

# 2021-2031 Long-Term Plan – Financial Policies

Wellington City Council



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# Revenue and Financing Policy

## Introduction

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

We have set out our policy under the following headings:

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

# 1. Policy Statement on the funding of operational expenditure

## *Establishing the level of operating revenue required to fund operating expenditure*

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

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

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

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

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

*Accounting for fair value changes:* Under Public Benefit Entity International Public Sector Accounting Standard, changes in the fair value of certain assets must be accounted for within the Statement of Comprehensive Revenue and Expense. In accordance with Section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.

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

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

*Non-funding of depreciation on waterfront assets:* The Council transitioned the waterfront project 'in-house' during 2014/2015. This acquisition has necessitated a transition toward fully funding the depreciation of waterfront assets by 2025/26. This transition funding links the cost of funding to the benefits received over time.

## ***Options available for funding Council services***

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

- **General rates.** General rates are used to fund public goods where it is not possible and/or practical to clearly identify customers or users. This rate is also used where, for reasons of fairness, equity and consideration of the wider community good it is considered that this is the most appropriate way in which to fund an activity.
- **Targeted rates.** This form of rate is used where an activity benefits an easily identifiable group of ratepayers (such as the commercial or residential sectors) and where it is appropriate that only this group be targeted to pay for some or all of a particular service. For example, sewage disposal, water supply and the Downtown targeted rate.
- **Fees and charges.** User charges are direct charges to people and/or groups who use certain Council services such as swimming pools. In these instances, an identifiable benefit exists to clearly identifiable people and/or groups and they are required to pay for all or part of the cost of using that service. It is noted that since 2006 Councils have been required to adjust all income and expenditure within their LTP in line with inflation. Where appropriate and with consideration to 'ability to pay' principals, user charges will be increased by the rate of inflation to achieve continued alignment with the proposed funding policy targets.
- **Grants and subsidies.** Grants and subsidies apply to some activities when income from external agencies is received to support that particular activity.
- **Borrowings.** In general Council does not fund operating expenditure by borrowing. Exceptions include funding the impacts on ratepayer's intergenerational equity, funding expenditure over the period which benefits are received (e.g. weathertightness payments), funding pandemic and natural disaster relief or items requiring urgency of timing (e.g. Library Pop Ups). Any borrowings associated with these expenses will be repaid over time.
- **Other sources of funding.** The Council also funds operating expenditure from other sources, including income from interest, dividends from investments held by the Council, lease income and proceeds from asset sales. Other sources of funding include:

### *Use of surpluses from previous financial periods*

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

The amount of any surplus carried forward from previous financial periods will be accounted for as an operating deficit in the year the benefit is passed on to ratepayers. A surplus will be available for use in future financial periods if the actual surplus/ (deficit) is improved when compared to the

budgeted surplus/ (deficit). In calculating the level of surplus to be carried forward, consideration will be given to the nature of the factors giving rise to the surplus (for example, whether they are cash or non-cash in nature). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward.

The Council will not carry forward surpluses in relation to:

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

*Funding of expenditure from restricted or special funds*

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

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

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

- *Self-insurance reserve.* The self-insurance reserve is used to fund any damages or losses that would otherwise be covered by the Council's insurance policies except for the fact that the Council has elected to set an insurance excess at a level greater than the damage or loss suffered. Each financial period the Council will provide, through funding from rates and levies, an amount intended to reimburse estimated damages or losses not otherwise covered by the Council's insurance policies. Actual expenditure incurred as a result of damages or losses where no claim is made under the Council's insurance policies as a result of the level of excess set will be transferred from retained earnings to the self-insurance reserve at the end of the financial period.
- *Trusts and bequests.* The Council is the recipient/holder of a number of trusts and bequests. These funds can only be used for the express purposes for which they were provided to the Council. Each year, the Council may expend money, of an operating or capital nature, from its trusts and bequests in accordance with the specified conditions of those funds. For the avoidance of doubt, the Council does not fund the expenditure from its trusts and bequests from any of the sources of operating revenue.
- *NZTA funding.* Each year the Council receives funding from NZTA as part of the overall replacement and renewal programme for the City's roading infrastructure. The Council recognises the funding as income in accordance with GAAP. As the funding is received for capital purposes, it cannot be used to offset the rates requirement. Therefore the Council shall recognise a surplus equivalent to the amount of NZTA funding for capital purposes, to be applied against funding the depreciation expense that results on completion of the associated asset.

- *Development contributions.* In accordance with the Council’s Development Contributions Policy, development contributions are required to fund capital expenditure where development requires the construction of additional assets or increased capacity in network infrastructure, community infrastructure and reserves. Development contributions will result in an operating surplus being generated for the year. This shall flow through to a development reserve within the Council’s equity.
- *Other reserves and ring-fenced funds.* Restricted funds also include other reserves, reserve purchase and development reserve, any sub-division development reserve and ring-fenced cumulative surpluses/deficits from City Housing and Marina Operations activities. Subject to meeting any specified conditions associated with these reserves the Council may expend money, of an operating or capital nature, from these reserves.
- *Regional amenities:* Local authorities in the Wellington region operate a regional amenities fund. The fund is a resource for entities that provide regional benefits in the arts, culture and environmental attractions and events sectors. The fund is a partnership between Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council and Kapiti District Council. The fund ensures that regionally significant entities can be developed or sustained. The source of funds for Wellington City Council’s contributions will be drawn in line with the activity rationale outlined in this policy. For example, any contribution to Te Papa from the Council as part of the regional amenities fund would be drawn from the sources outlined in section 4.1.7.

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

<b>Operating expenditure Funding mechanism</b>	<b>Approximate proportion of funding for 2021/22</b>
<b>General Rate</b>	<b>40%</b>
<b>Targeted rates</b>	
• Sewerage rate	9%
• Water rate	10%
• Stormwater rate	5%
• Base (residential)	2%
• Commercial sector	1%
• Downtown targeted rate	2%
• Business Improvement District and other minor rates	0%
<b>Total targeted rates</b>	<b>29%</b>
<b>Total fees and charges</b>	<b>21%</b>
<b>Other sources</b>	
• Ground and commercial lease	7%
• Dividends	0%
• Miscellaneous	3%
<b>Total other income</b>	<b>10%</b>
Note: Decisions on the use of other funding sources i.e. use of prior period surpluses, non-funded depreciation, special and other reserves are project-specific and are made on an annual basis. In such circumstances, revenue from these sources reduces the level of funding provided through the General Rate.	

## 2. Policy Statement on the funding of capital expenditure

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

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

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



Capital expenditure Funding mechanism	Approximate proportion of funding for 2021/22
Rates funded depreciation	39%
NZTA transport subsidies	9%
External grants	1%
Development contributions	1%
Borrowings	50%

### 3. Setting the level of revenue from rates

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

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

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

A Revenue and Financing Policy is required under section 102(1) and section 102(2)(a) of the Local Government Act (2002). The required contents of the Policy are set out in section 101(3) of the Act, including a description of the way in which operating, and capital expenditure will be funded. Section 101(3) involves a two-step process:

**Step 1** – in relation to each activity to be funded:

- The Community outcomes to which the activity primarily contributes;
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity;
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

**Step 2:**

- The overall impact of any allocation of liability for revenue needs on the community;
- Section 103 covers the requirements of the Revenue and Financing Policy and the links back to section 101(3).

Our activity analysis is organised under the following headings:

- **Community outcome.** The Council has four community outcomes:
  - An innovative, inclusive and creative city innovative, inclusive and creative city
  - A dynamic and sustainable economy dynamic and sustainable economy
  - A people friendly, compact, safe and accessible capital city people friendly, compact, safe and accessible capital city
  - A sustainable, climate friendly eco capital sustainable, climate friendly eco capitalWe make reference to the community outcome to which each activity relates in our analysis.
- **Activity Area.** The Council's activity areas are consolidated into seven strategic areas in which we provide a service to the community. These are:
  - Governance
  - Environment and Infrastructure
  - Economic development
  - Cultural wellbeing
  - Social and recreation
  - Urban development
  - Transport.
- **Activity Group.** The Council's activity groups are those areas in which we provide a service to the community. Our activity analysis starts with a statement of what activity we are assessing, and a brief description of the service provided by the Council.

- **Activity.** A summary of all operating projects that the Council delivers within a particular activity. Any one activity may have more than one operating project which, when combined, provides the total level of service provided by the Council.
- **Who Benefits?** This analysis looks at the benefits that flow from the activity to individuals, identifiable parts of the community and the community as a whole. The Council acknowledges that this analysis is in part subjective, and that it has used some basic principles to assist in its decision making.
  - When discussing benefits to the whole community, we are referring to all members, ratepayers and the general public of the city. Benefits to the whole community accrue when individual users cannot be easily identified or cannot be easily excluded from entry (such as the use of the Town Belt and other open spaces), or where the community in general derives benefit from our activities (such as the provision of citizen information and advice). While it is not possible to charge for some activities, it is also not appropriate to charge for certain activities that benefit the community as a whole. In instances such as these, it is considered appropriate that funding is predominantly provided through the general rate.
  - Where individuals or an identifiable part of the community can be identified, it is then possible to consider the use of targeted rates or user charges. Obvious examples of this include services such as pools and recreation centres, but also include activities such as our building consent and licensing services and many of our waste management services. In these instances, it is possible to exclude users who do not wish to use and pay for an activity. Those users who choose to pay accrue a particular level of service over and above that available to the community as a whole.
- **Who should pay?** This section of our analysis looks at a variety of factors that may influence our decision-making when establishing a final decision as to who should pay for an activity. Through this analysis it is possible for the nominal funding split derived under the Who Benefits? analysis to be 'modified' based on a consideration of factors including:
  - The period of benefit provided by each activity. For instance, investment in the city's roading and stormwater infrastructure provides a long-term and ongoing benefit to the city, whereas a one-off grant for a particular activity will typically be short-term and temporary in nature.
  - Whether or not there is an identifiable exacerbator who should pay ('polluter pays' principle).
  - The costs and benefits of distinct funding. This includes an assessment of how we fund each individual activity taking into account issues such as transparency and accountability, and the impacts of a chosen funding mechanism. For instance, where a service is deemed to be essential or very important in terms of contributing to the general health and wellbeing of the community, consideration will be given to ensuring that people are not excluded from access to the service because they cannot afford to pay.
  - The overall impact of the funding of the activity on the current and future social, economic, environmental and cultural well-being of the community.

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

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

## 5. The general rates differential

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

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

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

The Council proposes no change in the rates differential in the Long-term Plan. This means that a commercial sector ratepayer will contribute 3.25 times more to the general rate than residential ratepayer for each dollar of rateable property capital value. The council will be review the differential each year to ensure sector affordability and make any necessary changes.

# 6. Summary of operating expenditure funding by activity

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Governance	Governance, information and engagement	1.1.1 City governance and engagement	0%	0%	100%	100%	0%	0%	0%
		1.1.2 Civic information	5%	0%	95%	95%	0%	0%	0%
		1.1.3 City Archives	10%	0%	90%	90%	0%	0%	0%
		1.1.4 Climate insights and engagement	0%	0%	100%	100%	0%	0%	0%
	Maori and Mana Whenua partnerships	1.2.1 Maori and Mana Whenua partnerships	0%	0%	100%	100%	0%	0%	0%
	Environment and Infrastructure	Gardens, beaches and green open spaces	2.1.1 Local parks and open spaces	5%	0%	95%	95%	0%	0%
2.1.2 Botanical gardens			10%	0%	90%	90%	0%	0%	0%
2.1.3 Beaches and coast operations			0%	0%	100%	100%	0%	0%	0%
2.1.4 Roads open spaces			0%	5%	95%	95%	0%	0%	0%
2.1.5 Town belts			0%	5%	95%	95%	0%	0%	0%
2.1.6 Community environmental initiatives			0%	0%	100%	100%	0%	0%	0%
2.1.7 Walkways			0%	0%	100%	100%	0%	0%	0%
2.1.8 Biodiversity (pest management)			0%	0%	100%	100%	0%	0%	0%
2.1.9 Waterfront Public Space			5%	0%	95%	95%	0%	0%	0%
2.1.10 Berhampore Nursery			0%	0%	100%	100%	0%	0%	0%
Waste reduction and energy conservation		2.2.1 Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2 Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%
		2.2.3 Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	0%
Water		2.3.1 Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2 Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
Wastewater		2.4.1 Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%
		2.4.2 Sewage treatment	0%	0%	100%	0%	60%	40%	0%
Stormwater		2.5.1 Stormwater management	0%	0%	100%	0%	77.5%	22.5%	0%
Conservation Attractions		2.6.1 Conservation Visitor Attractions	0%	0%	100%	100%	0.0%	0.0%	0%
Economic Development		City promotions and business support	3.1.1 Wellington Regional Economic Development Agency (WREDA) and Venues	0%	0%	100%	20%	0%	30%
	3.1.2 Wellington Convention Centre		0%	0%	100%	60%	0%	0%	40%
	3.1.4 Wellington Economic Initiatives Development Fund (WEID) and Economic Grants		0%	0%	100%	100%	0%	0%	0%
	3.1.5 Major Projects		0%	0%	100%	100%	0%	0%	0%
	3.1.6 International relations		0%	0%	100%	100%	0%	0%	0%
	3.1.7 Business Improvement Districts		0%	0%	100%	0%	100%	0%	0%
Cultural Wellbeing	Arts and Culture Activities	4.1.1 Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2 Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3 Arts and cultural festivals	0%	5%	95%	95%	0%	0%	0%
		4.1.4 Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5 Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6 Arts partnerships	0%	20%	80%	80%	0%	0%	0%
		4.1.7 Regional amenities	0%	0%	100%	100%	0%	0%	0%
Social and Recreation	Recreation promotion and support	5.1.1 Swimming Pools	30%	0%	70%	70%	0%	0%	0%
		5.1.2 Sportsfields	15%	0%	85%	85%	0%	0%	0%
		5.1.3 Recreation programmes	5%	0%	95%	95%	0%	0%	0%
		5.1.4 Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5 Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6 Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7 Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8 Golf Course	30%	0%	70%	70%	0%	0%	0%
	Community support	5.2.1 Libraries	5%	0%	95%	95%	0%	0%	0%
		5.2.2 Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3 Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4 Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5 Housing	100%	0%	0%	0%	0%	0%	0%
5.2.6 Community centres and halls	5%	0%	95%	0%	95%	0%	0%		
Public health and safety	5.3.1 Burials and cremations	50%	0%	50%	50%	0%	0%	0%	
	5.3.2 Public toilets	0%	0%	100%	100%	0%	0%	0%	
	5.3.3 Public health regulations	65%	0%	35%	35%	0%	0%	0%	
	5.3.4 City safety	0%	0%	100%	100%	0%	0%	0%	
	5.3.5 WREMO	0%	0%	100%	100%	0%	0%	0%	
Urban Development	Urban planning, heritage and public spaces development	6.1.1 Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2 Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3 Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4 Built heritage development	0%	0%	100%	100%	0%	0%	0%
	6.1.5 Housing development	0%	0%	100%	100%	0%	0%	0%	
	Building and development control	6.2.1 Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2 Development control and facilitation	45%	0%	55%	55%	0%	0%	0%
6.2.3 Earthquake risk mitigation - built environment		0%	0%	100%	100%	0%	0%	0%	
6.2.4 Regulator - Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%		
Transport	Transport	7.1.1 Transport planning	0%	0%	100%	100%	0%	0%	0%
		7.1.2 Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3 Cycle network	0%	5%	95%	95%	0%	0%	0%
		7.1.4 Passenger transport network	0%	80%	20%	20%	0%	0%	0%
		7.1.5 Pedestrian network	0%	5%	95%	95%	0%	0%	0%
		7.1.6 Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7 Road safety	0%	20%	80%	80%	0%	0%	0%
	7.1.8 Lets Get Wellington Moving	0%	0%	100%	100%	0%	0%	0%	
Parking	7.2.1 Parking	100%	0%	0%	0%	0%	0%	0%	

# 7. Individual activity analysis by key achievement area

## Governance

### Delivering confidence in civic decision-making

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

### Operating activities

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

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

### Capital expenditure

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

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

### Governance – activity commentary

#### 1.1 Governance, Information and Engagement

#### ACTIVITY 1.1.1: CITY GOVERNANCE AND ENGAGEMENT

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

#### Community outcome

This activity contributes to the following community outcome:

- *A people friendly, compact, safe and accessible capital city* – it enhances trust and confidence in civic decision-making and encourages the community to participate in city governance.



**Who benefits?**

Whole community	100%
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The whole community benefits from this activity. Policy formulation, consultation and planning are essential Council services. They enable elected members to set policies and manage resources to benefit the whole community. Along with elections, they also allow people to influence the Council. These decision-making and accountability processes enhance residents' well-being by improving the quality of Council decisions and by giving them a sense of empowerment arising from the fact they can have their voices heard.

**Who should pay?**

Whole community	100%
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Since this activity benefits the community as a whole, the fairest and most effective way to fund it is from general rates.

**Our funding targets: operating expenses**

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

**ACTIVITY 1.1.2: CIVIC INFORMATION**

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

**Community outcome**

This activity contributes to the following community outcome:

- *A people friendly, compact, safe and accessible capital city* - providing information about the city and its services allows people to use the city's facilities and provides access to information.

**Who benefits?**

Whole community	50%
Individuals/Users	50%

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

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

Who should pay?	
Individuals/Users	5%
Identifiable part of the community	5%
Whole community	90%

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

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

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

### ACTIVITY 1.1.3: CITY ARCHIVES

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

#### Community outcome

This activity contributes to the following community outcome:

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

Who benefits?	
Whole community	50%
Individuals/Users	50%

The whole community benefits from this activity. Maintaining the City Archives collection for posterity and ensuring that it can be easily accessed is an important community service. The City Archives

contribute to our understanding of the past and to forging a strong local community – it contributes to our sense of place.

Individuals who choose to use the City Archives can be seen to benefit directly from their access to the collection. The collection is used for private study and for research. Staff support people using the Archives, including assistance with searching and providing reproductions, and promoting the wider use and access of our collections.

Who should pay?	
Whole community	90%
Individuals/Users	10%

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

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

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

## **ACTIVITY 1.1.4: CLIMATE INSIGHTS AND ENGAGEMENT**

This covers measurement and analysis of City and Council carbon emissions, insight and new initiative development, and engagement with Council and the City about climate actions we can take as a City in response to the climate and ecological emergency declared by Council in June 2019. It also includes supporting transport mode-shift projects such as Let’s Get Wellington Moving and creating streets for people through our cycleways investment and the spatial plan, as well as encouraging the uptake of electric cars, providing seed funding to leverage businesses and community impact, and supporting residents to be motivated to take action.

### **Community outcome**

This activity contributes to the following community outcome:

- *A sustainable, climate friendly eco-capital* – this activity support the City to meet its net zero carbon by 2050 goal.

Who benefits?	
Whole community	100%

The whole community benefits from this activity. Climate action is essential to ensure that our City can thrive over the coming decades. It is our role as Council to support our residents to undertake the significant and required transformation to a different type of lifestyle, in particular to a life where we

travel differently, using low- or zero-carbon transport modes like walking, cycling, public transport, shared mobility services and electric vehicles. We also have a role in supporting our communities to adapt to the climate change impacts we are already seeing, and the impacts that will occur in the future.

Who should pay?	
Whole community	100%

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

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

## 1.2 Māori and Mana Whenua Partnerships

### ACTIVITY 1.2.1: MĀORI AND MANA WHENUA PARTNERSHIPS

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

#### Community outcome

This activity contributes to the following community outcome:

- *A people friendly, compact, safe and accessible capital city* - this activity promotes inclusiveness, celebrates social and cultural diversity and enables us to respond to the needs and aspirations of Māori. Our work aims to enhance the visibility of Māori culture and history in the city by telling the story of Wellington's Māori.

Who benefits?	
Whole community	50%
Individuals/Users	50%

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

Who should pay?	
Whole community	100%

Māori have a unique relationship with Council as 'tangata whenua' and through their ancestors as a partner to the signing of Te Tiriti. The benefits of the relationship and activity accrue to both Māori and the whole community, and as such it is appropriate for this activity to be funded from general rates.

Our statutory obligations may be the foundations for organisational policy and delivery but on their own they don't adequately emphasise the importance of Te Tiriti, the partnership with Māori and the critical value that his unique relationship can bring to the city both domestically and internationally.

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

# Environment and Infrastructure

## Protecting and enhancing our natural environment

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

## Operating activities

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

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

## Capital Expenditure

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

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

## ACTIVITY 2.1.1: LOCAL PARKS AND OPEN SPACES

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – local parks and open spaces enhance Wellington’s unique ‘sense of place’, making it a great place to live, work and play.
- *An innovative, inclusive and creative city* - accessible and high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *A dynamic and sustainable economy* - high quality natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions.

Who benefits?	
Whole community	90%
Individuals/Users	10%

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

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

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

Who should pay?	
Whole community	95%
Individuals/Users	5%

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

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

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

## ACTIVITY 2.1.2: BOTANICAL GARDENS

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – Botanical Gardens enhance Wellington’s unique ‘sense of place’
- *An innovative, inclusive and creative city* – the botanical gardens encourage people to gather together, share activities and connect with each other.
- *A dynamic and sustainable economy* - the botanical gardens enhance our biodiversity and contribute to off-setting our carbon emissions.
- *A dynamic and sustainable economy* – the Botanic Garden is accessible within minutes from the central business district, is important for residents’ quality of life, and attracts visitors.

Who benefits?	
Whole community	90%
Individuals/Users	10%

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



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

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

- the retail shop and cafe at the Begonia House in the Botanic Garden
- function rooms/facilities at Begonia House, Treehouse and Otari-Wilton’s Bush
- sale of plants at the Otari-Wilton’s Bush annual open day
- lease of a house at Truby King Park to Conservation Volunteers and lease of 2 other properties to private tenants (non-profit organisations)
- provision of memorial seats in the Botanic Gardens.

The gardens also provide educational seminars and programmes which have some private benefit. The newly established Discovery Garden opened in 2017. It is a living classroom, and its role is to provide environmental and botanical awareness for visitors and residents with a strong focus on children. However, as these programmes help people learn about the environment, the Council believes the principal benefit is to the community as a whole.

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

Who should pay?	
Whole community	90%
Individuals/Users	10%

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

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

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

## **ACTIVITY 2.1.3: BEACHES AND COAST OPERATIONS**

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

**Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – Wellington’s beaches and coastal areas provide high quality natural environments for leisure and recreation.

Who benefits?	
Whole community	100%

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

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

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

Who should pay?	
Whole community	100%

Since the whole community benefits from this activity, it is appropriately funded through general rates.

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

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

**ACTIVITY 2.1.4: ROADS OPEN SPACES**

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – our road network safely and efficiently accommodates more than 40,000 people driving around the city each day, for work and recreation. Our pedestrian and cycle networks deliver the same outcomes for more than 25,000 walking and cycling commuters each day.

Who benefits?	
Whole community	100%

Management of roadside vegetation reduces hazards and makes the road corridor safe and accessible for vehicles and pedestrians. It improves sight lines for drivers, maintains clearance from overhead utilities and prevents growth from blocking natural run off channels or damaging structures such as retaining walls.

This work benefits anyone who lives in or moves around the city by ensuring that footpaths, roadside verges and open spaces are safe and attractive. It helps to maintain the city's environment and residents' safety, health and enjoyment of their surroundings.

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

Because the community as a whole benefits, the fairest approach is to fund costs in this activity from general rates.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the roads open spaces activity.

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

## ACTIVITY 2.1.5: TOWN BELTS

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

**Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – a high quality natural environment enhances the city’s unique ‘sense of place’ and provides attractive, safe and accessible opportunities for leisure and recreation.
- *A dynamic and sustainable economy* - the Town Belt enhances our biodiversity and contributes to off-setting our carbon emissions.

Who benefits?	
Whole community	100%

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

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

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

Who should pay?	
Whole community	100%

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

Through this activity we receive modest revenue from the rental we charge for leasing buildings, ground leases, or licenses on reserve land.

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

**ACTIVITY 2.1.6: COMMUNITY ENVIRONMENTAL INITIATIVES**

This activity covers initiatives that directly support the community’s engagement in advancing environmental well-being. The Council provides grants for projects that promote environmental sustainability or greater understanding of environmental issues. It also provides for training and capacity building of volunteers working on environmental projects throughout the City and environmental research and monitoring.

**Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – community environmental initiatives improve the quality of our natural environment, making the city a better place to live, work and play.
- *An innovative, inclusive and creative city* – by supporting community environmental initiatives we support bringing people together and encouraging community spirit.
- *A dynamic and sustainable economy* – community environmental initiatives raise awareness of environmental issues and improve environmental outcomes.

Who benefits?	
Whole community	100%

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

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

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

Who should pay?	
Whole community	100%

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

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

**ACTIVITY 2.1.7: WALKWAYS**

The Council encourages public use of the Town Belt and reserves, and recognises that tracks are important for people’s access to and enjoyment of the city’s bush and open spaces. Tracks also contribute to the integration of active transport modes throughout the city. We currently maintain over 300km of track.

**Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – walkways allow residents to explore Wellington’s beautiful natural environment improving the quality of life of the city’s residents
- *An innovative, inclusive and creative city* – walkways provide attractive, safe and accessible opportunities for leisure and recreation, connecting people with each other and the environment.

Who benefits?	
Whole community	100%

The whole community benefits from the Council’s provision of walkways. The walkways give all residents and visitors access to the Town Belt and reserves, encouraging them to enjoy the city’s bush and lead healthy lifestyles. They also provide key linkages to transport modes throughout the city.

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

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

Who should pay?	
Whole community	100%

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

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

**ACTIVITY 2.1.8: BIODIVERSITY (PEST MANAGEMENT)**

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The Council runs programmes to control and manage pest animals and weeds on the 4,000 plus hectares of open space land we own and manage. Our programmes align with the Central Government Predator Free 2050, an ambitious goal to rid New Zealand of the most damaging introduced predators that threaten our nation’s natural taonga, our economy and primary sector.

**Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – protecting biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *A dynamic and sustainable economy* – pest management is important for biodiversity and protects native fauna and flora.

Who benefits?	
Whole community	100%

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

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

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

Who should pay?	
Whole community	100%

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

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

**ACTIVITY 2.1.9: WATERFRONT PUBLIC SPACE**

This activity relates to the management and maintenance of the public space on the Wellington Waterfront, and includes the operation and maintenance of a wide range of assets which includes wharves, seawalls, bridges, parks, promenades, laneways and lighting.

**Community outcome**

This activity contributes towards the following outcomes:

- *A dynamic and sustainable economy* – the waterfront is readily accessible and is a very important area of the central city. An attractive, clean and safe waterfront will undoubtedly contribute to a dynamic centre, is important for resident’s quality of life and attracts visitors to Wellington.
- *A people friendly, compact, safe and accessible capital city* – a clean inner harbour and waterfront area enhance Wellington’s unique ‘sense of place’, making it a great place to live.

Who benefits?	
Whole community	80%
Individuals/Users	20%

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

An activity that occurs on the waterfront that provides direct identifiable benefit is the weekly Underground Market and Harbourside Market. This activity does provide a private benefit and the user is charged directly.

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

Who should pay?	
Whole community	90%
Individuals/Users	10%

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

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

**ACTIVITY 2.1.10: BERHAMPORE NURSERY**



The Council operates Berhampore Nursery to grow eco-sourced native plants to support Council’s restoration programme across Wellington gardens, parks and reserves, and to support community restoration programmes. Restoration planting improves our biodiversity and the health of our city. The provision of eco-sourced plants ensures we grow and use plants that would have originally occurred in the ecosystem keeping the distinctiveness of Wellington’s local flora.

The nursery also provides a brokering service for plants for roadside gardens, parks maintenance and urban design projects.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – enhancing our biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *An innovative, inclusive and creative city* - high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *A dynamic and sustainable economy* - environmental initiatives like planting and restoration raise awareness of environmental issues and ensure ongoing protection and restoration.

Who benefits?	
Whole community	100%

This activity benefits the community as a whole. While individuals or groups can apply for plants through restoration planting schemes, planting eco-sourced natives throughout the city’s parks and open spaces, helps enhance the city’s green environment and provides benefits for all city residents. The work aids the health of the environment and makes the city’s environment greener and more pleasant for all residents and provides a connection to nature.

The long-term benefits of this activity are reflected in the Council’s decision to fund this on an ongoing basis.

Who should pay?	
Whole community	100%

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

However, a small percentage of our costs are covered through revenue from external sales through environmental trusts or community groups. The amount varies year to year and is dependent on these groups gaining grant funding, therefore is unpredictable.

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

## 2.2 Waste Reduction and Energy Conservation

### ACTIVITY 2.2.1: WASTE MINIMISATION, DISPOSAL AND RECYCLING MANAGEMENT

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

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

Our waste minimisation activities include the Tip Shop, where people can drop off unwanted items for reuse and resale, commercial composting operations, grant funding for new initiatives, and various waste minimisation education programmes.

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.
- *A dynamic and sustainable economy* - reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources.

Who benefits?	
Whole community	10%
Individuals/Users	90%

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

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

The direct beneficiaries of our waste minimisation services, including recycling are the householders who have recyclable goods collected or who use our recycling stations and Tip Shop drop off. These people are able to dispose of their recyclable and reusable waste in a safe, efficient and environmentally-friendly manner.

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

Who should pay?	
Individuals/Users	100%

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

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

## ACTIVITY 2.2.2: CLOSED LANDFILLS AFTERCARE

We provide aftercare of our closed land fill sites. Most have been repurposed as recreational fields, jointly managed with Parks, Rec and Sports. We have an ongoing obligation to ensure these areas remain safe to use for the public and to minimise any environmental impact of these legacy landfills.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – the majority of closed landfills are green open spaces enjoyed by local communities for leisure and recreation. Looking after these sites provides a valuable community asset for community enjoyment.

Who benefits?	
Whole community	100%

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

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

Who should pay?	
Whole community	100%

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

Total	100%
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## ACTIVITY 2.2.3: ENERGY EFFICIENCY AND CONSERVATION

One of the Council’s long term aims is for it and Wellington to be more sustainable – as reflected in our strategies like Wellington Towards 2040: Smart Capital, Wellington Resilience Strategy, and Low Carbon Capital. This means that Wellington will reduce its environmental impact by making efficient use of energy, water, land and other resources; shifting towards renewable energy resources; conserving resources; and minimising waste. Our immediate focus is on three pillars of activity – Greening Wellington’s growth, Changing the way we move, and Leading by example. Each of these areas contributes to making either the Council itself or the whole community more sustainable.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - developing funding partnerships with key stakeholders to improve the resilience, sustainability and the quality of life of Wellington residents. Facilitating home energy evaluations through our Home Energy Saver programme to meet people where they are – at home – is a core part of supporting people to make sustainable decisions.
- *A dynamic and sustainable economy* - a focus on energy efficiency and fuel switching for the city’s households and business will reduce costs and reduce its greenhouse gas emissions. Developing partnerships to deliver on the varied outcomes of the Resilience Strategy and Low Carbon Capital – including electric vehicle charging, car sharing and renewable energy will be crucial for the Council’s A dynamic and sustainable economy aspirations.
- *A dynamic and sustainable economy* - facilitating construction of Green Star-rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses as well as the uptake of emerging ‘green’ technologies will allow Wellington to showcase its A dynamic and sustainable economy credentials.

Who benefits?	
Whole community	100%

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

Who should pay?	
Whole community	100%

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

**Our funding targets: operating expenses**

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

## 2.3 Water

### ACTIVITY 2.3.1: WATER NETWORK

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

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *An innovative, inclusive and creative city* - a reliable and adequate supply of clean and safe water is a core requirement of an innovative, inclusive and creative city in the 21<sup>st</sup> century.

Who benefits?	
Whole community	25%
Identifiable parts of the community	75%

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

Who should pay?	
Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	40%

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

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

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

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

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

## ACTIVITY 2.3.2: WATER COLLECTION AND TREATMENT

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *An innovative, inclusive and creative city* - a reliable and adequate supply of clean and safe water is a core requirement of a An innovative, inclusive and creative city in the 21<sup>st</sup> century.

Who benefits?	
Whole community	25%
Identifiable parts of the community	75%

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

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

Who should pay?	
Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	40%

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

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

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

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

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

## 2.4 Wastewater

### ACTIVITY 2.4.1: SEWAGE COLLECTION AND DISPOSAL NETWORK

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

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - a safe and reliable wastewater network provides protection against public health risks.
- *A dynamic and sustainable economy* - a safe and reliable wastewater network provides protection against environmental harm.
- *A dynamic and sustainable economy* - a safe, reliable and well maintained wastewater network that will function effectively and not cause disruptions to inner city living and business activities is a core component of every successful city in the 21<sup>st</sup> Century.

Who benefits?	
Whole community	20%



Identifiable parts of the community	80%
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The sewage network mainly benefits individuals by providing for the safe, sanitary removal of sewage waste from their homes and businesses, and ensuring that waste is treated and disposed of in ways that do not harm the environment. Though these benefits are private they are not exclusive – all homes and businesses use the system, and it would have to exist for public good reasons regardless of the individual benefits.

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

Who should pay?	
Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	35%
User charges	5%

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

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

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

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

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

## ACTIVITY 2.4.2: SEWAGE TREATMENT

Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste treatment plants at Moa Point and Karori are financed by the Council and operated by Veolia. Sewage from Wellington’s northern suburbs is transferred to the Porirua plant, in which the Council has a 27.6% stake. Once sewage is treated at Moa Point and Karori, waste water is piped into the Cook Strait and the sludge is taken to the Southern Landfill.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - a safe and reliable wastewater network and treatment facility provides protection against public health risks.
- *A dynamic and sustainable economy* - a safe and reliable wastewater network and treatment facility provides protection against environmental harm.
- *A dynamic and sustainable economy* - a safe, reliable and well maintained wastewater network and appropriate treatment of waste is a core component of every successful city in the 21<sup>st</sup> Century.

Who benefits?	
Whole community	20%
Identifiable parts of the community	80%

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

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

Who should pay?	
Identifiable parts of the community:	
Base (residential) sector	60%
Commercial sector	40%
User	0%

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

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

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

The 40% commercial sector share is collected through a targeted rate based on a rate per dollar of capital value.

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

## 2.5 Stormwater

### ACTIVITY 2.5.1: STORMWATER MANAGEMENT

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

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

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - a safe and reliable storm water network and effective maintenance and operation programmes prevents avoidable disruptions to community living and minimises the risk of injury and the risk of damage to property from storm water.
- *A dynamic and sustainable economy* - a safe and reliable storm water network minimise the impacts – such as erosion - of storm water on the environment.
- *A dynamic and sustainable economy* - a safe and reliable storm water network and effective maintenance and operations programmes allows people to live work and play in the central city safely and without disruption.
- *An innovative, inclusive and creative city* - a safe and reliable storm water network and effective maintenance and operations programmes reduces the risk of avoidable surface flooding and environmental damage that may affect transport networks.

Who benefits?	
Whole community	50%
Identifiable parts of the community	50%

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

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

Who should pay?	
Identifiable parts of the community:	
Residential (urban) sector	77.5%

Commercial sector	22.5%
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While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on the residential (urban) sector and the commercial sector.

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

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

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

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

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Residential 77.5%, Commercial 22.5%)	100%
General rate	0%
Total	100%

## 2.6 Conservation Attractions

### ACTIVITY 2.6.1: CONSERVATION VISITOR ATTRACTIONS

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

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - these activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.
- *A dynamic and sustainable economy* - these facilities play important conservation roles, protecting native and exotic flora and fauna.

Who benefits?	
Whole community	40%

Individuals/Users	40%
Identifiable part of the community	20%

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

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

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

Who should pay?	
Whole community	100%

Each of these trusts operates separately from the Council. User charges take the form of entry fees to visit these facilities, which account for about a significant proportion of their income and reflect the private benefits to people who visit these facilities. These user charges do not appear in the Council's books.

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

These facilities contribute to the Council's long term goal that the city's high quality natural environment will attract visitors, residents and visitors.

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

# Economic Development

## Growing the regional economy for a prosperous community

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

### Operating activities

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

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

### Capital Expenditure

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

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

## Economic development – activity funding commentary

### 3.1 City Promotions and Business Support

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

This activity covers the Council’s funding of the Wellington Regional Economic Development Agency (Wellington NZ), the costs of owning and maintaining a number of venue buildings and managing the use of the venues and innovation activities.

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

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

- Clear strategic focus
- Strong economic leadership that prioritises business success
- One voice when dealing with government, businesses, investors and research providers

- Effective use of resources and talent, and leverage of scale

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

- Major events – attract and support major events that bring visitors and extra spending to the city.
- Tourism – to promote and market the city to visitors
- Sector support to attract business, talent and investment to the Wellington region and accelerate economic growth.
- Maintain the portfolio of civic buildings (the Michael Fowler Centre, TSB Arena, St James Centre, Town Hall and the Opera House) to support the Venues operations in providing a full calendar of entertainment and business events.

Also included in this activity is the expenditure and revenues of promoting and operating the venues (which Wellington NZ undertakes on behalf of Council). This specific activity generally operates without direct Council funding.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - promotion of the city as an attractive place to live and do business, works to attract talent to the city and attracts tens of thousands of visitors every year.
- *An innovative, inclusive and creative city* - ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- *A dynamic and sustainable economy* - attracting talent, investment, visitors and jobs will be critical to growing the city’s economy and ensuring Wellington remains vibrant and retains its competitive advantage.

Who benefits?	
Whole Community	10%
Individuals/Users	45%
Identifiable part of the community	45%

Individual users of the venues derive considerable benefit from these activities. In most cases users themselves provide the funding for the benefits they derive through ticketing charges. For example, people attending a show or an event that Wellington NZ has brought to the city will generally need to pay an entry fee.

The business sector is a significant beneficiary of this activity –and in particular businesses in the central city area where generally a large proportion of visitors spend most of their time and the majority of business activity occurs.

Residents benefit through the provision of incremental job growth, increasing incomes, an increased range of career choices, and importantly making the city more vibrant and prosperous. Particular



commercial sectors, such as education and creative industries, also benefit through elevating their profile and helping build the investor base and potential business partnerships.

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

It is estimated that the benefits from the expenditure in these areas accrues to a mix of the business community, the downtown businesses and the whole community.

Who should pay?	
Individuals/Users	45%
Identifiable part of the community	45%
Whole Community	10%

Part of this activity includes the running of the Venues day to day operations, where users fully pay the cost of this activity and there is no rates funding requirement. As the level of venue activity may change on a year to year basis, there is an underlying principle that any costs associated with the promotion or operating of venues is 100% user funded and not funded through rates.

The funding policy excludes the venues operations and is focused on the remaining elements in the activity, and it is recommended that they should be 100% rates funded. This funding is proposed to be spread across the sectors that benefit. This approach attributes the main benefits to the business community and in particular the businesses in the CBD. There is a small component of funding attributed to general rates covering residential and commercial ratepayers.

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

## ACTIVITY 3.1.2: TĀKINA

This activity relates to the funding required for the provision of new convention, exhibition and event facilities to the City.

The policy around the funding of Tākina activities was consulted on as part of the Council's initial decision to support investment in upgraded convention centre facilities for the city. The policy of 60% general rates and 40% funding through the Downtown targeted rate was proposed. This delivers a broad

funding split of one third residential sector and two thirds commercial sector in terms of contribution to the cost.

### Community outcome

This activity contributes towards the following outcomes:

- *An innovative, inclusive and creative city* – Tākina will offer a convention and event space that is not currently available in the city. This space provides for networking opportunities and the ability for organisations to share the latest industry trends and innovations.
- *A dynamic and sustainable economy* – convention venues are places of events, festivals, and conferences. They anchor Wellington’s appeal as a place of creativity, exploration, innovation and excitement and will bring more business visitation to our downtown area.

Who benefits?	
Whole community	60%
Identifiable parts of the community	40%

The beneficiaries of this activity are predominantly the business sector through expenditure generated in the economy from this activity, potential new expenditure from any growth in this area from investment in upgraded facilities and flow on effects to other indirect supporting services. An improved economy also provides benefits to residents through improved employment opportunities, growth in demand to live and work in the city and the flow on effects that can have to property valuations and business opportunities outside of the downtown area of the city.

It is therefore appropriate for this type of economic development project to be funded, in part, from the general rate to reflect the wider community benefits of an improved economy. Recognising that the general rate covers both residential and commercial ratepayers. Individuals benefit from their attendance at events and exhibitions held at the venue, however they generally pay directly for that benefit. The net costs in the establishment phase of operations will change each year and therefore the policy recommendations are intended to be for the net operating expenditure of Tākina, rather than incorporating the changing revenues from operations.

Who should pay?	
Identifiable parts of the community	40%
Whole community	60%

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

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

General rate	60%
Total	100%

## ACTIVITY 3.1.4: CITY GROWTH FUND (CGW) AND ECONOMIC GRANTS

This activity covers both the organisational support required to deliver the Council’s economic development strategy, as well as the funding mechanism Council provides to support economic growth initiatives. These funds being the City Growth Fund (CGW) and the Economic Development Grant Pool.

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

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – our grants support the attraction and retention of talented people, and support the creative business sector in Wellington.
- *A dynamic and sustainable economy* – attracting talent, investment, visitors and jobs will be critical to growing the city’s economy and ensuring Wellington remains vibrant and retains its competitive edge.
- *An innovative, inclusive and creative city* – ensuring the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.

Who benefits?	
Whole community	100%

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

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

Who should pay?	
Whole community	100%

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

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

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## **ACTIVITY 3.1.5: MAJOR PROJECTS – FUNDING ENVELOPE FOR POSSIBLE IMPLEMENTATION**

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

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

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

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

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

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

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

### **Community outcome**

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – these projects will promote the city as an attractive place to do business and attract visitors to the city every year.
- *An innovative, inclusive and creative city* - improving direct access internationally will provide local businesses with new opportunities to access large markets.
- *A dynamic and sustainable economy* – attracting visitors, investment and jobs will be critical to growing the city’s economy and ensuring Wellington remains vibrant and retains its competitive advantage.

Who benefits?	
Whole community	100%

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

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

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

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

Who should pay?	
Whole community	100%

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

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

Our funding targets: operating expenses	
User charges	0%

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

## ACTIVITY 3.1.6: INTERNATIONAL RELATIONS

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

### Community outcome

This activity contributes towards the following outcome:

- *An innovative, inclusive and creative city* - Improving access to international markets is particularly important as it provides local businesses with new opportunities to access large markets

Who benefits?	
Whole community	50%
Identifiable part of the community	50%

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

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

Who should pay?	
Whole community	100%

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

Our funding targets: operating expenses	
User charges	0%

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

## ACTIVITY 3.1.7: BUSINESS IMPROVEMENT DISTRICTS

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

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city – vibrant suburban centres make Wellington an attractive place to live and help form a local sense of community.*

Who benefits?	
Whole community	20%
Identifiable part of the community	80%

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

Who should pay?	
Identifiable part of the community	100%

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

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

# Cultural Well-being

## Shaping Wellington's unique identity

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

## Operating activities

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

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted	
Cultural Wellbeing	Arts and Culture Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3	Arts and cultural festivals	0%	5%	95%	95%	0%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6	Arts partnerships	0%	20%	80%	80%	0%	0%	0%
		4.1.7	Regional amenities	0%	0%	100%	100%	0%	0%	0%

## Capital Expenditure

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

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

## Cultural well-being – activity commentary

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### 4.1 Arts and Cultural Activities

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#### ACTIVITY 4.1.1: GALLERIES AND MUSEUMS

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

#### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – museums shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington's diverse stories and help us understand ourselves and each other.



- *An innovative, inclusive and creative city* - museums provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas here and abroad.
- *A dynamic and sustainable economy* – museums enhance Wellington’s vibrancy as a diverse, active and eventful place attractive to visitors.

Who benefits?	
Whole community	15%
Individuals/Users	70%
Identifiable part of the community	15%

The individuals who attend the exhibitions and shows at the galleries and museums clearly benefit from their attendance. The exhibitions and shows are a mix of free entry and charged admissions.

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

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

Who should pay?	
Whole community	75%
Downtown sector	25%

The Council funds the museums and galleries to encourage greater participation in the arts and because it believes that high quality cultural amenities add to a vibrant city life and contribute strongly to Wellington as a place to live, work and play. Wellingtonians enjoy access to a wide range of institutions generally without admission charges, this aligns with a strong community bias and the funding policy of Council reflects this with three quarters of the funding being through the general rate. The balance of the funding reflects the benefits to the businesses located in the CBD area and funding through the Downtown targeted rate is appropriate to contribute to this activity.

Our funding targets: operating expenses	
User charges	0%
Other revenue	0%
Targeted rate (Downtown)	25%
General rate	75%
Total	100%

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## ACTIVITY 4.1.2: VISITOR ATTRACTIONS (TE PAPA)

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Through this activity the Council funds attractions and facilities that bring visitors to the city, principally Te Papa.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – they shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories, in particular those of our Māori, and help us understand ourselves and each other.
- *An innovative, inclusive and creative city* – they provide ideas and places where people can connect, share what is common and explore what is different and new.
- *A dynamic and sustainable economy* – museums enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to visitors.

### How we approach funding this activity

The overarching purpose of this activity is to support visitor attractions. The principal expenditure under this activity is the funding which the Council provides to Te Papa.

### External attractions

Who benefits?	
Whole community	30%
Individuals/Users	50%
Identifiable part of the community	20%

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

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

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

Who should pay?	
Identifiable parts of the community	70%
Whole community	30%

Though a group of beneficiaries of this activity are the individuals who choose to visit Te Papa, the Council does not believe it is viable or appropriate to charge them directly for these benefits. Wellingtonians have largely unrestricted access to Te Papa and it is appropriate that they contribute to the funding of this activity through general rates.

However, the downtown sector should continue to fund a significant portion of the cost of this activity as they benefit directly. The venue, events and attraction of Te Papa brings people and visitors into the city. These people provide business for the retailers, and the wider hospitality sector in the city. The projects funded by this activity make major contributions to the Council’s goal that Wellington will be a prime tourist destination.

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

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### ACTIVITY 4.1.3: ARTS AND CULTURAL FESTIVALS

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The Council runs and supports events that encourage Wellingtonians to participate in, learn about and enjoy creative, innovative and diverse arts and cultural experiences. These include Summer City (Gardens’ Magic, Pacifica Festival Te Rā o Waitangi) the Sky Show, the Diwali festival, Matariki festival, Re-Cut series, Very Welly Christmas and New Year and more, all of which are provided free to the public.

We aim to establish Wellington as a world-leading city of contemporary culture through an integrated programme of investment in, and promotion of, our unique strengths as an arts, events and culture capital.

#### Community outcome

- *A people friendly, compact, safe and accessible capital city* –cultural festivals shape Wellington’s sense of identity. They bring people together and celebrate creativity.
- *An innovative, inclusive and creative city* – festivals provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas from here and abroad.
- *A dynamic and sustainable economy* – museums and festivals enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to residents

Who benefits?	
Whole community	100%

The events are generally run outdoors in public areas making it impossible to identify individual beneficiaries. The benefits, in any case, are not exclusive.

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

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

Who should pay?	
Whole community	100%

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

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

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

## ACTIVITY 4.1.4: CULTURAL GRANTS

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

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* –cultural grants support the creative sector of Wellington ensuring that the city is lively and full of festivals, performances and shows throughout the year.
- *A dynamic and sustainable economy* –cultural grants support Wellington cultural institutions that are integral to our cultural and events capital status. They provide shows and performances that make the central city a lively place to visit, play and do business.

Who benefits?	
Whole community	50%
Individuals and identifiable part of the community	50%

The direct beneficiaries of this activity are the individuals and groups who receive funding. The grants provide them with opportunities for artistic and cultural expression. This activity gives individuals the

opportunity to participate, even though they may choose not to. Though these benefits are private, they are not exclusive – all residents are able to apply for funding.

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

Who should pay?	
Whole community	100%

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

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

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

## ACTIVITY 4.1.5: ACCESS AND SUPPORT FOR COMMUNITY ARTS

This activity addresses a range of community arts projects that the Council supports every year. It also covers a subsidy for non-profit community groups using Wellington Venues, ensuring that they are accessible to a wide range of organisations.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – support for community arts projects and venues enables Wellington’s creative communities to create work and produce festivals and performances throughout the year.

Who benefits?	
Whole community	50%
Individuals/Users	50%

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

Who should pay?	
Whole community	90%
Identifiable parts of the community	10%

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

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

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## ACTIVITY 4.1.6: ARTS PARTNERSHIPS

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

The Council also houses a number of independent artists, art organisations, music studios and a gallery at the Toi Pōneke Arts Centre, which is covered by this activity. This activity also includes the fund which is used to manage the city's art collection (acquisition, conservation and exhibiting of artworks) and support development and delivery of public art in the city.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – Our partnership with organisations such as the NZ Symphony Orchestra means residents have the option of attending concerts on a regular basis, and have far greater access to world-class music than would otherwise be the case. Toi Pōneke Arts Centre is a creative space where the city's arts communities interact, produce innovative works, teach and exhibit in the heart of Wellington. It provides a place where people can connect, share and collaborate creatively
- *A dynamic and sustainable economy* - We support these institutions as they build on the city's reputation as New Zealand's arts and culture capital and they attract thousands of visitors to the city. Public sculpture and art displays, and exhibitions add to the vibrancy and liveability of the city.

Who benefits?	
Whole community	30%

Identifiable part of the community	60%
Downtown sector	10%

The artists and organisations are clearly direct beneficiary of these partnerships. These benefits are private and exclusive to the extent that the Council’s support cannot be transferred. Toi Pōneke exhibitions are free and accessible to all. Public art is a most accessible form of art and the whole community benefits from it as well as visitors to the city.

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

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

Who should pay?	
Whole community	75%
Individuals/Users	25%

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

It is also considered appropriate that those art organisations, artists and users of Toi Pōneke Arts Centre should make a contribution to the cost of the space that they have use over.

Our funding targets: operating expenses	
User charges	0%
Other revenue	20%
Targeted rate	0%
General rate	80%
Total	100%

## ACTIVITY 4.1.7: REGIONAL AMENITIES FUND

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

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

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

## Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – arts, culture and environmental attractions and events make Wellington a more attractive place to live and do business, and attract thousands of visitors to the city every year.
- *An innovative, inclusive and creative city* – attractions and events provide ideas and places where people can connect and explore what is different and new, from both here and overseas.
- *A dynamic and sustainable economy* – arts, culture and environmental attractions and events anchor Wellington’s appeal as a place of creativity, exploration, innovation, and excitement. They also enhance Wellington’s vibrancy as a diverse, active and eventful place attractive to visitors.
- *A sustainable, climate friendly eco capital* – environmental attractions and events raise awareness of environmental issues and improves environmental outcomes.

Who benefits?	
Whole community	100%

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

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

They also create economic benefits to the city as they attract out of region visitors, and contribute millions of dollars to Wellington’s economy (e.g. New Zealand Festival). They bring people into the city, providing customers for city businesses as well as enhancing Wellington City’s place as New Zealand’s arts capital, attracting people to the City to live, work and play.

Who should pay?	
Whole community	100%

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



# Social and Recreation

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

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

### Operating activities

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

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted	
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	30%	0%	70%	70%	0%	0%	0%
		5.1.2	Sportsfields	15%	0%	85%	85%	0%	0%	0%
		5.1.3	Recreation programmes	5%	0%	95%	95%	0%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7	Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	30%	0%	70%	70%	0%	0%	0%
	Community support	5.2.1	Libraries	5%	0%	95%	95%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
	Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%
		5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.3.3	Public health regulations	65%	0%	35%	35%	0%	0%	0%
		5.3.4	City safety	0%	0%	100%	100%	0%	0%	0%
5.3.5		WREMO	0%	0%	100%	100%	0%	0%	0%	

### Capital Expenditure

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

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

## Social and recreation – activity commentary

### 5.1 Recreation Promotion and Support

#### ACTIVITY 5.1.1: SWIMMING POOLS

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This activity covers the cost of providing the Council’s seven swimming pools: Wellington Regional Aquatic Centre (WRAC, Kilbirnie), Freyberg Pool (Oriental Bay), Karori Pool, Keith Spry Pool (Johnsonville), Tawa Pool, Thorndon Pool (summer only) and Khandallah Pool (summer only). They provide a range of recreational opportunities while also helping build a sense of community. They host college, intermediate and primary school swimming events and WRAC also hosts national events.

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - they provide access to sport and recreation opportunities which is important for people’s health and wellbeing.
- *An innovative, inclusive and creative city* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?	
Whole community	20%
Individuals/Users	80%

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

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

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

Who should pay?	
Whole community	70%
Individuals/Users	30%

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

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

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

Our funding targets: operating expenses	
User charges	30%
Other revenue	0%
Targeted rate	0%
General rate	70%
Total	100%

## ACTIVITY 5.1.2: SPORTS FIELDS

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *An innovative, inclusive and creative city* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?	
Whole community	30%
Individuals/Users	35%
Identifiable part of the community	35%

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

The Council estimates individual people receive about 35% of the benefits from sportsfields and sports clubs receive about the same benefit.

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

Who should pay?	
Whole community	80%

Individuals/Users	20%
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While individuals and sports clubs receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the costs of operating the city's sportsfields.

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

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

Previously sportsfields were in two separate activities, natural (grass) and synthetic. This was initially driven by the development of artificial turfs (a new service) and the difference in who benefits and who should pay. This has changed overtime as the use of synthetics has integrated with natural fields, which has seen individuals, sporting clubs and the communities utilise the provision of these fields as one service. This has led to a review of these activities, and combining them into one. It has seen changes to the 'who benefits' and 'who should pay' % to recognise the service as a whole.

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

### ACTIVITY 5.1.3: RECREATION PROGRAMMES

The Council organises programmes and works with stakeholders to deliver programmes to encourage people's participation in leisure activities. These include organised walks and recreation activities such as Push Play. The key sectors include schools and tertiary providers, environmental groups, sports, clubs and health & well-being providers. This activity covers the cost of providing these services.

#### **Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- *An innovative, inclusive and creative city* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who benefits?	
Whole community	50%

Individuals/Users	50%
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The Council’s recreation programmes benefit the individuals who take part by providing them with access to recreation and leisure opportunities. The programmes not only promote health but can also boost participants’ overall sense of well-being.

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

Who should pay?	
Whole community	95%
Individuals/Users	5%

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

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

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

## **ACTIVITY 5.1.4: RECREATION CENTRES (INCLUDING ASB SPORTS CENTRE)**

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

### **Community outcome**

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - they provide access to sport and recreation opportunities which is important for people’s health and wellbeing.
- *An innovative, inclusive and creative city* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?	
Whole community	20%
Individuals/Users	80%

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

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

Who should pay?	
Whole community	75%
Individuals/Users	25%

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

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

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

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

## ACTIVITY 5.1.5: RECREATION PARTNERSHIPS

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – this activity supports access to sport and recreation opportunities which is important for people’s health and wellbeing.
- *An innovative, inclusive and creative city* – this activity bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who benefits?	
Whole community	20%
Individuals/Users	80%

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

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

Who should pay?	
Whole community	100%

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

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

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

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

## ACTIVITY 5.1.6: PLAYGROUNDS

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

## Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – this activity supports access to recreation opportunities and physical play for younger people that are important for their development and their health and wellbeing.
- *An innovative, inclusive and creative city* – these facilities bring people together, provide a place where parents with young children can connect and provide support, hence making the city a more appealing place for people to live.

Who benefits?	
Whole community	20%
Individuals/Users	80%

The city's playgrounds provide safe, entertaining places for children to play. The benefits to the children and their families are significant. These benefits are private but not exclusive. It would not be desirable or acceptable to charge people for using playgrounds. The Council's Play Spaces Policy states that in February 2013, the United Nations Committee on the Rights of the Child, adopted a General Comment that "children have a right to relax and play, and to join in a wide range of cultural, artistic and other recreational activities."

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

Who should pay?	
Whole community	100%

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

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

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

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

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



Targeted rate	0%
General rate	100%
Total	100%

## ACTIVITY 5.1.7: MARINAS

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – this activity supports access to the harbour and the coast for recreation, fishing and enjoyment

Who benefits?	
Individuals/Users	100%

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

Who should pay?	
Individuals/Users	100%

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

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

## ACTIVITY 5.1.8: GOLF COURSE

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – this activity supports access to sport and recreation opportunities which is important for people’s health and wellbeing.
- *An innovative, inclusive and creative city* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who benefits?	
Whole community	20%
Individuals/Users	40%
Identifiable parts of the community	40%

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

The Council estimates individual people and identifiable parts of the community each receive about 40% of the benefits from the golf course.

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

Who should pay?	
Whole community	70%
Individuals/Users	30%

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the costs of operating the city’s municipal golf course, the main reason being that the golf course is located on Town Belt land with free public access to the area. The user funded portion relates to costs specific to the provision of the Golf Course.

The benefit to the community as a whole and the widespread community support for the facility justifies a ratepayer contribution.

Our funding targets: operating expenses	
User charges	30%
Other revenue	0%
Targeted rate	0%

General rate	70%
Total	100%

## 5.2 Community support

### ACTIVITY 5.2.1: LIBRARIES

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

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* - libraries are more than just places to borrow books. They are neighbourhood institutions that anchor community life and bring people together.
- *An innovative, inclusive and creative city* - libraries are places of discovery and learning which allow readers to connect with others and exchange knowledge both online, and through events and other activities.

Who benefits?	
Whole community	20%
Individuals/Users	80%

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

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

Libraries also benefit the people who use them. People gain free or low-cost access to books, DVDs, magazines, music and other items. The breadth of the network means that the services it provides are easily accessed by those opting to use it. They use these services for recreation or work/business and to enhance their knowledge, digital literacy and overall well-being right across the age span.

We monitor the use of our libraries. Our indicators suggest that the vast majority of use is for recreational and personal use while up to 30 percent is in part used for work purposes (e.g. job seeking).

Who should pay?	
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Whole community	95%
Individuals/Users	5%

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

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

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

Fees are imposed on services that are provided in addition to the core services of the library. For instance modest fees apply for the rental of DVDs. Penalty fees also apply to the late return of items, although this is less relevant as an income stream in an increasingly digital environment.

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

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

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

## ACTIVITY 5.2.2: ACCESS SUPPORT (LEISURE CARD)

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

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city – we provide subsidised access to our recreation programmes and facilities through our Leisure Card programme to encourage active and healthy lifestyles for all Wellingtonians without unreasonable hardship.*

Who benefits?	
Whole community	25%
Individuals/Users	75%

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

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

Who should pay?	
Whole community	100%

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

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

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

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

### ACTIVITY 5.2.3: COMMUNITY ADVOCACY

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

We also support the development of community and neighbourhood resilience to ensure communities are connected, vibrant and participatory. Ensure Wellington is a safe, tolerant and healthy city with a strong social infrastructure supporting people. There is an effective city wide welfare and social recovery response for people and animals in an emergency

Community Services take the lead in maintaining and developing partnerships and/or collaborations with community groups, government departments, agencies and sector organisations to improve community wellbeing and to ensure local services meet local needs.

### Community outcome

This activity contributes towards the following outcomes:

- **A people friendly, compact, safe and accessible capital city:** A city that offers an outstanding quality of life and strong sense of place and leaves no-one behind; provides outstanding recreational opportunities (active and passive) that are accessible and inclusive and a safe and healthy city to live in and visit.
- *A dynamic and sustainable economy:* Residents know their neighbours and have a strong sense of community and of public pride; retailers and residents in the CBD have a voice and can be heard.
- *An innovative, inclusive and creative city:* Engaged community where people and communities feel connected; welcoming and diverse city tolerant of diversity

Who benefits?	
Whole community	80%
Individuals/Users	20%

The projects funded under this activity benefit all Wellingtonians and communities: The build community and neighbourhood resilience supporting the development of connected, vibrant and participatory communities. The outcomes include ensuring residents being able to access information and resources and participate in communities/activities of choice. These projects also ensure Wellington is a safe, tolerant and healthy city with a strong social infrastructure supporting people. There is an effective city wide welfare and social recovery response for people and animals in an emergency.

Who should pay?	
Whole community	100%

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

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

## ACTIVITY 5.2.4: GRANTS (SOCIAL AND RECREATION)

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

**Community outcome**

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* - our grants support community groups that promote individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities. The grants also support active and healthy lifestyles through support of recreation and sporting groups.

Who benefits?	
Whole community	50%
Identifiable part of the community	50%

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

Who should pay?	
Whole community	100%

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

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

**ACTIVITY 5.2.5: HOUSING**

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

**Community outcome**

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* - they provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

Who benefits?	
Individuals/Users	90%
Whole community	10%

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

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

Who should pay?	
Individuals/Users	100%

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

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

## ACTIVITY 5.2.6: COMMUNITY CENTRES AND HALLS

This activity supports the delivery of services/activities from community centres and halls. The Council directly delivers services to the community from two halls and five centres. Community organisations are contracted to deliver services from our assets or from non-council assets (22 centres in total) and are funded through three-year contracts (Social Grants). This includes where Council owns the asset, community owns the asset, and community leases a space for delivery of services. We also maintain an accommodation assistance fund that provides community groups with access to subsidised office space.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – these facilities are important anchors in our communities. They are places for groups to come together, strengthening social cohesion, and making the city a more appealing place for people to live.



Who benefits?	
Whole community	70%
Individuals and identifiable part of the community	30%

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

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

Who should pay?	
Whole community	95%
Individuals and identifiable part of the community	5%

These community spaces cover a wide range of facilities forming part of the city's 'hard' social infrastructure that supports community wellbeing. Services and activities developed and delivered locally from these assets help bring people together, improve and strengthen neighbourhoods, community resilience and community safety. These assets are also important gathering points during civil defence emergencies.

Community centres make a significant contribution to community wellbeing by providing an anchor for the local community as well as a city-wide network of community resources. They also provide opportunities for social interaction, events, activities and interest and needs based courses/activities that benefit and respond to the local community needs and interests.

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

### **5.3 Public Health and Safety**

#### **ACTIVITY 5.3.1: BURIALS AND CREMATIONS**

We operate a crematorium and cemetery at Karori and a cemetery at Makara. We also manage Wellington cemetery records dating back to 1849 available for public viewing. Karori Cemetery is now managed as a closed cemetery for burials, unless interred in an existing family plot. All other burials, including Natural burials are undertaken at Makara Cemetery.

## Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – the cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community.

Who benefits?	
Whole community	50%
Identifiable part of the community	50%

The cemeteries provide families of the deceased with access to appropriate burial or cremation facilities, allowing them to farewell their loved ones with dignity.

They also have significant benefits to the community as a whole. These include the public health benefits of ensuring burials and cremations are conducted appropriately, the contribution made by the cemeteries to the city's heritage, the social benefits of ensuring a wide range of religious and cultural needs are catered for, and the provision of park-like surroundings that benefit not only families of the deceased but also all members of the community. Members of the public expect cemeteries to be properly maintained and accessible to all.

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

Who should pay?	
Whole community	50%
Identifiable part of the community	50%

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

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

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

## ACTIVITY 5.3.2: PUBLIC TOILETS

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

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – these facilities are located conveniently throughout the city protecting against public health risks.

Who benefits?	
Whole community	60%
Individuals/Users	40%

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

Who should pay?	
Whole community	100%

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

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

## ACTIVITY 5.3.3: PUBLIC HEALTH REGULATIONS

This activity covers the Council’s role in licensing and monitoring food outlets, licensing alcohol liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, and handling infectious disease investigations and trade waste activities.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – this activity protects against public health risks.

Who benefits?	
Whole community	75%
Individuals/Users	25%

The Council's public health work is a legislative requirement set out by several laws including the sale and supply of alcohol Act, the Food Act, the Dog Control Act, the Litter Act and the Hazardous Substances and New Organism. It provides significant benefits to the community as a whole, including protection of the public from hazards such as unsafe food and diseases.

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

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

Who should pay?	
Whole community	40%
Individuals/Users	60%

As this work largely protects the community from harm, it is appropriate that the people or businesses potentially causing the harm should pay. The Council's public health activities include a range of user charges. For example, user charges recover about 75 percent of animal control costs. Some charges, such as those for liquor licensing, are determined by statute.

For some services, it is not appropriate or possible to charge users. For example, the cost of responding to public complaints about nuisance, litter, animals and other public health issues cannot be recovered as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard. Overall, user charges recover about 60 percent of the cost of providing these public health services. Accordingly, the Council's target is to fund 65 percent of the cost of this activity through user charges.

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

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

## ACTIVITY 5.3.4: CITY SAFETY

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

**Community outcome**

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – this activity promotes individual wellbeing, safe neighbourhoods and a safe inner city.

Who benefits?	
Whole community	100%

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

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

Who should pay?	
Whole community	100%

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

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

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

Wellington Regional Emergency Management Office (WREMO) provides a shared service to all the councils within the region. Its role is to help the city prepare for disasters such as earthquakes and floods,

and to maintain the Council’s Emergency Operations Centre at a state of readiness for response. WREMO works with government agencies, other councils in the region and international agencies.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – this agency works with all sectors of the community to ensure the city is well-prepared for earthquakes and other natural disasters.

Who benefits?	
Whole community	90%
Individuals/Users	10%

All residents and businesses benefit from preparation work to alleviate and cope with disasters like storms, floods and earthquakes. WREMO is a focal point for help and gives the entire community some comfort that a ready response is available to cope with disasters and quickly recover.

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

### Rural Fire and Fire Prevention

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

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

Who should pay?	
Whole community	95%
User	5%

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

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

# Urban Development

## Directing growth and delivering quality

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

## Operating activities

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

Activity Area	Activity Grouping	Activity	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted	
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
		6.1.5	Housing development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	45%	0%	55%	55%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
		6.2.4	Regulator - Building Control and Facilitation Weathertight Homes	0%	0%	100%	100%	0%	0%	0%

## Capital Expenditure

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

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

## Urban development – activity funding commentary

### 6.1 Urban Planning, Heritage and Public Spaces Development

#### ACTIVITY 6.1.1: URBAN PLANNING AND POLICY

The Council wants to ensure the city grows in ways that encourage high-quality development and produce the best long-term result for everyone. To do this, we will use appropriate controls to guide development, particularly in key areas of the city. This includes guiding development in the northern part of the city where rapid growth is expected in the coming years. Implementing and updating the District Plan to respond to key issues such as resilience and facilitate growth are high priorities.

## Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – this activity ensures the city’s built form is developed in appropriate ways
- *A dynamic and sustainable economy* – urban planning is focused on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices.
- *A dynamic and sustainable economy* - this activity shapes how the built form and urban culture of the city is developed into the future

### Who benefits?

Whole community	100%
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Urban planning ensures the city grows in a controlled way that is environmentally sustainable, enhances community cohesion, and encourages high-quality developments. While the Northern Growth Management Framework is obviously specific to that area, the benefits of improved infrastructure and co-ordinated growth will be felt city-wide.

### Who should pay?

Whole community	100%
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The Council seeks to build stronger communities through funding this activity. Our aim is to make Wellington even more liveable – making it a great place to be by offering a variety of places to live, work and play within a high quality public environment. Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

### Our funding targets: operating expenses

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

## ACTIVITY 6.1.2: WATERFRONT DEVELOPMENT

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

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



## Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* - the waterfront offers safe open spaces that welcome and engage people and encourage them to stay.
- *A dynamic and sustainable economy* – the waterfront is an accessible and unique component of the inner city that offers opportunities for relaxation, recreation and leisure.

Who benefits?	
Whole community	100%

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

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

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

Who should pay?	
Whole community	100%

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

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

## ACTIVITY 6.1.3: PUBLIC SPACES AND CENTRES DEVELOPMENT

We fund work to develop the street environments, urban parks and squares, and other public areas in the city and suburban centres. We aim to make these areas safe, accessible and attractive, with plenty of

green space. This activity includes facilitation of the city’s public artworks and consultation, planning and co-ordination of suburban centre upgrades.

**Community outcome**

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – development of public squares and parks enhances people’s enjoyment of the city and contributes to our civic pride and our ‘sense of place’.
- *A dynamic and sustainable economy* – public spaces are an important component of the inner city providing accessible opportunities for relaxation, recreation and leisure for residents and visitors. High-quality developments make the city a more attractive place to live, attract visitors and support business opportunities.

Who benefits?	
Whole community	100%

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

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

Who should pay?	
Whole community	100%

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

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

**ACTIVITY 6.1.4: BUILT HERITAGE DEVELOPMENT**

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

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

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

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – heritage buildings contribute to the city's distinct identity and enhance its sense of place.

Who benefits?	
Whole community	100%

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

Who should pay?	
Whole community	100%

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

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

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## ACTIVITY 6.1.5: HOUSING DEVELOPMENT

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Council has developed a Housing Strategy which aims to ensure that all Wellingtonians are well housed with four key outcomes met:

- Wellington has a well-functioning housing system
- Homes in Wellington are of good quality high quality and are resilient
- Homes meet the needs of Wellingtonians

- The Wellington housing system supports sustainable, resilient, and connected communities

Delivery of this strategy would include activities such as:

- Building conversions in the Central Business District.
- Establishing partnerships with Community Housing Providers (CHP's).
- Working effectively with property developers to create opportunities to alleviate pressure on the housing market.
- Through various acquisitions and disposals, maximise the use of Council assets.

As part of the wider housing strategy and work programme, Council would work to identify appropriate Council assets which can be disposed of so that the proceeds can be utilised and directed toward new housing developments that better meet the needs of the community.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – Encouraging Housing initiatives so that Wellingtonians can enjoy quality Housing at a level which is affordable.
- *A sustainable, climate friendly eco capital* – Housing in Wellington is sustainable so that the impact on the environment and infrastructure networks is minimised without compromising on comfort and quality of life.

Who benefits?	
Whole community	50%
Individuals/Users	50%

Work funded by this activity would benefit individuals who currently cannot access quality affordable housing. Developments arising from this activity would allow more affordable housing to be available on a greater scale than is currently the case.

However the community as a whole also benefits through improving the overall availability and quality of the city's housing stock.

Who should pay?	
Whole community	100%

Council is seeking to ensure that all Wellingtonians are well housed. As much of the work in this activity is strategic in nature with broadly delivered benefits through a quality framework it is appropriate for general rate payers to bear the cost.

While the private market does provide housing, this activity seeks to encourage development which would not occur without Council's support. This activity is therefore Council's input and support over and above the costs incurred by the private market and to seek to recoup the cost would defeat the purpose of Council support.

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

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

## 6.2 Building and Development Control

### ACTIVITY 6.2.1: BUILDING CONTROL AND FACILITATION

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

Work includes issuing and monitoring building consents - we have building guidelines to make sure buildings meet the required standards. We also have responsibilities under the Fencing of Swimming Pools Act to ensure all swimming pools are adequately fenced.

#### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* - All cities control building work according to the provisions of the Building Act and codes. These controls are necessary to protect public health and safety, and to protect future users of land and buildings.

Who benefits?	
Whole community	20%
Individuals/Users	80%

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

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

Who should pay?	
Individuals/Users	65%
Whole community	35%

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

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

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

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

## ACTIVITY 6.2.2: DEVELOPMENT CONTROL AND FACILITATION

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

### Community outcome

This activity contributes towards the following outcome:

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

Who benefits?	
Whole community	40%
Individuals/Users	60%

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

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

Who should pay?	
Whole community	50%
Individuals/Users	50%

While individuals receive an estimated 60 percent of the benefit from the Council’s resource consent work, our ability to recover costs from those individuals is sometimes limited. This is because services such as our front of house free. In addition, while individuals causing damage to the environment should bear the costs of dealing with their actions, it is not always possible to identify them.

The inclusion of noise control activities under the Resource Management Act also increases the proportion of costs that cannot be recovered through user fees and changes as it would not be appropriate to charge those making the complaints and it is not always possible to identify the person or business responsible for the hazard.

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

These factors mean that, historically, we have been able to recover only about a third of the cost of this activity through user charges.

Our funding targets: operating expenses	
User charges	45%
Other revenue	0%
Targeted rate	0%
General rate	55%
Total	100%

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## ACTIVITY 6.2.3: EARTHQUAKE RISK MITIGATION – BUILT ENVIRONMENT

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

**Community outcome**

This activity contributes towards the following outcome

- *A people friendly, compact, safe and accessible capital city* - Wellington’s high earthquake risk means this work is critical. It protects public safety, as well as preserving the city’s heritage and the economic investment made in buildings and infrastructure.

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

**ACTIVITY 6.2.4: BUILDING CONTROL AND FACILITATION – WEATHERTIGHT HOMES**

**Community outcome**

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* - by providing resolution to the weathertight homes issue, by supporting repairs to provide healthier and more resilient homes.

Who benefits?	
Whole community	100%

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

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

Who should pay?	
Whole community	100%

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



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

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

# Transport

## Providing quality connections

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

## Operating activities

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

Activity Area	Activity Grouping	Activity		User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted
Transport	Transport	7.1.1	Transport planning	0%	0%	100%	100%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	5%	95%	95%	0%	0%	0%
		7.1.4	Passenger transport network	0%	80%	20%	20%	0%	0%	0%
		7.1.5	Pedestrian network	0%	5%	95%	95%	0%	0%	0%
		7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7	Road safety	0%	20%	80%	80%	0%	0%	0%
		7.1.8	Lets Get Wellington Moving	0%	0%	100%	100%	0%	0%	0%
	Parking	7.2.1	Parking	100%	0%	0%	0%	0%	0%	0%

## Capital Expenditure

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

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

## Transport – activity funding commentary

### 7.1 Transport

#### ACTIVITY 7.1.1: TRANSPORT PLANNING

The mixed modes and changing demands on transportation means that transportation planning becomes increasingly important. The Council's work in this area is closely linked to the work that we carry out

under urban development. We also incorporate travel demand management planning as a component part of our overall transport and urban planning work.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *An innovative, inclusive and creative city* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *A dynamic and sustainable economy* - a network that is efficient means fewer cars are stuck in traffic meaning less emissions are produced
- *A dynamic and sustainable economy* – A network that allows easy movement of people and goods is vital for business and a significant competitive advantage.

Who benefits?	
Whole community	100%

This activity is of benefit to the whole community.

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

Who should pay?	
Whole community	100%

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

## ACTIVITY 7.1.2: VEHICLE NETWORK

We manage a vehicle network that includes 699 kilometres of urban and rural roads, 1,236 kilometres of kerbs and channels, 76 bridges and large culverts and four tunnels, as well as all related pavements and

service lanes. As steward of the roads in a hilly harbour city, we are also responsible for maintaining more than 3,200 retaining walls, sea walls and accessway walls that support and protect transport corridors. Network maintenance activities include planned work as well as responding to unexpected events, such as removing debris and returning roads to service after storms or slips.

Port access is also part of our vehicle network management activities, as the efficient movement of freight to and from the port is an important contributor to the city’s economy. We work with port authorities to find appropriate solutions to the movement of freight which minimise negative impacts for other users of the vehicle network.

### Community outcome

This activity contributes towards the following outcome

- *A people friendly, compact, safe and accessible capital city* – our road network safely and efficiently accommodates more than 40,000 people driving around the city each day, for work and recreation.

Who benefits?	
Whole community	100%

The city’s vehicle network is a vital public asset. Roads are available for all residents and visitors to use. It benefits all residents by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. An efficient vehicle network allows people to travel to work, visit friends and family, and get their children to school.

This ‘public good’ aspect of the vehicle network is reflected in the fact that Council’s responsibility for providing and maintaining the network is enshrined in law. Under the current law, we cannot charge anyone for using it. The vehicle network is not in competition with any privately-provided alternative.

The direct beneficiaries of the vehicle network are road users. This includes everyone who drives private cars, as well as businesses that use roads for commercial purposes such as transporting goods. There are also many indirect beneficiaries, including people who do not often leave their homes but receive road-based services like meals on wheels or mail deliveries.

Who should pay?	
Whole community	95%
Other	5%

It could be argued that the commercial sector receives a higher direct benefit than city residents, and that heavy commercial vehicles also cause more wear and tear on the roading network than private cars. However, it’s not possible to reasonably assess how much cost and benefit is directly attributable to different groups of road users, and Council currently has no legal means to impose direct costs on road users.

This means that because the community as a whole benefits, the fairest approach is to fund costs in this activity from general rates.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has

made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the vehicle network activity.

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

### ACTIVITY 7.1.3: CYCLE NETWORK

Council has committed to an extensive cycleways improvement programme to improve access for people on bikes in the city and suburbs. Over the past 15 years, six out of ten new commuters have chosen to walk or cycle to work. With as many as 50,000 to 80,000 additional people expected to settle in Wellington by 2043, continuing this trend is vital if we want to minimise the need for costly road capacity improvements.

Cycleways require regular maintenance to remain safe – surfaces need to be smooth, lanes need to be clearly marked, and cycle stands and maintenance stations need to be provided at appropriate parking points. Maintaining cycleways to a high standard is critical if we want more people to see cycling as a safe and attractive transport choice.

#### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – our cycle and pedestrian networks accommodate nearly 25,000 walking and cycling commuters each day and provide for easy and affordable movement to and around the city.
- *A dynamic and sustainable economy* - the cycle network reflects our commitment to sustainable, safe and efficient transport choices.

Who benefits?	
Whole community	100%

Cycleways are available to all and provide significant benefits to the whole community, supporting the health, wellbeing and prosperity of the people who live, work, play and invest in our city.

The direct beneficiaries of the city’s cycleways are the people who use them. This includes cyclists and pedestrians who use the cycleways as de facto walkways. Cycleways provide these users with both transport and recreational opportunities. There are also many indirect beneficiaries, because as part of a multi-modal transport network, cycleways contribute towards reducing the amount of vehicle traffic, which in turn makes the city’s roads safer and less congested.

Who should pay?	
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Whole community	100%
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Because the community as a whole benefits from our provision of the cycleway network, the fairest approach is to fund costs in this activity from general rates.

Identifying and charging individual users would be both inefficient and impractical. It's likely that imposing a user charge would discourage people from using cycleways, meaning that the health, sustainability and transport benefits of cycleways would be lost.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the cycle network activity.

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

## ACTIVITY 7.1.4: PASSENGER TRANSPORT NETWORK

While Greater Wellington Regional Council (GWRC) is responsible for the provision of public transport services, Council is committed to playing a key role in supporting the city's public transport network. Our aim is to encourage greater use of the bus and rail networks, as this delivers social and sustainability benefits, including improved energy efficiency and reduced pollution.

The Lambton Quay Bus Interchange is owned and operated by Council (this is because legislation in force at the time prevented GWRC from owning this asset). GWRC contributes a capped amount of funding towards the operation and maintenance of the Bus Interchange. Subsidised expenditure includes utilities costs, cleaning, maintenance and security services.

Council provides and maintains the special bus lane markings on roads throughout the city. Council has also committed to a significant programme of local bus priority capex improvements (which will affect this activity through higher interest charges).

Council was previously responsible for managing the cleaning and maintenance of bus shelters, bus stops and bus signs, with costs being reimbursed by GWRC. Responsibility for this work was transitioned across to GWRC in 2016, at which time we removed both the expenditure and the income (GWRC cost recoveries) from the LTP. This change had a net nil impact on the amount of rates funding required for this activity.

## Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – our passenger transport network safely and efficiently accommodates people using public transport services to travel around the city each day, for work and recreation.

Who benefits?	
Whole community	100%

The city's public transport network is a vital public asset which is available for all residents and visitors to use. It benefits the whole community by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. An efficient public transport network allows people to travel to work, visit friends and family, and get their children to school.

While individual users of public transport receive the most direct benefit, there are also many indirect beneficiaries. As part of a multi-model transport network, public transport services contribute towards reducing the amount of vehicle traffic, which in turn makes the city's roads safer and less congested. Encouraging the use of public transport also has wider sustainability benefits for the community, including improved energy efficiency and reduced pollution.

Who should pay?	
Whole community	20%
Other	80%

Because the community as a whole benefits, the fairest approach is to fund costs in this activity from general rates.

However, Council receives a share of the revenue generated from Adshel advertising on bus shelters and pedestrian canopies in the city. This income is leveraged to reduce the rates funding requirement for the passenger transport activity.

Our funding targets: operating expenses	
User charges	0%
Other revenue	80%
Targeted rate	0%
General rate	20%
Total	100%

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## ACTIVITY 7.1.5: PEDESTRIAN NETWORK

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Over the past 15 years, six out of ten new commuters have chosen to walk or cycle to work. With as many as 50,000 to 80,000 additional people expected to settle in Wellington by 2043, continuing this trend is vital if we want to minimise the need for costly road capacity improvements.

Maintaining a safe and connected pedestrian network is an important part of our transport strategy. We maintain more than 893 kilometres of footpaths as well as pedestrian (street) furniture such as canopies, seats, bollards and fountains.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – our cycle and pedestrian networks accommodate nearly 25,000 walking and cycling commuters each day and provide for easy and affordable movement to and around the city.
- *A dynamic and sustainable economy* - the pedestrian network reflects our commitment to sustainable, safe and efficient transport choices

Who benefits?	
Whole community	100%

The pedestrian network is available to all and provides significant benefits to the whole community, supporting the health, wellbeing and prosperity of the people who live, work, play and invest in our city.

The direct beneficiaries of the city’s pedestrian network are the people who use them. Footpaths and accessways provide these users with both transport and recreational opportunities. There are also many indirect beneficiaries, because as part of a multi-modal transport network, the pedestrian network contributes towards reducing the amount of vehicle traffic, which in turn makes the city’s roads safer and less congested.

Who should pay?	
Whole community	100%

Because the community as a whole benefits from our provision of the pedestrian network, the fairest approach is to fund costs in this activity from general rates.

Identifying and charging individual users would be both inefficient and impractical. It’s likely that imposing a user charge would discourage people from using footpaths and accessways, meaning that the health, sustainability and transport benefits of cycleways would be lost.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the pedestrian network activity.

Our funding targets: operating expenses	
User charges	0%



Other revenue	5%
Targeted rate	0%
General rate	95%
Total	100%

## ACTIVITY 7.1.6: NETWORK-WIDE CONTROL AND MANAGEMENT

Network management is crucial in a modern, efficient vehicle network.

Our traffic control system includes 117 sets of traffic lights, closed circuit television cameras and a central traffic computer system which allows us to optimise traffic flows to ensure the safe, efficient and balanced flow of traffic. This minimises safety risks, congestion, delays and pollution.

Road markings and signs provide information and guidance to drivers and assist with traffic flow, traffic control and traffic safety, especially at night and in poor weather conditions. This significantly enhances safety for all users of our transport networks, and also supports efficient parking management.

Other network management activities include the administration of National legislation and Council's bylaws and policies relating to the non-ordinary, temporary use of the transport network.

We manage Corridor Access Requests (around 6,000 per year) for works in the Transport Corridor (now mainly utility works approvals under the National Code of Practice for Utility Access to Transport Corridors), as well as monitoring, inspecting and auditing these works to ensure compliance during the work and reinstatement.

We also review and approve Temporary Traffic Management Plans (around 1,000 per year), as well as managing delegations for self-approvals, which are administered in line with NATA's Code of Practice for Temporary Traffic Management.

Other network management activities include issuing and managing licences and permits for other uses of the transport network, such as for construction loading zones, trading, sandwich boards, events, busking, street appeals, temporary signage and overweight vehicles.

### Community outcome

This activity contributes towards the following outcomes:

- *A people friendly, compact, safe and accessible capital city* – our road network safely and efficiently accommodates more than 40,000 people driving around the city each day, for work and recreation. Our pedestrian and cycle networks deliver the same outcomes for more than 25,000 walking and cycling commuters each day.
- *An innovative, inclusive and creative city* – the network provides transport choices that connect people with each other and with places locally.
- *A dynamic and sustainable economy* - the network reflects our commitment to sustainable, safe and efficient transport choices

Who benefits?	
Whole community	100%

Traffic control, signs and marking work allows for better traffic flows. Controlling traffic flows allows us to manage the diverse and competing demands of motorists, pedestrians, cyclists and public transport users. It improves the safety and efficiency of our transport system, which delivers social and commercial benefits by improving connections between communities and the city.

Network management activities optimise accessibility and utilisation of the transport network for a wide variety of activities and users, while minimising the adverse effects on other users of the network. This enables the city to remain internationally competitive by accommodating world class activities and events and promoting vibrancy, innovation and ongoing development of the city and its infrastructure.

Who should pay?	
Whole community	70%
User charges	15%
Other	15%

The cost of administering network management activities such as Corridor Access Requests, Temporary Traffic Management Plans, and other approvals or licences for uses of the transport network is largely recovered through user charges. Note that we are constrained by legislation as to what costs we are able to recover for this work. Also note that both the costs and the revenue for this work is a relatively small percentage of the total cost for the network control activity.

Because the community as a whole benefits, the fairest approach is to fund the remaining costs in this activity from general rates.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the network control activity.

Our funding targets: operating expenses	
User charges	0%
Other revenue	15%
Targeted rate	15%
General rate	70%
Total	100%

## **ACTIVITY 7.1.7: ROAD SAFETY**

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Delivering a safe road network is a fundamental goal of our Transport strategy. Providing and maintaining safety assets such as street lighting, safety fences and rails, as well as leading road education and promotion activities, significantly enhances safety for all users of our transport networks.

### Community outcome

This activity contributes towards the following outcome:

- *A people friendly, compact, safe and accessible capital city* – our road network safely and efficiently accommodates more than 40,000 people driving around the city each day, for work and recreation. Our pedestrian and cycle networks deliver the same outcomes for more than 25,000 walking and cycling commuters each day.

Who benefits?	
Whole community	100%

Work funded by this activity reduces accidents and promotes the safety of the transport network. The benefits are felt by the whole community, including road users (private and commercial), pedestrians, cyclists, residents and tourists.

Street and pathway lighting improves safety and personal security through increased visibility. Safety fences and rails protect pedestrians from lateral falls of more than 1 metre, provide assistance to pedestrians negotiating hilly paths, highlight hazards for drivers, and act as protective barriers to ensure the safe and convenient use of the transport network.

Who should pay?	
Whole community	80%
Other	20%

Because the community as a whole benefits, the fairest approach is to fund costs in this activity from general rates.

However, a small percentage of our costs are actually funded by the New Zealand Transport Agency (NZTA) through National Land Transport Fund (NLTF) subsidies, which pass on funding from fuel taxes gathered by Central Government. The amount subsidised by NZTA varies from year to year depending on the work programme (which affects eligibility for subsidy) and the amount of funding that NZTA has made available for qualifying activities. This income is leveraged to reduce the rates funding requirement for the road safety activity.

Our funding targets: operating expenses	
User charges	0%
Other revenue	20%
Targeted rate	0%
General rate	80%
Total	100%

## 7.2 Parking

### ACTIVITY 7.2.1: PARKING

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The Land Transport Act 1998 gives the Council power to impose parking controls as a road controlling authority. We are responsible for managing road space for various purposes, including parking. We also have an enforcement role.

The management of Council-controlled on-street and off-street parking also helps to achieve the objectives and principles of the recently adopted Parking Policy 2020, and through that how parking supports achieving the overall vision for Wellington.

#### Community outcome

The Council's vision for Wellington is built around people and communities. The future city will be a place where people and goods can easily move to and through the city, based on a transport system that can accommodate moving more people using fewer vehicles. We have also taken an environmental and resilience leadership role and have set a goal to be a zero-carbon capital by 2050.

As our city changes and evolves over time, we want to make sure we don't lose what makes our city special for so many people – its dynamic compact urban form that offers the lifestyle, entertainment, retail and amenities of a much bigger city.

In addition to being a place of creativity, exploration and innovation, we want to ensure the central city continues to support the regional economy.

As Wellington city grows, the demand for the limited supply of on-street and Council off-street space will also grow. This demand must be managed to reduce congestion and ensure reasonable access for all.

As parking demands vary in different locations throughout the city, we have set priorities for different types of areas within the city:

- key transport routes
- the central area (central business district)
- suburban town centres – such as the shopping precincts of Kilbirnie, Johnsonville, Tawa, Karori
- city fringe areas
- residential streets
- our parks, sports, recreation and other community facilities
- Council-managed off-street parking.

This pressure will be highest in business and retail centres where there are concentrations of public services, and at recreation facilities. Improvements to support active and public transport will require extra road space to operate safely and efficiently.

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

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

Whole community	25%
Individuals	75%

In the future parking will be priced at a level that achieves policy objectives, is consistent with broader transport objectives and supports Let's Get Wellington Moving. The overall approach to pricing favours making smaller pricing changes more frequently over larger infrequent changes. The Council will ensure that any increases are reasonable, justifiable, well communicated, and linked to The Parking Policy objectives. The pricing methodology will be based on achieving the best use and highest priority uses for the parking spaces. Pricing will better reflect the demand, the land value and the opportunity and environmental costs of providing parking.

Since the principal benefit from the Council's parking services is to identifiable individuals it is appropriate for them to bear the costs through user charges. The community also receives benefits from the Council's parking activities as it helps to reduce the impact of future rates increases.

Who should pay?	
Individuals	100%

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

This activity recovers significantly more revenue, through enforcement and meter charges than the operating costs. The Council believes this is appropriate as it supports over time, a change towards other more sustainable forms of transport and ensures that those choosing to park in Council provided parking are contributing to the cost of providing it.

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

# Investment and Liability Management Policies

## GENERAL POLICY OBJECTIVES

The Council's general policy objectives relating to its investment and liability management are to:

- Minimise the Council's overall costs and risks associated with its borrowing activities and the general management of its other liabilities.
- Manage its borrowings and cash assets on a "net debt" basis in order to reduce the overall net cost to the Council.
- Optimise the return on its investment portfolio and other financial assets
- Manage the Council's exposure to adverse interest rate movements.
- Borrow and invest funds and transact risk management instruments within an environment of control and compliance.
- Regularly review and consider the performance of the Council's financial assets and investments. Where appropriate, the Council will dispose of under performing assets or those assets and investments that are not essential to the delivery of services and activities set out in the Council's Long Term Plan (LTP).

More detail on the Council's investment and borrowing policies, operating procedures and associated internal controls is contained in the Treasury Management Policy.

## INVESTMENT POLICY

### *Policy Statement*

The Council operates on a "net debt" basis, and does not separately maintain significant long term cash investments. The general policy with respect to surplus short term cash is to invest any short term surplus cash or to utilise it to reduce borrowings.

The Council currently maintains an equity interest in Wellington International Airport Limited (WIAL) and an ownership and financial interest in ground leases and investment properties. The Council will continue to review the level of investment as well as the return it receives on these investments.

Where appropriate, the Council may choose to dispose of investments/financial assets that no longer meet our investment objectives.

### *Investment Mix and Associated Objectives*

- The Council categorises its investments into two categories; Non Strategic and Strategic. Non strategic investments are held primarily to optimise the return on the overall investment portfolio and to diversify the councils income sources. The target for holding and managing these investments is to provide a return on the investments greater than the Council's long term (10 year) cost of funds, currently forecast at 3.4% per year.

Strategic investments are also held for achieving the councils strategic objectives and does not target a financial return from these investments.

## ***Non Strategic Investments***

Nonstrategic investments are equity and financial investments which are included in the following five categories.

### **Cash and Cash Equivalents**

The Council may invest funds with approved registered banking institutions. These investments generally mature in less than one year, and are held primarily for working capital/liquidity purposes or the pre-funding of debt maturing within twelve months.

### **Income generating commercial debt instruments**

These are principally loans to other organisations (on commercial terms) which deliver a cash-flow return to the Council.

### **Income generating commercial equity investments**

Equity investments arise from the Council owning or controlling an equity holding (e.g. shares) in another entity.

The Council currently maintains a 34 percent shareholding in Wellington International Airport Limited (WIAL).

### **Income generating commercial property investments**

Investment properties are the Council's ground leases and land and buildings held primarily for investment purposes. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in comparison to other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership to the City and in terms of the most financially viable method of achieving the delivery of Council services.

## ***Strategic Investments***

There are two categories of investments that are held to achieve council strategic outcomes. These are;

### **Non income generating investments**

This includes loans to other organisations, and equity investments in Council Controlled Organisations. The Council may consider the provision of loans to Community groups but only in exceptional circumstances. The Council's non income generating investments are held for strategic or ownership reasons.

In addition to the above investment categories, the Council may assume financial risk associated with providing contributions, guarantees and underwrites, where these meet the Council's strategic objectives and outcomes. Such undertakings require a Council resolution.

## ***New Zealand Local Government Funding Agency Limited***

Despite anything earlier in this policy, the Council may invest in shares and other financial instruments (including borrower notes) of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment.

The Council's objective in making any such investment is to:

- a. obtain a return on the investment; and
- b. ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council has invested in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

## ***Investment Acquisition/Addition/Disposal***

With the exception of the day to day investment of short term cash and cash equivalents, all new investments, additions to existing investments, and/or disposals of existing investments must be approved by the Council. The day to day management and investment of short term cash and cash equivalents may be made by Council officers in accordance with the Treasury Management Policy.

The Council will continue to maintain its current level of investment in WIAL (being a 34 percent equity interest) until it considers that it is strategically, financially and economically prudent to dispose of the investment.

Proceeds from the sale of investments will be used to repay existing borrowings, unless the Council specifically directs that the funds be put to another use.

## ***Reporting***

### **Investments in CCOs**

Monitoring of the Council's equity investment and ownership interest in Council Controlled Organisations (CCOs) is undertaken by the Council Controlled Organisations Subcommittee. The Subcommittee reports to the Strategy and Policy Committee and is responsible for:

- communicating the Council's priorities and strategic outcomes to Council Controlled Organisations (CCOs)
- ensuring delivery through the development of Statements of Intent and integration of CCO outcomes with the Council's Long-term Plan and Annual Plan funding processes and decisions, and
- monitoring the financial performance and delivery on strategic outcomes of the Council's CCOs.

### **All other investments**

The Strategy and Policy Committee provides recommendations to the Council in regard to strategies, policy and guidelines in relation to investments. The Strategy and Policy Committee will receive and review the quarterly Treasury report contained within the consolidated quarterly report.

## ***Risk Management***

The Council's principal exposure on its financial investments is credit risk. Credit risk is minimised by the Council investing in approved institutions with satisfactory credit ratings which are assessed and reviewed by independent credit rating organisations. Limits are spread amongst number of counterparties to avoid concentrations of credit exposure.



Assessment and management of specific risks associated with the Council's investment in WIAL, LGFA and investment properties will be performed on a regular basis. Any significant changes in the risk profile for these investments will be reported to the Strategy and Policy Committee .

### ***Investment Ratios***

For the purposes of setting its Borrowing and Investment Ratios, the Council defines investments as assets which are cash or readily convertible to cash (either through fixed repayment and maturity profiles, or through sale or exchange) and assets which are held primarily for investment purposes (either for capital growth, commercial rental or interest). This is likely to include:

- Cash and cash equivalents (e.g. term deposits),
- Income generating commercial debt instruments
- Income generating commercial equity instruments
- Income generating commercial property instruments

# **LIABILITY MANAGEMENT POLICY**

In broad terms, the Council manages both current and term liabilities.

## **CURRENT LIABILITIES**

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day to day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

## **TERM LIABILITIES**

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months. Borrowings comprise the majority of the Council's term liabilities.

The Council approves the borrowing programme for each financial year as part of the LTP or Annual Plan. Additional borrowings may be approved by Council on a case by case basis. The Council primarily borrows to fund its new and upgraded capital expenditure programme. In approving new borrowings the Council considers the impact of the proposed level of borrowings on its overall borrowing limits and impact on rates and rates limits.

## **POLICY OBJECTIVES**

The Council primarily borrows to pay for the upgrading of existing assets and the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing is therefore considered the most cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. In addition, Council borrows to meet the costs associated with settling liabilities arising with respect to weathertight homes issues, and the borrowings are repaid from future rates revenues. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment or weathertight homes liabilities affordable to today's ratepayers. Borrowings are maintained at a prudent level, in accordance with the Council's overall financial strategy and specific borrowing limits.

## **POWER TO BORROW**

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002 and its Treasury Management Policy. The Council approves the level of new borrowing in general terms as part of the LTP or Annual Plan. The Council delegates the authority to officers to raise the approved borrowing during the financial year as and when the funding is required. Any additional borrowing beyond that approved in the LTP or Annual Plan must be approved by the Council.

## **INTEREST RATE RISK MANAGEMENT LIMITS**

Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest-rate risk. The Council manages its cash flow interest-rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Council debt/borrowings must be within the following fixed/floating interest rate risk control limits:

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)		
Debt Period Ending	Minimum Fixed Rate	Maximum Fixed Rate
Year 1	50%	80%
Year 2	45%	80%
Year 3	40%	80%
Year 4	35%	75%
Year 5	30%	70%
Year 6	20%	65%
Year 7	10%	60%
Year 8	0%	55%
Year 9	0%	50%
Year 10	0%	45%
Year 11	0%	40%
Year 12	0%	35%
Year 13	0%	30%
Year 14	0%	30%
Year 15	0%	30%
Year 16	0%	30%

“Fixed Rate” is defined as an interest rate repricing date beyond 3 months forward on a continuous rolling basis.

The “Fixed Rate” percentage is based on the projected gross debt level on a rolling forward basis. Gross debt is the amount of total borrowing. This allows for pre-hedging in advance of projected physical drawdowns of new debt. When forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums. In the event of one-off significant changes caused by asset sales/purchases or capital expenditure in advance of the forecast, then a 3 month period of adjustment is permitted.

## **LIQUIDITY**

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 115% of the existing external net debt level. The Council will only drawdown or borrow against these facilities as required.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity risk by managing the maturity of its borrowing programme within the following maturity limits:

## **BORROWING MATURITY PROFILE LIMITS**

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	15%	60%

### **CREDIT EXPOSURE**

The Council borrows from approved institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of credit risk. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

### **LOCAL GOVERNMENT FUNDING AGENCY**

Despite anything earlier in this Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, will enter into the following related transactions to the extent it considers necessary or desirable:

- a. contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA (for example borrower notes that may convert into redeemable preference shares).
- b. provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- c. commit to contributing additional equity (or subordinated debt) to the LGFA if required
- d. secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.
- e. Subscribe for shares and uncalled capital in the LGFA

### **BORROWING REPAYMENT**

The Council will repay borrowings from a combination of excess depreciation over and above renewals, sale of surplus or underperforming assets, operating surpluses, and any rates specifically set to repay borrowings, including those associated with settling weathertight homes liabilities, or from the renewal of borrowings.

### **SPECIFIC BORROWING LIMITS**

In determining a prudent level of borrowings the Council assesses the level of net borrowing against the Council's operating income.

Total Council Net Borrowings will be managed within the following macro limits:

<b>RATIO</b>	<b>LIMIT</b>
Net borrowing as a percentage of income	<225%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (External net debt + available committed bank facilities + liquid assets to external net debt)	>115%

**SECURITY**

Council borrowings are secured by way of a Debenture Trust Deed (representing a charge over Council rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over its physical assets.

**CREDIT RATING**

To provide an independent assessment of the Councils' credit quality, Council maintains a credit rating with an independent rating agency.

**CARBON PRICE RISK**

Council maintains a stock of NZU credits and is projected to remain a net holder of carbon credits for the foreseeable future. Within this context, Council manages its annual carbon liabilities through surrendering existing holdings and purchasing NZUs in the spot/forward market, where required.

# Rates remission policy

## INTRODUCTION

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

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  - a. the local authority has adopted a remissions policy under section 109 of the Local Government Act 2002, and
  - b. the local authority is satisfied that the conditions and criteria in the policy are met.
- ii. The local authority must give notice to the ratepayer identifying the remitted rates.

## CIRCUMSTANCES WHERE A REMISSION MAY APPLY

### *RURAL OPEN SPACE REMISSION*

#### **REMISSION STATEMENT**

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

#### **POLICY OBJECTIVE**

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

#### **CONDITIONS AND CRITERIA**

Land used principally for farming or conservation purposes.

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

- i. the rating unit (or property) exceeds 30 hectares in area; and
- ii. 50 percent or more of the rateable capital value of the property is made up of the land value; and
- iii. the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

### *REMISSIONS ON LAND USED PRINCIPALLY FOR GAMES OR SPORT*

#### **REMISSION STATEMENT**

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of Base general rate.

## **POLICY OBJECTIVE**

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

## **CONDITIONS AND CRITERIA**

This policy specifically excludes chartered clubs and clubs holding permanent charters. This remission should only be applied for if the rating unit:

- i. has a club licence under the Sale and Supply of Alcohol Act 2012; and
- ii. would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act 2002; and
- iii. the property is rated at the Base differential.

## **REMISSION OF TARGETED RATES ON PROPERTY UNDER DEVELOPMENT OR EARTHQUAKE STRENGTHENING**

### **REMISSION STATEMENT**

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

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

## **POLICY OBJECTIVE**

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

## **CONDITIONS AND CRITERIA**

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

- i. the property (rating unit), or an identifiable part of the property, will not hold sufficient consents to permit occupation; and
- ii. the property (rating unit), or an identifiable part of the property, will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works; and
- iii. the property (rating unit), or an identifiable part of the property, will not generate any revenue stream.
- iv. the remission will be granted on a pro-rata basis for the identifiable part of the property to which the above criteria (i – iii) apply, for the purpose of the remission this will be calculated based on the portion of the total floor area of the rating unit which is deemed 'not fit for purpose'.

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

## ***REMISSION OF METERED WATER RATES***

### **REMISSION STATEMENT**

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

### **POLICY OBJECTIVE**

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

### **CONDITIONS AND CRITERIA**

A remission of the water targeted rate (with a meter) may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last four readings prior to the leak. The full water rate will be charged on the average daily usage over the last four readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. Where sufficient information is not available on historic readings, excess water consumption will be calculated as the difference between the latest reading prior to the fault being remedied, and the average daily metered usage over the last three monthly readings after the fault is remedied. This remission should only be applied for if:

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

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

## ***REMISSION OF RATES FOR BUILDINGS REMOVED FROM THE EARTHQUAKE PRONE BUILDINGS LIST***

### **REMISSION STATEMENT**

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



The ratepayer may qualify for this remission for a period of rating years after the removal of the building from the Earthquake Prone Building list<sup>1</sup>, or up until the building is sold (whichever comes first).

The terms of remission that apply are as follows:

- a. a remission period of 3 years for all buildings (not applicable to the heritage remissions below) that are removed from the earthquake prone list; or
- b. a remission period of 5 years for all buildings removed from the earthquake prone list that are listed on the Wellington City District Plan Heritage List; or
- c. a remission period of 10 years for all buildings as per (b) and are identified by Heritage New Zealand as Category I on the New Zealand Heritage list; or
- d. a remission period of 8 years for all buildings as per (b) and are identified by Heritage New Zealand as Category II on the New Zealand Heritage list.

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

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

- a. the remission application will be accepted after the code of compliance has been issued for the building following completion of the seismic strengthening project;
- b. the remission shall equate to the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable due to any rating valuation uplift<sup>2</sup> that may arise from seismic strengthening works; if there has been no rating valuation uplift on the property as a result of seismic strengthening work then no remission will apply.

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

Final Improvement Value \$ per m <sup>2</sup> (A)	-	Initial Improvement Value \$ per m <sup>2</sup> (B)	x	Initial floor area of earthquake prone building (C)
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A = This is the total improvement value portion of the revaluation of the whole rating unit (after issuance of the code of compliance and after removal of building from the Earthquake Prone Building List) divided by the floor area at the time of issuance of the code of compliance, after removal of the building from the Earthquake Prone Building List.

B = This is the total improvement value portion of the rateable value of the earthquake prone building at the time the building consent for earthquake strengthening work is approved, divided by the floor area of the earthquake prone building at the time the building consent for earthquake strengthening work is approved.

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<sup>1</sup> As maintained by Ministry of Business, Innovation & Employment

<sup>2</sup> Rating valuation adjustments will occur either as part of the Council's three-yearly city wide revaluation cycle, or through adjustments that occur in between cycles where improvement works have taken place resulting in a measurable value change. Ratepayers will be notified of any valuation change in both circumstances. Under both circumstances rates are not impacted until the next rating year commencing 1 July. Officers reserve the right to use their discretion in determining valuation changes that may arise from, and relate to, seismic strengthening under this policy.

C = This is the floor area of the earthquake prone building at the time the building consent for earthquake strengthening work is approved.

The valuation uplift amount that has been calculated using the above methodology will be used to calculate the rates remission for the duration of the remission. The valuation uplift amount will not be re-calculated to take into account any future changes to the building's valuation post the first valuation assessment carried out after removal from the Earthquake Prone Building List (by issuance of a code of compliance). For clarity, changes in land value are excluded from the above calculations and any remission calculation.

For earthquake prone buildings that have been removed from the site the following will apply:

- a. the remission application will be accepted after evidence of the building removal has been provided to Council and the building has been removed from the earthquake prone building list; and
- b. the remission will be calculated as 10 percent of the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable on the property, on the valuation post removal of the earthquake-prone building from the site, for each of the three years following the acceptance of the remission application.

#### **POLICY OBJECTIVE**

The objective of this remission policy is to minimise the rates impact of valuation increases arising for ratepayers who have taken positive action to address the structural safety of their earthquake-prone buildings, or remove their unsafe buildings.

#### **CONDITIONS AND CRITERIA**

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

- i. the building must have been on the Earthquake Prone Buildings list;<sup>3</sup>
- ii. the ratepayer must have taken action to remove their building from this list either through seismic strengthening or building removal;
- iii. the remission must be applied for within 12 months of the building being removed from the Earthquake Prone Buildings list and will relate to the following specified number of rating years only (the ratepayer does not need to re-apply in subsequent years). The terms of remission that apply are as follows:
  - a. for all buildings (not applicable to the heritage remissions below) that are removed from the earthquake prone list, the ratepayer may apply for this remission for a total period of 3 years; or
  - b. for all buildings removed from the Earthquake Prone Building List that are listed on the Wellington City District Plan Heritage List, the ratepayer may apply for this remission for a total period of 5 years after the removal of the building from the Earthquake Prone Building List; or
  - c. for all buildings as per (b) and are identified by Heritage New Zealand as Category I on the New Zealand Heritage list, the ratepayer may apply for this remission for a total period of 10 years after the removal of the building from the Earthquake Prone Building List; or
  - d. for all buildings as per (b) and are identified by Heritage New Zealand as Category II on the New Zealand Heritage list, the ratepayer may apply for this

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<sup>3</sup> As maintained by Ministry of Business, Innovation & Employment

remission for a total period of 8 years after the removal of the building from the Earthquake Prone Building List.

- iv. the remission will not be available retrospectively for buildings already removed from the Earthquake Prone Building List prior to this policy being implemented;
- v. the remission is only available to a ratepayer who has taken action to remedy their building. It will not be available to a third-party purchaser of the building even if a sale took place within the remission period applicable to that building being removed from the Earthquake Prone Buildings list; and
- vi. for earthquake prone buildings that have been removed from the site, evidence must be provided to Council of the building removal and the building must have been removed from the Earthquake Prone Building List.

### **Valuation changes**

Wellington City Council is currently on a three-yearly valuation cycle for all properties in the city.

Rating valuations are also subject to adjustments at any time between the valuation cycles when there has been a measurable value change, usually triggered by consented improvement works.

Ratepayers will be notified when the capital value of their property has changed. Rates will be calculated using the new capital value from the next rating year commencing 1 July.

### **Application**

This remission may be applied for at any time during the year. If approved by Council officers the remission will take effect either from the next rating year (1 July), or will be backdated to take effect from the start of the current rating year at the nomination of the ratepayer and agreement of Council officers. The remission will cease after the specified number of years from the agreed effective start date, or up until the building is sold (whichever comes first).

## ***REMISSION FOR NATURAL DISASTERS AND EMERGENCIES***

### **REMISSION STATEMENT**

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating unit's capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so, based on the criteria below. Individual events causing a disaster or emergency are to be identified by Council resolution. Council may develop further guidance as to how it implements the criteria below at that time depending on the nature and severity of the event and available funding at the time. Council will exercise its discretion depending on the nature and severity of the event. Note that this only applies to Wellington City Council rates.

### **POLICY OBJECTIVE**

The objective of this remission policy is to provide a measure of rates relief where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

### **CONDITIONS AND CRITERIA**

Council may remit all or part of any rate or charge assessed in relation to a particular rating unit where:

- i. a natural disaster or other type of emergency has affected its capacity to be inhabited, used or otherwise occupied for an extended period of time
- ii. Council considers it fair to do so and has identified the individual event causing a disaster or emergency through Council resolution
- iii. it meets any further guidance provided by Council as to how Council will implement the above criteria for the particular event, depending on the nature and severity of the event and available funding at the time

## **REMISSION FOR FIRST HOME BUILDERS**

### **REMISSION STATEMENT**

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

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

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

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

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

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

### **POLICY OBJECTIVE**

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

### **CONDITIONS AND CRITERIA**

A remission of rates may apply if all of the following conditions and criteria are met:

- i. the new residential dwelling must be on a separate rating unit;
- ii. the property must be the first residential dwelling owned by the applicant;
- iii. the property must be a new residential dwelling (including apartments);
- iv. the ratepayer uses the property as their primary residential dwelling;
- v. the property must be either built for the first owner or purchased within six months of construction;
- vi. the ratepayer must provide evidence that they own the property;
- vii. application can be made by the ratepayer after a building code compliance certificate has been issued by the Council for the rating unit;
- viii. the remission will not be available retrospectively for residential dwellings (including apartments) that are already completed before 1 July 2017;
- ix. once granted, the remission will apply for a set period; commencing from the start of the following rating year and ending when the total amount of

- Wellington City Council rates remitted on the property reaches the \$5,000 (including GST) limit or when the rating unit is sold (whichever comes first); and
- x. trusts, businesses and companies are not eligible for the remission.

## ***SPECIAL CIRCUMSTANCES REMISSION***

### **REMISSION STATEMENT**

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all Wellington City Council rates assessed for a rating unit. Note that Greater Wellington Regional Council rates will still apply.

### **POLICY OBJECTIVE**

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

### **CONDITIONS AND CRITERIA**

The Council may remit part or all of the rates assessed in relation to a particular rating unit where:

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

The approval of the remission does not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

## ***REMISSION FOR LOW INCOME RATEPAYERS***

### **REMISSION STATEMENT**

The Council may provide additional assistance to those who have been approved for the New Zealand Government rates rebate.

### **POLICY OBJECTIVE**

The objective of this remission is to provide relief to those low income households who have been approved for the New Zealand Government rates rebate.

### **CONDITIONS AND CRITERIA**

The purpose of this remission is to provide relief to those ratepayers who have been approved for the New Zealand Government rates rebate and provide further relief up to a maximum value of \$500 (GST Inclusive).

- I. The proportion of the \$500 (GST inclusive) that will be awarded to the rate payer will be aligned with the rebate received of the maximum allowed by the New Zealand Governments Rebate, e.g.:
  1. If a ratepayer receives 100% of the Government rebate, then they will be entitled to the full amount listed above.
  2. If they only receive 80% of the Government rebate, then they will receive 80% of the amount listed above.

- II. The application for this remission will be assessed in conjunction with a ratepayers application for the New Zealand Government rates rebate.
- III. Note that Greater Wellington Regional Council rates will still apply.
- IV. The ratepayer must be a natural person.
- V. The applicant must be the owner of the rating unit, must reside at the property and the property must be in the base differential rating category.
- VI. This remission does not cover Companies, Trusts and any other legal structures even if they do qualify for the Government Rebate.

## **APPLYING FOR A RATES REMISSION**

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

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

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

- i. the Special Circumstances Remission;
- ii. the Metered Water Rates Remission;
- iii. the Remission of Rates for Buildings removed from the Earthquake Prone Buildings List and

No applications will be backdated beyond the current rating year.

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

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

If Council is satisfied that the relevant criteria in the policy are met, it will give the applicant ratepayer notice of the remitted rates.

Applications made for a remission will be considered on their own merits on a case-by-case basis. Any previous decisions of the Council do not create a precedent.

Approval of a remission does not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

# **RATES PENALTY REMISSION**

## **POLICY OBJECTIVE**

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

## **CONDITIONS AND CRITERIA**

Upon receipt of an application from the ratepayer, or as identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- i. this is the first time a penalty is applied during a prior three year period and either:
  - a) the payment of the full amount of rates due within 14 days of due date; or
  - b) the ratepayer enters into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- ii. there was an extraordinary event leading to the late payment of the instalment and either:
  - a) the payment of the full amount of rates due within 14 days of due date; or
  - b) the ratepayer enters into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- iii. the ratepayer has agreed to pay future rates by direct debit.

The Council reserves the right to impose conditions on the remission of penalties.

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

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email (rates@wcc.govt.nz).

# **NON - RATEABLE LAND**

In addition to rates remissions, some types of property are not rateable or are partly non-rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non-rateable property uses refer to this legislation and the Council's website.

# **REMISSION OF RATES ON MAORI FREEHOLD LAND**

The Council's objectives in relation to rates remission and postponement apply equally to Maori Freehold land. Therefore the rates remission and postponement policies applicable to Maori Freehold land are identical to those that apply to non-Maori Freehold land.

# Rates Postponement Policy

## 2021-31 LONG TERM PLAN RATES POSTPONEMENT POLICY

### Policy objective

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

### Conditions and criteria

#### **For residential and other land rated at the Base differential:**

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i) the applicant is unable to pay their rates bill because of personal circumstances;
- ii) the applicant has made all reasonable efforts to find other means to pay their rates, including engaging with a free budgeting service (<https://www.moneytalks.co.nz/budgeting-services/>) who also recommends this is the only remaining course of action
- iii) the applicant has no significant assets (other than their family home); and
- iv) the applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form.

Applicants will be provided with information that clearly sets out the long term effect of postponing rates on their estate. Annually on 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement).

#### **For land rated at the Commercial, Industrial and Business differential**

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.



Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

- i) the applicant is unable to pay their rates because of business circumstances,
- ii) the applicant has tried all other avenues (including obtaining a loan from their bank) to fund their rates;
- iii) the net value of an applicant's interest in the relevant property (after the value of all mortgages on the property and the total value of the rates postponed) exceeds 10 percent of the market value of the property i.e. the Council will not postpone rates where, in the Council's reasonable opinion, there is a significant risk that the rates will not be paid at some time in the future; and
- iv) the applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is a one-off event. Rates postponed on commercial, industrial or business property must be paid in full by the start of the Council's next financial year (1 July).

On 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement).

