
**ORDINARY MEETING
OF
PŪRORO MAHEREHERE | ANNUAL PLAN/LONG-TERM PLAN
COMMITTEE
AGENDA**

Time: 9:30am
Date: Tuesday, 8 March 2022
Venue: Virtual Meeting

MEMBERSHIP

Mayor Foster (Deputy Chair)
Deputy Mayor Free
Councillor Calvert
Councillor Condie
Councillor Day
Councillor Fitzsimons
Councillor Foon
Liz Kelly
Councillor Matthews (Chair)
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Woolf
Councillor Young

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Long-term Plan and Annual Plan give effect to the strategic direction and outcomes set by the Strategy and Policy Committee by setting levels of service and budget.

The Committee is responsible for overseeing the development of the draft Annual Plan and Long-term Plan for consultation, determining the scope and approach of any consultation and engagement required, and recommending the final Long-term Plan and Annual Plans to the Council.

To read the full delegations of this committee, please visit wellington.govt.nz/meetings.

Quorum: 9 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru, Whakataka te hau ki te tonga. Kia mākinakina ki uta, Kia mātaratara ki tai. E hī ake ana te atākura. He tio, he huka, he hauhū. Tihei Mauri Ora!	Cease oh winds of the west and of the south Let the bracing breezes flow, over the land and the sea. Let the red-tipped dawn come with a sharpened edge, a touch of frost, a promise of a glorious day
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At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui Kia wātea, kia māmā, te ngākau, te tinana, te wairua I te ara takatū Koia rā e Rongo, whakairia ake ki runga Kia wātea, kia wātea Āe rā, kua wātea!	Draw on, draw on Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind Oh Rongo, above (symbol of peace) Let this all be done in unity
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1.2 Apologies

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

1.3 Conflict of Interest Declarations

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

1.4 Confirmation of Minutes

The minutes of the meeting held on 8 February 2022 will be put to the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee for confirmation.

1.5 Items not on the Agenda

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

Matters Requiring Urgent Attention as Determined by Resolution of the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee.

The Chairperson shall state to the meeting:

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

The item may be allowed onto the agenda by resolution of the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee.

Minor Matters relating to the General Business of the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee.

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee for further discussion.

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

ESTABLISHING AN ENVIRONMENTAL AND ACCESSIBILITY PERFORMANCE FUND

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Pūroro Maherehere | Annual Plan/Long-Term Plan Committee seeks approval for our proposal to establish a seven-year Environmental and Accessibility Performance Fund (with the opportunity to review), designed to support the development of environmentally sustainable and universally accessible buildings in Pōneke.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

The adoption of the 2014-15 Development Contributions (DC) Policy, which established a 'Green Building Remission', equating to a 50% reduction of development contribution fees for Green Star 5 Certified Rating or equivalent (commercial and mixed-use buildings only).

Significance

The decision is **rated medium significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$20m

Risk

- Low Medium High Extreme

Authors	Bree Graczyk, Zero Carbon Advisor Alice Ash, Senior Policy Advisor Melissa Wells, Senior Accessibility Advisor
Authoriser	Alison Howard, Manager Climate Change Response Liam Hodgetts, Chief Planning Officer Sara Hay, Chief Financial Officer

Taunakitanga | Officers' Recommendations

That Pūroro Maherehere | Annual Plan/Long-Term Plan Committee:

- 1) Receive the information.
- 2) Agree to include the proposal for an Environmental and Accessibility Performance Fund within the 2022/23 Annual Plan consultation. This fund is proposed to accept applications from new projects that are:
 - A) Medium/large development of 10 or more effective housing units (residential) or 500 square metres or larger (commercial) and;
 - B) At least 50% of the development achieves Lifemark-3 certification or higher (residential only) and/or;
 - C) Green Star 5 or higher (commercial)/ Homestar 7 or higher (residential) or;
 - D) Living Building Challenge certification (commercial and residential).
- 3) Agree to a total of \$20 million for a seven-year Environmental and Accessibility Performance Fund commencing in the 2022/23 Annual Plan.
- 4) Agree to debt-funding this amount to recognise the long-term benefits delivered to the city and avoid immediate impact on rates. Repayments will start in 2023/24, depending on the uptake.
- 5) Agree to a proposed cap of funding per project¹.
- 6) Direct officers to report back to Planning and Environment Committee to approve policy parameters, funding cap and criteria pending feedback from relevant stakeholders before 9 June 2022.
- 7) Agree that this fund will replace the existing Green Building Remission in the Development Contributions policy if it is included in the Annual Plan (apart from existing Remission applications that have been approved at that time).

¹ 'Project' will be defined as a completed building that meets size and eligibility requirements and receives code compliance certification.

Whakarāpopoto | Executive Summary

4. In order to achieve the Council's commitment to Te Atakura (zero-carbon capital by 2050), Wellington must reduce emissions across all sectors and support the growth of sustainable infrastructure. A key pillar to achieving this goal is reducing the associated emissions related to the construction sector, particularly at a time when developments are intensified to meet housing demands.
5. This paper examines the existing 'Green Building Remission' within the current 2014-15 Development Contributions (DC) Policy. The current provision allows a 50% uncapped fee reduction for commercial buildings that meet Green Star 5 (or equivalent). The DC policy is under review, but it is not proposed to remove or expand the remission at this stage. Officers have concluded that whilst there is a value in incentivising green developments, this should be separate from the DC process, which is specifically designed to fund growth and infrastructure under the Local Government Act.
6. The paper proposes the establishment of a new 'Environmental and Accessibility Performance Fund', which includes an expanded criteria for multi-unit buildings (residential, retrofits and accessible infrastructure) that aligns with multiple Council priorities. This intervention uses the Council's ability for targeted financing as a lever to encourage the development and available stock of environmental and universally designed buildings in Pōneke.
7. The total amount of the fund (\$20 million opex) will be capped at the overall project level with any funding unallocated after seven years being removed from the proposed debt increase. To manage the uptake of this extended criteria, applications will be limited to medium/large scale developments, for example, 10+ equivalent housing units (residential) or 1000+ square metres (commercial).

Takenga mai | Background

Climate Emergency

8. In 2019, Wellington City Council (the Council) declared an ecological and climate emergency and adopted a blueprint for becoming a zero-carbon city by 2050.
9. Buildings and their construction account for as much as 20% of New Zealand's emissions². 'Green buildings' are an opportunity to transform the way our commercial and residential buildings are designed and built in a way that dramatically reduces our carbon footprint and improves the health and wellbeing of our people. Energy-efficient buildings can decrease ongoing operational costs for future tenants.
10. There are currently no regulatory requirements for international-standard environmental infrastructure, and the New Zealand Building Code is below the environmental standards required of most International Energy Agency (IEA) countries with comparable climates.

Existing Green Building Remission

11. A 'Green Building Remission' was incorporated into the Council's 2014 DC policy as a financial incentive to encourage sustainable development in Wellington. There is currently no monetary allotment or cap for this levy, and it is restricted only to commercial and mixed developments. This arrangement also limits the potential funding collected by DC's, which are primarily designed to fund the infrastructure required as a result of growth.

² [New Zealand Green Building Council \(nzgbc.org.nz\)](http://nzgbc.org.nz).

12. While green buildings may use fewer resources, such as water and electricity, the infrastructure still needs to be developed to population growth assumptions. Moving this incentive away from the DC policy helps avoid misconceptions of where value is being added to the city.
13. Wellington currently has a total of 22 registered Green Star certified projects (across all star categories). Since the remission was established in 2014, four projects have received the remission and four other projects are pending completion; a total of \$4.8 million has or will be (pending certification citing) paid out in remissions.

Accessible Housing

14. Another priority objective is for Wellington to be a friendly, compact, safe, and accessible place to live. Currently, 18.8%³ of residents have self-identified as having a disability (limited mobility including use of wheelchair, neurodiversity, hearing and/or visual impairment).
15. The current New Zealand Building Code does not require private residential buildings to provide accessibility requirements or provision for universal design.
16. Currently, there is only one private residence and three dwellings intended as social/public housing that are Lifemark certified as being fully accessible to 95-99.9% of the population⁴, and there is no current provision within the building code to support accessible housing outside of the retirement sector.

Kōrerorero | Discussion

Proposal

17. The proposal is to establish a fund that proactively supports new developments that build to green and accessible building standards and at a scale that builds some momentum towards the city's wider strategic goals.
18. This fund would replace the existing Development contributions remission. The extended scope of the fund (Option A) offers the highest potential to increase the number of lower-carbon and accessible buildings in Wellington, which lends itself to more positive social and environmental outcomes for its tenants. The incorporation of accessible infrastructure criteria encourages developers to design and build their buildings in a way that meets the needs of any occupant, whatever age, stage, or ability.
19. While there may be changes to the building code over time, this proposal aims to future-proof and increase the asset stock in Wellington by encouraging sustainable practice and universal design in the interim. Acting now also mitigates the need for costly retrofits down the line.
20. It offers a future-focused and proactive stance for the Council to support developments that go above the minimum standard. Environmentally sustainable and accessible buildings are important for current and future generations, particularly at a time where mandatory regulations are lacking, and the sector is expected to intensify. This fund would directly contribute to "density done well".
21. The establishment of a separate ringfenced fund also provides more structure and transparency to our processes and reduces any financial liability compared to an uncapped remission (status quo). Using pre-established application criteria also ensures a more equitable process compared to the use of DC remissions, which are subject to

³ 2013 Statistics New Zealand Disability Survey.

⁴ Stats not including dwellings within the retirement sector.

change based on the geographically defined catchments. It also enables funding for DC's to be reserved for growth and additional demands on infrastructure.

22. In order to mitigate competing outcomes, developers may be eligible for either one or both of the outcome areas (sustainability and/or accessibility), and their level of certification would correspond with the amount of funding received through a transparent application process.
23. The intention is to review applications on an ongoing basis in order to mitigate inadvertent delays to developers who are required to meet application/round timeframes. The process will utilise an 'expression of interest' stage to enable the Council to track potential funding uptake and communicate updates on the policy accordingly.

Other Council approaches to incentivising building outcomes

24. The use of financing as a lever to incentivise a variety of building outcomes is used by other Councils across New Zealand. However, our research suggests that Wellington will be leading the way to support environmentally sustainable and accessible developments if this fund is established.
25. Nelson City Council currently offers 100% DC exemptions for social housing, developments under the Crown, stormwater management and reduction, and additional residential units and mixed development in the city centre.
26. Christchurch City Council previously offered a 100% DC remission for residential or mixed-use developments to promote density within the city centre (maximum rebate of \$1 million per development; total funding of \$20 million).
27. Thames Coromandel District Council (TCDC) were the first local authority to develop an initiative to encourage new homes to incorporate Universal Design Best Practice in a bid to increase the region's stock of 'age-friendly' homes. The 'incentive' mechanism used in this case was the permission for developers to expand on the square metre footage of the building without the need for resource consent. By region, TCDC currently has the highest percentage of Lifemark homes.
28. Between July 2021 and June 2024, Hamilton City Council offers a 50% DC remission to residential dwellings that achieve Lifemark 4-star certification on all components of the development. Buildings must be within the CBD, and developers must engage with the Urban Design Panel process⁵.

How this proposal interlinks with the District Plan

29. The proposed district plan will include financial contributions for assisted housing from multi-unit developments in areas with new development potential, typically through rezoning or increased height limits. Assisted housing includes long-term affordable (below market) rentals and homeownership for low-middle income households, coordinated by a community housing provider, Council, iwi or other organisation.
30. The financial contributions may include a contestable fund for loans and grants towards assisted housing projects. An accessible housing fund and an assisted housing fund could work together and do not have conflicting goals. As the assisted housing fund process develops, staff will assess its effects on the accessible housing fund.
31. The proposed district plan is due to be notified for submissions in July this year. Any assisted housing contributions would not have legal effect until submissions are notified, likely January - June 2024.

⁵ [Requesting a refund, remission or special assessment - Hamilton City Council.](#)

Why use accredited providers?

32. The Council does not currently have the capacity to review and individually audit all applications. This is an intensive process that includes reviewing the spatial layout, detailed working drawings, hardware schedules and threshold construction detail. Using an independent, third-party assessor provides assurance that environmental and/or accessible requirements have been met whilst reducing any administrative burden on the Council.
33. To be eligible, developers would have to demonstrate evidence of their final certification issued from specified organisations, such as the New Zealand Green Building Council (Green Star and Homestar), Living Building Challenge and/or CCS Disability Action (Lifemark).
34. Whilst some developers may value the inclusion of independent accreditation to support their marketing; we acknowledge that some may prefer to operate through a self-assessment process. As this fund criteria would require third party accreditation, any associated assessment fees incurred would be covered through this grant.
35. The New Zealand Green Building Council takes a holistic approach, considering the direct environmental impacts (materials or water use) and the broader transport, indoor environment quality, and management implications of a project. Funding will be accessible for developers who go above best practice and show proof of meeting Green Star 5 (New Zealand Excellence) or 6 (World Leadership) for commercial or mixed-use developments and Homestar 7 or higher for residential developments.
36. Living Building Challenge is a regenerative approach to building design and is one of the most rigorous performance standards for buildings. Achieving Living Building certification means that projects are achieving 'net positive' performance and would be viewed as 'world leading' in the realm of environmental design.
37. Lifemark rated homes are designed to be usable and safe for people of all ages and stages. The universal accessibility standard that we propose is that at least 50% of the development achieves Lifemark-3 certification or higher. This threshold would support 95%+ of the population compared to a home built to the building code (typically 70%)⁶.

Kōwhiringa | Options

38. The Council may choose to:
 - a) Consult on establishing an 'Environmental and Accessibility Performance' Fund in the Annual Plan. This creates a seven-year fund (\$20 million total) based on agreed criteria regarding lower-carbon and accessibility outcomes. If included, this would replace the existing Green Building Remission policy (officer preferred option).
 - b) Status quo - maintain the Green Building Remission as part of the DC policy. As it stands, the policy is uncapped but has a limited scope as it does not allow remissions for residential buildings, accessibility, or a majority of retrofits that do not incur DCs.
 - c) Disestablish the Green Building Remission completely, without an alternative fund to replace this incentive. Existing registrations that have qualified for remissions (currently equating to \$3.7 million) would need to be honoured.

⁶ Source: Lifemark.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

39. This policy proactively supports the Council's commitment to make Wellington a zero-carbon capital (net-zero emissions) by 2050 by encouraging more sustainable building, engineering, and construction practices.
40. It also aligns with *Towards 2040: Smart Capital* strategy and *2021 Long-Term Plan* objectives of being an inclusive, people-centred, safe place to live by encouraging the creation of innovative, universally designed buildings that are open and accessible for current and future populations.
41. This policy also aligns with the Council design guide, particularly the City Outcomes Contribution policy, which favours Lifemark and Green Star-certified buildings for their accessibility outcomes and lower greenhouse gas emissions over their lifetime⁷. This is important as stationary energy (e.g., electricity or gas consumption) accounts for 36% of Wellington city's emissions⁸.

Engagement and Consultation

42. The proposal for the EAPF is proposed for inclusion in the 2022/23 Annual Plan consultation.
43. If approved for inclusion in the consultation, officers will consult with key stakeholders (developers) to guide the more nuanced policy details before bringing them back to the Planning and Environment Committee for final decision.

Implications for Māori

44. While the proposed fund has no specific provisions for mana whenua or Māori owned buildings, all buildings meeting the funding criteria, including those in collective ownership, are eligible to apply for support.

Financial implications

45. Option A would result in a new fund of \$20 million (opex) that would be debt-funded. This approach allows us to mitigate the immediate effects to ratepayers at a time when the actual amount of uplift is unknown.
46. Whilst this fund has an expanded scope, we can use the current utilisation of remissions (eight projects since 2014) as a benchmark for potential uptake. We anticipate there will not be an immediate impact on funding given that these projects are medium/large scale (approximately 2-3 years to complete).
47. For budgeting and debt management purposes, it is forecasted that the \$20m will be drawn down as per the table below. However, if these forecasts are incorrect, money can be requested to be either brought forward or carried forward across the seven years through the usual committee structures.

FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
\$0	\$2m	\$3m	\$5m	\$5m	\$4m	\$1m	\$20m

48. Given the proposed structure of the grant fund, any funding sought that is not spent would be retained by the Council.

⁷ [01_Design Guides CMU Chapter.pdf \(isoplandocs.s3-ap-southeast-2.amazonaws.com\)](#) (page 34).

⁸ [Wellington City Greenhouse Gas Inventory 2019-2020](#) (page 3).

49. The establishment of a separate fund will also reduce the financial shortfall created through the remission of Development Contribution fees.

Legal considerations

50. This proposal complies with the Local Government Act 2002.

Risks and mitigations

51. Overall, this proposal is rated as medium risk on the Council's risk framework. It may receive some public interest, given the intention to advertise the scheme.

52. The Council have made strong commitments to lead emissions reductions. If we do not follow through on these, we risk damaging our 'smart capital' and eco-city reputation.

Disability and accessibility impact

53. Disabled people and people with access needs would be positively impacted by an increase in the number of accessible commercial and residential infrastructure in Wellington. Lifemark-certified buildings are universally designed and accessible to 95%+ of the population.

Climate Change impact and considerations

54. This proposal positively contributes to Wellington's 2050 zero carbon goal by encouraging the creation of buildings with less embodied and operational carbon emissions in current and future years based on independent sustainability assessments.

Communications Plan

55. If the fund progresses to Annual Plan consultation, further contact will be made with known large-scale building developers who may wish to apply, including those who have already utilised the Green Building Remission.

Health and Safety Impact considered

56. Health and Safety impacts have been considered. Universally designed homes are safer for people with disabilities in the event of an emergency, for example, smoke detectors that have a flashing light instead of sound for the hearing impaired.

Ngā mahinga e whai ake nei | Next actions

57. If Option A is approved, the next steps are to:

- Consult with key developers.
- Finalise the criteria and policy parameters for sign-off by the Planning and Environment Committee in June 2022.
- Work with the Communications team on an internal and external communications plan to announce the new standard.
- Work with the grants management team to develop administrative processes, including a streamlined online application form planned to go live from the 2023 financial year.

Attachments

Nil

2022/23 ANNUAL PLAN & LTP AMENDMENT CONSULTATION DOCUMENT

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Pūroro Maherehere | Annual Plan/Long-Term Plan Committee is to seek agreement from the committee on the Consultation Document for the 2021-31 Long-Term Plan amendments, before it is passed on to external auditors for review and public engagement.
2. This paper also seeks the committee's agreement to the draft 2022/23 Annual Plan and budget. This includes the draft budget, proposed rates settings, and any other outstanding decisions outlined in this paper, leading to the upcoming 2022/23 Annual Plan.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

Committee agreed and resolved the following from the 8 February Meeting:

- the full draft 2022/23 budget and consultation document will be presented to the 8 March Pūroro Maherehere | Annual Plan/Long-Term Plan committee meeting for deliberation;
- Officers has been requested to identify options, in conjunction with the Mayor and Chair of the Committee, to reduce the proposed rates increase for the draft 2022/23 Annual Plan, in the report of 8 March, noting \$15m of savings are already built into the draft budget; and
- officers provide advice and costs in time for the 8 March Annual Plan deliberations on:
 - a. transitioning from using pesticide to alternative non-toxic methods for pest weed control in Wellington,
 - b. whether funding support is required from WCC for the Sanctuary to Sea Project, and
 - c. opportunities to increase Council's tree planting programme.

Significance The decision is **rated high significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

3. This report outlines the draft budet for the 2022/23 financial year and also provides financial impacts based options around budget changes.

Risk

Low Medium High Extreme

4. Risks related to this annual plan are outlined in the body of this report. They mainly relate to the level of uncertainty in the Council's operating environment heading into and during the 2022/23 year. These risks will be monitored and be relevant for decision making for final deliberations on the 2022/23 Annual Plan in May and June 2022

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Authoriser	Sara Hay, Chief Financial Officer Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion that Pūroro Maherehere | Annual Plan/Long-Term Plan Committee:

- 1) Receive the information.
- 2) Note officers' response in this report to Committee request for information on:
 - a. transitioning from using pesticide to alternative non-toxic methods for pest weed control in Wellington
 - b. whether funding support is required from WCC for the Sanctuary to Sea Project, and
 - c. opportunities to increase Council's tree planting programme
- 3) Agree to additional funding of \$195,000 opex per year over 10 years to be included in the draft annual plan for an expanded operational team to support council's current restorative planting programme (further information in Attachment 4)
- 4) Note officers' response to Committee's request to identify rates increase mitigation options as outlined in Attachment 1.
- 5) Agree to the proposed increase to encroachment license / lease fees (as detailed in Attachment 2) as follows:
 - a. increase encroachment fees from \$13.33 to \$26.66/m² from 1 July 2022
 - b. increase the lease fee for the airspace and subsoil encroachments by 100 percent to reflect the added property value to the lease holders
 - c. set encroachment fees based on rateable land value as the preferred long-term approach to be considered in the 2024-34 Long-Term Plan
- 6) Agree the proposed increase to Fees and User Charges for consultation as outlined in Attachment 3.
- 7) Agree to ceasing city centre parking charges between the hours of 6-8pm Sunday to Thursday until 30 June 2023.
- 8) Agree the projects and programmes budgets as outlined in Attachment 5 and 6.
- 9) Note the current draft budget represents a proposed 8.8% rates increase before growth.
- 10) Agree to maintain the percentage split of total general rates between Commercial and Base ratepayers, which is currently 44% and 56% respectively, and amend the general rates differential to achieve this.
- 11) Note that the Consultation Document includes a Statement of Proposal on amending the 2021 Long-Term Plan on City Housing and Residual Waste and the draft 2022/23 Annual Plan, and that the Consultation Document will be updated to reflect the decisions of this Committee meeting before being presented to Council for adoption on 31 March 2022.
- 12) Note that the 2022 Long-Term Plan amendment is subject to Audit NZ review and changes may eventuate from their review. Where there are changes, these will be incorporated into the consultation document (Statement of Proposal) for Council on 31 March 2022.

-
- 13) Agree the Consultation Document (amendment of 2021 Long-Term Plan and draft 2022/23 Annual Plan) as Attachment 7 to be submitted for audit review.
 - 14). Agree the subsequent changes to the 2021-31 Long-Term Plan as outlined in Attachment 8 (to be tabled at the meeting).

Whakarāpopoto | Executive Summary

1. This report presents the Long-Term Plan amendment and 2022/23 Annual Plan Consultation Document for approval along with draft budget for the 2022/23 Annual Plan. The report also seeks decisions on a number of issues for finalisation of a draft budget for consultation at the end of March.
2. Section 1 of the Consultation Document relating to City Housing and residual waste will be provided immediately to auditors following this meeting, Section 2- relating to the 2022/23 Annual Plan will be updated with decisions from today prior to formal adoption at the end of the month.

Takenga mai | Background

3. There are two significant decisions being consulted on alongside the 2022/23 Annual Plan. These are related to the future of City Housing and Residual Waste Disposal. These issues were highlighted in the 2021-31 Long-Term Plan. Increasing financial pressure on City Housing and an expiring resource consent for the current landfill require that these decisions be taken in the coming months.
4. The Consultation Document focuses on these two key issues and has been drafted to reflect decisions on City Housing and residual waste options agreed at the Social, Economic and Cultural and Annual Plan/Long-Term Plan Committees on 7 October and 8 February respectively.
5. The 2022/23 Annual Plan and budget also needs to be confirmed. 2022/23 is Year 2 of the 2021-31 Long-Term Plan. It carries on key projects and programmes committed to in the Long-Term Plan. Some changes to the draft budget have been approved, through capital programme rescheduling in November and decisions at the 8 February Pūroro Maherehere | Annual Plan/Long-Term Plan Committee.
6. This paper also covers a range of other outstanding decisions on the 2022/23 Annual Plan and budget. This includes work requested by committee for officers to work with Mayor and Chair on options for mitigating a draft rate increase of 9.1%
7. While we work on our 2022/23 Annual Plan for the coming year, we are planning in an environment of heightened uncertainty. We are planning an ambitious capital programme in a market with significant constraints and cost pressures and uncertainty including from current COVID-19 Omicron outbreak. The level of certainty around current plans and budgets is therefore reduced, and it is likely that additional deliberations will be required in May 2022 as the final budget and plan are confirmed following consultation.
8. Consultation will be focused on the 2021-31 Long-Term Plan issues of City Housing and Residual Waste Disposal. While the 2022/23 Annual Plan is largely a continuation of the plans laid out in the Long-Term Plan, consultation is an opportunity for communication and engagement on the annual plan and budget, including the indicative rates rise.

Kōrerorero | Discussion
Long-Term Plan amendments

9. The draft Consultation Document for the 2021-31 Long-Term Plan amendments and 2022//23 Annual Plan are included as Attachment 7. It focuses on the decisions on City Housing and residual waste options for consultation. The options on City Housing in the consultation document are:
- a. **Decision 1:** Should we resolve City Housing's financial sustainability challenges by increasing rates and borrowing or by establishing a Community Housing Provider?
 - b. **Decision 2:** If we established a Community Housing Provider, which model should we choose?
 - i. **Option 1:** Asset-owning, fully independent Community Housing Provider;
 - ii. **Option 2:** Leasehold Community Housing Provider with broad responsibilities (**preferred option**); or
 - iii. **Option 3:** Leasehold Community Housing Provide with narrow responsibilities.
10. The preferred option for consultation will be Option 2- Leasehold CHP with broad responsibilities.
11. Alongside this consultation, the council continues to work actively with central government to resolve City Housing's financial sustainability. Both the council and government have strong shared interests and are looking for constructive and pragmatic solutions. The government is comfortable with the council considering the options in the consultation document and understands the council's requirements to consult under the Local Government Act. As part of these conversations, the council and government are considering any implications or necessary changes to the Deed of Grant.
12. The options for residual waste are:
- a. **Option 1:** New landfill on top of existing landfill (piggyback option) (preferred option)
 - b. **Option 2:** No residual waste facility in Wellington City
 - c. **Option 3:** Waste to energy incineration
13. Section 1 of the Consultation Document focuses on these LTP amendment issues. Because amendment to our LTP is required, consultation follows a formal statutory process including external audit. The scope of this formal audit will be on Section 1 of the consultation document. Section 2 of the document, which covers Annual Plan matters, will need to be updated to reflect decisions taken today.
14. The Consultation Document's purpose is to lay out the issues and options transparently. There are statutory requirements that shape the content of the consultation document including requirements about the presentation of impacts of each option including on Council rates, debt and levels of service.
15. Along with the Consultation Document, a draft Amendment Document will also be presented alongside this report. The Amendment lays out the actual changes required to the 2021-31 LTP as a consequence of the preferred option for City Housing. Residual waste does not feature in the amendment document as the preferred option does not require an LTP amendment to implement (although non-preferred options would require an LTP amendment).

16. The Amendment Document provides information that gives transparency of the impacts of the preferred City Housing option on Council's Long-Term Plan. Our external auditors require this information to ensure that the impacts on our financials and plan are appropriately represented in the Consultation Document.

Annual Plan considerations

17. The 2022/23 Annual Plan is year 2 of the 2021-31 LTP and carries on key projects and programmes committed to in the LTP. Key projects commencing, continuing and completing in the 2022/23 year were laid out in the 8 February committee paper. Attachment 5 and 6 outlines in more detail the capital and operating budgets included in the draft 2022/23 budget. A number of fees and user charges are also proposed to be changed in line with decisions at the 8 February committee meeting, these are included in Attachment 3.
18. The Annual Plan and budget have been updated to reflect decisions taken on 8 February committee meeting and include the impacts of City Housing preferred option. The budget has also been updated with improved depreciation assumptions identified in the review of rate mitigation options outlined later in this report. The current increase in rates revenue is projected in the draft budget to be 8.8% before growth. This is lower than the 9.7% figure consulted on and agreed in the 2021-31 Long-Term Plan and the draft 9.1% figure presented to committee on 8 February.
19. Planning uncertainty is currently very high. The impacts of the current Omicron wave are unknown in terms of the impacts on Council and CCO revenue and in terms of capital programme delivery over the end of 2021/22. As a result, it is difficult to give certainty about the council's 2021/22 year-end financial position and debt levels.
20. It is likely that deliberations on the final budget in May will need to manage a number of late changes, from the pressures noted above, but also in response to updated revenue and delivery forecasts and updated financial assumptions relating to inflation and interest.
21. Current known pressures on the council's budget for 2022/23 are outlined below. These pressures are known about however more certainty on the end of year financial positions is required, or further work on these pressures is required before they can be included in the draft budget. They will be considered in final Annual Plan deliberations in May but are included in this paper to provide context to decision making.

Pressure/uncertainty	Financial context
Impacts of Omicron wave on Council and CCO finances Potential impacts on revenue and operating costs, impacts on capital programme delivery impacting 2021/22 year end financial position.	Currently unknown – uncertainty over impacts into 2022/23
Covid support measures Potential impacts into 2022/23 of any support measures offered to support residents and businesses or additional financial support to CCOs. Potential financial impact of report back on additional targeted financial support to businesses through increased City Growth and Destination Wellington funding schemes.	\$1.3m as approved by Council 24 February (approx. 0.33% on rates) Level of additional support in to 22/23 unknown
Wellington Water pressures Wellington Water have advised of both operating costs pressure and capital pressure on the CBD wastewater renewal programme.	Currently signalled as approx. \$4.8m opex and \$9.7m capex

Further information required on the options and impacts of pressures. Uncertainty over availability of three waters better off funding to manage pressure (see below)	22/23 pressure
Better off funding Better off funding available through the three waters reform programme. Uncertainty on the conditions surrounding the funding including how much flexibility to direct it to existing programmes or current pressures.	\$5.76m in 2022/23 (\$57.6m in total). Impact on 22/23 opex or capex unknown
Environmental and Accessibility Performance Fund A separate report on this agenda outlines this issue and options for inclusion in the draft 2022/23 budget	\$20m debt funded over 7 years with no rates impact for 2022/23.

Pest weed control, Sanctuary to Sea and tree planting

22. The AP/LTP Committee at their 8 February meeting agreed that officers provide advice and costs in time for the 8 March Annual Plan deliberations on:
- a) *transitioning from using pesticide to alternative non-toxic methods for pest weed control in Wellington,*
 - b) *whether funding support is required from WCC for the Sanctuary to Sea Project, and*
 - c) *opportunities to increase Council's tree planting programme.*
23. Further work is required on assessing options for transitioning from pesticides before advice and financial impacts are able to be presented. Similar analysis from other local authorities shows a variety of considerations are important when assessing a shift in pest weed control methods. This includes understanding the environmental impacts, including carbon emissions and water usage; the current levels of use across different Council asset types; community level of service expectations for weed control; and the impacts on council assets of changes to the level of weed control.
24. Essential to this work is a more comprehensive understanding of the current level of use of different pest weed control methods across the Council. (For example, while management of the transport corridor is the largest current use of glyphosate pesticides, other Council services also employ a variety of products and methods for pest weed management appropriate to the relevant service (for example for children's playgrounds where organic chemical controls are already in use).
25. Officers propose further work is undertaken on current practices and potential options for transitioning. This work will include establishing improved monitoring and reporting on the use of glyphosate across asset types and levels of service. Having combined data collection and usage/volume trends will be important to inform future options and decision making. This would be reported back in time to inform the 2023/24 Annual Plan.
26. Officers have contacted Zealandia to understand what funding support is required for the Sanctuary to Sea Project. They have confirmed that they have not requested funding from council for Sanctuary to Sea. Zealandia are seeking support and sponsorship from the wider community. Zealandia also notes that the project is well aligned with Council long-term objectives and will continue working with Council around operational support.
27. Support for the Sanctuary to Sea project touches on multiple parts of Council operations including parks and open space, stormwater and infrastructure

management. If desired, work could be undertaken to provide further information on how different Council services can be better coordinated to best support the project's objectives.

28. Officers have assessed opportunities to increase Council's tree planting programme. Currently over 100,000 ecosourced native plants are planted every year by Council and community. The size of restorative planting has grown considerable over recent years, lifting from 40 hectares in 2005 to over 100 hectares currently.
29. The growth in the size of this programme has not been matched with a corresponding increase in budget for maintenance (weed control) and recent audits show that 37% of the planted sites are under threat from weeds. The programme can also no longer resource additional maintenance support for community group pre and post planting. Overall, the programme is no longer resourced to achieve Council LTP targets of 3 million trees by 2030 and 90% survival across all sites.
30. Officers advise that rather than further extend the size of council's tree planting programme, greater value would be achieved through further supporting the maintenance of restorative work, leading to increased survival rates.
31. To allow for continued Council and community planting over the next 10 years, we recommend additional funding (\$195k opex per year over 10 years) for an expanded operational team to enable better site preparation and maintenance to ensure targeted survival rates. Further information and options considered can be found in Attachment 4.

Parking changes

32. Parking changes agreed by Council on 24 February as part of the reports on the pandemic response plan and update on parking hours have been incorporated into the draft annual plan and budget. Some minor adjustments to the specific timing of parking changes (hours and applicable dates) have needed to be made from the original resolutions in order to create consistency across the different resolutions. This will avoid the potential for confusion as to when different changes come into effect and to reduce system complexity.
33. In total the changes agreed by Council have a net \$1.3m impact on the 2022/23 budget. Council resolved to refer one additional parking change to this committee for consideration: *Agree to recommend to Pūroro Māherehere | Annual Plan/Long-term Plan Committee to consider ceasing city centre parking charges between the hours of 6-8pm Sunday to Thursday until 30 June 2023.* Agreeing to this change would have an addition financial impact of reducing budgeted revenue by approximately \$1.9m.

Destination Skate Park

34. In response to feedback on the 2021/31 Long-Term Plan consultation from the skate community the 27 May AP/LTP Committee meeting resolved for:
 - *Officers to come back to report on costs and feasibility of a destination skate park within the 2022/23 Annual Plan*
35. Officers have been working with the Skate Community to improve provision and support for skate in Wellington including ensuring there are opportunities for all types of skate and related disciplines including scooter riders and roller skaters.

36. In the 2021-2024 Long Term Plan Council allocated \$1.5m of new capital to upgrade existing skate park in the city. In addition to this, Councillors directed officers to assess the feasibility and cost of a new Destination Skate Park and report back through the 22/23 Annual Plan process.
37. Officers have been working alongside representatives from the Skate Community to undertake this work and will report back on this at the 7 April Pūroro Rangaranga Committee meeting including providing indicative high-level costs. This project is unlikely to materially impact on the 22/23 Annual Plan and, if approved, works will commence in the 23/24 year to align with the Kilbirnie Park Plimmer Bequest project approved by Councillors in February 2021.

Reducing rates increase

38. The AP/LTP Committee at their 8 February meeting agreed that: *Officers be requested to identify options, in conjunction with the Mayor and Chair of the Committee, to reduce the proposed rates increase for the draft 2022/23 Annual Plan, in the report of 8 March, noting \$15m of savings are already built into the draft budget.*
39. A comprehensive review of potential options for rates mitigation has been undertaken and is included as Attachment 1.
40. While many options for reducing Council operating costs are either not practical or unable to offer material savings in time for the 2022/21 financial year, there are a number of potential opportunities for operating savings or additional non-rates revenue.

Option	Comment	Recommendation
Capital programme	<p>Officers have identified approximately \$4.6m of depreciation savings for the 2022/23 year.</p> <p>This change in depreciation has been included in the budget numbers presented in this paper.</p> <p>This follows a detailed review of all additional/new depreciation assumed for the year. The assumptions in the depreciation modelling have resulted in some anomalies for our major projects and these have now been amended to reflect expected capitalisation dates, which has resulted in the revised depreciation number.</p> <p>An example of this is Tākina, where in prior versions of the budget it was assumed it would be capitalised half way through 2022/23 which resulted in \$1.5m of depreciation being included. Capitalisation is expected to be at the end of 2022/23 and therefore the depreciation budget has been reduced by \$1.5m.</p>	<p>Actioned:</p> <p>Approx \$4.6m 22/23 opex deferred into FY23/24 .</p> <p>1% rates impact</p> <p>This change has been incorporated into the draft budget presented in this report</p>
Encroachment fees	<p>A potential source of additional non-rates revenue. Encroachment fees have not increased over time to reflect change in capital valuations. Detail on the options</p>	<p>Recommended</p> <p>Approximately \$1.5m additional revenue in 2022/23 (rates impact of</p>

	for encroachment fees are included in Attachment 2.	0.36% reduction). <u>NB:</u> This has not been incorporated into the draft budget presented in this report
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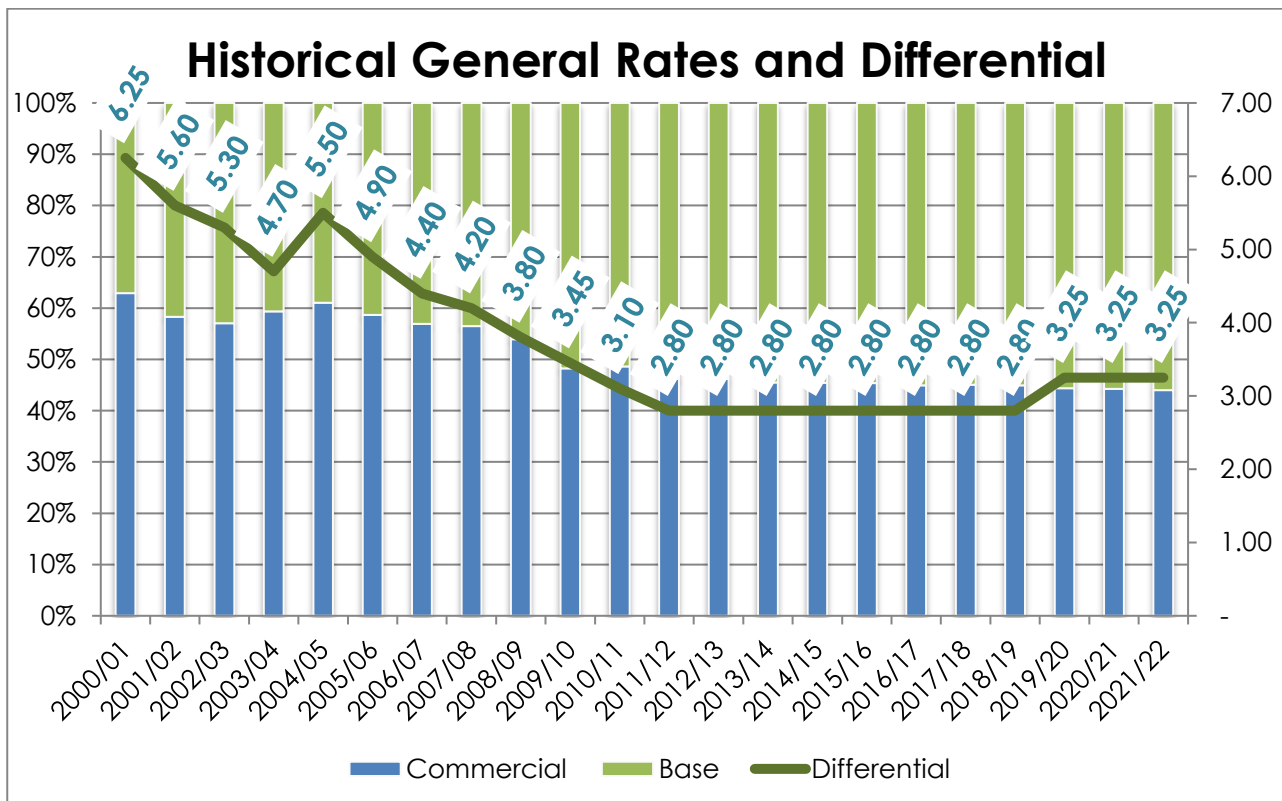
Alignment to Financial Strategy

41. There are three components to the financial strategy involving the level of rates (and their affordability), level of surpluses (maintaining financial prudence and a balanced budget) and debt levels (financial sustainability). Council outlined in the 2021 Long term Plan its financial strategy (over the 10-year period) with these elements outlined and set key guidelines to aim to remain within.
42. This Draft Annual Plan seeks to stay within those financial guidelines. In terms of rates revenue, for the first 3 years of the LTP, the limit was set to stay under \$475m. Council is proposing in this draft Annual Plan rates revenue of \$426m, an increase of 8.8% over 2021/22 rates revenue.
43. However, it should be noted that the city-wide property revaluation on all rateable properties means it is difficult to predict what the average increase in rates will be for individual ratepayers. This will depend on how their individual property increased in value relative to the city-wide average revaluation increase in value. This is explained further in the section below.
44. The proposed rates revenue of \$426m is below the rating limit of \$475m as set for the first 3 years of the financial strategy and forecasted rate increases for the remaining 10-year period also remain under the \$630m rates limit for the years 2024/25 to 2030/31.
45. Council maintains a balanced budget (consistently setting rates to cover our net costs (after other revenues) to break even each year) to ensure Council is staying financially prudent and balancing the needs of the current generation with future generations. This balanced budget approach impacts on whether Council achieves a net surplus or deficit in any particular year as Council adjusts its rating requirements for non-cash and other capital requirements as well as debt funded expenditure. This draft Annual Plan is forecasting a net deficit of \$22.9m (3.4% of total expenditure), this compares unfavourably with the net deficit forecasted in the LTP of \$2.4m (0.4% of total expenditure). The main driver for this increase in the deficit is debt funded expenditure incurred as part of Council's economic response to the current pandemic. There also remains other cost pressures that are currently being managed as risks that may impact on budgeted expenditure prior to adoption of the Annual Plan in June.
46. The net deficit includes funding to repay \$11.9m of debt funded operational expenditure out of a total \$161.7m debt funded operational expenditure to be repaid over a 20-year period.
47. For 2022/23 total borrowings are forecast to increase by \$221m. Borrowing is forecast to be \$1,292m at the end of the year, this equates to 242 percent of our operating income compared to the Council imposed cap of 225 percent. This compares to \$1,249m forecast for June 2023 in our 2021-2031 Long-term Plan. Council is forecasting to be back within policy limits by the 2028/29 financial year. It should be

noted that the debt to revenue ratio will be highly impacted by the starting debt position next year which is currently unknown.

General Rates Differential

48. Rate types, and the activities that contribute to them, are defined in Council's Revenue and Financing Policy. Section 5 of the Policy outlines the rationale for implementing and maintaining a general rates differential. General rates pay for a large portion of Council's core services including;
- Governance & Engagement,
 - Maori and Mana Whenua partnerships,
 - Gardens, beaches & green open spaces,
 - Social & recreation and Public health & Safety, as well as
 - the provision of our transport infrastructure.
49. The general rate is set on a differential basis, based on the use to which the land is put, currently the differential is set at 3.25:1 Commercial:Base. The Commercial, industrial and business differential (Commercial) and Base differential (Base) rating categories are defined in Council's Funding impact statement rating mechanisms in the Long-Term Plan. Essentially Commercial ratepayers include everything from small retailers to hotels and hospitality to the many large commercial office spaces in the city.
50. The differential has been set at varying levels over the years to reflect the impost and the affordability of the Commercial properties within the city. In 2001 the differential was 6.25:1 with Commercial paying 63% of general rates. This ratio has changed over time but over the past 10 years Commercial has been paying between 46% and 44% of the general rates requirement based on varying differentials. This ratio will naturally show minor variations year-on-year (outside of the revaluation years) depending on the underlying growth in each differential category. For example in a year where a major residential apartment building is completed but additions to the Commercial category are lower there may be a small shift in the ratio, the following year there may be more underlying Commercial growth and the prior year shift might be balanced.



51. The recent City valuation, similar to the 2019/20 one, resulted in a higher average capital value increase on residential (Base) properties than Commercial. Therefore, maintaining the current differential of 3.25:1 would result in Base ratepayers contributing a higher portion of the general rates requirement than in previous years.

52. Based on a draft version of the Annual Plan, the below table shows what the general rates split would be;

- using last year’s valuations,
- using the current valuations, and
- using the current valuations with a differential of 3.7:1

Valuation Basis	Diff	Rating Units		Capital Value (\$'000)		General Rates (\$'000)	
		Commercial	Base	Commercial	Base	Commercial	Base
2021/22	3.25	5,241	75,304	14,573,813	64,855,660	107,954	136,654
2022/23	3.25	5,217	75,229	19,928,865	101,456,722	99,408	145,199
2022/23	3.70	5,217	75,229	19,928,865	101,456,722	107,080	137,528

Valuation Basis	Diff	% of Rating Units		% of Capital Value		% of Total Rates	
		Commercial	Base	Commercial	Base	Commercial	Base
2021/22	3.25	7%	93%	18%	82%	44%	56%
2022/23	3.25	6%	94%	16%	84%	41%	59%
2022/23	3.70	6%	94%	16%	84%	44%	56%

-
53. As shown above the Commercial sector previously accounted for 18% of the city's capital value and 44% of the general rates. Post the recent revaluation this is now 16%, with Base increasing to 84%. If no change is made to the differential the Base sector will contribute 59% of the general rates requirement rather than the 56% in previous years. This is the equivalent of transferring \$8.5m additional rates to Base ratepayers and reducing the impost of Commercial ratepayers.
54. The current valuations, and the draft budget, would suggest that a 3.7:1 differential is required to maintain the current split. However, a number of factors can change between now and striking the final rates such as;
- Final objections to the recent revaluation
 - Growth in the ratepayer base between now and 30 June, and
 - Budget changes agreed through this and future Committee resolutions
55. As a result, this paper recommends that the percentage split of general rates be maintained and the differential be adjusted accordingly. This provides transparency for both Commercial and Base rate payers.

Kōwhiringa | Options

56. Options for depecific decisions are outlined in the body of the paper.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

57. The 2022/23 Annual Plan is the second year of the Council's 2021-31 Long Term Plan which outlines the approach to meeting Council strategies and policies.

Engagement and Consultation

58. Our consultation will be centred around the two key issues and options for the future of City Housing and residual waste. The plan is focused on generating engagement in the consultation and ensuring inclusion with key parts of the community. The consultation will also communicate the 2022/23 Annual Plan and draft budget. The submission process will provide opportunity for general feedback and test the overall level of support for the draft Annual Plan and budget.
59. Given the current Omicron wave is forecast to still be an issue during the month of April when we will be consulting, we plan on the majority of engagement methods to be online. This will include four 'ask me anything' webinars, two each focused on City Housing and residual waste. The webinars will be run by an external facilitator and Elected members will be invited to attend all webinars.
60. The main platform for consultation and submissions will be the Council's Korero Mai webpage and a digital and social media campaign will promote and direct the public to that webpage.
61. We will track levels of engagement during the month and adjust campaign as required to try to ensure engagement across different parts of the community.

City Housing

62. Consultation on the future of City Housing needs to be accessible to City Housing tenants and so in addition to the general engagement methods listed above we will also have additional non-digital and face to face opportunities for consultation with tenants, with translations available of key documents.
63. This will include a series of six drop in Q&A sessions in City Housing community rooms. We will write to all tenants and send a plain language summary of the City Housing options. Submission forms will be freepost. Tenancy Advisors will be available to support tenants to engage in the consultation and support on site submissions as required. We will also use non digital methods for promotion of the consultation including posters at City Housing complexes and the tenant newsletter.
64. A hui was also held on 11 February with City Housing Kaitiaki which included generation of early ideas for engagement with City Housing community leaders and connectors and we are incorporating their ideas into our consultation programme.
65. We plan on direct communication, either through email, direct mail or meetings with other key stakeholders including community agencies, tenant groups like IRS4ALL, other Housing providers and accessibility reference groups. We will provide stakeholders with a digital toolkit (including copy, image, and weblink) to make it easy for them to share information and raise awareness of the consultation in their own communication channels, with their networks.
66. Because the consultation document is relatively long and complex in parts we also plan to create a plain English summary of the key issues to make the content as accessible as possible.

Elected Members

67. We will provide elected members with information packs, including key messages, draft social media posts and images and details on community engagement. Elected members will also be invited to all engagement events with a full engagement calendar made available before consultation begins.
68. Consultation is scheduled to close by 2 May with hearings and forums planned for the weeks of 9 and 16 May. The format for these will be in line with the decisions on 2022 Oral Submissions process agreed by Council in November 2021. This will mean that a multiple stream approach to hearings with Councillors split between hearings.

Engagement with mana whenua

69. Together with Mataaho Aronui we are working with mana whenua in line with the principles as set out in the to-be-adopted iwi partnerships agreement. We are also in the process of establishing a partnerships group with mana whenua leaders to work on our housing strategy and Te Mahana homelessness strategy. There is potential that this group cover City Housing if mana whenua see this as within scope. The Waste team have been regular communication with mana whenua regarding residual waste project and are in ongoing discussion regarding the landfill resource consent and the Waste Management and Minimisation Plan.

Encroachment Fees

70. Given the proposed change to encroachment fees represents a significant increase in current fee levels we also plan on direct engagement with current encroachment license holders via letters or email.

Implications for Māori

71. The consultation plan for the 2022/23 Annual Plan and LTP amendments will include appropriate engagement with mana whenua on the proposed amendments and Annual Plan. The Annual Plan will be the second year of the 2021-31 LTP which commits to a programme of work and funding to increase the level of partnership with mana whenua.

Financial implications

72. The financial implications related to this annual plan are outlined in the body of this report.

Legal considerations

73. There are specific requirements of the Local Government Act 2002 in relation to both the preparation of the Annual Plan and the process for amendments to a Long-Term Plan. These requirements have informed the approach and content of material for this report and have shaped the process and timeline for decision making.

Risks and mitigations

74. Risks related to this annual plan are outlined in the body of this report. They mainly relate to the level of uncertainty in the Council's operating environment heading into and during the 2022/23 year. These risks will be monitored and be relevant for decision making for final deliberations on the 2022/23 Annual Plan in May and June 2022

Disability and accessibility impact

75. Accessibility requirements will be considered through the design of the consultation approach to the Annual Plan and Long-Term Plan amendments. The likely focus on online engagement methods for this consultation will offer both opportunities and challenges for ensuring high accessibility of consultation material.

Climate Change impact and considerations

76. The 2022/23 Annual Plan includes programmes of work to continue Council's implementation of Te Atakura, our First to Zero carbon strategy.

Communications Plan

77. The approach to communication and specific needs are outlined in the 'Engagement and Consultation' section.

Health and Safety Impact considered

78. Due to the rise of the COVID-19 Omicron outbreak, there is a health and safety risk relating to community consultation. The consultation plan outlined above manages this risk through a primarily online engagement approach. Some face-to-face engagement

will still be required to access all communities (including city housing tenants) and appropriate health and safety measures will be put in place in those circumstances.

Ngā mahinga e whai ake nei | Next actions

- 79. Consultation Document will be reviewed by external auditors.
- 80. Formal adoption of Consultation Document by committee on 29 March before public consultation begins in April.

Attachments

- Attachment 1. Rates increase mitigation options
- Attachment 2. Road encroachment fee analysis
- Attachment 3. 2022/23 Fees and User charges proposed changes
- Attachment 4. Restorative planting support options
- Attachment 5. 2022/23 Operating projects and programmes
- Attachment 6. 2022/23 Capital projects and programme
- Attachment 7. Draft Annual Plan 2022-23 and 2021-31 Long-term Plan amendments consultation document

Reducing the Annual Plan Rates Increase

Initial assessment of options to reduce the rates increase for 2022/23 Financial Year

There are seven potential options to consider that may contribute to a lower rates increase to that proposed in the draft Annual Plan Budget. To reduce 1% of the increase, we would need to reduce approximately \$4.2m of OPEX for 2022/23. In developing a recommendation for each option, we have assessed the do-ability, specific potential changes that may be required and risks.

Table 1 – Options on Changes

Options	Do-ability	Specific potential changes	Risks	Recommendation
1. Level of Service changes	Low: <ul style="list-style-type: none"> - Majority of operational costs are associated either with asset ownership costs or personnel cost running the service(s). - Changes impacting staff may not be practical given time and costs of change. 	<ul style="list-style-type: none"> - Reducing operating hours for some services. This requires a deeper analysis on the services and operations before making any changes. - Significant changes to Levels of Service require community consultation. 	<ul style="list-style-type: none"> - Council's reputation at risk and, public loses faith and trust in Council's decision-making. - Reducing operating hours services may not see high savings and potentially cause a drop in revenue for some services. 	NOT RECOMMENDED <ul style="list-style-type: none"> - High risk approach with potentially a low return/savings - Unlikely to have a material reduction on the Rates increase - Approach is not aligned with the community's LTP feedback
2. Annual Discretionary Grants	High <ul style="list-style-type: none"> - Level of discretionary grants can be changed relatively easily. 	<ul style="list-style-type: none"> - Temporary reduce Annual Discretionary Grants allocation. Either to reduce the size of grants available or cease giving out grants for short period of time. - Up to \$1.8m in grant funding that is not already committed for 22/23 year 	<ul style="list-style-type: none"> - Ceasing or reducing discretionary grants may significantly impact some organisations that heavily rely on Council's funding and deliver essential services. - Reduction in grants may conflict with Council commitments e.g. to arts and culture sector or living wage. 	NOT RECOMMENDED <ul style="list-style-type: none"> - Majority of grant funding already committed - Remaining potential savings are not material and come with significant risk
3. Delay OPEX increase agreed in the LTP	Medium <ul style="list-style-type: none"> - Many projects or additional roles funded by opex increases are already underway or in place 	<ul style="list-style-type: none"> - Areas with additional Opex approved through the LTP included: 'Pōneke Promise' Aho-Tini and Youth Strategies, Te Atakura and Māori partnerships. 	<ul style="list-style-type: none"> - Key strategies will not be delivered on agreed time or at all - Outcomes of certain work and projects will be delayed - Council's reputation at risk as this funding was aligned to achieving objectives agreed with the community 	NOT RECOMMENDED <ul style="list-style-type: none"> - The current LTP focused on CAPEX investment, therefore limited room for OPEX changes. - Limited options to delay strategies - Additional opex largely related to new roles and recruitment has already taken place.
4. LTP assumptions (Includes interest, inflation, growth in ratepayer base, weathertightness provision and WIAL dividend)	Low <ul style="list-style-type: none"> - Updated inflation and interest assumptions more likely to raise costs than lower - WIAL dividend assumption not likely to change 	<ul style="list-style-type: none"> - Increasing the term of weathertightness provision. 	<ul style="list-style-type: none"> - Further extension of weathertightness provision will further extend costs onto future financial years. (Term has already been extended in previous years) 	NOT RECOMMENDED <ul style="list-style-type: none"> - Majority of assumptions not practical to change - Changes to weathertightness term do not have a policy basis

Options	Do-ability	Specific potential changes	Risks	Recommendation
5. Revenue Increases	<p>Medium</p> <ul style="list-style-type: none"> - Possibility to review fees and user charges to help increase non rates revenue. - New revenue sources largely impractical as require time to establish - May have to rewrite R&F policy or agree to breach it. 	<ul style="list-style-type: none"> - Increase existing fees for services e.g. Encroachment fees 	<ul style="list-style-type: none"> - Increase of upfront cost for some changes - Unintended consequences such as reductions in volumes due to price changes. - Would reduce the affordability of services, affecting lower income household access to services. - May conflict with pandemic support measures 	<p>RECOMMENDED</p> <ul style="list-style-type: none"> - Specific fee change to encroachment licence fees are possible and will deliver approx. \$1.5m additional revenue in 2022/23 (rates impact of 0.36%). An increase in fees aligns with the LTP requirement to achieve better value from council assets. - Wholesale increases not recommended, conflicts with pandemic support - does not reduce cost, shifting the cost from rates to user-pays.
6. Funding/Financing Mechanisms (includes fund OPEX through CAPEX and debt funding opex)	<p>Low</p> <ul style="list-style-type: none"> - Capitalisation opportunities have already been reviewed and included. - No immediate opportunities for further debt funding of OPEX 	<ul style="list-style-type: none"> - Opportunities for ensuring relevant costs are capitalised has been reviewed. 	<ul style="list-style-type: none"> - Debt funding operating costs is contrary to policy- pushing costs to future generation without clear justification. Need clear and specific reasoning for each decision - 2022/23 budget already includes approx. \$12m of operating expenditure related to previous debt funding decisions (such as relating to previous covid support measures and pop-up libraries) 	<p>NOT RECOMMENDED</p> <ul style="list-style-type: none"> - Debt funding operating costs is contrary to policy - pushing costs to future generation without clear justification - No material capitalisation opportunities remaining
7. Capital programme	<p>Medium</p> <ul style="list-style-type: none"> - Need to make significant changes to capital to make an OPEX impact. - Depreciation impacts of the capital programme are most likely source of opex savings 	<ul style="list-style-type: none"> - A detailed review of all additional/new depreciation assumed for the year - The assumptions in the depreciation modelling have resulted in some anomalies for our major projects and these have now been amended to reflect expected capitalisation dates, which has resulted in the revised depreciation number. 	<ul style="list-style-type: none"> - No risk to depreciation changes 	<p>RECOMMENDED</p> <ul style="list-style-type: none"> - Look at assumptions on timing of project capitalisation for depreciation savings opportunities. - OPEX and Rates impact 2022/23 - \$4.6m - Up to 1% proposed rates reduction
8. Change of Delivery Models (including outsourcing)	<p>Low</p> <ul style="list-style-type: none"> - Takes too long for changes to be implemented 	<ul style="list-style-type: none"> - No current obvious options. Will require a full Level of Service analysis. 	<ul style="list-style-type: none"> - Inadequate time to review options and implement to impact 2022/23 FY 	<p>NOT RECOMMENDED</p>
9. Organisational Savings	<p>Low</p> <ul style="list-style-type: none"> - Budget already includes significant internal cost saving target (\$15m). 	<ul style="list-style-type: none"> - Would practically impact on contracts with third party suppliers and recruitment of vacant roles. 	<ul style="list-style-type: none"> - Increase pressure on existing staff through not filling vacancies at a time with high deliver pressure and a tight labour market. 	<p>NOT RECOMMENDED</p>





ATTACHMENT - REVIEW OF FEE STRUCTURE FOR ROAD ENCROACHMENT LICENCES AND LEASES

Purpose

1. This paper provides the background to the recommendations to review the current road encroachment fee structure and to increase the fees set in the Road Encroachment and Sale Policy 2011 (the Policy).

Recommendations

2. The review of road encroachment licenses and leases recommends that the Council move over time from a fee-based system that is CPI adjusted annually, to one that is based on rateable land values. This change more reasonably reflects the degree to which benefits accrue privately. The recommendations are:
 - to increase the fees to \$26.66/m² (from \$13.33) from 1 July 2022 as an interim measure. This measure will increase the encroachment fee to \$533 for a 20m² encroachment area. It will increase the income for the Council by \$1.5million.
 - to increase the lease fee for the airspace and subsoil encroachments by 100 percent to reflect the added property value to the lease holders.
 - to agree to Option 4 as a long-term approach to be considered in the 2024/33 Long Term Plan. Under this option, the encroachment fee is based on the individual rateable land value of the adjoining property. For a property with rateable land values \$2000/m², an annual encroachment fee for a 20m² road reserve could be \$1200 per year.¹ Officers' estimation of the total income increase for the Council is around \$4.3 million per year. However, there are challenges for implementation and further analysis of risks and costs are needed

Executive Summary

1. Officers propose to review the fee structure for road encroachment licences and recommend that road encroachment licence fees are increased to \$26.66/m² from 1 July 2022 as an interim measure. This option will increase the income for the Council by \$1.5million.
2. The proposal is to achieve the Council's objective of generating a reasonable return from its assets on behalf of all the rate payers as part of its statutory obligation.
3. For this purpose, officers have initially identified and assessed four options for the review. These options are discussed as follows:
 - a. Option 1 represents the status quo and generates a low rate of return for the Council. It does not recognise the different value for the exclusive use of the encroachment land across the city, and does not achieve the policy objective. Officers do not recommend this option.
 - b. Option 2 sets a heightened flat rate for a road encroachment licence across the whole city based on the average rateable land value. This option makes the rental fee more closely match to the current residential land values and its general

¹ This is calculated by setting the encroachment land value at 50% of the rateable land value and the rental fee at 6% of the encroachment land value, as discussed under Option 2.

increased rate. This option could increase Council income by \$4.3m but does not reflect the different land value of individual road encroachment licence. The interim fee increase that is recommended is derived from this option as it is relatively easier to implement in the short term.

- c. Option 3 means there will be a range of differentiated fees across groups of suburbs. Compared with Option 2, it is more closely aligned to the rateable land value of the respective group of suburbs. Overall, it is likely that the total income would increase substantially, though the exact amount of increase would depend on the rental fee rates ultimately agreed by Council. However, this option might be challenging to implement as the grouping of suburbs and calculating an average rateable land value for each group is considered arbitrary. Officers do not recommend this option.
 - d. Option 4 sets individual fees based on the rateable land value of the adjoining property. This approach recognises the varying land value of each individual encroachment licence holder and is more objective and fairer. The total increase of income generated under this option is estimated at around \$4.3million per year. Implementation of this option requires a system change and more time is needed to address concerns such as individual affordability. Therefore, officers recommend that this option is considered as part of the 2024 Long Term Plan.
4. Officers also seek agreement to increase the lease fee for the airspace and subsoil encroachments to reflect the added property value to the lease holders. The proposal could increase the income for the Council by \$57,000 per year.

Background

5. A road encroachment occurs where public access to a legal road is restricted, or a deliberate action causes an area of legal road to be used for private use. For example, where carparking or fencing extends onto the road reserve, or a balcony protrudes over the road reserve.
6. Road reserve is the commonly used term to describe any land that forms part of the legal road but is not used as a carriageway or footpath and is also called 'unformed legal road'.

Legislative and policy frame for road encroachments

7. Section 14(g) of the Local Government Act 2002 provides that "a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region..."
8. The Policy guides the Council regarding the approval and management of road encroachment and sale, including the method for setting fees for road encroachment and sale. The principles of the Policy include: "Recognising that road reserve is Council-owned land, the Council will seek to make an economic return from this asset where appropriate."²
9. In general, any property owner wishing to use a legal road for exclusive private purposes must apply for authorisation from the Council as landowner, either in the form of an encroachment licence or a lease. Rental fee may also be charged, except when the encroachment does not restrict public access and there are no structures on the encroachment, or where a structure is for access only.
10. The Policy was last reviewed in June 2010. In that review, the Council proposed changes for consultation, including the method used to set fees for certain road encroachments, mainly encroachments for residential purposes. Public consultation

² See page 3 of the Policy.

indicated that the majority of submitters were against the proposal of a differentiated fee structure across suburbs. Consequently, the Policy continues the flat rate for road encroachment with annual adjustment in accordance with the consumer price index (CPI).

11. Christchurch City Council has a similar approach.³ It charges \$220 for a single garage site and \$450 for a double garage site as street site rentals. The charges are revised on an annual basis. Dunedin City Council also charges a flat fee for road encroachment by a garage. The encroachment charges are set and adjusted annually via the Annual Plan, with the current rate being \$137.50 for a single garage (<25m²) and \$275 for a double garage (<50m²).
12. Auckland Transport charges a market rental for commercial and residential encroachments. The market rental will be determined by an independent valuer appointed by Auckland Transport. The annual rental fee is 6 percent of the freehold land value for commercial trading and 3 percent for residential purposes. It is annually adjusted in accordance with CPI. Auckland Transport also charges a non-refundable application fee which is payable for assessing the encroachment, and an encroachment administration fee which is charged for any changes to existing leases/licences.

Overview of the road encroachment situation in Wellington

13. The Council owns more than 660 kilometres of legal road. Under the Policy, the Council has allowed unformed legal road (road reserve), the airspace above and the subsoil below roads to be used for activities other than roading, provided this does not unreasonably interfere with existing or possible future uses of the legal road.
14. There are currently around 6,900 road encroachment licences and leases held by Wellingtonians. In the last financial year, the Council received a total income of \$2 million.⁴
15. Among all the road encroachments:
 - e. around 1,400 licence and lease holders are not paying a fee (as they are generally for access only).
 - f. around 5,000 are for parking or fenced land and paying a flat rental fee of \$13.33/m² exclusive GST for 2021/2022 financial year.
 - g. 319 are for airspace encroachment and paying a fixed fee for the whole lease term.
 - h. another 150 are commercial licenses and paying commercial rental rates.
16. Encroachment licence and lease holders across the city have benefitted from a low encroachment fee for over 10 years, and there is an opportunity to review the fee structure.

Sale of road reserve

17. Sale of road reserve has been raised by some Councillors as a potential source of capital and a way to incentivise more housing.
18. Certain unformed legal road could be legally stopped and made available for sale to the adjoining property. This is considered to provide benefits to both the private property owner and the wider community, for example providing enduring parking solutions, allowing intensification without urban sprawl, as well as providing additional income to

³ While practices of these councils have been cited for comparison, it should be noted that these councils have much fewer encroachments granted than Wellington.

⁴ This consists of \$1.5million from residential licences, \$57,000 from airspace lease and \$440,000 from commercial encroachment licences.

the Council. However, not a large amount of such road reserve is available and suitable for residential developments.

19. Road stopping and sale is governed by the Public Works Act 1981 and the Local Government Act 1974. The relevant criteria and processes for stopping and sale of a legal road are covered by the Policy. The processes are considered complex and time-consuming, including costly survey, public notification and Council hearing of objections, and potential Environment Court hearings.
20. Under the Policy, the Council assesses road stopping proposals from property owners. The Council has completed 65 road stoppings with a total value of \$6,511,069.69 since the 2011/2012 financial year.
21. The low level of road encroachment fees and the unfavourable process are possibly the key limitations to sale. Review of the road encroachment fees might provide an incentive for more sale of road reserve if appropriate.

Discussion

22. It is important for the Council to have a clear objective for the fee structure of road encroachment. The objectives of the Policy are:
 - a. to facilitate property owners having encroachments where, in the view of the Council, these are expected to have overall net benefits
 - b. to establish a fee structure that reasonably reflects the degree to which benefits accrue privately, publicly or some combination of the two; and
 - c. to aid the Council in meeting its legal obligations.
23. These objectives need to be interpreted holistically to establish a reasonable fee structure. While overall net benefits are a key indicator for Council's decision, private benefits vary from area to area, even property to property. The Council's legal obligations around prudent stewardship requires a reasonable return from its assets, in this case where they are being used for private benefit. The Council also needs to ensure that the system is administratively simple and easy to understand.
24. Therefore, officers consider that the clear objective is for the Council to have an effective and efficient fee structure that generates a reasonable return from its asset on behalf of all the rate payers as part of its statutory obligation, taking into account affordability and fairness in some specific cases.
25. The objectives have guided the identification and assessment of review options for the fee structure of road encroachment. Due to the tight timeframe and the lack of detailed data, the assessment of options has been carried out at a high-level, and further work is needed to obtain the relevant data and assess the options in a more detailed manner. Estimated income increase for the Council resulting from a new fee structure would be substantial and would support the management of general rate increase.

Options

26. To achieve the policy objectives, officers have considered four options for residential encroachment, including:
 - a. Option 1: status quo – the current flat rate across the whole city
 - b. Option 2: a heightened flat rate across the whole city
 - c. Option 3: differentiated fees across suburbs in line with rateable land value
 - d. Option 4: individual fee based on rateable land value of the adjoining property.

27. Fees for airspace and subsoil encroachment lease have also been reviewed. They are further discussed as a separate section in the paper.
28. Fees for commercial encroachment have not been reviewed in this paper. This is because commercial encroachment has been charged at a commercial rate through a specific process that involves independent evaluation and pricing.

Option 1: status quo – the current flat rate across the whole city

29. The status quo is a flat fee of \$13.3/m² (it was \$11.25/m² initially set in 2010 with an annual increase based on CPI). Under this option, the Council is currently generating around \$1.5 million a year from around 5,000 road encroachments, with an additional administration fee of approximately \$150,000 per year.⁵ Annual income increase for the Council based on CPI is about \$23,000. The income forms a part of the general revenue of the Council and, to a certain degree, helps keep the general rate down.
30. This option reflects the majority of support from submitters in the 2010 consultation. The main arguments in support of this option include:
 - a. Many encroachments create greater public benefits, such as making the road less congested, more robust and providing a safer environment
 - b. A flat rate is simple to understand and fair
 - c. The utility of an encroachment is the same, regardless of which suburb it is in
 - d. Differentiated fees are not inherently fairer. There is as much variation in land values within suburbs as between suburbs and between types of encroachments (such as garages compared with car pads, or flat land versus steep land).
31. Officers expect that these arguments will continue to prevail if another round of public consultation on this matter is undertaken.
32. Officers agree that a flat-rate approach is transparent, simple and relatively less costly to administer. However, under this option, the Council is generating a low rate of return from assets in private use. For example, based on the current flat fee of \$13.33/m², around 80 percent of encroachment licence holders are paying less than a half of the estimated market rental rates for the land; 50 percent of licence holders are paying less than a third of market rates, and 25 percent are paying less than a fifth of market rates. Officers consider a reasonable rental rate for encroachment land should typically be around 50 percent of market rental rates.
33. This means that the Council is not exercising prudent stewardship for the general public/rate payers. The Council arguably subsidises certain encroachment licence holders by charging them less than market value.
34. Officers consider that a flat rate for encroachment licence holders in different areas of the city is inappropriate as the value for the exclusive use of the encroachment land differs significantly across the city. Property owners with high land value get a greater benefit of added value to their property by paying the same encroachment fee.
35. In addition, the annual increase according to CPI is not economically sound. CPI is the measure of general inflation and cost of living. It is mainly used to adjust income payments such as social security. The calculation of CPI normally does not include house prices. Officers consider it inappropriate to use CPI to adjust the rental rate of road encroachment. An alternative could be to adjust them in line with overall capital value increases rather than CPI.

⁵ Administrative fee associated with the licence processing are restricted to cost recovery under section 150 of the Local Government Act 2002.

Option 2: a heightened flat rate across the whole city

36. There would be many ways to increase the current flat rate, such as a percent increase to the current rate. Officers consider that the rate needs to be set following economic principles (such as price reflecting the value of the goods and services) and good policy practice (such as being transparent and evidence-based). Officers consider that any percentage increase to the current rate may not reflect the differential value of the property, and be regarded as arbitrary.
37. Consequently, officers propose the option that the current flat rate be recalculated to reflect the overall increase of the residential property value as a whole during the past several years. The initial base for calculation could be:
 - a. setting the value of the road reserve to be encroached (per square metre) at 50 percent of the average rateable land value of the residential properties across the whole city (per square metre).⁶
 - b. setting a rental rate at six percent of the value of the encroachment land.
 - c. indexing the annual rental fee based on the average percentage increase of rateable land value across the city.
38. An example to illustrate the calculation is like this: we presume that the average land size of residential properties across the whole city is 497m², the average rateable land value could be calculated to be just under \$1,734/m² using the new rating valuations for Wellington City,⁷ then the road encroachment value would be \$867/m², then the rental rate is \$52/m² per year. For a 20m² encroachment land, the encroachment licence holder pays \$1,040 per year, compared with the current \$270 per year.
39. Under this option, the total rental income from residential encroachment would increase from \$1.5million to \$5.8million. Administrative costs would remain largely at the same level, presuming that a significant number of encroachment licences would not be terminated due to the increased fee. This would result in a net benefit of \$4.3million per year to the Council.
40. This option recognises that the current road licence holders have benefitted from a very low fee for many years. The Council intends to generate better financial returns from this part of the assets. It is also in line with the majority support in the last public consultation to have a flat rate as the utility of encroachment land has similar value across the city.
41. This option makes the rental fee more closely matched to the current residential land values and its general increased rate. The implementation also requires limited changes to the system. However, it does not recognise the differences in individual land values across the city. Further, this option could lead to substantial and potentially unaffordable fee increases for some current licence holders. It is possible that some encroachment licence holders will choose not to renew the encroachment licence to avoid paying the increased fee. Officers do not consider that this kind of choice would be significant given the substantial benefits the property owners are enjoying from the encroachment licence.
42. A further discount could be applied to make the increase more acceptable by encroachment licence holders, or the change could be phased to graduate the change.

⁶ The discount recognises that road reserve is different from normal freehold land due to the uncertainties and encumbrances on it. For example, the Council can terminate the encroachment licence with one month notice at its discretion rather than through negotiation.

⁷ The new rating valuations have been prepared for 72,106 residential properties on behalf of the Wellington City Council by Quotable Value (QV). They show the land value of those residential properties now valued at \$62,159,829,300. The calculation is: \$62,159,829,300 is divided by 72,106 then divided by 497m².

For example, if we set the encroachment land value at 30 percent of the average rateable land value in the above example, the encroachment license holder would pay \$624.⁸ Subsequently, the Council would gain a net benefit of around \$2million per year. A transition period of 3-5 years could also be adopted to increase the rate gradually.

43. Overall, this option could be implemented flexibly to increase income for the Council gradually while addressing affordability concerns. It aligns better with the majority opinion (for a flat fee) in the 2010 consultation. The interim measure recommended to the Council is derived from this option.

Option 3: differentiated fees across suburbs in line with rateable land value

44. As discussed above, this option was proposed in the 2010 review and widely opposed by the majority of submitters. Their main arguments have been discussed above in paragraph 30.
45. Under this option, rental fee rates will be based on a differentiated fee structure where the rental rate per square metre is set generally as a proportion of land values in that suburb. This calculation approach is similar to that under Option 2, but the final rate is set for different groups of suburbs with similar values.
46. Annual rental fee will be reviewed by the Council as part of its long-term planning process every three years. The review of the fee will take into consideration the latest relevant rateable land values for residential properties across the city by suburb. Grouping of suburbs may also be considered when setting rental fee rates to increase efficiency. The purpose of grouping is to calculate an average rate for the group of suburbs.
47. This option recognises that there are substantial value differences of encroachment land between suburbs and assumes that it is appropriate to determine rental fee that more closely match those values. However, this option does not recognise varying land values in different parts within suburbs.
48. Under this option, there will be a range of differentiated fees across groups of suburbs. Officers estimate that the amount of income increase would be around \$3.2million per year if a similar approach to the 2011 review to setting a maximum rate for each group is adopted. The exact increase would depend on the rental rates ultimately agreed by Council.
49. Officers consider that this option would be challenging to implement. It involves grouping suburbs and calculating the average rateable land value for each group, before applying the formula to set the applicable rental fee for each group. While the Sales Group from QV provides a reasonable average rateable land value for each group, there is a vast difference in rateable land value between these groups of suburbs, from \$589,492 in Tawa (East) to \$1,947,406 in Oriental Bay and Roseneath.
50. Officers expect that further grouping (to achieve a more manageable number of groups) could be criticised as being arbitrary and inconsistent. This is because there would be substantial difference value in the average rateable land value in the same group, for example in Tawa alone the difference among the four Sales Group is \$144,920. Neighbouring suburbs with the similar average rateable land value could also be grouped in different groups. In addition, changes to the IT/data system might be needed to integrate the QV data for the calculation. Details remain to be further explored.
51. Applying a formulaic approach to setting fee under this approach could lead to substantial and potentially unaffordable fee increases. It is possible that some

⁸ Calculation is: $\$1,734(\text{average rateable land value/m}^2) \times 0.3$ (30% discount) $\times 0.06$ (rental income) $\times 20\text{m}^2 = \$624$ per year.

encroachment licence holders will choose not to renew their encroachment licence to avoid paying an increased fee. However, officers do not consider this is likely to be significant and a maximum rate increase per year for each group of suburbs has been considered in this respect.

52. A maximum rate increase would alleviate concerns about large and unaffordable rental increases in some suburbs where land values are high. In addition, a transition period is recommended to manage the impact of rate changes. A possible phasing-in approach is to increase the rate by a maximum of \$5 per square metre per year until the relevant rental rate is reached for a group of suburbs. Officers consider this approach will require a significant increase of the resources to deal with the increased data management and administration burden in the process.

Option 4: individual fee based on rateable land value of the adjoining property

53. Under this option, the encroachment fee is based on the individual rateable land value of the adjoining property.
54. This is different from the proposal in the 2010 review in that encroachment fee are calculated by the individual valuation of encroachment land. For the proposal, the previous opinion of officers was that individual valuations were likely to be costly given the large number of encroachments. Valuers would need to make individual and complex assessments, potentially costing hundreds of dollars per valuation. These valuations would be based on assumptions and open to dispute and challenge.
55. While officers agree that individual valuations could be the most objective and fairest way of determining the rental fee for an encroachment, a trade-off needs to be made between efficiency, objectiveness and fairness. If the encroachment fee is based on the individual rateable land value of the adjoining property that is readily available, the potential high cost of individual valuation of each encroachment land could be avoided.
56. Under this option, there would be a separate rental fee for each encroachment. Again, officers consider that a calculation approach similar to that under Option 2 could be applied for each encroachment. For a property with rateable land values \$2000/m², an annual encroachment fee for a 20m² road reserve could be \$1200 per year.
57. Annual rental fee will be reviewed by the Council as part of its long-term planning process every three years. The fee review will take into consideration the latest relevant rateable land value for the residential property related to the encroachment.
58. Based on the assessment of individual rates, the total increase of income generated under this option would be substantial if no further discount is provided. Officers' estimation of the total income increase for the Council is similar to that under Option 2 of around \$4.3million per year. However, each licence holder pays a different fee if their rateable land value is different.
59. Basing fees on individual rateable land value might create wide variations in rental fees even between neighbouring properties with similar encroachments. This is because the per square metre value of land on a section can vary widely depending on the area of that section, and this may bear little relationship to the value of encroachment land.
60. Implementation would be challenging as the rateable land value related to each individual encroachment needs to be integrated into our IT/data system, with necessary updates, not only to reflect the regular changes every three years, but also to accommodate other irregular changes such as land subdivision. There might be costs for additional software and other sources for operational purpose. This could mean that a preparation period is needed to implement the changes.
61. Under this option, there are some specific cases that need to be noted. For example, currently, there are about 300 remote garages that are not adjoining the encroachment

licence-holders' own properties. Encroachment fee has to be calculated based on rateable land values of other close properties.

62. Like Option 2 and Option 3, this option could lead to substantial and potentially unaffordable fee increases for some encroachment holders, which would need to be addressed. A case-by-case approach is needed for this. Officers also consider a transition period of three to five years is needed to allow license holders to adapt to the increase of fee and consider options to the best of their interest.
63. Overall, this option can effectively achieve the objectives of the Policy in increasing road encroachment fees in a reasonably objective manner. However, more work needs to be undertaken to better understand the impact of the increase as well as the implementation risks. Officers recommend that this option is considered in the 2024/33 Long Term Plan.

Fee increase for air space and subsoil encroachment leases

64. There are over 300 encroachment leases across the whole city. At the moment, a fixed fee (from a minimum of \$90 per year) applies to most of the leases for the whole term of the lease, offering the encroachment leaseholders certainty. The fee was originally set in 2010 and generates an annual income of around \$57,000 for the Council.
65. Officers consider that the fee for encroachment leases are too low and does not reflect the value added to the private property. Section 341(2) of the Local Government Act 1974 provides that "...any improvements erected or constructed in any airspace or...subsoil...pursuant to a lease...shall be deemed to be rateable land for the Local Government (Rating) Act 2002." Therefore, the fee (rent) should reflect the rateable land value.
66. However, the small number of such leases and the different connection with properties (using the airspace or subsoil rather than the road itself) makes it inappropriate to follow any of the above options to set the fees. Given the very low current fee base, officers propose to increase the lease fee by 100 percent to reflect the added property value to the lease holders. This will increase the Council's income by around \$57,000 per year from the next financial year, with further changes in accordance with the updated rateable land value.

Financial implications

67. The proposed review is seeking to increase the fee for the road encroachment. The recommended interim measure in the paper is derived from Option 2. It could increase the revenue for the Council by around \$1.5million per year. There is also a potential to increase the lease fee for airspace and subsoil encroachment by \$57,000 per year if the proposal is agreed to.
68. This measure has been compared with fee increases in accordance with CPI or other percentages in the following table.

Increase level	Rental rate/ m ²	Cost for a 20m ² encroachment area (\$)	Income increase for Council (\$)
Status quo	13.33	267	1.5m
CPI (5.9% for 2021)	14.12	282	88,500
50%	20	400	750,000
100%	26.66	533	1,500,000

200%	39.99	800	3,000,000
300%	53.32	1,066	4,500,000

Communications Plan

69. Any decision concerning the fee structure of road encroachment will be publicly notified as part of the Annual Plan. All the registered road encroachment licence and lease holders will be informed directly of any changes to their annual fees and the effective date.

Proposed changes to Fees and User Charges for 2022/23 Annual Plan

Activity 2.1.9 Waterfront Public Spaces

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Residential (per request)	\$25-\$125 dependent on number of requests	25.00
Commercial Building permits and building consents	55.00	65.00

Activity 2.1.9 Waterfront Public Spaces

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Discovery Garden child (pre-school)	4.00	4.50
Discovery Garden Child Early Childhood	4.00	4.50
Discovery Garden Child Primary/Intermediate	5.00	6.00
Learning Pavilion full day		500.00
Learning Pavilion 1/2 day		300.00
Lotions & Potions space Discovery Garden \$100/hr		100.00
Begonia House workshop space/hr		40.00
Treehouse Groups > 12 Full days	500.00	600.00
Treehouse Seminar Room Half Day Groups > 12		400.00
Wellington Gardens Cleaning Fee >50 people	-	100.00
Troupe Picnic lawn ink BBQ space holy rate		100.00

Activity 2.1.9 Waterfront Public Spaces

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Harbourside Market Monthly Fee Small Unpowered	175.00	180.00
Harbourside Market Monthly Fee Medium Unpowered	248.00	255.00
Harbourside Market Monthly Fee Large Unpowered	1,100.00	1,115.00
Harbourside Market Monthly Fee Small Powered	210.00	215.00
Harbourside Market Monthly Fee Medium Powered	300.00	305.00
Outdoor licence fees m2	75.00	85.00

Activity 2.2.1 Waste Minimisation

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Commercial General Rubbish	175.38	196.07
Domestic General Rubbish	216.00	245.50
Green Waste	69.00	80.50
Sewerage Sludge	253.00	276.00
Special Waste - Asbestos	253.00	273.70
Special Waste - Other	210.45	231.15
Contaminated Soil	87.00	94.30

Activity 2.4.1 Sewage collection Trade waste

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)	Movement (\$)
Trade Waste Charges/Sewerage Collection and Disposal Network: Volume - Up to 100m3/day	0.34	0.35	0.01
Trade Waste Charges/Sewerage Collection and Disposal Network: Volume - Above 100m3/day but below 7,000m3	0.15	0.16	0.01
Trade Waste Charges/Sewerage Collection and Disposal Network: Volume - Above 7,000 m3	0.98	1.01	0.03
Trade Waste Charges/Sewerage Collection and Disposal Network: Biochemical Oxygen Demand - Up to 3,150kg/day	0.34	0.35	0.01
Trade Waste Charges/Sewerage Collection and Disposal Network: Biochemical Oxygen Deman - Above 3,150kg/day	0.75	0.77	0.02
Trade Waste Charges/Sewerage Collection and Disposal Network: Suspended Solids - up to 1,575kg/day	0.33	0.34	0.01
Trade Waste Charges/Sewerage Collection and Disposal Network: Suspended Solids - above 1,575kg/day	0.66	0.68	0.02

Activity 5.1.1 Swimming Pools

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Adult Spa (Karori Pool)	5.40	5.50
Adult Spa Only (Covid)	5.40	5.50
Adult Swim	6.60	6.80
Adult Swim & Spa (Karori Pool)	9.00	9.20
Adult Swim & Spa (Tawa/Thorndon Pool)	8.50	8.60
Adult Swim Concession Pass (10 trip)	59.40	61.20
Child Concession Pass Old (10 trip)	35.10	36.00
Child Swim	3.90	4.00
Child Swim / Spa Combo	5.40	5.50
Child Swim / Spa Combo Concession Pass (10 Trip)	48.60	49.50
Child Swim Concession Pass (10 trip)	35.10	36.00
Karori Pool - Hydro slide	1.00	1.20
Karori Pool - Spa & Swim Concession Pass (10 Trip)	81.00	82.80
Karori Pool - Spa Concession Pass (10 Trip)	48.60	49.50
Khandallah Adult	3.20	3.30
Khandallah Child	1.60	1.80
Khandallah Pool Adult Concession Pass (10 Trip)	28.80	29.70
Khandallah Pool Child Concession Pass (10 Trip)	14.40	16.20
KSP - Adult Hot Spot	6.40	6.50
Tawa - Adult Offpeak Swim	3.30	3.40
Tawa Offpeak Adult Concession Pass (10 trip)	33.00	34.00
Thorndon & Tawa - Spa & Swim Combo Concession Pass (10 Trip)	76.50	77.40
WRAC - Event Adult Swim	6.60	6.80

Activity 5.1.1 Swimming Pools

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
WRAC/KSP/Freyberg - Adult Swim / Hot Spot Combo Concession Pass (10 trip)	90.00	91.80
WRAC/KSP/Freyberg - Adult Swim/Hot Spot Combo	10.00	10.20
WRAC/KSP/Freyberg - Hot Spot Adult	6.40	6.50
WRAC/KSP/Freyberg - Hot Spot Adult Concession Pass (10 Trip)	57.60	58.50
Khandallah Pool - School Swim	1.60	1.70
Swim Membership Adult - Direct Debit (Fortnightly)	29.98	30.70
Swim Membership Adult - Direct Debit (Monthly)	64.96	66.50
Swim Membership Adult - Upfront (Yearly)	775.00	798.00
Swim Membership Aquatic Club Member Adult - Direct Debit (Fortnightly)	25.48	26.10
Swim Membership Aquatic Club Member Adult - Direct Debit (Monthly)	55.21	56.53
Swim Membership Aquatic Club Member Adult - Upfront (Yearly)	658.00	678.30
Swim Membership Aquatic Club Member Child - Direct Debit (Fortnightly)	14.88	15.27
Swim Membership Aquatic Club Member Child - Direct Debit (Monthly)	32.22	33.08
Swim Membership Aquatic Club Member Child - Upfront (Yearly)	387.18	396.95
Swim Membership Child - Direct Debit (Fortnightly)	17.50	17.96
Swim Membership Child - Direct Debit (Monthly)	37.90	38.92
Swim Membership Child - Upfront (Yearly)	455.50	467.00
Swim Membership CSC Adult - Direct Debit (Fortnightly)	23.98	24.56
Swim Membership CSC Adult - Direct Debit (Monthly)	51.97	53.20
Swim Membership CSC Adult - Upfront (Yearly)	620.00	638.40
Swim Membership CSC Child - Direct Debit (Fortnightly)	14.00	14.37
Swim Membership CSC Child - Direct Debit (Monthly)	30.32	31.14
Swim Membership CSC Child - Upfront (Yearly)	364.40	373.60
Swim Membership Student - Direct Debit (Fortnightly)	23.98	24.56
Swim Membership Student - Direct Debit (Monthly)	51.97	53.20
Swim Membership Student - Upfront (Yearly)	620.00	638.40
Swim Membership Super Gold - Direct Debit (Fortnightly)	23.98	24.55
Swim Membership Super Gold - Direct Debit (Monthly)	51.97	53.20
Swim Membership Super Gold - Upfront (Yearly)	620.00	638.40

Activity 5.1.1 Swimming Pools

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
School Swim	1.60	1.70
Karori - Inflatable	66.50	70.00
Karori - Slide Staff	30.00	40.00
Pools - Lifeguard (per hour)	30.00	40.00
Tawa - Inflatable	61.50	65.00
Thorndon - 1 hour 0 - 25 people	160.00	180.00
Thorndon - 1 hour 26 - 50 people	210.00	225.00
Thorndon - 1 hour 50 - 100 people	280.00	300.00
Thorndon - 2 hours 0 - 25 people	220.00	245.00
Thorndon - 2 hours 26 - 50 people	280.00	300.00
Thorndon - 2 hours 50 - 100 people	360.00	375.00
WRAC - Inflatable	80.00	90.00
WRAC - Small Inflatable	40.00	45.00
Group Fitness Land Based Casual Entry	11.00	13.00
Group Fitness Land Based Concession Pass (10 trip)	99.00	117.00
Spin - Casual	11.00	13.00
Student - Group Fitness Land Based Casual Entry	8.80	10.40
Student - Group Fitness Land Based Convenience Pass (10 trip)	88.00	104.00
WRAC - Spin Concession Pass (10 Trip)	99.00	117.00

Activity 5.1.2 Sports Fields

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Athletics Casual	682.50	699.56
Athletics Seasonal	500.00	512.50
Athletics WRFU Speed Trials	144.00	147.60
Changing Room & Field 1 night	210.00	215.25
Changing Room & Field 1 night (season)	880.00	902.00
Changing Room & Field 2 nights (season)	1,700.00	1,742.50
Changing Room & Field 3 nights (season)	2,580.00	2,644.50
Changing Room & Field 4 nights (season)	3,425.00	3,510.63
Changing Room & Field 5 nights (season)	4,275.00	4,381.88
Cricket Casual Artificial (Concrete Base)	175.00	179.38
Cricket Casual Artificial (Grass Base)	175.00	179.38
Cricket Casual Level 1	400.00	410.00
Cricket Casual Level 2	268.80	275.52
Cricket Seasonal Artificial (Concrete Base)	45.45	46.59
Cricket Seasonal Artificial (Grass Base)	35.90	36.80
Cricket Seasonal Level 1	143.18	146.76
Cricket Seasonal Level 2	119.32	122.30
Cricket Seasonal Level 3	66.48	68.14
Croquet Casual	178.00	182.45
Croquet Seasonal	40.57	41.58
Cycling Casual	185.00	189.63
Cycling Seasonal	84.09	86.19
Groundsman - hourly rate (minimum 2 hours)	50.00	51.25
Marquee > 100m2	1,380.00	1,414.50
Marquee Booking Fee (non-refundable)	86.00	88.15
Marquee up to 100m2	860.00	881.50
Marquee up to 50m2	520.00	533.00

Activity 5.1.2 Sports Fields

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Netball Casual	47.25	48.43
Netball Off-season or organised	15.00	15.38
Netball per season	7.16	7.34
Newtown Park	682.50	699.56
Newtown Park Function Room	30.00	32.50
Rugby League Park	682.50	699.56
Rugby, League, Football, Aussie Rules Casual Level 1	150.00	153.75
Rugby, League, Football, Aussie Rules Casual Level 2	115.50	118.39
Rugby, League, Football, Aussie Rules Casual Level 3	89.00	91.23
Rugby, League, Football, Aussie Rules Seasonal Level 1	115.74	118.63
Rugby, League, Football, Aussie Rules Seasonal Level 2	77.56	79.50
Rugby, League, Football, Aussie Rules Seasonal Level 3	62.05	63.60
Softball Casual Level 1	185.00	189.63
Softball Casual Level 2	135.00	138.38
Softball Seasonal Level 1	37.23	38.16
Softball Seasonal Level 2	24.82	25.44
Tennis Casual	47.25	48.43
Tennis Off-season or organised	20.00	20.50
Tennis per season	9.55	9.79
Toilets and Changing Rooms Only Open	90.00	92.25
Toilets Open	42.00	43.05
Touch, 5-a-side, Ultimate, Gridiron Casual Level 1	199.50	204.49
Touch, 5-a-side, Ultimate, Gridiron Casual Level 2	160.00	164.00
Touch, 5-a-side, Ultimate, Gridiron Seasonal Level 1	76.36	78.27
Touch, 5-a-side, Ultimate, Gridiron Seasonal Level 2	57.27	58.70
Tournament Base fee - field/day	340.00	348.50
Training Ground Only 1 night	110.00	112.75
Training Ground Only 1 night (season)	420.00	430.50
Training Ground Only 2 nights (season)	800.00	820.00
Training Ground Only 3 nights (season)	1,200.00	1,230.00
Training Ground Only 4 nights (season)	1,560.00	1,599.00
Training Ground Only 5 nights (season)	1,920.00	1,968.00

Activity 5.1.4 Recreation Centre

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Rec Centre - Casual Adult	4.00	4.50
Kilbirnie Rec - Inflatable	60.00	65.00
ASB - Concession Pass Adult (20 Trip)	72.00	81.00
ASB - Extra Staff	30.00	40.00

Activity 5.1.7 Marinas

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Evans Bay Visitor Day	30.00	32.00
Evans Bay Visitor Month	630.00	674.00
Evans Bay Non tenant use of Breastwork	75.00	80.00
Evans Bay Berth	3,133.00	3,352.00
Evans Bay Berth (Sea Rescue Jetty)	1,841.00	1,970.00
Evans Bay Boat Shed (8 to 11)	1,235.00	1,321.00
Evans Bay Boat Shed (1 to 7, 12 to 32)	2,465.00	2,638.00
Evans Bay Boat Shed (33 to 46)	3,690.00	3,948.00
Evans Bay Dinghy Locker	368.00	394.00
Evans Bay Live-Aboard fee	645.00	1,200.00
Evans Bay Trailer Park monthly	140.00	150.00
Clyde Quay Mooring	1,293.00	1,435.00
Clyde Quay Boat Shed (1 to 13)	2,712.00	3,010.00
Clyde Quay Boat Shed (14 to 27)	2,441.00	2,710.00
Clyde Quay Boat Shed (28, 29)	3,389.00	3,762.00
Clyde Quay Boat Shed (38B)	1,957.00	2,172.00
Clyde Quay Boat Shed (38A to 42B, 48A, 48B)	2,809.00	3,118.00
Clyde Quay Boat Shed (43A to 47B)	3,256.00	3,614.00
Clyde Quay Dinghy Rack	226.00	251.00

Activity 5.3.1 Burials and Cremations

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Wooden Urn - Adult	95.00	100.00
Weekend Fee - Casket Interment	646.00	678.00
Weekend Fee - Ash Interment	215.00	226.00
Weekend Cremation	342.00	359.00
Temporary Grave Marker	149.00	155.00
Public Holiday Fee - Cremation	621.00	652.00
Public Holiday Fee - Burial	907.00	952.00
Public Holiday Fee - Ash Interment	454.00	477.00
Plot Search Charge (first 3 free)	20.00	25.00
Overtime - Niche Placement	120.00	126.00
Overtime - Chapel Hire (per half hour)	204.00	214.00
Overtime - Burial	646.00	675.00
Overtime - Ash Scatter	195.00	205.00
Overtime - Ash Interment	215.00	226.00
Overtime - Ash Collection Express	200.00	210.00
Outside District Indigent - Cremation and Burial	142.00	149.00
Outside District - Second Interment	571.00	600.00
Outside District - Casket	1,071.00	1,125.00
Outside District - Ash Scatter	42.00	44.00
Outside District - Ash Interment	430.00	452.00
Muslim Boards - Infant	105.00	110.00
Muslim Boards - Adult	178.00	187.00
Delivery Only	726.00	762.00
01/2A Ash Plot	505.00	530.00
Arrangement fee	\$ -	150.00

Activity 5.3.3 Public health regulations

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
<u>Annual Registration</u>		
Entire Dogs	176.00	180.50
Paid on or after 1 August	264.00	269.50
Desexed Dogs	127.50	130.75
Paid on or after 1 August	191.25	195.00
Responsible Dog owner status	62.75	64.50
Paid on or after 1 August (entire)	264.00	269.50
Paid on or after 1 August (de-sexed)	191.25	195.00
Working Dogs	53.50	55.00
Paid on or after 1 August	80.25	81.25
Working Dogs (puppies) registered after 30 August	28.00	28.75
Multiple dog application	37.10	38.00
Replacement reg tag	12.00	12.25
RDO Application	61.00	62.50
<u>Dog Euthanisation</u>		
Dog Euthanisation - up to 20kg		176.00
Dog Euthanisation - 21 - 40kg	-	219.00
Dog Euthanisation - over 40kg	-	262.00
<u>Dog Walker Licence</u>		
Dog Walker Licence	-	191.50
Dog Walker Renewal	-	61.00
<u>Health Licences</u>		
Camping grounds	250.00	256.50
Hairdressers	130.00	133.50
Mortuaries / funeral directors	155.00	159.00
Pools: commercial pools / spas	250.00	256.50
Schools pools (no entry fee)	-	-
Animal boarding establishment	250.00	256.50
<u>Trade Waste</u>		
Trade Waste application fee	190.00	195.00
Initial inspection fee		
Annual consent fee ~ High risk	1,900.00	1,949.50
Annual consent fee ~ Medium risk	950.00	974.75
Annual consent fee ~ Low risk	315.00	323.25
Annual consent fee ~ Minimal risk	137.50	141.00
Trade Waste/ Health fees:		
Grease & Grit traps - initial application fee	190.00	195.00
* Grease traps	137.50	141.00
* Shared grease trap (per premises)	70.00	71.75
* Grease converter	315.00	323.25
* Grit traps	137.50	141.00
* charge after first hr (per hr)	135.00	138.50
* Monitoring (lab) charges	actual - varies	actual - varies
Collection & Transport of Trade Waste:		
* Initial Application fee	160.00	164.25
* charge after first hr (per hr)	135.00	138.50
* Annual Licence fee	190.00	195.00
Any lab expenses	actual - varies	actual - varies
Conveyance and Transport of Trade waste		
*Processing fee (per hr or part thereof)	135.00	138.50
Volume		

Activity 5.3.3 Public health regulations

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Up to 100m ³ /day	0.34	0.35
Between 100m ³ /day and 7000m ³ /day	0.15	0.15
Above 7000m ³ /day	1.04	1.07
B.O.D.		
Up to 3150kg/day	0.36	0.37
Above 3150 kg/day	0.79	0.81
Suspended Solids		
Up to 1575kg/day	0.35	0.36
Above 1575kg/day	0.63	0.65

Fee / Charge Name	Current Fee (\$)	Council's Pandemic Response Temporary Fee (\$) 1 July 2022 to 28 February 2023	Proposed Fee (\$) from 1 March 2023
Food Safety			
Registration fees			
As part of the council's pandemic response package food safety registration fees from 1 July 2022 to 28 February 2023 will be charged at \$1			
* New registration	155.00	1.00	155.00
* Pre-opening inspection (1 hour)	155.00	1.00	155.00
* Additional time (per hour)	155.00	1.00	155.00
Verification fees			
As part of the council's pandemic response package food safety verification fees from 1 July 2022 to 28 February 2023 will be charged at \$1			
* Standard food control plan verification fee	620.00	1.00	620.00
* Standard food control plan verification fee (for some mobile operators)	310.00	1.00	310.00
* Standard national programme verification fee	310.00	1.00	310.00
* Additional time (per hour)	155.00	1.00	155.00
Renewal fees			
Food control plan registration renewal fee (every year)	77.50	1.00	77.50
National programme registration renewal fee (every second year)	77.50	1.00	77.50
Changes to registration			
Significant changes	155.00	155.00	155.00
Minor changes	77.50	77.50	77.50
Voluntary suspension of operations	77.50	77.50	77.50
Compliance fees			
Issue of enforcement notice	155.00	155.00	155.00
Application for review of outcome	155.00	155.00	155.00
Statement of compliance	77.50	77.50	77.50
Additional charges for time spent on site (per hour)	155.00	155.00	155.00
<u>Pavement / Footpath Permissions - all outdoor dining permits</u>			
As part of the council's pandemic response package there will be no charge for outdoor dining permits between 1 July 2022 and 28 February 2023			
To apply for a new lease or change one you already have	190.00	-	195.00

Fee / Charge Name	Current Fee (\$)	Council's Pandemic Response Temporary Fee (\$) 1 July 2022 to 28 February 2023	Proposed Fee (\$) from 1 March 2023
To renew an existing lease (pavement leases must be renewed on 1 July every year)	95.00	-	97.50
Annual lease ~ central city (per m2)	90.00	-	92.25
Annual lease ~ suburbs (per m2)	58.50	-	60.00
Alcohol licences			
As part of the council's pandemic response package on-licence and club alcohol licence fees from 1 July 2022 to 28 February 2023 will be charged at \$1			
Annual alcohol license fee - On-licence and Club	213.00 - 3,898.00	1.00	213.00 - 3,898.00
Annual alcohol license fee - Off-licence	213.00 - 3,898.00	213.00 - 3,898.00	213.00 - 3,898.00
Variation of alcohol licence			
For businesses taking up the offer of free outdoor dining – either on the pavement or on a parklet – from 1 July 2022 to 28 February 2023 council will process the application for \$1 + the ARLA levy			
Alcohol license variation fee - On-licence and Club	213.00 - 3,898.00	1.00	213.00 - 3,898.00

Activity 6.2.1 Building Control and Facilitation

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Building Warrant of Fitness - Annual Certificate	81.75	104.50
This is the base charge for 1 specified system. Additional charges will apply for the time over 1 hour		
Building Warrant of Fitness - Annual Certificate	163.50	209.00
This is the base charge for 2-10 specified system. Additional charges will apply for the time over 2 hours		
Building Warrant of Fitness - Annual Certificate	244.75	313.50
This is the base charge for 11+ specified system. Additional charges will apply for the time over 3 hours		
Lodgement fee	198.00	396.00
Less than \$10,000 (Residential 1, 2 and 3)	1,331.63	2,663.50
Less than \$10,000 (Commercial 1 and 2 buildings)	1,722.75	3,445.50
Less than \$10,000 (Commercial 3 buildings)	2,036.63	4,073.50
\$10,001 - \$20,000 (Residential 1, 2 and 3)	2,192.63	4,385.50
\$10,001 - \$20,000 (Commercial 1 and 2 buildings)	2,192.63	4,385.50
\$10,001 - \$20,000 (Commercial 3 buildings)	2,192.63	4,385.50
\$20,001 - \$100,000 (Residential 1, 2 and 3)	2,975.63	5,951.50
\$20,001 - \$100,000 (Commercial 1 and 2 buildings)	2,975.63	5,951.50
\$20,001 - \$100,000 (Commercial 3 buildings)	2,975.63	5,951.50

Activity 6.2.1 Building Control and Facilitation

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
\$100,001 - \$500,000 (Residential 1, 2 and 3)	3,132.38	6,265.00
\$100,001 - \$500,000 (Commercial 1 and 2 buildings)	4,071.00	8,142.00
\$100,001 - \$500,000 (Commercial 3 buildings)	4,071.00	8,142.00
\$500,001 - \$1,000,000 (Residential 1, 2 and 3)	5,636.63	11,273.50
\$500,001 - \$1,000,000 (Commercial 1 and 2 buildings)	6,263.63	12,527.50
\$500,001 - \$1,000,000 (Commercial 3 buildings)	6,890.25	13,780.50
\$1,000,000 + (Residential 1, 2 and 3)	7,046.25	14,092.50
\$1,000,000 + (Commercial 1 and 2 buildings)	7,046.25	14,092.50
\$1,000,000 + (Commercial 3 buildings)	7,046.25	14,092.50
for each \$500,000 or part thereof over \$1,000,000	1,487.63	2,975.50

Activity 6.2.2 Development Control and Facilitation

Fee / Charge Name	Current Fee (\$)	Proposed Fee (\$)
Town Planning and Building Certificates for the purposes of the Sale and Supply of Act 2012 (fixed fee):	Town planning \$500.50	Town planning \$276.25
- Town planning certificate	Building certificate \$209	Building certificate \$209
- Building certificate	Both certificate \$709.50	Both certificates \$485.25
- Both		
Initial application fee - s226	-	806.00

Restorative planning analysis and options

Summary

Recent evaluations show that the Council's Restoration Planting Programme (the Programme) is not resourced to protect the millions of dollars of investment to date and achieve Council LTP targets of 3 million trees by 2030 and 90% survival across all sites. To enhance the Programme and allow for increased planting over the next 10 years, we recommend additional funding (2.05M over 10 years) for expanded operational team capacity to deliver appropriate levels of service.

Current situation

Since human settlement, Wellington has lost more than 95% of native bush cover. Despite this historical loss Wellington is one of the only cities in the world where we can see positive biodiversity trends, largely due to past planting. The Council's restoration programme started in 1992 and is recognised nationally. The Programme now involves the planting of over 100,000 ecosourced native plants every year from the Council's Berhampore Nursery. Approximately half of these are planted directly by Council staff and the other half is planted through partnership with community groups.

The effective management of restoration planting sites require four elements: site preparation, releasing, control of ecosystem weeds, and effective animal pest control. Our animal pest control programme is robust, and our site preparation work adequate; this is not the case however for releasing and ecosystem weed control which need to be significantly scaled up from what is currently delivered. We have solid evidence from audits indicating that 37% of our restoration sites are currently under threat from weeds.

There are over 329 restoration sites managed by Council across the city ranging from coastal dunes to forest habitat. Restoration sites range in age from the earliest planted in 1992 to present day, adding new sites each season. In addition, there are hundreds of community restoration planting sites which the community commit to maintain for 5 years when planting begins. It should be noted that while some groups maintain these sites, other sites require the Council to take over management when community efforts and initial planting enthusiasm wanes.

Although planting has continued to expand to new sites to meet ecological and operational requirements, there has not been a corresponding increase in the maintenance budget. Over the years we have stretched resourcing to prioritize the preparation of new sites for planting, the releasing of sites in the earliest establishment phase and extending the periods between releasing work. These efforts have now been stretched to a point where it puts at risk the millions of dollars invested in this programme. Best practice post planting maintenance (as required by contractors) is manual control of a planting site every six months for five years. The level of service currently resourced for Council sites is weed control every six months for the first year, then a single visit for weed control at some point over the following three years.

To date, we have undertaken three audits of our planted sites (in 2009, 2015 and 2021). The overall findings suggest that canopy closure (greater than 80%) in sites is achieved after an average of 9 years. Canopy closure is the stage where the planted site can be considered established. To achieve this without ongoing ecological weed issues, the site should be carefully maintained in the early establishment phase (first 5 years).

Figure 1 shows the hectares of restoration plantings still in establishment phase (requiring continued releasing and monitoring). In 2005 we had over 40 hectares of restoration planting to manage, and we now have over 100. This is with no corresponding increase in budget for maintenance.

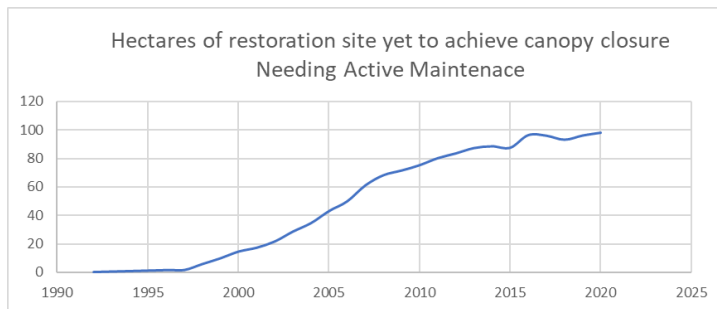


Figure 1 – Hectares of Council plantings in the establishment phase (pre canopy closure at 9 years) since the start of the Programme.

The 2021 audit shows that with the current maintenance programme 37% of the sites are under threat from native ecosystem weeds. These weeds are in some of the oldest sites right through to newer sites. Currently these sites re-enter the Programme and infill planting occurs. With more intensive weed management these sites would not require further planting, less long term and repeated weed control is needed and the plants used for infill can be reallocated to further new sites.

There are over 80 hectares of restoration sites that are more than 5 years old, and this number will continue to increase significantly as so much planting has been undertaken in recent years. Under the current programme sites older than 5 years receive no ongoing weed management. Furthermore, the current budget makes no provision for the management of native ecosystem weeds across the restoration programme, yet the infestations of some sites require urgent attention. Prioritising and undertaking weed control now, will protect the investment we made in these sites over many years and build more resilient future forests.

Options

1. Status quo

This option involves continuing as we are - further stretching our ability to manage sites as planting continues. This option is not recommended.

Pros: No additional cost

Cons: Sites where significant investment has been made will be overtaken by weeds resulting in increasing failure of sites. Degrading ecological health of older restoration planting sites. Lower carbon sequestration by native planted forest. Increasing complaints from the community due to the condition of our sites and the impact on surrounding areas. Failure to meet actions and commitments in Our Natural Capital and reserve management plans with regards to restoration planting. Motivation of those in the programme likely to dwindle from under resourcing.

2. Reprioritisation of activities

This option involves halting the addition of council planted sites to the restoration programme and focusing the current funds on the maintenance of those sites that are in the establishment phase. This option is not recommended.

Pros: No additional cost. Improved survival at older and recently planted sites with improved ecological outcomes.

Cons: Critical impact on Berhampore Nursery as this would mean a 50% reduction from their main consumer stock. Impact on operational teams as staff positions are partly funded through this programme. Failure of council to meet LTP planting targets. Failure to meet actions and commitments in Our Natural Capital and reserve management plans with regards to restoration planting. Impact on community who love the programme and the impact it has on their lives and their city. Negative impact on the stakeholders in the programme and efficiency impact from the disruptive change. No opportunities to engage with the community through planting days.

3. Operational expansion

This option involves additional funding for increased operational team capacity. This is the key element to stop the cumulative effect of lower maintenance. We need to deliver on the basic levels of service that protect the significant investment made by the Council. This will enable better site preparation and then releasing on all new plantings to ensure our targeted survival rates. This would require an additional operational team which consists of two FTE's, a truck and equipment to deliver on the work. Increased operational funding also increases the site prep we can offer community to reduce long term weed issues in community managed sites.

Pros: Improved survival at sites and improved ecological outcomes for establishment phase sites. Reduced long term weed control costs as weeds are better managed in early stages. Smaller funding impact to rate payers than option 4. Allows for future consideration of the additional funding to the programme while implementing the operational improvement

Cons: Continual degradation of ecological health to established restoration sites in need of expert control. This option requires increased funding of 2.050M over the next 10 years.

4. Mixed Model Programme

As well as operational expansion, this option includes additional enhancements to the programme for a complete maintenance plan. A supervised volunteer programme through partnerships such as Conservation Volunteers can deliver manual control which can be very cost effective in appropriate sites. Many of our older sites (late establishment and planted forest phases) require expert ecosystem weed control. This needs to be delivered by specialised contractors. We know from our audits that robust monitoring and evaluation are essential for an effective programme. We are not currently resourced to deliver the level of monitoring and evaluation this programme requires. Given the timescales of the work, improving the data management and strengthening the monitoring programme will be essential to ensure we can continuously directing efforts where we will make the most gains.

Pros: Improved survival at new sites and improved ecological outcomes for establishment phase sites. Significant improvement to the ecological health of established planted forest over all other options. Improved monitoring and evaluation to allow for continual improvements.

Cons: Requires significant increase in funding from rate payers. This option requires increased funding of 4.435M over the next 10 years.

Benefits

Prioritising and undertaking weed control now will reduce long term maintenance needs and enable us to meet our targets and protect the significant investment Council has made in this programme.

Native restoration is closely linked with kaitiakitanga in te ao Māori. In providing for a well-resourced restoration planting programme, we can better enable our Mana Whenua partners to enact their role as kaitiaki. An increased ability to manage site preparation and maintenance will also enable Council to better support these aspects of community plantings. Historically Council offered more support to community groups for site preparation, but this level of service effectively ceased as resources became constrained.

The Council committed in the Long-Term Plan to plant 3 million native ecosourced plants by 2030. Given it took us from 1992 to 2021 to plant 2 million, to achieve this goal the programme needs to be appropriately resourced. Additionally, other commitments with regards to this programme have been made across several Council Reserve Management Plans. Restored urban forests provide important ecosystem services, such as reducing greenhouse gases through carbon sequestration, decreasing storm water runoff by absorbing rainwater and minimising the urban heat island effect by reducing ground surface and air temperatures.

Wellington City Council

SUMMARY BY OPEX ACTIVITY
ANNUAL/LONG TERM PLAN BUDGET REPORT - 1 YEAR

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
1	Governance	1.1	Governance,	1000	Annual Planning	1,550	1,773	223
1	Governance	1.1	Governance,	1001	Policy	1,489	1,772	284
1	Governance	1.1	Governance,	1002	Committee & Council Process	8,482	8,771	289
1	Governance	1.1	Governance,	1003	Strategic Planning	505	525	20
1	Governance	1.1	Governance,	1004	Tawa Community Board - Discretionary	21	21	0
1	Governance	1.1	Governance,	1005	Smart Capital - Marketing	3	3	0
1	Governance	1.1	Governance,	1007	WCC City Service Centre	4,957	4,701	(256)
1	Governance	1.1	Governance,	1008	Call Centre SLA	0	0	0
1	Governance	1.1	Governance,	1009	Rating Property Valuations	578	578	(0)
1	Governance	1.1	Governance,	1010	Rateable property data & valuation management	1,120	1,112	(8)
1	Governance	1.1	Governance,	1011	Archives	1,626	1,827	201
1	Governance	1.1	Governance,	1216	CCO Covid Response Support	0	0	0
1	Governance	1.1	Governance,	1220	Climate change response	2,428	2,187	(241)
1	Governance	1.1	Governance,	1221	Business Climate Action Support	693	693	0
1	Governance	1.1	Governance,	1222	Workplace Travel Planning	136	142	6
1	Governance	1.1	Governance,	1223	Home Energy Audits	324	324	0
1	Governance	1.1	Governance,	1224	Future Living Skills	66	68	2
1	Governance	1.1	Governance,	1225	Climate and Sustainability Fund	288	290	1
1	Governance	1.2	Maori and Ma	1218	Maori Capability and Success	1,612	1,563	(49)
1	Governance	1.2	Maori and Ma	1012	Maori Partnerships	1,543	1,845	302
1	Governance	1.2	Maori and Ma	1013	Maori Strategic Advice	1,822	1,642	(180)
2	Environment	2.1	Gardens, bea	1014	Parks and Reserves Planning	1,100	1,123	23
2	Environment	2.1	Gardens, bea	1015	Reserves Unplanned Maintenance	241	243	3
2	Environment	2.1	Gardens, bea	1016	Parks Mowing- Open Space & Reserve Land	1,458	1,507	50
2	Environment	2.1	Gardens, bea	1017	Park Furniture and Infrastructure Maintenance	2,122	1,966	(156)
2	Environment	2.1	Gardens, bea	1018	Parks and Buildings Maint	1,397	1,350	(47)
2	Environment	2.1	Gardens, bea	1019	CBD and Suburban Gardens	2,411	2,424	14
2	Environment	2.1	Gardens, bea	1020	Arboricultural Operations	1,752	1,874	122
2	Environment	2.1	Gardens, bea	1021	Wellington Gardens (Botanic, Otari etc)	5,876	5,871	(6)

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
2	Environment	2.1	Gardens, bea	1022	Coastal Operations	1,386	1,388	2
2	Environment	2.1	Gardens, bea	1024	Road Corridor Growth Control	1,830	1,949	119
2	Environment	2.1	Gardens, bea	1025	Street Cleaning	8,313	8,242	(71)
2	Environment	2.1	Gardens, bea	1026	Hazardous Trees Removal	397	404	7
2	Environment	2.1	Gardens, bea	1027	Town Belts Planting	868	892	24
2	Environment	2.1	Gardens, bea	1028	Townbelt-Reserves Management	5,579	6,005	425
2	Environment	2.1	Gardens, bea	1030	Community greening initiatives	684	727	43
2	Environment	2.1	Gardens, bea	1031	Environmental Grants Pool	105	105	(0)
2	Environment	2.1	Gardens, bea	1032	Walkway Maintenance	1,258	1,251	(6)
2	Environment	2.1	Gardens, bea	1033	Weeds & Hazardous Trees Monitoring	1,024	1,192	168
2	Environment	2.1	Gardens, bea	1034	Animal Pest Management	2,143	2,161	18
2	Environment	2.1	Gardens, bea	1035	Waterfront Public Space Management	8,355	8,264	(92)
2	Environment	2.1	Gardens, bea	1217	PSR Nursery Operations	242	387	145
2	Environment	2.2	Waste reduct	1036	Landfill Operations & Maint	(3,172)	(3,101)	71
2	Environment	2.2	Waste reduct	1037	Suburban Refuse Collection	(476)	(475)	1
2	Environment	2.2	Waste reduct	1038	Domestic Recycling	2,546	2,574	28
2	Environment	2.2	Waste reduct	1039	Waste Minimisation	1,279	1,538	259
2	Environment	2.2	Waste reduct	1040	Litter Enforcement	101	97	(4)
2	Environment	2.2	Waste reduct	1041	Closed Landfill Gas Migration Monitoring	716	713	(2)
2	Environment	2.2	Waste reduct	1042	EV Charging & Home Energy Audits	111	312	201
2	Environment	2.3	Water	1043	Water - Meter Reading	0	0	0
2	Environment	2.3	Water	1044	Water - Network Maintenance	9,174	9,177	3
2	Environment	2.3	Water	1045	Water - Water Connections	(47)	(47)	0
2	Environment	2.3	Water	1046	Water - Pump Stations Maintenance-Operati	722	723	0
2	Environment	2.3	Water	1047	Water - Asset Stewardship	27,895	27,791	(104)
2	Environment	2.3	Water	1048	Water - Reservoir-Dam Maintenance	0	0	0
2	Environment	2.3	Water	1049	Water - Monitoring & Investigation	849	850	0
2	Environment	2.3	Water	1050	Water - Asset Management	0	0	0
2	Environment	2.3	Water	1051	Water - Bulk Water Purchase	19,098	19,098	0
2	Environment	2.4	Wastewater	1052	Wastewater - Asset Stewardship	19,750	23,783	4,033
2	Environment	2.4	Wastewater	1053	Wastewater - Trade Waste Monitoring & Inves	0	0	0
2	Environment	2.4	Wastewater	1055	Wastewater - Network Maintenance	5,575	5,576	2

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
2	Environment	2.4	Wastewater	1057	Wastewater - Asset Management	0	0	0
2	Environment	2.4	Wastewater	1058	Wastewater - Monitoring & Investigation	911	911	0
2	Environment	2.4	Wastewater	1059	Wastewater - Pump Station Maintenance-Ops	1,216	1,216	0
2	Environment	2.4	Wastewater	1060	Wastewater - Treatment Plants	24,623	25,379	756
2	Environment	2.4	Wastewater	1062	Sewerage Disposal	0	0	0
2	Environment	2.4	Wastewater	1219	Sludge Minimisation	0	0	0
2	Environment	2.5	Stormwater	1063	Stormwater - Asset Stewardship	24,967	20,546	(4,421)
2	Environment	2.5	Stormwater	1064	Stormwater - Network Maintenance	3,928	3,929	1
2	Environment	2.5	Stormwater	1065	Stormwater - Monitoring & Investigation	351	351	0
2	Environment	2.5	Stormwater	1066	Stormwater - Asset Management	0	0	0
2	Environment	2.5	Stormwater	1067	Drainage Maintenance	1,273	1,239	(34)
2	Environment	2.5	Stormwater	1068	Stormwater - Pump Station Maintenance-Ops	132	132	0
2	Environment	2.6	Conservation	1069	Zealandia	1,661	1,604	(57)
2	Environment	2.6	Conservation	1070	Wellington Zoo Trust	6,079	6,141	62
3	Economic De	3.1	City promotio	1073	WellingtonNZ Tourism	6,210	6,210	0
3	Economic De	3.1	City promotio	1074	Events Fund	5,265	5,265	0
3	Economic De	3.1	City promotio	1075	Wellington Venues	4,504	5,094	590
3	Economic De	3.1	City promotio	1076	Destination Wellington	1,958	1,958	0
3	Economic De	3.1	City promotio	1077	CBD Free Wifi	29	29	0
3	Economic De	3.1	City promotio	1078	Wellington Convention & Exhibition Centre (W	5,111	6,685	1,574
3	Economic De	3.1	City promotio	1081	Economic Growth Strategy	951	498	(453)
3	Economic De	3.1	City promotio	1082	City Growth Fund	2,088	2,088	(1)
3	Economic De	3.1	City promotio	1085	Film Museum	0	0	0
3	Economic De	3.1	City promotio	1086	Sky Stadium	0	0	0
3	Economic De	3.1	City promotio	1087	International Relations	786	786	1
3	Economic De	3.1	City promotio	1089	Business Improvement Districts	420	420	0
4	Cultural Well	4.1	Arts and Cult	1090	Wellington Museums Trust	10,088	10,104	16
4	Cultural Well	4.1	Arts and Cult	1091	Museum of Conflict	0	0	0
4	Cultural Well	4.1	Arts and Cult	1092	Te Papa Funding	2,250	2,250	0
4	Cultural Well	4.1	Arts and Cult	1093	Carter Observatory	905	821	(85)
4	Cultural Well	4.1	Arts and Cult	1095	City Events Programme	3,501	3,274	(226)
4	Cultural Well	4.1	Arts and Cult	1096	WW1 Commemorations	0	0	0

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
4	Cultural Well	4.1	Arts and Cult	1097	Citizen's Day - Mayoral Day	25	25	0
4	Cultural Well	4.1	Arts and Cult	1098	Cultural Grants Pool	1,288	1,288	0
4	Cultural Well	4.1	Arts and Cult	1099	Subsidised Venue Hire For Community Groups	775	765	(10)
4	Cultural Well	4.1	Arts and Cult	1100	City Arts Programme	915	1,205	290
4	Cultural Well	4.1	Arts and Cult	1101	NZSO Subsidy	216	216	0
4	Cultural Well	4.1	Arts and Cult	1102	Toi Poneke Arts Centre	1,400	1,436	35
4	Cultural Well	4.1	Arts and Cult	1103	Public Art Fund	551	543	(8)
4	Cultural Well	4.1	Arts and Cult	1104	New Zealand Ballet	164	164	0
4	Cultural Well	4.1	Arts and Cult	1105	Orchestra Wellington	304	304	0
4	Cultural Well	4.1	Arts and Cult	1106	Regional Amenities Fund	609	609	0
4	Cultural Well	4.1	Arts and Cult	1207	Capital of Culture	1,065	1,065	0
4	Cultural Well	4.1	Arts and Cult	1214	UNESCO Strategic City of Film	0	0	0
5	Social and Re	5.1	Recreation p	1107	Swimming Pools Operations	18,763	20,019	1,256
5	Social and Re	5.1	Recreation p	1108	Natural Turf Sport Operations	3,669	3,684	16
5	Social and Re	5.1	Recreation p	1109	Synthetic Turf Sport Operations	978	1,005	26
5	Social and Re	5.1	Recreation p	1110	Recreation Centres	2,874	2,988	114
5	Social and Re	5.1	Recreation p	1111	ASB Sports Centre	5,171	5,108	(63)
5	Social and Re	5.1	Recreation p	1112	Basin Reserve Trust	2,458	1,860	(599)
5	Social and Re	5.1	Recreation p	1113	Recreational NZ Academy Sport	47	47	0
5	Social and Re	5.1	Recreation p	1114	Playground and Skate Facility Maintenance	1,344	1,328	(16)
5	Social and Re	5.1	Recreation p	1115	Marina Operations	102	25	(76)
5	Social and Re	5.1	Recreation p	1116	Municipal Golf Course	179	184	6
5	Social and Re	5.1	Recreation p	1117	Recreation Programmes	485	500	15
5	Social and Re	5.2	Community s	1118	Library Network - Wide Operation	15,281	14,794	(487)
5	Social and Re	5.2	Community s	1119	Branch Libraries	9,412	9,323	(89)
5	Social and Re	5.2	Community s	1120	Passport to Leisure Programme	120	136	15
5	Social and Re	5.2	Community s	1121	Community Advice & Information	1,974	1,988	14
5	Social and Re	5.2	Community s	1122	Community Group Relationship Management	174	180	6
5	Social and Re	5.2	Community s	1123	Support for Wellington Homeless	224	224	0
5	Social and Re	5.2	Community s	1124	Social & Recreational Grant Pool	4,188	4,188	0
5	Social and Re	5.2	Community s	1125	Housing Operations and Maintenance	10,729	12,406	1,677
5	Social and Re	5.2	Community s	1126	Housing Upgrade Project	1	1	(0)

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
5	Social and Re	5.2	Community s	1127	Community Property Programmed Maintenance	665	631	(34)
5	Social and Re	5.2	Community s	1128	Community Halls Operations and Maintenance	808	823	15
5	Social and Re	5.2	Community s	1129	Community Prop & Facility Ops	3,451	3,260	(191)
5	Social and Re	5.2	Community s	1130	Rent Grants For Community Welfare Groups	232	232	0
5	Social and Re	5.2	Community s	1208	CBD Library Services Network	5,352	5,283	(69)
5	Social and Re	5.3	Public health	1131	Burial & Cremation Operations	1,069	1,163	94
5	Social and Re	5.3	Public health	1132	Public Toilet Cleaning And Maintenance	4,244	3,954	(290)
5	Social and Re	5.3	Public health	1133	Public Health (Food & Alcohol Premises, Dog	2,107	2,109	2
5	Social and Re	5.3	Public health	1134	Noise Monitoring	733	568	(165)
5	Social and Re	5.3	Public health	1135	Anti-Graffiti Flying Squad	1,408	1,381	(27)
5	Social and Re	5.3	Public health	1136	Safe City Project Operations	2,081	2,122	41
5	Social and Re	5.3	Public health	1137	Civil Defence	2,244	2,199	(45)
5	Social and Re	5.3	Public health	1138	Rural Fire	39	40	1
6	Urban Develo	6.1	Urban planni	1139	District Plan	6,579	6,603	23
6	Urban Develo	6.1	Urban planni	1141	Build Wellington Developments	1,965	1,985	20
6	Urban Develo	6.1	Urban planni	1142	Public Art and Sculpture Maintenance	412	429	17
6	Urban Develo	6.1	Urban planni	1143	Public Space-Centre Development Plan	3,039	3,031	(9)
6	Urban Develo	6.1	Urban planni	1144	Memorial Park	0	0	0
6	Urban Develo	6.1	Urban planni	1145	City Heritage Development	1,252	1,295	42
6	Urban Develo	6.1	Urban planni	1206	Housing Investment Programme	1,428	1,469	41
6	Urban Develo	6.1	Urban planni	1215	Te Ngakau Programme	11,487	11,486	(1)
6	Urban Develo	6.2	Building and	1146	Building Control and Facilitation	5,525	5,203	(322)
6	Urban Develo	6.2	Building and	1147	Weathertight Homes	0	0	0
6	Urban Develo	6.2	Building and	1148	Development Control and Facilitation	3,983	4,422	439
6	Urban Develo	6.2	Building and	1149	Earthquake Assessment Study	0	250	250
6	Urban Develo	6.2	Building and	1150	Building Consents EQPB Subsidy Fund	0	0	0
6	Urban Develo	6.2	Building and	1151	Earthquake Risk Building Project	1,462	1,489	27
7	Transport	7.1	Transport	1152	Ngauranga to Airport Corridor	12,732	12,687	(45)
7	Transport	7.1	Transport	1153	Transport Planning and Policy	910	1,069	159
7	Transport	7.1	Transport	1154	Road Maintenance	1,740	1,530	(210)
7	Transport	7.1	Transport	1155	Tawa Shared Driveways Maintenance	26	26	0
7	Transport	7.1	Transport	1156	Wall, Bridge & Tunnel Maintenance	269	261	(9)

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
7	Transport	7.1	Transport	1157	Drains & Walls Asset Management	8,988	8,776	(213)
7	Transport	7.1	Transport	1158	Kerb & Channel Maintenance	559	485	(75)
7	Transport	7.1	Transport	1159	Vehicle Network Asset Management	31,780	28,857	(2,924)
7	Transport	7.1	Transport	1160	Port and Ferry Access Planning	76	76	0
7	Transport	7.1	Transport	1161	Cycleways Maintenance	110	95	(15)
7	Transport	7.1	Transport	1162	Cycleway Asset Management	4,009	1,468	(2,541)
7	Transport	7.1	Transport	1163	Cycleways Planning	318	515	198
7	Transport	7.1	Transport	1164	Lambton Quay Interchange Maintenance	396	400	4
7	Transport	7.1	Transport	1165	Street Furniture Advertising	(1,306)	(1,306)	0
7	Transport	7.1	Transport	1166	Passenger Transport Asset Management	973	962	(11)
7	Transport	7.1	Transport	1167	Bus Priority Plan	130	143	13
7	Transport	7.1	Transport	1168	Cable Car	1,657	1,655	(2)
7	Transport	7.1	Transport	1170	Street Furniture Maintenance	302	302	(0)
7	Transport	7.1	Transport	1171	Footpaths Asset Management	6,490	6,324	(166)
7	Transport	7.1	Transport	1172	Footpaths & Accessway Maintenance	635	556	(79)
7	Transport	7.1	Transport	1173	Footpaths Structures Maintenance	125	108	(18)
7	Transport	7.1	Transport	1174	Traffic Signals Maintenance	895	846	(48)
7	Transport	7.1	Transport	1175	Traffic Control Asset Management	2,923	2,845	(77)
7	Transport	7.1	Transport	1176	Road Marking Maintenance	1,123	971	(152)
7	Transport	7.1	Transport	1177	Traffic & Street Sign Maintenance	259	227	(33)
7	Transport	7.1	Transport	1178	Network Planning & Coordination	1,596	1,629	33
7	Transport	7.1	Transport	1179	Street Lighting Maintenance	1,301	869	(431)
7	Transport	7.1	Transport	1180	Transport Education & Promotion	879	1,216	336
7	Transport	7.1	Transport	1181	Fences & Guardrails Maintenance	272	236	(37)
7	Transport	7.1	Transport	1182	Safety Asset Management	3,288	3,158	(130)
7	Transport	7.1	Transport	1209	LGWM - Mass Rapid Transit	5,652	5,651	(1)
7	Transport	7.1	Transport	1210	LGWM - State Highway Improvements	0	0	0
7	Transport	7.1	Transport	1211	LGWM - Travel Demand Management	359	359	(0)
7	Transport	7.1	Transport	1212	LGWM - City Streets	15	0	(15)
7	Transport	7.1	Transport	1213	LGWM - Early Delivery	95	0	(95)
7	Transport	7.2	Parking	1184	Parking Services & Enforcement	(27,977)	(22,852)	5,125
7	Transport	7.2	Parking	1185	Waterfront Parking Services	(886)	(884)	2

Wellington City Council

			Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s	
10	Council	10.1	Organisations	1186	Waterfront Commercial Property Services	2,782	2,582	(199)
10	Council	10.1	Organisations	1187	Commercial Property Management & Services	2,371	3,001	630
10	Council	10.1	Organisations	1188	Civic Centre Facilities Management	(0)	0	0
10	Council	10.1	Organisations	1189	Mail Service SLA	(0)	0	0
10	Council	10.1	Organisations	1190	Information Services SLA	(0)	0	0
10	Council	10.1	Organisations	1191	NZTA Income on Capex Work	(32,353)	(28,514)	3,839
10	Council	10.1	Organisations	1192	Quarry Operations & Maintenance	471	426	(45)
10	Council	10.1	Organisations	1193	Self Insurance Reserve	1,593	1,592	(0)
10	Council	10.1	Organisations	1194	Information Management	33	0	(33)
10	Council	10.1	Organisations	1195	Long Haul Aircraft Attraction	0	0	0
10	Council	10.1	Organisations	1196	External Capital Funding	(85)	(85)	0
10	Council	10.1	Organisations	1197	Plimmer Bequest Project Expenditure	0	0	0
10	Council	10.1	Organisations	1198	Waterfront Utilities Management	514	392	(122)
10	Council	10.1	Organisations	1200	ORG	435	0	(435)
10	Council	10.1	Organisations	1201	ORGNA	(435,140)	(435,036)	104
10	Council	10.1	Organisations	1202	PPORGFloor	(2)	0	2
10	Council	10.1	Organisations	1203	PPORGGroundLease	(9,212)	(9,207)	5
10	Council	10.1	Organisations	1204	Sustainable Parking Infrastructure	171	171	0
10	Council	10.1	Organisations	1205	Shared Services Procurement	0	0	0
10	Council	10.1	Organisations	1999	Earthquake	0	0	0
					10,455	18,316	7,861	

Wellington City Council

SUMMARY BY CAPEX ACTIVITY
ANNUAL/LONG TERM PLAN BUDGET REPORT - 1 YEAR

				<i>Activity</i>	<i>Activity Description</i>	<i>2022/23 Long Term Plan \$'000s</i>	<i>2022/23 Annual Plan \$'000s</i>	<i>2022/23 Change from Base \$'000s</i>
1	Governance	1.1	Governance, information and engag	2000	Committee & Council Processes	134	134	0
1	Governance	1.1	Governance, information and engag	2143	EV Fleet Transformation	919	919	0
1	Governance	1.1	Governance, information and engag	2144	Public EV Chargers	685	685	0
1	Governance	1.1	Governance, information and engag	2145	Car sharing enhancement	52	52	0
2	Environment	2.1	Gardens, beaches and green open	2001	Property Purchases - Reserves	1,541	1,541	0
2	Environment	2.1	Gardens, beaches and green open	2003	Parks Infrastructure	662	662	0
2	Environment	2.1	Gardens, beaches and green open	2004	Parks Buildings	501	751	250
2	Environment	2.1	Gardens, beaches and green open	2005	Plimmer Bequest Project	0	0	0
2	Environment	2.1	Gardens, beaches and green open	2006	Botanic Garden	1,092	1,342	250
2	Environment	2.1	Gardens, beaches and green open	2007	Coastal - upgrades	70	70	0
2	Environment	2.1	Gardens, beaches and green open	2008	Coastal	331	331	0
2	Environment	2.1	Gardens, beaches and green open	2009	Town Belt & Reserves	596	596	0
2	Environment	2.1	Gardens, beaches and green open	2010	Walkways renewals	1,058	1,258	200
2	Environment	2.2	Organisational Projects	2011	Southern Landfill Improvement	4,946	4,351	(595)
2	Environment	2.3	Water	2013	Water - Network renewals	8,350	8,350	0
2	Environment	2.3	Water	2014	Water - Pump Station renewals	0	0	0
2	Environment	2.3	Water	2015	Water - Water Meter upgrades	0	0	0
2	Environment	2.3	Water	2016	Water - Network upgrades	1,852	1,852	0
2	Environment	2.3	Water	2018	Water - Network renewals	0	0	0
2	Environment	2.3	Water	2019	Water - Reservoir renewals	876	876	(0)
2	Environment	2.3	Water	2020	Water - Reservoir upgrades	14,740	14,740	(0)
2	Environment	2.4	Organisational Projects	2023	Wastewater - Network renewals	13,885	13,885	0
2	Environment	2.4	Organisational Projects	2024	Wastewater - Network upgrades	6,704	6,704	0
2	Environment	2.4	Organisational Projects	2026	Wastewater - Pump Station renewals	0	0	0
2	Environment	2.4	Organisational Projects	2146	Sludge Minimisation	0	22,663	22,663
2	Environment	2.5	Organisational Projects	2028	Stormwater - Network upgrades	3,734	3,734	0
2	Environment	2.5	Organisational Projects	2029	Stormwater - Network renewals	4,012	4,012	0
2	Environment	2.6	Organisational Projects	2033	Zoo renewals	1,246	1,246	0
2	Environment	2.6	Organisational Projects	2034	Zoo upgrades	0	1,000	1,000
2	Environment	2.6	Organisational Projects	2135	Zealandia	0	0	0
3	Economic Develop	3.1	City promotions and business supp	2035	Wellington Venues renewals	7,141	6,991	(150)

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
3	Economic Develop	3.1	City promotions and business supp	2036	Venues Upgrades	2,050	2,050	0
4	Cultural Wellbeing	4.1	Organisational Projects	2038	Gallery & Museum Upgrades	1,515	1,515	0
4	Cultural Wellbeing	4.1	Organisational Projects	2040	Cable Car Precinct	0	0	0
4	Cultural Wellbeing	4.1	Organisational Projects	2041	Te ara o nga tupuna - Maori heritage trails	0	0	0
4	Cultural Wellbeing	4.1	Organisational Projects	2042	Arts Installation	67	67	0
4	Cultural Wellbeing	4.1	Organisational Projects	2129	Wellington Convention & Exhibition Centre (W	29,339	29,339	(0)
5	Social and Recreati	5.1	Organisational Projects	2043	Aquatic Facility upgrades	0	0	0
5	Social and Recreati	5.1	Organisational Projects	2044	Aquatic Facility renewals	4,660	5,160	500
5	Social and Recreati	5.1	Organisational Projects	2045	Sportsfields upgrades	541	541	(0)
5	Social and Recreati	5.1	Organisational Projects	2046	Synthetic Turf Sportsfields renewals	1,752	1,752	0
5	Social and Recreati	5.1	Organisational Projects	2047	Synthetic Turf Sportsfields upgrades	0	0	0
5	Social and Recreati	5.1	Organisational Projects	2048	Recreation Centre Renewal	1,088	1,088	0
5	Social and Recreati	5.1	Organisational Projects	2049	ASB Sports Centre	675	975	300
5	Social and Recreati	5.1	Organisational Projects	2050	Basin Reserve	1,920	1,920	0
5	Social and Recreati	5.1	Organisational Projects	2051	Playgrounds renewals & upgrades	2,917	3,317	400
5	Social and Recreati	5.1	Organisational Projects	2052	Evans Bay Marina - Renewals	260	435	175
5	Social and Recreati	5.1	Organisational Projects	2053	Clyde Quay Marina - Upgrade	71	71	0
5	Social and Recreati	5.2	Organisational Projects	2054	Library Materials Upgrade	2,790	2,202	(588)
5	Social and Recreati	5.2	Organisational Projects	2055	Library Computer and Systems Replacement	158	158	0
5	Social and Recreati	5.2	Organisational Projects	2056	Central Library - Upgrades and Renewals	20	20	0
5	Social and Recreati	5.2	Organisational Projects	2057	Branch Library - Upgrades	0	0	0
5	Social and Recreati	5.2	Organisational Projects	2058	Branch Library - Renewals	934	909	(25)
5	Social and Recreati	5.2	Organisational Projects	2059	Housing upgrades	5,513	5,488	(26)
5	Social and Recreati	5.2	Organisational Projects	2060	Housing renewals	20,823	20,961	138
5	Social and Recreati	5.2	Organisational Projects	2061	Community Centres and Halls - Upgrades and	2,344	3,744	1,400
5	Social and Recreati	5.3	Organisational Projects	2062	Burial & Cremations	402	402	0
5	Social and Recreati	5.3	Organisational Projects	2063	Public Convenience and pavilions	867	2,067	1,200
5	Social and Recreati	5.3	Organisational Projects	2064	Safety Initiatives	1,735	1,735	0
5	Social and Recreati	5.3	Organisational Projects	2065	Emergency Management renewals	82	82	0
6	Urban Developmen	6.1	Urban planning, heritage and public	2067	Wgtn Waterfront Development	2,048	2,558	510
6	Urban Developmen	6.1	Urban planning, heritage and public	2068	Waterfront Renewals	5,372	6,172	800
6	Urban Developmen	6.1	Urban planning, heritage and public	2070	Central City Framework	1,439	4,425	2,986
6	Urban Developmen	6.1	Urban planning, heritage and public	2073	Suburban Centres upgrades	8	1,863	1,855
6	Urban Developmen	6.1	Urban planning, heritage and public	2074	Minor CBD Enhancements	49	49	0
6	Urban Developmen	6.1	Urban planning, heritage and public	2136	Housing Investment Programme	5,308	8,207	2,898

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
6	Urban Development	6.1	Urban planning, heritage and public	2137	Build Wellington Developments	0	0	0
6	Urban Development	6.2	Organisational Projects	2076	Earthquake Risk Mitigation	34,601	33,258	(1,343)
6	Urban Development	6.2	Organisational Projects	2139	BCC New Vehicles	0	0	0
7	Transport	7.1	Transport	2075	Urban Regeneration Projects	0	0	0
7	Transport	7.1	Transport	2077	Wall, Bridge & Tunnel Renewals	8,787	8,787	0
7	Transport	7.1	Transport	2078	Asphalt & Other Seal Renewals	1,382	1,382	0
7	Transport	7.1	Transport	2079	Chipseal Renewals	4,705	5,353	648
7	Transport	7.1	Transport	2080	Preseal Preparations	4,012	4,012	0
7	Transport	7.1	Transport	2081	Shape & Camber Correction	3,246	3,246	0
7	Transport	7.1	Transport	2082	Drainage Renewals	285	285	0
7	Transport	7.1	Transport	2083	Wall Upgrades	3,401	3,401	0
7	Transport	7.1	Transport	2084	Service Lane & Road Boundary Upgrades	60	1,055	995
7	Transport	7.1	Transport	2085	Tunnel & Bridge Upgrades	1,601	1,601	0
7	Transport	7.1	Transport	2086	Kerb & Channels Renewals	1,979	1,979	0
7	Transport	7.1	Transport	2087	New Roads	0	0	0
7	Transport	7.1	Transport	2088	Emergency Route Walls Upgrades	4,348	4,348	0
7	Transport	7.1	Transport	2089	Roading Capacity Upgrades	1,133	2,008	875
7	Transport	7.1	Transport	2090	Roading Rebuild	1,863	1,863	(0)
7	Transport	7.1	Transport	2091	Port & Ferry Access Upgrades	0	0	0
7	Transport	7.1	Transport	2094	Cycling Network Renewals	40,469	26,483	(13,986)
7	Transport	7.1	Transport	2095	Bus Priority Planning	297	297	0
7	Transport	7.1	Transport	2096	Footpaths Structures Renewals & Upgrades	331	331	0
7	Transport	7.1	Transport	2097	Footpaths Renewals	4,342	4,342	0
7	Transport	7.1	Transport	2098	Footpaths Upgrades	3,620	3,620	0
7	Transport	7.1	Transport	2099	Street Furniture Renewals	197	197	0
7	Transport	7.1	Transport	2100	Pedestrian Network Accessways	269	269	0
7	Transport	7.1	Transport	2101	Traffic & Street Signs Renewals	1,251	1,251	0
7	Transport	7.1	Transport	2102	Traffic Signals Renewals	979	1,078	99
7	Transport	7.1	Transport	2103	Street Lights Renewals & Upgrades	2,605	3,454	849
7	Transport	7.1	Transport	2104	Rural Road Upgrades	118	356	238
7	Transport	7.1	Transport	2105	Minor Works Upgrades	3,958	4,955	997
7	Transport	7.1	Transport	2106	Fences & Guardrails Renewals	762	900	138
7	Transport	7.1	Transport	2107	Speed Management Upgrades	458	458	0
7	Transport	7.1	Transport	2134	Lambton Quay Interchange Upgrades	0	0	0
7	Transport	7.1	Transport	2141	LGWM - City Streets	1,855	3,649	1,795

Wellington City Council

				Activity	Activity Description	2022/23 Long Term Plan \$'000s	2022/23 Annual Plan \$'000s	2022/23 Change from Base \$'000s
7	Transport	7.1	Transport	2142	LGWM - Early Delivery	18,832	25,264	6,432
7	Transport	7.2	Organisational Projects	2108	Parking Asset renewals	1,115	2,115	1,000
7	Transport	7.2	Organisational Projects	2109	Parking Upgrades	190	190	0
10	Council	10.1	Organisational Projects	2111	Capital Replacement Fund	3,387	3,387	0
10	Council	10.1	Organisational Projects	2112	Information Management	4,216	4,216	(0)
10	Council	10.1	Organisational Projects	2114	ICT Infrastructure	702	822	120
10	Council	10.1	Organisational Projects	2116	Strategic Initiatives	51	51	0
10	Council	10.1	Organisational Projects	2117	Unscheduled infrastructure renewals	10,250	10,250	0
10	Council	10.1	Organisational Projects	2118	Health & Safety - Legislation Compliance	360	360	0
10	Council	10.1	Organisational Projects	2119	Civic Property renewals	587	587	(0)
10	Council	10.1	Organisational Projects	2120	Commercial Properties renewals	3,529	7,158	3,629
10	Council	10.1	Organisational Projects	2121	Community & Childcare Facility renewals	1,191	1,991	800
10	Council	10.1	Organisational Projects	2126	Business Unit Support	4,100	4,100	0
10	Council	10.1	Organisational Projects	2127	Workplace	0	0	0
10	Council	10.1	Organisational Projects	2128	Civic Campus Resilience and Improvements	13,912	16,920	3,008
10	Council	10.1	Organisational Projects	2131	Smart Council	0	0	0
10	Council	10.1	Organisational Projects	2132	Digital - Internet Intranet	0	0	0
10	Council	10.1	Organisational Projects	2133	Quarry Renewals & Upgrades	6,164	10,628	4,464
10	Council	10.1	Organisational Projects	2140	Security	642	642	0
10	Council	10.1	Organisational Projects	2999	Earthquake - Capex	0	0	0
						374,013	420,912	46,899

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Mahere ā-tau Annual Plan 2022/23 and 2021-31 Long-Term Plan amendments

Consultation Document

We need to hear your voice

This document sets out our plan and how we intend to invest from 1 July 2022 – 30 June 2023. It also outlines changes we are proposing to our Long-Term Plan in relation to City Housing and the Southern Landfill.

We first outlined the projects for this year in Our 10-Year Plan for 2021 to 2031. These were consulted on extensively in April and May 2021. This document outlines what has changed since then and provides you with an opportunity to let us know what you think of the +changes.

What is this document?

Section 1 of this document outlines options around two significant issues that the Council is facing. These are around the future of City Housing and the Southern Landfill. The proposals in this document are significant changes to what we had included in our 2021-31 Long-term Plan. If one of the proposals is adopted, it will result in an amendment to that plan.

Section 2 of this document discusses the proposed plan for 2022/23. Largely we plan to continue to deliver on the plan set in our LTP, but there are a number of changes that are proposed. Section 2 notes the key projects of the 2022/23 Annual Plan along with what changes are proposed and the impacts on the council's finances, including rates.

For the complete set of supporting information that underpins the City Housing and Southern Landfill decisions, [please visit ...](#)

We want your feedback

Our plans and budgets are draft. We will be finalising them in June 2022. Before then, we need to hear from you so we can ensure the future we plan for is one we all want.

How to have your say

There are three ways to let us know what you think:

- On our website TBC–
- By email – email your submission using the form at the back of this document or online to: annualplan@wcc.govt.nz
- Hard copy form – this can be printed from our website or picked up from Arapaki Service Centre or any of our libraries.
 - Completed forms can be returned by post or simply drop it into one of the submission boxes at our libraries or service centre.

[The consultation will run from 1 April to 2 May.](#)

What happens next?

We appreciate the feedback we get, and we do take time to consider it. The Mayor and Councillors are given copies of all submissions. We also prepare reports on the submissions, so Councillors know how many there were and what the main themes and comments were.

If you wish to speak to your submission, please indicate that preference clearly when you make your submission. Our submission form includes the ability to indicate a preference for a format, time and date that you wish to speak.

The Mayor and Councillors are scheduled to adopt the final plan on Thursday 30 June 2022.

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Mayor and CE's joint welcome -

Thank you for reviewing this consultation document.

In the document, your feedback is being sought on the future of two key council services: city housing and the southern landfill.

The council's social housing is a critical part of Wellington city. It delivers affordable housing for residents in most need. Currently, how we deliver this is neither affordable for tenants nor sustainable for the city. We need to look at alternatives.

As the southern landfill nears capacity, its future needs review too. We aim to reduce waste across the city and the need for landfill at all, but we must resolve how to manage waste as we work toward that goal. We are therefore looking at whether to extend the landfill, close it or use different technology altogether.

Alongside these two important decisions, we are also seeking your feedback on our plan for the coming financial year, the second of the 2021-31 Long-Term Plan.

2022-23 will feature completion of key projects for the city, including Tākina convention and exhibition centre, Ngaio Gorge slip stabilisation and a central city youth hub.

Other work is to get underway to reduce the city's carbon emissions and improve our core infrastructure, such as storm and wastewater. Many earthquake damaged or prone buildings will be repaired and upgraded, whilst we continue the day-to-day council services on which our residents rely.

To deliver this, next year's projected average rates increase will be around 8.8%. We have worked hard to keep this down, with an ambitious \$15m internal saving target. The proposed rates increase reflects a strong investment programme in the city and its infrastructure that received high community support during the 2021 LTP consultation.

We must note that planning is difficult right now. COVID continues to interrupt our daily lives, including council plans. Market capacity is stretched, supply chains are unreliable, and the restrictions limit how venues can be used, impacting revenue.

Business and residents are especially affected by the current Omicron wave. While Council agreed in February an immediate support plan, we will assess further impacts and potential support in 2022-23.

These pressures will impact project and council finances. So, alongside your feedback, there will be further updates when the final plan is agreed in June.

Thank you again for your time and providing your views. Your feedback is especially important, as it helps us to deliver the city in which you want to live.

Andy Foster
Mayor

Barbara McKerrow
Wellington City Council
Chief Executive

Section 1: The key decisions

We have two main items that we are requesting feedback on – how we should operate City Housing and the future of the southern landfill. Depending on the decisions on these issues then we may need to make changes to our Long-Term Plan. These are significant choices and so are the focus for this consultation.

For each item, there are options for how we might proceed. In each case, Council has stated its preferred option – do you agree? Let us know.

Ensuring the future of Wellington's social housing

What is the issue?

Through City Housing, the council has more than 1,900 social housing units across the city, housing 3,000 tenants on low incomes. The council has provided social housing in Wellington since the 1950s and wants to continue to do so.

City Housing has a long-standing financial sustainability issue that is now critical. City Housing's only source of income is tenant rent which is set at 70 percent of market rent – it does not receive any rates funding or funding from government subsidies. This limited income and growing cost pressures means City Housing cannot cover its costs and runs an operating deficit (\$10m and growing) and has a shortfall in funding for necessary housing upgrades. The costs of the required housing upgrades will be at least \$286m, much higher than the \$180m commitment in the Deed of Grant that the council signed with the Government in 2007. Without new sources of funding, City Housing is not able to meet its operating costs beyond 2022/23.

What is the Deed of Grant?

The Deed of Grant requires the council to continue in and maintain approximately the same amount of social housing until at least 2037 and details a \$400m upgrade of the portfolio. The government committed \$220m to upgrade the first half of the portfolio (HUP1), which has been completed, and the council agreed to fund \$180m to complete the second half of the upgrade programme (HUP2). Council needs to start HUP2 in 2022

We have taken steps to address City Housing's sustainability over several years, including operational changes to reduce costs and improve efficiency, establishing a programme to reinvest proceeds from targeted divestment into ongoing upgrades, and leasing properties to other providers to increase revenue – but more significant change is now needed.

Eligible City Housing tenants currently pay rent at 70 percent of market rent, regardless of their income and circumstances. This is different to low-income tenants living in other social housing in Wellington, who pay an Income Related Rent (IRR) of no more than 25 percent of their net income. The rest is topped up by the government's Income Related Rent Subsidy (IRRS). The IRRS is not available to council social housing tenants.

The council has several measures in place to address rental affordability for tenants, including a 30 percent discount on market rent for eligible tenants, a rent increase cap to limit annual changes, an Affordable Rent Limit Subsidy available to those facing hardship, and an ability to freeze rent in response to particular circumstances. The council froze

rents in 2020 due to COVID and has recently agreed to a further rent freeze for 2022/23 to support tenants through the ongoing pandemic and increases in the cost of living.

Despite the council's support for City Housing's rents, they are increasingly unaffordable for tenants and potential tenants and improving rental affordability is a priority objective for any solution to City Housing's financial sustainability challenges.

What are we are doing about this?

In June 2021 the council agreed to pursue two ways to address City Housing's financial challenges. These are:

- a) Direct discussions with the Government for opportunities to partner in new social housing supply and for financial support to resolve financial sustainability challenges
- b) Starting design work to establish a new Community Housing Provider (CHP).

The council continues to work actively with central government to resolve City Housing's financial sustainability. Both the council and government have strong shared interests and are looking for constructive and pragmatic solutions. These conversations will continue alongside this consultation process – the government is supportive of the council considering the options in this consultation document and understands the council's requirement to consult with the community under the Local Government Act. As part of these conversations, the council and government are considering any implications or necessary changes to the Deed of Grant.

What outcomes do we want to achieve?

The council considers any solution for City Housing should, as far as possible, deliver the outcomes set out below. We have used these outcomes to assess options and to determine the council's preferred option:

- a) **Tenant wellbeing:** Improve rental affordability and social outcomes for social housing tenants
- b) **Financial sustainability:** Return the social housing service to a stable, long-term financial footing, while minimising impact on the council's financial position and/or borrowing capacity
- c) **Increase supply:** Increase the supply of social housing in Wellington
- d) **Housing upgrades:** Meet the council's commitment under the Deed of Grant to complete the upgrade programme and meet its \$180m share of the cost
- e) **Partnerships:** Create opportunities for community partnerships in delivering social housing and other services
- f) **Feasibility:** Ensure any solution is feasible to deliver and implement in the short-term
- g) **Flexibility:** For Community Housing Provider options only, provide the council with flexibility to make changes in future, subject to the CHP's performance, or take advantage of future opportunities.

Our preferred option

The council's preferred option is to establish a registered Community Housing Provider (CHP) set up as a community housing trust. A CHP is a regulated entity that is registered with the Community Housing Regulatory Authority (CHRA) and provides public and affordable housing.

Establishing a CHP means the social housing service would be independent from council and run by a separate entity – in this case a trust governed by a Board of Trustees. The council would still own the housing assets and the trust would run the housing service.

This option best meets the objectives above. Relative to funding City Housing through rates increases and borrowing, a CHP would improve tenant wellbeing over time through access to the subsidy scheme (IRRS) for new eligible tenants. It would also resolve the financial sustainability challenges at a lower cost to the council and ratepayers and would better enable delivery of new social housing supply in Wellington. Current tenants would not have access to IRRS¹, but current tenants would have security of tenure and the same or improved tenancy terms. The council will continue to explore how it can best support current tenants, including considering rental affordability and arrangements for existing tenants.

There are several ways to design a CHP and we have presented three below for your feedback. We prefer option two (i.e., a leasehold CHP with broad responsibilities).

¹ Unless they met the eligibility requirements set out here:

www.workandincome.govt.nz/map/social-housing/assessment-of-eligibility/qualifications.html

Options for your feedback

We would like your feedback on two key decisions:

- **Decision 1:** Should we resolve City Housing's financial sustainability challenges by increasing rates and borrowing, or by establishing a Community Housing Provider?
- **Decision 2:** If we established a Community Housing Provider, which model should we choose?

Any option for change would come into effect in the 2023/24 year.

Decision 1: Increase rates and borrowing or establish a Community Housing Provider

We would like feedback on whether the council should continue to operate the City Housing service and fund the shortfalls with increased rates and borrowing or establish a CHP to run it.

The Council's preferred option is to establish a CHP.

Option 1: Council-operated service, funded through increases in rates and borrowing

Under this option, the council would continue to operate the City Housing service and meet all funding shortfalls through increases in rates and borrowing.

City Housing's operating deficit is projected to increase every year, from its current level of \$10m in the 2022/23 year. The additional rates requirement for the 10-year period over the preferred option to 2031/32 is \$170.1m (3.0%).

Between 2022/23 and 2031/32, the council's current total rates requirement is projected to increase from \$426.2m to \$708.3m (66.2%).

The Council has increased rates by 13.5% in 2021/22 and is consulting on a further increase of 8.8% for 2022/23. To fund City Housing costs as well as the other services in the current LTP, would require a further average 3% year-on-year increase for the period 2022/23 to 2031/32, assuming no additional spending commitments or increases over that period.

There are several considerable cost pressures not yet funded in the existing LTP. These include extra investment in infrastructure for a growing city, the council's contribution to the Let's Get Wellington Moving programme, climate change adaptation and mitigation, and the city's response to Earthquake Prone Buildings. Given the potential impact of these pressures on ratepayers and the council's borrowing, it is appropriate to explore other (non-rates) funding solutions where we can.

Funding City Housing's operating deficit through increases in rates is not the council's preferred option for three reasons:

- It does not improve rental affordability or social outcomes for social housing tenants – rates increases would meet the current operating shortfall, not reduce tenant rent to more affordable levels
- It does not adequately manage the costs of housing alongside the council's other spending pressures
- The financial impact would limit the council's ability to continue to add to the supply of social housing in Wellington.

Option 2: Establish a Community Housing Provider to operate the social housing service

Under this option, the council would establish a new registered CHP to operate the social housing service. A CHP is a regulated community housing provider that delivers public and/or affordable housing to eligible tenants. Establishing a CHP means the social housing service would be independent from council and run by a separate entity.

There are a few ways in which a CHP could be designed to meet objectives that are important to the council and the community. These key choices are discussed as part of Decision 2 below.

Once registered, CHPs can apply to the government for a long-term funding contract which would provide access to the IRRS subsidy scheme for new eligible tenants. This means eligible tenants' rent would be capped at 25 percent of their income and the Government would top it up to market rates.

CHPs, if designed well, can contribute strongly to new social housing supply because they can also access further government subsidies for housing development, raise their own finance to fund capital works, and qualify for tax exemptions. They also provide opportunities for community partnership in housing and can provide other support services for tenants.

Handing over the council's social housing services to a CHP would mean some changes, such as how the waiting list is managed and the primary contact and support for tenants, which would become the staff of the CHP rather than council staff. Council would develop a transition process that minimised the impact to existing tenants, supported by clear and regular communication.

Under a CHP model, all current tenants' tenancies are secure – all current tenants would become tenants of the CHP under their existing tenancy terms. Just like council, CHPs are required to manage tenancies in accordance with the Residential Tenancies Act. However, as with other CHPs around New Zealand, the IRRS subsidy from the Government is only available for new tenants, not current tenants, which would mean that it will take several years of transition before most, or all, new tenants will have access to the subsidy. The council will continue to consider how it can support current tenants, including considering rental affordability and arrangements for existing tenants.

Establishing a CHP is the council's preferred option for these reasons:

- It will improve tenants' rental affordability and wellbeing over time through access to the subsidy scheme (IRRS) which would limit rent for new eligible tenants to 25 percent of income
- It would return the social housing service to a sustainable long-term position and manage the financial impact on the council and ratepayers
- The financial advantages of a CHP would mean a quicker increase in new social housing supply.

The table below summarises the two options and their advantages and disadvantages.

Table 1: Choosing between rates and debt funding or a Community Housing Provider

Option 1: Increase rates and borrowing (not council preferred option)	
<ul style="list-style-type: none"> • Rates fund the full operating deficit and borrow \$446m capital programme • Operating deficit projected to grow from \$20.5m in 2023/24 to \$51.5m in 2031/32 • <u>Advantages</u> – no change to the service provided to tenants as set out in the LTP, council continues to directly operate the social housing service • <u>Disadvantages</u> – does not improve rental affordability or other outcomes for current or future tenants, higher costs to council and ratepayers, does not enable new social housing supply. 	<p>Financial impact</p> <p>Adding housing operating deficit adds \$365m to rates over 10 years. Annual rates increase (including housing deficit) would be 5 percent year on year for 2023/24 to 2031/32.</p>
Option 2: Establish a Community Housing Provider (council preferred option)	
<ul style="list-style-type: none"> • Council to establish a new Community Housing Provider to operate the social housing service and apply to the government for a long-term funding contract • New eligible tenants would have access to the IRRS subsidy scheme meaning their rent is capped at 25 percent of their income • The CHP receives a top-up to market rent, which will return the social housing service to a sustainable position after a transition period • <u>Advantages</u> – no change to the service provided to current tenants as set out in the LTP, improved rental affordability for new tenants through IRRS access, better able to deliver new supply, delivers a sustainable housing service while balancing other council costs • <u>Disadvantages</u> – does not improve rental affordability for current tenants. 	<p>Financial impact</p> <p>Financial impact of a CHP depends on choices made on the specific design. This is discussed further in Decision 2 below.</p>

Decision 2: Community Housing Provider model

The second decision we would like feedback on is the design of the CHP should the council move ahead and establish one.

There are a few ways to set up a new CHP to best meet the council's and community's objectives. We have presented three different options below. The council's preferred option is option two.

The options discussed below differ on three key issues:

- Issue 1: Ownership of housing assets – Whether the council continues to own the housing assets and leases them to the CHP or whether it sells them to the CHP
- Issue 2: Upfront financial support provided to the CHP – The level of upfront financial support the council provides to the CHP to enable it to contribute to new social housing supply

- Issue 3: Responsibility for major maintenance and upgrades – The relative responsibilities of the council and CHP for major property maintenance and upgrade work.

What kind of organisation should the CHP be?

Any of the three options described below could be established as a community housing trust, company or limited partnership. We would like your feedback on whether the council should establish the CHP as a community housing trust, a company or a limited partnership.

Establishing a community housing trust means the social housing service would be independent from council and run by a separate entity – in this case a trust governed by a Board of Trustees with a mix of skills necessary to ensure it is well-governed. These skills and experience would likely include social housing tenancy management, property development, finance and legal, te ao Māori, understanding of social purpose, strategy development and risk management.

The trust would feature five to eight trustees, with a minority appointed by council. Other trustees could include community partners, iwi and specialist housing or social services providers. The trust deed would set out the process to manage any potential conflicts of interest for council-appointed trustees in their governance role.

An alternative to a trust would be to set the CHP up as a company or limited partnership. The council would be a minority (e.g., 49 percent) shareholder and would need to select a majority co-owner(s) for the remaining shareholding. There is likely to be a relatively limited pool of suitable ownership partners, and the council would need to ensure any proposed partner had a strong fit and alignment with the council.

The governance arrangements for a company or limited partnership would consist of a board of directors proportionally appointed by the shareholders. As with a community housing trust, the board of directors would have a mix of skills necessary to ensure the company or limited partnership is well governed. The company's constitution or the limited partnership agreement (as applicable) would set out the process to manage any potential conflicts of interest for council-appointed directors.

The council prefers a community housing trust to a company or limited partnership. This is primarily because the governance arrangements are simpler – the board of trustees would be required to meet its obligations under the trust deed created when the CHP is established, rather than represent different (and potentially conflicting) interests of external shareholders. In addition:

- An independent community housing trust means the CHP can create its own genuine independent entity in the community, while also ensuring the council can maintain some influence through its ability to appoint a minority number of trustees
- There is an opportunity to involve other partners (such as charitable organisations or iwi) at an operational and governance level
- A community housing trust cannot itself be sold like ownership interests in a company or limited partnership can be, and if the community housing trust owns any assets, the trustees must manage the assets in accordance with the trust deed – including in relation to any disposal or sale of those assets.

Given the council's preference for a community housing trust, all three options below are presented as trusts. We would like your feedback on whether or not you agree with this preference.

Option 1: Asset-owning CHP, with full responsibilities (not preferred by council)

Under this option, the council would establish an independent community housing trust, with council representation. Housing assets would be sold to the CHP, and the CHP would have full responsibility for tenancy management and minor and major maintenance. The CHP would meet all running costs and maintenance from IRRS revenue and tenant rent.

The council would provide the CHP with the \$180m Deed of Grant commitment for housing upgrades. The CHP would borrow to meet the rest of the upgrade costs (indicatively \$106m) and to develop new social housing projects. The council would also need to fund the CHP's establishment costs of about \$2m.

The CHP would receive the subsidy scheme (IRRS) over time for new eligible tenants, though the council may need to provide some rates funding to contribute to the CHP while that income increases.

This is not the council's preferred option – it would set up the most independent and flexible CHP that would be able to best pursue new social housing supply because it would have a large asset base against which it may be able to borrow. But it represents the biggest change to the status quo – it would be the most difficult option to deliver and comes with the greatest risk to successful transition.

It would also have the most financial impact for the council. Housing assets would likely have to be sold to the CHP at a significant discount (30-50 percent of their value or even lower²) to reflect the upgrade work required and the fact that positive cash flows (from IRRS) would take time to build up.

It would also be difficult to reverse a transfer of the housing assets once it has occurred. And it is possible to achieve the benefits for tenants and new housing supply without transferring the housing assets.

Option 2: Leasehold CHP with broad responsibilities (preferred by council)

Under this option, the council would establish an independent community housing trust, with council representation. This option differs from option one in that housing assets would be leased to the CHP under a long-term leasehold agreement and not sold or transferred. The council has not identified any conflicts of interest arising from a long-term leasehold agreement.

This option is focused on how to generate new supply under a lease arrangement, without needing to transfer the housing assets. Under this option, the CHP would be given some capital upfront to enable it to invest early in new social housing supply projects and meet establishment costs. About \$35m is proposed. This would be provided over the first five years in a mix of cash (indicatively \$25m) and property (indicatively \$10m). To further enable new supply, as well as retaining revenue to meet its operating costs, the CHP would retain an additional amount of operating revenue to build its reserves to fund new supply over time.

Under this model, the CHP would be responsible for tenancy management and managing minor/reactive maintenance. As asset owner, the council would retain oversight of major maintenance planning and would initially manage the delivery of major maintenance work. The council would manage the HUP2 upgrades given the size of this programme and timeframes for delivery. The CHP would pick up responsibility for future major maintenance once HUP2 is complete – this will mean over the longer-term there will be no split in responsibility for minor and major maintenance which can be confusing for tenants.

² Based on other examples of social housing transfers in New Zealand.

The council would borrow to cover all the HUP2 costs but would recover the costs above its \$180m Deed of Grant commitment overtime as there is surplus income (resulting from higher revenue) from the portfolio. All surplus income from the CHP after its costs are deducted will be applied to the housing portfolio, whether it is to recover HUP2 costs or to support new supply outcomes.

The CHP would begin to receive the subsidy scheme (IRRS) over time for new eligible tenants, which will move the portfolio to a sustainable position, though the council may need to provide some rates funding to contribute to the operating deficit while that income increases over time.

This is the council's preferred option. It would meet the objectives for improving tenant wellbeing, moves the service onto a sustainable long-term footing while better mitigating the financial impact on council than option 1, and better enables new social housing supply than option 3. It is also a feasible option to deliver within the necessary timeframes and retains future flexibility for the council to make changes over time.

Option 3: Leasehold CHP with narrow responsibilities (not preferred by council)

Under this option, the council would establish an independent community housing trust, with council representation. Like option two, housing assets would be leased to the CHP under a long-term leasehold agreement and not sold or transferred.

This option differs from option two in two ways. Firstly, new social housing supply is not a focus under this option so the council would only provide minimal upfront capital (\$2m) to meet establishment costs and the CHP would not retain an additional amount of operating revenue to build reserves to fund new supply over time. That revenue would be passed back to council to contribute to maintenance and upgrade of existing properties. Secondly, the CHP would have more "limited" responsibilities, only responsible for tenancy management and minor maintenance. Major maintenance would be managed by the council.

Like option two, the council would borrow to cover all the HUP2 costs and would recover the costs above its \$180m Deed of Grant commitment overtime as there is surplus income from the portfolio. The CHP would begin to receive the subsidy scheme (IRRS) over time for new eligible tenants, although the council may also need to provide some rates funding to contribute to the CHP while subsidy scheme (IRRS) income increases.

This is not the council's preferred option. It performs least well against the three priority objectives, particularly the ability to add to new social housing supply. There is also risk that the CHP's effectiveness and reputation as a provider may be negatively impacted by its limited ability to drive outcomes through a lack of capital, its inability to pursue new social housing supply quickly, and by the complexities of splitting responsibilities for minor and major maintenance.

The table below summarises the three options and their advantages and disadvantages.

Table 2: Choosing a preferred Community Housing Provider model

Option 1: Asset-owning, fully independent CHP (not council preferred option)	
<ul style="list-style-type: none"> • CHP established as a community housing trust • Council sells housing assets to CHP • CHP provides the tenancy management service, minor repairs, and major maintenance • Council provides \$180m towards upgrades and the CHP borrows the remaining \$106m from market lenders 	<p>Financial impact</p> <p>Sale of housing assets at 30-50 percent (\$148-246m) of balance sheet value</p>

<ul style="list-style-type: none"> • No change to the service provided to tenants as set out in the LTP • <u>Advantages</u> – most independent, flexible CHP with greatest ability to grow and pursue new social housing supply because it will have the strongest balance sheet, and improved rental affordability for new eligible tenants • <u>Disadvantages</u> – most difficult to deliver, biggest transition risks, most significant financial impact for council due to expected discounted asset sale price. 	<p>(\$492m), but could be even lower</p> <p>Council borrows \$180m for upgrades</p> <p>Council funds \$2m establishment costs</p> <p>This option will have a total rates requirement for the 10 years of \$247.1m. At an average of \$27.5m per annum. For 2023/24 the rates requirement will be \$20.9m, 4.4% of total Rates.</p>
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Option 2: Leasehold CHP with broad responsibilities (council preferred option)

<ul style="list-style-type: none"> • CHP established as a community housing trust • Council owns the housing assets and leases them to the CHP under a long-term (assumed 30-35 years) leasehold agreement • CHP provides the tenancy management service, minor repairs, and overtime, major maintenance, with the council, as asset owner, retaining some control over major maintenance via a major maintenance fund • Council provides upfront capital to the CHP for new social housing supply and establishment costs, and CHP retains additional portion of operating revenue to build reserves for further new supply • Council borrows for HUP2 and recovers costs above \$180m overtime • No change to the service provided to tenants as set out in the LTP • <u>Advantages</u> – ensures the CHP can deliver new social housing supply, best balances the financial impact on council with other objectives, improved rental affordability for new tenants, more straightforward to deliver than option 1, after HUP2 there would be no split of responsibility of minor and major maintenance, retains future flexibility for the council to make changes over time • <u>Disadvantages</u> – reduced ability to grow new social housing supply compared to option 1, higher financial impact for council compared to option 3. 	<p>Financial impact</p> <p>Council borrows \$286m for upgrades, and recovers costs above \$180m, interest free, over time (indicatively \$106m)</p> <p>Council provides \$35m upfront capital to CHP (\$10m land, \$23m cash, \$2m establishment costs)</p> <p>This option will have a total rates requirement for the 10 years of \$269.5m. At an average of \$29.9m per annum. For 2023/24 the rates requirement will be \$21.0m, 4.4% of total Rates.</p>
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Option 3: Leasehold CHP with narrow responsibilities (not council preferred option)

<ul style="list-style-type: none"> • CHP established as a community housing trust • Council owns the housing assets and leases these to the CHP under a long-term (assumed 30-35 years) leasehold agreement • CHP provides the tenancy management service and minor repairs only • Council retains responsibility for managing major maintenance • Council only provides minimal upfront capital to the CHP for establishment costs • Council borrows for HUP2 and recovers costs above \$180m over time • No change to the service provided to tenants as set out in the LTP • <u>Advantages</u> – least financial impact for council, improved rental affordability for new tenants • <u>Disadvantages</u> – does not enable the CHP to pursue new social housing supply, splitting responsibility for minor and major maintenance would be confusing for tenants, CHP may be less effective compared to options 1 and 2. 	<p>Financial impact</p> <p>Council borrows \$286m for upgrades, and recovers costs above \$180m, interest free, over time (indicatively \$106m)</p> <p>Council provides \$2m establishment costs</p> <p>This option will have a total rates requirement for the 10 years of \$260.7m. At an average of \$29.0m per annum. For 2023/24 the rates requirement will be \$20.9m, 4.4% of total Rates</p>
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How would the CHP be regulated and monitored?

The CHP would be required to comply with a strong regulatory framework to ensure it is well-run and that it delivered the outcomes expected by tenants, the community, and the council. Just like the council, CHPs are required to comply with and manage tenancies in accordance with the Residential Tenancies Act. The council will also develop a monitoring and oversight framework that balances the need for the CHP to be independent (required under the regulations) with the council's need for oversight.

To operate, the CHP needs to be registered with the Community Housing Regulatory Authority (CHRA). This means the CHP is a regulated entity. CHRA requires CHPs to meet performance criteria which cover governance, management, tenancy management, financial viability, and property and asset management.

As well as regulatory requirements, the CHP would be monitored through its governing documents, particularly the trust deed (created when the CHP is established) and the leasehold agreement between the council and the CHP. These will be used by the council to assess the performance of the CHP.

How would tenants be supported under a CHP model?

A CHP is also required to have strong processes to ensure tenants can directly hold the CHP to account for its performance and participate in decisions that affect them. A registered CHP is required to have a tenancy complaints process and tenant feedback and participation policies. Tenant participation policies could include a tenant advisory group, a tenant representative on the board and/or other informal ways for tenants to provide feedback, such as tenant community meetings.

As discussed above, there would be changes under a CHP model, but existing tenants' tenancies are secure – all current tenants would become tenants of the CHP under their existing tenancy terms. If the council does establish a CHP after this consultation, the council will develop a transition process that minimises the impact of change for current tenants and will clearly and regularly communicate through the change process. The council will also continue to explore how it could support current tenants, including considering rental affordability and arrangements for existing tenants.

Questions for your feedback

- On decision 1, would you prefer the council resolve City Housing's funding shortfalls by increasing rates and borrowing or establishing a Community Housing Provider?
- On decision 2, which option for a Community Housing Provider do you support?
 - Option 1: Asset-owning CHP with broad responsibilities
 - Option 2: Leasehold CHP with broad responsibilities
 - Option 3: Leasehold CHP with narrow responsibilities
- If the council established a Community Housing Provider, do you agree with the council's preference for a community trust, rather than a company or limited partnership?
- Are there comments you would like to make about the options?

Decision 2: Future of the Southern Landfill

Background

The existing consents for the Southern Landfill expire in June 2026, and customers including the Council will not be able to dispose of any waste into the landfill after this date.

The Council has identified three options in response to this issue, and now needs to decide which one will be implemented to dispose of the city's residual waste post-2026.

Current situation at the Southern Landfill

The Southern Landfill, owned and operated by Wellington City Council, is a critical piece of Wellington's infrastructure and is the only facility in Wellington City that accepts the city's municipal solid waste (MSW), special waste (including dewatered sewage sludge), contaminated soil and asbestos-containing materials (hazardous substances). Waste that is disposed of at the landfill is 'residual waste', which simply refers to waste that is left after we reduce, reuse or recycle.

The Southern Landfill buries around 100,000 tonnes of waste annually.

The main categories of waste are as below:

Waste Type	Average tonnage per annum
Municipal Solid Waste (MSW)	65,000
Dewatered sewage sludge	15,000
Asbestos and contaminated soils	25,000 - 46,000

Municipal Solid Waste (MSW)

More commonly known as trash, rubbish, household waste or garbage - consists of everyday items we use and then throw away, such as product packaging, grass clippings, furniture, clothing, bottles, food scraps, newspapers, appliances, paint, and batteries.

Dewatered sewage sludge

Sludge is the term for the solids produced from the wastewater treatment process. Untreated it contains microbiological contaminants that need to be disposed of in a well-managed way. Due to its high moisture content, it is not an easy material to dispose of and if not treated appropriately creates odour.

Asbestos and contaminated soils

Asbestos and contaminated soils are generated when we demolish buildings or redevelop on sites where asbestos building material have been used, or where industrial activities under less strict regulations have occurred. This waste is predominantly generated by the construction sector.

The Southern Landfill follows a financially self-sustaining business model, and user fees cover operational and infrastructure costs. Landfill fees also subsidise the Council's kerbside recycling services, the processing of the collected recyclables and waste minimisation personnel, initiatives, and activities.

This means that the management of waste, provision for kerbside recycling and existing waste minimisation initiatives such as waste education and the Tip Shop currently have no impact on rates.

Kerbside rubbish collection service costs are covered through the sale of Council kerbside rubbish bags in line with the Council's user pays funding policy.

Key waste issues facing the Council

The most significant waste management issues currently facing the Council are:

1. The link between Wellington's sewage sludge and waste

There is currently an operational and engineering requirement to mix sewage sludge with other material (Municipal Solid Waste) at a ratio of one part sludge to four parts waste. This has limited our ability to minimise waste.

In the 2021 Long-term Plan, the Wellington City Council decided to invest in a sludge minimisation facility to break the link between the landfill and sewage. It is anticipated that this facility will be in place by 2026. Breaking this link means we can now start to focus on waste minimisation – something we haven't previously been able to do.

2. A stronger focus on waste minimisation

Reducing Wellington City's carbon footprint is one of the Council's priorities for the future. We have adopted Te Atakura - the blueprint for the city to be carbon zero, as well as a Regional Waste Management and Minimisation Plan - where we have committed to a regional reduction in the amount of waste going to landfill from 600kgs per person per annum to 400kgs per person per annum by 2026.

Any future waste disposal method will need to be compatible with large scale waste minimisation activities being undertaken by Wellington City Council. We are currently exploring new waste minimisation initiatives that we can implement between now and 2026 in line with the Waste Management and Minimisation Plan which could be scaled up once sludge is removed from our landfill. This work programme will inform the drafting of the next WMMP in 2023.

3. Financial pressures

Increasing costs of recycling, the landfill's carbon liability through the New Zealand Emissions Trading Scheme, and limited ability to recoup all the costs due to market competition from other landfills has put a strain on the existing business model.

The waste management challenges facing the Council are complex and finding a solution for disposing of the city's residual waste is just one piece of a much bigger puzzle. Although waste-minimisation is a priority for the future, we still need a solution for disposing of residual waste in the meantime.

What is proposed

In 2019, we engaged with the community on a proposed extension (stage four) of the landfill after the existing consents expire in 2026. At that time, due to the high level of interest and concern, Council decided to delay formal consultation until more information was available about future waste minimisation, alternative technologies, and sludge reduction.

Since then, the council has gone through a process of developing a long list of potential ways forward for residual waste disposal, ranging from the original extension (stage four) proposal to a variety of technological treatments for waste to closure of the landfill. The longlist was reduced to a shortlist of three reasonably practical options for the disposal of residual waste. The original extension (stage four) option was not included in the final shortlist because of the high level of uncertainty around the technical feasibility of this option, and relative benefits.

The shortlist of three possible residual waste disposal options for consideration are:

1. New landfill on top of existing landfill (piggyback option)
2. Waste to energy incineration
3. No residual waste facility in Wellington City

A working group of resident and community groups and waste industry representatives assessed the short list of options against the following criteria:

- Emission levels
- Support for a Circular economy
- Community connection
- Scalability (to support waste minimisation)
- Technical Maturity
- Time frame for the solution
- Local community effects
- Environmental effects (waste, land and air)
- Level of Consent and planning risk
- Value for money
- Robustness/ reliability of solution
- Size- ability to fit on existing site
- Resilience in cases of emergency
- To Ao Māori alignment

The top performing option against the criteria is option 1, the new landfill on top of existing landfill (piggyback option) hence it is our preferred option. Following consultation with the community, if Council decides to progress with this option, the next steps will be to finalise the design and proceed with the resource consent application process.

About the shortlisted options

The section provides a detailed description of the three options and explores the advantages and disadvantages of each.

Option 1: New landfill on top of existing landfill (piggyback option) (our preferred option)

This method disposes of residual waste into an engineered space, lined with a modern liner system to prevent contaminants escaping into the environment along with an effective gas capture system used to collect and destruct methane generated from the degradation of the waste. Water contaminated by the waste, also known as leachate, is captured through a network of pipes and sent to a treatment system before being discharged into the environment.

Contaminated soil and asbestos contaminated material can be disposed of within this new landfill=.

The new landfill will be constructed on top of an existing landfill at the Southern Landfill providing space for approximately 15 –20 years of residual waste disposal considering the current volumes the landfill receives. As future waste minimisation initiatives are implemented, this landfill will be able to provide a waste disposal service beyond 20 years.

Constructing this landfill will require the removal of 9 hectares of vegetation, some of it regenerating bush, and the reclamation of a man-made swale drain. An ecological compensation package will be designed and included as part of the consent

application. An existing storm water tunnel that diverts the upper reaches of Carey's stream under the existing landfill will need to be maintained in perpetuity.

The social impacts on the local community will likely be the same as those that currently exist, and any environmental impacts will likely be similar but with marginal improvements due to the smaller scale of operations and more modern designs for the landfill if compared to the current landfill operations.

This option will require a capital investment of \$42.5 million phased over the life of the landfill with an annual operating cost of \$4 million. Revenue from the landfill gate fees will be able to cover these operating costs and the council's current waste management and minimisation services.

Extending the existing landfill is our preferred option for the following reasons:

- Wellington City Council takes ownership of the waste the city produces rather than sending it to a waste disposal site outside its boundaries.
- A landfill is not dependent on requiring a minimum tonnage of waste to remain economically viable and therefore does not become a barrier to future waste minimisation initiatives.
- A landfill extension will maintain the current financially self-sustaining model, maintaining all existing waste management and minimisation services and allowing future minimisation services to be implemented.
- A landfill extension ensures Wellington City Council maintains a site for the continued disposal of refuse or hazardous material, adding to the city's resilience in an emergency.
- A landfill is a technologically mature, well understood residual waste disposal option within the New Zealand context.
- The opportunity to develop a new landfill on an existing "brownfields" landfill site will increase the city and region's waste disposal capacity.

Advantages	Disadvantages
<p>Facility likely operational by June 2026 as consenting risks and construction risks well understood.</p>	<p>Will produce methane emissions which will be converted to carbon emissions through a gas capture and destruction system.</p> <p>The amount of carbon emissions will vary depending on the types of waste received and the efficiency of the gas capture system.</p>
<p>This option does not require a minimum tonnage of waste to be economically viable.</p> <p>Not a barrier to future waste minimisation activities.</p>	<p>Current environmental impacts – discharges to land, discharges to air and water quality concerns remain albeit at a smaller scale, with opportunities to further minimise these effects through the design process.</p> <p>Will require ongoing aftercare of the landfill once it is decommissioned.</p>
<p>Allows for the continued disposal of contaminated soil and asbestos contaminated material</p>	<p>Current local community impacts – traffic, odour, windblown litter and stream water quality concerns will remain.</p>

Advantages	Disadvantages
Wellington maintains a disposal site for waste or hazardous material enhancing its resilience during an emergency.	Perception that this is a low tech solution.
Current self-sustaining financial model maintained – no expected rates impact.	Will require an investment of \$42.5 million and an operational expenditure of \$4 million per annum.

Option 2: Waste to energy incineration

This method burns waste and uses the heat generated to produce electricity (and possibly heat).

Gases from the burning process are scrubbed and cleaned through a flue gas treatment (FGT) treatment system prior to release into the atmosphere. Any moisture left as part of the incineration process is captured, treated through a small water treatment plant before being sent to sewer.

The output is ash which has a significantly reduced mass and volume (up to 25% is left) compared to the input waste as well as cleaned/filtered gasses from the burning process. The bottom ash from the incineration process could potentially be used as a filler, e.g. aggregate in building materials. The ash from the flue gas treatment is contaminated and must be sent to landfill for disposal. The reduction in the volume of residual waste post-incineration makes it feasible for the left-over material to be shipped to an alternative landfill for disposal.

Contaminated soils and asbestos contaminated material cannot be disposed of through this system and must be sent to an alternative landfill for disposal.

The analysis assumes that the waste to energy plant will be constructed to fit the requirements of Wellington's waste and located at the Southern Landfill. Wellington's current annual waste tonnages of between 60,000 and 70,000 tonnes is approaching the minimum tonnage requirements for a feasible waste to energy facility. Reduction of waste tonnages would require Council to consider importing waste to maintain efficiency of the plant.

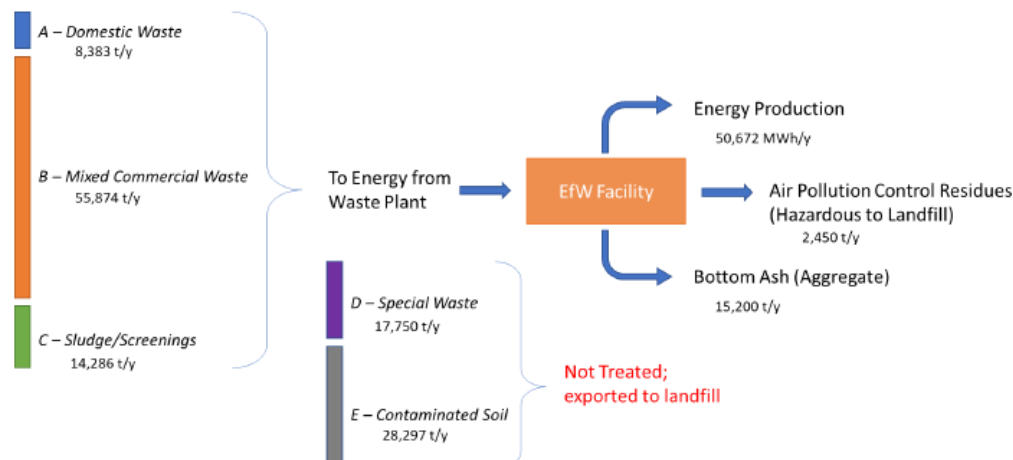
Neighbouring territorial authorities currently have existing landfills that they own and operate with Spicer's Landfill in Porirua earmarked for further extension and Silverstream Landfill owned by Lower Hutt having capacity for a further 30 years. It is unlikely that the two councils would accept a waste to energy plant as a regional residual waste disposal solution in the short to medium term.

These plants are generally built with a 25-year service life and are common throughout Europe and Asia with multiple examples worldwide. Waste to Energy plants require a minimum tonnage to remain economically viable. This could become a barrier to further waste minimisation unless there is an appetite to accept an economical loss on this investment.

While it is feasible to construct a waste to energy plant by the time the current consent expires in 2026, it remains untested from a consenting perspective in New Zealand. It represents a risk to get the plant approved for operation by the time the existing landfill consent expires in June 2026.

Construction of a waste to energy plant would require a capital investment of \$215 million and an annual operating cost of approximately \$10.8 million to maintain current Council waste management and minimisation services.

HOW WASTE TO ENERGY INCINERATION WORKS



Advantages	Disadvantages
Methane emissions replaced with carbon dioxide emissions from the incineration process. Carbon dioxide is considered a less potent greenhouse gas.	Up to 25% of waste will still have to go to landfill in the form of bottom ash and more hazardous gas flue ash.
Less water quality impacts and less discharge to land but increased air quality impacts to the local environment.	Requires a minimum tonnage between 60,000 and 70,000 tonnes of waste to be economically viable, which lacks flexibility. If waste reduces further, waste would be required to be imported to substitute this loss of waste or the council could operate the waste to energy plant less cost effectively. This likely will become a barrier for future waste diversion initiatives and restricts the movement to a circular economy.
Perceived as a high-tech, more progressive waste disposal solution.	Whilst there are many examples overseas, it is untested from a regulatory perspective in New Zealand. High risk of obtaining the required approvals to operate the facility by the expiry of the existing landfill consent in June 2026.
Minimal after care costs once plant is decommissioned.	Current local community impacts – traffic, odour and windblown litter will remain. It is noted that stream water quality concerns will be minimised.

Advantages	Disadvantages
	<p>Will require capital investment of \$215 million and an operating expenditure of \$10.8 million per annum.</p> <p>The current financially self-sustaining model will not be maintained. A proportion of operating costs will likely be recovered from rates.</p>
	<p>Resilience concerns as operations of the plant is very dependent on overseas expertise and parts.</p>

Option 3: No residual waste facility in Wellington City

This option would involve closing the Southern Landfill when the consents run out in 2026 and the area would be turned into a reserve or similar. Wellington City's residual waste would need to be disposed of at other landfills in the region, for example in Porirua or Upper Hutt. There would be no further capital cost requirements to construct a new waste disposal facility.

The Council will continue to maintain its current waste management and minimisation operations at the Southern Landfill site, including the transfer station, the resource recovery centre and green waste composting operations.

Contaminated soils and asbestos contaminated material cannot be disposed of through this system and must be sent to an alternative landfill for disposal.

There would be less impacts on the local community and less impacts on the local environment, but these effects would be transferred to communities and the environment at the point of disposal.

Wellington will have limited control of residual waste disposal costs or 'tip-face' waste diversion policy settings and have no facility to dispose of waste in the event of an emergency. Wellington City Council may need to find waste disposal facilities further afield if the nearby waste facilities choose to prioritise their own waste over Wellington's.

There will be no requirement for future capital investment costs from this option, but annual operating costs of \$6.4 million to maintain existing Council waste management and minimisation services will be required to be funded from user fees.

Advantages	Disadvantages
<p>This option does not require a minimum tonnage of waste to be economically viable.</p> <p>Not a barrier to future waste minimisation activities</p>	<p>Will require annual operational cost of \$6.4 million to maintain current council services.</p> <p>The current self-sustaining financial model cannot be maintained. A proportion of operational costs will likely be recovered from rates.</p>
<p>No negative effects on the local environment and local communities although these effects are transferred</p>	<p>Council loses ability to influence waste diversion at the disposal site.</p>

Advantages	Disadvantages
to the communities and the environment at the final waste disposal destination.	
No capital investment or requirements for after care as there is no waste disposal facility.	Security of supply as the other Councils can prioritise their own waste over Wellingtons. Less resilient as the Council will no longer have a waste disposal site in times of emergency.
	Council would be perceived as not being responsible for the waste it produces and exporting the related environment impacts elsewhere.

The table below summarises the key differences between the options.

Option 1 (Preferred option)	Option 2	Option 3
New landfill on top of existing landfill (piggyback option)	Waste to energy incineration	No residual waste facility in Wellington City
Carbon impact: No change from existing landfill.	Carbon impact: Initially, it will be slightly less than Option 1 as electricity generated from this plant can offset carbon from fossil fuel derived electricity generation in the national grid and there will be no methane generation. Over the longer term, it can be a barrier to further waste minimisation initiatives due to the facility requiring a minimum tonnage to remain economically viable- impacting negatively on carbon.	Carbon impact: Slightly more than option 1 due to additional carbon used to transport the waste to alternate waste receiving facility in the Wellington region.
Environmental impacts: Similar to existing landfill impacts but at a much smaller scale due to the smaller footprint.	Environmental impacts: Fewer contaminants into land and likely less leachate. More air discharge due to incineration process.	Environmental impacts: Fewer local impacts, but increased impacts at alternate waste receiving facility.

Option 1 (Preferred option)	Option 2	Option 3
Development is on a pre-existing landfill site (brownfields)	Over the longer term, it can be a barrier to further waste minimisation initiatives due to the facility requiring a minimum tonnage to remain economically viable –limiting future environmental gains from reduced residual waste disposal.	
Opex Cost: \$4 million per annum Current financially self-sustaining model is maintained. No rates impact.	Opex Cost: \$ 10.8 million per annum The current financially self-sustaining model will not be maintained. A proportion of this cost will likely be recovered from rates.	Opex Cost: \$6.4 million per annum The current financially self-sustaining model will not be maintained. A proportion of this cost will likely be recovered from rates.
Capex cost and debt impact: \$42.5 million for a service life of 15- 20years assuming current waste volumes. (Already included in the current Long-Term Plan)	Capex cost and debt impact: \$215 million costs for a service life of 25 years assuming current waste volumes.	Capex cost and debt impact: None
New Zealand experience: Common globally, with many examples in New Zealand.	New Zealand experience: Common globally but currently no operational facilities in New Zealand (some proposals currently being considered).	New Zealand experience: Some Territorial Authorities have adopted this approach.

Option 1 (piggyback option) is the Council's preferred option as it ensures Wellington City manages its own waste, it is cost effective, and it allows the flexibility to implement waste minimisation and landfill diversion initiatives moving towards a circular economy in the future.

Questions for your feedback

- Do you agree with the council's preference for a new landfill on top of the existing landfill (piggyback option), rather than waste to energy incinerations or closure of the southern landfill?

Are there comments you would like to make about the options?

Independent Auditor's Opinion

Section 2: What else are we planning for the 2022/23 year?

Key projects

Alongside the significant issues already outlined in Section 1, we have a full programme of projects planned across all of our areas. Many of these projects are already underway, have already been consulted on, decided on by Council or were included as part of the previous Long-term Plan.

Our plans are organising into seven activity areas.

Governance

This area includes our work on providing information, consultation and decision-making, and our engagement with Māori residents and our mana whenua partners.

Key projects in this plan include increasing our investment in our mana whenua partnerships, engagement on key projects across the Council and digitising the City Archive.

Environment

This area includes our Wellington Gardens, beaches, and green open spaces, water, wastewater, waste reduction and energy conservation, environmental conservation attractions and the quarry.

We will be continuing to invest in renewals and improvements to three waters infrastructure as well as progressing the actions in our Te Atakura- First to Zero implementation plan. We will progress work on the future of the Southern Landfill, as noted in Section 1 of this document and further progress waste minimisation initiatives. We will also be continuing our support of Predator Free Wellington, completing the Frank Kitts Park playground upgrade, and delivering upgrades in our parks and reserves.

Economic Development

This area includes our work on economic activities, city promotions, events and attractions, and business support.

Key projects included the delivery of Tākina – the conference and exhibition centre – and providing for upgrades to our existing venues. The development of a new Economic Development Strategy will provide for key focus areas of the Council's economic activities, including but not limited to, the Regional Economic Development Strategy, Māori Economic Development plan, Night-time economy plan, circular economy and identifying the city's competitive economic advantage areas.

Cultural Wellbeing

Our work in this area includes galleries and museums, community arts and cultural support, and arts partnerships.

We will continue to provide a variety of free public and community events, such as Matariki, Gardens Magic and Diwali. Key projects also include earthquake strengthening the Wellington Museum and delivering on Aho Tini, our Arts and Culture Strategy.

Social and Recreation

In this area we have our libraries, pools, recreation facilities and programmes, playgrounds, public health and safety, public toilets, cemeteries, social housing, and community support.

There are several key projects in this area including earthquake strengthening Freyberg Pool; on-going renewals of recreation assets; creating the Grenada North Sports Hub; complete upgrades of Strathmore, Newtown, Aro Valley, Tawa/Linden and Karori community facilities; Makara Cemetery expansion; safety improvements around Te Aro Park; and the divestment of Wadestown Community Centre.

Urban Development

Our Urban development area covers our work in urban planning and policy, heritage, and character protection, building control and facilitation, development control and facilitation, earthquake risk mitigation and public spaces development

Key projects in this area include our District Plan review, development of Site 9 on the Waterfront and upgrades to Shed 1 and 5, and completion of the Town Hall and St James Theatre earthquake strengthening.

Transport

This area covers our entire transport network, and our parking operations. This includes transport planning and policy, maintenance, renewal and upgrades of our transport networks and parking enforcement.

Key projects in this area for this plan are progressing Let's Get Wellington Moving programme and Paneke Pōneke, our bike network plan. It also includes key resilience work, for example, retaining walls on key transport routes.

What changes are proposed for 2022/23 from the Long-Term Plan?

While largely we plan to continue to deliver on the programme of work set out in the 2021-31 Long-Term Plan, there are a number of areas where some changes have been made.

We have needed to reschedule parts of our ten year **capital programme** in response to market and supplier constraints. This has involved shifting the timing of some projects back to give time for delivery capacity to be increased. For example, time to deliver our Housing upgrade programme and some parts of the bike network, such as Evans Bay cycleway, will be extended. Overall, we still plan to deliver the full ten year programme of work as set out in the Long-Term Plan.

In response to increasing housing affordability concerns, we also plan to increase the level of **support for city housing tenants** in the 2022/23 year by putting in place a rent freeze for the year and providing extra support for tenants with high affordability issues.

Parking is another area where there has been change. We are planning to not go ahead with our previous plan of extending on street paid **parking time limits** on Friday and Saturday evenings or extending charging for on-street parking through to 10:00 p.m. on Friday and Saturday.

We approved a **pandemic support plan** in February to support retail and hospitality sector impacted by the effects of Omicron. Some aspects of this plan will extend into 2022/23, including discounts to hospitality licencing fees.

We plan on establishing a \$20m **Better Building fund** that provide financial support for those building energy efficient or sustainable homes and buildings in Wellington. This will replace our existing green building remission in our Development Contribution policy to be a more effective tool to support our goal of becoming a carbon neutral city by 2050, supporting better building practices in our growing city.

We plan on increasing **Encroachment licence fees** to put them more in line with the value of the land being leased. Fees would increase from \$267 for a 20m² encroachment to \$533. Encroachment licence fees have not increased for some time and so this will mean large increase for some holders. We think that this is the right approach to ensure we are getting fair value from Council assets.

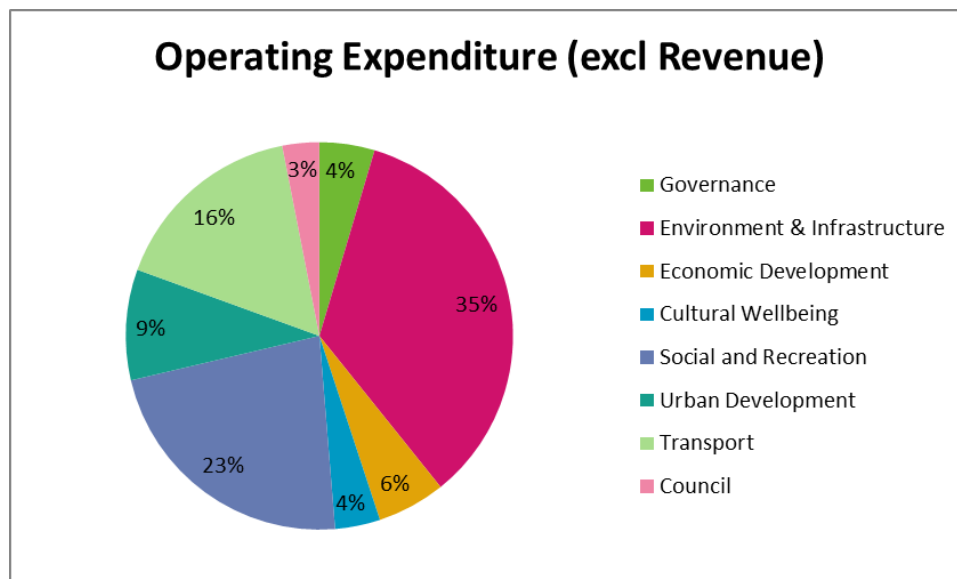
What this plan will cost

This section explains our budget in more detail and outlines the impact on rates and debt for the year.

Operating Expenditure

The draft budget

The cost of delivering and running Council services in 2022/23 is forecast be \$662m or \$8.20 per resident per day. This is a \$61m increase on 2021/22, which primarily relates to increased depreciation due to new assets and a property revaluation, and inflation on contracts and personnel costs.



What is the plan for rates?

We set our rates based on the needs of the community, their demand for services and affordability in rates. Your money helps us deliver more than 400 day-to-day services and pay for the borrowings used to fund big capital projects across Wellington. This year we are considering a rates increase before growth of **8.8%**. This is below the 9.7% forecast in the 2021-31 Long-term Plan. In total the Council proposes to collect \$426m (GST exclusive) of rates during 2022/23.

A portion of the increase in rates forecast for 2022/23 relates to previous decisions to minimise the rates requirement in 2020/21 and 2021/22. These years saw increased costs to manage the impacts of the 2016 earthquakes (such as establishment of temporary libraries in the central city) and reductions in non-rates revenue due to the impacts of COVID-19 restrictions. Council decided to fund these unexpected costs through debt in order to minimise the impact on rates in those years, now as that debt is repaid approximately \$12m of the forecast rates requirement for 2022/23 (or around 3.0%) relates to paying back this debt.

Impacts of Omicron

Planning for the coming year is challenging given the level of uncertainty on the effects of the current Omicron wave of Covid. There is the potential for this Covid outbreak to disrupt our projects and programmes, reduce non-rates revenue and significantly affect Council Controlled Organisation's budgets (such as the Sky Stadium or Wellington Zoo). At the time

of preparing this draft budget the full financial impacts for next year were not known. It is likely that further changes to the budget may be required when we come to confirm it in June, and this may also further impact the forecast rates requirement.

What are rates for, and why are they important?

In the same way our taxes contribute to the running of the country, rates are important to ensure Wellington continues to function.

Some of the services and facilities that Wellingtonians receive through their rates include:

364 litres of drinkable water supplied per resident per day ³	104,481 native plants planted with the community	223,893 calls answered by our Contact Centre staff
729km of stormwater pipes	780,825 items available at our 14 libraries	203sqm of open space per Wellingtonian
1,077km of wastewater pipes	371km of walking and biking tracks	\$4.2m in funding to community projects and organisations
900km of footpaths	754,300 resources in City Archives	19,869 streetlights operated
107 playgrounds	66 free public events	10 new public murals

Revaluations and rates

Every three years, the council updates its records of city property values to reflect current values. 2022/23 is a revaluation year. This means that the share of rates that each ratepayer contributes is recalculated this year based on updated property values. Revaluations do not change the overall level of rates collected by Council. It does change how much of the total share each ratepayer contributes.

Because of this, while the total rates increase is forecast at 8.8%, ratepayers whose properties have increased in value more than the average will see a higher percentage increase in their rates. Equally, ratepayers whose properties have increased in value less than the average will see a lower percentage increase in their rates.

The exact rates change for each ratepayer will vary dependant on their individual circumstances.

Revaluations impact commercial properties differently than residential, and as a result can impact the share of rates that each sector funds. We plan on updating the commercial rating differential in order to maintain the same proportional share of rates between residential and commercial ratepayers.

Fees and User Charges

Our Revenue and Financing Policy guides our decisions on how to fund Council services. We consider who benefits from a service (e.g. individuals, parts of the community or the community as a whole) to help determine how the service should be funded.

³ Not all is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils.

The policy also sets the targets for each Council activity indicating the proportion that should be funded from user charges, general rates, targets rates and other sources of income. As part of proposed plan, we have reviewed our fees and charges and are proposing to change some fees and charges for the following Council services:

- Parking
- Encroachment licences
- Botanical gardens
- City Archives
- Waterfront public spaces
- Swimming pools
- Recreation centres
- Marinas
- Burials and cremations
- Public health regulations
- Building control and facilitation
- Development control and facilitation
- Sewerage collection and disposal
- Waste minimisation

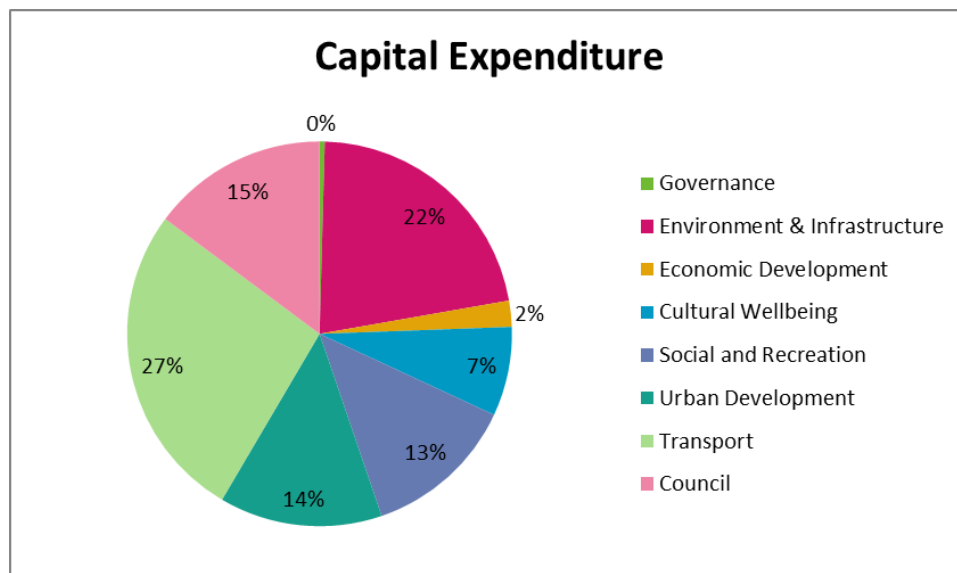
Capital expenditure

Capital expenditure is used to renew or upgrade existing assets or to build new assets to provide a higher level of service or account for growth. Our assets include buildings, roads and footpaths, water, stormwater and wastewater pipes, libraries, swimming pools, and sportsfields.

We have a significant capital expenditure programme in place, with \$412m planned for 2022/23. The 2022/23 programme includes significant investment in our water, stormwater, wastewater and transport networks, as well as multi-year projects to earthquake strengthen the Town Hall and St James Theatre, and the city's new Convention and Exhibition Centre.

The draft budget

Total proposed capital expenditure for 2022/23 is \$412m. This is an increase from what was included in the 10-Year Plan (\$362.7). The variances primarily relate to the refinement of costs and timings on major building and water projects.



Explaining our borrowing position

We borrow to fund upgrades to our assets or to invest in new infrastructure. We do this as it allows us to spread the cost of funding this expenditure over the multiple generations that will benefit from the investment.

For 2022/23 total borrowings are forecast to increase by \$221m. Borrowing is forecast to be \$1,292m at the end of the year, this equates to 242 percent of our operating income compared to the Council imposed cap of 225%. As per the LTP the ratio will return to within limits in 2028/29. .

Your Councillors

Wellington City Council is made up of 14 Councillors and a Mayor. Along with all other local authorities in New Zealand, the Council is elected every three years. The Mayor is elected "at large", meaning by all the city's residents. The Councillors are elected by voters from their respective geographical areas (wards). The latest election was on October 12, 2019.

Mayor Andy Foster

Elected: 1992 as Councillor to Wharangi/Onslow-Western Ward, and Mayor in 2019

Chair: Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

Deputy Chair: Pūroro Maherehere | Annual Plan/Long-term Plan Committee

Contact: mayor@wcc.govt.nz

Deputy Mayor Sarah Free Motukairangi/Eastern Ward

Elected: 2013, and appointed Deputy Mayor in 2019

Deputy Chair: Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

Contact: sarah.free@wcc.govt.nz

Councillor Diane Calvert Wharangi/Onslow-Western Ward

Elected: 2016

Chair: Pūroro Tahua | Finance and Performance Committee

Contact: diane.calvert@wcc.govt.nz

Councillor Jenny Condie Takapū/Northern Ward

Elected: 2019

Deputy Chair: Pūroro Waihanga | Infrastructure Committee, and Kāwai Māhirahira | Audit & Risk Subcommittee

Contact: jenny.condie@wcc.govt.nz

Councillor Jill Day Takapū/Northern Ward

Elected: 2016

Chair: Pūroro Rangaranga | Social, Cultural & Economic Committee

Contact: jill.day@wcc.govt.nz

Councillor Fleur Fitzsimons Paekawakawa/Southern Ward

Elected: 2017 by-election

Chair: Kāwai Whakatipu | Grants Subcommittee

Contact: fleur.fitzsimons@wcc.govt.nz

Councillor Laurie Foon Paekawakawa/Southern Ward

Elected: 2019

Deputy Chair: Pūroro Tahua | Finance & Performance Committee

Contact: laurie.foon@wcc.govt.nz

Councillor Rebecca Matthews Wharangi/Onslow-Western Ward

Elected: 2019

Chair: Pūroro Maherehere | Annual Plan/Long-term Plan Committee

Contact: rebecca.matthews@wcc.govt.nz

Councillor Teri O'Neill Motukairangi/Eastern Ward

Elected: 2019

Deputy Chair: Kāwai Whakatipu | Grants Subcommittee

Contact: teri.oneill@wcc.govt.nz

Councillor Iona Pannett
Pukehinau/Lambton Ward

Elected: 2007

Chair: Pūroro Āmua | Planning & Environment Committee

Contact: iona.pannett@wcc.govt.nz

Councillor Tamatha Paul
Pukehinau/Lambton Ward

Elected: 2019

Deputy Chair: Pūroro Āmua | Planning & Environment Committee

Contact: tamatha.paul@wcc.govt.nz

Councillor Sean Rush
Motukairangi/Eastern Ward

Elected: 2019

Chair: Pūroro Waihanga | Infrastructure Committee

Contact: sean.rush@wcc.govt.nz

Councillor Simon Woolf
Wharangi/Onslow-Western Ward

Elected: 2013

Deputy Chair: Pūroro Hātepe | Regulatory Processes Committee

Contact: simon.woolf@wcc.govt.nz

Councillor Nicola Young
Pukehinau/Lambton Ward

Elected: 2013

Deputy Chair: Pūroro Rangaranga | Social, Cultural & Economic Committee

Contact: nicola.young@wcc.govt.nz

Submission form

Kōrero mai mō te mahere ā-tau Have your say on the Annual Plan

All submissions must be received by midnight Monday 10 May 2021

You don't have to give feedback on every decision – just choose the ones you're interested in. You can only submit once. You can include supporting information along with your submission.

Before you start, read about our big decisions and the other supporting information in this consultation document.

Why we're collecting this information

Your feedback matters. This plan is about the future of Wellington, and it affects everyone who lives and works here. That's why we want to hear from as many people as possible. Your views will inform the next steps we take.

Privacy statement

All submissions (including names and contact details) are provided in their entirety to elected members. Submissions (including names but not contact details) will be made available to the public at our office and on our website.

Your personal information will also be used for the administration of the consultation process, including informing you of the outcome of the consultation.

All information collected will be held by Wellington City Council, 113 The Terrace, Wellington, with submitters having the right to access and correct personal information.

Full Name: _____			
Contact details: Address: _____ _____			
Phone number: _____			
Are you making this submission as an individual or on behalf of an organisation? <input type="checkbox"/> Individual <input type="checkbox"/> Organisation: _____			
Are you a City Housing tenant?			
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
What is your connection to Wellington? Tick all that apply			
I am a Wellington City Council ratepayer	<input type="checkbox"/>	I live in Wellington	<input type="checkbox"/>
		I work in Wellington	<input type="checkbox"/>

I own a business in Wellington	<input type="checkbox"/>	I study in Wellington	<input type="checkbox"/>	I am a visitor to Wellington	<input type="checkbox"/>
Do you wish to speak to Councillors about your submission at an Oral Hearing or Forum?					
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
If yes - We are offering two ways of speaking to Councillors about your submission. Please tick which option(s) you would prefer?					
Oral forum (informal, 60min facilitated table discussion with 2 to 3 Councillors and other submitters)	<input type="checkbox"/> X May, morning				
	<input type="checkbox"/> X May, afternoon				
	<input type="checkbox"/> X May, evening				
Oral Hearing (formal hearing with set times to speak to Councillors, 5mins per individual, 10mins per organisation)	<input type="checkbox"/> X May, morning				
	<input type="checkbox"/> X May, afternoon				
	<input type="checkbox"/> X May, evening				

Key issue 1 – Changes to City Housing

Through City Housing, the council has more than 1,900 social housing units across the city, housing 3,000 tenants on low incomes. The council has provided social housing in Wellington since the 1950s.

City Housing has a long-standing financial sustainability issue that is now critical. It currently runs a growing operating deficit and has a shortfall in funding for necessary housing upgrades.

Without new sources of funding, City Housing will run down its financial reserves and will not be able to meet its costs of operating and upgrading beyond 2022/23.

This consultation is about assessing long-term solution to address city housing financial sustainability issues, including either establishing a Community Housing Provider or funding city housing through Council rates and borrowing.

Options

Would you prefer the council to retain city housing through increasing rates and borrowing or establish a Community Housing Provider?

<input type="checkbox"/>	Retain Council's City Housing through increasing rates and borrowing
<input type="checkbox"/>	Establish a Community Housing Provider
<input type="checkbox"/>	None of these options
<input type="checkbox"/>	Don't know

If the council did establish a community housing provider, which option for a Community Housing Provider do you support?

<input type="checkbox"/>	Option 1: Asset-owning CHP with broad responsibilities
--------------------------	--

	Option 2: Leasehold CHP with broad responsibilities
	Option 3: Leasehold CHP with narrow responsibilities
	None of these options
	Don't know

If the council established a Community Housing Provider, do you agree with the council's preference for a community trust, rather than a company or limited partnership?

	Community Trust
	Company or limited partnership
	Don't know

Are there comments you would like to make about the options?

Key issue 2 – Changes to Southern Landfill

The existing consents for the Southern Landfill expire in June 2026, and customers including the Council will not be able to dispose of any waste into the landfill after this date.

The Council has identified three options in response to this issue, and now needs to decide which one will be implemented to dispose of the city's residual waste post-2026.

Options

Do you agree with the council's preference for a new landfill on top of the existing landfill (piggyback option), rather than waste to energy incinerations or closure of the southern landfill?

	New landfill on top of the existing landfill (piggyback option)
	Waste to energy incinerations
	Closure of the southern landfill
	None of these options
	Don't know

Are there comments you would like to make about the options?

Question X – Feedback on these decisions

Do you have any comments you would like to provide around why you selected your preferred options, or why you don't support any of the options we proposed?

If this space is not adequate for your comments, please feel free to attach supporting information to the submission. Please be clear what City Housing or Landfill option you are commenting on.

Question X – Proposed 2022/23 budget (See pg X to X for details)

For 2022/23 we plan to continue to deliver on the programme of work set out in the 2021-31 Long-Term Plan. Our LTP focuses on the priorities of:

- A functioning, resilient and reliable three waters infrastructure
- Wellington has affordable, resilient, and safe housing
- The city's core transport infrastructure is a safe, resilient, reliable network
- The city has resilient and fit-for-purpose community, creative and cultural spaces
- An accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

There are a number of areas where some changes have been made including:

- rescheduling of the timing of some projects to recognise market and supplier constraints
- increase the level of **support for city housing tenants** in the 2022/23 year
- not proceeding with previous plans of extending on street paid **parking time limits** on Friday and Saturday evenings.
- a **pandemic support plan** to support retail and hospitality sector impacted by the effects of Omicron.

- a \$20m **Better Building fund** that provide financial support for those building energy efficient or sustainable homes and buildings in Wellington.
- increasing **Encroachment licence fees** to better reflect their value

Do you support the proposed budget?

<input type="checkbox"/>	I strongly support the proposed budget
<input type="checkbox"/>	I somewhat support the proposed budget
<input type="checkbox"/>	Neutral
<input type="checkbox"/>	I somewhat oppose the proposed budget
<input type="checkbox"/>	I strongly oppose the proposed budget
<input type="checkbox"/>	Don't know

Question X – Any other feedback

From pages 28 to 29 of this document we also outlined other projects and changes planned for the coming year and have proposed changes to some of our Fees and User Charges. More information on these are available on our website: [TBC](#) and available at our libraries and service centre.

Do you have any comments you would like to provide about the upcoming decisions, fees and user charges changes, other plans or any other general feedback on our annual plan and budget?

Thank you very much for your submission!

FORWARD PROGRAMME

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides the Forward Programme for the Pūroro Maherehere | Annual Plan/Long-term Committee for the next two meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
 - People friendly, compact, safe and accessible capital city
 - Innovative, inclusive and creative city
 - Dynamic and sustainable economy
- Strategic alignment with priority objective areas from Long-term Plan 2021–2031**
- Functioning, resilient and reliable three waters infrastructure
 - Affordable, resilient and safe place to live
 - Safe, resilient and reliable core transport infrastructure network
 - Fit-for-purpose community, creative and cultural spaces
 - Accelerating zero-carbon and waste-free transition
 - Strong partnerships with mana whenua

Relevant Previous decisions

Not applicable.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Author	Sean Johnson, Democracy Team Leader
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend that Pūroro Maherehere | Annual Plan/Long-Term Plan Committee:

1. Receive the information.

Whakarāpopoto

Executive Summary

2. The Forward Programme sets out the reports planned for Pūroro Maherehere meetings in the next two meetings that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

Kōrerorero

Discussion

4. Tuesday 29 March 2022
 - Adoption of Annual Plan / Long-term Plan amendment Consultation Document (Chief Strategy and Governance Officer and Chief Financial Officer)
5. Tuesday 10 May 2022
 - Oral hearings on the Annual Plan and Long-term Plan amendments (Chief Strategy and Governance Officer and Chief Financial Officer)

Attachments

Nil

ACTIONS TRACKING

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides an update on the past actions agreed by the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee at its previous meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- | | |
|---|---|
| <p>Strategic alignment with priority objective areas from Long-term Plan 2021–2031</p> | <ul style="list-style-type: none"> <input type="checkbox"/> Sustainable, natural eco city <input type="checkbox"/> People friendly, compact, safe and accessible capital city <input type="checkbox"/> Innovative, inclusive and creative city <input type="checkbox"/> Dynamic and sustainable economy <input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure <input type="checkbox"/> Affordable, resilient and safe place to live <input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network <input type="checkbox"/> Fit-for-purpose community, creative and cultural spaces <input type="checkbox"/> Accelerating zero-carbon and waste-free transition <input type="checkbox"/> Strong partnerships with mana whenua |
|---|---|

Relevant Previous decisions

Not applicable.

Financial considerations

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|---|--|---|

Risk

- | | | | |
|---|---------------------------------|-------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|---|---------------------------------|-------------------------------|----------------------------------|

Author	Sean Johnson, Democracy Team Leader
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee:

1. Receive the information.

Whakarāpopoto

Executive Summary

2. This report lists the dates of previous committee meetings and the items discussed at those meetings.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
 - In progress: Resolutions with this status are currently being implemented.
 - Complete: Clauses which have been completed, either by officers subsequent to the meeting, or by the meeting itself (i.e., by receiving or noting information).
4. All actions will be included in the subsequent monthly updates but completed actions will only appear once.

Takenga mai

Background

5. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review (the Review Report) were endorsed and agreed to be implemented.
6. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

Kōrerorero

Discussion

7. Of the 22 resolutions of the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee in February 2022:
 - 21 are complete.
 - 1 is in progress.
8. Further detail is provided in Attachment One.

Attachments

Attachment 1. Actions Tracking - March 

Date	Meeting	Item	Clause	Status	Comments
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	1. Receive the information	Complete	The committee formally received the information in the relevant report.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	2. Note the draft 2022/23 financial position, reflecting the recently rescheduled capital programme, of a 9.1% rates rise, \$1.3bn forecast level of debt, and \$421m capital programme	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	3. Note that the draft rates position may change further as other budget decisions are included and budget inputs, such as inflation assumptions, are confirmed closer to the beginning of the 2022/23 financial year.	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	4. Note the heightened uncertainty facing planning for 2022/23 year as a result of the current spread of the COVID-19 Omicron variant in the community	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	6. Agree the preferred approach on the resolution as to whether to include additional budget for Mākara resilience works is to undertake further detailed design work in 2022/23, in order for the works and funding options to be considered as part of the 2023/24 Annual Plan.	In progress	Work will be undertaken in time for the 2023/24 Annual Plan
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	7. Note other outstanding committee resolutions related to the 2022/23 Annual Plan will be progressed through other upcoming committee meetings and incorporated into the draft budget for deliberations on 8 March	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	8. Agree in principal R&F non-compliance of Activity 7.1.4 Passenger transport network, and 5.2.5 Housing where compliance differs from LTP	Complete	No action required. 2022/23 Annual Plan budget will be prepared in line with the agreement of this non-compliance
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	9. Agree in principal non-compliance where other activities are non-compliant but within variance thresholds or in line with the position accepted during LTP.	Complete	No action required. 2022/23 Annual Plan budget will be prepared in line with the agreement of this non-compliance
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	10. Agree the proposed changes to fees and user charges, noting the balance of fees and charges would change as per year two of the 2021-31 LTP	Complete	No action required. 2022/23 Annual Plan budget for consultation will be prepared in line with the fees and user charges agreed

Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	11. Note that the full draft 2022/23 budget and consultation document will be presented to the 8 March Pūroro Maherehere Annual Plan/Long-Term Plan committee meeting for deliberation.	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	12. Agree that Officers be requested to identify options, in conjunction with the Mayor and Chair of the Committee, to reduce the proposed rates increase for the draft 2022/23 Annual Plan, in the report of 8 March, noting \$15m of savings are already built into the draft budget.	Complete	This was reported back to the Pūroro Maherehere Annual Plan/Long-term Committee meeting of 8 March 2022.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.1 2022/23 Annual Plan draft plan and budget	13. Agree that officers provide advice and costs in time for the 8 March Annual Plan deliberations on: a) transitioning from using pesticide to alternative non-toxic methods for pest weed control in Wellington, b) whether funding support is required from WCC for the Sanctuary to Sea Project, and c) opportunities to increase Council's tree planting programme.	Complete	This was reported back to the Pūroro Maherehere Annual Plan/Long-term Committee meeting of 8 March 2022.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	1. Receive the information	Complete	The committee formally received the information in the relevant report.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	2. Note that this report should be read in conjunction with the attached information: i. Appendix 1 - Airspace Projections for the Southern Landfill ii. Appendix 2 - Final Waste Management Option Assessment for Wellington City Council (by Beca Consulting dated 27th January 2022) iii. Appendix 3 - Revised Criteria with associated Working Party Input (by Beca Consulting) iv. Appendix 4 - Southern Landfill: Piggyback Option & SLS4 (by Tonkin and Taylor dated December 2021) v. Appendix 5 – Southern Landfill Piggyback Option (by Tonkin and Taylor dated January 2022) vi. Appendix 6 - Advantages & Disadvantages of the Short-listed Residual Waste Disposal Options	Complete	The information was noted by the committee.

Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	3. Agree that Landfill Redevelopment (Piggyback Option) is the Council's preferred residual waste disposal option, on the basis that it: i. Performs above the other two short-listed options when assessed using a Multi-Criteria Analysis criteria assessment. ii. Would not inhibit a reduction of waste volumes over the operational life of the landfill. iii. Can be readily implemented as a residual waste disposal solution by June 2026. iv. Is the option generally supported by participants of the Residual Waste Disposal Option Working Party.	Complete	This was included in the draft consultation document considered at the Pūroro Maherehere Annual Plan/Long-term Committee meeting of 8 March 2022.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	4. Approve the following short list of residual waste disposal options for public consultation in accordance with the Special Consultative Procedure and in conjunction with the broader Annual Plan consultation process: i. Landfill Redevelopment (Piggyback Option) ii. Landfill Closure and the associated export of waste to another disposal facility iii. Energy from Waste	Complete	This was included in the draft consultation document considered at the Pūroro Maherehere Annual Plan/Long-term Committee meeting of 8 March 2022.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	5. Note that the Southern Landfill is a critical piece of Wellington's infrastructure and is a strategic asset listed in the Council's Significance and Engagement Policy.	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	6. Notes that any decision to close the Southern Landfill can only occur if it has been provided for in the Long-term Plan.	Complete	The information was noted by the committee.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	7. Direct officers to report back to the 8 March Annual Plan/Long Term Plan Committee with a consultation document and a consultation plan for review, prior to audit of the consultation material.	Complete	This was included in the draft consultation document considered at the Pūroro Maherehere Annual Plan/Long-term Committee meeting of 8 March 2022.
Tuesday, 8 February 2022	Pūroro Maherehere Annual Plan/Long-term Committee	2.2 Residual Waste Disposal Options For Consultation 2022	8. Note that officers will promote open dialogue with Taranaki Whanui and Ngati Toa iwi throughout 2022 to explore any potential waste management and minimisation partnership opportunities, and will report back with any iwi feedback on the residual waste disposal options proposal on the completion of public consultation in May 2022.	Complete	The information was noted by the committee.

Tuesday, 8 February 2022

Pūroro Maherehere | 2.2 Residual Waste Disposal Options For
Annual Plan/Long-term Consultation 2022
Committee

9. Note engagement with mana whenua is ongoing,
options have been shared, and resource has been made
available to ensure substantial feedback can be provided
on the preferred option.

Complete

The information was noted
by the committee.

Tuesday, 8 February 2022

Pūroro Maherehere | 2.3 Forward Programme
Annual Plan/Long-term
Committee

1. Receive the information

Complete

The committee formally
received the information in
the relevant report.