

## 7. INDIVIDUAL ACTIVITY ANALYSIS BY KEY ACHIEVEMENT AREA

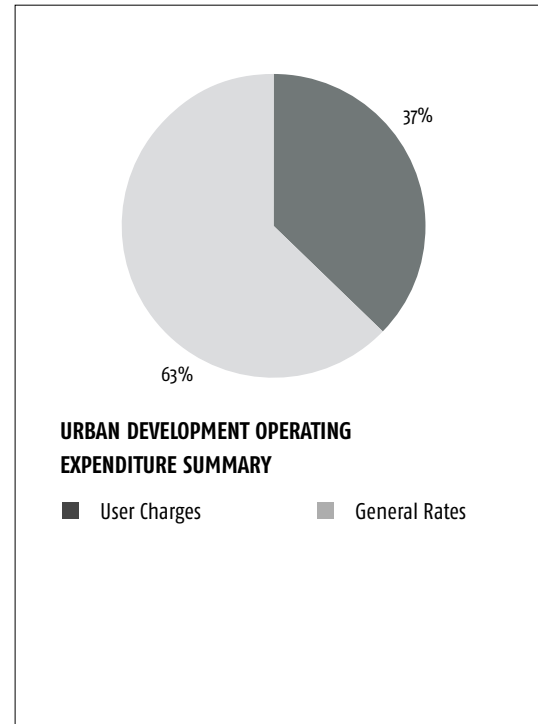
### I) URBAN DEVELOPMENT STRATEGY

#### DIRECTING GROWTH AND DELIVERING QUALITY

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

#### OPERATING ACTIVITIES

With the exception of regulatory services provided the majority of activities with the Urban Development Strategy are funded by the whole community via the General Rate. The funding sources for this strategy are illustrated in the graph below.

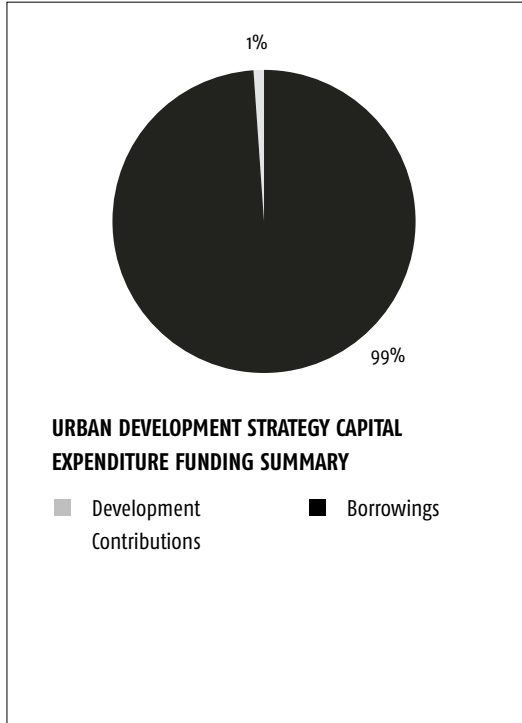


Activity	Funding Sources						
	User Charges	Other Income	General Rates	Targeted Rates			
				Residential	Commercial	Downtown	Other
1.1.1 Urban planning and policy development	0%	0%	100%	0%	0%	0%	0%
1.2.1 Smart growth	0%	0%	100%	0%	0%	0%	0%
1.3.1 Development regulation and facilitation	40%	0%	60%	0%	0%	0%	0%
1.4.1 Earthquake risk mitigation	0%	0%	100%	0%	0%	0%	0%
1.4.2 Building regulation and facilitation	60%	0%	40%	0%	0%	0%	0%
1.5.1 Waterfront development	0%	0%	100%	0%	0%	0%	0%
1.5.2 Public space and centre developments	0%	0%	100%	0%	0%	0%	0%
1.5.3 Heritage development	0%	0%	100%	0%	0%	0%	0%

**CAPITAL EXPENDITURE**

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

Urban development capital expenditure projects are funded through a combination of rates funded depreciation, borrowings and development contributions, as detailed below.



Activity	Funding Sources			
	LTNZ Capex Subsidies	Development Contributions	Depreciation	Borrowings
1.5.2 Public space and centredevelopments	0.0%	1.4%	0.2%	98.4%

**URBAN DEVELOPMENT STRATEGY – ACTIVITY FUNDING COMMENTARY**

**ACTIVITY 1.1.1: PROVIDER – URBAN PLANNING AND POLICY DEVELOPMENT**

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

**COMMUNITY OUTCOME**

The very nature of urban planning and policy work means that it will contribute to a large number of community outcomes. Overall our work in this area will make the city more liveable, more sustainable and ensure the city is well connected. Primarily the work contributes to the outcome that “urban development will support Wellington’s uniqueness as a compact harbour city”

**WHO BENEFITS?**

*Whole community* 100%

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

**WHO SHOULD PAY?**

*Whole community* 100%

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

**OUR FUNDING TARGETS: OPERATING EXPENSES**

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

**Total** 100%

**ACTIVITY 1.2.1: PROVIDER – SMART GROWTH**

An important component of our overall urban planning and policy work is how we manage infill developments. This will be a priority for the Council over the next three years as we work on the ‘growth spine concept’.

**OUR APPROACH TO FUNDING THIS AREA**

As this activity is a subset of our overall urban planning and policy development we apply the same funding decisions as are outlined under activity 1.1.1 provider – Urban planning and policy development.

**OUR FUNDING TARGETS: OPERATING EXPENSES**

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

**Total** 100%

### ACTIVITY 1.3.1: REGULATOR – DEVELOPMENT CONTROL AND FACILITATION

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

#### COMMUNITY OUTCOME

This work is statutorily required and contributes to each of the community outcomes that relate to urban development. Overall this activity contributes to the Council's long term goal that Wellington will have a contained urban form, with intensification in appropriate areas and mixed land-use, structured around a vibrant central city, key suburban centres and major transport corridors.

#### WHO BENEFITS?

<i>Individuals</i>	75%
<i>Whole community</i>	25%

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

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

#### WHO SHOULD PAY?

<i>Individuals</i>	50%
<i>Whole community</i>	50%

While individuals receive an estimated 75 percent of the benefit from the Council's development control work, our ability to recover costs from those individuals is limited. User charges for some activities are set by law or regulation. For some activities, the law prevents us from charging at all. In addition, while individuals causing damage to the environment should bear the costs of dealing with their actions, it is not always possible to identify them.

To meet 75 percent of the costs of resource consents through user charges would require raising them to a level that may create a disincentive for growth and development of the city, potentially harming the economy.

These factors mean that, historically, we have been able to recover only about a third of the cost of this activity through user charges. Further initiatives are being investigated to improve this rate in the future.

OUR FUNDING TARGETS: OPERATING EXPENSES	
User charges	40%
Other revenue	0%
Targeted rate	0%
General rate	60%
<b>Total</b>	<b>100%</b>

### ACTIVITY 1.4.1: REGULATOR AND FUNDER – EARTHQUAKE RISK MITIGATION

The Council has a statutory responsibility under the Building Act to mitigate the risks that earthquakes may have on structures. We have drafted a policy on how we intend to identify substandard structures and facilitate their strengthening. This activity covers that work and also the contribution that the Council may make to a localised earthquake assessment study.

#### COMMUNITY OUTCOME

This activity primarily contributes to the outcome that “Wellingtonians will feel safe in all parts of the city”. It also contributes in part to the outcome that “Wellington will protect its heritage buildings and ensure that new developments are sympathetic to them”.

Note that this policy is currently out for consultation. As the policy stands it would be expected that this funding would be drawn from the general rate.

OUR FUNDING TARGETS: OPERATING EXPENSES	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
<b>Total</b>	<b>100%</b>

### ACTIVITY 1.4.2: REGULATOR – BUILDING CONTROL AND FACILITATION

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

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

#### COMMUNITY OUTCOME

This activity primarily contributes to the outcome that “Wellingtonians will feel safe in all parts of the city”.

#### WHO BENEFITS?

*Individuals* 100%

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

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

#### WHO SHOULD PAY?

*Individuals* 100%

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

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

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

<b>OUR FUNDING TARGETS: OPERATING EXPENSES</b>	
User charges	60%
Other revenue	0%
Targeted rate	0%
General rate	40%
<b>Total</b>	<b>100%</b>

### ACTIVITY 1.5.1: FUNDER – WATERFRONT

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

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

#### COMMUNITY OUTCOME

Primarily this activity contributes to the outcome that "urban development will support Wellington's uniqueness as a compact harbour city". It also contributes in part to the outcome that "Wellington will protect its heritage buildings and ensure that new developments are sympathetic to them".

#### WHO BENEFITS?

*Whole community* 100%

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

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

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

#### WHO SHOULD PAY?

*Whole community* 100%

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

<b>OUR FUNDING TARGETS: OPERATING EXPENSES</b>	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
<b>Total</b>	<b>100%</b>

## ACTIVITY 1.5.2: PROVIDER – PUBLIC SPACE AND CENTRE DEVELOPMENT

We fund work to develop the street environments, urban parks and squares, and other public areas in the city and suburban centres. We aim to make these areas safe, accessible and attractive, with plenty of green space. This activity includes maintenance of the city's public artworks and consultation, planning and co-ordination of suburban centre upgrades.

### COMMUNITY OUTCOME

This work contributes in part to the outcome that "Wellington's thriving suburban and rural centres offer enhanced services and lifestyle choices". More specifically the work contributes to the Council's long term goal of strengthening the city's 'sense of place'.

### WHO BENEFITS?

*Whole community* 100%

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

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

### WHO SHOULD PAY?

*Whole community* 100%

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

### OUR FUNDING TARGETS: OPERATING EXPENSES

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

<b>Total</b>	<b>100%</b>
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### ACTIVITY 1.5.3: FUNDER AND FACILITATOR – HERITAGE DEVELOPMENT

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

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

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

A priority of the Council is to upgrade the city’s Maori heritage trails. These are funded separately under activity 5.1.2 Provider – Promotion of heritage landmarks.

#### COMMUNITY OUTCOME

This activity contributes in part to the outcome that “Wellington will protect its heritage buildings and ensure that new developments are sympathetic to them”. It is also makes an important contribution to the Council’s long term goal of strengthening the city’s ‘sense of place’.

#### WHO BENEFITS?

*Whole community* 100%

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

#### WHO SHOULD PAY?

*Whole community* 100%

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

OUR FUNDING TARGETS: OPERATING EXPENSES	
User charges	0%
Other revenue	0%
Targeted rate	0%
General rate	100%
<b>Total</b>	<b>100%</b>