
REVENUE AND FINANCING POLICY:

Our 10-year plan

Wellington City Council's Draft Long-term Plan 2015-25

Draft Revenue and Financing Policy

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Introduction

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

We have set out our policy under the following headings:

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

1. Policy Statement on the funding of operational expenditure

Establishing the level of operating revenue required to fund operating expenditure

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

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

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

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

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

Accounting for fair value changes. Under New Zealand International Financial Reporting Standards (NZIFRS), changes in the fair value of certain assets must be accounted for within the Statement of Financial Performance. In accordance with Section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.

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

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

Non-funding of depreciation on waterfront assets. The Council has transitioned the waterfront project 'in-house' during 2014/2015. This acquisition has necessitated a transition toward fully funding the depreciation of waterfront assets by 2024/25. This transition funding will link the cost of funding to the benefits received over time.

Options available for funding Council services

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

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

Use of surpluses from previous financial periods.

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

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

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

The Council will not carry forward surpluses in relation to:

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

Funding of expenditure from restricted or special funds.

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

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

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

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

generated for the year. This shall flow through to a Development Reserve within the Council's equity.

- *Other reserves and ring-fenced funds.* Restricted funds also include other reserves, reserve purchase and development reserve, any sub-division development reserve and ring-fenced cumulative surpluses/deficits from City Housing and Marina Operations activities. Subject to meeting any specified conditions associated with these reserves the Council may expend money, of an operating or capital nature, from these reserves.
- *Regional Amenities:* Local authorities in the Wellington region operate a Regional Amenities Fund. The Fund is as a resource for entities that provide regional benefits in the arts, culture and environmental attractions and events sectors. The fund is a partnership between Wellington City Council, Hutt City Council, Upper Hutt City Council, Masterton District Council and Kapiti District Council. The fund ensures that regionally significant entities can be developed or sustained. The source of funds for Wellington City Council's contributions will be drawn in line with the activity rationale outlined in this policy. For example, any contribution to Te Papa from the Council as part of the Regional Amenities Fund would be drawn from the sources outlined in section 4.1.7.

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

Operating expenditure Funding mechanism	Approximate proportion of funding for 2015/16
General Rate	35%
Targeted rates	
• Sewerage rate	9%
• Water rate	9%
• Stormwater rate	4%
• Base (residential)	2%
• Commercial sector	1%
• Downtown targeted rate	3%
• Business Improvement District and other minor rates	1%
Total targeted rates	29%
Total fees and charges	22%
Other sources	
• Ground and commercial lease	9%
• Dividends	3%
• Miscellaneous	2%
Total other income	14%
<p>Note: Decisions on the use of other funding sources i.e. use of prior period surpluses, non-funded depreciation, special and other reserves are project-specific are made on an annual basis. In such circumstances, revenue from these sources reduces the level of funding provided through the General Rate.</p>	

2. Policy Statement on the funding of capital expenditure

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

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

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

Capital expenditure Funding mechanism	Approximate proportion of funding for 2015/16
Rates funded depreciation	51%

NZTA transport subsidies	8%
External grants	22%
Development contributions	1%
Borrowings	27%

3. Setting the level of revenue from rates

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

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

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

This section shows how the operating expenditure associated with each of the Council's activities are funded through applying the requirements of section 101 (3) of the Local Government Act 2002. Our activity analysis is organised under the following headings:

- **Community outcome.** The Council has four community outcomes:
 - Connected city
 - Dynamic central city
 - People centred city
 - Eco City

We make reference to the community outcome to which each activity relates in our analysis.
- **Activity Area.** The Council's activity areas consolidated into seven strategic areas in which we provide a service to the community. These are:
 - Governance
 - Environment
 - Economic development
 - Cultural wellbeing
 - Social and recreation
 - Urban development
 - Transport.

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

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

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

5. The general rates differential

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

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

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

In 2015/16 the Council proposes no change in the rates differential. This means that a commercial sector ratepayer will contribute 2.8 times more to the general rate than residential ratepayer for each dollar of rateable property capital value.

6. Summary of operating expenditure funding by activity

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Governance	Governance, information and engagement	1.1.1	City governance and engagement	0%	0%	100%	100%	0%	0%	0%
		1.1.2	Civic information	5%	0%	95%	95%	0%	0%	0%
		1.1.3	City Archives	10%	0%	90%	90%	0%	0%	0%
Environment	Maori and Mana Whenua partnerships	1.2.1	Maori and Mana Whenua partnerships	0%	0%	100%	100%	0%	0%	0%
	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	5%	0%	95%	95%	0%	0%	0%
		2.1.2	Botanical gardens	10%	0%	90%	90%	0%	0%	0%
		2.1.3	Beaches and coast operations	0%	5%	95%	95%	0%	0%	0%
		2.1.4	Roads open spaces	0%	5%	95%	95%	0%	0%	0%
		2.1.5	Town belts	0%	5%	95%	95%	0%	0%	0%
		2.1.6	Community environmental initiatives	0%	0%	100%	100%	0%	0%	0%
		2.1.7	Walkways	0%	0%	100%	100%	0%	0%	0%
		2.1.8	Biodiversity (pest management)	0%	0%	100%	100%	0%	0%	0%
		2.1.9	Waterfront Public Space	5%	15%	80%	80%	0%	0%	0%
	Waste reduction and energy conservation	2.2.1	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%
		2.2.2	Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%
		2.2.3	Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	0%
	Water	2.3.1	Water network	0%	0%	100%	0%	60%	40%	0%
		2.3.2	Water collection and treatment	0%	0%	100%	0%	60%	40%	0%
	Wastewater	2.4.1	Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%
		2.4.2	Sewage treatment	5%	0%	95%	0%	60%	35%	0%
Stormwater	2.5.1	Stormwater management	0%	0%	100%	0%	77.5%	22.5%	0.0%	
Conservation attractions	2.6.1	Conservation Visitor Attractions	0%	0%	100%	100%	0.0%	0.0%	0.0%	
Economic Development	City promotions and business support	3.1.1	Wellington Regional Economic Development Agency (WREDA) and Venues	0%	0%	100%	20%	0%	30%	50%
		3.1.2	Wellington Convention Centre	0%	0%	100%	60%	0%	0%	40%
		3.1.3	Retail support (free weekend parking)	0%	0%	100%	0%	0%	0%	100%
		3.1.4	Wellington Economic Initiatives Development Fund (WEID) and Economic Grants	0%	0%	100%	100%	0%	0%	0%
		3.1.5	Major Projects	0%	0%	100%	100%	0%	0%	0%
		3.1.6	International relations	0%	0%	100%	100%	0%	0%	0%
		3.1.7	Business Improvement Districts	0%	0%	100%	0%	0%	100%	0%
Cultural Wellbeing	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3	Arts and cultural festivals	0%	15%	85%	85%	0%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6	Arts partnerships	0%	25%	75%	75%	0%	0%	0%
		4.1.7	Regional amenities	0%	0%	100%	100%	0%	0%	0%
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	38%	0%	62%	62%	0%	0%	0%
		5.1.2	Sportsfields	10%	0%	90%	90%	0%	0%	0%
		5.1.3	Sportsfields (Synthetic)	40%	0%	60%	60%	0%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%	0%
	Community support	5.1.7	Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	40%	0%	60%	60%	0%	0%	0%
		5.1.9	Recreation programmes	5%	0%	95%	95%	0%	0%	0%
		5.2.1	Libraries	10%	0%	90%	90%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%	
	5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%	
	5.3.3	Public health regulations	60%	0%	40%	40%	0%	0%	0%	
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	50%	0%	50%	50%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
Transport	Transport	7.1.1	Regulator - Building Control and Facilitation	0%	0%	100%	100%	0%	0%	0%
		7.1.2	Weathertight Homes	0%	0%	100%	100%	0%	0%	0%
		7.1.1	Transport planning	0%	15%	85%	85%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	0%	100%	100%	0%	0%	0%
		7.1.4	Passenger transport network	0%	65%	35%	35%	0%	0%	0%
		7.1.5	Pedestrian network	0%	0%	100%	100%	0%	0%	0%
	7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%	
Parking	7.1.7	Road safety	0%	30%	70%	70%	0%	0%	0%	
	7.2.1	Parking	100%	0%	0%	0%	0%	0%	0%	

Governance

Delivering confidence in civic decision-making

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

Operating activities

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

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

Capital Expenditure

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

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

Governance – activity commentary

1.1 Governance, Information and Engagement

ACTIVITY 1.1.1: CITY GOVERNANCE AND ENGAGEMENT

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

Community outcome

This activity contributes to the following community outcome:

- *People-centred city* – it enhances trust and confidence in civic decision-making and encourage the community to participate in city governance.

Who Benefits?

Whole community 100%

The whole community benefits from this activity. Policy formulation, consultation and planning are essential Council services. They enable elected members to set policies and manage resources to benefit the whole community. Along with elections, they also allow people to influence the Council. These decision-making and accountability processes enhance residents' well-being by improving the quality of

Council decisions and by giving them a sense of empowerment arising from the fact they can have their voices heard.

Who should pay?

Whole community

100%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 1.1.2: CIVIC INFORMATION

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

Community outcome

This activity contributes to the following community outcome:

- *People-centred city* - providing information about the city and its services allows people to use the city's facilities and provides access to information.

Who Benefits?

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

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

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

Who should pay?

<i>Individual</i>	5%
<i>Identifiable part of the community</i>	5%
<i>Whole community</i>	90%

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

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

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>95%</u>
TOTAL	100%

ACTIVITY 1.1.3: CITY ARCHIVES

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

Community outcome

This activity contributes to the following community outcome:

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

Who Benefits?

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

The whole community benefits from this activity. Maintaining the City Archives collection for posterity and ensuring that it can be easily accessed is an important community service. The City Archives contribute to our understanding of the past and to forging a strong local community – it contributes to our sense of place.

Individuals who choose to use the City Archives can be seen to benefit directly from their access to the collection. The collection is used for private study and for research. Staff provide assistance with searches and with photocopying and with copying of archived photographs.

Who should pay?

<i>Individual</i>	10%
<i>Whole community</i>	90%

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

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

The user charges for these services are broadly in line with those charged by the Alexander Turnbull Library and Archives New Zealand.

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

1.2 Maori and Mana Whenua Partnerships

ACTIVITY 1.2.1: MAORI AND MANA WHENUA PARTNERSHIPS

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

Community outcome

This activity contributes to the following community outcome:

- *People-centred City* - this activity promotes inclusiveness, celebrates social and cultural diversity and enable us to respond to the needs and aspirations of Māori. Our work aims to enhance the visibility of Māori culture and history in the city by telling the story of Wellington's Māori.

Who Benefits?

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

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

Who should pay?

<i>Whole community</i>	100%
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Though the benefits of this activity accrue to both Maori and the whole community, the Council believes it is appropriately funded from general rates. There reasons for this are that since this activity is about meeting treaty obligations, it is appropriate for this activity to be funded from general rates.

Our funding targets: operating expenses

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

Environment

Protecting and enhancing our natural environment

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

Operating activities

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

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other	
Environment	Gardens, beaches and green open spaces	2.1.1	Local parks and open spaces	5%	0%	95%	95%	0%	0%	0%	
		2.1.2	Botanical gardens	10%	0%	90%	90%	0%	0%	0%	
		2.1.3	Beaches and coast operations	0%	5%	95%	95%	0%	0%	0%	
		2.1.4	Roads open spaces	0%	5%	95%	95%	0%	0%	0%	
		2.1.5	Town belts	0%	5%	95%	95%	0%	0%	0%	
		2.1.6	Community environmental initiatives	0%	0%	100%	100%	0%	0%	0%	
		2.1.7	Walkways	0%	0%	100%	100%	0%	0%	0%	
		2.1.8	Biodiversity (pest management)	0%	0%	100%	100%	0%	0%	0%	
		2.1.9	Waterfront Public Space	5%	15%	80%	80%	0%	0%	0%	
	Waste reduction and energy conservation	2.2	Waste minimisation, disposal and recycling management	100%	0%	0%	0%	0%	0%	0%	0%
		2.2.1	Closed Landfills Aftercare	0%	0%	100%	100%	0%	0%	0%	
		2.2.3	Energy efficiency and conservation	0%	0%	100%	100%	0%	0%	0%	
	Water	2.3.1	Water network	0%	0%	100%	0%	60%	40%	0%	
		2.3.2	Water collection and treatment	0%	0%	100%	0%	60%	40%	0%	
	Wastewater	2.4.1	Sewage collection and disposal network	5%	0%	95%	0%	60%	35%	0%	
		2.4.2	Sewage treatment	5%	0%	95%	0%	60%	35%	0%	
	Stormwater	2.5.1	Stormwater management	0%	0%	100%	0%	77.5%	22.5%	0.0%	
	Conservation attractions	2.6.1	Conservation Visitor Attractions	0%	0%	100%	100%	0.0%	0.0%	0.0%	

Capital Expenditure

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

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

Environment – activity commentary

2.1 Gardens, Beaches and Green Open Spaces

ACTIVITY 2.1.1: LOCAL PARKS AND OPEN SPACES

The Council owns and looks after the city’s parks and reserves, horticultural plantings and street trees. We aim to provide a high-amenity, safe open space environment that gives people a wide range of recreation opportunities. Our work includes the upkeep of grass areas, sports pavilions and other buildings on reserve land. (For information on sports fields, see activities 5.1.2 and 5.1.3).

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – local parks and open spaces enhance Wellington’s unique ‘sense of place’, making it a great place to live, work and play.
- *Connected City* - accessible and high quality natural and green environments encourage people to gather together, share activities and connect with each other.
- *Eco-city* - high quality natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions.

Who Benefits?

<i>Whole community</i>	90%
<i>Identifiable part of the community</i>	10%

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

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

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

Who should pay?

<i>Whole community</i>	95%
<i>Identifiable part of the community</i>	5%

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

The exception is the lease of park pavilions to sports and community groups. In these situations, the group concerned receives an exclusive benefit and therefore should bear a share of the cost. While our analysis suggests these groups receive 10 percent of the benefit, we have decided they should bear only 5 percent of the cost. This is because the Council wants to ensure that the pavilions are not priced out of

reach of these groups. We want to see high levels of participation in recreation activities and encourage people to use the city's open spaces, and we believe raising user charges on the parks and pavilions could work against that outcome.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>95%</u>
TOTAL	100%

ACTIVITY 2.1.2: BOTANICAL GARDENS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – Botanical Gardens enhance Wellington's unique 'sense of place'
- *Connected City* – the botanical gardens encourage people to gather together, share activities and connect with each other.
- *Eco-city* - the botanical gardens enhance our biodiversity and contribute to off-setting our carbon emissions.
- *Dynamic Central City* – the Botanic Garden is accessible within minutes from the central business district, is important for residents' quality of life, and attracts visitors.

Who Benefits?

<i>Whole community</i>	<i>90%</i>
<i>Individuals</i>	<i>10%</i>

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

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

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

- the shop and cafe at the Begonia House in the Botanic Garden
- function rooms at Begonia House, Tree House and Otari-Wilton's Bush
- sale of plants at the Otari-Wilton's Bush annual open day
- lease of a house at Truby King Park to the Biology Institute
- provision of memorial seats in the Botanic Gardens

The gardens also provide educational seminars and programmes which have some private benefit. However, as these programmes help people learn about the environment, the Council believes the principal benefit is to the community as a whole.

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

Who should pay?

<i>Whole community</i>	90%
<i>Individuals</i>	10%

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

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

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

ACTIVITY 2.1.3: BEACHES AND COAST OPERATIONS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – Wellington's beaches and coastal areas provide high quality natural environments for leisure and recreation.

Who Benefits?

<i>Whole community</i>	100%
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Wellington's coastline is a distinct part of the city's identity. By ensuring people have safe access to the coast, the Council is increasing the range of recreation opportunities available to people and encouraging healthy lifestyles, as well as protecting public safety. By beautifying the coast and protecting it from erosion, the Council is enhancing the city's environment, improving quality of life and adding to people's sense of the city as an attractive place to live.

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

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

Who should pay?

Whole community 100%

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 2.1.4: ROADS OPEN SPACES

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* –management of roadside vegetation ensures hazards are removed - for example, impairing motorists' line of sight, contributing to bank erosion or blocking natural run-off channels.

Who Benefits?

Whole community 100%

This work benefits anyone who lives in or moves around the city by ensuring footpaths and roadside verges and open spaces are safe, attractive and free of litter. This work has benefits for the city's environment and for residents' safety, health and enjoyment of their surroundings.

Who should pay?

Whole community 95%
Identifiable part of the community 5%

A small part of our roads open spaces costs are covered by a subsidy from the Government roading funding agency New Zealand Transport Agency (NZTA), which passes on funding from the fuel taxes it gathers. Of the remaining costs, as the community as a whole benefits, the fairest and most efficient way to fund this is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
<u>General rate</u>	<u>95%</u>
TOTAL	100%

ACTIVITY 2.1.5.: TOWN BELTS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – A high quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible opportunities for leisure and recreation.
- *Eco-city* - the Town Belt enhances our biodiversity and contributes to off-setting our carbon emissions.

Who Benefits?

Whole community *100%*

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

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

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

Who should pay?

Whole community *100%*

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

Through this activity we receive modest revenue from the rental we charge for use of facilities such as Scout Clubs that are housed on Town Belt land.

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
General rate	95%
TOTAL	100%

ACTIVITY 2.1.6: COMMUNITY ENVIRONMENTAL INITIATIVES

This activity covers initiatives that directly support the community's engagement in advancing environmental well-being. The Council provides grants for projects that promote environmental sustainability or greater understanding of environmental issues. It also covers environmental education initiatives and our community greening programmes.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – community environmental initiatives improve the quality of our natural environment, making the city a better place to live, work and play.
- *Connected City* – by supporting community environmental initiatives we support bringing people together and encouraging community spirit.
- *Eco-city* – community environmental initiatives raise awareness of environmental issues and improves environmental outcomes.

Who Benefits?

Whole community 100%

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

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 2.1.7: WALKWAYS

The Council encourages public use of the Town Belt and reserves, and recognises that tracks are important for people's access to and enjoyment of the city's bush and open spaces. We currently maintain over 100km of track.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – walkways allow residents to explore Wellington's beautiful natural environment improving the quality of life of the city's residents
- *Connected City* – walkways provide attractive, safe and accessible opportunities for leisure and recreation, connecting people with each other and the environment.

Who Benefits?

Whole community 100%

The whole community benefits from the Council's provision of walkways. The walkways give all residents and visitors access to the Town Belt and reserves, encouraging them to enjoy the city's bush and lead healthy lifestyles.

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>

TOTAL	100%
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ACTIVITY 2.1.8: BIODIVERSITY (PEST MANAGEMENT)

The Council runs programmes to control animal pests and weeds on the 3,000 plus hectares of open space land we own and manage.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – protecting biodiversity improves the quality of our natural environment, making the city a better place to live, work and play.
- *Eco-city* – pest management is important for biodiversity and protects native fauna and flora.

Who Benefits?

Whole community 100%

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

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

ACTIVITY 2.1.9: WATERFRONT PUBLIC SPACE

This activity relates to the management and maintenance of the public space on the Wellington Waterfront, and includes the operation and maintenance of a wide range of assets which includes Wharves, Seawalls, Bridges, Parks, Promenades, laneways and lighting.

Community outcome

This activity contributes towards the following outcomes:

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

Who Benefits?

<i>Whole community</i>	80%
<i>Individuals/users</i>	20%

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

An activity that occurs on the waterfront that provides direct identifiable is the underground market. This activity does provide a private benefit and the user is charged directly.

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

Who should pay?

<i>Whole community</i>	80%
<i>Individuals</i>	20%

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

Our funding targets: operating expenses

User charges	5%
Other revenue	15%
Targeted rate	0%
<u>General rate</u>	<u>80%</u>
TOTAL	100%

2.2 Waste Reduction and Energy Conservation

ACTIVITY 2.2.1: WASTE MINIMISATION, DISPOSAL AND RECYCLING MANAGEMENT

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

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.
- *Eco-city* - reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources.

Who Benefits?

<i>User</i>	<i>90%</i>
<i>Whole community</i>	<i>10%</i>

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

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

In 2003 the Council adopted the Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill's life.

Also the direct beneficiaries of this work are the householders who have recyclable goods collected or who use our recycling stations. These people are able to dispose of their recyclable and reusable waste in a safe, efficient and environmentally-friendly manner.

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

Who should pay?

<i>User</i>	<i>100%</i>
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Though the benefits of this activity are split between the community and individuals, the Council believes it is appropriate for users of the city's landfills to bear the costs. The Council believes it is appropriate to take a "polluter pays" approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste. This approach is justified by the significant benefits to the city's environment from reducing the amount of waste dumped in landfills.

The Council has adopted a Life Cycle Costing Model for Landfills. This model is designed to deliver a full cost recovery system over a landfill's life.

The Council also receives a small amount of income from the sale of recycling bins.

Our funding targets: operating expenses

User charges	100%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

ACTIVITY 2.2.2: CLOSED LANDFILLS AFTERCARE

We provide aftercare of our closed land fill sites.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – the majority of closed landfills are green open spaces enjoyed by local communities for leisure and recreation. Looking after these sites provides a valuable community asset for community enjoyment.

Who Benefits?

Whole community 100%

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

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

Who should pay?

Whole community 100%

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 2.2.3: ENERGY EFFICIENCY AND CONSERVATION

One of the Council's long term aims is for it and Wellington to be more sustainable. This means that Wellington will reduce its environmental impact by making efficient use of energy, water, land and other resources; shifting towards renewable energy resources; conserving resources; and minimising waste.

Our immediate focus is on developing an energy management plan for the Council itself. This work will be supported by promotion of energy efficiency.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - developing funding partnerships with key stakeholders to insulate Wellington homes improves the health and the quality of life of Wellington residents.
- *Eco-city* - a focus on energy efficiency for the city's households and business will reduce costs and reduce its greenhouse gas emissions. Developing partnerships and encouraging policies for continued development of renewable energy in the city will be crucial for the Council's Eco-City aspirations.
- *Dynamic Centre City* - facilitating construction of Greenstar rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses as well as the uptake of emerging "green" technologies will allow Wellington to showcase its Eco City credentials.

Who Benefits?

Whole community 100%

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

It should also be noted that it is expected that the costs of this project will be met by savings over time.

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

2.3 Water

ACTIVITY 2.3.1: WATER NETWORK

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* - a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

Who Benefits??

<i>Identifiable parts of the community</i>	75%
<i>Whole community</i>	25%

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

Who should pay?

<i>Identifiable parts of the community:</i>	
<i>Base (residential) sector</i>	60%
<i>Commercial sector</i>	40%

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

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

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	
(Residential 60%	
Commercial 40%)	100%
General rate	0%
TOTAL	100%

ACTIVITY 2.3.2: WATER COLLECTION AND TREATMENT

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred city* - a reliable and adequate supply of clean and safe water is critical for the health, well-being and prosperity of all residents.
- *Connected city* - a reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st century.

Who Benefits?

<i>Identifiable parts of the community</i>	75%
<i>Whole community</i>	25%

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

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

Who should pay?

<i>Identifiable parts of the community:</i>	
<i>Base (residential) sector</i>	60%
<i>Commercial sector</i>	40%

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

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

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

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

Our funding targets: operating expenses

User charges	0%
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Other revenue	0%
Targeted rate (Residential 60% Commercial 40%)	100%
General rate	0%
TOTAL	100%

2.4 Wastewater

ACTIVITY 2.4.1: SEWAGE COLLECTION AND DISPOSAL NETWORK

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable wastewater network provides protection against public health risks.
- *Eco-city* - a safe and reliable wastewater network provides protection against environmental harm.
- *Dynamic Central City* - a safe, reliable and well maintained wastewater network that will function effectively and not cause disruptions to inner city living and business activities is a core component of every successful city in the 21st Century.

Who Benefits?

<i>Identifiable parts of the community</i>	80%
<i>Whole community</i>	20%

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

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

Who should pay?

<i>Identifiable parts of the community:</i>	
<i>Base (residential) sector</i>	60%
<i>Commercial sector</i>	35%
<i>User charges</i>	5%

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

The division of costs between the two sectors is based on a 'water in, water out' concept. As a result the sector split for this targeted rate is the same as for water supply. The cost of network installation and

maintenance in the commercial area is more expensive due to its size, pressures, standards and service levels. This is reflected in the 60%/40% split.

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

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

Our funding targets

User charges	5%
Other revenue	0%
Targeted rate (Residential 60% Commercial 35%)	95%
General rate	0%
TOTAL	100%

ACTIVITY 2.4.2: SEWAGE TREATMENT

Sewage is treated at three plants: Moa Point, Karori, and Porirua. The waste treatment plants at Moa Point and Karori are financed by the Council and operated by United Water International. Sewage from Wellington's northern suburbs is transferred to the Porirua plant, in which the Council has a 27.6% stake. Once sewage is treated at Moa Point and Karori, waste water is piped into the Cook Strait and the sludge is taken to the Southern Landfill, where it is combined with green waste to make high-quality compost.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable wastewater network and treatment facility provides protection against public health risks.
- *Eco-city* - a safe and reliable wastewater network and treatment facility provides protection against environmental harm.
- *Dynamic Central City* - a safe, reliable and well maintained wastewater network and appropriate treatment of waste is a core component of every successful city in the 21st Century.

Who Benefits?

<i>Identifiable parts of the community</i>	80%
<i>Whole community</i>	20%

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

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

Who should pay?*Identifiable parts of the community:*

<i>Base (residential) sector</i>	60%
<i>Commercial sector</i>	35%
<i>User</i>	5%

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

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

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

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

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate (Residential 60%, Commercial 35%)	95%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

2.5 Stormwater**ACTIVITY 2.5.1: STORMWATER MANAGEMENT**

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

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - a safe and reliable storm water network and effective maintenance and operation programmes prevents avoidable disruptions to community living and minimises the risk of injury and the risk of damage to property from storm water.

- *Eco-city* - a safe and reliable storm water network minimise the impacts – such as erosion - of storm water on the environment.
- *Dynamic Central City* - a safe and reliable storm water network and effective maintenance and operations programmes allows people to live work and play in the central city safely and without disruption.
- *Connected City* - a safe and reliable storm water network and effective maintenance and operations programmes reduces the risk of avoidable surface flooding and environmental damage that may affect transport networks.

Who Benefits?

<i>Identifiable parts of the community</i>	50%
<i>Whole community</i>	50%

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

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

Who should pay?

<i>Identifiable parts of the community:</i>	
<i>Residential (urban) sector</i>	77.5%
<i>Commercial sector</i>	22.5%

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

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

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

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	

(Residential 77.5%	
Commercial 22.5%)	100%
General rate	0%
TOTAL	100%

2.6 Conservation Attractions

ACTIVITY 2.6.1: CONSERVATION VISITOR ATTRACTIONS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - these activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.
- *Eco-city* - these facilities play important conservation roles, protecting native and exotic flora and fauna.

Who Benefits?

<i>Individuals</i>	40%
<i>Whole community</i>	40%
<i>Identifiable part of the community</i>	20%

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

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

Their existence is also of benefit to those who are not visitors generally but have the option of going.

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

Who should pay?

<i>Whole community</i>	100%
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Each of these trusts operate separately from the Council. User charges, which in the case of the Zoo account for about 45 percent of the trust's income, reflect the private benefits to people who visit these facilities. These user charges do not appear in the Council's books.

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

Rates funding is also justified because these facilities contribute to the Council's long term goal that the city's high quality natural environment will attract visitors, residents and visitors.

Our funding targets: operating expenses

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

Economic Development

Growing the regional economy for a prosperous community

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

Operating activities

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

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

Capital Expenditure

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

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

Economic development – activity funding commentary

3.1 City Promotions and Business Support

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

This activity covers the Council's funding of the Wellington Regional Economic Development Agency (WREDA), the costs of owning and maintaining a number of venue buildings and managing the use of the venues and the City Innovation activity.

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

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

- A clear strategic focus
- A strong economic leadership that prioritises business success
- One voice when dealing with government, businesses, investors and research providers
- More effective use of resources and talent, and improved scale

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

- Major events – attracting and supports major events that bring visitors and extra spending to the city.
- Tourism promotions and marketing.
- Sector support and Destination Wellington to attract business, talent and investment to the Wellington region and accelerate economic growth.
- the costs incurred by the Council to own and maintain venue buildings (the Michael Fowler Centre, TSB Arena, St James Centre, and the Opera House).
- CBD free wifi to help establish the City's 'point of difference' and user experience through free public access Wi-Fi network.

Also included in this activity is the expenditure and revenues of promoting and operating the venues (which WREDA undertakes on behalf of Council). This specific activity is generally cost neutral.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - promotion of the city as an attractive place to live and do business, works to attract talent to the city and attracts tens of thousands of visitors every year.
- *Connected City* - ensuring that the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.
- *Dynamic Central City* - attracting talent, investment, visitors and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.

Who Benefits?

<i>Individuals</i>	45%
<i>Identifiable part of the community</i>	45%
<i>Whole Community</i>	10%

The beneficiaries of this activity are principally the community as a whole and businesses - in particular businesses in the central city area where the majority of visitors spend most of their time and the majority of business activity occurs.

The activity benefits residents by providing jobs, raising incomes, providing a wider range of career choices, and making the city more vibrant and prosperous. The activity also benefits particular commercial sectors, such as education and creative industries, by boosting their profile and helping build the investor base and potential business partnerships in growing markets.

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

Individual users of the venues also derive considerable benefit. In most cases users themselves provide the funding for the benefits they derive. This is because the activities undertaken or facilitated at the council venues require users to pay for the private benefits they receive. For example, people attending a show, or an event that WREDA has brought to the city will need to pay an entry fee.

Overall, we estimate that around 45 percent of the benefits of this activity are captured by individual venue users and the associated expenditure is directly offset by user charges. It is estimated that the benefits from the balance of the expenditure accrue to a mix of the business community, the downtown businesses and the whole community.

Who should pay?

<i>Users</i>	45%
<i>Identifiable part of the community</i>	45%
<i>Whole community</i>	10%

Part of this activity includes the running of the Venues day to day operations, where users fully pay the cost of this activity and there is no rates funding requirement. As such in 2015/16, \$14m of operational costs (excluding asset ownership costs) is offset by \$14m of revenue. As the level of venue activity may change on a year to year basis, there is an underlying principle that any costs associated with the promotion or operating of venues is 100% user funded.

The balance of this policy is focussed on the remaining elements in the activity, and it is recommended that they should be 100% rates funded. This funding is proposed to be spread across the sectors that benefit. As WREDA is an amalgamation of existing Council activities, the current rates funding splits have been reviewed and subsequently the proposed rates funding split replicates the previous R & F policy. This approach attributes the main benefits to the business community and in particular the businesses in the CBD.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Commercial)	30%
Targeted rate (Downtown)	50%
<u>General rate</u>	<u>20%</u>
TOTAL	100%

ACTIVITY 3.1.2: WELLINGTON CONVENTION CENTRE

This activity relates to the recently approved Wellington Convention Centre project, currently under review, but is the first of the Big 8 Ideas which has been tested and approved through a business case and sits under the Economic Strategy.

This policy was consulted on as part of the Council's initial decision to support the initiative. The policy of 60% general rates and 40% DTL funding was proposed. This delivers a funding split of one third residential sector and two thirds commercial sector in terms of contribution to the cost.

Community outcome

This activity contributes towards the following outcomes:

- *Connected City* - The Wellington Convention Centre would offer a convention and event space that is not currently available in the city. This space provides for networking opportunities and the ability for organisations to share the latest industry trends and innovations.
- *Dynamic Central City* – convention venues are places of events, festivals, and conferences. They anchor Wellington's appeal as a place of creativity, exploration, innovation and excitement and will bring more business visitation to our downtown area.

Who Benefits?

<i>Identifiable parts of the community</i>	40%
<i>Whole community</i>	60%

The beneficiaries of this activity are predominantly the business sector through the protected and new expenditure in the economy, and flow on effects this will have to other indirect supporting services. However, an improved economy in the city does benefit all residents through improved employment opportunities, growth in demand to live and work in the city and the flow on effects that can have to property valuations and business opportunity.

It is therefore appropriate for economic development projects to be funded, in part, from the general rate to reflect the wider community benefits of an improved economy.

Who should pay?

<i>Identifiable parts of the community</i>	40%
<i>Whole community</i>	60%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	40%
General rate	60%
TOTAL	100%

ACTIVITY 3.1.3: RETAIL SUPPORT (FREE WEEKEND PARKING)

Under this activity the Council provides its car parks free on weekends to attract customers to the inner city. This forms part of a wider retail strategy.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - free weekend parking makes Wellington an attractive place to live and do business, and attracts thousands of shoppers to the city every weekend.
- *Dynamic Central City* – A thriving retail sector in the heart of the city is an important part of Wellington’s appeal, and free parking at the weekends encourages residents and visitors into the city to shop.

Who Benefits?

<i>Identifiable part of the community</i>	50%
<i>Individuals</i>	50%

The direct beneficiaries of the free weekend parking policy are the people who get to make use of the parks. The other identifiable beneficiaries are the retailers, restaurants and other businesses located in the downtown area. Free parking brings people to the central city, where their spending benefits businesses.

Who should pay?

<i>Identifiable part of the community</i>	100%
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The main purpose of this activity is to support businesses in the CBD, particularly in the retail and hospitality sectors, by encourage people into the city on weekends.

The main beneficiaries of the free weekend parking are downtown businesses. It is appropriate they should bear the cost of this policy. Free weekend parking will therefore be funded from the downtown targeted rate, which is a targeted rate assessed on businesses in the downtown area.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	100%
TOTAL	100%

ACTIVITY 3.1.4: WELLINGTON ECONOMIC INITIATIVES FUND (WEID) AND ECONOMIC GRANTS

This activity covers both the organisational support required to deliver the Council’s economic development strategy, as well as the funding mechanism Council provides to support economic growth initiatives. These funds being the Wellington Economic Initiatives Development (WEID) fund

and the Economic Development Grant Pool.

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – our grants support the attraction and retention of talented people, and support the creative business sector in Wellington.
- *Dynamic Central City* – attracting talent, investment, visitors and jobs will be critical to growing the city’s economy and ensuring Wellington remains vibrant and retains its competitive edge.
- *Connected City* – ensuring the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs.

Who Benefits?

Whole community 100%

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

ACTIVITY 3.1.5: MAJOR PROJECTS – FUNDING ENVELOPE FOR POSSIBLE IMPLEMENTATION

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

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

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

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

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

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

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

The major projects that could potentially be funded from the envelope are:

- Airport runway extension
- Indoor arena
- Film museum
- Westpac stadium upgrade

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – these projects will promote the city as an attractive place to do business and attract visitors to the city every year.
- *Connected City* - improving direct access internationally will provide local businesses with new opportunities to access large markets.
- *Dynamic Central City* – attracting visitors, investment and jobs will be critical to growing the city's economy and ensuring Wellington remains vibrant and retains its competitive advantage.

Who Benefits?

Whole community 100%

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

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

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

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

Who should pay?

Whole community 100%

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 3.1.6: INTERNATIONAL RELATIONS

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

Community outcome

This activity contributes towards the following outcome:

- *Connected City* - Improving access to international markets is particularly important as it provides local businesses with new opportunities to access large markets

Who Benefits?

<i>Whole community</i>	50%
<i>Identifiable part of the community</i>	50%

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

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

Who should pay?

<i>Whole community</i>	100%
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Though the benefits are split between the community and certain sectors, the Council believes this activity is most appropriately funded from general rates. This is because in most situations it would be impractical to identify the individuals or business that benefit directly from our activity. For example, it would not be possible to identify the direct beneficiaries of a sister city relationship. Furthermore, the Council's and relationship-building efforts complement the efforts of businesses or institutions themselves.

Our funding targets: operating expenses

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

ACTIVITY 3.1.7: BUSINESS IMPROVEMENT DISTRICTS

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – vibrant suburban centres make Wellington an attractive place to live and help form a local sense of community.

Who Benefits?

<i>Whole community</i>	20%
<i>Identifiable part of the community</i>	80%

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

Who should pay?

<i>Identifiable part of the community</i>	100%
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Since the beneficiaries of the Business Improvement Districts policy are principally the businesses covered by each individual BID, it is appropriate that they should bear the cost of the policy. This will be done by establishing targeted rates on relevant commercial properties in each area where establishing a BID has the broad support of the business in that area.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Commercial)	100%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

Cultural Well-being

Shaping Wellington's unique identity

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

Operating activities

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

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Cultural Wellbeing	Arts and Cultural Activities	4.1.1	Galleries and museums (WMT)	0%	0%	100%	75%	0%	0%	25%
		4.1.2	Visitor attractions (Te Papa/Carter Observatory)	0%	0%	100%	30%	0%	0%	70%
		4.1.3	Arts and cultural festivals	0%	15%	85%	85%	0%	0%	0%
		4.1.4	Cultural grants	0%	0%	100%	0%	100%	0%	0%
		4.1.5	Access and support for community arts	0%	10%	90%	90%	0%	0%	0%
		4.1.6	Arts partnerships	0%	25%	75%	75%	0%	0%	0%
		4.1.7	Regional amenities	0%	0%	100%	100%	0%	0%	0%

Capital Expenditure

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

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

Cultural well-being – activity commentary

4.1 Arts and Cultural Activities

ACTIVITY 4.1.1: GALLERIES AND MUSEUMS

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – museums shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories and help us understand ourselves and each other.
- *Connected City* - museums provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas here and abroad.
- *Dynamic Central City* – museums enhance Wellington’s vibrancy as a diverse, active and eventful place attractive to visitors.

Who Benefits?

<i>Individuals</i>	70%
<i>Identifiable part of the community</i>	15%
<i>Whole community</i>	15%

The individuals who attend the exhibitions and shows at the galleries and museums clearly benefit from their attendance.

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

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

Who should pay?

<i>Whole community</i>	75%
<i>Downtown sector</i>	25%

The Council funds the museums and galleries to encourage greater participation in the arts and because it believes that high quality cultural amenities add to a vibrant city life.

While there are clearly direct benefits to people who choose to visit the galleries and museums, the Council believes these are outweighed by the overall community benefit and the benefits that flow to the businesses in the downtown sector.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	25%
<u>General rate</u>	<u>75%</u>
TOTAL	100%

ACTIVITY 4.1.2: VISITOR ATTRACTIONS (CARTER OBSERVATORY / TE PAPA)

Through this activity the Council funds attractions and facilities that bring visitors to the city. It includes an ongoing commitment to the Carter Observatory located at the top of the Cable Car and funding for Te Papa.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – they shape Wellington’s sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science. They tell Wellington’s diverse stories, in particular those of our Māori, and help us understand ourselves and each other.
- *Connected City* – they provide ideas and places where people can connect, share what is common and explore what is different and new.
- *Dynamic Central City* – museums enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to visitors.

How we approach funding this activity

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

External attractions

Who Benefits?

<i>Individuals</i>	50%
<i>Whole community</i>	30%
<i>Identifiable parts of the community</i>	20%

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

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

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

Who should pay?

<i>Identifiable parts of the community</i>	70%
<i>Whole community</i>	30%

Though the main beneficiaries of this activity are the individuals who choose to visit Te Papa the observatory the Council does not believe it is viable or appropriate to charge them directly for these benefits.

There are strong arguments for the downtown sector to bear a portion of the cost of this activity as they benefit directly from the funding of this activity. The events and attractions bring people and visitors into the city. These people provide business for the retailers, and the wider hospitality sector in the city. The

projects funded by this activity make major contributions to the Council’s goal that Wellington will be a prime tourist destination.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Downtown)	70%
General rate	30%
TOTAL	100%

ACTIVITY 4.1.3: ARTS AND CULTURAL FESTIVALS

The Council runs and supports artistic and cultural events that encourage Wellingtonians to get out and enjoy themselves. These include Summer City, the Sky Show, the Diwali festival and more than 70 other events, all of which are provided free to the public.

We aim to use the Civic Square as the stage for a large number of these events. As the civic and cultural heart of the city the Square offers a safe and accessible venue.

Community outcome

- *People-centred City* – cultural festivals shape Wellington’s sense of identity. They bring people together and celebrate creativity.
- *Connected City* – festivals provide ideas and places where people can connect, share what is common and explore what is different and new. They connect us with people, places and ideas from here and abroad.
- *Dynamic Central City* – museums festivals enhance Wellington’s vibrancy as a diverse, inclusive, creative, active and eventful place attractive to residents

Who Benefits?

Whole community 100%

While the people attending these events obviously benefit from the enjoyment they receive, the events are generally run outdoors in public areas making it impossible to identify individual beneficiaries. The benefits, in any case, are not exclusive.

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

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

Who should pay?

Whole community 100%

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	15%
Targeted rate	0%
<u>General rate</u>	<u>85%</u>
TOTAL	100%

ACTIVITY 4.1.4: CULTURAL GRANTS

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – cultural grants support the creative sector of Wellington ensuring that the city is lively and full of festivals, performances and shows throughout the year.
- *Dynamic Central City* – cultural grants support Wellington cultural institutions that are integral to our cultural and events capital status. They provide shows and performances that make the central city a lively place to visit, play and do business.

Who Benefits?

<i>Individuals and identifiable part of the community</i>	50%
<i>Whole community</i>	50%

The direct beneficiaries of this activity are the individuals and groups who receive funding. The grants provide them with opportunities for artistic and cultural expression. This activity gives individuals the opportunity to participate, even though they may choose not to. Though these benefits are private, they are not exclusive – all residents are able to apply for funding.

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

Who should pay?

<i>Whole community</i>	100%
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The purpose of this activity is to add to the mix of cultural events in the city and to encourage participation. Clearly, this means that someone other than the grant recipients has to pay. This activity has no benefit, economic or otherwise, to the commercial sector. Funding is directed to residents, and as such, the Council believes it is appropriate to fund the cost of this activity from rates targeted to the residential sector.

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

ACTIVITY 4.1.5: ACCESS AND SUPPORT FOR COMMUNITY ARTS

This activity covers the wide range of community arts programmes that the Council runs every year. It also covers a subsidy for non-profit community groups using the Wellington Venues. This ensures the venues are open to a wide range of organisations.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* –support for community arts programmes and venue supports Wellington’s creative communities to put on festivals, performances and shows throughout the year.

Who Benefits?

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

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

Who should pay?

<i>Whole community</i>	90%
<i>Identifiable parts of the community</i>	10%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	10%
Targeted rate	0%
<u>General rate</u>	<u>90%</u>
TOTAL	100%

ACTIVITY 4.1.6: ARTS PARTNERSHIPS

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

The Council also houses a number of independent artists, art organisations, music studios and a gallery at the Toi Poneke Arts Centre, which is covered by this activity. This activity also includes the public art fund which is used to manage the city's art collection and support public art exhibitions

Community outcome

This activity contributes towards the following outcomes:

- *People centred City* – Our partnership with organisations such as the NZ Symphony Orchestra means residents have the option of attending concerts on a regular basis, and have far greater access to top-class music than would otherwise be the case. The Toi Poneke Arts Centre provides places where people can connect, and share creative ideas.
- *Dynamic Central City* - We support these institutions as they build on the city's reputation as New Zealand's arts and culture capital and they attract thousands of visitors to the city. Public sculpture and art displays, and exhibitions add to the vibrancy and liveability of the city.

Who Benefits?

<i>Identifiable part of the community</i>	60%
<i>Whole community</i>	30%
<i>Downtown sector</i>	10%

The artists and organisations are clearly direct beneficiary of these partnerships. These benefits are private and exclusive to the extent that the Council's support cannot be transferred.

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

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

Who should pay?

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

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

It is also considered appropriate that those artists that are housed at the Toi Poneke Arts Centre should make a contribution to the cost of the space that they have exclusive use over.

Our funding targets: operating expenses

User charges	0%
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Other revenue	25%
Targeted rate	0%
General rate	75%
TOTAL	100%

ACTIVITY 4.1.7: REGIONAL AMENITIES FUND

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

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

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

Community outcome

This activity contributes towards the following outcomes:

- *People centred City* – arts, culture and environmental attractions and events make Wellington a more attractive place to live and do business, and attract thousands of visitors to the city every year.
- *Connected City* – attractions and events provide ideas and places where people can connect and explore what is different and new, from both here and overseas.
- *Dynamic Central City* – arts, culture and environmental attractions and events anchor Wellington’s appeal as a place of creativity, exploration, innovation, and excitement. They also enhance Wellington’s vibrancy as a diverse, active and eventful place attractive to visitors.
- *Eco City* – environmental attractions and events raise awareness of environmental issues and improves environmental outcomes.

Who Benefits?

<i>Identifiable part of the community</i>	0%
<i>Whole community</i>	100%

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

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

They also serve the business sector because some of the attractions and events funded by this activity will be located in Wellington City. They bring people into the city, providing customers for city businesses as well as enhancing Wellington City’s place as New Zealand’s arts capital, attracting people to the City to live, work and play.

Who should pay?

<i>Whole community</i>	<i>100%</i>
<i>Individuals</i>	<i>0%</i>

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

Social and Recreation

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

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

Operating activities

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

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Target	Commercial Targeted	Downtown Targeted / Other
Social and Recreation	Recreation promotion and support	5.1.1	Swimming Pools	38%	0%	62%	62%	0%	0%	0%
		5.1.2	Sportsfields	10%	0%	90%	90%	0%	0%	0%
		5.1.3	Sportsfields (Synthetic)	40%	0%	60%	60%	0%	0%	0%
		5.1.4	Recreation Centres	25%	0%	75%	75%	0%	0%	0%
		5.1.5	Recreation partnerships	0%	0%	100%	0%	100%	0%	0%
		5.1.6	Playgrounds	0%	0%	100%	100%	0%	0%	0%
		5.1.7	Marinas	100%	0%	0%	0%	0%	0%	0%
		5.1.8	Golf Course	40%	0%	60%	60%	0%	0%	0%
		5.1.9	Recreation programmes	5%	0%	95%	95%	0%	0%	0%
	Community support	5.2.1	Libraries	10%	0%	90%	90%	0%	0%	0%
		5.2.2	Access support (Leisure Card)	0%	0%	100%	100%	0%	0%	0%
		5.2.3	Community advocacy	0%	0%	100%	0%	100%	0%	0%
		5.2.4	Grants (Social and Recreation)	0%	0%	100%	100%	0%	0%	0%
		5.2.5	Housing	100%	0%	0%	0%	0%	0%	0%
		5.2.6	Community centres and halls	5%	0%	95%	0%	95%	0%	0%
	Public health and safety	5.3.1	Burials and cremations	50%	0%	50%	50%	0%	0%	0%
		5.3.2	Public toilets	0%	0%	100%	100%	0%	0%	0%
		5.3.3	Public health regulations	60%	0%	40%	40%	0%	0%	0%
		5.3.4	City safety	0%	0%	100%	100%	0%	0%	0%
		5.3.5	WREMO	5%	0%	95%	95%	0%	0%	0%

Capital Expenditure

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

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

Social and recreation – activity commentary

5.1 Recreation Promotion and Support

ACTIVITY 5.1.1: SWIMMING POOLS

This activity covers the cost of providing the Council's seven swimming pools: Wellington Regional Aquatic Centre (Kilbirnie); Freyberg Pool (Oriental Bay); Karori Pool; Thorndon Pool; Khandallah Pool; Keith Spry Pool (Johnsonville); and Tawa Pool.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	80%
<i>Whole community</i>	20%

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

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

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

Who should pay?

<i>Whole community</i>	62%
<i>Individuals</i>	38%

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

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

It would not be desirable to raise fees to levels that discouraged people from using them or provided barriers to people on low incomes.

Our funding targets: operating expenses

User charges	38%
Other revenue	0%
Targeted rate	0%
General rate	62%
TOTAL	100%

ACTIVITY 5.1.2: SPORTS FIELDS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	30%
<i>Identifiable part of the community</i>	30%
<i>Whole community</i>	40%

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

The Council estimates individual people receive about 30 percent of the benefits from sports fields and sports clubs receive about the same benefit.

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

Who should pay?

<i>Whole community</i>	90%
<i>Individuals</i>	10%

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

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

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

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
General rate	90%
TOTAL	100%

ACTIVITY 5.1.3: SPORTS FIELDS (SYNTHETIC)

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	40%
<i>Identifiable part of the community</i>	40%
<i>Whole community</i>	20%

Synthetic turf sports fields provide significant benefits for private individuals and sports clubs. For individuals, they provide facilities for recreation, fitness and relaxation. These benefits are private and mainly exclusive. It is appropriate to charge people to use the facilities.

Council officers estimate individuals receive about 40% of the benefits from the synthetic turf sports fields and sports clubs receive 40%.

There are also benefits to the community as a whole from our provision of synthetic turf sports fields. These facilities help increase overall levels of residents' health, providing economic and social benefits. They also provide community focal points and recreation programmes that bring people together.

Who should pay?

<i>Whole community</i>	60%
<i>Individuals</i>	40%

While it is individuals and sports clubs that receive most of the benefits, it is appropriate for the community as a whole to bear some of the costs of operating the city's synthetic turf sports fields.

A synthetic turf sports field's weekly hourly usage is only restricted by demand and resource consent limitations regarding the hours of use of flood lighting. This is in contrast to a conventional pitch which

has a limited number of recommended hours of use (5-6hrs for soil with drainage, 10-12hrs for sand carpet) in order to allow the pitch to recover. Synthetic turf also provides a higher level of service due to all weather accessibility and consistent playing performance.

Our funding targets: operating expenses

User charges	40%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>60%</u>
TOTAL	100%

ACTIVITY 5.1.4: RECREATION CENTRES (INCLUDING ASB SPORTS CENTRE)

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - they provide access to sport and recreation opportunities which is important for people's health and wellbeing.
- *Connected City* – they bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	<i>80%</i>
<i>Whole community</i>	<i>20%</i>

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

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

Who should pay?

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

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

The benefit to the community and the significant role these centres play in their local areas justifies a significant ratepayer contribution. The accumulated health benefits to the community as a whole from

organised and recreational physical activities at their centres also suggests the whole community should bear the majority of the cost.

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

Our funding targets: operating expenses

User charges	25%
Other revenue	0%
Targeted rate	0%
General rate	75%
TOTAL	100%

ACTIVITY 5.1.5: RECREATION PARTNERSHIPS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people’s health and wellbeing.
- *Connected City* – this activity bring people together, strengthening social cohesion, and the city becomes a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	80%
<i>Whole community</i>	20%

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

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

Who should pay?

<i>Whole community</i>	100%
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While the individuals who choose to access these facilities receive some benefits, the Council believes it is appropriate for the residential sector to bear the costs of our recreation partnerships.

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

ACTIVITY 5.1.6: PLAYGROUNDS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to recreation opportunities and physical play for younger people which is important for their development and their health and wellbeing.
- *Connected City* – these facilities bring people together, are a place where parents with young children connect and provide support, and makes the city a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	<i>80%</i>
<i>Whole community</i>	<i>20%</i>

The city's playgrounds provide safe, entertaining places for children to play. The benefits to the children and their families are significant. These benefits are private but not exclusive. It would not be desirable or acceptable to charge people for using playgrounds. The Council's playgrounds policy states that access to playgrounds is a basic right of all children.

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

Who should pay?

<i>Whole community</i>	<i>100%</i>
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While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear the costs of running the city's playgrounds.

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

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 5.1.7: MARINAS

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to the harbour and the coast for recreation, fishing and enjoyment

Who Benefits?

Individuals 100%

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

Who should pay?

Individuals 100%

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

Our funding targets: operating expenses

User charges	100%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

ACTIVITY 5.1.8: GOLF COURSE

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

Community outcome

This activity contributes towards the following outcomes:

- **People-centred City** – this activity supports access to sport and recreation opportunities which is important for people's health and wellbeing.
- **Connected City** – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who Benefits?

<i>Individuals</i>	40%
<i>Whole community</i>	20%
<i>Identifiable parts of the community</i>	40%

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

The Council estimates individual people receive about 60 percent of the benefits from the golf course.

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

Who should pay?

<i>Whole community</i>	60%
<i>Individuals</i>	40%

While individuals receive significant direct benefits, the Council believes it is appropriate for the community as a whole to bear some of the costs of operating the city's municipal golf course, the main reason being that the golf course is located on townbelt land with free public access to the area.

The benefit to the community as a whole and the widespread community support for the facilities justifies a ratepayer contribution. The Council-operated municipal golf course is in competition with private sector providers and can legitimately be seen as public facilities.

Our funding targets: operating expenses

User charges	40%
Other revenue	0%

Targeted rate	0%
General rate	60%
TOTAL	100%

ACTIVITY 5.1.9: RECREATION PROGRAMMES

The Council organises programmes to encourage people into leisure activities. These include organised walks and recreation programmes such as KiwiTri and Artsplash aimed at children. This activity covers the cost of providing those.

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – this activity supports access to sport and recreation opportunities which is important for people’s health and wellbeing.
- *Connected City* – this activity brings people together, strengthening social cohesion, and makes the city a more appealing place for people to live.

Who Benefits?

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

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

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

Who should pay?

<i>Whole community</i>	95%
<i>User</i>	5%

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

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

Sponsorship funding for the Push Play programme has been discontinued from 2009/10, resulting in the ceasing of the programme. As this was the major funding source for this activity, this has lowered the non-rates funding proportion from 25%, and we reflect this in our overall funding target.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
General rate	95%
TOTAL	100%

5.2 Community support**ACTIVITY 5.2.1: LIBRARIES**

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - libraries are more than just places to borrow books. They are neighbourhood institutions that anchor community life and bring people together.
- *Connected City* - libraries are places of learning and allow readers to connect with others and exchange knowledge.

Who Benefits?

<i>Individuals</i>	80%
<i>Whole community</i>	20%

Libraries mainly benefit the people who use them. These people gain free or low-cost access to books, videos, magazines, music and other items. The breadth of the network means that the services it provides are easily accessed by those opting to use it. They use these services for recreation or business and to enhance their knowledge and overall well-being.

We monitor the use of libraries. Our indicators suggest that the vast majority of use is for recreational and personal use while up to 30 percent is in part used for business purposes.

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

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

Who should pay?

<i>Whole community</i>	90%
<i>Individuals</i>	10%

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

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

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

Fees are imposed on services that are provided in addition to the core services of the library. For instance modest fees apply for the rental of videos. Penalty fees also apply to the late return of items.

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

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

Our funding targets: operating expenses

User charges	10%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>90%</u>
TOTAL	100%

ACTIVITY 5.2.2: ACCESS SUPPORT (LEISURE CARD)

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* – we provide subsidised access to our recreation programmes and facilities through our Leisure Card programme to encourage active and healthy lifestyles for all Wellingtonians without unreasonable hardship.

Who Benefits?

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

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

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

Who should pay?

Whole community 100%

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

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

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 5.2.3: COMMUNITY ADVOCACY

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

Community outcome

This activity contributes towards the following outcomes:

- *People-centred City* - we support the development of individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities.
- *Connected City* – we help people and communities connect and engage with each.

Who Benefits?

Whole community 60%
Individuals 40%

The projects funded under this activity benefit all Wellington residents. They strengthen people's sense of identity, and enhance community cohesion and social well-being. Some projects, such as provision of concerts and other youth activities, may help prevent crime and improve public safety.

There are also some private benefits from these activities. The very nature of this work is targeted towards discrete communities. However while the support we provide to these individuals or groups

may be tailored to their needs often this will not constitute a greater level of service than that provided to the wider community. For instance tailoring a consultation document for someone who is blind allows that person to contribute to the same extent as those that are sighted.

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate (Residential)	100%
<u>General rate</u>	<u>0%</u>
TOTAL	100%

ACTIVITY 5.2.4: GRANTS (SOCIAL AND RECREATION)

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* - our grants support community groups that promote individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities. The grants also support active and healthy lifestyles through support of recreation and sporting groups.

Who Benefits?

Identifiable part of the community 50%

Whole community 50%

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

ACTIVITY 5.2.5: HOUSING

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

Community outcome

This activity contributes towards the following outcome:

- **People-centred City** - they provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

Who Benefits?

<i>Individuals</i>	90%
<i>Whole community</i>	10%

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

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

Who should pay?

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

Our funding targets: operating expenses

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

ACTIVITY 5.2.6: COMMUNITY CENTRES AND HALLS

The Council owns 15 community centres and halls, and support another six community-owned centres. These centres provide places for people to hold meetings and other events. Eight of them also provide locations for crèches.

We also maintain an accommodation assistance fund that provides community groups with access to subsidised office space.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – these facilities are important anchors in our communities. They are places for groups to come together, strengthening social cohesion, and making the city a more appealing place for people to live.

Who Benefits?

<i>Individuals and identifiable part of the community</i>	60%
<i>Whole community</i>	40%

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

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

Who should pay?

<i>Individuals and identifiable part of the community</i>	5%
<i>Whole community</i>	95%

The purpose of providing these facilities is to encourage community groups and support the benefits they bring to the city. Clearly, this means someone other than the people using the facilities has to bear most of the costs. The Council believes it is appropriate to fund this activity mostly from rates targeted to the residential sector.

However it is also fair and reasonable that the people and groups using these spaces and offices meet some part of the costs by paying fees. These should be kept at nominal levels as charging more would mean some people and groups could not afford to use the facilities.

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate (residential)	95%
General rate	0%
TOTAL	100%

5.3 Public Health and Safety

ACTIVITY 5.3.1: BURIALS AND CREMATIONS

We operate the crematorium and cemetery at Karori and the cemetery at Makara.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – the cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs. We maintain the cemetery sites to a good standard, reflecting their importance to the community.

Who Benefits?

<i>Whole community</i>	50%
<i>Identifiable part of the community</i>	50%

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

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

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

Who should pay?

<i>Whole community</i>	50%
<i>Identifiable part of the community</i>	50%

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

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

Our funding targets: operating expenses

User charges	50%
Other revenue	0%
Targeted rate	0%
General rate	50%
TOTAL	100%

ACTIVITY 5.3.2: PUBLIC TOILETS

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – these facilities are located conveniently throughout the city protecting against public health risks.

Who Benefits?

<i>Whole community</i>	60%
<i>Individuals</i>	40%

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

Who should pay?

<i>Whole community</i>	100%
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Since this activity benefits the whole community, the fairest and most effective way to fund it is through the general rate. Though individuals also benefit, the Council does not believe it would be appropriate to refuse access to people who cannot or will not pay.

Our funding targets: operating expenses

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

ACTIVITY 5.3.3: PUBLIC HEALTH REGULATIONS

This activity covers the Council's role in licensing and monitoring food outlets, licensing liquor outlets, registering and impounding dogs, responding to noise, nuisance, animal and litter complaints, and handling infectious disease investigations and the sorting and processing of dangerous goods.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity protects against public health risks.

Who Benefits?

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

The Council's public health work is required under several laws including the Liquor Act, the Resource Management Act and legislation covering hazardous substances. It provides significant benefits to the community as a whole, including protection of the public from hazards such as dangerous chemicals, unsafe food, excessive noise and diseases.

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

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

Who should pay?

<i>Whole community</i>	40%
<i>Individuals</i>	60%

As this work largely protects the community from harm, it is appropriate that the people or businesses causing the harm should pay. The Council's public health activities include a range of user charges. For example, licensing and monitoring of food outlets is carried out on a full cost-recovery basis, while user charges recover about 75 percent of animal control costs. Some charges, such as those for liquor licensing, are determined by statute.

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

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

Our funding targets: operating expenses

User charges	60%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>40%</u>
TOTAL	100%

ACTIVITY 5.3.4: CITY SAFETY

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity promotes individual wellbeing, safe neighbourhoods and a safe inner city.

Who Benefits?

Whole community 100%

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

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

Wellington Regional Emergency Management Office (WREMO) provides a shared service to all the councils within the region. Its role is to help the city prepare for disasters such as earthquakes and floods, and to maintain the Council's Emergency Operations Centre at a state of readiness for response. WREMO works with government agencies, other councils in the region and international agencies.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this agency works with all sectors of the community to ensure the city is well-prepared for earthquakes and other natural disasters.

Who Benefits?

<i>Individuals</i>	10%
<i>Whole community</i>	90%

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

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

Rural Fire and Fire Prevention

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

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

Who should pay?

<i>Whole community</i>	95%
<i>User</i>	5%

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

From time to time, WRFA may receive income in the form of grants from the New Zealand Fire Service Commission via the National Rural Fire Authority. This income varies significantly from year to year. We anticipate 5 percent revenue over the foreseeable future

Our funding targets: operating expenses

User charges	5%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>95%</u>
TOTAL	100%

Urban Development

Directing growth and delivering quality

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

Operating activities

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

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Targeted	Commercial Targeted	Downtown Targeted / Other
Urban Development	Urban planning, heritage and public spaces development	6.1.1	Urban planning and policy	0%	0%	100%	100%	0%	0%	0%
		6.1.2	Waterfront development	0%	0%	100%	100%	0%	0%	0%
		6.1.3	Public spaces and centres development	0%	0%	100%	100%	0%	0%	0%
		6.1.4	Built heritage development	0%	0%	100%	100%	0%	0%	0%
	Building and development control	6.2.1	Building control and facilitation	65%	0%	35%	35%	0%	0%	0%
		6.2.2	Development control and facilitation	50%	0%	50%	50%	0%	0%	0%
		6.2.3	Earthquake risk mitigation - built environment	0%	0%	100%	100%	0%	0%	0%
			Regulator - Building Control and Facilitation	0%	0%	100%	100%	0%	0%	0%
		6.2.4	Weathertight Homes	0%	0%	100%	100%	0%	0%	0%

Capital Expenditure

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

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

Urban development – activity funding commentary

6.1 Urban Planning, Heritage and Public Spaces Development

ACTIVITY 6.1.1: URBAN PLANNING AND POLICY

The Council wants to ensure the city grows in ways that encourage high-quality development and produce the best long-term result for everyone. To do this, we will use appropriate controls to guide development, particularly in key areas of the city. This includes guiding development in the northern part of the city where rapid growth is expected in coming years and implementing the District Plan. An important component of our overall urban planning and policy work is how we manage infill developments. This is a priority for the Council as we work on the ‘growth spine concept’.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – this activity ensures the city’s built form is developed in appropriate ways
- *Eco-city* – urban planning is focused on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices.
- *Dynamic Central City* - this activity shapes how the built form and urban culture of the city is developed into the future

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 aim is to make Wellington even more liveable – making it a great place to be by offering a variety of places to live, work and play within a high quality public environment. Since the community as a whole benefits from this work, it is appropriate for general ratepayers to bear the costs.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 6.1.2: CITY SHAPER DEVELOPMENTS

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

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

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* - the waterfront offers safe open spaces that welcome and engage people and encourage them to stay.
- *Dynamic Central City* – the waterfront is an accessible and unique component of the inner city that offers opportunities for relaxation, recreation and leisure.

Who Benefits?

Whole community 100%

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

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

ACTIVITY 6.1.3: PUBLIC SPACES AND CENTRES DEVELOPMENT

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

Community outcome

This activity contributes towards the following outcome:

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

Who Benefits?

Whole community 100%

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

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 6.1.4: BUILT 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.

Community outcome

This activity contributes towards the following outcome:

- *People-centred City* – heritage buildings contribute to the city's distinct identity and enhance its sense of place.

Who Benefits?

Whole community 100%

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

Who should pay?

Whole community 100%

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

Our funding targets: operating expenses

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

6.2 Building and Development Control

ACTIVITY 6.2.1: BUILDING CONTROL AND FACILITATION

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

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

Community outcome

This activity contributes towards the following outcome

- *People-centred City* - All cities control building work according to the provisions of the Building Act and codes. These controls are necessary to protect public health and safety, and to protect future users of land and buildings.
- *Eco-city* - we promote intensive development, rather than sprawl into green spaces, and encourage the greening of streets, buildings and places.

Who Benefits?

<i>Individuals</i>	80%
<i>Whole community</i>	20%

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?

<i>Individuals</i>	65%
<i>Whole community</i>	35%

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

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

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

Our funding targets: operating expenses

User charges	65%
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Other revenue	0%
Targeted rate	0%
General rate	35%
TOTAL	100%

ACTIVITY 6.2.2: DEVELOPMENT CONTROL AND FACILITATION

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

Community outcome

This activity contributes towards the following outcome

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

Who Benefits?

<i>Individuals</i>	60%
<i>Whole community</i>	40%

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

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

Our funding targets: operating expenses

User charges	50%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>50%</u>
TOTAL	100%

ACTIVITY 6.2.3: EARTHQUAKE RISK MITIGATION – BUILT ENVIRONMENT

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

Community outcome

This activity contributes towards the following outcome

- *People-centred City* - Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure.

Our funding targets: operating expenses

User charges	0%
Other revenue	0%
Targeted rate	0%
<u>General rate</u>	<u>100%</u>
TOTAL	100%

ACTIVITY 6.2.4: BUILDING CONTROL AND FACILITATION – WEATHERTIGHT HOMES

Community outcome

This activity contributes to a 'People Centred City' by providing resolution to the weathertight homes issue, by supporting repairs to provide healthier and more resilient homes.

Who Benefits

Whole Community 100%

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

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

Who should pay

Whole Community 100%

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

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

Our funding targets: operating expenses

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

Transport

Providing quality connections

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

Operating activities

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

Activity Area	Activity Grouping	Activity	Activity Component Name	User Fees	Other Income	Rates	General	Residential Targeted	Commercial Targeted	Downtown Targeted / Other
Transport	Transport	7.1.1	Transport planning	0%	15%	85%	85%	0%	0%	0%
		7.1.2	Vehicle network	0%	5%	95%	95%	0%	0%	0%
		7.1.3	Cycle network	0%	0%	100%	100%	0%	0%	0%
		7.1.4	Passenger transport network	0%	65%	35%	35%	0%	0%	0%
		7.1.5	Pedestrian network	0%	0%	100%	100%	0%	0%	0%
		7.1.6	Network-wide control and management	15%	15%	70%	70%	0%	0%	0%
		7.1.7	Road safety	0%	30%	70%	70%	0%	0%	0%
			Parking	7.2.1	Parking	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.

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

Transport – activity funding commentary

7.1 Transport

ACTIVITY 7.1.1: TRANSPORT PLANNING

The mixed modes and changing demands on transportation means that transportation planning becomes increasingly important. The Council's work in this area is closely linked to the work that we carry out under urban development. We also incorporate travel demand management planning as a component part of our overall transport and urban planning work.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* - a network that is efficient means fewer cars are stuck in traffic meaning less emissions are produced
- *Dynamic Central City* – A network that allows easy movement of people and goods is vital for business and a significant competitive advantage.

Who Benefits?

Whole community 100%

This activity is of benefit to the whole community.

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

Who should pay?

Whole community 85%
Other 15%

A part of the cost of this activity is funded by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. As the activity is of benefit to the whole community it is considered fair and appropriate that the remainder be funded from the general rate.

Our funding targets: operating expenses

User charges	0%
Other revenue	15%
Targeted rate	0%
General rate	85%
TOTAL	100%

ACTIVITY 7.1.2: VEHICLE NETWORK

We manage a network that includes 74 bridges, four tunnels, and more than 650 kilometres of urban and rural roads, as well as all related pavements and service lanes. Upkeep of these roads includes resurfacing and major structural works, such as maintenance and earthquake-strengthening of bridges and tunnels.

This activity also covers port access. The efficient movement of freight to and from the port is an important contributor to the city's economy. We work alongside the port authorities to ensure we can find appropriate solutions to the movement of freight so that these reduce any negative impacts on other users of the vehicle network.

As steward of the roads in a harbour city, we also have a responsibility to maintain sea walls, as well as the walls on dry land that make up the 'road corridor'.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- *Connected City* – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.
- *Eco-city* - the network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* – the network provides for easy and affordable movement to and around the central city, especially by walking.

Who Benefits?

Whole community

100%

The city's vehicle network is a vital public asset. Roads are available for all residents and visitors to use and, under the current law; we cannot charge anyone for using them. The vehicle network is not in competition with any privately-provided alternative. It benefits all residents by providing the means for safe, efficient travel. This benefits the economy and is also important for social reasons. For example, an efficient vehicle network allows people to get to work, visit friends and family, and get their children to school. This 'public good' aspect of the vehicle network is reflected in the fact that the Council's responsibility for providing and maintaining the network is enshrined in law.

The direct beneficiaries of the vehicle network are road users. This includes businesses that use roads for commercial purposes such as transporting goods. It also includes everyone who drives cars. But there are also many indirect beneficiaries, including people who never leave their homes but receive meals on wheels or mail deliveries.

It may be argued that the commercial sector receives a higher direct benefit than city residents. Heavy commercial vehicles cause more wear and tear on the roading network than private cars. However, it is not possible to reasonably assess how much benefit falls to each group.

Who should pay?

<i>Whole community</i>	95%
<i>Other</i>	5%

A significant part of our vehicle network costs are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from fuel taxes. Of the remaining costs, as the community as a whole benefits from the vehicle network, the fairest and most efficient way to fund this activity is from general rates. While there may be arguments for imposing some direct costs on road users and, in particular, on heavy vehicles which cause a significant amount of wear and tear, the Council currently has no legal means of charging road users.

The amount of the NZ Transport Agency subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets: operating expenses

User charges	0%
Other revenue	5%
Targeted rate	0%
<u>General rate</u>	<u>95%</u>
TOTAL	100%

ACTIVITY 7.1.3: CYCLE NETWORK

The Council maintains cycleways in the city and suburbs. These require regular upkeep to ensure they have smooth surfaces, clear lane markings and signage, as well as cycle stands at appropriate parking points.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the cycle network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the cycle network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the cycle network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* – the cycle network provides for easy and affordable movement to and around the central city.

Who Benefits?

<i>Whole community</i>	100%
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The cycleways provide significant benefits to the whole community. By encouraging people to walk and use cycles, they benefit the environment and improve residents' overall levels of health. By reducing the amount of traffic, they make the city's roads safer. Also, though not all residents use them, the

opportunity is available for all. As an integral part of the transport network, the cycleways are a public asset.

The direct beneficiaries of the city's cycleways are clearly the people who use them. This includes both cyclists and pedestrians who use the cycleways as de facto walkways. The cycleways provide these people not only with transport but recreational opportunities. However, it would be impractical to charge a fee on these users.

Who should pay?

Whole community 100%

Because the community as a whole benefits from our provision of the cycleway network, the fairest and most efficient way to fund this activity is from general rates. Identifying individual users and charging them for their use would not be practical. Charging would also discourage people from using the cycleways, meaning the benefits from their use to the city's social and environmental well-being would be lost.

Our funding targets: operating expenses

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

ACTIVITY 7.1.4: PASSENGER TRANSPORT NETWORK

Support for the city's public transport network is a major commitment for the Council. Our aim is to encourage greater use of the buses and rail, as this would improve energy efficiency and reduce pollution.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the passenger transport network provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure
- *Connected City* – the passenger transport network provides accessible and safe transport choices that connect people with each other and with places locally
- *Eco-city* - the passenger network reflects our commitment to sustainable, safe and efficient transport choices including walking and biking.
- *Dynamic Central City* – the passenger transport network provides for easy and affordable movement to and around the central city, especially by walking.

Who Benefits?

Whole community 100%

The whole community benefits from this activity through improved access to public transport and provision of public shelters and transport information. While individual users of public transport receive

the most direct benefit, the Council-provided services such as bus shelters are available to all. Encouraging use of public transport has wider community benefits including a cleaner environment and less congested roads.

Who should pay?

<i>Whole community</i>	35%
<i>Other</i>	65%

While the whole community benefits from this activity, the Council receives income for advertising on bus shelters. This income covers the majority of the cost of providing the Council's passenger transport network services, however this is dependant on advertising demand and revenue.

The funding target has been set in line with current forecasts for advertising revenue.

The Greater Wellington Regional Council also funds projects as a part of its statutory responsibilities for public transport.

Our funding targets: operating expenses

User charges	0%
Other revenue	65%
Targeted rate	0%
General rate	35%
TOTAL	100%

ACTIVITY 7.1.5: PEDESTRIAN NETWORK

Pedestrian safety is a crucial aspect of the transport network. The Council maintains more than 800 kilometres of footpaths, as well as pedestrian subways, bridges, canopies, seats, bollards and fountains.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the pedestrian network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the pedestrian network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the pedestrian network reflects our commitment to sustainable, safe and efficient transport choices
- *Dynamic Central City* – the pedestrian network provides for easy and affordable movement to and around the central city.

Who Benefits?

<i>Whole community</i>	100%
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This work benefits the whole community by ensuring that footpaths and access-ways are safe and well maintained. While it might be argued the individuals who use footpaths are the direct beneficiaries, in

practice that includes most residents, visitors to the city and therefore businesses. It would not be practical to assess benefits on an individual basis.

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. A small amount of user charge income is received from the operators of street-side commercial activities. However, this income is not consistent or predictable and is therefore not included in our targets.

Our funding targets: operating expenses

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

ACTIVITY 7.1.6: NETWORK-WIDE CONTROL AND MANAGEMENT

Traffic flows need to be managed to minimise congestion at busy periods. We run a control system based on over 100 sets of traffic lights, and a dozen closed circuit television camera systems and a central traffic computer system. This activity also covers traffic sign maintenance and road marking maintenance.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices, from their homes to shops, for work, recreation and pleasure.
- *Connected City* – the network provides transport choices that connect people with each other and with places locally.
- *Eco-city* - the network reflects our commitment to sustainable, safe and efficient transport choices

Who Benefits?

Whole community 100%

Network management is crucial in a modern, efficient vehicle network. The beneficiaries of our work in this area are the whole community. By controlling traffic flows, we make the city's roads safer, more efficient and help reduce travel times.

This work also has benefits for the whole community, as a safe, efficient transport system benefits the economy and is important for public health and social connectedness.

Who should pay?

Whole community 70%
User Charges 15%

Other 15%

The main elements of this activity benefit the whole community. A significant part of these activities are funded by subsidy from the Government New Zealand Transport Agency (NZTA), derived from fuel taxes.

There are also User Charges for individual users of the Transport Network. We are constrained in our ability to recover total costs from all individuals particularly when the whole community benefits from these activities on the network. In these cases the fairest and most efficient way to fund these activities is from general rates.

Our funding targets

User charges	0%
Other revenue	25%
Targeted rate	0%
<u>General rate</u>	<u>75%</u>
TOTAL	100%

ACTIVITY 7.1.7: ROAD SAFETY

We make ongoing improvements to the safety of our road network. This work involves a wide range of measures including improving lighting, widening footpaths, installing 'traffic calming' measures such as speed humps, and installing barriers and handrails to protect pedestrians.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – the network provides people with transport choices that are safe and accessible from their homes to shops, for work, recreation and pleasure.

Who Benefits?

Whole community 100%

This work helps reduce accidents and ensures the transport network is safe. The benefits are felt by the whole community, including all road users, pedestrians, cyclists and all others who benefit from the city having a safe, efficient transport network.

Who should pay?

Whole community 70%
Other 30%

A significant part of our costs for this activity are covered by a subsidy from the Government roading funding agency NZTA, which passes on funding from the fuel taxes it gathers. We also receive some income in relation to this activity from the Land Transport Safety Authority. Of the remaining costs, as the community as a whole benefits from a safe vehicle network, the fairest and most efficient way to fund this activity is from general rates.

The amount of the NZTA subsidy varies from year to year depending on the scheduled asset management plan works and changes to the works programme based on reprioritisation.

Our funding targets

User charges	0%
Other revenue	30%
Targeted rate	0%
General rate	70%
TOTAL	100%

7.2 Parking**ACTIVITY 7.2.1: PARKING**

The Council provides short-term, metered roadside car parks in the city centre. We aim to have a high turnover of these parks. We also operate coupon and resident parking in areas to give city dwellers on the fringe of the central business district some relief from the daily influx of commuters.

Community outcome

This activity contributes towards the following outcome

- *People-centred City* – central city car and motorbike parking is important for shoppers, people working in the city, visitors to the city, and people coming in to the city for recreational activities. It is also necessary to allow for goods to be picked up and delivered throughout the city. The provision of car parking helps make Wellington a liveable, prosperous city.

Who Benefits?

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

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

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

The community as a whole also receives benefits from the Council's parking activities. On-street car parking is time limited to encourage a high turnover of parks, as this helps bring people into the city and benefits the commercial sector. All ratepayers benefit from the income derived from this activity, as it offsets the cost of providing the vehicle network.

Who should pay?

<i>Individuals</i>	100%
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Since the principal benefit from the Council's parking services is to identifiable individuals it is appropriate for them to bear the costs through user charges.

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

This activity recovers significantly more revenue, through enforcement and meter charges than the operating costs. The Council believes this is appropriate as it supports our transport and retail policies. These policies aim to improve access to on-street parking and increase turnover of parking.

Our funding targets: operating expenses

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