

WELLINGTON CITY COUNCIL DRAFT ANNUAL PLAN

2008/09

This is Wellington City Council's DRAFT ANNUAL PLAN 2008/09.

It explains **what** we're planning to do in the coming year, **why** we plan to do it, **how much** it will cost, and how we will pay.

It's a consultation document. **Your views will influence us.** Every year, hundreds of people comment on our plans, and those comments lead to changes.

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A MESSAGE FROM MAYOR KERRY PRENDERGAST

This draft annual plan is the first since the Council signed up to its vision for a carbon neutral Wellington.

That vision is ambitious, and achieving it will require effort from the Council, central government, the business sector, and the wider community.

In this plan, we're taking some small but potentially significant steps towards carbon neutrality.

We're investigating some options for turning the Southern Landfill into a producer of sustainable energy. One option is development of a wind farm within the landfill. Another is through the possible conversion of sewage sludge into electricity or LPG by installing a bioreactor.

We're also investigating how Wellingtonians use transport and make transport choices, so we can determine how to encourage more sustainable options such as cycling and taking the train or bus.

And we're taking steps to encourage more sustainable building practices, such as use of solar water heating and better insulation.

These are a few of the options under consideration in this year's plan.

We're also proposing other new initiatives such as enhancements to make Courtenay Place more vibrant and safer, boosting online promotion of Wellington tourism, installing artificial turf on one of the city's well-used sports fields, funding the National Children's Arts Festival and an annual Pasifika Festival, protecting native plants and wildlife by dealing with weeds and animal pests, and looking into the development of an orchestral recording studio which could – among other things – be used for film soundtracks.

These proposals are additional to our ongoing work programme, which includes key infrastructure such as the city's water supply and transport and drainage networks, provision of parks and green spaces, plus funding of a wide range of events, recreational and social services, and work to guide the city's building and development. As always, by far our biggest areas of spending are on infrastructure such as the water, drainage and transport networks.

This draft plan is about building on the city's strengths, and on the vision set out in our 2006–16 long-term plan: a vision of Wellington as an affordable internationally competitive city.

We look forward to hearing your comments.

[signature]

KERRY PRENDERGAST

A MESSAGE FROM CHIEF EXECUTIVE GARRY POOLE

Welcome to the Wellington City Council's 2008/09 draft annual plan, which sets out our work programme for 2008/09 and explains any differences – new projects, and changes to existing projects – since last year's plan.

We are forecasting total operating expenditure of \$328 million, requiring a 5.1% increase in the total rates take. This is below the 7.1% increase we had previously forecast. We have done this by deferring some capital expenditure and by making operational efficiencies. Reducing the rates increase further would require cuts to the services we provide.

While some new initiatives are proposed in this plan, to a large extent the increase in total rates reflects increasing cost pressures we face in delivering key services such as maintaining the transport network and looking after the city's environment. These cost pressures are due to higher oil prices and rising construction and energy costs.

This plan is a consultation document – we look forward to hearing your views on our programme and on proposed new projects and budget changes.

Finally, in the coming year we will be reviewing our entire work programme as we develop our next long-term plan, which will cover the period from 2009 to 2019.

As part of this we will be seeking your views on our work, the services – and the service levels – we provide and on issues the city will face over the next decade.

This includes the balance between services and affordability. This is a key challenge, one that needs your input, to ensure that together we make Wellington even better.

[Signature]

GARRY POOLE

OUR ROLE

Our job is to look after Wellington, now and into the future.

Under the Local Government Act, we have two key roles. 1. To promote the well-being of Wellington and its people. 2. To facilitate democratic local decision-making.

The Wellington City Council is made up of 15 elected representatives – the mayor and 14 councillors. It's their job to make bylaws, set the city's overall strategic direction, and approve budgets, policies and plans aimed at achieving that direction. A key part of their role is to listen and take the pulse of the community before making decisions.

The elected representatives are supported by the Council's chief executive and 1,450+ staff, who provide advice, implement Council decisions, and look after the city's day to day operations.

We aim to manage the city in line with community aspirations.

After public consultation during 2005 and 2006, we set 13 long-term goals (or

“outcomes”) for Wellington – that the city will become more liveable, develop a stronger sense of place, and become more compact, eventful, inclusive, actively engaged, sustainable, safer, healthier, better connected, prosperous, competitive, entrepreneurial and innovative.

The projects we fund – both the new projects explained over the next few pages and our ongoing work programme explained in the *Our activities in detail* section of this report – aim to fulfil these community expectations.

This draft annual plan is part of a longer-term process of planning and asking for community views.

The Local Government Act requires us to plan in three-year cycles. Every three years, we publish a *long-term plan* setting out our intentions for the decade ahead – what we’ll do, how we’ll do it, how much we’ll spend, who will pay, the levels of service we’ll provide, and how we’ll measure the quality and effectiveness of our work. Our last long-term plan was in 2006; our next will be in 2009.

In-between these long-term plans, we take a fresh look each year at our work programme and consider whether any changes are needed – such as revisions to our budgets or new projects to help deal with issues or challenges facing the city. We publish a *draft annual plan* (this document) and listen to your feedback before publishing an *annual plan*.

Last year, just under 1,000 Wellingtonians made their views heard on our annual plan.

We’ll make ourselves accountable by reporting on how we do for the year.

Every year, we also publish an annual report. This sets out how we performed against the long-term plan or annual plan for the year. Did we do all we said we'd do? Did we meet our budgets? Did we do as good a job as we should have? Did we contribute to improvements in the overall well-being of Wellington and its residents? The report is made available on our website and through libraries and service centres, and a summary is sent to all Wellington households.

SNAPSHOT OF THE CITY

	<i>Wellington city then</i>	<i>Wellington city now</i>	<i>Did you know?</i>
<i>Population</i>	In 2001, Wellington city had a population of 167,187 – 39.1% of the region's population.	Wellington city has an estimated population of 190,500 – 40.5% of the region's population.	Wellington's population is expected to grow to 231,700 by 2031.
<i>Employment</i>	In 2001, 108,910 people were employed in Wellington.	137,260 people are employed in Wellington city.	Property and business services employs more Wellingtonians than any other industry.
<i>Earnings</i>	In 2004, the average employee earned \$25.93 per hour.	Wellington city employees earn an average of \$29.40 per hour.	Wellington city employees have the highest average hourly earnings of all major cities in New Zealand.
<i>Transport</i>	In 2001, 30% of people used public transport, 52% drove and 14% walked.	34% of Wellingtonians who travel into central Wellington on a weekday use public transport, 45% use a	Wellington city has the largest proportion of residents who use public transport of all major cities in New

		car and 10% walk.	Zealand.
<i>House prices</i>	In the March 2005 quarter, the average home cost \$315,800.	In the December 2007 quarter, the average home cost \$431,000.	Wellington city average home prices are the second most expensive in New Zealand, behind Auckland.
<i>Big issues</i>		94% of Wellingtonians say they are concerned about climate change.	Though most Wellingtonians are concerned about climate change, many see it as a problem for future generations.

OUR WORK

including new projects for 2008/09

URBAN DEVELOPMENT

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

The significant growth expected in Wellington over the next 20 years creates some challenges. We're aiming to respond to those challenges in ways that are sustainable and preserve the city's special character.

A key priority through to 2009 and beyond is to improve land use and transport by focusing development along a 'growth spine' stretching from Johnsonville in the north, to the central city, and Newtown and Kilbirnie in the south. Other priorities include improving the way we manage infill development in residential areas, and improving the quality of the city's urban design.

New proposal: promotion of sustainable building

Significant amounts of energy are used in the city's homes and buildings – to run appliances, heat water, and provide lighting and heating. Many buildings would benefit from design features such as better insulation, renewable energy technology such as solar water heating, and better design to make use of the sun's warmth.

We're proposing to offset building consent fees for new buildings that make use of sustainable building features such as these.

Budget: \$30,000 a year for the next three years.

New proposal: heritage patent slip

The 17-tonne, 4.5 metre cog was the main driving wheel at the former Evans Bay patent slip, which was Wellington's main ship maintenance facility from 1872 until it closed in the early 1970s. When the slip was closed in 1985, the cog was mounted on a concrete pad, where it remained until it was removed for the recent redevelopment of Cog Park.

Now that redevelopment of the park is complete, we propose to restore the cog and mount it on a concrete-and-wood platform – displaying the cog in a way that will give an impression of how it would have looked in use.

The cog is nationally significant as a rare example of 19th century industrial technology and a significant local landmark.

Budget: \$122,000 capital spending in 2008/09.

New proposal: earthquake-prone buildings

For the past two years, we have been assessing older buildings in the city and taking steps to deal with those identified as earthquake-prone – for example, by requiring owners to carry out strengthening work. This work is legally required, and involves assessment by engineers, liaison with building owners, and sometimes efforts to enforce requirements to bring buildings up to appropriate safety standards.

Our current budget for this work is \$333,000 per year, ending in 2009/10. We're proposing to increase the budget and extend the project through to 2013/14 to allow us to assess and deal with all of the city's earthquake-prone buildings.

Budget: an additional \$130,000 in 2008/09 and \$465,000 per year over the following five years.

New proposal: resource consent fees waiver on heritage buildings

Heritage buildings add to the city's character. Preserving them makes a difference to the city's appearance and to our sense of identity as Wellingtonians.

Heritage buildings are listed in our District Plan, which places restrictions on demolition, renovation and other changes that might affect the building's heritage value.

To encourage restoration of heritage buildings, we provide grants to developers and others to ensure that the restoration of heritage buildings and assets contribute to the city's character.

We are also looking at other ways to encourage conservation of heritage buildings and acknowledge that protecting a heritage building by listing it in the District Plan can impose costs on building owners by restricting what they can do with the building.

For 2008/09, we are considering the option of waiving resource consent fees on listed heritage buildings. We'd like to hear views on this proposal, on the priority the Council should give to protecting heritage buildings, and on how the Council can most effectively protect and enhance heritage buildings.

Budget: \$50,000 per year.

New proposal: resource consent monitoring

The District Plan contains restrictions on building and land use in the city. These restrictions aim to prevent environmental harm, ensure developments are appropriate for their surroundings (for example, buildings don't breach height restrictions), and protect neighbours from adverse effects such as noise or water runoff.

When a proposed development isn't permitted under the District Plan, the owner or developer has to apply for a resource consent. When they're granted, resource consents often have conditions attached.

We're proposing to employ extra staff to monitor compliance with resource consents. This is necessary to keep up with increased number and complexity of consents that need monitoring. By monitoring compliance, we can deal with non-compliance earlier, potentially heading off the need for costly litigation.

Budget: additional salary costs will be recovered through resource consent fees.

New proposal: anti-graffiti squad

In 2007/08, we trialled an anti-graffiti squad tasked with eliminating graffiti from the city's public spaces and, if owners consent, also from private property facing public areas. The squad also had the job of making certain areas unattractive for graffiti, for example by installing murals. The squads work has been a mixture of proactive and reactive. From July to December 2007, it dealt with 600 complaints about graffiti. The squad also undertook 'blitzes' of graffiti problem areas including parts of Island Bay, Newtown and Kilbirnie.

The costs and benefits of the trial are still being evaluated. We propose to provisionally include funding in our 2008/09 budget to allow the anti-graffiti squad to continue, with final decision to be made after the evaluation is completed.

Budget: \$225,000 for 2008/09.

TRANSPORT

We look after 670km of **streets and roads**, as well as footpaths, cycle lanes, traffic signals, car parks and so on.

We also: **support public transport** through bus priority measures such as bus lanes, letting buses go first at traffic lights, and providing bus shelters; work suburb by

suburb to improve **traffic safety**; and plan to ensure the city's transport network meets future needs.

Our transport system is generally performing well – Wellington's streets are safe by national standards, we're relatively high users of public transport, and most residents believe the city is easy to get around.

However, we do face challenges such as ensuring the transport network can keep up with growing demand, and reducing harmful environmental effects such as noise, water and air pollution.

For the period to 2009, key priorities include managing demand on the transport network, advocating for investment in the city's state highway network, further developing our bus priority measures, and improving access to the port and ferry terminals.

New proposal: household travel survey

One effective way of reducing Wellington's carbon emissions is to shift from private cars to other forms of transport, such as buses, trains, cycles, and walking. Though Wellingtonians are already high users of public transport on a national level, almost half of us still use our cars to get to work.

To encourage greater use of other forms of transport, we first need to understand the reasons for Wellingtonians' current transport choices and what barriers there might be to change. We're proposing to gather this information through a comprehensive survey, which will inform our long-term planning on transport including efforts to encourage cycling and walking.

Budget: \$155,000 during 2008/09 for a comprehensive survey of Wellingtonians' transport use, with the Council funding \$75,000 and Land Transport NZ \$80,000.

New proposal: access to Hataitai Park

We are proposing several changes to improve access to and through Hataitai Park. The proposals include: traffic lights and pedestrian access at the main entry at the intersection of Ruahine and Goa Streets, a reconfigured roading network within the park, and increased parking. The proposals will make the park more accessible for walkers/cyclists and for public transport, and reduce traffic congestion within the park.

This proposal is consistent with the Ngauranga to Airport transport study, which proposed traffic signals at the intersection of Ruahine and Goa Streets.

Budget: \$350,000 capital spending in 2008/09, followed by further capital spending over the following four years.

ECONOMIC DEVELOPMENT

We work to attract **major events** such as the World of WearableArt Awards and the International Sevens. We also fund **tourism promotions**, and support attractions such as **Te Papa** and conference venues such as the **Wellington Convention Centre**.

To support businesses, we provide **free weekend parking** in the city and advocate for the city's interests to central and regional government and to regional

economic development agency Grow Wellington.

Key economic development challenges are to make the city more internationally competitive, foster innovation and entrepreneurship, and lift Wellington's sustainable economic growth.

Priorities for the period to 2009 include: strengthening the city's status as a centre of creativity and innovation; and attracting at least one regular long-haul air service to Wellington from a south-east Asian market.

New proposal: online tourism marketing

People spend more and more time online, and are increasingly likely to use online sources when they're making travel decisions and buying tickets. Positively Wellington Tourism is proposing to step up its online presence, turning its website – www.wellingtonnz.com from a static site with an outdated booking system to a fully interactive experience where users can research, plan and book trips to Wellington and interact online with other visitors to the city.

The project includes a new online booking system, clearer links between www.wellingtonnz.com and other Wellington tourism websites, and new content and applications to integrate the site with online social media.

Budget: \$519,000 in 2008/09, rising to \$810,000 a year by 2015/16. This will be funded from the downtown levy which is paid by central city businesses.

New proposals: tourism staffing and trustee costs

Positively Wellington Tourism is also seeking funding for two other initiatives:

- \$81,000 per year increase to retain and attract Positively Wellington Tourism staff
- \$24,000 per year for an increase in fees for Positively Wellington Tourism trustees.

ENVIRONMENT

We look after the city's 34+ square kilometres of **reserve land**, as well as **beaches**, coastline, and **botanical gardens**. We fund **the Zoo** and the **Karori Sanctuary**, and work to develop other world-class nature-based visitor attractions such as the Marine Education Centre.

We also: provide **water supply**, stormwater and **sewage disposal**; provide **recycling** and **waste disposal** services; offer grants for environmental initiatives; run the Kiwi Point Quarry; and promote **energy efficiency and sustainability**.

The environment is by far our biggest area of spending.

Though Wellington enjoys a stunning natural environment, we also face some significant challenges. Like other cities, we need to find ways of becoming more sustainable – to address broad issues such as climate change – by producing fewer greenhouse gas emissions, dumping less waste, using resources such as water and energy more efficiently, and protecting biodiversity and ecosystems.

Over the period to 2009, key priorities include promoting water and energy

efficiency, improving protection of streams, developing a coherent plan to address biodiversity issues, and strengthening our partnerships with stakeholders to increase environmental awareness, community participation, and the achievement of environmental goals.

New proposal: Karori Sanctuary visitor centre

The Karori Sanctuary is planning a new 'Gateway' incorporating a visitor and education centre, shop, café and conservation displays. The centre, to be funded through Council and government loans, has been delayed by more than two years – partly because it took the Sanctuary longer than expected to secure government funding for the project, and partly because design work the centre was held up when a geotechnical survey found unexpected issues with the stability of a bank behind the site.

The 'gateway' will provide the Sanctuary with additional revenue. The delay means the Sanctuary needs operational funding to sustain its current operations until the gateway opens.

Budget: \$300,000 in 2008/09 and \$700,000 in 2009/10.

New proposal: pest and weed control

Our Biodiversity Action Plan aims to protect and enhance biodiversity by providing habitat for native plants and bird life, restoring and preserving streams and other ecosystems, and planting.

A key part of this work is our Pest Management Plan – in which we work to get rid

of weeds and pest animals such as possums, rabbits, and goats and ferrets from key native ecosystems and other areas of land across the city. In this work, we are supported by the efforts of thousands of community volunteers.

We're proposing to commit additional funding for the next seven years to implement the Pest Management Plan. Our current budgets provide just over \$750,000 a year to implement the plan. Additional funding is needed. We're proposing to increase the total budget to \$832,000 in 2008/09, rising over several years to reach \$1 million in 2014/15.

Deferring this funding would be likely to lead to damage to native plants and wildlife, and lead to a requirement for more costly restoration work and remedial weed and pest control in future years.

Budget: additional funding of \$74,000 in 2008/09 and \$132,000 in 2009/10 with further increases through to 2014/15.

New proposal: wind farm at Southern Landfill

Carey's Gully, the site of the Southern Landfill, has potential as a wind farm for several reasons. The site has a similar wind profile to the Brooklyn wind turbine. There is electricity transmission infrastructure in the gully, and private sector interest in building a wind farm there. And wind technology has developed to a point where it is not only environmentally sustainable but also cost-effective way to generate electricity.

Before going any further, we need to do more investigation to determine whether a wind farm is technically and commercially viable, whether a wind farm would

comply with planning and other laws, and what the appropriate business model might be.

Budget: \$50,000 in 2008/09 for feasibility study.

New proposal: converting sewage into LPG or electricity

The Council late last year decided not to continue to compost sewage sludge at the Southern Landfill. Reasons included smell from the composting plant, cost, lack of market for the compost, and the emergence of new and potentially more sustainable ways to deal with the sludge.

We're now planning to investigate options for future disposal of sewage sludge. Installing a bioreactor plant to convert sewage to electricity or LPG is one of the options that will be considered. Another is a joint Wellington–Porirua sewage drying plant.

Budget: \$50,000 in 2008/09 to investigate options.

CULTURAL WELL-BEING

We fund the city's popular **art galleries and museums**, operate Toi Poneke – the **Wellington Arts Centre**, and support the **NZ International Arts Festival**, the **St James Theatre** and the **NZ Symphony Orchestra**.

We also provide **cultural grants**, support **community events and festivals**, and run the **City Archives**.

Wellington's arts and culture scene is thriving. Our key goal is to maintain this strength, and to ensure that all Wellingtonians can participate in the city's cultural life.

Over the period to 2009, our key priorities include: protecting and enhancing local 'sense of place'; enhancing the area at the top of the Cable Car; strengthening our partnerships with arts organisations; and engaging more effectively with grass-roots arts and culture communities.

New proposal: National Arts Festival for Children

Capital E's National Arts Festival for Children, held every two years, is a fortnight-long programme of dance, drama, music, story-telling, puppet theatre, circus and more.

Since it was first held in 2003, the festival has become an integral part of Wellington's arts calendar. Last year, it attracted a total audience of 38,000.

Despite its popularity, the festival is not currently part of Capital E's core programme. Capital E therefore does not have any ongoing funding to run it.

We propose to provide ongoing funding for the festival. The majority of the festival's \$450,000 annual budget will come from other sources including box office, community grants/sponsorship, and Creative New Zealand grants.

Budget: \$100,000 in 2008/09, and \$50,000 a year thereafter.

New proposal: a world-class film scoring stage for Wellington

Wellington is the centre of New Zealand's film industry and has many world-class film-making facilities, but one important facility the city lacks is a studio where orchestras can record film scores.

We are working with the St James Theatre and other partners on a proposal to fill that gap in the city's film infrastructure by establishing an orchestral studio and scoring stage.

A scoring stage could provide cultural and economic benefits by attracting film scoring work for the New Zealand Symphony Orchestra, and attracting additional work for Wellington film post-production facilities.

It could also become a permanent rehearsal base for the NZSO, freeing up the Michael Fowler Centre for other uses. The orchestra currently uses the Michael Fowler Centre 90 days a year.

Preliminary work indicates that a scoring stage would cost about \$22 million to build. We expect that this will be funded from other sources, with us providing resources for feasibility studies and concept development, and possibly also providing land.

Budget: \$70,000 for design, economic impact assessment and business plan costs.

New proposal: fees for museums and galleries trustees

We're proposing to increase trustee fees for members of the Wellington Museums Trust.

Budget: ongoing additional funding of \$23,000 per year.

SOCIAL AND RECREATION

We provide **homes** for people whose needs are not met by state housing or the private housing market, fund projects to help **homeless people**, support community organisations, and provide **community centres and halls**.

We also work to protect **public health and safety** through projects such as monitoring the city centre, banning liquor consumption in public in parts of the city, **licensing food and liquor outlets, animal control**, regulating other public health risks, providing **toilets and cemeteries**, and preparing the city to deal with emergencies such as **earthquakes**.

Our recreation work includes: providing **libraries, playgrounds, swimming pools, recreation centres, sports fields and marinas**; running recreation programmes; and reducing the costs of using sport and recreation facilities for people who have community services cards.

Key challenges include providing for a population that is growing in size and diversity, and catering for a wider range of recreation activities.

Over the period to 2009, priorities include increasing the value of community facilities to their communities, promoting social cohesion and sound social infrastructure, and promoting participation in sport and recreation, particularly for youth.

New proposal: City safety and Courtenay Place

We are proposing to implement a five-year vision for Courtenay Place and surrounding streets, which will improve safety and address alcohol-related issues while helping the precinct to continue as the city's premier entertainment district.

The vision includes: a wider range of venues and more outdoor café seating; and a streetscape which accommodates late-night crowds while also providing for daytime and evening activities such as dining, movies, street theatre, live music and markets; and steps to address safety issues and reduce alcohol-related harm.

Specific proposals include:

- A 24/7 central city liquor ban
- more Walkwise officers at key times
- installation of three new closed circuit TV cameras in Courtenay Place and two in other parts of the central city
- upgraded street lighting
- a late-night taxi stand and queuing system
- summer concerts in Courtenay Place Park
- redevelopment, over the next few years, of the Courtenay Place streetscape
- implementation of bus priority measures.

Budget: additional capital spending in 2008/09 of \$200,000 for street lighting, \$140,000 for closed circuit TVs and \$30,000 for a 24/7 liquor ban, and operational spending of \$90,000 a year for Walkwise officers, \$107,000 to operate

the closed circuit TV system, and \$80,000 to designate Council staff to manage the Courtenay precinct.

New proposal: Nairnville Park artificial surface

Nairnville Park is a recreation 'hub' for northern Wellington with three sports fields, a recreation centre, playground, skateboard ramp and netball court. High levels of use have harmed the turf on the sports fields: in the past two seasons, fields have had to close a number of times to allow turf to recover.

We're proposing to install artificial turf on the park's upper sports field. The surface would be floodlit. Installing artificial turf would:

- allow use to increase significantly
- allow for use in all weathers
- provide a better quality playing surface
- be cost effective – despite the installation costs, artificial turf costs less per hour of use than natural turf
- help protect other Nairnville fields from over-use
- enable the recreation centre to provide new programmes.

Budget: \$750,000 capital spending in 2008/09; ongoing spending of \$133,000 for depreciation/interest and electricity/security.

New proposal: Basin Reserve practice wicket

The Basin Reserve is one of the country's premier test cricket grounds. The Basin Reserve Trust is seeking funding to build 11 practice wickets at the south-western

corner of the ground, behind the Sir Ron Brierley Pavilion. Building these practice wickets would allow players to practice while a match is in progress, and enhance the main field (where outdoor practice wickets are currently located). While off-site practice wickets are not currently required at test cricket grounds, it is likely they will be required in future. We are proposing to fund this during the 2009/10 year.

Budget: \$450,000 in 2009/10.

New proposal: Pasifika Arts Festival

We held the inaugural Absolutely Positively Pasifika Festival in February 2008. The festival acknowledges the important contribution Wellington's Pacific people make to the city's vibrant community life and the success of the festival has prompted calls for it to be held annually. We're proposing to make the Absolutely Positively Pasifika Festival to be an annual event.

Budget: \$60,000 per year.

New proposal: a new floor for Thistle Hall

The first floor of Thistle Hall on Cuba Street needs to be replaced to bring it up to appropriate safety standards. The hall has high levels of public use for dance, tai chi and other activities. If a new floor is installed, other changes will also be required under the Building Act, including installation of a lift and toilets.

08/09 budget: \$250,000 capital spending.

GOVERNANCE

Our governance work includes running local **elections**, holding **meetings of the Council** and its committees, producing policies and strategies to guide our work, **seeking feedback** on our proposals from members of the public, producing annual plans and annual reports to make ourselves **accountable to residents**, engaging with **Maori and stakeholder groups**, and **providing information** about our services and activities.

The key challenges we face are to increase participation levels and build trust and confidence in civic decision-making.

Our priorities for the period to 2009 include improving the transparency and quality of processes for public involvement in civic decision-making, and increasing participation rates in democratic processes.

Review of our work programme

In the coming year, we'll undertake a comprehensive review of our work programme as we develop a new long-term plan for the city.

As part of this review, we'll be taking a fresh look at issues likely to face the city in the coming decade. We'll seek public views on our work and the city's future direction. And we'll ask for feedback on where to draw the line between providing high quality services and ensuring those services are affordable.

The long-term plan will set a general direction for 10 years and a detailed programme for three.

[breakout panel]

ON THE HORIZON

The following projects will be considered for funding when we finalise our annual plan in June:

- The owners of the Koura, a World War 2 patrol boat, have approached us with a proposal for a public-private partnership to upgrade the historic **Shipwrights Building** and slipway at **Shelly Bay**. The building would then be leased back to the owners for 10 years and the Koura would be housed there, along with a small museum highlighting Wellington's wartime naval defence. While the proposal has potential to focus attention on an often overlooked aspect of Wellington's heritage, any decision needs to be balanced against the costs involved and potential future uses of Shelly Bay. We do not have a final budget for this proposal but costs may include foregone rental on the building and capital costs involved in upgrading the building and slipway.
- The current **Khandallah community centre** (Cornerstone) will not be available after 2008. We are considering the option of using the Khandallah Town Hall to house the community centre. Over coming months, further work will be carried out to determine whether community aspirations can be met while the hall's heritage value is preserved.

- The Crossways Trust is raising funds to buy the **Crossways Community House** in Mt Victoria from the Presbyterian Church. The trust aims to open a community kindergarten and crèche in the building while continuing to provide community meeting space upstairs. It has set fundraising targets to help it meet the expected \$1.35–\$1.6 million price tag. Subject to those targets being met, we propose to contribute funding to help the trust buy the house.

What's your view on these proposals? Comment online www.wellington.govt.nz, email annual.plan@wcc.govt.nz, or send your views to Draft Annual Plan, Wellington City Council, PO Box 2199, Wellington.

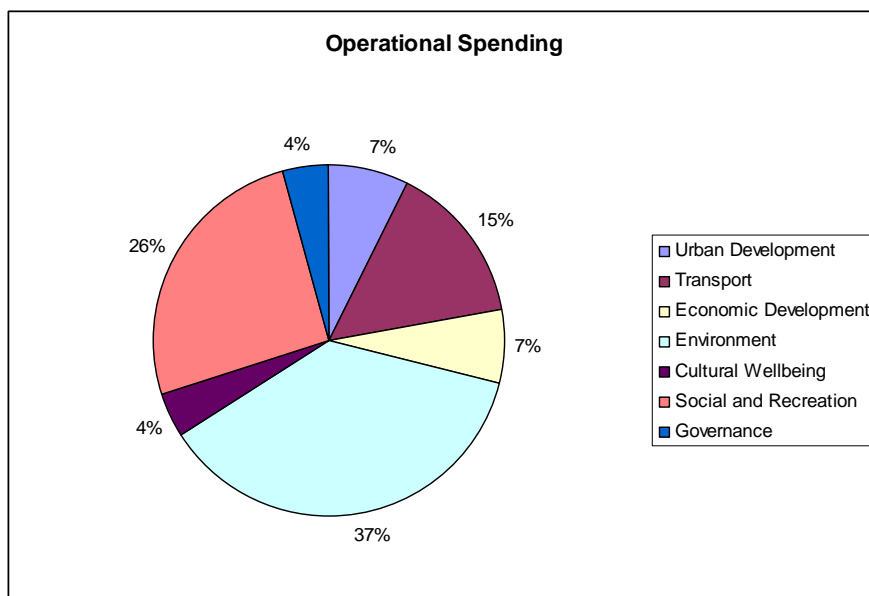
RATES, CHARGES AND SPENDING

We're proposing a 5.1% increase in Council rates and some increases in user charges.

OPERATIONAL SPENDING

We're forecasting total operational spending of \$328 million during 2008/09.

Operational spending provides for all of our day-to-day operations and services – things like waste disposal, water supply, operating the transport network, issuing building and resource consents, maintaining parks and gardens and so on.



37% of our operational spending relates to the Environment strategy area. This includes expenditure in relation to the provision of water, wastewater and stormwater, as well as green open spaces. Other significant areas of operational spending include transport, and social/recreation services.

RATES

We're proposing a 5.1% real increase in Council rates for 2008/09.

The Council's is funded operational spending from a combination of general rates, targeted rates, user charges, grants/subsidies, and other income (such as dividends).

The Council sets targeted rates to fund costs associated with the Council's water, sewerage and stormwater systems. Separate targeted rates are set for Marsden Village, Downtown, and Tawa driveways.

There are two categories of general rates: the base general rate, and the commercial sector general rate. The Council has a rates differential in place that decides the share of general rates paid by residents and businesses. It is proposed to gradually reduce this differential over time. In 2007/08, the commercial sector general rate was 4.2 times higher than the base rate for a property of the same value. We propose to reduce this differential so that the commercial sector will contribute 3.8 times more general rate than the residential ratepayer for a property of the same value in 2008/09. By 2011/12, we aim to reduce this differential to 2.8:1.

When we decide whether to fund a service from rates or other sources, we consider a wide range of factors including who benefits.

Decisions about how to fund a service are guided by our Revenue and Financing Policy. Under the policy, for each activity we consider the following criteria:

- who benefits – individuals, an identifiable part of the community, or the whole community
- whether the people or groups who benefit could be excluded from the service if they don't pay, and whether excluding them would be fair and equitable
- whether the benefits will extend to future generations as well as current ones
- the 'polluter pays' principle – that people and groups should pay for harm they directly cause
- overall impact on social, economic, cultural and environmental well-being.

We then agree the proportion of funding that each sector will contribute to pay for each activity. For instance, tourism promotion is funded through the downtown levy (the retailers, restaurants, bars, hotels and other businesses located in the downtown area who benefit from visitors' spending), while our city safety programme, which benefits everyone, is funded through the general rate.

The rates increase for 2008/09 is lower than we had previously forecast.

In our amended 2006–2016 long term plan, we had forecast a rates increase of 7.1% for 2008/09. The lower-than-previously-forecast figure reflects our efforts to manage the city's finances efficiently and prudently. While we're proposing some new projects, we've also sought operational efficiencies and rescheduled

some of our work programme to keep the rates increase below previously forecast levels.

The actual rates changes affect each household or property differently, depending on changes in capital value.

The rateable capital value for the average residential property has increased by 13% to \$530,000 over the past year. The rates on this property for 2008/09 will be about \$1,846. Rates for your property will be higher or lower than this depending on the value of your property. It is important to note that an increase in the capital value of properties in the city does not mean that the Council automatically collects more rates. We set the overall level of rates to cover the operating expenditure of the Council less any external income (from sources other than rates) we receive. We then use, in most cases, the capital value of all properties to allocate the rates requirement.

The final rates increase for an individual property will depend on:

- The overall increase in the Council's rateable budget
- Any changes in the rates differential or uniform rates applying to that property
- The growth in the number of rateable properties in the city (e.g. due to construction of new houses, apartments and business premises)
- The change in a particular property's capital value compared to the average change in capital value for other properties.

Indicative residential property rates (without a water meter)

2008/09 Capital Values \$	2008/09 Rates \$
200,000	837
300,000	1,143
400,000	1,449
500,000	1,755
600,000	2,061
700,000	2,366
800,000	2,672
900,000	2,978

Water Rates

This year we are proposing to increase the per cubic meter charge for ratepayers who have a water meter installed.

The last increase in the metered water charge was in 2004/05. This year we propose to increase the charge for those ratepayers with a water meter installed from \$1.37 per cubic meter to \$1.58 per cubic meter to ensure that those with a water meter continue to pay their fair share of the costs of the water activity.

REVENUE AND FINANCING POLICY

We are proposing the following variations from our Revenue and Financing Policy.

We are increasing the proportion of the Building Control and Facilitation activity to be funded by user charges from 60% to 65%, to better reflect the proportion of costs the Council is seeking to obtain from the direct beneficiary.

We are decreasing the proportion of the Promoting and Hosting Cultural Events activity funded from non-rates revenue from 25% to 20% to reflect a transfer of events into this activity. This is fiscally neutral at an overall Council level.

These changes will be formalised into the Revenue and Financing Policy when the Long Term Council Community Plan (LTCCP) is revised next year.

USER CHARGES

We're also proposing to change fees and charges for some of our services.

We are proposing to raise fees in a number of areas this year. The majority of these increases are minor and reflect cost pressures. Increasing fees by a little each year ensures that ratepayers are not over-subsidising services the Council provides, and helps to avoid larger increases in future. Activities for which fee increases are proposed include:

- Development control and facilitation (resource consent fees etc.)
- Sandwich boards
- Landfill charges (recycling levy)
- Marinas
- Sports fields
- Burials and cremations.

A full list of changes to fees and charges is included on page xx.

Decisions about user charges and ratepayer funding of each service are made in accordance with our Revenue and Financing Policy, and depend on a range of factors including who benefits from the service (see above).

Trade Waste Charges

This year we propose to introduce a trade waste charging regime. This will mean that businesses that discharge trade waste into the sewer will pay charges that

better reflect the cost of transporting, treating and disposing of this waste. It will also provide an incentive for these disposers to reduce the level of trade waste they produce.

The Council will not collect any more money overall from the introduction of these charges. It just means that all commercial ratepayers will pay a little less in sewerage rates. The full draft trade waste policy is included on pages XX to XX.

CAPITAL SPENDING

We're continuing to invest in the infrastructure of the City.

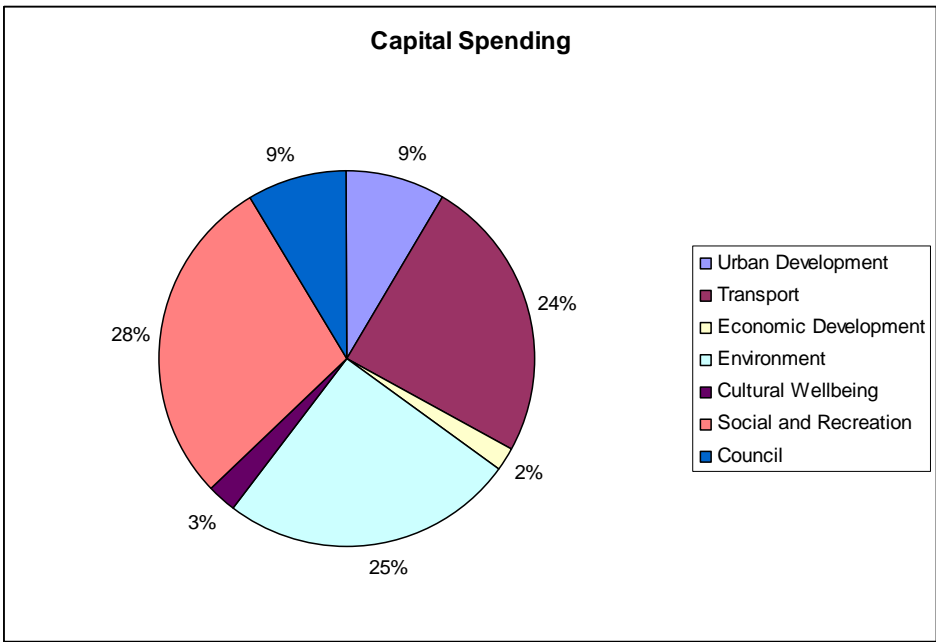
Capital spending pays for property, plant and equipment. This includes buying, building, developing and upgrading assets such as buildings, roads, bridges, water and stormwater pipes, and so on.

We fund capital expenditure from depreciation, borrowings, reserves and bequests, Land Transport NZ and other subsidies, and development contributions. For asset renewals, the main funding source is depreciation. For new assets, the main funding source is borrowings.

We aim to manage our borrowing within the following targets:

- total Council borrowing is less than 10% of equity and less than 150% of income
- net interest is less than 15% of income and less than 20% of rates income
- liquidity is greater than 110%.

We're forecasting capital spending (excluding carried forward expenditure and loans to other organisations) of \$120 million for 2008/09. That's an increase of \$21 million from 2007/08, but compares favourably with our previous forecast for 2008/09 of \$145 million. This change reflects the reprioritisation of some capital works we'd budgeted for in our LTCCP – further information is provided in the “Our Activities in Detail” chapter.



VARIANCES FROM LONG TERM PLAN

Each year we review the underlying assumptions and costs that make up each activity. For each activity we consider the impact of a number of factors, including:

- changes in direct costs
- updated forecasting assumptions (including changes to the forecast timing of projects)
- the allocation of indirect and organisational costs/efficiencies
- the appropriateness of inflation and CPI adjustments
- changes affecting our opening position (eg updated borrowings forecasts)

This means that the proposed costs for each activity may differ from those we had originally forecast for 2007/08 in the long term plan.

Further information is provided in the “Our Activities in Detail” chapter.

CONSULTATION

What do you think of our proposals?

You can make comments online or write to us.

Comments can be made online at www.Wellington.govt.nz. Or you can write a submission, send a letter or email, or use the comments form in this annual plan or our *Absolutely Positively Wellington* newspaper.

Send comments to:

- Annual Plan, Wellington City Council, PO Box 2199, Wellington
- Annual.Plan@wcc.govt.nz

You also have the opportunity to present your submission in person to a subcommittee of councillors.

We need to hear your views before 5pm on 19 May.

Come to a meeting.

You can find out more about our proposals and the thinking behind them by coming to a meeting. We have the following public meeting scheduled:

- 2008/09 draft annual plan meeting – on [insert date] at [insert time].

The meeting will be held in Committee Room One in the Council buildings at 101

Wakefield Street.

If you are a member of a resident association, sports club or other form of community group and would like to organise for a presentation on the draft plan at one of your meetings during the consultation period please contact 499 4444.

Your views do matter.

Every year, we change our plans in response to public input. We appreciate the submissions we get, and we do take them seriously.

The Mayor and councillors will get copies of every submission. A subcommittee will listen to oral submission in late May and they'll report to our Strategy and Policy Committee in late June. The committee will discuss your views and start finalising the work programme for the year. Then, on 27 June, the full Council will meet to finalise the programme.

If you've made a submission, we'll write to you and let you know what was decided. Our annual plan will be published in July.

COPIES OF THIS PLAN

You can get extra copies of this annual plan from libraries, service centres, or Council offices. If you phone 499 4444 we'll send you a copy. You can also download copies from www.Wellington.govt.nz.