the future.

This draft plan is your chance to have a say about what we are planning. It gives you an overview of what we are proposing to do, why we propose to do it, how much it will cost, and who will pay. We want your feedback on these proposals before the plan is finalised in late June 2012.

How to get more information

You can pick up a copy of the full 2012-22 draft long-term plan and a submission form:

- at the Council Service Centre at 101 Wakefield Street
- from Council libraries
- online at www.Wellington.govt.nz
- by phoning the Council on (04) 499 4444 – we'll send you a copy.

How to have your say

Submissions can be:

- made online at www.Wellington.govt.nz
- mailed to Long-term Plan, Wellington City Council, PO Box 2199, Wellington
- emailed to Longtermplan@Wellington.govt.nz

Submissions will be accepted from Monday 16 April until 5pm on Friday 18 May 2012. If you want to talk to the Council about your views, you can attend a submission hearing. These will be held from 21–24 May. The Council will review and consider all submissions and decide whether any changes are needed to the plan before adopting the final version in late June.

The small print:

This draft long-term plan **summary**, prepared in accordance with the Local Government Act 2002, covers the 10 years to 30 June 2022. Its legal purposes are: to describe our activities and community outcomes; to provide for integrated decision-making and co-ordinated use of resources; to provide a long-term focus for our decisions; to provide a basis for our accountability to the people of Wellington; and to provide an opportunity for public involvement in our decision-making.

This draft plan reflects our intentions at the time of adoption. Our plans are subject to consultation and, as with any budget or plan, the actual results may vary from those forecast.

Message from the Mayor

A smart, resilient capital city

Last year we adopted the *Towards 2040: Smart Capital* vision for Wellington's future. It builds on our strengths and shows how Wellington can become a more people-centred, connected, eco-city with a dynamic centre. As your Council, we are optimistic about Wellington's future and want to move towards this vision. We propose to do this by investing in priority projects both within the central city and our suburban communities. We also plan to invest, in partnership with others, to strengthen and grow our local economy.

We have also prioritised investing in building the resilience of the city to an earthquake and other natural disasters. We therefore propose to invest significantly in earthquake strengthening local reservoirs, roads, bridges, civic buildings and other assets. We also want to work with other property owners and communities to help them to become more prepared.

At the same time, we know some people and businesses are facing financial pressure. Therefore we plan to keep our rates and charges down, while also managing our debt in a sustainable way. Through our draft financial strategy we have set a rates target and limit for the 2011/12 year at 3.8 percent. In later years, the aim is to reduce the rates target so that by 2014/15 it is at the level of household inflation.

Therefore this plan is about resilience and frugality as we seek to strike the right balance between what we would like to do and what we can afford. To enable us to make the above investments, we intend to reduce expenditure in some areas of Council's activities. Changes that will impact on the public are highlighted in this summary.

In addition, we have established a financial sustainability working party of Councillors to identify further opportunities for change. Our chief executive has also undertaken to achieve savings through changes to how the Council operates internally. This will be through streamlining our processes, using technology more and working in partnership with others. Through these activities, we plan to reduce our funded operating expenditure by 5% over the 10 years of this plan. Should any of these changes significantly impact on the public, we will consult with you formally.

In this summary, we tell you about those things we plan to do as a priority and those things we decided not to do at this time. However, this is only a draft plan and we want to hear your views before it is finalised. The final plan and budget need to fit within the limits of our final financial strategy. So tell us whether we have got the balance right or whether you think we should swap some of the projects between the 'do' and 'not do' lists. You could also tell us you would be willing to pay more so we can do more of the things we considered in developing this plan.

We genuinely want to hear your views, and we will listen. Please take the time to look through this summary and be part of developing the final plan for our city's future.

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One vision	Wellington Towards 2040: Smart Capital	
Four outcomes	A connected city An eco-city A people centred city A dynamic central city	
Three priorities	An inclusive city where people want to live Resilient city A well managed city	
Five important proposals	Growing our economy	Regional Amenities Destination Wellington Major events and temporary venue Tourism marketing Te Papa funding Attracting long haul airlines Alternative initiatives
	Building resilience to earthquakes	Water network Strengthening Council buildings Helping others to strengthen Heritage and support grants New fire fighting standards Energy efficiency programme Alternative initiatives
	Transportation	Securing tunnels, bridges and walls Johnsonville roading improvements Cycling Alternative initiatives
	Maintaining Wellington as place where people want to live	Central city framework and parks Waterfront projects Clyde quay marina NZ International Arts Festival Grants funding Artificial sportsfields Community facilities -Keith Spry pool -Johnsonville Library -Community centres Alternative initiatives
	Balancing our budget	Making savings now Working smarter Financial sustainability working party Fees and charges

Our strategic approach

Our long-term vision – Wellington as a Smart Capital

Towards 2040: Smart Capital is our long-term vision for Wellington. It was adopted by the Council in September 2011 after extensive community participation.

We propose to use the themes within it as our ‘community outcomes’ – that is, as goals for the city in this 10-year plan. These community outcomes, and how we will measure progress towards them, are:

Connected City

Wellington will be a city with easy access to regional, national and global networks. Connections will be: physical, allowing for ease of movement of people and goods; virtual, in the form of world-class ICT infrastructure; and social, enabling people to connect with each other and with their communities.

We’ll know we have been successful when we have ...

- universal availability of ultrafast broadband
- retained ease of movement to and within the city
- sustained high usage of public transport
- increased exports by at least 3.25% per annum
- increased the number of international air connections to the city.

Eco-City

Developing Wellington as an eco-city means proactively responding to environmental challenges. It is important that Wellington takes an environmental leadership role, as capital city of clean and green New Zealand.

We’ll know we have been successful when we have ...

- fewer greenhouse gas emissions
- changing transport habits to low carbon alternatives
- less waste
- increasing biodiversity and improved health of native species
- a national reputation for being an eco-city
- the city’s electricity needs being met by renewable energy
- growth in the ‘smart’ business sector.

Dynamic Central City

Wellington will be a city with a dynamic centre – a place of creativity, exploration and innovation. The central city will continue to drive the regional economy, and provide Wellingtonians and visitors alike with unique and outstanding experiences.

We’ll know we have been successful when we have ...

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- increased GDP per capita by 10% in the period to 2021
- 10,000 new jobs by 2015
- more people living in the central city
- increased commerce in central city
- a city that's resilient to natural hazards and disruptions
- a central city people are proud of.

People Centred City

The city will be healthy, vibrant, affordable and resilient, with a strong sense of identity and 'place' expressed through urban form, openness, and accessibility.

We'll know we have been successful when we have ...

- a healthy population who feel safe
- sustained high quality of life
- the highest average income in New Zealand
- a diverse and tolerant population
- a city that fosters growth and where potential can be fulfilled
- affordable cost of living
- improved social connectedness.

The city's success in achieving these goals isn't a matter for the Council alone. We will work with government agencies, businesses, and a wide range of other organisations and groups to further these outcomes.

Our three year priorities

To address the immediate issues we face, while also taking the first steps to our long-term vision, we have developed the following priorities. These will focus what we do as a Council over the 10 years of this plan.

Priority 1: Wellington – an inclusive place where people choose to live

Our economic future depends on our ability to attract and retain people, and create employment opportunities, in our city. To do this, we will maintain our investment in those things that make Wellington a great place to live, while increasing our investment in activities that will grow the economy and make Wellington an even more attractive place to work, invest in and visit. By doing these things, we are taking the first steps towards achieving our community outcomes.

Priority 2: Resilient city

To maintain and enhance our city's resilience, we will prioritise investment in earthquake strengthening the city's key infrastructure and work with businesses and communities so that, as a city, we are better prepared for and can swiftly recover from such an event.

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Priority 3: A well-managed city

We are committed to providing effective services that are good value for money. To achieve this priority, we will focus on simplifying our processes, making the best use of technology, working in partnership with others, managing demand ahead of investing in new assets, and looking for opportunities to reduce costs or generate income. This will help us stay within the parameters of our financial strategy by keeping rates affordable and managing our debt levels.

Key facts

- The city's population is 200,100 (*Statistics New Zealand as at 30 June 2011*)
- Total operating expenditure 2012/13 \$375million
 - Income from general rates 35%
 - Income from targeted rates 30%
 - Income from fees and charges 20%
 - Income from other areas 15%
- Equity per resident in 2012 \$31.326 million
- Forecast equity per resident in 2022 \$35.570 million (*based on forecast population level of 216,478*)
- Rates limit in 2012: 3.8%
- Proposed rates increase in this draft plan 2012: 4.44% (before allowing for growth in the ratepayer base).

Key proposals

These proposals set a course that will enable Wellington to thrive in a fast-changing world. We have balanced the need for immediate action to mitigate the potential impact of natural disasters while taking the first steps towards our 2040 vision. Have we got the balance right?

In developing this draft plan, we considered a large number of proposals for new activities, increased investment, and potential savings. We assessed these against our proposed new community outcomes and priorities. The following section summarises our proposals. It covers what we plan to do and items that we don't think are priorities at this time.

These are draft proposal – we want to hear your views on them. Have we got our priorities right? Should we be doing more to stimulate growth in the city? We you like to see other agencies delivering some of these services – should the Council play a different role? Are there alternatives to funding these activities or are you happy that rates cover the cost? Remember, every decision has an impact on rates.

What's important 1:

Growing our economy and jobs

There is uncertainty in the economy. The global financial environment is unstable. Some local businesses are struggling, central government is down-sizing, and people are concerned about getting or keeping their jobs.

There are also opportunities. The world is more connected than ever. The way that business is transacted is changing. The ability for people, businesses and investment to move around the world is easier – the choices open to them is greater than ever. And the offering of cities is at the heart of location choices.

These findings are what drove us to develop our *Towards 2040: Smart Capital* vision. We want our city and people to prosper now and into the future. To this end, we adopted a Digital and a new Economic Development Strategy during the early stages of this planning process. Through this strategy work, we identified where there were gaps in the provision of services and considered options around what role the Council should play in growing the local economy.

In one regard, this includes everything that is contained in our plan: the provision of local infrastructure – ie roads that provide for the exchange of goods; an urban environment that makes the city efficient to move around; facilities and services that are expected of modern cities; and steps to ensure we are working smarter – that we are 'open for business'.

More specifically it includes ensuring we have a presence internationally so that people and investors are aware of what the city offers and that this in turn results in a decision to visit, locate or invest here. We have been effective at this in the past and believe to not continue this work would impact on the city's prosperity long term.

- ***Destination Wellington***

We want to create jobs and support economic growth in the city.

Destination Wellington is a programme of business investment and attraction activities that will be undertaken in partnership with Grow Wellington, New Zealand Trade & Enterprise, the new Ministry of Business, Innovation and Employment, Wellington Employers' Chamber of Commerce, Kea (international business network) and other key stakeholders. Its purpose will be to attract increased levels of investment, talent and new business to the CBD and wider Wellington City area. We are planning to deliver this programme through a specialist delivery agency rather than in-house. This addresses a gap in service provision identified in the Council's Economic Development Strategy and in the review of the Wellington Regional Strategy. It will ensure the ongoing competitiveness of the City in an increasingly competitive global market for investment and talent.

How much and when:

\$1 million in 2012/13 and \$1.9 million a year from 2013/14 onwards

Who will pay:

Commercial ratepayers – 50%; Downtown Levy ratepayers – 50%

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- ***FIFA Under 20 Mens World Championships 2015***

We propose to bid for this event and host a range of games in the city. This event will raise Wellington's profile internationally and attract visitors to the city. The costs are associated with bid preparation and liaising with football clubs and FIFA.

How much and when:

\$2.54 million in total over the next four years.

Who will pay:

Commercial ratepayers – 100%

- ***The Hobbit world premiere***

Wellington will host the world premiere of *The Hobbit* in late November 2012 by staging a parade, hosting guests, and staging a festival.

Wellington previously hosted the world premiere of *Lord of the Rings: Return of the King*. Over 100,000 people turned out to watch the parade before that premiere, and the event generated significant overseas media interest. This event will be larger and involve everyone in a week-long celebration of Wellington's creativity.

How much and when:

\$1.1 million in 2012/13

Who will pay:

Commercial ratepayers – 100%

- ***Positively Wellington Tourism – Australia marketing***

We propose to continue to contribute to this marketing campaign, but at a reduced level than the \$1 million we have provided annually in the last three years.

Visitor numbers from Australia have grown in recent years on the back of a successful marketing campaign.

How much and when:

\$2.47 million in total over the next 3 years.

Who will pay:

Downtown Levy ratepayers – 100%

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- ***Positively Wellington Venues – replacement venue for Town Hall***

We propose to fund Positively Wellington Venues to refurbish the TSB Arena and Shed 6 on the waterfront as replacement venues for the Town Hall while it is being earthquake strengthened.

A lot of convention, cultural and community activity will be displaced from the Town Hall during its strengthening. Wellington would lose a minimum \$14.4 million in economic benefit over three years if a fit-for-purpose venue is not provided. The refurbished waterfront venues would not only meet the temporary need but also cater for additional demand for convention space, which PWV plans to generate.

How much and when:

\$4 million capital spending in 2012/13

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: User Charges and External Funding – 5%; Downtown Levy ratepayers – 40%; All ratepayers – 55%

- ***Te Papa Funding***

We propose to reduce our funding to Te Papa so that we can direct those resources to other priority activities to grow our economy.

From 2012/13 we plan to fund Te Papa \$1 million annually, a reduction of \$1.25 million from our current funding. We also plan to develop a clear agreement on how our funding will be used.

Te Papa is an iconic and uniquely Wellington institution that is visited by 1.3 million visitors each year – with 350,000 of visitors from outside the city and just under 500,000 from overseas. We greatly value this attraction and want it to stay in the city. However, having funded Te Papa since it moved to its waterfront location, we now wish to reallocate a proportion of this significant funding to other economic development activities.

How much and when:

\$1 million per annum

Who will pay:

All ratepayers – 30%; Downtown Levy ratepayers – 70%

- ***Long-haul airline attraction***

We plan to continue supporting the attraction of a long-haul air carrier to Wellington.

A feasibility study into the creation of a long haul attraction fund is in the early stages of development. The findings will inform the 2013/14 Annual Plan. In the event that an opportunity arose before then the Council would give it consideration. In the meantime, we plan to stop our current contribution of \$200,000 to Positively Wellington Tourism that had been directed towards this.

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Alternative proposals not included in the draft plan

- Positively Wellington Tourism and the Wellington Zoo Trust requested funding increases matching the rate of consumer inflation to cover the increased costs they are facing. We decided to not provide inflation related funding increases to any of our CCOs in this draft plan. This recognises that Council has not required its CCOs to make the level of internal efficiencies and savings that it has required of internal Council business units.

For a full list of the activities we are undertaking to strengthen Wellington's economy, please read the activity statements in the full draft of our long-term plan.

Questions to consider in providing your feedback on this section:

- *Is it appropriate that the Council leads and/or invests in these projects?*
- *Do you think we have the right range of proposals to support growth in the economy? Are there other options we should be considering?*
- *Which of these projects do you think we should prioritise and why?*
- *What do you think of our proposal to reduce funding to Te Papa?*

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What's important 2:

Building resilience to earthquakes

The recent earthquakes have changed people's thinking about the likelihood of natural disasters and how to prepare for them. Wherever people lose their lives, we always think about what we can do to prevent it happening again. We are all now focussed on how we can be better prepared for earthquakes and natural disasters.

The options available to us to enhance the city's resilience against natural disasters include, earthquake strengthening our own assets, providing our regulatory role of earthquake assessment efficiently and effectively, enhancing community resilience and preparedness, and helping others to earthquake strengthen their buildings.

We are proposing to undertake projects across Council's activities that deliver towards all of these options. We believe it is essential that we address this issue, both to ensure the continuing safety of people in our city, and to give them confidence that, we are prepared for, and will reduce the impact and level of disruption caused by a natural disaster.

- **Resilience of the water network**

We are proposing a programme of activities to improve the water network's resilience and emergency preparedness.

This involves a range of projects including the installation of mobile water tanks at key locations, and completing the installation of auto shut-off valves on reservoirs. These valves are triggered by sudden losses of stored water following an earthquake.

We will also continue to assess the seismic strength of existing water reservoirs in order to inform our reservoir renewal priorities.

How much and when:

\$3.3m in over the next 3 years and \$1.2m over the following 7 years

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: Commercial ratepayers – 40%; Residential ratepayers – 60%

We're also proposing additional funding to assess the seismic strength of water reservoirs, pump stations, telemetry systems and critical pipeline fittings/fixtures, and plan appropriate remedial work.

How much and when:

\$506,000 of operational funding over the next 10 years

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: Commercial ratepayers – 40%; Residential ratepayers – 60%

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- ***Earthquake strengthening the Council's buildings***

We are increasing our capability to manage and coordinate the large volume of strengthening work being undertaken to position Wellington for the future.

This capability will enable us to undertake further detailed assessments of some of the city's key earthquake prone assets.

How much and when:

\$2.04m in operational funding over the next 3 years and \$4.26m over the following 7 years.

Who will pay:

All ratepayers – 100%

The detailed assessments will provide critical information, enabling us to prioritise the planned earthquake strengthening of Council's portfolio of properties. This programme of activity is both, to meet legislative requirements, and ensure the safety of structures for users and the general public. Key buildings to be strengthened in the first three years include The Town Hall and the Council office buildings on Wakefield Street.

How much and when:

\$34.3m over the next 3 years and \$13.5m over the following 7 years

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: All ratepayers – 100%

We also need to provide alternative Mayoral and Councillors facilities and temporary accommodation for Council staff while The Town Hall and our office buildings are being strengthened. The costs relate to relocating Mayoral and Councillor facilities, council's operations and staff, as well as temporarily leasing suitable alternative accommodation.

How much and when:

\$5.01m in total over the next 3 years

Who will pay:

All ratepayers – 100%

- ***Helping others to earthquake strengthen***

We want to help others so that the city is safer and more resilient in a major earthquake event.

To do this we need to better understand the variety of building structures in the city, investigate partnership models that help building owners obtain funding for strengthening work, consider how we can take a precinct approach to heritage buildings, and investigate potential new technologies for strengthening (in partnership with government and other agencies).

How much and when:

\$1.5 million over the next 5 years

Who will pay:

All ratepayers – 100%

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- **Heritage grants**

We propose to continue to provide heritage grants pool. The focus of the fund will be on remedying earthquake-prone features or obtaining conservation plans/initial reports from engineers.

How much and when:

\$329,000 per annum for the next 3 years

Who will pay:

All ratepayers – 100%

- **Grants to support community preparedness:**

We propose to increase our social and recreation grants pool by \$25,000 and to expand the grant criteria to include community/neighbourhood resilience projects.

How much and when:

\$25,000 per annum

Who will pay:

All ratepayers – 100%

- **New standards for fire fighting:**

We propose to upgrade parts of the water network to meet new standards for fire fighting. There are currently a number of areas in the network that do not meet the new fire fighting regulations/standards. These sectors are mainly in the older parts of the city that were supplied with water under older codes of practice including Queens Drive, The Esplanade (Houghton Bay), Cave Road (Houghton Bay), Durham St, Churchill Drive, Bendbrook Way, Glenside Road, Terawhiti Tce, Broomhill Road, Carey St and Ellerton Way.

How much and when:

\$2.2 million over the next 3 years and \$2.0 million over the following 7 years

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: Commercial ratepayers – 40%; Residential ratepayers – 60%

- **Energy efficiency programme**

We plan to develop strategic partnerships to deliver Wellington's emissions reduction targets. We also propose to continue to invest in existing climate change initiatives.

Our proposed work in this area over the next three years will include:

- a) Supporting the *Warm Up New Zealand: Heat Smart* programme which supports improved home insulation and heating. This programme also attracts government funding.
- b) Extending the existing *Home Energy Saver Programme* which provides for free energy assessments and the preparation of tailored action plans for Wellington households.
- c) Carrying out further sea level rise risk assessments for developed parts of the city, and establishing a Climate Adaptation Strategy for managing these risks.

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How much and when:

- a) \$50,000 per annum for the next 3 years
- b) \$50,000 per annum for the next 3 years
- c) \$100,000 per annum for the next 3 years

Who will pay:

All ratepayers – 100%

- ***Water reservoir – Prince of Wales Park***

We are proposing to construct a new 35 million litre reservoir on the Prince of Wales Park. This will serve Wellington Hospital's emergency needs and provide bulk water supply to meet the needs of the city's growing inner city population. We had planned to start this project in 2013/14 but now plan to begin work in 2015/16. The Greater Wellington Regional Council will contribute \$4.5m to this project because of the increased storage it will provide.

How much and when:

\$4.24 million over two years (after the Regional Council's contribution)

Who would pay:

Initial Funding: Borrowings – 48%; External Funding -52%
Ongoing Operating Costs: Commercial ratepayers – 40%; Residential ratepayers – 60%

- ***Tasman St reticulation upgrade***

We were planning to upgrade the existing 450mm diameter water main to a 900mm diameter along this street.

This is to provide a link from the proposed Prince of Wales Park reservoir to the central city. The design work was completed in 2011/2012 and in the previous long-term plan the project was programmed to start in 2012/2013. We now plan to do this work in 2015/16.

How much and when:

\$562,672 in 2015/16

Who would pay:

Borrowings – 100%
Ongoing Operating Costs: Commercial ratepayers – 40%; Residential ratepayers – 60%

Alternative proposals not included in the draft plan

- We had proposed to undertake earthquake strengthening and reactive maintenance work on the Basin Reserve's Museum Stand. The cost of this work was estimated at \$1.5 million. We have decided to defer this work until 2016/17 due to financial constraints. The stand, which is not well-used by spectators, will be closed until work is undertaken. The Cricket Museum will be unaffected by this closure.

For a full list of the activities we are undertaking to build resilience and protect the city's environment, please read the activity statements in the full draft of our long-term plan.

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Questions to consider in providing your feedback on this section:

- *Do you think earthquake strengthening the city's assets and making the city more resilient is a high priority?*
- *What role do you think the Council should play in assisting individual property owners to strengthen earthquake-prone buildings?*
- *What could the Council do to assist individuals and communities to better prepare for an earthquake or other natural disaster?*

What's important 3:

Transport

This is an issue that people always want to talk to us about. People are concerned about parking, public transport, congestion and cycling. Different people have different views about these issues. However, everyone realises that how we move around the city is critical to our economy, quality of life, and environment.

The transport network is made up of the private vehicle network, the public transport network and networks for cycling and walking. There are options around relative priority and investment of each network. Our approach is to continue investing in mixed modal network that delivers transport options for all residents and visitors to the city.

We are not the only government body that manages and invests in Wellington's transport infrastructure. The Greater Wellington Regional Council (GWRC) funds most and manages some of the city's public transport services. The New Zealand Transport Agency (NZTA) manages the state highway network as well as funding some of the work we do on the local network of roads, bridges, walls, tunnels and cycle ways. Some of the projects below also increase the resilience of the city to natural disasters. Key transport activities in this plan include:

- ***Tunnels and bridges improvements***

We propose to strengthen or rebuild many tunnels and bridges throughout the city. Many of these structures are old, with a few over 100 years old. They require either strengthening or rebuilding to comply with the current building code, and to withstand earthquakes and increased traffic loadings.

Over the next three years, this work will include: completing Hataitai Bus Tunnel strengthening work; investigation, design and tendering for Northland Tunnel strengthening (construction to be completed in 2015/16); and undertaking Aotea Quay Bridge strengthening works.

How much and when:

\$3.2m over the next 3 years and \$9.5m over the following 7 years

Who will pay:

Initial Funding: NZTA – 54%; Borrowings – 46%

Ongoing Operating Costs: NZTA – 5%; All ratepayers – 95%

- ***New walls on the road corridor***

We propose to build new retaining walls on road corridors and along the coast. Preliminary assessments have identified some 4,000 locations where there are unsupported embankments above and below roads. The city experiences between 500 and 700 slips each year, and many of these create risks to properties above or below roads or beside the sea.

How much and when:

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\$5.65m over the next 3 years and \$15.97m over the following 7 years

Who will pay:

Initial Funding: NZTA – 54%; Borrowings – 46%

Ongoing Operating Costs: NZTA – 5%; All ratepayers – 95%

- **Minor safety projects**

We want to address black spot crash locations and undertake minor safety projects to reduce crashes at sites throughout Wellington.

The minor safety work programme is aligned to NZTA Safer Journey 2010-2020 criteria that address accident black spots where fatal and serious crashes have occurred. This work involves smaller projects, most of which are low cost but have high benefit for the community.

How much and when:

\$2.1m over the next 3 years and \$6.5m over the following 7 years.

Who will pay:

Initial Funding: NZTA – 54%; Borrowings – 46%

Ongoing Operating Costs: NZTA – 5%; All ratepayers – 95%

- **Johnsonville roading improvements**

We have allocated funding for roading improvements in Johnsonville starting in 2016/17. The timing of our proposed roading improvement programme in Johnsonville may need to change in the future to ensure it aligns with the development of Johnsonville Mall.

How much and when:

\$7.1m from 2016/17

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: NZTA – 5%; All ratepayers – 95%

- **Cycle safety**

We would like to improve the safety of cyclists travelling in our city. Projects include improving general safety at high risk intersections, providing directional signs on key cycle routes, and making improvements on routes to and from schools.

How much and when:

\$300,000 per annum

Who will pay:

Initial Funding: NZTA – 54%; Borrowings – 46%

Ongoing Operating Costs: All ratepayers – 100%

- **Cycle networks**

We propose to create new cycling routes across the city. Firstly, we will complete a shared walking/cycling path through Tawa from Takapu Station to Keneperu Station, at which point Porirua City Council will continue the path onward to Porirua Station.

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Secondly, we will investigate and, if we receive NZTA funding, create a safe walking/cycling path for commuters between Island Bay and the city.

Thirdly, we will investigate and, if we receive NZTA funding, continue to invest in The Great Harbour Way walking and cycling route, which runs around Wellington harbour from Fitzroy Bay in the east to Sinclair Head in the west.

How much and when:

\$1 million per annum from 2012/13 until 2018/19

Who will pay:

Initial Funding: NZTA – 54%; Borrowings – 46%

Ongoing Operating Costs: All ratepayers – 100%

Alternative proposals deferred or not included in the draft plan

To manage costs in the transport area we have deferred a number of capital upgrade projects including the following:

- *Northern suburbs* – we were planning to construct a number of linking road in the northern suburbs of the city. These included: the linking of John Sims Drive; the McIntock St extension and, Ohariu Valley Rd to Westchester Drive. We are deferring these because the expected population growth in these areas has not occurred. We will review the need for these roads on a regular basis. This has resulted in \$12.81 million in capital funding not transferring from the current long term plan into this plan.
- *Adelaide Road improvements* – it is proposed that this project be deferred until 2020/21. This encompasses widening of arterial routes and major intersection improvements to improve the capacity and efficiency of this party of the network, and amenity improvements. This will defer \$7.21 million of capital funding.
- *Aro Street improvements* – it is proposed that this project be deferred from the scheduled start date of 2014 until 2020/21. The works relate to roading and amenity improvements in and around Webb and Aro Streets.

For a full list of the activities we are undertaking to improve the city's transport network, please read the activity statements in the full draft of our long-term plan.

Questions to consider in providing your feedback on this section:

- *Do you think the projects above are a priority for new funding?*
- *Which of the following types of project do you think we should prioritise for funding?*
 - a) *Projects that improve the safety of pedestrians*

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- b) New walkways*
- c) Projects that improve the safety of cyclists*
- d) New cycling routes*
- e) Projects to improve roadside parking*
- f) Projects that improve the capacity of existing roads for cars*
- g) Projects that improve safety at intersections*
- h) New roads in areas of potential population growth*
- i) New bus shelters*
- j) New bus lanes*
- k) Education campaigns and programmes targeting road users*

What's important 4:

Maintaining Wellington as an inclusive place where people choose to live

People are passionate about Wellington and love all the great things there are to do here. They tell us that they like living in a creative, diverse, environmentally sustainable and inclusive city.

Wellington has a very high quality of life that we want to see maintained and enhanced. The options to achieve this directly relate to the level of investment we make in the things that make this city an enjoyable place to live, work and visit. While our proposed programme of improvements is less than it has been for the last ten years to reflect the economic environment, we believe we've got the balance right and are investing in the right things at the right level to take this city forward.

By undertaking the projects below (and those in the 'Growing our economy' section above), we believe we will be taking the first important steps towards our new community outcomes and our *Towards 2040: Smart Capital* vision.

- **Central City Framework and Parks**

We're planning a range of projects to implement our Central City Framework. This framework sets out a blueprint for how the city's 'spatial structure' should be developed in the coming years. The priority projects we propose to undertake in the next few years include:

- *Parliamentary precinct* – We propose public space enhancements and improved connections timed to align with the National Library reopening this year and ahead of the 150 year commemoration of the capital city. We're proposing to spend \$500,000 of capital funding in 2012/13 and \$1.03m in 2013/14 on this work.
- *Laneways* – We're proposing to make improvements to Opera House Lane and Eva Street. The work is timed to coincide with the redevelopment of an adjacent building in 2012/13. We're proposing to spend \$500,000 of capital funding in 2012/13 and \$516,000 in 2013/14 on this work.
- *Memorial Park* – We're proposing to co-invest with central government and other parties including the Australian Government (2013/14) to deliver on this high quality park. We're proposing to contribute \$2m of capital funding to this work in 2013/14 ahead of the park being open for Anzac Day commemorations.
- *Victoria Precinct* – We're proposing to make public space enhancements and connections from Dixon St to Ghuznee St. This work will be timed to take advantage of a unique opportunity to leverage off private developments in the area in 2014/15 and 2015/16. We're proposing to spend \$639,000 of capital funding in 2014/15 and \$2.09m in 2015/16.

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- *Inner city park* – As the inner city population increases, we're keen to ensure that there are sufficient green spaces where people can congregate and relax. We're proposing to spend \$3.3 million in 2015/16 to provide an additional park in the central city.

How much and when:

\$5.31m over the next 3 years and \$5.39m in 2015/16

Who will pay:

Initial Funding: Borrowings – 70%; Development Contributions – 30%

Ongoing Operating Costs: All ratepayers – 100%

- **Waterfront projects**

Wellington Waterfront Ltd. is proposing to undertake the following capital works in the coming years:

- *The Promenade* – improve the connection from the Meridian building through to Shed 21 and the railway station
- *Wharf pile maintenance* – complete the third stage of the waterfront-wide pile repair and refurbishment programme
- *Waitangi Precinct* – redevelop the Overseas Passenger Terminal and adjacent public space
- *Taranaki Street Wharf Precinct* – install a diving platform in the cut-out space by the Free Ambulance building in 2012/13
- *Frank Kitts Park precinct* – continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden society regarding their fundraising initiatives
- *Queens Wharf Precinct* – carry out new public space development in 2014/15.

The three year Draft Waterfront Development Plan is included in the appendices to the full draft long-term plan.

Who will pay:

Initial Funding: Commercial proceeds from the development and sale of the waterfront public space fund future development on the waterfront.

Ongoing Operating Costs: All ratepayers – 100%

- **Clyde Quay Marina**

We're proposing to carry out some public access improvements around this facility so it can be more easily accessed and enjoyed by the public.

How much and when:

\$208,000 in 2012/13

Who will pay:

Initial Funding: Borrowings – 100%

Ongoing Operating Costs: All ratepayers – 100%

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- ***New Zealand International Arts Festival***

We are proposing to continue funding the Festival Trust at this level in recognition that the financial pressures it faces have continued.

In the 2009-19 long-term plan, the New Zealand International Arts Festival received an increase in funding from \$750,000 to \$950,000 per annum for three years. This was in response to increased costs, a pressure not to increase ticket prices in the economic climate, and sponsorship becoming increasingly difficult to secure. It was agreed that this funding would be reviewed in three years based on the Festival's financial circumstances.

Held every two years, the country's premier arts festival attracts world class dance and opera companies, performers, singers, visual artists and theatre groups. The festival generates substantial funding from sponsors and ticket sales but it also offers a range of free events in the city.

How much and when:

\$950,000 per annum

Who will pay:

Commercial ratepayers – 100%

- ***Grants funding increase:***

We are proposing increases to our grant funding pools to respond to financial pressures faced by applicants and to enable groups to deliver on our strategic priorities:

- a) We propose to increase the cultural grants pool by \$150,000 per year. This will allow us to implement our new Arts and Culture Policy, which was adopted in December 2011. It will also enable us to respond to pressures on the pool, with applicants in total regularly requesting 3.5 times more funding than is available.
- b) We are also proposing that, from 2012/13, we will inflation adjust grants to organisations with three-year contracts funded through the grant pools. The demand on the grant pools has increased over the last few years, partly due to higher costs of delivering services and partly due to a general tightness in the availability of other funding. Inflation adjusting three-year contract grants will help ensure service levels delivered by the organisations can be maintained. Inflationary pressures on annual grants (those that are not subject to three-year contracts) will be managed through prioritisation and allocation.

How much and when:

a) \$150,000 per annum

Who will pay:

Residential rate payers – 100%

How much and when:

b) \$69,695 in 2012/13, \$141,062 in 2013/14, \$214,142 in 2014/15 and increasing amounts in future years (inflation adjustments applied on an annual and compounding basis).

Who will pay:

All ratepayers – 100%

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- **Artificial sportsfields**

We're proposing to continue with our roll-out of more artificial surfaces throughout Wellington in the coming years. Artificial surfaces are not affected by wet weather and are more durable than grass fields meaning more games can be held on any given weekend – even in very wet weather. We're proposing to construct the following artificial surfaces in the coming years

- 2013/14 Alex Moore Park
- 2014/15 Grenada North/Tawa area
- 2016/17 Western Suburbs (site to be confirmed)

There is an expectation of external funding support of \$400,000 for the artificial surfaces in both Grenada and the western suburbs.

How much and when:

\$5.2 million in capital funding from 2012/13 to 2016/17

Who will pay:

Initial Funding: External Funding – 16%; Borrowings – 39%; Development Contributions – 45%

Ongoing Operating Costs: User Charges – 40%; All Ratepayers – 60%

- **Community Facilities**

We are proposing to fund a series of upgrade projects in line with our Community Facilities Policy.

In 2010, Council adopted a Community Facilities Policy which included a strategic review of our libraries, pools, and community centres. It also included an implementation plan which established a programme of priority facility upgrades over ten years for consideration in this long-term plan. We have decided to fund the following projects in this draft plan.

- **Keith Spry swimming pool in Johnsonville**

We plan to improve this pool to meet the needs of a growing population in this area. This work will include replacing the existing roof, constructing new teaching and leisure pool space as well as building new changing facilities.

How much and when:

\$2.6 m in 2012/13

Who will pay:

Initial Funding: Borrowings – 44%; Development Contributions – 56%

Ongoing Operating Costs: User Charges – 40%; All Ratepayers – 60%

- **Johnsonville Library**

To also meet the needs of the growing population in the northern suburbs, we are proposing to build a new library next to the Keith Spry pool in Johnsonville. This location was decided on after extensive analysis and consultation with the community.

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How much and when:

\$18.5m over 3 years starting in 2015/16

Who will pay:

Initial Funding: Borrowings - 87%; Development Contributions – 13%

Ongoing Operating Costs: User Charges – 10%; All Ratepayers – 90%

- **Community centres**

We're proposing to upgrade a number of community centres in the coming years to ensure they serve the community's needs. The following upgrades are proposed:

- *Aro Valley Community Centre* – planning work will start in 2016/17 with construction in 2018/19. We're proposing to spend \$1.3 million in capital funding to complete the upgrade
- *Newtown Community and Cultural Centre* – planning work will start in 2016/17 and construction over the following two years. We've allocated \$3.6 million over those three years to carry out the work.
- *Strathmore Community Base* – planning work to upgrade this facility will start in 2017/18 and works are programmed over the following two years. We've allocated \$1.4 million of capital funding to carry out this work
- *Kilbirnie Community Centre* – we're proposing to carry out planning work in 2021/22 (\$61,000) for upgrading this facility.

Who will pay:

Initial Funding: Borrowings - 100%

Ongoing Operating Costs: User Charges – 5%; Residential Ratepayers – 95%

Alternative proposals deferred or not included in the draft plan

- In 2012/13, we had anticipated doing some public space improvements in Miramar making. This was aimed at improving safety and providing a focal point at the corner of Miramar Ave and Park Road. We were also exploring improvements in other growth centres starting in 2013/14.

However, while all suburbs will be refreshed at different times as we renew park equipment, street furniture and other assets, we have decided not to commit to significantly upgrading suburban centres at this stage due to constraints on our budgets.

We have prioritised projects based in the central city because that is the heart of the region's economy and because all Wellingtonians regularly experience the city centre. We will consider investing in suburban centres where there are major partnership opportunities or significant growth occurs.

The current upgrade work planned for Bay Road in Kilbirnie will be completed.

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- We considered including capital funding of \$17.1 million to build a new 35 metre deep water pool at the Wellington Regional Aquatic Centre in Kilbirnie. This would have provided additional space for water sport groups and would have enabled Wellington to host more national and international sporting events. It was proposed that an additional \$4 million would have been contributed by external parties towards the total costs. We decided not to fund this project because of the financial constraints we face and because we are already investing in the development of new pool space. Some of this space is yet to become available but should meet the demand for community, school and 'learn to swim' activities.
- We had planned a project that would 'green' Taranaki Street to improve its appeal and catalyse development on this major street and provide part of a processional route between parliament and Memorial Park. It would cost \$3.6 million. We have decided not to do this project within the timeframe of this plan.
- We had planned a refresh of the Central Library building at a cost of \$8.4 million in capital spending but have not included this work in the draft plan. With changes in community expectations, new technologies and recognising that some of our existing library facilities are old and may require earthquake strengthening in the future, we are proposing to undertake a review and consider options for how we can best deliver a modern library service in the future. The review's finding will be presented to the Financial Sustainability Working Party (see below) and inform future annual plan decisions.
- We were also proposing to fund a number of capital upgrade projects in our gardens and reserves. These included an upgrade of both the Treehouse (\$350,000) and the Annexe (\$380,000) within the Botanical Gardens, the installation of external lift access to the Truby King House (\$85,000), as well as upgrades to the curator's house (\$225,000) and entrance at Otari Wilton Bush (\$315,000). Due to financial constraints, we are not planning to include these projects in this long-term plan.

For a full list of the activities we are undertaking to enhance our vibrant, liveable city, please read the activity statements in the full draft of our long-term plan.

Questions to consider in providing your feedback on this section:

- *Do you think it is appropriate that the Council leads and/or invests in the above projects?*
- *Which of the above projects do you think we should prioritise and why?*
- *Have we got the focus right between community facilities and public space improvements?*
- *Are we doing enough to sustain investment and development in the central city?*

What's important 5:

Balancing our budget

The uncertain economic environment is making people very careful about how they spend money. People are concerned about the rising cost of basic things such as food, transport and housing. Our surveys have told us that people want Council rates to remain affordable. To do this, Councils have been challenged to budget carefully and keep rate increases down.

The Council is facing significant financial pressures. We have to meet the costs of some projects that we cannot delay, such as earthquake strengthening and funding weathertight building liabilities (\$68.3 million over the first 8 years of this plan). Along with this, some of our costs are increasing well above the rate of inflation. Examples of this are fuel, bitumen (an oil-based roading material) and insurance, which in the 2012/13 budget is \$9.6 million, an increase of \$3.1 million on 2011/12.

The Council is responding to these pressures by:

- making savings where possible now
- working smarter
- establishing a *financial sustainability working party* to drive efficiencies and savings in the mid to long-term
- ensuring fees and charges are set at a level that appropriately recognises the benefit received by users of services.

Making savings now

Like households and businesses, we need to continually review our expenditure and activities, to ensure they contribute to our priorities as an organisation. On behalf of the community, we want to be able to invest in new or existing activities that are of high strategic value. We should also then reduce our investment in other areas where funding is unnecessary or less strategic.

In this long-term plan, we are proposing to make the following savings, in addition to those already outlined in the previous sections.

- *Our Wellington page*

We're proposing to reduce the weekly Our Wellington page in the *Dominion Post* from 1-½ pages per week to one page per week. This will have a modest impact on our communications, which we will seek to supplement by making greater use of alternative communication tools such as our website. \$50,000 savings per year will be generated.

- *Public Art Fund*

We are proposing to reduce the Public Art Fund permanently to \$200,000 per annum. The fund, which supports the commissioning and installation of art in public spaces, is distributed by the

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Public Art Panel – a group of professional contemporary arts advocates. The Council supports projects undertaken by the Wellington Sculpture Trust through this fund.

In the 2009-19 long-term plan, the Public Art Fund was reduced to \$100,000 per year, from \$300,000, for three years as a budget savings. The Smart Wellington and new Arts and Culture Strategies identify goals that public art can directly contribute to, for example 'highlighting the relationship of mana whenua to the city' and 'reflecting the diverse communities based here'. Officers believe that such projects can be supported through the reduced funding level.

- ***Gateway sculpture***

We are proposing to no longer proceed with the Gateway Project – a proposed gateway sculpture *Te Matau a Maui – the Hook of Maui and Receding Waters*. This project could not proceed due to technical and funding issues that could not be resolved. Subsequently, the Wellington Sculpture Trust ran a process to select an alternative sculpture, which included a second open call for proposals. This process did not identify a proposal that would meet all the criteria. Wellington Sculpture Trust will return \$200,000 to Council that had been previously granted to it for this project.

- ***Reducing opening hours at low use times for swimming pools***

We are proposing to reduce opening hours at the Spray facility in the Wellington Regional Aquatic Centre at times of low use. It is proposed that the facility will open at 9.00am instead of 8.00am and close at 6.00pm instead of 8.00pm. This will provide savings of \$26,000 savings per year.

- ***Grants reductions***

We are proposing to cease and reduce some grants pools having considered how well they are prescribed and whether applications could fit the criteria of other grant pools. The following is proposed:

- stop funding Sports Development Grants (\$50,000 per year) and the Sporting and Cultural Representatives Grants (\$15,000 per year) – applicants can apply to the social and recreation grants pool instead
- reduce the environmental grants pool from \$80,000 a year to \$40,000.

- ***City safety programme***

In the coming months we'll review our Walkwise service. The contract term for the service expires in July 2012 and cannot be rolled over for another term. The review will be comprehensive and will consider all options on how to meet our city safety objectives including

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using volunteers and groups such as Māori wardens to deliver the service. We're anticipating annual savings of \$150,000 from 2012/13 as a result of the review.

Our chief executive is also planning to revisit the structure of our organisation to ensure it is configured to deliver on this plan in the most efficient way.

Working smarter

We are continually looking for ways to improve how we manage our costs and deliver our services.

For example, we have reduced costs by refining the list of suppliers we use and joining with others to buy services and products in larger quantities. We are planning to save an additional \$1 million this year from working this way. We have also provided more of our services online. For example lawyers can now request and receive rates information to finalise property transactions electronically. We are also looking at how we can work in partnership more to deliver services, particularly with other councils in the Greater Wellington region. For example, local authorities are planning to amalgamate the region's emergency management offices into a single organisation from 1 July 2012 to coordinate emergency management services for the region.

For this long-term plan, we are proposing to review a number of services to assess their strategic value and determine whether they can be delivered more cost effectively. We would value your feedback on these proposals at this early stage in the review processes.

- *More efficient waste management*

During 2011 all eight local authorities in the Wellington Region agreed to adopt a consistent and, where possible, a joint approach towards managing waste. This regional collaborative approach is now described in the Wellington Region Solid Waste Minimisation and Management Plan. As part of that work, we're investigating with Porirua City Council opportunities to manage waste activities together – possibly through the establishment of a joint Council Controlled Organisation. The findings from the investigation are not yet complete, and any proposal to establish a Council Controlled Organisation to manage waste jointly with Porirua will be subject to further consultation before a final decision will be made.

- *Review of refuse bins*

In 2012/13, we are proposing undertake a comprehensive review of the city's refuse bins. The review will look at the total number of bins and whether they can be reduced, their location and the type of bins used.

As part of the review, we plan to trial the use of wheelie bin stations as a replacement for the 'eye-bins' currently installed in public places. These bins would be able to hold more rubbish, be easier to empty and reduce health & safety risks posed to staff.

The findings of the review will inform the 2013/14 Annual Plan and be further consulted on with the community at that time. It is estimated that the review could result in annual savings of up

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to \$500,000 per year from 2014/15. In 2012/13 we have budgeted \$200,000 in new capital expenditure to undertake a trial of new bins and \$800,000 to implement the outcome of the review.

- *Review of waste collection services*

In 2012/13 we are also proposing to undertake a review to determine Council's future role in the provision of waste collection services. The Council's yellow rubbish bag business is in slow decline. Sales have reduced over the last decade. The decline is due to kerbside recycling being more popular, which diverts more waste. Private operators have also made significant inroads into the rubbish collection market. The findings of the review will inform the 2013/14 Annual Plan and be further consulted on with the community at that time.

- *Parking charges*

We considered increasing our hourly parking charges by \$0.50 per hour from 2012/13. We decided against this in favour of undertaking a review to consider the following proposals.

We're proposing to introduce four parking zones in the CBD with different fees. They are:

- Zone 1: Lambton – premium parking fees
- Zone 2: Te Aro – daytime and evening parking charges
- Zone 3: Fringe CBD – low parking fee to encourage park and ride/cycle/walk
- Zone 4: All other areas to retain existing fee structure.

The parking fees within these zones are proposed to be based on the following criteria:

- Increase or introduce fees where the occupancy exceeds 95% for extended periods including weekday evenings
- Reduce fees where the occupancy is less than 20% for extended periods
- Retain existing fees and hours of operations elsewhere
- No changes to the free parking (2 hour time limit) for Saturday and Sunday
- Introduce a minimum fee of \$1
- Allow the use of unexpired payment time and park anywhere in the CBD where the fee is similar or less than paid for
- Parking fees across the city range from a minimum of \$1.00 (minimum charge) to a maximum of \$4.00 per hour.

- *Regional water services*

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Wellington City Council and Hutt City Council have been asked to consider requests from the Porirua City and Upper Hutt City Councils to become shareholders in Capacity Infrastructure Services Ltd, our existing three-waters service management company. All shareholder customers will then aim to move to a common outcomes-based business model. Under these proposals, each Council will retain ownership of its water assets, but the proposals will take a large step towards the goal of eventual full regional water services integration and provide opportunities for efficiency gains longer term. Hutt City Council approved these proposals on 13 March 2012. On 5 April 2012 we considered a Strategy and Policy Committee report on these proposals. The outcome of this was not available at the time of printing, but the full report is available on our website under that meeting date. The proposal has yet to be considered by either Upper Hutt City or Porirua City Councils.

- *ECO City – a new trust to manage Zealandia, the Zoo, the Botanic Garden and Otari-Wilton Bush.*

We're proposing to establish a Council Controlled Organisation to manage [manage Zealandia, the Zoo, the Botanic Garden and Otari-Wilton Bush](#). Together these places tell Wellington's story of caring for the natural environment. The new model would provide greater efficiencies by allowing them to share services such as finance, IT systems and marketing and facilities management. There will also be better opportunities for destination marketing, membership systems and cross-selling to visitors and members - and it can all be promoted locally, regionally and internationally through the Council's marketing arm, Positively Wellington Tourism. It is a draft proposal and a separate and concurrent consultation is being run on this proposal. See our website for more information.

- *Toi Pōneke – the Wellington Arts Centre*

We are proposing to undertake a review of this arts centre to see how it delivers on the new Arts and Culture Strategy and whether the current building is fit for purpose. The lease on the current buildings in Abel Smith Street is due for renewal in 2015 and therefore it is timely to review the provision of this service.

Any changes resulting from the review will be subject to further consultation with the community.

- *Other potential efficiencies and savings*

In addition to the efficiencies and savings listed above we will:

- look further at efficiencies from CCOs - from cost sharing of back office functions to further consolidation
- monitor the leaky home liability and this may enable a lower funding requirement which could result in reducing the impact down from 0.75% of rates additional funding each year

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- review our exposure to interest rates - there may be potential for further hedging to occur to reduce our cost of capital in the out-years.

We will also continue to review our internal processes and costs. As a priority we will investigate ways to streamline our processes, use technology better and work in partnership more, particularly with other Council's in the region.

Financial Sustainability Working Party

As part of an ongoing commitment to keep costs low and achieve long term savings the Council has established a financial sustainability working party. The focus of its work will include:

- A review of options in terms of the renewal budgets for our assets. The cost of assets is a major component of the budget and contributor to the cost pressures that we face. At present the proposed budget for renewing our assets is projected to total \$979 million for the 10 years of this draft plan. A review of the options, impacts and potential risks of reducing this budget will be undertaken.
- The future need for assets and their ongoing strategic alignment.
- The future capital programme, service levels, alternative service models, holdings and potential income-generating opportunities.

The working party will report to the Strategy and Policy committee who will make any decisions and have these reflected as part future annual or long term plans.

In making any decisions the Council will:

- consider the need to appropriately maintain assets so that an unsustainable future financial liability does not result
- comply with legislation
- ensure the potential adverse impacts on the health and safety of staff and the public are adequately mitigated
- outline levels of service impacts and any associated monitoring framework to ensure that changes are sustainable and do not cause unacceptable impacts or disruption to the services that the assets support.

The work of the financial sustainability working party is aimed at achieving financial savings that are contained in the years 2013/14 – 2021/22 of this draft plan. Those savings equate to 5% of average funded operating expenditure over the ten years.

Fees and charges

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Like all businesses, we face increasing costs for fuel, electricity and the other things we need to provide services and operate facilities. From time to time we pass these cost increases on to users through increased fees and charges. Decisions about charges are based on who benefits and, therefore, who should pay for a service. For example, private building owners mostly benefit from the services we provide around building consents and so pay most of the costs of us providing this service through the fees we charge. A full explanation how we determine who pays for services is provided in our Revenue and Financing Policy which is included in the full draft of this long-term plan.

For 2012/13, we are proposing to increase user charges in a number of areas. The majority of these increases are minor and reflect cost pressures on the underlying service provided by the Council.

Areas where we are proposing to increase fees include:

- Sewage collection and disposal network
- Recycling and waste minimisation & disposal
- City archives
- Libraries
- Sports fields
- Synthetic turf sports fields
- Burials and cremations
- Public health
- Building regulation and facilitation
- Development control & facilitation

The level and extent of proposed fee increases vary and are outlined in greater detail in the draft long term plan document. Here is a summary of the some of the proposed changes:

- Recycling and waste minimisation & disposal – The majority of the fee increases proposed in this area are for the landfill fees (6%) and yellow rubbish bags (13%).
- Sewage collection and disposal network - Increases are proposed for trade waste charges in line with the increasing cost to maintain the wastewater network.
- Libraries – We are proposing to reduce the cost of some low rental DVDs to \$2 to encourage higher usage.
- Sports fields- As part of a three year programme to ensure 10% of the costs of running the sports fields is paid by users (per our policy) we are proposing an increase of 18%. This is the last year of significant increases.
- Synthetic turf sports fields – We are proposing an increase of 10% on fees for the
- National Hockey Stadium in recognition that the surface has been replaced.
- Burials and cremations – We are proposing an average increase of 2% to cover increasing operating costs.
- Public health - Fee increases averaging 2.5% have been proposed to current services to cover inflationary increases across all user fees that are not legislatively set.
- Building regulation and facilitation - Fee increases averaging 2.5% have been proposed to current services to cover inflationary increases. Fees for new services have also been proposed and some higher fee increases have been proposed to reduce non-compliant behaviour.

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- Development control & facilitation - No fee increases are being proposed, but building consent assessments against the District Plan is proposed to be charged on a time taken basis rather than the current fixed fee.

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Other proposals

Regional amenities fund – statement of proposal

We are proposing to join with other Councils in the Wellington region to establish a Regional Amenities Fund. The Fund would be used to top up funding for facilities, events and organisations that have regional benefits primarily in the arts, culture and environmental attractions and events sectors.

Through this activity the Fund ensures that regionally significant entities can be developed or sustained in the Wellington region to contribute to the region's quality of life.

The total fund would start at \$1 million in 2012, then rise to \$2 million in 2013/14, and grow by \$250,000 annually to reach a cap of \$3 million in 2017/18.

It is proposed that a distance differential be used by councils to contribute to the fund. This recognises that currently most regional amenities are located in Wellington City which is a benefit to the city, and that services provided by the amenities may not be shared evenly given the distance between them and the outlying council areas.

Wellington city's share would be \$594,000 in 2012/13; \$1.188m in 2013/14; \$1.337m in 2014/15; \$1.485m in 2015/16; \$1.634m in 2016/17 and each year through to 2021/22.

More information on this proposal is outlined in the full 2012-22 draft long-term plan. For more information on this and how to make a submission, see page **x** of this summary.

Belmont Reserve Management

We are proposing to enter into a formal agreement with the Greater Wellington Regional Council for them to manage Council land adjacent to Belmont Regional Park.

Belmont Reserve is a 105 hectare area of land adjacent to the Belmont Regional Park and accessed off Horokiwi Road. Greater Wellington Regional Council currently manage Belmont Reserve and include the land in their Parks Network Plan (a combined management plan for all of their parks and reserves) as part of Belmont Regional Park. The regional park is managed to protect landscape, ecology and heritage values and provide for outdoor recreation.

Both the regional council and our own reserve management plans provide consistent management objectives for the land and were developed in consultation between the councils and with the public. The proposed management agreement will formalise the existing situation rather than result in new or unexpected management practices. The values of the reserve will remain appropriately managed. There will be no long-term financial implications to entering into the agreement.

See page **xx** in the full draft long-term plan document for more information and for a map of the land.

Plimmer Bequest forward programme

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The Charles Plimmer Bequest - bequeathed income from his residual estate to the Council for the benefit of the citizens of Wellington – is used primarily to beautify areas of the city. The following projects are proposed over the next few years:

- *Watts Peninsula* – we’re proposing that \$150,000 be used to plan for and support the development of a park at Watts Peninsula in 2012/2013. Work will be part of the first stage of the opening of the Defence Force land as a park and destination for Wellingtonians and visitors
- *Grasslees Reserve in Tawa*- we’re proposing \$650,000 for the redevelopment of Grasslees Reserve in Tawa in 2012/2013 and 2013/2014. The redevelopment of this community park along with associated playground and toilet renewal will create a high quality community park within a recreation hub close to Tawa centre and linked by the new Tawa Shared Pathway Work will include development of a new bridge linking the sections of the park, work to better relate the stream to the park, updated play spaces and development of a new picnic and horticultural area.
- *Alex Moore Park Community Walkway* - we're proposing that \$380,000 be used to develop a community walkway and associated tree planting around Alex Moore Park in 2015/2016. This will compliment the proposed construction of an artificial turf on the Park in 2013/2014.
- *Children’s Garden* – we’re proposing that \$750,000 be used to part fund the development of the Children’s Garden at the Wellington Botanic Garden in 2013/14 and 2014/2015 subject to obtaining external funding for the balance of the construction and operating costs. The work will deliver a self directed interactive demonstration garden of horticulture for the home garden that will teach principles of plants and plant growth to children in fascinating, stimulating and challenging ways. The garden will tangibly demonstrate that all living things are dependent on plants.

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Our activities at a glance

Our overall programme of works cover:

Governance

Our governance work includes running local elections, developing policies and strategies to guide our work, consultation, producing annual plans and annual reports, and public communications.

Cost per resident next year based on what we plan to spend: \$0.21 per day; \$77.19 for the year

Environment

We look after the city's reserve land, beaches, and botanical gardens, and we fund the Zoo. We also: provide water supply, stormwater and sewage disposal; manage recycling and waste disposal services; offer grants for environmental initiatives; and promote energy efficiency and sustainability.

Cost per resident next year based on what we plan to spend: \$1.92 per day; \$701.26 for the year

Economic development

We fund tourism promotions, attractions and conference venues, and support major events. To support businesses, we advocate for the city's interests to central government, maintain links with other markets through sister city relations, and aim to attract talent and investment to the city to grow quality jobs.

Cost per resident next year based on what we plan to spend: \$0.25 per day; \$92.71 for the year

Cultural well-being

We fund the city's popular art galleries and museums, operate Toi Poneke – the Wellington Arts Centre, and support the NZ International Arts Festival, and other institutions. We also provide cultural grants, and support community events and festivals.

Cost per resident next year based on what we plan to spend: \$0.23 per day; \$83.27 for the year

Social and recreation

We provide social housing, support community organisations, and provide community centres and halls. We also run city safety initiatives, animal control, regulate other public health risks, provide toilets, manage cemeteries, and prepare the city to deal with emergencies such as earthquakes.

Our recreation work includes: providing playgrounds, swimming pools, recreation centres, sports fields and marinas; running recreation programmes; and subsidised entry scheme. We also provide libraries throughout the city.

Cost per resident next year based on what we plan to spend: \$1.32 per day; \$481.43 for the year

Urban development

Our urban development work includes enhancing the waterfront and city. Managing growth in our suburbs, developing public spaces such as urban parks and squares, looking after heritage sites, assessing and issuing building and resource consents, ensuring earthquake-prone buildings are strengthened, and planning for the city's future development.

Cost per resident next year based on what we plan to spend: \$0.35 per day; \$127.71 for the year

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Transport

We look after 670km of streets and roads, as well as footpaths, cycle lanes, traffic signals, car parks and so on. We also: support public transport through bus priority measures such as bus lanes, provide bus shelters and safety programmes; and plan to ensure the city's transport network meets future needs.

Cost per resident next year based on what we plan to spend: \$0.74 per day;\$269.90 for the year

Did you know

- 2.7%: the average annual reduction in rates increases compared to the past ten years
- 5%: the amount of efficiencies that will be found in the next decade equated to the average funded operating expenditure
- \$979 million: the cost of renewing the city's core assets till 2022
- 3,043: kilometres of pipes are maintained by the Council
- 327: kilometres of walkways are offered in the city
- 2.5million: visits to the city's libraries each year
- \$2,564: average cost of residential power per annum in the region (*Statistics New Zealand*)
- \$2,012: the average spend on telecommunications per annum in the region (*Statistics New Zealand*)
- \$1,972: the annual rates on an average residential (\$521,000) house in Wellington City
- This equates to 2.3% of the average household income¹ in the city (¹*Statistics New Zealand*).

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Financial Overview

FINANCIAL STRATEGY AT A GLANCE

New to this long term plan is our Financial Strategy. It is intended to guide the decisions we make now and in the future to deliver a financially sustainable city in the long term. In many ways, our strategy is formalising our current practice and compliments our existing financial policies. The Financial Strategy is founded on the following five guiding principles:

- *Fairness and Equity*
- *Willingness to pay*
- *Value for Money*
- *Risk management and assessment*
- *Good financial governance and stewardship*

The strategy outlines how we will balance investment in our city strategy with prudent and sustainable financial management of the Council's resources. The Council currently has a sound financial position; however we are facing significant financial challenges over the next 10 years because of the costs of earthquake strengthening our assets, our weathertight homes liability and increasing costs for insurance.

Through setting limits on our rates and borrowings we will require prioritisation of expenditure decisions together with review of existing services and their delivery. A Financial Sustainability Working Party has been established to aid in this process, the outcomes of which will be consulted on through our annual plan processes. The parameters we propose to set for our rates levels and rates increases are:

Rates limits:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rates increase target ¹	3.8%	2.9%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.7%	2.6%
Rates increase limit ²	3.8%	3.5%	3.2%	3.3%	3.4%	3.3%	3.4%	3.7%	3.9%	3.9%
Rates limit (\$'000) ³	240,161	249,671	258,834	268,592	279,121	289,616	300,853	313,459	327,220	341,618

We have set targets and limits separately to be clear about our intentions. Targets are the level that is **intended to be achieved**. Limits are the level it is **not intended to be breached**.

The parameters we propose to set for borrowings and capital expenditure are:

Borrowings limits:	Operating Targets	Prudential Limits
Net borrowing as a percentage of equity	<10%	<10%
Net borrowing as a percentage of income	<105%	<150%
Net interest as a percentage of income	<15%	<15%
Net interest as a percentage of annual rates income	<20%	<20%
Liquidity (term borrowing + committed loan facilities to 12 month peak net borrowing forecast)	>110%	>110%
Borrowings funded capital expenditure target	\$45 million over legislative Council triennium	
Borrowings funded capital expenditure limit	\$60 million over legislative Council triennium	

Our proposed financial strategy is detailed in full in part three, section **x** of this document.

¹ For 2012/13 the rates increase target equates to the increase in the Local Government Cost Index (LGCI). For 2013/14 the target is the average of the LGCI and the Consumer Price Index (CPI). From 2014/15 onwards the target is based on CPI.

² The limit on rates increases are set as an indexation based on the LGCI. The base year is the 2011/12 rates income.

³ The limits on rates is based on the increase set by the LGCI annually.

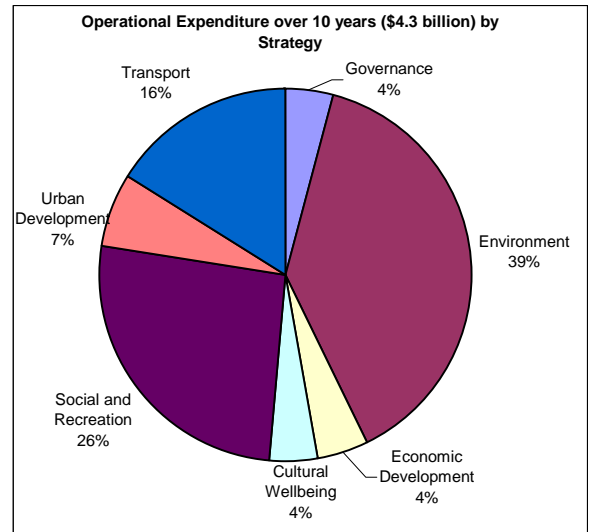
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FINANCES AT A GLANCE

OPERATIONAL EXPENDITURE

Operational expenditure provides for all of our day-to-day operations and services, from waste disposal, water supply and maintaining our roads, to issuing building consents, running our recreational facilities and maintaining our parks and gardens.

The Council plans to spend \$375 million on operational expenditure across our seven strategy areas in 2012/13, and a total of \$4.3 billion during the next 10 years. The graph to the right shows where this operational expenditure will be spent by strategy area over the 10 years of the plan:

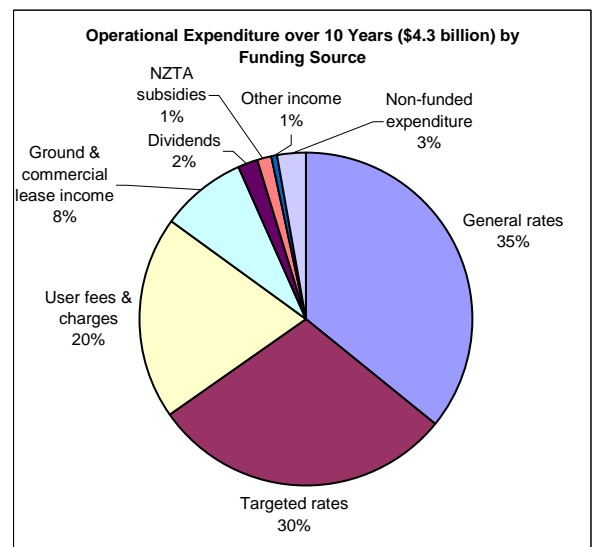


SOURCES OF OPERATIONAL FUNDING

65 percent of our operational expenditure is funded from a combination of general rates (paid on all properties) and targeted rates. The remainder is funded from user charges, ground and commercial lease income, dividends and other revenue such as grants and government subsidies. A small portion is not funded.

The following graph to the right shows how our operational expenditure is being funded over the 10 years of the plan:

Detailed information on all of our rating mechanisms is included on page xx of the plan.



YOUR RATES

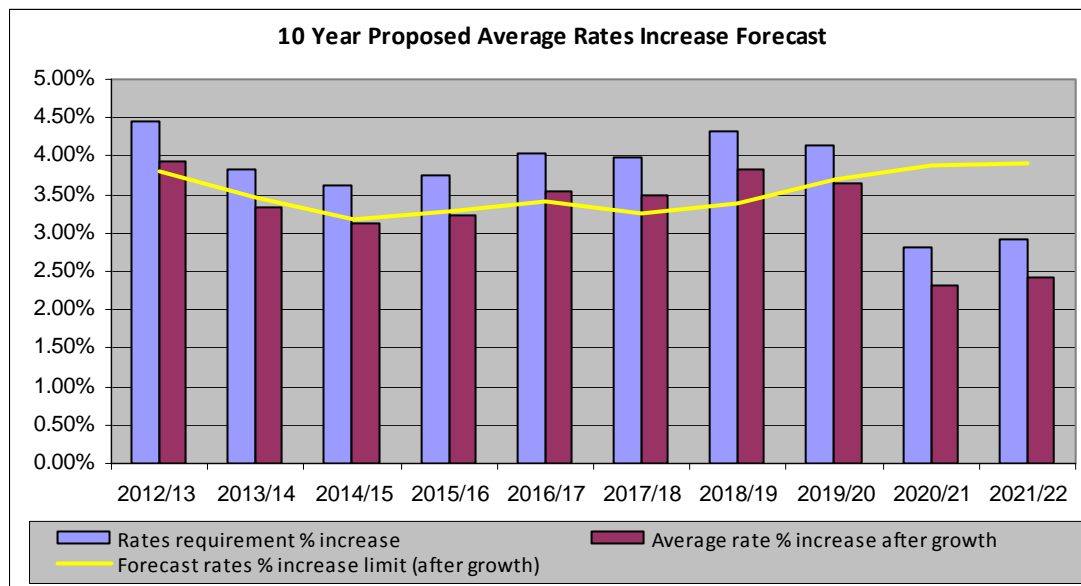
For 2012/13, our total rates requirement is forecast to increase by 4.4 percent (3.9% average ratepayer impact after allowing for growth in the ratepayer base). Total rates are forecast to increase by a further 3.8 percent for 2013/14 and 3.6 percent 2014/15 before allowing for growth in the ratepayer base, but including inflation.

Rates on the average residential property (valued at \$520,642) are proposed to increase by 3.57 percent to \$1,972 in 2012/13. An average rates increase of around 5.2 percent is proposed for commercial properties, including the impact of increases in metered water charges in 2012/13.

The following graph shows the forecast average rates increases across the 10 year long term plan. Currently the planned rates increases (after growth) exceed the rates increase limits in four years. The financial sustainability working party will recommend options to reduce the rates requirement below the limits in those years. The actual impact on each ratepayer will vary depending on the

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change in their property value compared to the change in the total city valuation base, particularly when the new valuations will be used from 2013/14.



Explaining your rates

Our total rates revenue is split between general rates and targeted rates.

General rates are used to fund activities where the Council is unable to clearly identify a specific group of ratepayers who receive the benefit of that activity, or where it is not possible or appropriate for that group to be targeted to pay. There are two categories of general rates: the base sector general rate (residential) and the commercial sector general rate. The Council has a rates differential in place that decides how the general rate is shared between the residents and businesses in each category.

In 2012/13, the commercial sector general rate per dollar of capital value is proposed to be 2.8 times higher than the base sector general rate for a residential property of the same value. We will review this rating differential again next year after the September 2012 valuation is complete to check whether there is any significant shift in the relative proportion of capital value between the base and commercial sectors. We will consult on any recommended change arising from that review in the 2013/14 Annual Plan.

Targeted rates are used to fund activities where the Council is able to clearly identify a specific group of ratepayers who receive the benefit of the activity, and where it is appropriate that this group be targeted to pay. The Council sets targeted rates to fund costs associated with the Council's water, sewerage and stormwater systems. Separate targeted rates are also set for our base (residential) sector, commercial sector, downtown commercial sector, Marsden Village and Tawa driveways.

Your total rates bill will be made up of the general and targeted rates that apply to your property.

Property valuations and rates distribution

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this 10 year plan. For the majority of its rates the Council then uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in Wellington by setting a rate per dollar of capital value on your property.

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The Council is on a 3-yearly valuation cycle and for the 2012/13 rating year the September 2009 valuations will be used to distribute the total rates requirement across all properties in Wellington. Therefore the proportional distribution of the total rates requirement to each property will remain relatively unchanged from 2011/12 - except for any growth in the ratepayer base arising from new development or property improvements in the last 12 months. Over the last year the average residential property capital value has increased by 0.2 percent from \$519,802 in 2011/12 to \$520,642 in 2012/13.

The next property valuation will be completed as of 1 September 2012 and will be used to distribute the total rates requirement for the 2013/14, 2014/15 and 2015/16 rating years.

The following table shows the indicative residential property rates exclusive of GST for properties without a water meter for 2012/13:

Capital Values \$	2012/13 Total Rates \$	Increase over 2011/12 %
200,000	897	3.38%
300,000	1,232	3.39%
400,000	1,568	3.40%
500,000	1,903	3.40%
600,000	2,238	3.40%
700,000	2,573	3.40%
800,000	2,908	3.41%
900,000	3,243	3.44%

PROPOSED CHANGES TO RATES OR RATING MECHANISMS

Funding our Weathertight Homes Liability (also known as leaky homes)

The Council's Weathertight Homes Liability has been estimated by actuarial calculations to be \$68.3 million over the next eight years. Our financial statements as at 30 June 2011 included a discounted provision of \$50.9 million for this liability. To date weathertight homes settlements have been funded through a mix of proceeds from insurance cover and operating surpluses.

For this long term plan, the Council proposes to fund weathertight homes settlements initially through borrowings. We then propose an incremental increase in rates of 0.75% per annum until such time as the Weathertight Homes liability has been settled and the associated borrowings and funding costs are repaid. This is anticipated to be in 8 years (2019/20).

To allow for this funding proposal some changes to our Revenue and Financing Policy have been required for our funding of operational expenditure and setting our level of rates. For further information on these changes, please refer to the full draft long term plan document.

Water Rates

We are proposing the following increases to our targeted water rates to ensure the cost increases in the associated water activity are appropriately recovered:

Targeted Water Rating Mechanism	Current	Proposed for
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	(excluding GST)	2012/13 (excluding GST)
Water consumption charge for properties with a water meter	\$1.715 per cubic metre	\$1.784 per cubic metre
Annual administrative charge for properties with a water meter	\$100.00	\$103.50
Annual fixed charge for base (residential) sector properties without a water meter	\$119.75	\$127.25
New connection charges for new residential properties	\$60.00	\$62.00
New connection charges for new commercial properties	\$200.00	\$207.00

Downtown Levy

We are also proposing to introduce a new map detailing the area to which the downtown levy targeted rate is applied. This map includes some new areas not previously covered by our existing policy and would be effective from 1 July 2012. For full details of the new map please refer to the draft long term plan document.

RATES REMISSION AND POSTPONEMENT POLICIES

As part of the draft long term plan we are proposing a new rates remission for voluntary residential metered water rates. This remission is to provide some relief to residential ratepayers who have a voluntary water meter for their property and are charged for their water on a usage basis, including water usage arising from a leak from pipes on their property. If this leak were to occur on a neighbouring property without a water meter, no additional charges would be incurred by that property owner.

This remission allows the Council to charge the estimated usage arising from the leak at the GWRC bulk water rate, rather than the normal WCC usage rate. For details of the remission please refer to section 2.4 of the Remission Policy in the draft long term plan document.

FUNDING OUR ACTIVITIES

Our Revenue and Financing Policy outlines how we propose to fund our activities and is detailed in the draft long term plan document. In 2012/13 we are proposing to make the following changes to how our activities are funded in our Revenue and Financing Policy:

Activity	Comment
3.1.2 Convention Venues	Decrease from 55% to 5% non-rates income, with 95% rates funding to be split 55% general rate and 40% downtown levy, to reflect change in the way this activity is delivered
3.1.7 Destination Wellington	New activity 100% rates funded (50% commercial targeted rate and 50% downtown levy)
4.1.5 Access and support for community arts	Increase from 0% to 10% non-rates income, in line with expected levels of revenue
4.1.7 Regional amenities	New activity 100% rates funded

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5.1.8 Municipal Golf Course	New activity 50% user charges
5.2.6 Community Centres and Halls	Increase from 2% to 5% user charges to align with historic and expected revenue levels
7.1.1 Transport Planning	Increase from 0% to 15% non-rates income in line with historic and expected levels of NZTA revenue
7.1.4 Passenger transport network	Decrease from 70% to 65% non-rates funding, reflecting increasing costs but mainly fixed income
7.1.6 Network-wide Control and Management	Increase from 25% to 30% non-rates funding in line with historic and expected levels of income
7.1.3 Cycle Network	Decrease from 5% to 0% non-rates funding
7.1.7 Road Safety	Increase from 25% to 30% non-rates funding in line with historic and expected levels of income
6.2.4 Regulator – Building Control and Facilitation Weathertight Homes	New activity 100% rates funded

USER CHARGES

For 2012/13, we are also proposing to increase user charges in a number of areas. The majority of these increases are minor and reflect cost pressures on the underlying service provided by the Council. Areas where we are proposing to increase fees include:

- Sewage collection and disposal network
- Recycling and waste minimisation & disposal
- City archives
- Libraries
- Sports fields
- Synthetic turf sports fields
- Burials and cremations
- Public health
- Building regulation and facilitation
- Development control & facilitation

The level and extent of proposed fee increases vary and are outlined in greater detail in the draft long term plan document.

UNDERSTANDING THE COUNCIL'S BUDGETED SURPLUS

The Council is forecasting a net operating surplus of \$37.7 million in 2012/13, \$36.6 million in 2013/14 and \$41.8 million in 2014/15. The majority of this surplus arises from cash funding received for capital purposes (Crown grants for housing, development contributions, NZT subsidies and bequests). This income flows through to the net operating surplus to be available to fund capital expenditure. Offsetting this are some depreciation costs on assets which we have resolved not to fund.

CAPITAL EXPENDITURE

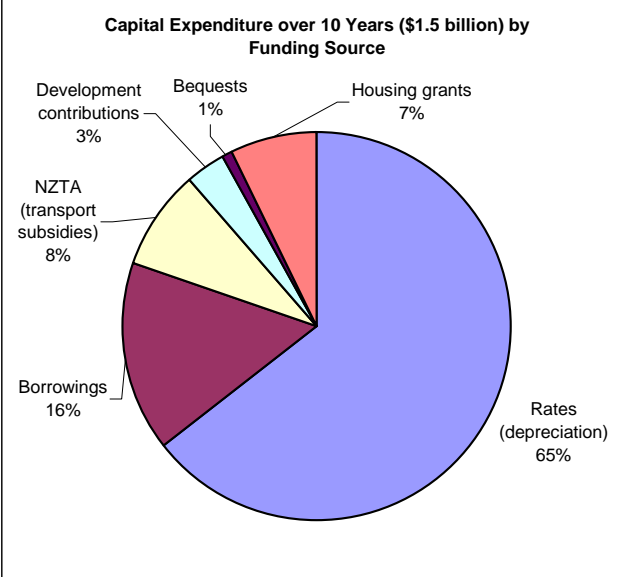
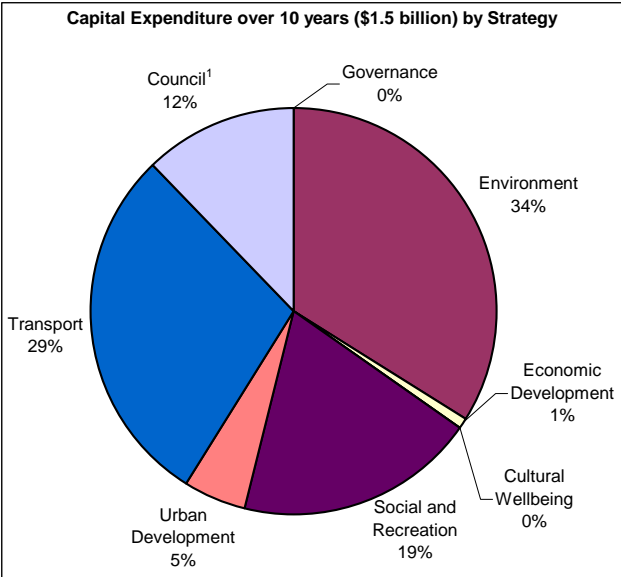
We're continuing to invest in our city's infrastructure while focussing on city resilience.

Capital expenditure pays for purchasing, building or developing the Council's assets (e.g. pipes, roads, libraries, swimming pools). Our capital expenditure (excluding carry forwards and loans to other organisations) is forecast to be \$137 million in 2012/13 and \$1.5 billion, including inflation, over the next 10 years.

We fund capital expenditure from depreciation, borrowings, NZ Transport Agency subsidies, grants and development contributions. For asset renewals, the main funding source is depreciation. For new assets and upgrades, the main funding sources are borrowings, subsidies and grants.

The following graphs show where our capital expenditure programme is being spent by strategy area, and how that expenditure is being funded, over the 10 years of the plan:

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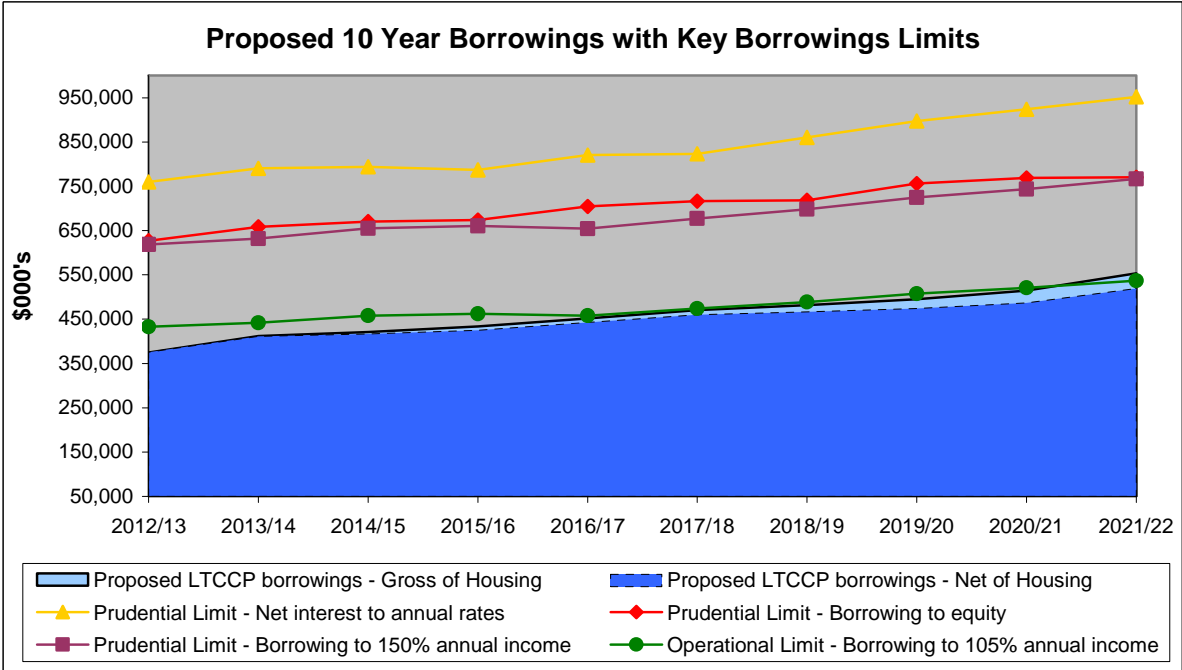
¹ Council Projects predominately relate to capital expenditure on our technology infrastructure, replacement of vehicles and equipment and meeting health and safety requirements.

BORROWINGS

Total borrowings are forecast to be \$375.5 million at the end of 2012/13 increasing to \$519.5 million by 2021/22. Over the same period our forecast asset base totals \$6.7 billion in 2012/13, and increases to \$8.3 billion by 2021/22. Impacting on our borrowings profile over the next 10 years is our capital improvements programme which includes the costs to strengthen buildings and other infrastructure so that they can withstand earthquakes. Also impacting our borrowings profile is the impact of borrowings to settle our weathertight homes liability.

Wellington City Council currently holds an AA credit rating from Standard and Poor's. This credit rating should result in lower borrowing costs for the Council and greater access to debt markets.

The following graph shows our forecast borrowings over the next 10 years against our operational and prudential borrowing limits. We remain compliant with all limits across the life of the plan.



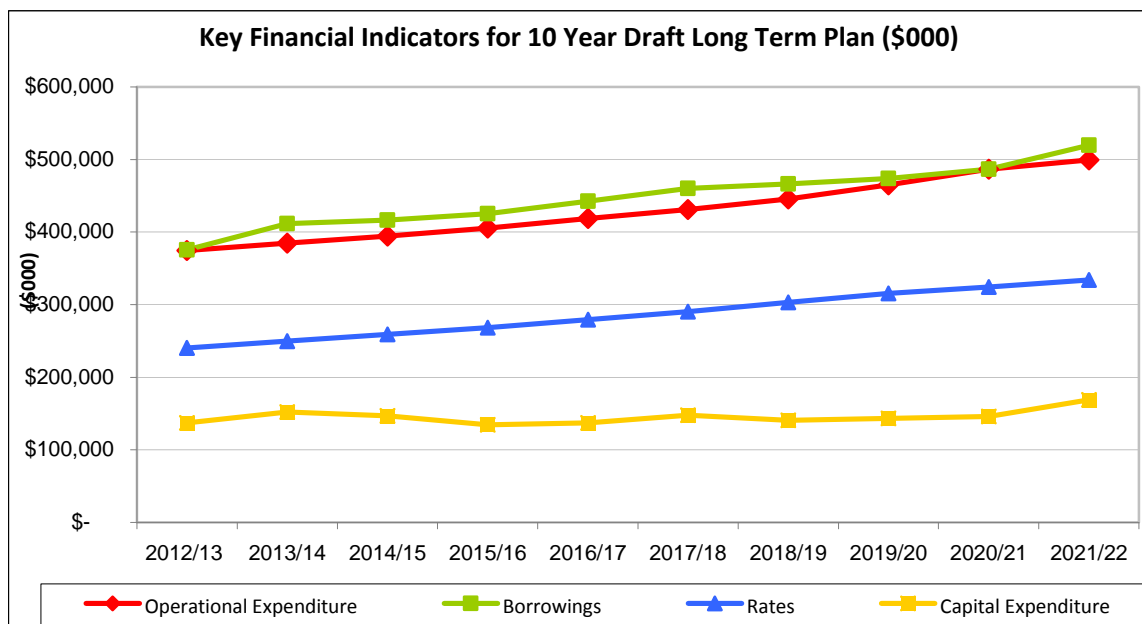
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Our Housing activity is forecast to generate a cash surplus over the ten years for re-investment in our housing stock upgrade. The above graph also shows how our borrowings would increase if this cash surplus was excluded from our borrowings profile.

FINANCIAL INDICATORS AT A GLANCE

Over the 10 year plan our forecasts show:

- operating expenditure will increase from \$374.6 million in 2012/13 to \$499.3 million in 2021/22
- capital expenditure will range between \$134 million to \$169 million each year
- total borrowings (net of ring-fenced housing surpluses) will increase from \$375.5 million in 2012/13 to \$519.5 million in 2021/22
- total rates revenue will increase from \$240.1 million in 2012/13 to \$333.9 million in 2021/22



The key reasons for the increasing trends across our ten year plan are as follows:

- Operational expenditure and rates are impacted by inflationary assumptions around our underlying costs, and the operational impact of our capital expenditure programme
- Rates are also impacted by our annual incremental increase in rates of 0.75 percent to repay our weathertight homes borrowings liability
- Capital expenditure is largely influenced by the renewal profiles within our asset management plans, and our housing upgrade and earthquake strengthening programmes
- Borrowings are influenced by the timing and extent of our capital expenditure programme and estimated timing of payment of our weathertight homes liability

SUMMARY PROSPECTIVE FINANCIAL STATEMENTS (NEXT PAGE)

Policies and strategies

We are seeking feedback on the following policies.

Financial Strategy

The Financial Strategy is a new requirement of the Local Government Act to be included in the long-term plan. The strategy has two main purposes: to facilitate prudent financial management; and to facilitate consultation on the proposals for expenditure and funding. The strategy includes a statement of the Council's limits on rates, rates increases, and borrowings.

Revenue and Financing Policy

This determines how we pay for our activities – through general rates, targeted rates, user charges or other income. For each activity, it explains who benefits, who we believe should pay, and why.

Significance Policy

This explains how we determine whether or not a decision we are making is 'significant' as defined in the Local Government Act 2002. The Act contains requirements for the processes we have to follow when making 'significant' decisions.

Investment and Liability Management Policies

These policies explain our approach to managing borrowings and maximising return on our investments and assets.

Rates Postponement Policy

This explains the circumstances in which we will postpone rates for up to one year to help ratepayers who are suffering extreme financial hardship.

Rates Remission Policy

This explains the circumstances in which we will remit rates for certain rural ratepayers, for properties used primarily for games or sport, and in other circumstances.

See the full draft long-term plan document for more information on these policies.

Have your say

Getting the information you need

This draft plan contains a summary of the information you'll need to understand our programme. You can get copies of the full plan or the summary from libraries, service centres, Council offices, or by phoning 499 4444. You can also download copies from our website www.Wellington.govt.nz.

We're holding meetings to discuss our plans, answer questions and hear feedback. These will take place between 16 April and 18 May. Visit our website or watch the Our Wellington page in the Thursday editions of the *Dominion Post* to find out the closest meeting to you.

Making a submission

There are three main ways you can have a say:

- make a **written submission** — send a letter, write an email, make an online submission, or use the form from this document
- you can come and talk to a panel of councillors between 21– 24 May 2012.

Submissions can be:

- mailed to Long-term Plan, Wellington City Council, PO Box 2199, Wellington
- emailed to Longtermplan@Wellington.govt.nz
- made online at www.Wellington.govt.nz.

When do submissions have to be in by?

Submissions will be accepted anytime from 16 April to 5pm on Monday 18May 2012.

Audit opinion

[To be inserted]

Mayor and Councillors



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