



2006 *Annual Report*

For the year ended 30 June 2006



*A great place to
live, work and play*

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Vision for Hutt City

The Community Plan provides direction for Council's plans, policies and strategies and gives a long term focus to all Council's activities. This Annual Report measures performance against the community plan targets.

The Community Plan has five key areas:

PEOPLE

Hutt City Council Strategic Goals

- A vibrant and diverse city.
- Accessible and high quality leisure activities and facilities.
- A connected, safe and healthy community.

UTILITY SERVICES

Hutt City Council Strategic Goal

- Affordable, sustainable, accessible and high quality services.

ENVIRONMENT

Hutt City Council Strategic Goal

- A clean, healthy, attractive and sustainable environment.

ECONOMY

Hutt City Council Strategic Goal

- A strong, enterprising and diverse economy.

ORGANISATION

Hutt City Council Strategic Goals

- A best practice organisation that provides value for money and prudent management.
- An organisation that values its customers and staff.

Report from Council

Welcome to the 2006 Annual Report. This document outlines the Hutt City Council's activities over the past twelve months.

It's been a year of significant progress for the council. We fulfilled our promise to ratepayers to hold rate increases to below the rate of inflation, and this will continue in 2007 and every year after that to 2016. This is and will result in a reduction in rates, in real terms.

We remain committed to reducing the level of long-term debt so that we may free up funds otherwise used to pay interest on debt.

Instead we have invested that money to develop the city's infrastructure and almost doubled the amount of capital expenditure over the past twelve months, from \$22 million in 2005 to \$38 million in 2006.

Most of this has been for flood protection. The devastating floods of 2004 and 2005 cruelly exposed the inadequacy of some of the city's stormwater system. Stage One of work on Wainuiomata's Black Creek is almost complete, Stage Two is about to begin, and we have decided to bring forward Stage Three, from 2015/16 to 2010/11. Construction of the pumping station where the Opahu Stream joins the Hutt River is also well underway.

We continue to work collaboratively with the Greater Wellington Regional Council to find solutions for cleaning up pollution and minimising the flood risk on the Waiwhetu and Awamutu streams.

Work continues on the Silverstream landfill, which, once completed, will be a world-class, environmentally responsible, sustainable landfill facility that will last for more than 50 years.

Hutt City continues to enjoy a strong economic surge. This year saw Westfield Queensgate completed except for the 1400-seat Village Cinema, which is due to open soon. Long-standing local business Titan opened a new \$4 million state-of-the-art head office in Seaview, while Noel Leeming opened new premises in the CBD.

Exciting developments completed or still under construction include the Pak N Save supermarket in Brunswick Street, the Harvey Norman store at the corner of Rutherford Street and Melling Bridge and the soon to open Les Mills gymnasium at the former Mitre Ten site.

As Mayor it's heartening to see businesses like these investing in Hutt City because it reflects confidence in our future. They contribute more jobs, growth and prosperity for the city, and for that I sincerely thank them.

The CBD has begun transformation with the upgrade of Margaret Street, which improves pedestrian access between Westfield Queensgate and retail shops on High Street. Council has committed more funding for further enhancement of the CBD as part of the CBD Masterplan project. It is important to continue the integration of Queensgate and the rest of the CBD.

Hutt City was the talk of the region following the launch of new tongue in cheek billboards around Wellington City designed to attract visitors and raise the profile of the city. The campaign helped reshape the image and perceptions of Hutt City by using good humour, self confidence and understatement.

Council, in partnership with Work and Income, launched a major new initiative into help people, especially school leavers, into skilled jobs. TradeStart began in December 2005. It provides information about trades and training opportunities. The Youth Transition Service project, again in partnership with Work and Income, is another example of Council helping our young people reach their potential.

Our vision is to make Hutt City a family friendly city – and we are achieving that. We are home to many high quality schools and tertiary institutions and blessed with recreational facilities the envy of most other cities. With crime on the way down, and job opportunities on the rise, we are an attractive place for families wanting a fresh start.

I want to thank our councillors and council officers for their hard work, enthusiasm and commitment over the past twelve months. Together we are making Hutt City an even better place to live, work and play.



A handwritten signature in blue ink that reads "David Ogden". The signature is written in a cursive style with a long horizontal stroke at the end.

David Ogden
MAYOR
On behalf of Council

Report from the Staff

The year to 30 June 2006 should be seen as a year of achievement. Decisions taken in previous years were implemented, especially in the flood protection area, and a number of indicators for the economic life of Hutt City have markedly improved. We now need to build on these foundations and refine a vision for Hutt City to allow us to plan ahead more coherently.

Flood Protection

The priority of Council projects has been flood protection work. Accordingly this year we saw the completion of Stage One of the Black Creek flood protection project at Wainuiomata (with Stage Two ready to start next spring) and substantial progress made on the Opahu Pumping Station.

Working with the Greater Wellington Regional Council we are now ready to appraise realistic options for both flood protection at Hathaway Avenue by the Hutt River and also for the Waiwhetu/Awamutu Streams. Major floodbank work along the lower Hutt River is essentially complete.

The scheme to repair private drains in the Waiwhetu catchment has progressed successfully according to schedule with excellent cooperation from locals, and the Silverstream excess flow management tank will be commissioned later this year. Both projects will improve environmental standards by minimising the wastewater overflows into rivers that currently occur during heavy rain.

Hutt City Promotion

Building on the 'Go Ahead' campaign in the previous year, Council has embarked on a promotional blitz in Wellington city using billboards to express an edgy tongue in cheek image of Hutt City. Feedback on the campaign has been universally positive, setting the foundation for a similar effort in the New Year.

Council worked with neighbouring local bodies to promote the region at the Tourism Rendezvous New Zealand (TRENZ) tourism tradeshow in Christchurch. Interest in local tourism attractions was high and relationships have been formed between Hutt City operators and international travel wholesalers.

Hutt City and Upper Hutt have begun partnering on marketing initiatives targeting international visitors, including joint advertising and a combined Hutt Valley tourism website.

Parks and Reserves

Council has reduced the use of Summit Road as a nursery site, and though retaining some of the site, has declared the rest as surplus for disposal or development.

Council began evaluating its fee simple land managed as reserve during the latter part of the year, with a view to both reserve values as well as development potential.

The re-development of the Memorial Park Stand was undertaken during the year, in partnership with Capital Soccer which has now located its office on the upper floor of the Stand.

Discussions with the Walter Nash Stadium Trust and representatives of key users of the facility resulted in the establishment of a working group to consider future ownership and development of the Stadium.

At Hutt Park, the Pelorus Trust confirmed its commitment to the Sports House proposal and Council agreed to leasing part of the site for this purpose. A new reserve management plan for the park was adopted during the year.

Environmental Inspection and Enforcement

An increase in the number of noise complaints about noisy heat pumps was recorded during the year. Environmental Health Officers discovered that the motor units on new pumps had often been installed too close to neighbouring properties with little or no acoustic protection. Council is advising local installers on best practice to prevent future noise complaints from this popular form of home heating.

Three dogs were killed after eating toxic cyanobacterial mats from the Hutt River in late November. Council responded to the human and animal risk by restricting the use of local waterways for recreational purposes. Regular monitoring of local rivers was undertaken by Environmental Health Officers throughout the summer months for the presence of Cyanobacteria. Mats persisted in local rivers until late Autumn

Leisure Active

The highlight of the Leisure Active year was the holding of the first stage of the Trust House International Women's' Cycle Race through the CBD in February. Competitors from all round the world helped put Hutt City on the map as a sporting venue.

Community Support

The Hutt Valley Youth Transition Service was launched in February, as the first joint venture between two local authorities, Hutt City and Upper Hutt City, contracted to the Ministry of Social Development. The aim is that by 2008 all 15-19 year olds in the Hutt Valley will be in work, education, or training, or other options which lead to long-term economic independence and wellbeing.

Libraries

The Books for Babies Service was launched as a partnership with Plunket to deliver 2000 giftpacks, featuring Buzzy Bee books, to Hutt City's newborns and their parents to promote library services and increase literacy.

Hutt City Libraries redeveloped their website during the year and expanded digital resources. Regular title highlights, events, homework help, local history, online database resources and much more are now available online.

The Odyssey 2005 Teens Reading Programme had a Hutt City response rate more than 250% greater than any other major New Zealand library per head of population. More than 180 participated in this national read, earn and win competition with \$1500 worth of donated prizes.

Emergency Management

In May the Mayor launched a pilot for Hutt City of an Emergency Management Preparedness web based programme that assists groups to plan for emergencies. The pilot also allows Council to communicate by text to all participants in an emergency setting as an alternative to using the current smart fax system.

Negotiations with Upper Hutt City Council are progressing for working together for Emergency Management and Rural Fire. The increasing collaboration meets legislation that encourages local authorities to work together in determining their roles and responsibilities during emergency events.



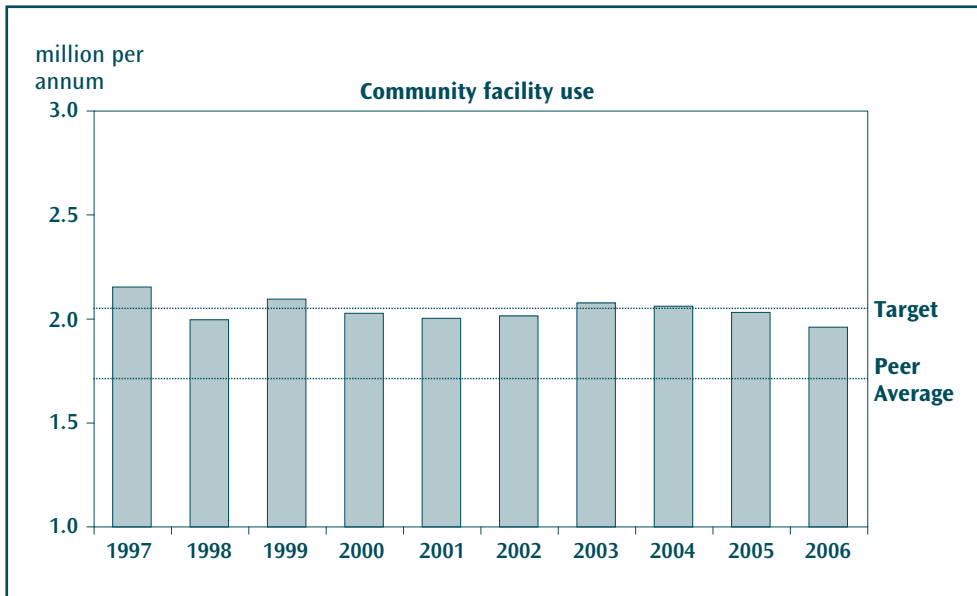
R.I.K. (Rik) Hart

CHIEF EXECUTIVE

On behalf of the staff

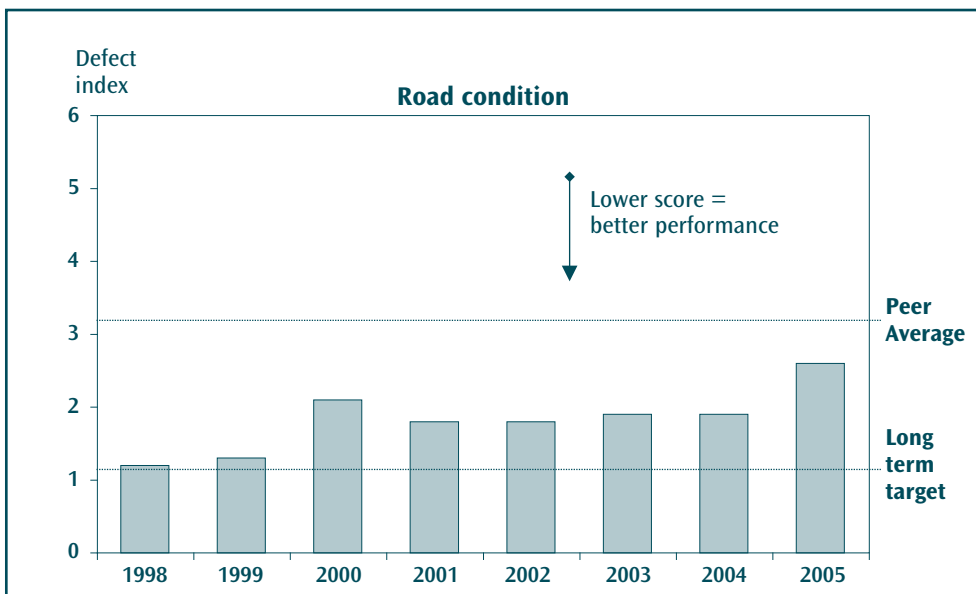
Report on Strategic Measures

Strategic Measures – People

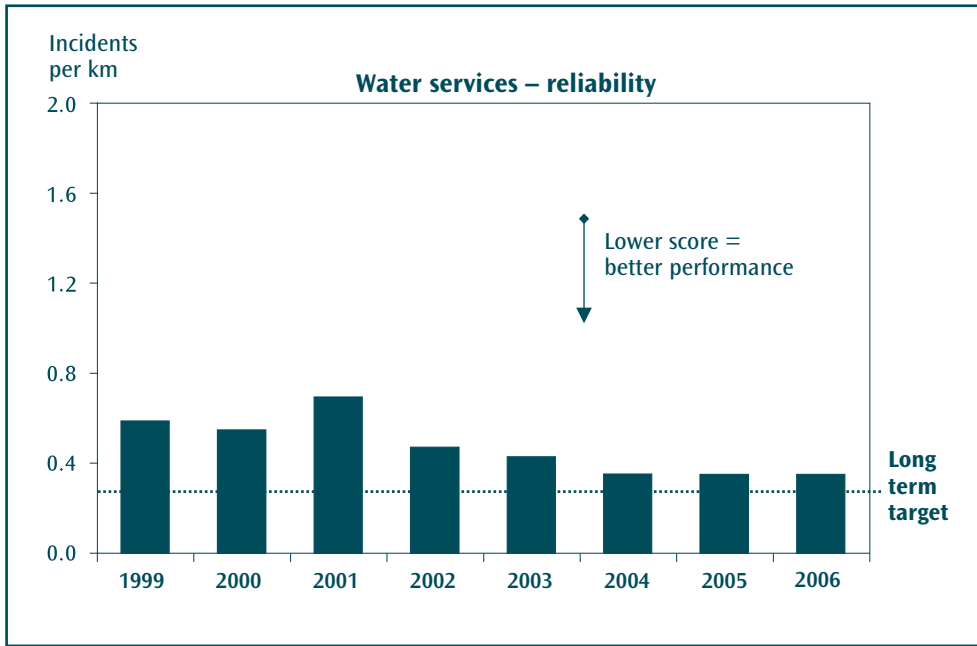


Council monitors use of its key facilities. The graph shows visitors to libraries, pools and museums. Council has a target of maintaining visitor numbers to these key facilities steady at about 2.1 million each year, which is significantly higher than the community facility use in other similar cities. The steady target recognises the growing number of competing recreation options available and the limited ability of Council to invest in enhanced facilities. Expectedly, the target was not achieved in 2006 due to the closure of the Dowse for redevelopment.

Strategic Measures – Utility Services



Defects in roading surfaces are measured on the above index. This graph shows the historical condition of the roads in Hutt City and Council's target. There has been a gradual deterioration since the results achieved in 1998, although average road condition remains better than that in peer cities. Council recently began directing a greater proportion of expenditure towards road maintenance and revised the focus of maintenance programmes in order to reverse this unfavourable trend.

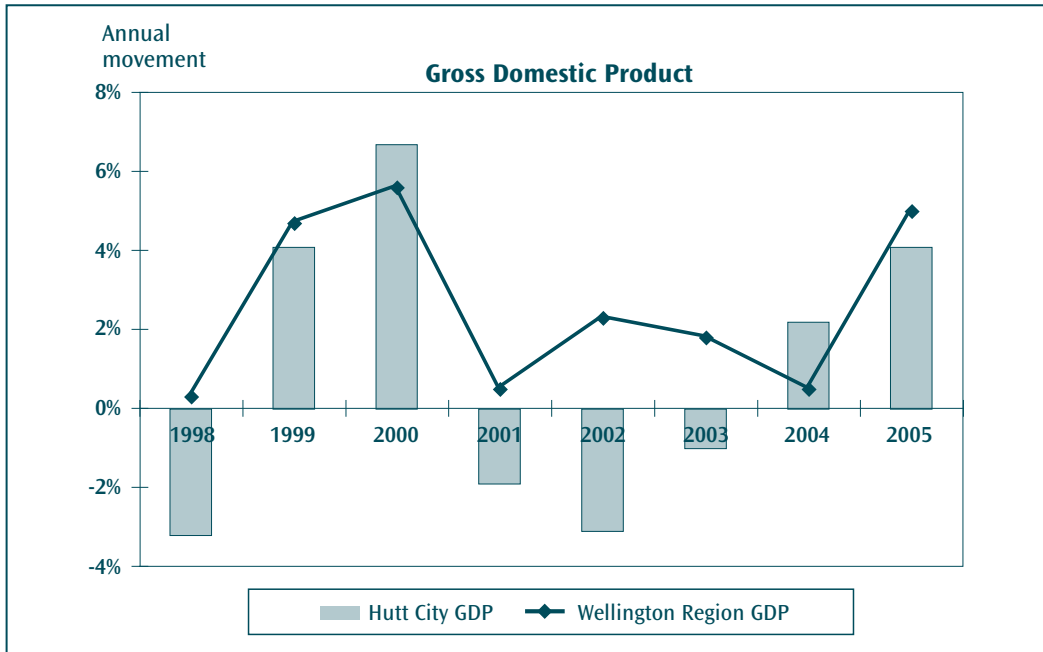


This graph measures combined incidents per kilometre in the water supply, wastewater and stormwater networks. A favourable trend can be seen, but results remain slightly worse than peer averages. The main reason for this is the age and condition profile of pipes. Council's asset renewal programme will address this issue. Council has a long-term target of reducing incidents below the peer average, as indicated by the line on this graph.

Strategic Measures – Environment

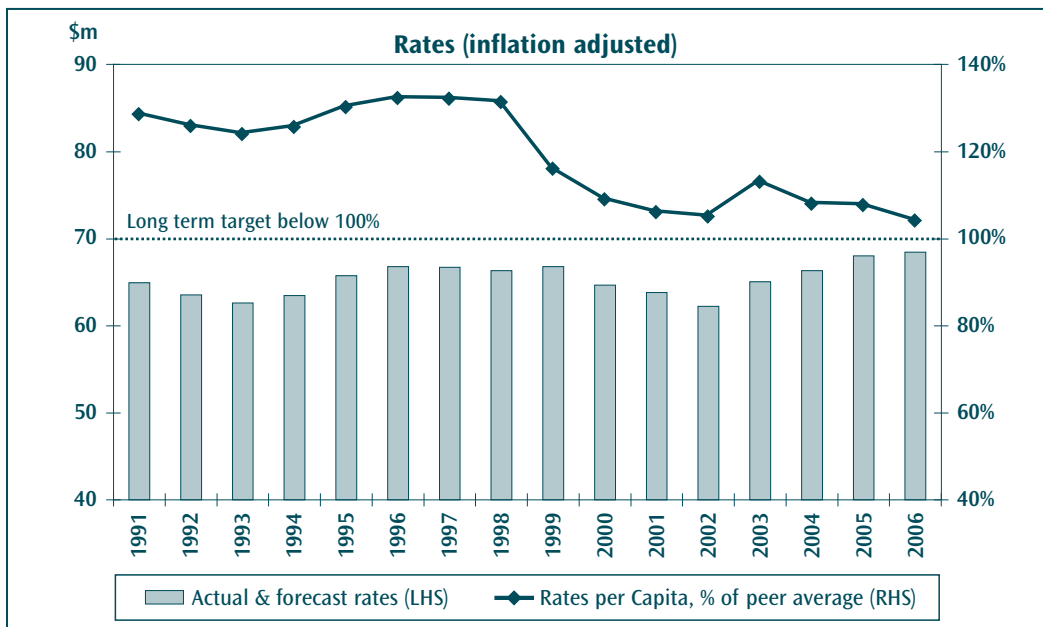
Results in relation to environmental measures are included in the Report on the Environment on pages 27 to 36.

Strategic Measures – Economy



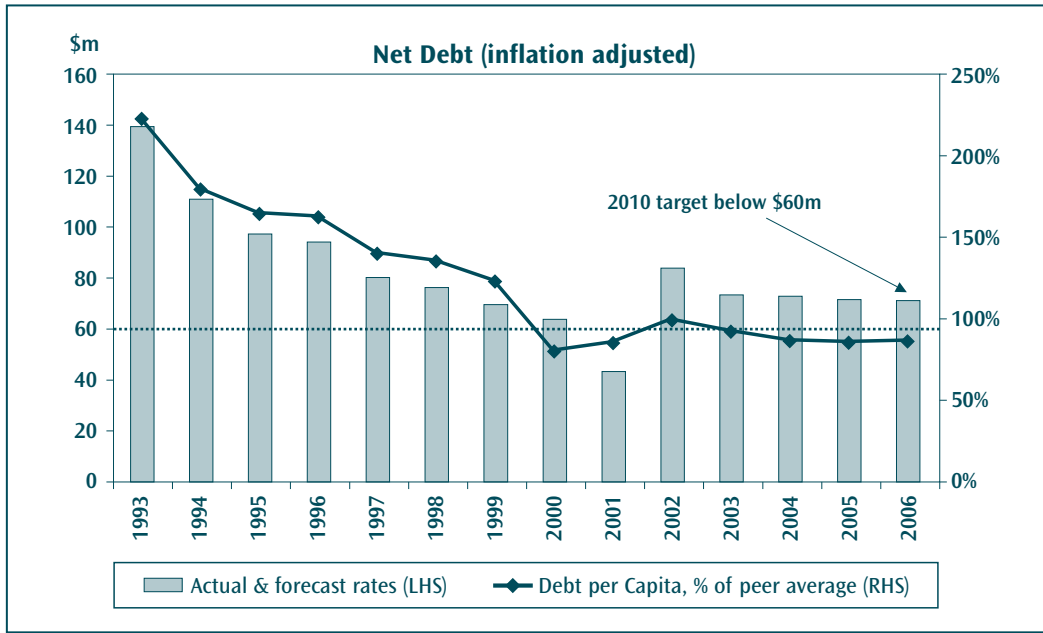
The performance of the local economy has not been strong and has not compared favourably with New Zealand as a whole. The economy has been in transition since the closure of the motor vehicle assembly industry in the city and the downsizing of other large employers. In response, Council adopted an economic development strategy in 2002. The strategy aims to build the city's economy, particularly in the areas of business numbers, jobs, events and tourism. The long-term target is for local gross domestic product growth to exceed the regional average. A significant improvement in economic performance is apparent since 2002. Visitor numbers, job numbers and population are also showing improving trends.

Strategic Measures – Organisation



This graph shows historical rate levels. It highlights the reductions achieved from 1999 onwards, offset by modest increases in recent years to cover the cost of wastewater treatment facilities.

The graph also measures rates per capita in comparison with our peers (other similar local authorities). Historically Hutt City rates per capita have been well above peer average. This is partially due to many peer authorities owning major profitable businesses such as ports, airports, forestry and electricity companies, that help to keep rates down. Council's long term target is to deliver rate levels less than the peer average per capita, and the graph highlights the significant relative improvement that has already been achieved.



This graph shows historical net debt levels. It highlights the considerable success Council has had in reducing debt levels since 1993. At that time debt levels in Hutt City were more than twice the average for similar local authorities.

The increase in debt in 2002 was due to the unavoidable requirement to fund the construction of the wastewater treatment facilities at Seaview. However, debt levels are below the average of peer local authorities and are forecast to fall further.



Council monitors customer satisfaction levels with Council services annually by way of an independently conducted survey. The graph shows there were significant improvements until 2000 and that satisfaction ratings have maintained a high level since then.

Council budgets to maintain satisfaction levels that are higher than the 84% average achieved by other similar local authorities. Council has a long-term target of achieving results regarded as best practice which are above 90%.



Council has been measuring overall satisfaction levels of staff for the last four years through an independent survey.

Council budgets to maintain staff satisfaction levels of at least 80% and generally remunerates staff at close to market average levels. Nevertheless, Council has a long-term target of achieving at least 90% satisfaction, by addressing staff concerns raised during the annual survey, where possible through modest cost solutions.

The 2005 results show further improvements but are not necessarily directly comparable as two different survey formats were used. The second 2005 result is based on the John Robertson Associates Best Places to Work Survey (BPTW).

Report on Governance

Local democracy is about:

- conducting business in an open, transparent, and democratically accountable manner
- giving effect to identified priorities and desired outcomes in an efficient and effective manner
- having regard to the views of all communities within a district
- prudent stewardship and the efficient and effective use of its resources in the interests of its district or region
- taking into account –
 - the social, economic, and cultural well-being of people and communities
 - the need to maintain and enhance the quality of the environment
 - the reasonably foreseeable needs of future generations
- fair and effective representation for individuals and communities
- all qualified persons have a reasonable and equal opportunity to –
 - cast an informed vote:
 - nominate 1 or more candidates:
 - accept nomination as a candidate:
- public confidence in, and public understanding of, local electoral processes

Hutt City Council is made up of the former Eastbourne Borough, Petone Borough, Wainuiomata District and Lower Hutt City Councils and the Hutt Valley Drainage Board, which were amalgamated in 1989. Council has two separate components – the political body (the elected members), and the corporate body, (the administrators). Council is governed by a Mayor (Mayor David Ogden), who is the Chair, and eleven Councillors, all of whom are elected by Hutt City citizens for a three year term of office. To ensure that each part of the city is represented around the Council table, it is divided into six separate wards and the voters in each ward elect two members (in the case of the Western Ward one member) to represent them on Council. The Mayor is elected 'at large' which means that all citizens can vote for the Mayor.

Political Governance

The concept of governance refers to the manner in which Council exercises its role and authority. The concept includes:

- leadership and vision
- consultation and citizen involvement
- strategic policy setting
- decision making and
- auditing the organisation's results.

The elected Council sets the broad strategic direction and policies for the Chief Executive and staff to implement and audits the results. Council ensures, on behalf of the community, that the organisation achieves what it should and that it avoids undesirable situations and circumstances. The Chief Executive of Council is the sole employee of the elected members of Council. The Chief Executive in turn is the employer of all other Council staff members. The Chief Executive is responsible to Council for:

- implementing the decisions of Council
- providing advice to Council, Community Board and Ward Committee members and
- ensuring all functions delegated to the Chief Executive or to any other employees are carried out.

Hutt City Council's vision for the city is 'A Great Place to Live, Work and Play'. To achieve that vision Council has a number of strategic goals:

- a vibrant and diverse city
- accessible and high quality leisure activities and facilities
- a connected, safe and healthy community
- affordable, sustainable, accessible and high quality services
- a best practice organisation that provides value for money and prudent management
- an organisation that values its customers and staff
- a strong, enterprising and diverse economy
- a clean, healthy, attractive and sustainable environment.

These strategic goals are linked to Community Outcomes the community has identified as being of importance. The Local Government Act 2002, amongst other things, requires territorial authorities to carry out a process to identify the outcomes its community wants for the long term good of the city. Community Outcomes are those outcomes identified by the community as being a priority to improve the social, economic, environmental and cultural well-being of Hutt City.

Treaty of Waitangi

The Council takes into account the principles of the Treaty of Waitangi and ensures that a sincere partnership is maintained between the mana whenua and elected Council. This recognition and relationship has been achieved through the development of agreements and a Code of Conduct. Council works hard to make sure all parties are kept informed and have the opportunity to take part in Council's affairs. A full statement regarding the Treaty of Waitangi can be found on page 23.

Roles and responsibilities

Council currently provides the following services (although Council does not necessarily carry out the services itself):

- essential physical services such as water supply, roads, drainage, sewerage and collecting and disposing of rubbish
- parks, sports fields, recreational facilities, libraries, museums, community centres and housing
- resource management planning and emergency management
- essential regulatory duties such as environmental health, building inspection and animal control and
- promotion and advocacy of the social and economic well-being of the city's residents.

Political Structure

The Council has created a number of committees and working groups to undertake preparatory work before matters reach the full Council, perform regulatory and monitoring functions, which frees the Council to focus on matters relating to strategic direction, policy-making and governance. The responsibilities of the Council's three principal Standing Committees are as follows:

Strategy and Policy Committee – the role of this committee is to assist Council with its policy development, for example, undertaking consultation and hearing submissions, resulting in fully considered policies going to Council for adoption.

Operations and Compliance Committee – this committee is responsible for ensuring that Council's statutory and regulatory responsibilities are met, that relevant legislation is complied with, and that Council's policies, as they are being implemented, are meeting stated objectives.

Finance and Audit Committee – this committee is responsible for reviewing progress towards achievement of all of Council's financial objectives, and Statements of Corporate Intent for the Council's Controlled Organisations. The committee is also responsible for approving the audit process and programme for Council for each financial year and reviewing financial information at the completion of the annual examination of Council's finances.

The following committees are also Standing Committees of Council but meet less frequently than the three principal Standing Committees:

District Plan Committee – this committee hears and decides all matters concerning the District Plan and administration of the District Plan and hears submissions on proposed Changes to the District Plan.

Hearings Committee – responsible for determining resource consent applications, and exercise of Council's statutory and regulatory responsibilities in the areas of resource management, Sale of Liquor and the Reserves Act.

Community Grants Committee – responsible for administering and allocating Council funded grants such as the Community Houses and Marae Funding Schemes and the Community Development Fund, and the Creative New Zealand (Creative Communities) Scheme.

Community Plan Committee – which is responsible for the development of a framework and timetable for the planning process, appropriate public consultation and statements to the media, the hearing of public submissions on the Community Plan, and making recommendations to Council on the adoption of Council's Council Community Plan.

Governance Working Group – which is responsible for assisting Council meet its governance obligations.

Council has two special committees – the Hutt Valley Services and Civic Honours Committees. The Hutt Valley Services Committee is a Joint Committee with Upper Hutt City Council. This committee is primarily concerned with the shared services of the two Councils, which are the Silverstream landfill and the Hutt Valley bulk wastewater network. The Civic Honours Committee meets once a year to consider and select the recipients of annual Civic Honours awards.

Hutt City Council is a member of Greater Wellington (Wellington Regional Council's) Hutt River Floodplain Management Committee and the Waiwhetu Stream Advisory Committee. The Hutt River Floodplain Management Committee is concerned with the implementation of flood mitigation measures for the Hutt River. The Waiwhetu Stream Advisory Committee was established to oversee the development of a management plan for the Waiwhetu Stream.

Hutt City Council is also a member of the Wellington Regional Strategy Forum. The purpose of this Forum is to develop a long term (10-20 years) direction for an internationally competitive region. The project will be completed in July 2006.

Hutt City Council also has three elected Community Boards – Eastbourne, Petone and Wainuiomata – and four Ward Committees – Central, Eastern, Northern and Western. The role of these local representatives is to support Council in its governance role by facilitating local input into Council's decision-making processes. Council also delegates to Community Boards and Ward Committees a range of functions including providing their local community's input into strategic planning, resource management and road safety issues; maintaining an overview of roadworks, water supply, sewerage, stormwater drainage, waste management and traffic management for its local area; and deciding traffic management issues.

Council, its principal Standing Committees and the Community Boards and Ward Committees normally meet once every six weeks. All meetings convened by Council are publicly advertised each month and are open to the public, except for those parts of the meeting from which the public is excluded in accordance with the requirements of the Local Government Official Information and Meetings Act 1987. Agendas for meetings of Council, its Committees, Community Boards and Ward Committees are available to members of the public before the meeting either on the Council's website or from Council's offices, libraries and service centres.

There are many different ways in which members of the public can voice their opinions to Council and its Committees, including presentation of petitions, deputations and through the public comment section, which is held for a period of up to 30 minutes at the beginning of each public meeting.

Corporate Governance

Hutt City Council management is focused on:

- being accountable
- ensuring good management
- being open and consultative
- providing value for money and
- being customer driven.

There are a number of formal corporate management teams operating alongside group and divisional management teams. The key teams are the Executive Management Team, the Customer Strategy Team and the Information Management Team. All contain representatives from across the organisation and are responsible for the strategy, policy and overall operation of their particular team focus.

All divisions and business units of Hutt City Council set their objectives in line with the Community Plan. The results of customer surveys and feedback are also incorporated in work plans. Divisional managers meet regularly with their staff, either fortnightly or monthly, to review the performance of their division or business unit. In addition coaching and feedback sessions are conducted with individual staff members to ascertain performance against objectives set in the performance appraisal process. Divisional and business unit managers meet with their general manager regularly.

Managers have within their job descriptions the responsibility for staff development and the setting of learning/training objectives. These are set annually as part of the performance appraisal process and also as part of the individual coaching and review process which reacts flexibly to customer and staff requirements.

Report on Staff Management

Hutt City Council values the people who choose to work in the organisation, and aims to be a “high performing organisation regarded as one of the best places to work”.

Our position as a top performing organisation is measured on an international scale by our participation in the Baldrige Awards. In 2004, Council was recognised with a Bronze Award. Only one local authority has ever received an award above this level.

In 2005 Council commenced participating in the annual Best Places to Work Survey. The first results show Council is not currently regarded as one of the best places to work. Therefore, Council intends using the feedback received from the survey to implement improvements and help achieve its aim.

Staff Performance Results

The staff performance management system is an annual process, one of the outcomes of which is assessment of staff members against the requirements in his/her job description, as reflected in an annual performance agreement.

The results of annual performance assessments are used to set staff remuneration in comparison to market median levels. Staff are remunerated between 85% and 110% of the market median salary level for similar positions.

A separate team bonus is dependent on achievement of organisation wide goals, and is paid to all staff who are performing at a satisfactory level in their role.

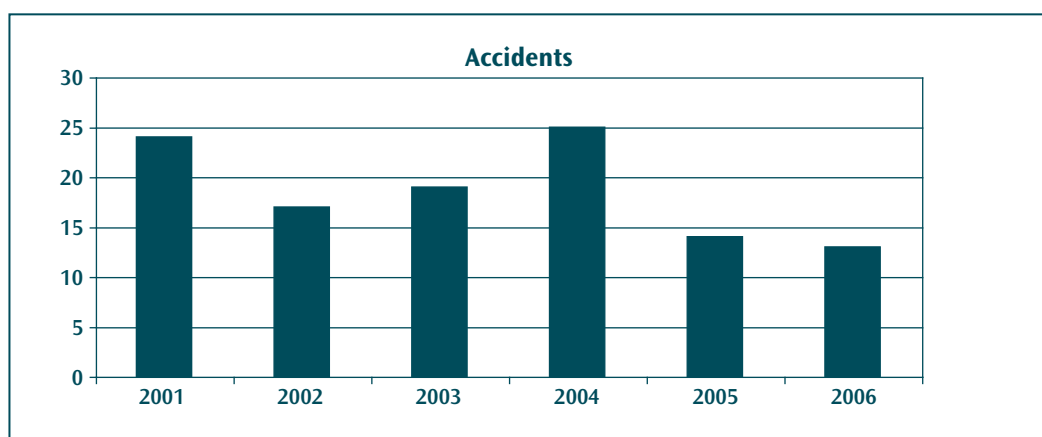
Staff Involvement

The improvement scheme initiated in 2000 encourages staff to become involved in improving work practices, customer interface, safety and satisfaction. 742 improvements were recorded in 2005/2006, well exceeding the target of 700.

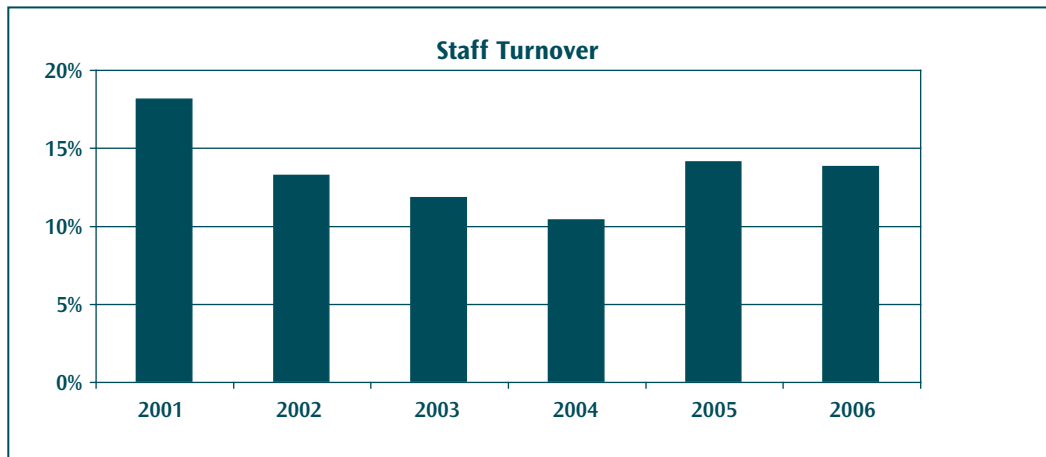
Staff Health and Safety

Council is committed to providing a work environment that promotes and supports the wellbeing of all employees. We have brought together a number of initiatives, benefits and personal development opportunities under a Wellness Programme— a holistic approach to the wellbeing of our staff.

A reduction in the number of work place accidents is reported in this year. Only 13 accidents were reported, which is the lowest level ever achieved by Council.



Departmental health and safety audits are conducted internally on a quarterly basis, and an independent audit of Health and Safety throughout the organisation is undertaken annually. All staff are encouraged to observe safe working practices to ensure their safety and the safety of others.



One of Council's goals is to keep staff turnover below 15%. This goal has been achieved, although turnover has increased in 2005 and 2006. This appears to be at least partially due to national shortages of skills in some key areas of Council operations.

Training and Development

Council endeavours to ensure that staff are developed and trained to enable them to make the most effective contribution to the organisation goals, and to assist in fulfilment of individual aspirations thus enhancing job satisfaction and contribution.

A recent addition to the training and development programme has been a leadership programme for senior managers, and an amended version espousing the same language and values for team leaders.

Equal Employment Opportunities

Everyone has the right to equal employment opportunities. Council is committed to the principle of equal employment opportunities in recruiting, employing, training and promoting its staff.

The principles of the Equal Employment Programme are to:

- provide fair and proper treatment for staff
- eliminate inequality in employing any person or group of persons
- ensure that no preference or discrimination is made on the basis of gender, transgender, marital status, religious or ethical belief or its absence, colour, race, ethnicity, nationality, health, disability, age, sexual orientation, pregnancy, political opinion, employee association involvement, employment status, beneficiary status, family status or the identity of a partner or relative, and
- require supervisors and managers to be responsible and accountable for the implementation and integration of equal employment opportunities.

The goals of the Equal Employment Programme are to integrate equal employment principles and practices into Council's activities and culture and to realise the business benefits to Council of valuing and fully utilising its human resources.

This year Council continued its Equal Employment Programme which:

- informs and raises the awareness of all staff on equal employment issues
- monitors the working environment to ensure that it is free of all discrimination
- ensures that employment related decisions and processes are based on skill and abilities and made on merit
- encourages the fullest use of individual talents and skills.

Report on Social Development

Overview

In 2003 Council developed 10 community outcomes following a significant consultative process with residents. These outcomes have helped focus Council's activities and efforts on issues of importance to the community. Around half of the community outcomes concern social development and the Council has worked to be an effective contributor to achieving these outcomes in a variety of ways. This report on Social Development highlights some of the key projects and developments in these areas over the last year.

Council Priorities

The Council's priorities are aligned to the community outcomes. Five outcomes encompass social development issues. These are listed below, along with some of the key projects the Council has been involved in 2005/06. Many other agencies have a significant impact on social development in the City and the Council works with these to achieve greater results. The Hutt Valley Governance Group was established in 2003 as a result of both the Council's and central government's desire to develop a 'whole of government' approach to the provision of services within the Hutt Valley. Its membership comprises representatives from Hutt City Council, Upper Hutt City Council, government departments and other government funded agencies that provide services to the Hutt Valley. The purpose of the Group is to improve the overall coordination, policies and programmes of its members, to enhance the well-being of the Hutt Valley. This initiative is expected to assist the achievement of social development outcomes in the future as agencies work more effectively together, aligning resources and efforts to maximise positive individual and community outcomes.

Community Outcome - Everyone has affordable access to services that improve health

The Council does not have a direct role in the provision of health services. However, it maintains a close relationship with the Hutt Valley District Health Board and is working on several joint initiatives with the DHB, for example, establishment of a joint Disability Advisory Group.

Community Outcome – A city that is safe, friendly and welcoming, where people experience a sense of belonging

Community Development is a Business Unit within the Development Services Group of Hutt City Council. Community Development actively works with a range of groups and organisations to foster a more inclusive society as well as promoting the interests of their various members. Examples include support for the Hutt Ethnic Council, Friends of New Settlers, the Hutt Valley Youth Workers Network and Hutt City Council's own youth council, Youth Infusion.

COMMUNITY DEVELOPMENT FUND

This was the third year of Council's annual contestable funding for community groups with the establishment of the Community Development and Small Grants Funding Schemes. The total funding available to the community was \$206,000 in recognition of the vital and valuable work undertaken by a range of community groups in the City. This year funds were allocated as follows; Community Development Fund \$145,000, Small Grants Fund \$25,000, Regional Grants \$33,000 and \$3,000 towards administration. The funding schemes are to provide support to those groups that provide services that contribute to the community outcomes identified in the Long Term Council Community Plan.

CITY SAFETY

This year has seen major initiatives in the Safe City field. The CCTV system in the CBD has been reviewed and a report has been done on the levels of crime in suburban shopping centres. A policy is being developed on CCTV management. New patrols were piloted in Jackson Street Petone targeting the evenings when the most reported incidents occurs. This pilot has led to a new arrangement of targeted Crime Prevention patrols in both Jackson Street and the CBD being initiated based on the crime levels in these areas.

There has been support given to the Tamaiti Whangai project for development of the programme targeting at risk families and young people in Naenae. Council has concentrated on alcohol issues through co-ordinating the work of a multi-agency Liquor Liaison Group, supporting Controlled Purchase Operations and running door staff training. Council has taken a leadership role in a new project targeting patrols by Maori Wardens to the cities licensed premises, called Te Ara Poka Tika (Project Walkthrough). There

has been projects' targeting the area of Youth Access to Alcohol (YATA). There has also been an emphasis on theft of and from cars, and an ongoing project has been developed targeting personal responsibility, environmental design and ownership issues.

Over time all these initiatives will enable a more concentrated focus on safety issues by the Council, in conjunction with relevant agencies and community organisations.

HUTT COUNCIL OF SOCIAL SERVICES

The Council supported the establishment of the Hutt Council of Social Services (HCOSS) through direct funding and officers' time. The establishment committee for the HCOSS held several community meetings to obtain support and buy in. The committee developed its constitution and trust members have been appointed. To date over forty local community groups are registered as members of the HCOSS. The establishment of the HCOSS for the City will assist the coordination of social services, networks between organisations and groups and improved support for the important work undertaken by its members.

BYLAW REVIEW PROGRAMME

The Council is required, under the Local Government 2002, to review all its existing Bylaws by July 2008. A primary focus of Council's Bylaws is concerned with the health and safety of the community. During the 2005/06 year the following bylaws have been reviewed:

- Public Places Bylaw 1997;
- Trade Waste Bylaw 1997;
- Libraries Bylaw 1997;
- Museum Bylaw 1997; and
- Swimming Pool Bylaw 1997

Community Outcome - Everyone has affordable access to excellent educational services

As with health services, the Council does not have a direct role in educational service provision. Many community houses, which are funded by the Council, ran a variety of educational programmes over the year, and the Community Development Business Unit organised over a dozen training courses for community groups. The Council also maintains a constructive relationship with Weltec, a significant provider of tertiary education in the City.

YOUTH TRANSITION SERVICE

The Hutt Valley Youth Transition Service was launched by the Minister of Social Development, the Hon. David Benson-Pope, on 20 February 2006. The Hutt Valley Youth Transition Service is the first Youth Transition Service (YTS) to involve two Territorial Land Authorities working together for the benefit of young people who are transitioning from school to tertiary education, training or employment.

The Mayors' Taskforce for Jobs and the Government's agreed vision for YTS development has been adapted to suit the Hutt Valley as follows:

"By 2008 all 15-19 year olds in the Hutt Valley will be engaged in work, education, or training, or other options which lead to long-term economic independence and wellbeing".

Vibe was selected as the Hutt Valley YTS provider in 2005, and they are now contracted to The Ministry of Social Development for a three year period to deliver youth transition services valley-wide. All young people aged 15-19 will be given individual support to access available employment, education and training opportunities.

Vibe YTS works in partnership with government agencies, local schools, employers, training organisations and community-based organisations to build goodwill, collaboration and partnerships to assist our young people to achieve their career aspirations. Vibe YTS brokers interventions and employment or training placements for all young people in the Hutt Valley.

The work of Job Track has been incorporated into the services provided by Vibe YTS, and the Job Track programme has ended. Job Track was an initiative between Hutt City Council and Work and Income to provide information, support and advice for 16-18 year old school leavers who had not identified future career paths.

A Strategic Steering Group was formed in February 2006 to provide advice and support for Vibe YTS, to ensure that a youth development approach is followed in meeting the objectives of the YTS Strategic Plan.

Community Outcome - Everyone has a quality standard of affordable housing

The Council provides housing for the elderly and socially disadvantaged. Occupation rates for these properties remained high during the year and these homes are keenly sought by those who qualify.

Last year Council became a member of Healthy Housing Steering Group. This Group was established by the Hutt Valley District Health Board (HVDHB). Members include Housing New Zealand, Hutt City Council, EnergySmart, Hutt Mana Charitable Trust and the Wellington School of Medicine. During its strategic planning the HVDHB identified healthy housing as a priority public health issue in the Hutt Valley. Housing is a key determinant of population health and improving the condition and state of housing will enable improvements to health and well being, and the prevention of hospital admissions.

The purpose of the Hutt Housing Steering Group is to provide a co-ordinated and collaborative approach to housing projects being undertaken in the Hutt. The Housing Steering Group will:

- provide a forum for the various agencies and stakeholders to share information about the initiatives that are being undertaken in the area of housing in the Hutt Valley
- ensure that there is a co-ordinated approach and that duplication is not taking place or that areas of high need are not missing out on housing initiatives
- explore options of collaborative funding and implementation of housing projects in the Hutt.

In December 2005 the Group decided that further planning was needed to identify some specific projects and issues the Group could focus on. Following a strategic planning exercise the Group developed a draft terms of reference that included a number of new projects that could be progressed. The Group will be meeting in August 2006 to finalise and ratify the terms of reference.

Community Outcome – Affordable access to community facilities that include arts, cultural and recreational options

The Council provides a significant range of services that contribute to this outcome, including libraries, museums, pools, parks and sportsgrounds. Aside from these core services, a number of other community facilities and events are supported by the Council such as community houses, community halls, Youth Forum, and Multi Ethnic Day. Community houses organise and run a variety of activities and programmes for their local areas and community halls are used extensively across the City by a range of groups and organisations.

In 2001 the Community Development Business Unit commissioned consultants to identify and assess community needs in eight geographical locations around the city. These have recently been updated and will help inform the work undertaken by the Community Development Unit over the next few years.

The needs of Pacific and Refugees and Migrants to the city have also been undertaken and will also help inform the work of Community Development.

NEW SETTLERS CENTRE

The Council in partnership with the Department of Labour and relevant community groups, have been supporting the establishment of a New Settlers Centre to be centrally located at the Te Awakairangi Community Resource Centre in Laings Road.

HUTT CITY'S YOUTH CENTRE - PHONIC

Financial support for the City's youth centre from the Council has enabled this service to continue to operate. Throughout the year the Youth Centre has been involved in many projects including the Council's Expo, Guitar Wars and Star Search in several local schools. Hip hop and Graf Art courses, dance and DJ lessons were also organised at Phonic.

Report on Our Commitment to the Treaty of Waitangi

Council has an obligation to take into account the principles of the Treaty of Waitangi – Te Tiriti O Waitangi – and to recognise and provide for the special relationship between and with Maori, their culture, traditions, land and taonga.

The obligation to consult includes recognising those who have mana whenua, or inherited rights of land ownership. Within Hutt City this consists of the Wellington Tenth Trust, and Council also recognises the Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui. Both these groups represent Te Atiawa and the Taranaki tribes within the Wellington region.

A Memorandum of Agreement has been established which governs the relationship between Te Atiawa and the elected Council.

Consultation also extends to urban Maori now resident in Hutt City including Te Taura here o Te Awakairangi and the seven Marae within Hutt City.

Key Principles

- To take into account the principles of the Treaty of Waitangi – Te Tiriti O Waitangi
- To use the Memorandum of Agreement to promote consultation effectively with Te Atiawa
- To continue with the established contractual arrangements with the Wellington Tenth Trust and Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui and following Marae in the city:
 - Koraunui Marae
 - Te Mangungu Marae
 - Wainuiomata Marae
 - Te KaKano o te Aroha Marae
 - Waiwhetu Marae
 - Kokiri Marae
 - Te Tatau o te Po Marae
- To pursue Council's statutory obligations under Part II of the Resource Management Act 1991.

Goals

- To maintain consultation and involvement with Te Atiawa
- To consult with Te Taura here o Te Awakairangi
- To consult the seven Marae within Hutt City.

Programme

- Ongoing promotion of the Memorandum of Agreement
- Working to maintain the relationship with the Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui, the Wellington Tenth Trust, Te Taura here o Te Awakairangi and the seven Marae within Hutt City
- Ensuring that all parties are kept informed of Council's developments and given the opportunity to take part in Council's affairs.

Report on Economic Development

Introduction

Continued implementation of the Economic Development Strategy (“EDS”) has been a key priority of Council, which as one of many players in the economic development of Hutt City is committed to encouraging a strong, enterprising and diverse economic base.

The primary purpose of the EDS is to increase the number of jobs available within Hutt City over the 5-year time frame 2002–2007.

Current Situation

Reporting the results for the third full year since the EDS was signed off, Hutt City’s economic performance was better in all measures reported for the 2004–2005 year than for the previous year and in most cases greater than those experienced across the Wellington Region. We continue to see positive growth in all of the four major measures of performance.

- Job numbers increased by 4.6%, with a net increase of 1,787 Full Time Equivalents for the year (2003–2004, 2.2%)
- There were 145 new businesses created in 2004–2005 (2003–2004, 289)
- GDP/Value Added rose by 4.1% (2003–2004, 2.2%)
- The number of residents was estimated to have risen by 200 (2003–2004, 300)

These are continued encouraging results. Job numbers in particular are to be noted. The EDS identified a target of 37,716 jobs by 2007. As at March 2005, there were 40,357 jobs in Hutt City.

Council is continuing to work hard to attract industries and businesses to locate in Hutt City to ensure a broad-based economy. A number of these new businesses and new developments were completed during the past 12 months.

Key Priorities

Council’s key priorities are based on its role in economic development and the areas of focus that the business community has told it to give attention to. These are:

1. Implementation of the Economic Development Strategy
2. Retention, growth and attraction of businesses
3. Increasing the recognition of Hutt City as a place to do business
4. Continued relationship development and relation management with key partners and other organisations.

1. IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT STRATEGY (EDS)

The EDS targets a scenario of 0.7% growth per annum – 0.3% to replace those jobs lost each year and 0.4% real growth.

To achieve this, the focus is on four outcomes:

- More businesses operating in Hutt City
- Recognition of Hutt City as a business location and vibrant city
- Continued investment in current and new business activities
- An available skilled workforce.

Council’s role is to achieve the EDS outcomes by:

- a) Taking a primary role in the “more business” and “recognition” outcomes, working in partnership with relevant local, regional and national organisations. These include Business Hutt Valley, Positively Wellington Business, the Foundation for Research, Science and Technology and New Zealand Trade & Enterprise.
- b) Taking primary role in the “skilled workforce” outcome with the development of TradeStart in conjunction Work & Income.
- c) Taking an increasing role in the “continued investment” outcome in conjunction with organisations such as Smartlinx 3 Limited and the Regional Economic Development Agency (Positively Wellington Business).

2. RETENTION, GROWTH AND ATTRACTION OF BUSINESSES

Growth in jobs can come about from either the development of more businesses or retention of and growth in current businesses.

This is a key to the future economic growth of the city. In the 12 months to March 2005, 145 new businesses were created in the city.

During the year Westfield completed the long awaited expansion of Queensgate and work is now well underway on the added cinema complex. Other large developments either completed or commenced during the year include the new Pak’N Save, new Harvey Norman Centre, NZ Van Lines and Mitre 10 Mega.

The city Visitor Information Centre continues to benefit from its accreditation to the Visitor Information Network with a rise in international visitors through the centre, many of whom were here with the 2005 Lion’s rugby tour. Enhanced services such as accommodation, travel and activity bookings have helped to attract increasing numbers of visitors to the centre. Council continues to fund events in the city, such as the Petone Fiesta, Touch Nationals, and the Crazyman multisport race. The 18 events supported by Council through the Events Assistance Fund during the 2005/2006 year generated an estimated \$6.5 million in economic activity.

Working with businesses in the Wingate industrial region, Council has continued implementation of a three-year development plan for the area with installation of entry signage and new landscaping work completed and the development of a landscape design guide for the businesses in the area. Council continues to work with business steering groups in Seaview/Gracefield and Petone to identify and work on initiatives in these areas.

Significant urban enhancement work is currently being completed in Homedale Village and will shortly be undertaken in Moera shopping centre. A review of the Suburban Shopping Centre Fund policy was completed during the year and is guiding future Council investment in suburban shopping centre upgrades.

Council, along with CBD Plus, has taken a significant role in the development of a long-term strategic framework for future urban enhancement of the CBD. The first initiative under this framework, the Retail Connector was completed during the year and planning for further initiatives in the early part of the next financial year is underway.

Council continued its involvement in Smartlinx 3 Limited along with the Councils of Porirua and Upper Hutt and individuals and businesses from the three cities. This company was established to develop an open, competitive high band-width telecommunications infrastructure. Networks were established in each of the three cities and a number of customers including the 3 Councils are taking services from providers using the Smartlinx 3 network. An opportunity to rapidly expand the network through funding assistance from the Broadband Challenge Fund led to a further capital injection by existing shareholders, conditional on receiving matched funding from the Broadband Challenge Fund. The results of an application for this funding should be known early in the new financial year.

3. INCREASING THE RECOGNITION OF HUTT CITY AS A PLACE TO DO BUSINESS

Council’s business newsletter “Thrive” continues to be well received by Hutt City businesses. Published quarterly and now into its seventeenth edition, the newsletter outlines issues of interest to business and highlights businesses in the city.

A new business attraction brochure “Creating Business Success – Hutt City” was launched outlining the benefits of living, playing and operating a business in Hutt City. The brochure prepared by Council is being used by commercial agents for use in attracting new businesses to the city.

Council’s Business Communication Programme included mayoral visits to businesses, mayoral breakfasts and presentations by senior Council staff to business groups. Regular updates to the real estate industry were made during the year and it is planned to broaden the group to other professionals in the next year. Council staff continue a regular meeting programme with businesses in the city.

Council’s support of the Wellington Region Gold Awards to business continued this year, with Hutt-based businesses winning two of the nine category awards, including the ACC Thinksafe Workplace Safety Award for the fourth consecutive year. Council continued its branding campaign to promote Hutt City with large scale billboards in Wellington promoting the benefits of living and working in the Hutt.

4. CONTINUED RELATIONSHIP DEVELOPMENT AND MANAGEMENT

Council cannot achieve all the outcomes and strategies outlined in the EDS by itself. It needs to build and maintain strong relationships with businesses and business organisations that can assist in the achievement of the EDS outcomes.

Following the creation of the creative manufacturing cluster by Positively Wellington Business (PWB), work is now well underway in preparing a proposal to develop a Greater Wellington Industry Development Centre in support of this cluster and the manufacturing industries in the region.

Weltec, formally launched its Centre for Smart Product and through its Director of Innovative Manufacturing, is taking a leading role in the development of advanced capability in the manufacturing sector in the region.

Council launched TradeStart a Trades Information Centre in November working alongside Industry Training Organisations, Polytechnics, schools and businesses to increase the number of people getting into apprenticeships and trades training. The Centre has exceeded all expectations and the one year pilot funded by Work & income has been extended for a further two years. Over 200 people have been referred on to ITO's and training institutes with a large number commencing trades training and apprenticeships.

PWB's immigration attraction programme has successfully assisted a growing number of Hutt City businesses address skill shortages over the past year.

Business Hutt Valley, a joint venture between the Hutt Valley Chamber of Commerce and CBD Plus, launched in July 2005 has resulted in a stronger representation of the business community across the city.

During the year Council assisted the Jackson Street Program undertake projects identified in its three Year Strategic Plan and again assisted Development Wainuiomata undertake a promotion programme of the visitor attractions in Wainuiomata called "Explore the Other Side", and also complete a review of its development plan.

Wellington Regional Strategy

This is a joint project of the councils of the Wellington metropolitan region and in association with Positively Wellington Business, working together to build an internationally competitive Wellington region. A large component of the work in this two year project will be focused on economic development within the region and how to achieve competitive growth. The project started formally on 1 July 2004. The first deliverable from the project, a discussion document, was issued during the year outlining the initial thinking on the Growth Framework and seeking feedback. The research to date has identified four focus areas;

- Effective leadership and partnerships
- Quality regional form and systems
- Unlocking economic potential
- Internationalisation.

The next series of deliverables from this project is expected to be available for consultation in August 2006. For more information on this go to www.wrs.govt.nz

Report on the Environment

Hutt City residents place a clean and healthy environment high on the list of outcomes they want to see for the City. This is evident from some of the ten Community outcomes identified in the Community Plan, including:

- Clean air, water and land
- A city that is safe, friendly and welcoming, where people experience a sense of belonging
- A diverse natural environment that is accessible, enjoyable and safe
- A healthy balance between natural and built environments
- A built environment that is attractive and safe

This section outlines some of the projects, programmes and issues that Council has been involved in over the 2005/06 year while working towards meeting these outcomes.

Wastewater

Construction of the 10 million litre wastewater storage tank at Silverstream is progressing well, with all wall panels erected and preparations underway to start placing the concrete roof. The work is on programme, and operational testing will take place towards the end of July 2006.

The tank will be the largest for this purpose in New Zealand when completed. The project includes a 1,200 litres a second pumping station which will be used to fill the tank. The facility will significantly reduce the frequency of wastewater overflows into the Hutt River which can occur during periods of high rainfall and local flooding. The dilution, settling and fine screening in the tank will markedly improve the quality of the discharge of the few remaining overflows during these extreme events.

Other Council programmes are underway to reduce wastewater overflows, including the private drains policy being implemented in the Waiwhetu.

Biodiversity



The city boundaries now include three unfenced mainland island projects and one island sanctuary. Volunteer pest trapping has enabled the reintroduction of North Island Brown Kiwi at Rimutaka Forest Park. Hutt City is fortunate to have natural occurrences of kaka and NZ falcon. The improving condition of the parks is evident in the use of street edge trees. This past year a falcon took to roosting in one at Waiwhetu and a bellbird nested successfully in another at Easbourne. Recommencing bird monitoring from Stokes Valley to Gracefield would be useful to gauge whitehead and bellbird presence compared to 1980s data.

Hutt City Council Communications Manager Don Carson (left) provided a video commentary from the Turere Stream release point back into Wainuiomata Marae.

The stunning biodiversity that quietly exists within the valley was illustrated this year by a land snail survey at Waiwhetu. Surprisingly, the number of native species that were discovered in distinct communities in an urban park was similar to the number of species found in undisturbed north west Nelson forest (highest recorded in South Island).

Biodiversity Planting

Re-vegetation species are selected and eco-sourced to suit a range of sites and environments throughout the city. Emphasis is placed on choosing pioneer species to facilitate establishment. Plants are used in re-vegetation of slip sites and community re-vegetation projects.

Coastal Restoration



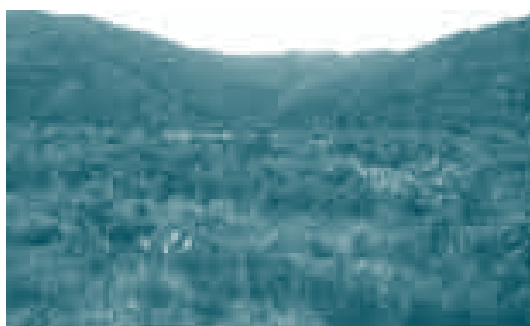
Members of Friends of Petone Beach planting pingao.

Coastal projects continue to increase in number and popularity. The beach by HW Shortt Rec has been transformed by weed removal and planting with spinifex, pingao and native shrubs and coastal herbs. Weed removal has led to species such as coastal celery establishing by themselves. The volunteer group reports that the visible improvements to the beach have resulted in several walkers starting to pick up rubbish on a regular basis.

Days Bay residents helped with experimental erosion control planting, and are keen to continue despite initial setbacks. Friends of Petone Beach started work in two project areas, one using only spinifex to build dunes from flat sand, and the other replacing marram dune with pingao.

Wetlands

Wetlands are a rare ecosystem type. Most of the wetlands in the region have been lost, with only between 7% - 14% remaining. This year Council surveyed a wetland in Parkway. It was found to have high representative value and will be retained in Council ownership. It is a diverse ecosystem and has some unusual features, for example, *Olearia virgata* which is not common in wetlands in the Wellington region. It features some intact ecotones from dry kamahi forest through occasionally flooded kahikatea to carex sedgeland. This natural wetland will provide inspiration for the ecological zone being planned for Hugh Sinclair Park.



Mohaka wetland, Parkway.

Pest Plant and Boundary Weed Control Programme

As part of its pest plant and boundary weed programme Council has a number of strategies and projects operating.

EDUCATION:

Prevention is better than cure. The publication, "Plant Me Instead" developed with the Department of Conservation, Greater Wellington Regional Council and Wellington City Council has been distributed to Council libraries and service centres, local garden centres, landscape contractors, secondary schools and is soon to go out to primary schools as a resource tool.

VOLUNTEER PROGRAMMES:

Volunteers, through programmes such as Weed busters, undertake weed control on beaches and Key Native Ecosystem sites such as Galbraiths Gully and Haywards Reserve.

MONITORING AND EARLY INTERVENTION:

Council monitors potential new threats and shares early intervention control work with Greater Wellington Regional Council for species such as Bomarea, Mile-a-minute and Madeira Vine.

CONTROL PROGRAMMES INCLUDING SITE LED AND INDIVIDUAL SPECIES:

Site led work includes beaches and coastal zones, Key Native Ecosystems, and boundary weed control (BWC) along high profile reserves (such as those along main arterial routes, and near playgrounds, sports parks and entrances to suburbs) where there is a good background of native bush bordered by a band of weeds such as gorse blackberry and broom. Clearing the weeds provides an immediate landscape enhancement without the need for extensive re-vegetation planting.

Pest Animal Control

Council continued to work with Greater Wellington Regional Council on possum control programmes with 50:50 funding of the Parkway bush area in Wainuiomata. This complemented the control programme in the new East Harbour Regional Park, the Wainuiomata Catchment area and the TB possum control programme in the Wainuiomata Coast Road area.

The Possumbuster trap loan scheme continued to operate with some 350 traps out on loan to residents. Volunteer trappers operate in Stokes Valley, Eastern Hills, Jubilee Park and Galbraiths Gully. Council has increased the number of rat poison stations on the Petone Foreshore in an attempt to eradicate the rats.

Dangerous Pine Removal

The second stage of the Ferry Road pine removal has been completed. There are approximately 100 trees still remaining in a small stand to the North of the reserve. These trees will be removed in the third stage scheduled to happen in the 2006/07 financial year. A small stand of large, old and dangerous pines are scheduled to be removed by helicopter from Muritai Road in Eastbourne.

Council Officers, with the help of Arbourtech Services, have developed a list of all problem pine stands in the City maintained by the Hutt City Council. Cost estimates and priority ratings have been allocated to each stand.

Keep Hutt City Beautiful Activities

KEEP HUTT CITY BEAUTIFUL WEEK 2005

25 schools and 22 groups, including businesses, community groups and families, participated in the Keep Hutt City Beautiful Clean Up Week. Over 2000 rubbish bags and 12,000 disposable gloves were distributed.

PAINT HUTT CITY BEAUTIFUL

1st Waterloo Scouts and Wainuiomata residents led the charge to Paint Hutt City Beautiful during the 2005 Keep Hutt City Beautiful Week. The Scouts painted the garages behind Waterloo shopping centre. They have adopted the area, which faces Waterloo School, to maintain it graffiti-free.

The paint out day in Wainuiomata involved over twenty residents from the Westminster Road area turning out to help clean the main walkway. Fifty litres of paint were needed to do the job.

The year's most unique community initiative was led by the Stokes Valley Combined Churches who organised a "Graffiti Free Day" in lieu of their annual Christmas Carols.



ARBOR DAY

To celebrate Arbor Day this year Keep Hutt City Beautiful decided to celebrate the contributions made by the two "grandfathers" of the Keep Hutt City Beautiful Executive Committee: Roy Hewson and Stan Butcher. Roy is a founding member of the committee, and he managed to persuade Stan to join.

A northern rata was planted at Avalon Park, honouring Stan and a kowhai planted in Petone's Garden of Remembrance honouring Roy.

Stan Butcher, Pam Mayston (Forest & Bird Kiwi Conservation Club) and Roy Hewson (left to right), with the northern rata planted to honour Stan.

Graffiti in Our City

The budget for graffiti removal in the 2005/06 financial year increased to \$150,000, of this \$20,000 was allocated for anti-graffiti education (see Art 4 Change below). This year Council's contractor removed 1730 graffiti "hits" totalling 3918.5 m² of area cleared of graffiti. All tags are photographed. During this time 701 "blanket permissions" to have graffiti removed were given by property owners.

Graffiti is removed from Council owned buildings and properties and other high priority (priority 1) locations including private residential and commercial properties, the CBD, CBD service lanes and suburban shopping centres within 24 hours of being reported and permission being granted from property owners, subject to weather. Sites with a large backlog of historical graffiti often require significant resources to remove tagging. These areas, including alleyways and reserve fences, are classified priority 2 projects.

Council is progressively working with retailers towards having a voluntary code restricting of spray paint at point of sale and ensuring that cans are less accessible to being stolen. This is due to the fact that aerosol cans contain solvents that are a health risk and can be addictive to users, as well as their use as an implement of graffiti.

Art 4 Change

NAENAE SCHOOL

The Naenae School mural featured in last year's Annual Report won the Resene Paints Best School Mural for 2005, announced in November.

MOERA KINDERGARTEN

A mural project was undertaken with young students from Moera Kindergarten. Students initiated drawings, and they were "finished" off by artist Dan Mills. The kindergarten's teachers, students, and parents thoroughly enjoyed the project and the end result.



The completed mural at Moera Kindergarten.

PACIFIC ISLAND HEALTH CENTRE

The owner of the building asked Council to create some appropriate health messages in a mural designed for the Pacific Island Health Centre. The wall was regularly graffitied as it was a light-coloured, plain wall on a prominent Naenae corner site. The painting of the wall attracted some Year 7 students from Naenae Intermediate, who have asked to join the next Art 4 Change programme. One student had previously been involved with the Naenae Primary School mural. Local residents have commented how nice it is to see an attractive mural instead of a plain, graffitied wall.

DRAINS TO STREAMS

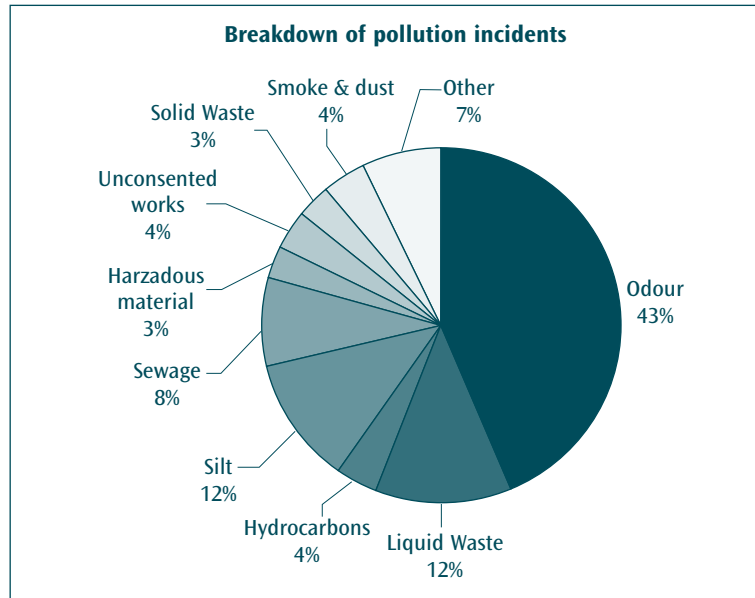
Eastern Hutt Rotary is to fix 200 Drains to Streams plaques adjacent to stormwater drains on selected Eastern Hutt streets. Rain and storms have caused this project to be postponed until July 2006. Council has noted pollution incidents in the area and attributed them to do-it-yourself householders dumping their wash water into stormwater drains, and/or allowing car washing detergents to enter drains that lead to streams.

TOXIC ALGAE

Following the deaths of three dogs as a result of consuming toxic cyanobacterial mats from the Hutt River in late November, restrictions were placed on the use of local waterways for recreational purposes. Regular monitoring of local rivers was undertaken by Environmental Health Officers throughout the summer months for the presence of Cyanobacterial mats and tests on water quality were also conducted by Cawthron Institute Nelson on behalf of Greater Wellington Regional Council. Low river flows, warm water temperatures and strong sunlight resulted in the presence mats in local rivers until late Autumn.

POLLUTION INCIDENTS

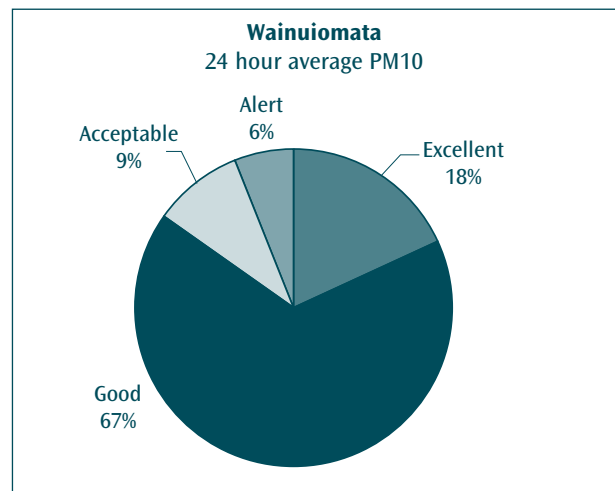
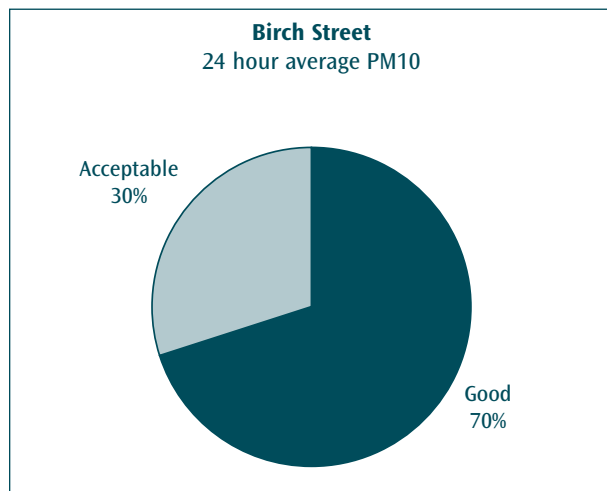
Greater Wellington monitors pollution within Hutt City. In the 2004/2005 financial year there were 306 pollution incidents within Hutt City compared to 269 in the previous year. Incidents relating to odour are by far the most common incident type. While their numbers increased from 130 in 2003/04 to 149 in 2004/05, as a percentage of total pollution incidents odour decreased from 55% to 43%. The “Other” category includes natural occurrences, dead animals, vehicles and all other incidents.



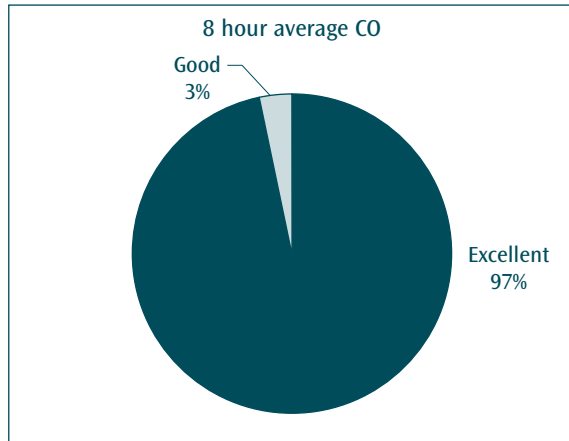
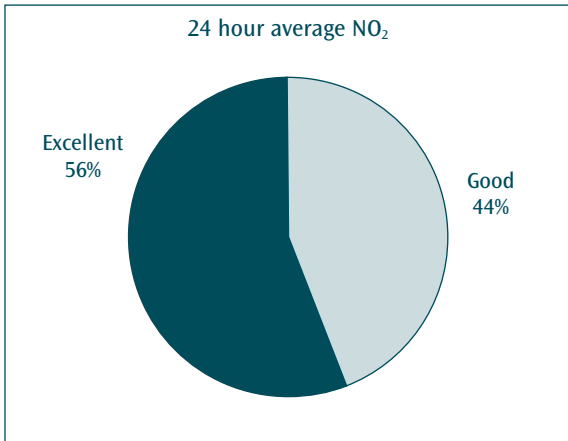
Data supplied by Greater Wellington Regional Council

Air Quality

Greater Wellington monitors air quality in the city at two sites. One is situated in Birch Street near the Waterloo Interchange (referred to as Lower Hutt) and the other is in Wainuiomata. The Lower Hutt monitoring station collects data on three different variables: particulate mater (PM10), carbon monoxide (CO) and nitrogen oxide (NO2). The Wainuiomata monitoring station collects PM10 data only, and takes readings approximately every third day.



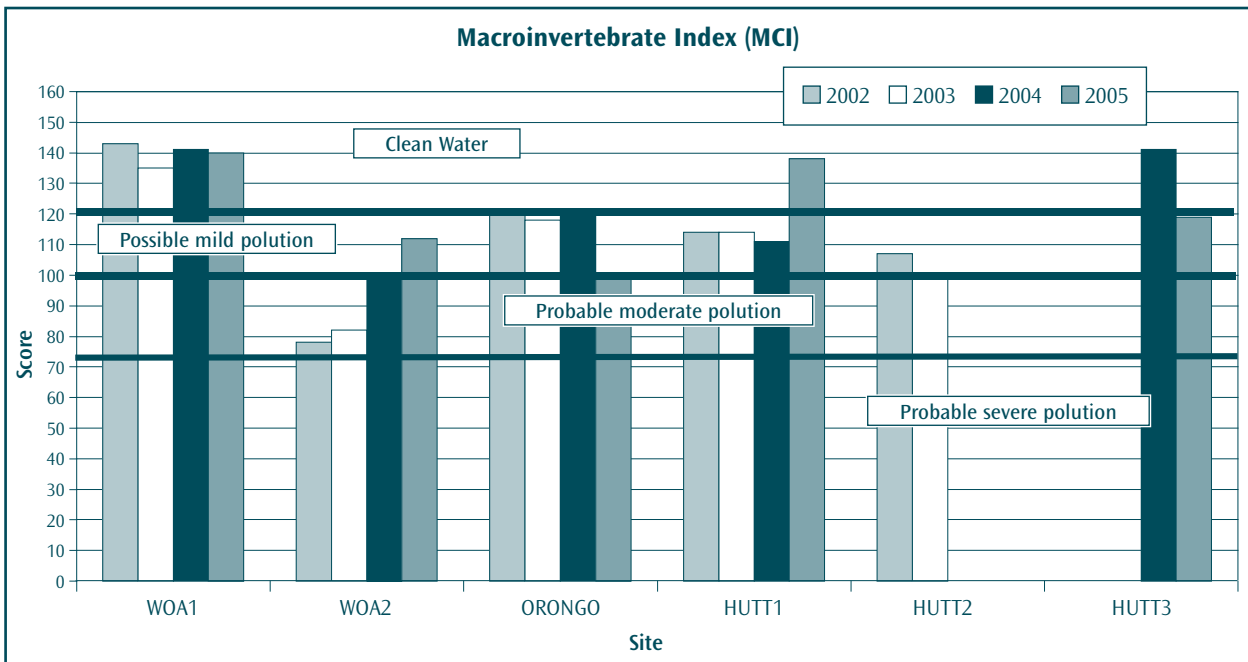
The results are shown in terms of the percentage of time that readings fell in certain air quality categories. The categories used range from Excellent, Good, Acceptable and Alert to Action. They relate to national standards and guidelines for ambient air quality. The “Alert” category means that the level reached is between 66% and 100% of the maximum acceptable level specified in the relevant national standard or guideline. The results suggest there are air quality issues and potential for adverse human health effects in Wainuiomata, particularly during winter months.



Results of CO and NO₂ monitoring at Lower Hutt show concentrations of both variables to be well within acceptable levels. Both variables register higher levels during the winter months. These results are similar to previous years.

Water Quality

The Macroinvertebrate Index (MCI) was developed in New Zealand and is widely used to measure water quality. The MCI is measured annually as most invertebrates have annual life cycles. The results of the MCI reflect the quality of the water over a number of months, as invertebrates must survive in the waterway for their entire life cycle. MCI scores are expected to decrease as sampling sites move downstream due to differences in stream habitats (ie. Warmer water, less shading).



Sampling sites: Two on the Wainuiomata River: WOA1 at Manuka Track and WOA 2 at White Bridge; Orongorongo River near the river mouth; three on the Hutt river: HUTT 1 near Manor Park, HUTT 2 at Melling and HUTT 3 at Boulcott. Data supplied by Greater Wellington Regional Council.

The quality of water in the Wainuiomata River continues to improve. Samples taken from near White Bridge (WOA2) indicate possible mild pollution, a steady improvement from probably severe pollution in 2002. This is due to sewage no longer being discharged into the river. Samples taken near Manuka Track (WOA1) continue to indicate clean water.

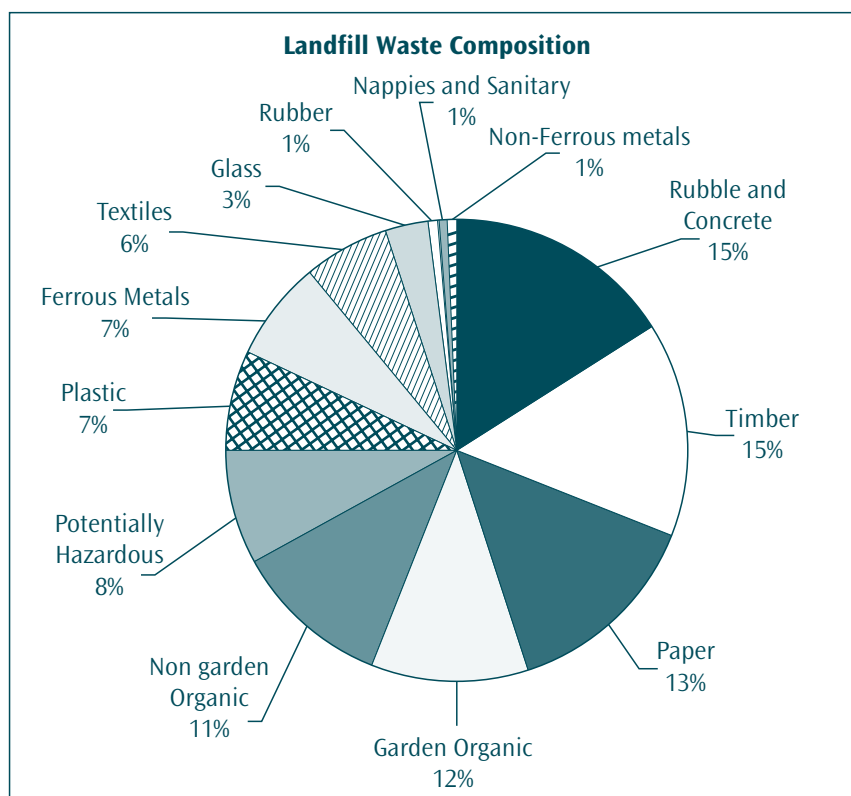
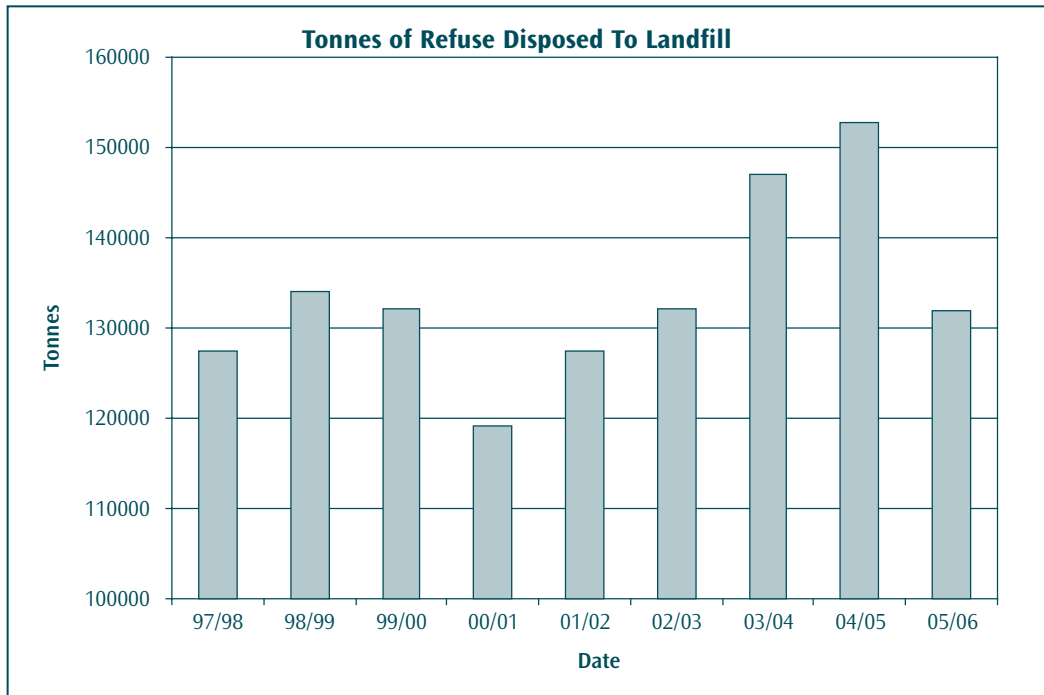
Readings on the Hutt River at Manor Park (HUTT1) also indicate clean water, an improvement on 2004. Meanwhile, there has been a drop in water quality at the sampling site near the Boulcott Golf Course (HUTT3) from clean water to possible mild pollution. There has also been a drop in readings registered at the Orongorongo River mouth (ORONGO), with samples now indicating probable moderate pollution.

Solid Waste

Council continued working towards the targets outlined in the Hutt Valley Waste Management Plan throughout this financial year.

The table shows that there was 131,907 tonnes of waste disposed to Hutt City Council landfills during the 2004/2005 financial year. This is a 13%, 20,000 T decrease in the amount of waste disposed compared to the previous year.

This decrease can largely be attributed to the fact that there were no flood events resulting in significant slip clean ups during this financial year.



Organic Waste

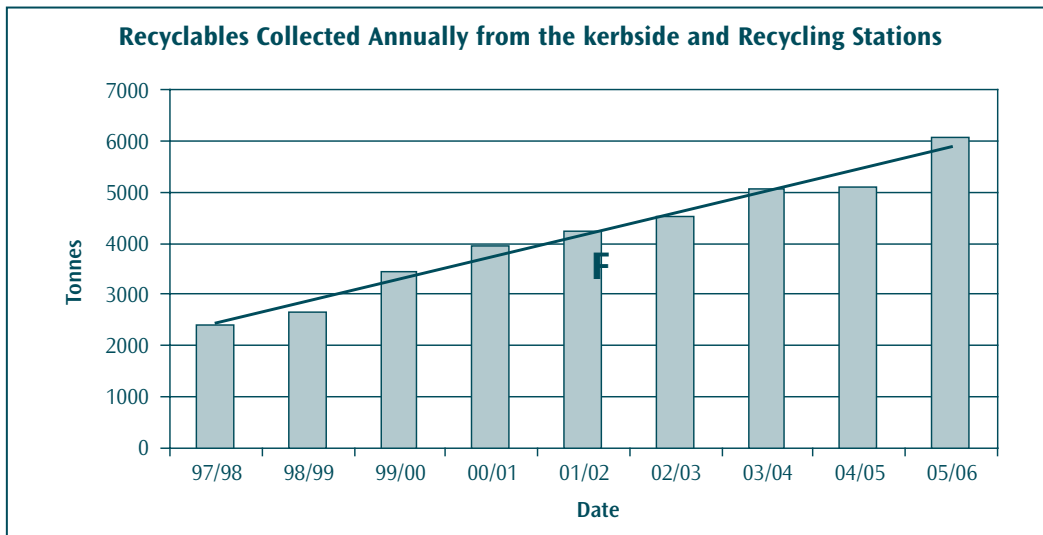
This year approximately 15,830 tonnes of organic garden waste was disposed to landfill. Council's target, as outlined in the 2004 Hutt Valley Waste Management Plan, is to reduce this amount to 9,000 tonnes by December 2005 and to around 1,000 tonnes by 2010 where this is economically viable.

Although the December 2005 target has not been met in May this financial year a private business commenced operation of a Vertical Composting Unit system in Hutt City and the affect of this will be monitored during the next financial year. Council supports this venture as we believe this new business will have a very positive impact on helping us towards achieving our organic garden waste target.

Organic waste currently going into the landfill is contributing to the methane gas produced which is converted to electricity by the gas to electricity power plant at the landfill.

Recycling

All Hutt City residents have access to recycling services, through the residential kerbside collection and/or the recycling stations throughout the City. Hutt City residents recycled more during the past year than in any previous year. A survey conducted in January showed that 72% of households use the kerbside recycling collection service with 45% of households putting their recycling bin out in any one week.



A total of 6,066 tonnes of recyclables were collected from kerbside and recycling stations this year. This is an increase of 20% on the previous year. The volume of recyclables collected at kerbside and recycling centres has steadily increased since 1998; see table above. Recycling helps reduce the demand for new materials and diverts materials from being deposited in a landfill.

Launch of WasteSmart – the smart way to shop



Inside the WasteSmart shop

After three years of hard work by Earthlink and Council, Earthlink's WasteSmart recycling shop was officially opened on 8th April this year.

The opening was a family affair with free sausage sizzle and bouncy castle rides, plus lots of bargains and give aways. More than 700 people attended the opening day.

At WasteSmart you will find preloved treasures that have been restored and repaired by skilled Earthlink staff. You can drop items off for WasteSmart at the Silverstream Landfill recycling area or you can contact Earthlink to arrange a collection.

If you are looking to find a few treasures for yourself you can visit WasteSmart at 24 Goodshed Road Upper Hutt. WasteSmart – Smart for the Environment and Smart for your Budget.

Hazardous Waste Collection

The Household Hazardous Waste Collection was provided again this year on 28th August 2004. 407 Hutt City Households took advantage of this free service, a 10% increase in attendance rate compared to last year. Wastes such as pesticides, herbicides, pool chemicals, cleaning chemicals, paint, oil, and batteries were collected. This represented a total of 6,000 kg of hazardous waste a 26% increase on the total amount of waste collected last year.



Vehicles queuing at the Hazardous Waste Collection

Waste Minimisation School Tour

During the months of March to May this year a school waste minimisation tour trial was undertaken. The need for the programme was largely driven by teachers who were having difficulty arranging educational visits to the landfill and recycling facilities.

The tour starts by visiting AllBrite recycling facility, then we make our way to Silverstream Landfill and complete the tour at the Earthlink 'WasteSmart' recycling facility.

Activities throughout the day reinforce the concept of 'reducing waste' the concept at the top of the waste minimisation hierarchy 'reduce, reuse, recycle, recover and residual management'. The best option is always not to create the waste in the first place.

Feedback was extremely positive and we plan to continue making this tour available to schools during the 06/07 year.

Enviroschools

Currently five schools are undertaking the Enviroschools programme with help from Council. Wa Ora Montessori, Naenae Primary, Raphael House Rudolph Steiner and Wainuiomata Intermediate Schools have been taking part in the programme for a year and a half and Randwick School has recently joined.

The Enviroschools Programme is a whole school approach to environmental education and facilitates staff and students to create a sustainable school.

ENVIROSCHOOL AWARDS

All four facilitated schools undertaking the Enviroschools programme over the last year achieved a Bronze Award. This is a wonderful result and indicative of all the hard work they have put in over the last year. Muratai School also earned a Bronze Award.

ENVIROSCHOOLS EVENT

Sharing of ideas and improvements between schools is a critical part of the Enviroschools programme and this was achieved in 2005 by a bus tour around the various schools in Hutt City involved with the Council facilitated programme. Teachers from schools considering joining the programme also attended. The day was found to be extremely enjoyable and informative by all students and teachers.

Business Environmental Management Programmes

During the last 12 months Council has introduced two new Environmental Management programmes for business.

The first 'EnviroSmart' is a national programme which builds on the BusinessCare programme Council has run over the last few years. The EnviroSmart programme focuses on improving the environmental performance of businesses nationwide. The Ministry for the Environment together with twenty-two other council in nine regions are sponsoring EnviroSmart.

Six Hutt City businesses have joined the two year programme this year and it is hoped that 10 more businesses will be included over the next two years.

The second programme which has recently been introduced to the Wellington Region is the Sustainable Business Network (SBN) Awards. Businesses joining the awards will assess their sustainability with the help of the SBN facilitator and will receive a full report with recommendations on how they can improve. Council sponsorship has helped promote the Awards in our area with the goal of at least 7 businesses in Hutt City taking part.

ENERGYWISE COUNCIL

In March this year Council became the 25th Local Authority to become an Energy Wise Council, in partnership with the Energy Efficiency and Conservation Authority (EECA). As an EnergyWise Council we have agreed to establish a corporate policy on energy efficiency, which will include targets for improved energy efficiency.

As outlined by EECA CEO Heather Staley there are significant cost savings to be made by using energy more efficiently and a 10% savings on Council's current energy spend of \$2.5million is \$250,000.



From left CEO Rik Hart, Mayor David Ogden and EECA CEO Heather Staley signing the EnergyWise MOU.

Since the signing of the MOU significant work has been undertaken to determine and track Council's energy use. Further work will continue into the new financial year identifying areas where Council can improve.

Report on Financial Policies

Council's Community Plan contains financial and other policies required by the Local Government Act 2002. While not a requirement of the legislation, Council considers it important to report its performance against the financial policies contained in the Community Plan.

Development and Financial Contributions Policy Report

BACKGROUND

The Development and Financial Contributions Policy describes what financial contributions Council will require from developers when their property developments impose increased demand on Council services. Council has previously chosen to rely on the financial contributions specified in chapter 12 of the District Plan. Council has adopted a new policy with effect from 1 July 2006 that will impose development contributions from that date.

SUMMARY OF FINANCIAL CONTRIBUTIONS

Council received \$0.667 million in reserve contributions from developers during the year.

Liability Management Policy Report

BACKGROUND

The Liability Management Policy states Council's policies in relation to interest rate exposure, liquidity, credit exposure, debt repayment, specific borrowing limits and the giving of security.

OVERALL PERFORMANCE

Council monitors compliance with the liability management policy on a monthly basis. There was 100% compliance with Policy limits during 2005/2006.

Full details of the Council's debt, its maturity dates and interest costs are disclosed in note 11 of the Financial Statements. Further information in relation to interest rate risk and fair values of the Council's debt are disclosed in note 17 of the Financial Statements.

BORROWING LIMITS

The table below shows the limits on borrowing contained in the Council's Liability Management Policy and the actual position at 30 June 2006.

Ratio	Actual 30 June 2006	Policy Limit
Net debt to equity	10%	<20%
Net debt to income	69%	<150%
Net interest to income	4%	<10%
Net interest to rates income	7%	<15%
Liquidity	101%	>100%
Net debt	\$71 million	<\$100 million
Net debt per capita	\$706	<\$1,000
Maturity of committed funds:		
0 to 3 years	33%	10% - 60%
3 to 5 years	53%	20% - 60%
5 years plus	14%	10% - 60%
Maturity of fixed rate instruments:		
Overall fixed proportion	90%	55% - 95%
1 to 3 years	31%	20% - 50%
3 to 5 years	22%	20% - 50%
5 to 10 years	47%	15% - 50%
Total financial guarantees	\$0.4 million	<\$1.2 million
Largest single financial guarantee	\$0.2 million	<\$0.3 million

Investment Policy Report

BACKGROUND

The Investment Policy states Council's objectives in relation to financial and equity investments, and policies in relation to investment mix, acquisition, risk assessment, management, and reporting.

OVERALL PERFORMANCE

Council is a net borrower, and as such has minimised the amount of investments held to those necessary to meet specific business objectives. No breaches of the Investment Policy were reported during the 2005/2006 financial year.

INVESTMENT LIMITS

The Investment Policy does not contain specific financial limits against investment classes, but does refer to the following counterparty credit limits.

Counterparty	Minimum credit rating	Actual 30 June 2006	Policy Limit
NZ Government	A-	\$0.1 million	unlimited
State Owned Enterprises	A-	Nil	\$5.0 million
NZ Registered Banks:			
WestpacTrust	A-	\$9.7 million	\$15.0 million
ANZ National	A-	\$8.9 million	\$15.0 million
Bank of New Zealand	A-	\$7.4 million	\$15.0 million
Corporate Bonds	A-	Nil	\$2.0 million
Local Authority Bond Trust		Nil	\$2.0 million
Local Government Finance Corporation		Nil	\$2.0 million
Local Government Stock - rated	A-	Nil	\$2.0 million
Local Government Stock - unrated		Nil	\$0.5 million

Credit risk on interest rate risk management instruments is estimated by the following formula:

$$\text{Credit risk} = \text{notional value} \times \text{years to maturity} \times 4.0\%$$

Revenue and Financing Policy Report

BACKGROUND

The Revenue and Financing Policy contains Council's policies in respect of funding operating and capital expenditure from available sources. It is an important policy as it determines who pays for Council's activities.

SUMMARY OF COST ALLOCATIONS

The summary on the following page shows each Council activity and the proportion of costs that Council's Revenue and Financing Policy determines should be funded by various private and public funding sources. Private funding sources are generally user pays, whereas public funding comes from general rates.

The summary compares these policy funding proportions against actual funding sources for 2005/2006, with explanations for variances over 5%.

REVENUE AND FINANCING POLICY: SUMMARY OF COST ALLOCATIONS

ACTIVITY	REVENUE AND FINANCING POLICY INDICATIVE ALLOCATION OF COSTS											ACTUAL 2005/2006 PRIVATE FUNDING %	
	PRIVATE FUNDING %					PUBLIC FUNDING %						Private Total	Variance from Target
	Fees & Charges	Operating Subsidies	Other Revenue	Targeted Rates	Private Total	Residential & Other	Business	Utilities	Rural	Public Total			
1. Libraries	4	-	2	-	6	74	15	4	1	94	7	1	
2. Museums *	5	-	15	-	20	51	25	3	1	80	11	(9)	*
3. Aquatics and Recreation	30	-	5	-	35	51	10	3	1	65	33	(2)	
4. Parks and Reserves	10	-	-	-	10	71	15	4	-	90	9	(1)	
5. Community Support *	-	-	-	-	-	78	16	5	1	100	11	11	*
6. Community Property *	55	-	-	-	55	35	7	2	1	45	47	(8)	*
7. Roading and Traffic	14	12	-	-	26	18	43	13	-	74	30	4	
8. Water Supply *	17	-	-	73	90	8	2	-	-	10	96	6	*
9. Wastewater	4	13	-	78	95	4	1	-	-	5	98	3	
10. Stormwater *	-	-	-	-	-	57	39	4	-	100	(9)	(9)	*
11. Solid Waste *	124	-	-	-	124	(19)	(4)	(1)	-	(24)	167	43	*
12. Environmental Management	53	-	-	-	53	7	40	-	-	47	54	1	
13. Emergency Management	-	-	7	-	7	73	15	4	1	93	3	(4)	
14. Local Urban Design	-	-	-	-	-	9	90	1	-	100	-	-	
15. Economic Development *	-	-	-	-	-	-	89	11	-	100	17	17	*
16. Elected Members	-	-	-	-	-	78	16	5	1	100	3	3	
17. Advice and Support	-	-	-	-	-	78	16	5	1	100	-	-	

* Refer to explanations on the following page.

* Explanations of significant variances in private funding percentages:

MUSEUMS

The private funding target was not achieved as the Dowse has been closed for redevelopment.

COMMUNITY SUPPORT

The private funding target was exceeded by 11% as a result of obtaining external funding for several programmes.

COMMUNITY PROPERTY

The private funding target was not achieved. A rental review has since been implemented that will increase private funding levels to policy requirements.

WATER SUPPLY

The private funding target was exceeded by 6% as a result of a reduction in operating costs.

STORMWATER

The private funding target was not achieved as a result of a reduction in the accrued central government subsidies expected to partially cover storm related costs in 2004.

SOLID WASTE

The private funding target was exceeded by 36% as a result of increased volumes to landfills and increased pricing to maintain regional relativity.

ECONOMIC DEVELOPMENT

The private funding target was exceeded by 17% as a result of external funding being obtained to support events, and incorporating the revenue and expenditure of the Visitor Information Centre in this activity.

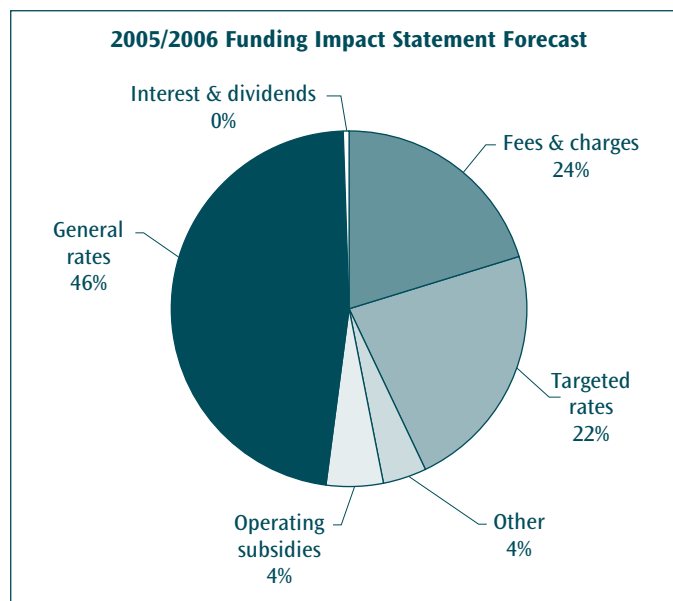
Funding Impact Statement Report

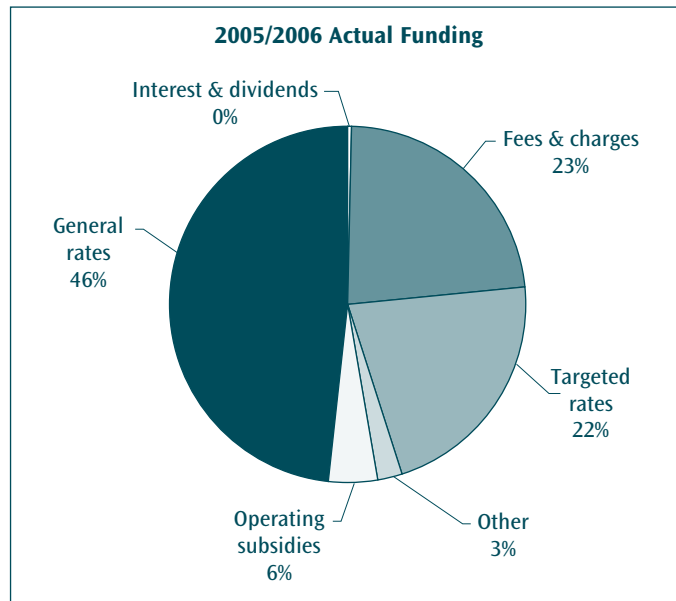
BACKGROUND

The Funding Impact Statement describes the funding mechanisms the Council intends using each year to achieve the funding proportions indicated by the Revenue and Financing Policy. Among other things, this Statement explains in detail how rates are to be calculated.

SPECIFIC TARGETS

The following pie graphs show the proportion of funding forecast from each mechanism in the Funding Impact Statement and the actual funding received in 2005/2006.





Rates Remission and Postponement Policies Report

BACKGROUND

Council has adopted policies in relation to the remission and postponement of rates. There are a number of circumstances in which applications are considered. Circumstances include where the ratepayer is a sporting or community organisation, a church, a school, a kindergarten or play centre, or a hospital, provided the property is used for the benefit of the community and not for profit. Remissions are also granted on privately owned land protected for conservation purposes, or to businesses for economic development reasons i.e. to encourage new businesses, increase the investment of existing businesses and to promote employment.

SUMMARY OF REMISSIONS AND POSTPONEMENTS

RATES REMISSIONS		
	Actual 30 June 2006 \$000	Actual 30 June 2005 \$000
Economic development remissions	358	–
School remissions	150	164
Church remissions	27	26
Hospital remissions	15	15
Kindergarten/playcentre remissions	18	7
Sports body remissions	2	3
Flooding remissions	3	25
Penalty remissions	22	13
Other remissions	8	11
Total remissions including GST	603	264



Financial Reporting

Financial Statements

Financial Statements

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• Five-year financial summary	90
• Statement of financial performance	91
• Statement of movements in equity	91
• Statement of financial position	92
• Statement of cash flows	93
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Report of the Auditor-General

AUDIT REPORT

TO THE READERS OF HUTT CITY COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

The Auditor-General is the auditor of Hutt City Council (the City Council) and group. The Auditor-General has appointed me, Laurie Desborough, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the City Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the City Council and group for the year ended 30 June 2006, including the financial statements.

QUALIFIED OPINION – OUR WORK WAS LIMITED BECAUSE LAND AND BUILDINGS AND INFRASTRUCTURAL ASSET CLASSES WERE NOT REVALUED TO FAIR VALUE AT 30 JUNE 2006

As stated in the accounting policies, the City Council and group recognises its land and buildings and certain infrastructural asset classes at fair value. Financial Reporting Standard No. 3 *Property, Plant and Equipment* requires entities that recognise classes of property, plant and equipment at fair value to carry out revaluations with sufficient regularity to ensure that revalued property, plant and equipment is not included at a value that is materiality different to fair value.

There are reliable indicators based on Quotable Value Limited, Statistics New Zealand and Land Transport New Zealand indices that there is likely to have been a material increase in the value of land and buildings and infrastructural asset classes. However, the City Council and group has not carried out a revaluation and we are unable to determine the amount of the adjustment required.

In our opinion:

- except for the effect of the departure from Financial Reporting Standard No. 3 as outlined above, the financial statements of the City Council and group on pages 47 to 121:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the City Council and group's financial position as at 30 June 2006.

In our opinion:

- the financial statements of the City Council and group on pages 47 to 121:
 - fairly reflect the City Council and group's results of operations and cash flows for the year ended 30 June 2006.

- The service provision information of the City Council and group on pages 47 to 89 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The City Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the “other requirements”).

The audit was completed on 8 August 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the City Council and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the New Zealand Auditing Standards. However, the scope of our work was limited because land and buildings and infrastructural asset classes were not revalued.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader’s overall understanding of the financial statements and the other requirements. We are unable to determine whether there are material misstatements in relation to land and buildings and infrastructural asset classes that were not revalued because the scope of our work was limited, as we referred to in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We did not obtain all the information and explanations we required because land and buildings and infrastructural asset classes were not revalued, as explained above.

RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

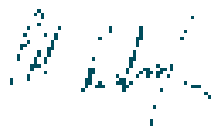
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing the information in the other requirements, including service provision information that must reflect the Council’s level of service provision. The Council’s responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the City Council or any of its subsidiaries.



L H Desborough
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Significant Activity Summary

	Net (Deficit)/Surplus Before Tax			Rate Requirement Per Resident Actual 30 June 2006 \$	Achievement vs Performance Measures Actual 30 June 2006
	Actual 30 June 2006 \$000	Annual Plan 30 June 2006 \$000	Actual 30 June 2005 \$000		
Libraries	(5,547)	(5,833)	(5,645)	55.5	✓✓✓
Museums	261	1,505	(1,801)	(2.6)	✓
Aquatics and Recreation	(3,264)	(3,299)	(3,088)	32.6	✓✓
Parks and Reserves	(8,215)	(8,043)	(8,166)	82.2	✓✓
Community Support	(1,988)	(2,029)	(1,848)	19.9	✓✓
Community Property	(1,903)	(1,536)	(1,860)	19.0	✓✓✓
Roading and Traffic	(10,049)	(10,461)	(10,771)	137.9	✓✓
Water Supply	(9,782)	(10,531)	(10,348)	97.3	✓✓✓
Wastewater	(12,144)	(12,312)	(12,391)	121.4	✓✓
Stormwater	(5,279)	(4,800)	(5,360)	52.8	✓
Solid Waste	3,565	3,229	3,012	(35.7)	✓
Environmental Management	(2,650)	(2,672)	(2,304)	26.5	✓✓
Emergency Management	(602)	(564)	(504)	6.0	✓✓✓
Local Urban Design	(360)	(477)	(197)	3.6	✓✓✓
Economic Development	(2,262)	(2,410)	(2,345)	22.6	✓✓
Elected Members	(1,596)	(1,622)	(1,432)	16.0	✓✓✓
Advice and Support	(3,239)	(3,239)	(3,226)	32.4	✓✓✓
Managing Services	2,548	–	1,097	(25.5)	✓✓✓

The net (deficit)/surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2005/2006 Community Plan and the previous year.

The rate requirement per resident shows the average cost to each individual in the city for the listed Council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

Key for Performance Measures

- ✓✓✓ All performance measures have been achieved
- ✓✓ Most performance measures have been achieved
- ✓ Some performance measures have been achieved
- ✗ No performance measures have been achieved



Group People

Mountain-biking Hutt City's hills, rainy afternoons spent in the local library, coffee at the Dowse, Sundays with the kids at the Settlers' Museum, sport on a Saturday morning, summer picnics at Percy's Reserve – these are the activities that help make Hutt City a great place to live, work and play. Our city is about our people and Hutt City Council is proud to be delivering services in the following areas.

Significant Activity

1. Libraries	49
2. Museums	51
3. Aquatics and Recreation Programmes	54
4. Parks and Reserves	56
5. Community Support	58
6. Community Property	60

1. Libraries

WHAT WE DO

Council provides, maintains and manages a central and seven libraries in Hutt City. These are run as a single citywide service. Their primary role is to provide written and recorded media, such as books, videos, DVDs and access to electronic information. This material is used for many purposes including entertainment, learning and research.

WHY WE DO IT

Council's provision of services and facilities in the form of libraries means that all citizens have access to information, knowledge, and learning opportunities. The services and facilities are a collective resource that is greater than any individual or family could afford or accommodate. This supports community education, literacy and recreation.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Advocate for and facilitating public access to information, knowledge and information technology
- Provide equality of access and opportunity to information services throughout the city
- Provide exemplary service, at all times, that is recognised by the community
- Maximise opportunities to innovatively deliver information

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
Achieve the benchmark of 1,560,000 library visits or virtual visits;	2006: Achieved 2,010,869 2005: Achieved 1,980,680	Monthly Management Reports
Achieve the benchmark of 1,778,000 transactions (issues and enquiries):	2006: Achieved 1,898,557 2005: Achieved 1,850,616	Monthly Management Reports
Achieve the following net direct cost of \$3.18 (draft) per transaction: Achieve the following net direct cost of \$2.82 (draft) per transaction: Note: Amended direct cost measure \$3.18	2006: Achieved \$2.92 2005: Achieved \$3.05	Operational expenditure against issues
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	2006: Achieved 2005: Achieved	Monthly Management Reports
That the percentage of residents who use the library service during the year is above peer Council average.	2006: 81% Peer Council average not available 2005: 86% Peer Council average not available	NRB Communitrak Survey
That the percentage of residents who are satisfied with the library service is above peer Council average.	2006: Achieved 98% Peer Council average 97% 2005: Not achieved 98% Peer Council average 98%	NRB Communitrak Survey

LIBRARIES – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	418	386	391
Other revenue	(4)	8	5
Total operating revenue	414	394	396
OPERATING EXPENDITURE			
Employee costs	2,544	2,539	2,370
Support costs	1,990	1,990	1,960
Operating costs	576	596	608
Interest expense	44	44	42
Depreciation	807	1,058	1,061
Total operating expenditure	5,961	6,227	6,041
NET DEFICIT BEFORE TAX	(5,547)	(5,833)	(5,645)
CAPITAL EXPENDITURE	690	729	1,720

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
Central Library upgrade	–	–	791

The Central Library was upgraded because it did not meet current building standards, or provide for the needs of a modern library service. The project was completed in the 2005 financial year and had a total cost of \$4.131 million.

There were no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

2. Museums

WHAT WE DO

The Council operates two museums. The Dowse Art Museum - collects and displays fine art as well as decorative and applied arts, and celebrates a wide range of creative activities from music to design and film. The Petone Settlers - Museum specialises in the social history of the lower Hutt Valley and Petone. These institutions are open to the public at no charge, other than for special exhibitions.

WHY WE DO IT

Council's provision of museums means that people have access to arts and cultural facilities that enrich, inspire and offer a range of life-long learning opportunities. The museums act as a focal point for the community, and enhance cultural life, diversity, and promote public pride and community values.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Provide facilities and programmes that meet the expectations of user groups and customers
- Be recognised by the community for providing exemplary service at all times
- Maintain the museums as safe, friendly and stimulating public space for all citizens and visitors to the City

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
At least 80% of Hutt City residents are satisfied with museum services, 70% of visitors rate the museum experience as very good or better	<p>2006: Achieved – 91% of all residents satisfied with the Dowse</p> <p>Visitor satisfaction not available as Dowse only open from July 05 – September 05</p> <p>Achieved – 95% of all residents satisfied with the Petone Settlers Museum</p> <p>Achieved 90% of all visitors rated the experience as good or better with the Petone Settlers Museum</p> <p>Settlers Annual survey 97.9% rated experience good or better</p> <p>2005: Achieved 95% satisfied</p> <p>Peer Council Average: 93%</p> <p>Not Achieved 65% visitors rate very good or better</p>	<p>Monthly Management Reports</p> <p>NRB Communitrak Survey</p> <p>Settlers Museum Annual Survey</p>
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	<p>2006: Achieved for both the Dowse and Petone Settlers Museum. Some maintenance projects not completed this year as they are part of the Dowse redevelopment scheduled to be completed in October 2007. Eg. Security System & Grease Trap, Seismic Strengthening</p> <p>2005: Achieved - Except security system & grease trap upgrade which will be completed in 2005/06 as part of Dowse redevelopment.</p>	<p>Monthly Management Reports</p>

Performance Measures	Level of Achievement	Source of Information
Dowse – 20,000 (due to the prolonged closure for upgrading) visitors July 2005 to September 2005	2006: Not Achieved - Dowse only reached 10,984 visitors before closure in Sept 05. This was due to the Dowse final exhibition opening later than anticipated. Delays were unavoidable.	Monthly Management Reports
Dowse – 90,000 visitors per year	2005: Not Achieved 76,388. The need to focus staff energy & gallery space on the Dowse extension fundraising activities resulted in a lower profile programme than anticipated with lower visitor numbers.	
Net direct cost per visitor	2006: Not applicable due to prolonged closure Sept 05 – Jan 07 2005: Not achieved \$18.18. As a result of lower than expected visitor numbers.	
Settlers – 23,000 visitors per year	2006: Not Achieved - but an increase on previous year to 19,237. Partly caused by a drop in the number of group visits.	Monthly Management Reports
Settlers – 23,000 visitors per year	2005: Not achieved 18,799. A new approach to programmes and promotions was launched in December 2004 which has resulted in visitor number increases exceeding the target for the final 2 quarters of the 2004 financial year.	
Net direct cost per visitor \$17.87	2006: Not achieved - \$23.56 –as result of lower than expected visitor numbers. 2005: Not achieved \$21.96 As a result of lower than expected visitor numbers.	
The percentage of residents who are satisfied with the Dowse and Settlers' Museums is above peer Council average.	2006: Not Achieved – Dowse 91% Peer Council average 93% Achieved – Petone Settlers Museum 95% Peer Council average at 93%. 2005: Achieved 95.5% Peer Council average 93%	Monthly Management Reports NRB Communitrak Survey

MUSEUMS – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	11	118	116
Capital subsidies	1,970	3,250	–
Other revenue	203	203	233
Total operating revenue	2,184	3,571	349
OPERATING EXPENDITURE			
Employee costs	687	804	823
Support costs	471	464	451
Operating costs	569	603	684
Interest expense	67	67	64
Depreciation	129	128	128
Total operating expenditure	1,923	2,066	2,150
NET DEFICIT BEFORE TAX	261	1,505	(1,801)
CAPITAL EXPENDITURE	2,857	4,195	155

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
Dowse upgrade (external subsidies total 67% of planned gross costs)	2,800	4,120	141

The Dowse is being upgraded to extend and improve exhibition and public space. The project commenced in the 2005 financial year and continues into the 2006 and 2007 financial years. The original total project cost was \$5.250 million, but additional costs of \$0.500 million are now expected. External contributions of \$3.500 million are anticipated, leaving a total Council contribution of \$2.250 million.

The underexpenditure on the Dowse upgrade during 2006 represents a timing difference only. There were no other significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

3. Aquatics and Recreation

WHAT WE DO

Council provides and maintains six swimming pools in Hutt City as part of its portfolio of recreational facilities. Recreational programmes are community-based and designed to encourage residents to engage in a range of recreational activities.

WHY WE DO IT

Participation in recreation, sports, fitness and cultural activities positively affects people’s lives. Providing these high quality services at a low user cost makes them available to the whole community. Quality recreation services are essential to the quality of life for Hutt City citizens. Aquatics and recreational programmes also make an important contribution to creating an attractive area for people and businesses considering moving to Hutt City.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Provide quality experiences in safe environments
- Meet the community’s need for active recreational opportunities through the development and maintenance of pools and recreation programmes
- Promote participation in recreation amongst a broad range of people in Hutt City

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
At least 300 programmes and events are carried out with an increasing trend in participation across all programmes.	2006: Not Achieved – 246 programmes and events with 16,137 participants. Cancellation of the Youth Leadership Programme and consolidation of holiday programmes has resulted in this measure not being achieved 2005: Achieved. 305 programmes were carried out with 83,141 participants	Monthly Management Reports
The percentage of Hutt City residents who used a pool during the year is above peer Council average.	2006: 68% No peer average available 2005:70%	NRB Communitrak Survey
All HCC pools achieve and maintain ACC Poolsafe certification.	2006: Achieved 2005: Achieved	Monthly Management Reports
HCC maintains its ‘Out of School Care and Recreation (‘OSCAR’) accreditation for all school holiday programmes.	2006: Achieved 2005: Achieved	Monthly Management Reports
The percentage of Hutt City users are satisfied with recreation programmes is above peer average	2006: 94% No peer average available 2005: Achieved 94% Peer Council average not available	NRB Communitrak Survey
The percentage of Hutt City residents who are satisfied with the pools is above peer Council average	2006: 92% No peer average available 2005: 94% Peer Council average 91%	NRB Communitrak Survey

Performance Measures	Level of Achievement	Source of Information
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget	2006: Achieved 2005: Achieved	Monthly Management Reports
At least 750,000 people access the pools per year.	2006: Achieved 771,779 2005: Achieved 785,032	Monthly Management Reports
Achieve an average net direct cost per user of \$3.96 per visit.	2006: Achieved \$3.52 2005: Achieved \$3.31	Operational expenditure against user numbers

AQUATICS AND RECREATION – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	1,410	1,321	1,458
Other revenue	192	224	188
Total operating revenue	1,602	1,545	1,646
OPERATING EXPENDITURE			
Employee costs	1,873	1,880	1,855
Support costs	475	475	499
Operating costs	1,867	1,837	1,756
Interest expense	68	68	66
Depreciation	583	584	558
Total operating expenditure	4,866	4,844	4,734
NET DEFICIT BEFORE TAX	(3,264)	(3,299)	(3,088)
CAPITAL EXPENDITURE	174	588	346

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year other than timing differences on completion of several minor projects.

4. Parks and Reserves

WHAT WE DO

Council provides and maintains active and passive recreational facilities in Hutt City for the enjoyment and well being of the public. These are largely free of charge. Recreation areas are natural and built with the majority of effort targeted at maintenance and returning areas to their natural state. 'Parks and Reserves' also includes Council's cemeteries.

WHY WE DO IT

The provision and maintenance of parks, reserves and street gardens create a pleasant environment in which to live and work, which is an important part of the city's vision. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Provide quality experiences in safe environments
- Meet the community's need for active recreational opportunities through the development and maintenance of sports areas
- Maintain cemetery facilities and environments to the satisfaction of customers
- Foster the physical and social health of residents through recreation and sports participation.

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
The percentage of Hutt City users who are satisfied with parks and reserves are above peer Council average.	2006: Not Achieved 98% Peer Council average 98% 2005: Not Achieved 97% Peer Council average 98%	NRB Communitrak Survey
Sports fields are used at least 80% of their carrying capacity.	2006: Achieved 99% summer & 96% winter 2005: Achieved 93% summer, 85% winter	Monthly Management Reports
95% of sports fields meet the standards agreed with sports codes.	2006: Achieved 97% 2005: Achieved 99%	Complaints from users during 2005/2006
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	2006: Achieved – Except for <ul style="list-style-type: none"> • Walter Nash Stadium Trust for the transfer of the Stadium to Council due to failure to agree on conditions • Hutt Park redevelopment to enable works to be programmed with the new sports house development • Percy Reserve Upgrade with delays to the SH2 upgrade • Hutt Recreation Ground drainage due to contractor availability • Halfcourt facility in Maungaraki to allow decisions from the community on a preferred site • Korohiwa Landscaping due to uncertainty over the development proposal • Projects carried over 2006/07 2005: Not Achieved – Hutt Park Sports Zone Development, Hutt Village Green, Memorial Park Grandstand and Percy Scenic Reserve Upgrade that has been carried over to 2005/06	Monthly Management Reports

Performance Measures	Level of Achievement	Source of Information
The percentage of Hutt City residents who are satisfied with cemeteries is above peer Council average.	2006: Achieved 94% Peer Council average 88% 2005: Achieved 93% Peer Council Average:88%	NRB Communitrak Survey

PARKS AND RESERVES – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	777	883	877
Operating subsidies	–	–	5
Other revenue	8	5	8
Total operating revenue	785	888	890
OPERATING EXPENDITURE			
Employee costs	495	466	462
Support costs	413	413	537
Operating costs	6,692	6,583	6,701
Interest expense	537	537	515
Depreciation	863	932	841
Total operating expenditure	9,000	8,931	9,056
NET DEFICIT BEFORE TAX	(8,215)	(8,043)	(8,166)
CAPITAL EXPENDITURE	1,992	3,381	2,118

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
Hutt Park village green and sports zone	79	700	661
Korohiwa landscape development	–	500	–

Hutt Park is being upgraded to make better use of this large area of recreational space. Further expenditure on Hutt Park was delayed while options for a Sports Zone development were investigated. Those investigations were satisfactorily concluded during the year, and the Sports Zone development is now likely to proceed. While Council will incur costs in relation to public space on facilities on Hutt Park, the substantive investment is likely to be funded by Pelorus Trust.

The Korohiwa landscape development of \$0.5 million was cancelled.

There were no other significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

5. Community Support

WHAT WE DO

Council seeks to support its community through appropriately responding to community needs. This support includes facilitation, advocacy, consultation and service provision, and allocation of grants to community organisations and groups. These services are carried out through the Council's Community Development Business Unit or through private contracts.

WHY WE DO IT

Council has a policy of understanding and identifying its communities and the wider social issues that impact on them. Through greater knowledge of local needs, Council is able to suitably respond to social issues affecting the communities it represents and their members and groups. The support that the Council contributes assists groups to achieve their goals where it would not otherwise have been possible due to lack of resources.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Support the provision of community, cultural and social services by other organisations
- Assist with the development of community groups
- Undertake research and consultation to ensure the council is informed of community needs
- Provide advice and advocacy support
- Administer funding and provide grants for community organisations and groups.

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
Conducting needs assessment surveys, safety audits and facilitation of networks, forums and meetings so the Community Outcomes meet the terms and conditions described in the annual work plan.	2006: Achieved 2005: Achieved	Monthly Management Reports
Delivering community development programmes to meet the terms and conditions described in the annual work plan.	2006: Achieved 2005: Achieved	Management Reports
Community grants programmes are completed on time, to the required standard and within overall budget.	2006: Achieved 2005: Not Achieved – Further work on building capability and capacity of safety providers required before all of safety initiative fund is allocated, \$70,000 carry over 2005/06.	Management Reports

COMMUNITY SUPPORT – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	15	20	19
Operating subsidies	73	–	5
Other revenue	170	146	138
Total operating revenue	258	166	162
OPERATING EXPENDITURE			
Employee costs	539	493	484
Support costs	340	338	452
Operating costs	1,367	1,364	1,074
Total operating expenditure	2,246	2,195	2,010
NET DEFICIT BEFORE TAX	(1,988)	(2,029)	(1,848)
CAPITAL EXPENDITURE	–	–	–

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

6. Community Property

WHAT WE DO

Council manages a variety of properties for use by the community. The main portfolios are community and civic halls and venues, public toilets, community houses, Council's administration building, and housing units for the elderly and disadvantaged. Progressive reviews of these facilities ensure they remain efficient and meet changing public requirements.

WHY WE DO IT

Community and civic halls and venues provide an environment for a diverse range of social, cultural and community-based activities, including clubs, indoor sports, band practice, arts and theatre. Public toilets are provided which are physically accessible, appropriately located, designed and built, and cleaned and maintained to standards that safeguard public health. Council continues to assess its property needs in terms of the properties it currently owns and occupies.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Ensure local communities have access to venues for recreational, cultural and governance activities.
- Identify and continue to seek opportunities for Council to divest of properties that are not considered to be within Council's core business.
- Provide well-maintained and safe living environments for tenants that are affordable and meet the needs of customers.
- Being a successful advocate of the community's housing needs.

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
At least 90% occupancy for rental housing	2006: Achieved 95% 2005: Achieved 97%	Management Reports
At least 90% occupancy for commercial properties	2006: Achieved 100% 2005: Achieved 99%	Management Reports
Identify and continue to seek opportunities for Council to divest itself of properties that are not considered to be within Council's core business	2006: Achieved 2005: Achieved	Management Reports
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	2006: Achieved – Except carryover to 2006/07 for Stokes Valley Library entrance 2005: Achieved – Except upgrade to Town Hall and upgrade Community House signage that has been carried over to 2005/06	Management Reports

COMMUNITY PROPERTY – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	1,682	1,644	1,586
Total operating revenue	1,682	1,644	1,586
OPERATING EXPENDITURE			
Employee costs	235	234	201
Support costs	(1,159)	(1,160)	(1,118)
Operating costs	2,792	2,582	2,900
Interest expense	322	322	309
Depreciation	1,395	1,202	1,154
Total operating expenditure	3,585	3,180	3,446
NET DEFICIT BEFORE TAX	(1,903)	(1,536)	(1,860)
CAPITAL EXPENDITURE	605	843	660

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.



Group Infrastructure

Safer, well-lit walkways and footpaths, non-congested traffic during peak hours, easily located car parks, high-quality drinkable water, effective treatment and disposal of effluent, quality drainage systems to prevent flooding – these are the elements of Hutt City’s infrastructure that make daily life that much easier and more enjoyable.

Significant Activity

7. Roading and Traffic	63
8. Water	65
9. Wastewater	67
10. Stormwater	69
11. Solid Waste	71

7. Roading and Traffic

WHAT WE DO

This activity includes the professional and technical work involved in providing ongoing management of the city's roading network. It also provides for improvement and day-to-day operation and maintenance of footpaths, road pavement/reconstruction/upgrades, traffic signals, and signs, street lighting, parking services, bridge maintenance and various road safety activities. These initiatives are supported through policy development, forward planning, development control, road safety co-ordination, and various systems management.

WHY WE DO IT

Public ownership of the road corridor ensures appropriate property access and freedom of travel throughout the area for all citizens. Sealed roads, footpaths and streetlights are provided for the efficient and safe travel of motor vehicles, bicycles and pedestrians.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

Provide a safe, reliable and efficient roading and pedestrian network, in harmony with the city's natural environment and representing best value.

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
The percentage of Hutt City residents who are satisfied with the standard and safety of streets, roads and footpaths is above peer Council average.	2006: Achieved - Roading 76% Peer Council average 71% Footpaths 89% Peer Council average 74% 2005: Achieved 77% roading / 85% footpaths Peer Council average: 71% roading / 74% footpaths	NRB Communitrak Survey
The percentage of Hutt City residents who are satisfied with the cleanliness of roads and gutters around the City is above peer Council average.	2006: Achieved 89% Peer Council average 78% 2005: Achieved 90%	NRB Communitrak Survey
The percentage of Hutt City residents who are satisfied with the safety and convenience of movement around the City's streets is above peer Council average.	2006: 83% No Peer Council average available 2005: 87%	NRB Communitrak Survey
The percentage of Hutt City residents who are satisfied with street lighting around the city is above peer Council average.	2006: Not Achieved 88% Peer Council average 89% 2005: Achieved 92%	NRB Communitrak Survey
The trend of reducing injury accidents through the joint efforts of the Council, the Police and other agencies is maintained.	2006: Achieved 2005: Achieved	Accident data supplied by the Land Transport Safety Authority. (Note that data is supplied to end of each calendar year; latest data available is to Dec 2005)

Performance Measures	Level of Achievement	Source of Information
Programmes to maintain and improve current services (asset renewals, maintenance and operations) completed on time, to the required standard and within overall budget	<p>2006: Achieved – Except for Silverstream Bridge seismic strengthening and Moores Valley Culvert replacement projects</p> <p>2005: Achieved – Except for Silverstream Bridge, Moores Valley Culvert replacement, Taita Shop Bus Access, Pedestrian Lighting Improvements, Wainuiomata Hill Road Safety Barrier and Port Road to Point Howard Cycleway carried over to 2005/06</p>	Management Reports

ROADING AND TRAFFIC – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	2,668	2,442	2,509
Operating subsidies	2,592	2,662	3,263
Capital subsidies	3,741	3,377	3,828
Other revenue	566	518	497
Total operating revenue	9,567	8,999	10,097
OPERATING EXPENDITURE			
Employee costs	995	995	910
Support costs	1,962	1,962	1,913
Operating costs	8,092	8,150	9,915
Interest expense	1,704	1,703	1,635
Depreciation	6,863	6,650	6,495
Total operating expenditure	19,616	19,460	20,868
NET DEFICIT BEFORE TAX	(10,049)	(10,461)	(10,771)
CAPITAL EXPENDITURE	8,583	8,875	7,821

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant individual asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year other than timing differences on completion of certain projects.

8. Water

WHAT WE DO

Council provides a sustainable and high quality water supply to the community for domestic and commercial use. Council purchases bulk water from Wellington Regional Council/Greater Wellington, which it distributes to the community through the city's water supply system. Council monitors water quality and plans for the future water supply needs of the city.

WHY WE DO IT

The supply of high quality, affordable water contributes to:

- The health of the community
- Community safety through the fire fighting capability of the water supply system
- Industrial and residential development.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Contribute to the health of the community through a continuous high quality drinking water supply at low cost
- Contribute to community safety through the fire fighting capability of the water supply system
- Provide a high quality, cost effective water supply supporting development in the city

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
The percentage of Hutt City residents who are satisfied with the water supply services is above peer Council average.	2006: Achieved 96% Peer Council average 91% 2005: Achieved 97% Peer Council average: 91%	NRB Communitrak Survey
Compliance with NZ Drinking Water Standards for NZ 2002	2006: Achieved 2005: Achieved	Potable Water Testing Contract Reports
Fewer than eight unplanned supply interruptions per 100 connections	2006: Achieved 2005: Achieved	Incident Reports

WATER – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	2,095	2,105	2,072
Capital subsidies	(56)	–	–
Total operating revenue	2,039	2,105	2,072
OPERATING EXPENDITURE			
Employee costs	5	5	35
Support costs	330	330	424
Operating costs	8,480	9,272	9,012
Interest expense	589	589	565
Depreciation	2,417	2,440	2,384
Total operating expenditure	11,821	12,636	12,420
NET DEFICIT BEFORE TAX	(9,782)	(10,531)	(10,348)
CAPITAL EXPENDITURE	1,895	1,709	1,197

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year other than timing differences on completion of certain projects.

9. Wastewater

WHAT WE DO

Council provides a wastewater system to collect and treat household and commercial effluent in a way that meets public health and environmental standards. The Seaview treatment plant has been operating since November 2001, and has resulted in a significant improvement to the environment.

WHY WE DO IT

Through collecting, treating and disposing of wastewater, Council provides a service to residents and businesses, which supports development in the city, and protects the physical environment and the health of the community.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Contribute to the health of the community through the efficient collection, treatment and disposal of wastewater in an environmentally sustainable manner
- Provide a high quality, cost effective wastewater system supporting development in the city.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
Percentage of Hutt City residents that are satisfied with wastewater services is above peer council average.	2006: Achieved 92% Peer Council average 90% 2005: Achieved 96% Peer Council Average: 89%	NRB Communitrak Survey
Programmes to maintain and improve current services are completed on time, to required standard and within overall budget.	2006: Achieved – Except TeMarua Pumping Station rising main. Type A and B Network Development, and Pipeline Cyclic Replacment Projects have been carried over to the 2006/07 financial year 2005: Not Achieved – Wainuomata Sewer, TeMarua Pumping Station, and Excess flow management carried over to 2005/06	Management Reports
Fewer than 1.8 wastewater reticulation incidents per kilometre of pipeline reported to the Council.	2006: Achieved 2005: Achieved	Incident Reports
Seaview wastewater treatment facilities achieve 100% compliance with relevant resource consent requirements.	2006: Achieved 2005: Achieved	Incident Reports Effluent Quality Testing Reports

WASTEWATER – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	831	806	771
Operating subsidies	(47)	–	206
Upper Hutt City Council operating contribution	1,845	2,046	1,907
Capital subsidies	–	120	–
Total operating revenue	2,629	2,972	2,884
OPERATING EXPENDITURE			
Employee costs	10	10	35
Support costs	739	726	745
Operating costs	8,380	8,842	8,937
Interest expense	1,101	1,101	1,056
Depreciation	4,543	4,605	4,502
Total operating expenditure	14,773	15,284	15,275
NET DEFICIT BEFORE TAX	(12,144)	(12,312)	(12,391)
CAPITAL EXPENDITURE	10,838	12,412	2,735

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
Excess flow management (Upper Hutt City Council contributes 32% of gross costs)	7,330	7,290	863

A peak flow wastewater storage facility is being constructed at Silverstream. This will reduce the risk of wastewater overflows during periods of heavy rainfall. The project commenced during the 2005 financial year and will be completed early in the 2007 financial year.

There were no other significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year other than timing differences on completion of certain projects.

10. Stormwater

WHAT WE DO

Council provides a stormwater drainage system to manage surface water runoff from urbanised catchments in a way that achieves an optimum balance between the level of protection and cost to the community.

WHY WE DO IT

Hutt City has most of its development concentrated on flat valley plains where there is potential for flooding. The effective control of stormwater is necessary to protect the health and safety of the community and minimise property damage. The most efficient means of achieving this is through a comprehensive stormwater system.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Contribute to the safety of the community by minimising the incidence of flooding
- Minimise property damage due to flooding and thus supporting the economy of the city
- Provide a cost effective stormwater system that supports development in Hutt City.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
The percentage of Hutt City residents who are satisfied with stormwater services is above peer Council average.	2006: Not Achieved 68% Peer Council average 78% 2005: Not achieved 59%. A clear result due to recent flood events. Funding increased to \$17 m over next ten years for stormwater. Peer Council average:77%	NRB Communitrak Survey
Fewer than two stormwater reticulation incidents per five kilometres of public stormwater drain reported to the Council.	2006: Achieved 2005: Achieved	Incident Reports
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	2006: Achieved – Except completion of excavation work for the Opahu Stream pumping station structure will be carried into 2006/07 due to poor weather 2005: Achieved – Except for Black Creek improvements carried over 2005/06 and excluding exceptional flood event costs	Management Reports

STORMWATER – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	2	–	2
Operating subsidies	(425)	5	881
Other revenue	9	–	9
Total operating revenue	(414)	5	892
OPERATING EXPENDITURE			
Employee costs	10	10	35
Support costs	333	333	344
Operating costs	2,170	2,031	3,583
Interest expense	659	659	632
Depreciation	1,693	1,772	1,658
Total operating expenditure	4,865	4,805	6,252
NET DEFICIT BEFORE TAX	(5,279)	(4,800)	(5,360)
CAPITAL EXPENDITURE	3,773	4,240	1,893

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
Black Creek Wainuiomata upgrade	1,493	1,500	–
Opahu Stream pumping station	1,002	1,500	–

Major improvements were made to the storm water capacity of Black Creek Wainuiomata. A pumping station is being constructed to reduce the incidence of flooding by the Opahu Stream. The project was not able to be completed by 30 June and is likely to cost \$0.400 million more than budget, bringing the total cost to \$1.900 million.

There were no other significant asset acquisitions or replacements, and no other significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

11. Solid Waste

WHAT WE DO

Council contracts out the collection of the city’s refuse and recycling. It also owns and operates two landfills to provide for the disposal of residual waste. An annual waste minimisation programme is run to promote the concepts of ‘reduce, reuse, and recycle’ to businesses and citizens.

WHY WE DO IT

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment. Council wishes to promote recycling and waste reduction, and to provide for the disposal of the city’s solid waste.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Encourage waste minimisation and environmentally friendly practices
- Ensure refuse is managed and disposed of in a safe, efficient and sustainable manner that maintains the city’s natural and aesthetic values.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source Of Information
The percentage of Hutt City residents who are satisfied with the city’s refuse collection service is above peer Council average.	2006: Not Achieved 90% Peer Council average 91% 2005: Achieved 95% Peer Council average: 91%	NRB Communitrak Survey
The percentage of Hutt City residents who are satisfied with the city’s refuse disposal facilities is above peer Council average.	2006: Achieved 84% Peer Council average 81% 2005: Achieved 92% Peer Council average: 81%	NRB Communitrak Survey
The percentage of Hutt City residents who are satisfied with the city’s recycling service is above peer Council average.	2006: Achieved 92% Peer Council average 86% 2005: Achieved 96% Peer Council average: 86%	NRB Communitrak Survey
Compliance with landfill management plans and discharge consents.	2006: Achieved – Except one notified breach at Wainuiomata relating to odour associated with Exide slag 2005: Achieved – Except for the Wainuiomata Landfill in relation to contaminated stormwater overflowing from the landfill into the silt pond during 2004 flood	Management Reports
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	2006: Achieved – Except for part of Stage 2 carried over to 2006/07 2005: Achieved Except for Silverstream Landfill stage 2 carried over to 2005/06	Management Reports

SOLID WASTE – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	8,860	8,309	8,058
Total operating revenue	8,860	8,309	8,058
OPERATING EXPENDITURE			
Employee costs	40	40	79
Support costs	103	103	96
Operating costs	4,863	4,549	4,482
Depreciation	289	388	389
Total operating expenditure	5,295	5,080	5,046
NET SURPLUS BEFORE TAX	3,565	3,229	3,012
CAPITAL EXPENDITURE	3,881	4,190	1,307

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
Silverstream Landfill stage two	3,847	3,940	1,252

The useful life of stage one of the Silverstream Landfill is nearing an end. Work is underway on a major project to develop stage two of the landfill and provide for the future solid waste disposal needs of the Hutt Valley. The project will span several financial years and cost close to \$9 million.

There were no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

Group Environment

Environmental policies and plans are necessary for the sustainable development of our city. Resource consents and by-laws contribute to sound environmental health. Council also manages emergency planning in case of flooding, earthquake or serious fire.

Significant Activity

12. Environmental Management	74
13. Emergency Management	77

12. Environmental Management

WHAT WE DO

Council develop, implement and monitor the District Plan, relevant bylaws and other environmental policies and plans for the sustainable development of Hutt City, including environmental education and promotion. Council's statutory resource management and building approval and inspection functions, environmental health and animal control are also included under this activity. Regular inspections are carried out to ensure compliance with legislative requirements, the District Plan, resource consent and building consent conditions as well as bylaw requirements. Inspections of business and food premises, certification, liquor licensing, pollution control, trade waste and monitoring of beaches are also undertaken to promote and protect public health and safety in Hutt City. Noise and hazardous substances also fall under this activity.

WHY WE DO IT

This activity is fundamental to achieving a clean healthy, attractive and sustainable environment. There is also a legal requirement for this activity.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Develop and implementing sound environmental policies and rules which encourage sustainable development and reflect community views
- Maintain a safe and healthy city and maximising appropriate development
- Control dogs so that residents are safe, annoyance factors are minimised and the welfare of animals protected
- Provide service from Council that is timely, efficient and customer friendly.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
Animal Control customer satisfaction levels are above peer Council average.	2006: Achieved 81% Peer Council average 76% 2005: Achieved 82% Peer Council average: 76%	NBR Communitrak Survey
District Plan changes are prepared and processed as agreed by Council.	2006: Achieved 2005: Achieved	Council Minutes
The Keep Hutt City Beautiful Programme is implemented in conjunction with community group representatives.	2006: Achieved 2005: Achieved	Divisional Records
The percentage of Hutt City users who are satisfied with the inspection service and requests for service is above peer Council average.	2006: Achieved 89% Peer Council Average 67% 2005: Achieved 82% for inspection service. 85% satisfaction with requests for service	Evaluation of survey forms

Performance measures	Level of achievement	Source of Information
All notified applications not requiring a hearing submitted for decision within 15 working days.	<p>2006: Not Achieved 55% – 9 notified consent applications without hearing: Of these only 5 issued within 15 working days</p> <p>Note: Measure was previously 10 days (the Act specifies 20 working days)</p> <p>2005: Not achieved 94% 18 decisions submitted, however one fell outside the timeframe but within statutory period. The measure specified is half of the time period specified in the Act which is 20 working days</p>	Computer Database Records
80% of non-notified land use consents will be issued within 15 working days.	<p>2006: Achieved 83%</p> <p>Note: Measure was previously 10 days (the Act specifies 20 working days)</p> <p>2005: Not achieved 68%.</p> <p>93.7% of decisions released within statutory period of 20 working days</p>	
90% of premises registered or licensed within 30 days of the date of application.	<p>2006: Achieved 97%</p> <p>2005: Achieved 98%</p>	Computer Database Records
80% of Hutt City users are satisfied with the service in processing non-notified land use resource consents.	<p>2006: Achieved 94%</p> <p>2005: Achieved 88%</p>	Customer Survey
80% of hearing participants are satisfied they have received a fair hearing.	<p>2006: Achieved 81%</p> <p>2005: Not achieved 75%</p>	Survey of participants
At least 80% of hearings decisions issued within ten working days of the hearing.	<p>2006: Not Achieved 70% – the consultant employed to prepare some hearing decisions was able to meet RMA timeframes (15 days) only</p> <p>2005: Achieved 100%</p>	Computer Database Records
90% of applications for building consents determined within 15 working days.	<p>2006: Not achieved 70% – within 15 working days; implementation of the new Building Act, staff shortages and the implementation of a new computer system have all contributed to this figure (this is an estimate as figures unavailable for two months of the year due to change in computer system)</p> <p>2005: N/A new measure for 2006</p>	Computer Database Records

ENVIRONMENTAL MANAGEMENT – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	2,959	2,539	2,789
Operating subsidies	–	–	3
Other revenue	201	28	117
Total operating revenue	3,160	2,567	2,909
OPERATING EXPENDITURE			
Employee costs	3,473	3,169	3,050
Support costs	860	859	754
Operating costs	1,473	1,205	1,404
Depreciation	4	6	5
Total operating expenditure	5,810	5,239	5,213
NET DEFICIT BEFORE TAX	(2,650)	(2,672)	(2,304)
CAPITAL EXPENDITURE	–	–	28

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

13. Emergency Management

WHAT WE DO

Council develops, implements and monitors citywide emergency management plans, and promotes community preparedness for emergencies. Under the 2002 Civil Defence Emergency Management Act, Council must work co-operatively with other authorities in the region to plan for and to respond to hazards, risks and emergencies. Council also has plans in place for dealing with and preventing rural fires. Council maintains the in-house capacity to co-ordinate responses to civil defence and rural fire emergencies.

WHY WE DO IT

This activity is fundamental to achieving citywide preparedness for emergencies. There is also a legal requirement for this activity under the Forest and Rural Fires Act and the Civil Defence Emergency Management Act.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Prepare residents for an emergency so that the impact on the community is minimised and people are safe.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
The percentage of Hutt City residents who are prepared for an emergency is above that of peer Councils.	2006: 60% Peer Council not available 2005: 60% Peer Council average not available	NBR Communitrak Survey
Emergencies responded to in accordance with the corporate Emergency Plan, Civil Defence Plan and related procedures.	2006: Achieved 2005: Achieved	Management Reports and debrief notes
Rural fire emergencies responded to in accordance with the Rural Fire Plan and related procedures.	2006: Achieved 2005: Achieved	Wellington Regional Rural Fire Committee Records

EMERGENCY MANAGEMENT – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
Operating subsidies	4	40	395
Other revenue	13	–	4
Total operating revenue	17	40	399
OPERATING EXPENDITURE			
Employee costs	224	227	473
Support costs	231	231	235
Operating costs	150	132	181
Interest expense	–	–	1
Depreciation	14	14	13
Total operating expenditure	619	604	903
NET DEFICIT BEFORE TAX	(602)	(564)	(504)
CAPITAL EXPENDITURE	85	85	–

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.



Group Economy

Are we creating the right business environment and growing Hutt City in a way that will make it a great place to live, work and play? The 'Economy' section of this document looks at our plans in the areas of employment, encouragement of local business and contributing to our region's development.

Significant Activity

14. Local Urban Design	79
15. Economic Development	81

14. Local Urban Design

WHAT WE DO

The Council aims to develop an urban environment that will help attract people and investment and enhance the city's image. Council also recognises the role Hutt City's heritage and features play in the city's image.

WHY WE DO IT

The public space of Hutt City is managed and developed by Council on behalf of the community. It is important that urban design and infrastructure support and provide for modern business environment requirements. The whole community can benefit from the preservation of buildings of architectural, heritage and historic value, but the work required is often of no benefit to the owner or occupier.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Develop an urban environment that helps to retain and attract businesses, people and investment
- Retain heritage buildings and features for future generations
- Facilitate the requirements and development of business areas
- Identify business and community needs, and plan and develop these.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
Business area development projects are completed on time, to the satisfaction of businesses and within overall budget.	2006: Achieved 2005: Achieved Except CBD development carried over to 2005/06	Management Reports
Urban design and enhancement projects are completed on time, to the required standard and within overall budget.	2006: Achieved 2005: Achieved Except CBD Masterplan stage 1 carried over to 2005/06	Management Reports
Earthquake Risk and Heritage Building Fund projects are completed on time, to the required standard and within overall budget.	2006: No complying applications received 2005: Achieved	Management Reports
Suburban Shopping centre programmes to improve services (asset upgrades and new assets) completed on time, to the required standard and within overall budget.	2006: Achieved 2005: Achieved	Management Reports

LOCAL URBAN DESIGN – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
Capital subsidies	–	–	101
Total operating revenue	–	–	101
OPERATING EXPENDITURE			
Employee costs	32	32	29
Support costs	98	98	93
Operating costs	123	175	78
Interest expense	5	5	5
Depreciation	102	167	93
Total operating expenditure	360	477	298
NET DEFICIT BEFORE TAX	(360)	(477)	(197)
CAPITAL EXPENDITURE	1,379	1,480	551

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
CBD Masterplan	1,131	1,230	75

Council is undertaking a range of improvements in the CBD designed to better intergrate the city with the new Westfield Queensgate development and make the environment more attractive to shoppers. Additional expenditure is anticipated in future financial years.

There were no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

15. Economic Development

WHAT WE DO

Council has a leading role in fostering Hutt City's growth in a number of ways. These include creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism and events in Hutt City, and contributing to regional growth through regional economic development.

WHY WE DO IT

Individual businesses generally have insufficient incentives to explore opportunities that benefit Hutt City as a whole, as well as themselves. Hutt City's businesses and residents benefit from the Council's support of the business sector as well as from the promotion and recognition of Hutt City as a business location and vibrant city.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Facilitate the expansion of existing businesses and creation of new businesses by making Hutt City the preferred choice of business location within the region
- Ensure doing business in Hutt City is easy and cost-effective through good business practices, efficient infrastructure and use of innovative partnerships including Council and other organisations
- Improve awareness and use of e-commerce and knowledge economy solutions as a way to communicate and do business locally, nationally and internationally
- Create business communities with a sense of vibrancy and life and generate a sense of identity. This will be assisted by a wider range of recreation, retail and entertainment options within or closer to business areas
- Assist with the development of a skilled workforce
- Encourage development and undertake of events.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
Economic Development Strategy implementation programs are completed on time, to the required standard and within overall budget.	2006: Achieved – Except for Retail Coordinator & Seaview/Gracefield project 2005: Achieved – Except for Seaview/Gracefield and Wingate developments carried over 2005/06	Management Records
Achieve job and GDP growth in Hutt City by improved ranking of Hutt City relative to Peer Group of New Zealand cities.	2006: Achieved – 5th ranked job growth; 5th ranked GDP growth 2005: Achieved 6th ranked job growth; 8th ranked GDP growth	Business Economic Research Limited
Jackson Street Programme business plan milestones met.	2006: Achieved 2005: Achieved	Management Records
Meet development Wainuomata milestones.	2006: Achieved 2005: Achieved	Management Records
CBD+ business plan milestones met.	2006: Achieved 2005: Achieved	Management Records
Regional Economic Development Agency business plan milestones are met.	2006: Achieved 2005: Achieved	Management Records

Performance measures	Level of achievement	Source of Information
Achieve job growth rate in Hutt City equivalent to 0.7%pa over the 2002-2007.	2006: Achieved – 4.6% job growth for year ended 31 March 2005 2005: Achieved improvement. 2.2% GDP & 2.2% job growth year ended 31 March 2004	
Economic impact of events is satisfactory.	2006: Achieved 2005: Achieved	Economic Impact Assessment Model
At least 80% of Hutt City residents are satisfied with the visitor information services and special events.	2006: Achieved 94% 2005: Achieved 95%	NBR Communitrak Survey

ECONOMIC DEVELOPMENT – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	169	125	–
Operating subsidies	157	–	5
Other revenue	128	11	228
Total operating revenue	454	136	233
OPERATING EXPENDITURE			
Employee costs	415	314	305
Support costs	551	550	517
Operating costs	1,735	1,667	1,742
Interest expense	15	15	14
Total operating expenditure	2,716	2,546	2,578
NET DEFICIT BEFORE TAX	(2,262)	(2,410)	(2,345)
CAPITAL EXPENDITURE	256	480	69

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

Group Organisation

Council carries out numerous functions and services – everything from managing profitable investments and planning for Hutt City’s future through to the administration of water services and answering general questions from Hutt City residents. Council always endeavours to ensure that Hutt City is a great place to live, work and play.

Significant Activity

16. Elected Members	84
17. Advice and Support	86
18. Managing Services	87

16. Elected Members

WHAT WE DO

Council is an elected body that governs the direction and objectives of the activities it is responsible for on behalf of Hutt City. Community representatives on Community boards and Ward Committees are part of Council and provide local input into governance issues.

WHY WE DO IT

This is a legal requirement.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

The long-term goals are to provide superior governance, in order to achieve Community Outcomes in the most efficient and timely manner.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
The percentage of Hutt City residents who have seen or read Councils published information in the year is above peer Council average.	2006: Achieved 72% Peer Council average not available 2005: 69% Peer Council average not available	NRB Communitrak Survey
The percentage of Hutt City resident's satisfaction with the performance of the Mayor and Councillors is above peer Council average.	2006: Achieved 91% Peer Council average 84% 2005: Achieved 89% Peer Council average 84%	NRB Communitrak Survey
Hutt City residents' satisfaction with the way rates are spent is above peer Council average.	2006: Achieved 85% Peer Council Average 79% 2005: Achieved 87% Peer Council average 79%	NRB Communitrak Survey
Average of Hutt City's residents' satisfaction across all standard community survey questions is above peer Council average.	2006: Achieved 87% Peer Council average 84% 2005: Achieved 89% Peer Council average 84%	NRB Communitrak Survey

ELECTED MEMBERS – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	3	–	3
Other revenue	40	–	–
Total operating revenue	43	–	3
OPERATING EXPENDITURE			
Employee costs	927	909	838
Support costs	551	545	516
Operating costs	161	168	81
Total operating expenditure	1,639	1,622	1,435
NET DEFICIT BEFORE TAX	(1,596)	(1,622)	(1,432)

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

17. ADVICE AND SUPPORT

WHAT WE DO

This activity involves the process of policy formation, consultation and public accountability on behalf of the Council.

WHY WE DO IT

Professional advice and support is necessary to assist the community and their representatives on the Council, Community Boards and Ward Committees to make informed decisions on behalf of the community.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

Council provides advice and support to elected members and community representatives, which enables them to function effectively.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
The majority of Councillors report that they are satisfied or more than satisfied with formal advice received from officers.	2006: Achieved 92% 2005: Achieved 92%	CEO Performance Review

ADVICE AND SUPPORT – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
Other revenue	–	–	91
Total operating revenue	–	–	91
OPERATING EXPENDITURE			
Employee costs	–	–	14
Support costs	3,204	3,204	3,013
Operating costs	35	35	290
Total operating expenditure	3,239	3,239	3,317
NET DEFICIT BEFORE TAX	(3,239)	(3,239)	(3,226)

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

18. Managing Services

WHAT WE DO

This activity incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

- Communications
- Customer Services
- Finance
- General Administration
- Information Services
- Legal and Secretariat Services
- Planning and Policy
- Staff Services

Due to an organisation review on 1 May 2006 a number of divisions names have been amended to better reflect the functions undertaken.

WHY WE DO IT

This activity contributes to all community outcomes by supporting all of Council's other activities.

How we contribute to Hutt City Council strategic goals and city-wide community outcomes

- Prioritise and manage operating and capital expenditure
- Establish prudent risk management policies and monitoring compliance
- Implement the Baldrige Business Excellence Framework and obtaining bi-annual evaluation from the New Zealand Business Excellence Foundation
- Participate in peer benchmarking exercises and pursuing identified best practice
- Operate a continuous improvement programme
- Elicit regular feedback from customers and staff, and address identified concerns.

HOW WE CHECK PROGRESS

Performance measures	Level of achievement	Source of Information
Capital and operating results are kept within overall budget.	<p>2006: Achieved – the net operating result was \$3.0m better than budget. Capital expenditure was \$7.2m below budget (due to projects carried over to 2006/07)</p> <p>2005: Achieved – Operating results were \$0.4 million better than budget. Capital results were \$1.7 million better than budget</p>	Monthly Management Reports
Less than 6 work related accidents resulting in time off work.	<p>2006: Achieved – 3 work related accidents resulted in time off work during the year</p> <p>2005: Achieved – 5 work related accidents resulted in time off work during the year</p>	Monthly Management Reports

Performance measures	Level of achievement	Source of Information
No significant non-compliance instances in relation to compliance with legal and policy requirements.	2006: Achieved – No significant non-compliance instances reported 2005: Achieved – No significant non-compliance instances reported	Legal Compliance Reports
Submit application for assessment by the Business Excellence Foundation.	2006: Achieved – Application submitted in May 2006 2005: Achieved. Bronze	Report of the New Zealand Business Excellence Foundation
Results exceed peer organisation averages in at least 80% of measures.	2006: Achieved – Key measures of customer satisfaction, staff satisfaction and financial control are better than peer averages 2005: Achieved – Key measures of customer satisfaction, staff satisfaction and financial control are better than peer averages	Monthly Management Reports
Achieve more than 700 organisation improvements, as reported by staff.	2006: Achieved 742 improvements, as reported by staff 2005: Achieved – 744 improvements registered	Monthly Management Reports
Satisfaction ratings in surveys of customer satisfaction exceed 80%.	2006: Achieved 87% 2005: Achieved 89%	NRB Communitrak Survey
Satisfaction ratings in surveys of staff satisfaction exceed 80%.	2006: Achieved 89% 2005: Achieved 90%	2006: Best Places to Work Survey 2005: ACNielsen staff survey
Staff turnover is kept to less than 15%.	2006: Achieved 14% 2005: Achieved 14%	Monthly Management Reports

MANAGING SERVICES – NET COST OF SERVICE

For the year ended 30 June 2006

	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000	Actual 30 June 2005 \$000
OPERATING REVENUE			
User charges	847	730	841
Operating subsidies	44	–	12
Capital contributions	1,269	160	232
Dividend income	–	–	28
Interest income	101	–	9
Profit on sale of assets	1,901	–	166
Other revenue	219	77	388
Total operating revenue	4,381	967	1,676
OPERATING EXPENDITURE			
Employee costs	5,228	5,417	5,069
Operating costs	7,542	5,905	6,031
Interest expense	(465)	–	153
Depreciation	1,107	1,186	918
Total operating expenditure	13,412	12,508	12,171
Operating deficit before adjustments	(9,031)	(11,541)	(10,495)
Net costs allocated to significant activities	11,579	11,541	11,592
Net surplus before tax	2,548	–	1,097
Tax expense	–	–	–
NET SURPLUS AFTER TAX	2,548	–	1,097
CAPITAL EXPENDITURE	1,279	2,322	1,419

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements, and no significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year other than timing differences on completion of certain projects.

Five-Year Financial Summary

	Actual 30 June 2006 Notes \$000	Budget 30 June 2006 \$000	Actual 30 June 2005 \$000	Actual 30 June 2004 \$000	Actual 30 June 2003 \$000	Actual 30 June 2002 \$000
FINANCIAL PERFORMANCE						
Rates revenue	68,493	67,921	65,825	62,400	60,022	56,373
Other operating revenue	37,617	34,214	34,443	32,392	30,793	23,074
Total operating revenue	106,110	102,135	100,268	94,792	90,815	79,447
Depreciation	20,809	21,134	20,198	19,566	19,092	16,906
Interest expense	4,735	5,200	5,227	5,220	5,916	4,856
Other expenditure	72,185	70,432	73,118	68,887	64,350	57,167
Total operating expenditure	97,729	96,766	98,543	93,673	89,358	78,929
Operating surplus before adjustments	8,381	5,369	1,725	1,119	1,457	518
Property plant and equipment adjustments	–	–	–	–	1,877	16,309
Tax (expense)/benefit	–	–	–	–	–	(21)
Net surplus after tax	8,381	5,369	1,725	1,119	3,334	16,806
Capital expenditure	38,287	45,529	22,017	22,901	15,868	75,289
FINANCIAL POSITION						
Cash and short term deposits	5,041	2,200	5,529	4,960	6,730	7,141
Sinking funds	233	–	216	201	1,148	12,450
Fixed assets	802,004	821,889	800,813	801,550	806,868	750,053
Other assets	36,842	12,683	22,309	21,615	11,930	18,296
Public debt	(74,455)	(75,424)	(73,556)	(70,624)	(72,737)	(94,442)
Other liabilities	(29,143)	(24,319)	(23,725)	(26,777)	(22,546)	(27,603)
Equity	740,522	737,029	731,586	730,925	731,393	665,895
FINANCIAL RATIOS						
Net public debt to total assets	8.4%	8.8%	8.4%	8.3%	8.2%	9.7%
Interest expense to total operating revenue	4.5%	5.1%	5.2%	5.5%	6.5%	6.1%
Increase/(decrease) in inflation adjusted rates revenue	0.7%	(0.2)%	2.7%	1.8%	4.4%	(2.5)%

KEY FINANCIAL RESULTS

The net surplus after tax for the year ended 30 June 2006 of \$8 million was \$3 million above budget. Capital expenditure for the year ended 30 June 2006 of \$38 million was \$7 million below budget. Funding has been carried over to the next financial year for completion of certain capital projects.

Public debt increased by \$1 million during the financial year.

EXPLANATORY NOTES:

(i): Contributions towards bulk wastewater capital projects received from Upper Hutt City Council have been excluded from capital subsidies received from 1 July 2002. Capital subsidies received have been reported as part of operating revenue from 1 July 2003. Previously they were reported with property plant and equipment adjustments.

Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE						
For the year ended 30 June 2006						
		Actual Council	Budget Council	Actual Group	Actual Council	Actual Group
	Notes	30 June 2006 \$000	30 June 2006 \$000	30 June 2006 \$000	30 June 2005 \$000	30 June 2005 \$000
OPERATING REVENUE						
Rates revenue	1	68,493	67,921	68,493	65,825	65,825
Revenue from activities	1	33,179	32,906	34,130	32,165	32,917
Other revenue	1	4,438	1,308	4,430	2,278	2,279
Total operating revenue		106,110	102,135	107,053	100,268	101,021
OPERATING EXPENDITURE						
Expenditure on activities	2	97,729	96,766	98,510	98,543	99,182
Total operating expenditure		97,729	96,766	98,510	98,543	99,182
Operating surplus before tax		8,381	5,369	8,543	1,725	1,839
Tax expense	3	–	–	–	–	–
NET SURPLUS AFTER TAX		8,381	5,369	8,543	1,725	1,839

EXPLANATION OF THE COUNCIL'S NET SURPLUS AFTER TAX

Council made a net surplus after tax of \$8.381 million compared with a budgeted net surplus after tax of \$5.369 million. The operating result was therefore \$3.012 million better than budget.

The reason for the result being better than budget is detailed in note 20 on major budget variations.

The net surplus after tax has been used to repay debt after adjusting for items not having a cash flow nature and items supporting capital expenditure.

STATEMENT OF MOVEMENTS IN EQUITY						
For the year ended 30 June 2006						
		Actual Council	Budget Council	Actual Group	Actual Council	Actual Group
	Notes	30 June 2006 \$000	30 June 2006 \$000	30 June 2006 \$000	30 June 2005 \$000	30 June 2005 \$000
Net surplus after tax		8,381	5,369	8,543	1,725	1,839
OTHER RECOGNISED REVENUES AND EXPENSES						
Increase/(decrease) in revaluation reserves and other movements	4	555	–	555	(1,063)	(1,063)
Total recognised revenue and expenses for the year		8,936	5,369	9,098	662	776
Equity at beginning of the year		731,586	731,660	732,222	730,924	731,446
EQUITY AT END OF THE YEAR	4	740,522	737,029	741,320	731,586	732,222

STATEMENT OF FINANCIAL POSITION

As at 30 June 2006		Actual Council 30 June 2006 Notes	Budget Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
EQUITY						
Accumulated funds	4	410,187	409,758	410,985	402,540	403,176
Council created reserves	4	12,275	8,403	12,275	11,243	11,243
Restricted reserves	4	54	52	54	52	52
Asset revaluation reserves	4	318,006	318,816	318,006	317,751	317,751
TOTAL EQUITY		740,522	737,029	741,320	731,586	732,222
<i>Represented by:</i>						
CURRENT ASSETS						
Cash and short term deposits		5,041	2,200	5,078	5,529	5,539
Accounts receivable and prepayments	5	9,319	9,143	9,305	8,599	8,723
Inventories		8	–	16	16	23
Sinking funds		142	–	142	132	132
Properties intended for resale		2,679	–	2,679	3,518	3,518
Total current assets		17,189	11,343	17,220	17,794	17,935
NON-CURRENT ASSETS						
Property, plant and equipment	6	802,004	821,889	805,376	800,813	803,807
Assets under construction	6	21,694	413	21,695	7,048	7,093
Investment in subsidiaries	7	2,545	2,545	–	2,545	–
Investment in associates	8	224	224	224	224	224
Sinking funds		91	–	91	84	84
Other assets	9	373	358	373	359	359
Total non-current assets		826,931	825,429	827,759	811,073	811,567
TOTAL ASSETS		844,120	836,772	844,979	828,867	829,502
CURRENT LIABILITIES						
Bank overdraft (unsecured)		2,012	–	2,012	2,132	2,132
Public debt	11	49,085	60,424	49,085	48,153	48,153
Accounts payable		5,831	6,000	5,857	5,477	5,493
Employee entitlements	13	1,247	1,200	1,247	1,142	1,142
Deposits held		408	300	408	337	337
Other liabilities	14	16,262	13,637	16,297	11,399	11,382
Total current liabilities		74,845	81,561	74,906	68,640	68,639
NON-CURRENT LIABILITIES						
Public debt	11	25,370	15,000	25,370	25,403	25,403
Employee entitlements	13	570	650	570	522	522
Other liabilities	14	2,813	2,532	2,813	2,716	2,716
Total non-current liabilities		28,753	18,182	28,753	28,641	28,641
TOTAL LIABILITIES		103,598	99,743	103,659	97,281	97,280
NET ASSETS		740,522	737,029	741,320	731,586	732,222

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The Council and management of Hutt City Council confirm that all statutory requirements in relation to the annual report, as outlined in Schedule 10 of the Local Government Act 2002, have been complied with.



Mayor



Chief Executive



General Manager Business Services

STATEMENT OF CASH FLOWS					
For the year ended 30 June 2006					
	Actual Council	Budget Council	Actual Group	Actual Council	Actual Group
	30 June 2006	30 June 2006	30 June 2006	30 June 2005	30 June 2005
Notes	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from:</i>					
Rates revenue	68,328	67,921	68,328	65,177	65,177
User charges and other income	36,544	34,124	37,541	34,643	35,323
Interest received	174	90	175	171	173
Net GST received from Inland Revenue	–	–	–	142	142
Regional council rates	12,828	11,100	12,828	12,689	12,689
	117,874	113,235	118,872	112,822	113,504
<i>Cash was applied to:</i>					
Payments to suppliers and employees	(68,331)	(70,132)	(68,947)	(75,047)	(75,537)
Interest paid	(4,598)	(5,200)	(4,588)	(4,974)	(4,965)
Net GST paid to Inland Revenue	(268)	–	(268)	–	–
Regional council rates	(12,819)	(11,100)	(12,819)	(12,520)	(12,520)
	(86,016)	(86,432)	(86,622)	(92,541)	(93,022)
Net cash flows from operating activities	15 31,858	26,803	32,250	20,281	20,482
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash was provided from:</i>					
Sale of property, plant and equipment	2,757	10,890	2,757	226	228
Sale of sinking fund investments	1,770	–	1,770	1,646	1,646
Other investment receipts	109	–	232	36	356
	4,636	10,890	4,759	1,908	2,230
<i>Cash was applied to:</i>					
Purchase and construction of property, plant and equipment	(35,971)	(42,555)	(36,459)	(21,602)	(22,190)
Contributions to sinking funds	(1,770)	–	(1,770)	(1,654)	(1,654)
Other payments and investments	(20)	–	(20)	(69)	(72)
	(37,761)	(42,555)	(38,249)	(23,325)	(23,916)
Net cash flows from investing activities	(33,125)	(31,665)	(33,490)	(21,417)	(21,686)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash was provided from:</i>					
Funds raised from public debt	222,424	226,963	222,424	231,262	231,262
<i>Cash was applied to:</i>					
Repayment of public debt	(221,525)	(222,052)	(221,525)	(228,330)	(228,330)
Net cash flows from financing activities	899	4,911	899	2,932	2,932
Net (decrease)/increase in cash balance	(368)	49	(341)	1,796	1,728
Cash balance at beginning of the year	3,397	2,151	3,407	1,601	1,679
CASH BALANCE AT END OF THE YEAR	3,029	2,200	3,066	3,397	3,407
<i>Cash balance at end of the year comprises:</i>					
Cash and on call deposits	5,041	2,200	5,078	5,529	5,539
Bank overdraft (unsecured)	(2,012)	–	(2,012)	(2,132)	(2,132)
CASH BALANCE AT END OF THE YEAR	3,029	2,200	3,066	3,397	3,407

Statement of Accounting Policies

1. Reporting Entity and Statutory Base

The Hutt City Council (referred to as “Council”) is a territorial local authority governed by the Local Government Act 2002. The Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name of Council was changed to “The Hutt City Council” by a special Act of Parliament on 8 October 1991.

The Group consists of Council, its subsidiaries, Seaview Marina Limited (previously named Caulfold Holdings Limited) and Hutt Holdings Limited (previously named Centre City Plaza Limited) (both 100% owned), Hutt Valley Youth Health Trust (an insubstance subsidiary), the Silverstream Gas Joint Venture (7% owned) and associate Wellington Water Management Limited.

These Consolidated (or “Group”) Financial Statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice.

2. Measurement Base

These Financial Statements have been prepared using a historical cost basis, modified by the revaluation of certain assets.

3. Specific Accounting Policies

A. BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are those entities controlled by Council.

These Group Financial Statements include Council and its subsidiaries, except for Hutt Valley Youth Health Trust, which has not been consolidated. The effect of not consolidating Hutt Valley Youth Health Trust is immaterial. The purchase method is used to prepare these Group Financial Statements. Corresponding assets, liabilities, revenues and expenses are added together on a line by line basis. All significant inter-entity transactions are eliminated on consolidation.

Goodwill arising on the acquisition of a subsidiary represents the excess of the purchase price over the fair value of the identifiable net assets acquired. Goodwill is stated at cost and amortised to the Statement of Financial Performance on a straight line basis over five years.

All subsidiaries have 30 June balance dates except for Hutt Valley Youth Health Trust, which has a 30 September balance date.

Associates

Associates are entities in which Council has significant influence, but not control, over the operating and financial policies.

Council has one associate, Wellington Water Management Limited. The Group’s share of post acquisition gains and losses of Wellington Water Management Limited are recognised as a component of revenue in the Statement of Financial Performance.

The financial statements are unaudited and the balance date for Wellington Water Management Limited is 30 June. The Associate’s results have been included in these financial statements.

Joint venture

Council has a 7% interest in the Silverstream Gas Joint Venture. Council’s interest in the joint venture is accounted for using the proportionate method of consolidation.

The financial statements of the joint venture are prepared by Mighty River Power and are based on generally accepted accounting practice in New Zealand. The measurement base is historical cost and accrual accounting is used to recognise and match the cost of services provided with revenues earned.

The financial statements are unaudited and the balance date for the Silverstream Gas Joint Venture is 30 June. Joint venture results have been included in these Financial Statements.

B. BUDGET FIGURES

The budget figures are those approved by Council at the beginning of the year after a period of consultation with the public as part of the Community Planning process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by Council for the preparation of these Financial Statements.

C. REVENUE

Rates revenue is recognised when levied.

Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year-end, are accrued on an average usage basis.

Subsidies from Transfund New Zealand and grants from other government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in Council - with or without conditions - are recognised as revenue when control over the assets is obtained.

Dividends are recognised on an accrual basis net of imputation credits.

D. CONSTRUCTION CONTRACTS

Profits on contracts are recognised progressively over the period of each contract. The amount recognised in the Statement of Financial Performance, and the value of contract work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

Foreseeable losses on a contract are recognised immediately.

E. GOODS AND SERVICES TAX “GST”

These Financial Statements have been prepared exclusive of GST with the exception of accounts receivable and accounts payable, which are stated inclusive of GST. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

F. TAXATION

Income tax expense is recognised in the Statement of Financial Performance in respect of the current year's surplus after allowing for permanent differences.

Deferred tax is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are only recognised when there is virtual certainty of realisation.

G. EQUITY

Equity is the community's interest in Council and the Group as measured by total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the specified uses that Council and the Group make of their accumulated surpluses. The components of equity are:

- Accumulated funds
- Council created reserves
- Restricted reserves
- Asset revaluation reserves.

Reserves represent a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council or the Group.

Council created reserves are established by Council. They may be altered without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

Restricted reserves are subject to specific conditions accepted as binding by Council, which may not be revised by Council without reference to the courts or third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

H. ACCOUNTS RECEIVABLE

Accounts receivable are recognised at expected realisable values after providing for doubtful and uncollectable debts.

I. INVENTORIES

Inventories are recognised at the lower of their cost, determined on a first-in first-out basis, and net realisable value.

J. PROPERTY, PLANT AND EQUIPMENT

Expenditure of a capital nature of \$1,000 or more for information technology hardware, and \$2,500 or more for other items, has been capitalised. Expenditure of less than \$1,000 for information technology hardware, or less than \$2,500 for other items, has been charged to operating expenditure.

Property, plant and equipment consists of:

- **Infrastructure assets**

Infrastructure assets are the fixed utility systems owned by the Council and include resource consents. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

- **Operational assets**

These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

- **Restricted assets**

Restricted assets are parks and reserves owned by the Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Upper Hutt City Council's interest in the bulk wastewater system

The Hutt Valley and Wainuiomata bulk wastewater system is managed by the Council. Upper Hutt City Council pays an annual levy to the Hutt City Council based on an apportionment formula equating to between 26% and 31% of the funding requirements. While Upper Hutt City Council does not have legal ownership of the bulk wastewater system, it is entitled to a share of the proceeds from any sale of the assets.

Upper Hutt City Council's interest in the bulk wastewater system assets is deducted from the value of property plant and equipment recognised in the Statement of Financial Position. Funding contributions from Upper Hutt City Council are recognised as revenue in the Statement of Financial Performance if the contributions are for the operation of the bulk wastewater system. Funding contributions for capital work are recognised as an increase in Upper Hutt City Council's interest in the bulk wastewater system assets.

Valuation

All assets are valued at historical cost except for the following:

- Land and buildings have been valued at fair value. Revaluations are carried out five yearly
- Infrastructure assets have been valued at optimised depreciated replacement cost. Revaluations are carried out five yearly. The exceptions are:
 - wharves, which are valued at indemnity value, reflecting their minimum residual value
 - traffic signs, which are stated at cost
 - infrastructure land under roads, which is valued at 45% of the average land market value
- Seaview Marina Limited's assets are valued at depreciated historical cost
- Library literary assets are valued at depreciated replacement cost in accordance with draft guidelines released by the New Zealand Library Association and the National Library of New Zealand. Revaluations are carried out five yearly.

All revaluations are carried out by independent valuers who specialise in the asset classes listed above. The exception is library literary assets, which are valued by staff with specialist knowledge in this area.

Property, plant and equipment valuation increases and decreases are charged to the appropriate asset revaluation reserves. If the decreases would have resulted in a debit balance in the asset revaluation reserve, then this debit balance would be recognised as an expense in the Statement of Financial Performance.

Any subsequent increase on revaluation that off-sets the previous decrease in value in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

Additions

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructure assets and land have been vested in the Council as part of the subdivisional consent process. Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing natural services. Vested infrastructure assets are recognised as revenue in the Statement of Financial Performance.

Assets under construction

Assets under construction are included at cost. The total cost of a project is transferred to the relevant capital class on its completion and then depreciated.

K. DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives, except for the following:

- art, museum collections and land are not depreciated.

The expected useful economic lives have been estimated as follows:

Estimated economic lives	Years
Operational assets	
Buildings	50 – 80
Piers at Seaview Marina	25
Parking meters	15
Office equipment	10
Plant	10
Pay and display	10
Recycling depots	5 – 10
Playground equipment	5 – 10
Computer equipment	3 – 5
Infrastructure assets	
Bridges	75 – 100
Drainage including manholes and drainpipe	50 – 80
Kerbing	80
Footpaths	50
Unsealed pavement (base course and sub base)	50
Street lights	29
Wharves	15
Road surface	20
Traffic signals and signs	16
Reservoirs	80
Storm water pipe network assets	60 – 100
Water pipe network assets	60 – 90
Seaview wastewater treatment plant	20
Milliscreen plant	26
Pump and gauging stations	20 – 50
Sewerage pipe network assets	40 – 80
Gauging, milliscreen and reservoir equipment	15
Pump station control equipment	8 – 10
Resource consents	consent term

L. INVESTMENTS**Investments in subsidiaries**

Investments in subsidiaries are valued at the lower of their cost and net realisable value. Increases and decreases in the value of investments are recorded in the Statement of Financial Performance.

Investments in associates

Investments in associates are valued at the lower of their cost and net realisable value in Council's Statement of Financial Position. Increases and decreases in the value of investments are recorded in the Statement of Financial Performance.

Investment properties

Investment properties are revalued annually at net current value by an independent registered valuer. Increases and decreases in the value of assets are credited to the appropriate asset revaluation reserves. If the decreases would have resulted in a debit balance in the asset revaluation reserve, then this debit balance has been expensed in the Statement of Financial Performance. There is no depreciation recognised on investment properties.

Other investments

All other investments are valued at the lower of their cost and net realisable value.

M. SINKING FUNDS

Funds have been set aside to meet future repayments of loans. These funds are invested with the Sinking Fund Commissioners of the City of Lower Hutt and the National Provident Fund. Interest earned on sinking funds is recognised as revenue in the Statement of Financial Performance.

N. EMPLOYEE ENTITLEMENTS

Provision is made in respect of the Group's liability for annual leave, long service leave, and retirement gratuities. Annual leave has been calculated on an actual basis at current rates of pay, while the other provisions have been calculated on an actuarial basis based on the present value of expected future entitlements.

O. LEASES**Operating Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses and income is recognised as revenue in the Statement of Financial Performance in the periods in which they are incurred.

P. LANDFILL POST CLOSURE COSTS

As operator of the Silverstream and Wainuiomata landfill sites, the Council has an obligation to ensure the ongoing maintenance and monitoring services at these landfill sites after closure. The Council also has an obligation to monitor closed landfill sites previously operated by local authorities subsequently amalgamated to form the Hutt City Council.

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post closure costs when the obligation for post closure arises. The calculated cost is based on estimates of future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care is Silverstream 30 years, and Wainuiomata 28 years.

The calculations assume no change in the legislative requirements or technological changes for closure and post closure treatment. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

Q. FINANCIAL INSTRUMENTS

The Council is party to financial instruments as part of its normal operations. These financial instruments include cash and on call deposits, accounts receivable, investments, accounts payable, public debt, deposits held, other liabilities, financial guarantees and interest rate swaps and options.

Revenue and expense arising from these financial instruments is recognised in the Statement of Financial Performance. The financial instruments are recognised in the Statement of Financial Position in accordance with the accounting policies outlined below.

Cash and on call deposits, accounts payable, public debt, deposits held and other liabilities

These financial instruments are recognised in the Statement of Financial Position on a historical cost basis.

Accounts receivable and investments

Related accounting policies are described in sections H and L above.

Financial guarantees

Financial guarantees are not recognised in the Statement of Financial Performance unless it becomes probable that a financial loss will be incurred as a result of a guarantee. Financial guarantees are disclosed in note 19 of the Financial Statements.

Interest rate swaps and options

Council enters into interest rate swaps and options to hedge interest rate risk associated with public debt. The following accounting treatments are applied:

- The net differential paid or received on interest rate swaps is recognised as a component of interest income or expense over the period of the agreement
- Interest rate option premiums paid or received and net settlements on maturity are amortised as a component of interest income or expense over the period of the underlying asset or liability
- As all interest rate swaps and options are hedges of underlying assets or liabilities, they are not stated at market value in the Statement of Financial Position. However, any interest differentials paid or received, option premiums and net settlements that are unamortised at balance date are recognised in the Statement of Financial Position.

R. OPERATING STATEMENTS INCLUDED IN THE STATEMENT OF SERVICE PERFORMANCE

The operating statements report the net cost of services for significant activities of Council. Council has derived the net cost of services for each significant activity using the cost allocation system outlined below.

- Direct costs are charged directly to significant activities. Indirect costs are charged to the significant activities based on cost drivers and related activity or usage information
- Each significant activity has been charged an internal interest cost. The net interest cost incurred by Council is allocated to each significant activity based on the net book value of property plant and equipment used by the activity.

S. STATEMENT OF CASH FLOWS

Cash means cash balances on hand, in bank accounts, demand deposits and other highly liquid investments which Council or the Group holds as part of its day-to-day cash management.

Operating activities include cash received from all income sources within Council and the Group and cash paid for the supply of goods and services. Agency transactions (the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities include the change in equity and debt capital structure of the Council and the Group.

4. Changes in Accounting Policies

There are no significant changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Notes to the Financial Statements

1. OPERATING REVENUE					
	Actual Council 30 June 2006 \$000	Budget Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
RATES REVENUE	68,493	67,921	68,493	65,825	65,825
ACTIVITIES REVENUE					
User charges	17,324	16,545	18,275	16,361	17,113
Subsidies	9,898	11,500	9,898	10,610	10,610
Regulatory revenue	4,077	3,222	4,077	3,413	3,413
Penalties	1,880	1,639	1,880	1,781	1,781
Total activities revenue	33,179	32,906	34,130	32,165	32,917
OTHER REVENUE					
Interest revenue	191	90	183	178	179
Profit on sale of property, plant and equipment	1,901	–	1,901	166	166
Dividends	–	–	–	28	28
Miscellaneous revenue	2,346	1,218	2,346	1,906	1,906
Total other revenue	4,438	1,308	4,430	2,278	2,279
TOTAL OPERATING REVENUE	106,110	102,135	107,053	100,268	101,021

Rates revenue is reported in these financial statements on a net basis after deducting rates remitted under Council's rate remission policies totalling \$536,000 (2005: \$234,000). Council's policy (set out in the Community Plan) enables consideration of rates remissions in a number of circumstances including where the ratepayer is a sporting or community organisation, a church, school, kindergarten, or play centre, or a hospital provided the property is used for community benefit and not for profit. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

2. OPERATING EXPENDITURE					
	Actual Council 30 June 2006 \$000	Budget Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Auditors' fees					
– for auditing the financial statements	135	125	145	115	124
– for auditing the Community Plan	59	60	59	–	–
– for other services	–	–	–	–	–
Bad debt expense	2	60	2	35	35
Depreciation	20,809	21,134	20,963	20,198	20,340
Directors' fees	–	–	30	–	30
Entertainment	81	92	81	70	70
Grants and donations	21	25	21	21	21
Insurance expenses	942	1,011	981	1,225	1,263
Interest expense	4,735	5,200	4,735	5,227	5,068
Movement in provision for doubtful debts	(67)	25	(67)	(100)	(97)
Remuneration to councillors, community board and ward committee members	634	615	634	589	592
Rent and lease expenses	686	596	686	586	586
Subscriptions	67	51	67	55	55
Asset Write-off	1,366	–	1,366	–	–
Other operating expenses	68,259	67,772	68,807	70,522	71,095
TOTAL OPERATING EXPENDITURE	97,729	96,766	98,510	98,543	99,182

3. TAXATION

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Net surplus before tax	8,381	8,543	1,725	1,839
Prima facie tax @ 33%	2,766	2,819	569	607
Tax effect of permanent differences	(2,764)	(2,764)	(556)	(556)
Losses not recognised	(2)	(55)	(13)	(51)
TOTAL TAX EXPENSE	-	-	-	-
<i>Tax expense comprises:</i>				
Current taxation	-	-	-	-
Deferred taxation	-	-	-	-
TOTAL TAX EXPENSE	-	-	-	-

PARENT

Tax losses of \$3,027,645 (2005: \$3,034,397), tax effect of \$999,123 (2005: \$1,001,351), have not been recognised, but will be available for offset against future income derived by Council or any member of the same wholly owned group subject to legislative requirements being met. It is not intended that any tax losses (2005: \$nil), will be used to offset against income derived by other group companies during the 2006 income tax year.

CONSOLIDATED

Tax losses of \$21,106,336 (2005: \$21,276,477), tax effect of \$6,965,091 (2005: \$7,021,218), have not been recognised, but will be available for offset against future income derived by Council or any member of the same wholly owned group subject to legislative requirements being met.

4. EQUITY

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
ACCUMULATED FUNDS				
Balance at beginning of the year	402,540	403,176	403,605	404,127
Net surplus after tax	8,381	8,543	1,725	1,839
Interest allocated to reserves	(749)	(749)	(458)	(458)
Other movements	300	300	-	-
Net transfers from reserves	(285)	(285)	(2,332)	(2,332)
BALANCE AT END OF THE YEAR	410,187	410,985	402,540	403,176
COUNCIL CREATED RESERVES				
Balance at beginning of the year	11,243	11,243	8,451	8,451
Transfers to accumulated funds	(976)	(976)	(921)	(921)
Transfers from accumulated funds	1,261	1,261	3,256	3,256
Interest earned	747	747	457	457
BALANCE AT END OF THE YEAR	12,275	12,275	11,243	11,243
RESTRICTED RESERVES				
Balance at beginning of the year	52	52	52	52
Transfers to accumulated funds	-	-	(3)	(3)
Transfers in	-	-	1	1

4. EQUITY

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Interest earned	2	2	2	2
BALANCE AT END OF THE YEAR	54	54	52	52
ASSET REVALUATION RESERVES				
Land				
Balance at beginning of the year	124,968	124,968	125,233	125,233
Changes in asset value	–	–	–	–
Revaluation attributed to assets sold or decommissioned and other movements	(300)	(300)	(265)	(265)
BALANCE AT END OF THE YEAR	124,668	124,668	124,968	124,968
Buildings				
Balance at beginning of the year	32,884	32,884	33,684	33,684
Changes in asset value*	555	555	–	–
Revaluation attributed to assets sold or decommissioned and other movements	–	–	(800)	(800)
BALANCE AT END OF THE YEAR	33,439	33,439	32,884	32,884
Roading Infrastructure				
Balance at beginning of the year	83,861	83,861	83,861	83,861
Changes in asset value	–	–	–	–
Revaluation attributed to assets sold or decommissioned and other movements	–	–	–	–
BALANCE AT END OF THE YEAR	83,861	83,861	83,861	83,861
Water Infrastructure				
Balance at beginning of the year	76,038	76,038	76,038	76,038
Changes in asset value	–	–	–	–
Revaluation attributed to assets sold or decommissioned and other movements	–	–	–	–
BALANCE AT END OF THE YEAR	76,038	76,038	76,038	76,038
TOTAL ASSET REVALUATION RESERVE				
Balance at beginning of the year	317,751	317,751	318,816	318,816
Changes in asset value	555	555	–	–
Revaluation attributed to assets sold or decommissioned	(300)	(300)	(1,065)	(1,065)
BALANCE AT END OF THE YEAR	318,006	318,006	317,751	317,751
TOTAL EQUITY				
Balance at beginning of the year	731,586	732,222	730,924	731,446
Movements during the year	8,936	9,098	662	776
BALANCE AT END OF THE YEAR	740,522	741,320	731,586	732,222

* Correction to asset revaluation reserve due to 2002 revaluation error.

5. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Trade receivables	1,656	1,753	1,588	1,717
Rates receivable	1,826	1,826	1,825	1,825
Due from Subsidiary Company	98	–	–	–
Prepayments	367	369	840	840
Sundry debtors	4,797	4,797	4,040	4,047
GST receivable	1,132	1,132	916	916
Provision for doubtful debts	(557)	(572)	(610)	(622)
TOTAL ACCOUNTS RECEIVABLE AND PREPAYMENTS	9,319	9,305	8,599	8,723

6. PROPERTY, PLANT AND EQUIPMENT

	Actual Depreciation 30 June 2006 \$000	Actual Cost/valuation 30 June 2006 \$000	Actual Acc Depn 30 June 2006 \$000	Actual Book value 30 June 2006 \$000	Actual Cost/valuation 30 June 2005 \$000	Actual Acc Depn 30 June 2005 \$000	Actual Book value 30 June 2005 \$000
OPERATIONAL ASSETS							
Land	64	25,260	145	25,115	25,018	81	24,937
Buildings	2,782	68,546	10,064	58,482	66,301	7,225	59,076
Parking meters	77	789	307	482	742	229	513
Office equipment	71	1,455	1,004	451	1,375	944	431
Plant	391	4,348	2,052	2,296	4,206	1,679	2,527
Recycling depots	–	16	16	–	16	16	–
Playground and reserve equipment	73	1,555	940	615	1,383	866	517
EDP equipment and software	1,061	8,261	5,648	2,613	7,435	5,132	2,303
Library books	752	5,118	3,529	1,589	4,513	2,777	1,736
Collections	–	1,812	–	1,812	1,812	–	1,812
Total operational assets	5,271	117,160	23,705	93,455	112,801	18,949	93,852
INFRASTRUCTURE ASSETS							
Land	–	100,131	–	100,131	100,226	–	100,226
Seawalls	38	5,923	150	5,773	5,922	112	5,810
Wharves	128	2,282	1,414	868	2,241	1,286	955
Bridges	496	25,385	1,964	23,421	25,385	1,469	23,916
Road structures	195	8,691	652	8,039	8,463	456	8,007
Roading	5,534	247,570	20,300	227,270	237,561	14,766	222,795
Streetlights	316	5,759	1,160	4,599	5,394	844	4,550
Traffic signals	118	1,329	454	875	1,107	336	771
Traffic signs	44	623	291	332	531	248	283
Stormwater	1,685	92,809	6,595	86,214	89,941	4,911	85,030
Water supply	2,395	80,273	9,421	70,852	78,377	7,025	71,352
Bulk wastewater	3,776	119,132	14,742	104,390	118,003	11,025	106,978
Less UHCC interest in bulk wastewater assets*	(1,178)	(37,291)	(4,717)	(32,574)	(34,973)	(3,539)	(31,434)
Local wastewater	1,573	57,934	6,355	51,579	55,623	4,723	50,900
SCADA	147	1,463	582	881	1,458	433	1,025
Resource consents	247	3,992	2,139	1,853	3,992	1,892	2,100
Total infrastructure assets	15,514	716,005	61,502	654,503	699,251	45,987	653,264

6. PROPERTY, PLANT AND EQUIPMENT

	Actual Depreciation 30 June 2006 \$000	Actual Cost/valuation 30 June 2006 \$000	Actual Acc Depn 30 June 2006 \$000	Actual Book value 30 June 2006 \$000	Actual Cost/valuation 30 June 2005 \$000	Actual Acc Depn 30 June 2005 \$000	Actual Book value 30 June 2005 \$000
RESTRICTED ASSETS							
Land	6	53,933	17	53,916	53,575	11	53,564
Total restricted assets	6	53,933	17	53,916	53,575	11	53,564
Sub total	20,791	887,098	85,224	801,874	865,627	64,947	800,680
Joint venture assets	18	152	22	130	343	210	133
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	20,809	887,250	85,246	802,004	865,970	65,157	800,813
SUBSIDIARY FIXED ASSETS							
Seaview marina	154	3,775	403	3,372	3,242	248	2,994
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	20,963	891,025	85,649	805,376	869,212	65,405	803,807

*Includes Upper Hutt City Council's share of resource consents

ASSETS UNDER CONSTRUCTION

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Buildings	9,153	9,153	2,762	2,762
EDP equipment and software	462	462	742	742
Seawalls	–	–	8	8
Land	21	21	–	–
Plant	4	4	–	–
Bridges	255	255	94	94
Road structures	33	33	61	61
Roading	130	130	107	107
Wharves	–	–	41	41
Stormwater	1,002	1,002	–	–
Bulk wastewater	10,634	10,634	3,233	3,233
Seaview Marina	–	1	–	45
TOTAL ASSETS UNDER CONSTRUCTION	21,694	21,695	7,048	7,093

VALUATION

Property, plant and equipment have been valued in accordance with the accounting policies set out on page 94. The valuations included in the above figures are as follows:

- Land and buildings were valued by Quotable Value New Zealand as at 1 July 2002. The valuer was Andrew Parkyn B.Com(VPM),PG Dip (Com)
- Infrastructure assets were valued by Beca Valuation Limited as at 1 July 2002, with the following exceptions:
 - Wharves were valued by Ian Macallan & Co Limited as at 1 July 1990
 - Infrastructure land under roads were valued by Quotable Value New Zealand as at 1 July 2002. The valuer was Andrew Parkyn B.Com(VPM),PG Dip (Com)
- The Beca Valuations Limited valuer was Brian Kellett, MIMechE,Ceng,Reng,MIPENZ,SNZPI,Reg Plant & MachineryValuer
 - Library literary assets were valued by library staff who are specialised in this area as at 1 July 2002
 - Wainuiomata and Silverstream landfills were valued by Quotable Value New Zealand as at 1 July 2002. The valuer was Andrew Parkyn B.Com(VPM), PG Dip (Com).

7. INVESTMENT IN SUBSIDIARIES

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
SEAVIEW MARINA LIMITED				
Balance at beginning of the year	2,495	–	2,495	–
BALANCE AT END OF THE YEAR	2,495	–	2,495	–
HUTT HOLDINGS LIMITED				
Balance at beginning of the year	50	–	50	–
BALANCE AT END OF THE YEAR	50	–	50	–

Hutt Holdings Limited and Seaview Marina Limited are 100% owned subsidiaries.

8. INVESTMENT IN ASSOCIATES

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
WELLINGTON WATER MANAGEMENT LIMITED				
Balance at beginning of the year	224	224	224	224
BALANCE AT END OF THE YEAR	224	224	224	224

Wellington Water Management Limited was set up in 2004 to manage Hutt City Council and Wellington City Council water assets. Wellington Water Management Limited endeavours to breakeven, with all costs being funded by the two councils.

Ownership is shared by the two councils in the following proportions:

	Shares on issue	Hutt City	Wellington City
Class A shares (voting entitlements)	300	150	150
Class B shares (financial entitlements)	300	112	188

9. OTHER ASSETS

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
OTHER ASSETS - NON-CURRENT PORTION				
NZ Local Government Insurance Company	234	234	234	234
Community loans	173	173	193	193
Smartlynx 3 Limited	75	75	55	55
Other assets	145	145	145	145
Provision for community loans and other assets	(254)	(254)	(268)	(268)
Total other assets - non-current portion	373	373	359	359
TOTAL OTHER ASSETS	373	373	359	359

10. JOINT VENTURE

Council has a 7% participating interest in the Silverstream Gas Joint Venture. The principal activity of the joint venture is converting gas to electricity.

SHARE OF ASSETS EMPLOYED

The joint venture's unaudited results for the year ended 30 June 2006 are included in these Financial Statements under the classifications shown below:

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Share of revenue	91	91	45	45
Share of expenses	(70)	(70)	(54)	(54)
SHARE OF NET SURPLUS/(DEFICIT)	21	21	(9)	(9)
Property, plant and equipment	130	130	133	133
Accounts receivable	75	75	57	57
Accounts payable	(2)	(2)	(7)	(7)
TOTAL SHARE OF ASSETS EMPLOYED	203	203	183	183

11. PUBLIC DEBT

These are loans raised by Council for its various activities and projects. The details are:

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Current portion	49,085	49,085	48,153	48,153
Non-current portion	25,370	25,370	25,403	25,403
TOTAL PUBLIC DEBT	74,455	74,455	73,556	73,556

PUBLIC DEBT MATURITY PROFILE

	Actual Interest cost 30 June 2006 \$000	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Years of Repayment					
2005/2006	2,259	–	–	48,153	48,153
2006/2007	915	49,085	49,085	–	–
2007/2008	7	70	70	70	70
2008/2009	1	18	18	24	24
2009/2010	833	15,005	15,005	15,005	15,005
2010/2011	2	55	55	60	60
2011 onwards	718	10,222	10,222	10,244	10,244
TOTAL PUBLIC DEBT	4,735	74,455	74,455	73,556	73,556

SECURITY

A debenture trust deed has been established and Perpetual Trust Limited appointed as Trustee. All public debt is secured by a charge over all rating in favour of the Trustee.

12. CREDIT FACILITIES

Council has an undrawn \$25 million wholesale advance facility with Westpac and an undrawn \$30 million wholesale facility with ANZ Banking Group. The Facilities are secured under the Debenture Trust Deed described in note 11.

13. EMPLOYEE ENTITLEMENTS

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Time in lieu	10	10	10	10
Annual leave	1,237	1,237	1,132	1,132
Long service leave	32	32	20	20
Retirement gratuities	538	538	502	502
TOTAL EMPLOYEE ENTITLEMENTS	1,817	1,817	1,664	1,664
<i>Disclosed as follows:</i>				
Current	1,247	1,247	1,142	1,142
Non-current	570	570	522	522
TOTAL EMPLOYEE ENTITLEMENTS	1,817	1,817	1,664	1,664

14. OTHER LIABILITIES

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
OTHER LIABILITIES – CURRENT PORTION				
Accrued interest expenses	403	403	439	439
Other accrued expenses	13,693	13,728	9,495	9,522
Due to subsidiary companies	–	–	44	–
Third party funds	150	150	127	127
Miscellaneous current liabilities	2,016	2,016	1,294	1,294
Total other liabilities – current portion	16,262	16,297	11,399	11,382
OTHER LIABILITIES – NON-CURRENT PORTION				
Provision for landfill aftercare**	2,813	2,813	2,716	2,716
Total other liabilities – non-current portion	2,813	2,813	2,716	2,716
TOTAL OTHER LIABILITIES	19,075	19,110	14,115	14,098
MOVEMENTS IN PROVISIONS				
	Landfill Aftercare \$000			
Balance at beginning of the year	2,716			
Additional provisions made during the year	169			
Amounts charged to provision during the year	(72)			
BALANCE AT END OF THE YEAR	2,813			

** PROVISION FOR LANDFILL AFTERCARE

Council has financial commitments for the costs associated with its future obligations for final closure and post-closure obligations with respect to landfills it owns. Estimates for final closure and post closure costs are developed using input from Council's engineers and accountants and are reviewed by management, typically at least once a year.

Closure responsibilities include final cover and application of vegetation, completing facilities for leachate collection, water quality and gas monitoring.

Post closure activities include leachate, water and gas monitoring and remedial measures such as ongoing site maintenance for drainage systems, final cover and vegetation.

Council currently operates two landfills. These are Silverstream (Stage 1) and Wainuiomata. These landfills have a remaining capacity of 227,000 (2005: 300,000) cubic metres (eighteen months) and 332,500 (2005: 290,000) cubic metres (six years) respectively. Council is also monitoring gas, leachate, and water for five closed landfills identified as potential risks.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 6.65% (2005: 6.67%). The accounting treatment of this provision is described in detail in the Statement of Accounting Policies.

15. RECONCILIATION OF NET SURPLUS AFTER TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES				
	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
NET SURPLUS AFTER TAX	8,381	8,543	1,725	1,839
<i>Add/(less) non-cash items:</i>				
Depreciation	20,809	20,963	20,198	20,340
Interest income accrued to investments and special funds	(31)	(12)	(40)	(40)
Bad debt expense and other non-cash items	940	940	(23)	(23)
<i>Add/(less) movements in working capital:</i>				
Increase in accounts receivable and other assets	(876)	(836)	(285)	(325)
Increase/(decrease) in creditors	1,249	1,285	(1,892)	(1,889)
Increase in provisions and other liabilities	3,287	3,286	764	763
<i>Add/(less) items classified as investing activities:</i>				
Profit on sale of property, plant and equipment and other movements	(1,901)	(1,919)	(166)	(183)
NET CASH FLOWS FROM OPERATING ACTIVITIES	31,858	32,250	20,281	20,482

16. TRANSACTIONS WITH RELATED PARTIES

The Council had the following material transactions:

WITH SEAVIEW MARINA LIMITED

During the year Council repaid advances to Seaview Marina Limited totalling \$41,249 (2005: Council repaid \$319,355).

Total advances outstanding at 30 June 2006 amounted to \$nil (2005: \$40,978). Interest is charged on outstanding advances at market rates and amounted to \$271 for the year ended 30 June 2006 (2005: \$9,358).

During the year Council provided loan funding for Seaview Marina Limited. Interest is payable at the 90 day bank bill rate plus 2% margin. The amount outstanding at balance date was \$103,879 (2005: \$nil).

Interest charged on this loan amounted to \$9,308 for the year ended 30 June 2006 (2005: \$nil).

For the year ended 30 June 2006, the Council charged Seaview Marina Limited \$14,000 as professional service fees (2005: \$22,451).

WITH HUTT HOLDINGS LIMITED

During the year Hutt Holdings advanced to Council \$2,364 (2005: Hutt Holdings advanced to Council \$30,809).

Total advances outstanding at 30 June 2006 amounted to \$5,841 (2005: \$3,477). Interest is charged on outstanding advances at market rates and amounted to \$441 for the year ended 30 June 2006 (2005: \$1,024).

WITH WELLINGTON WATER MANAGEMENT LIMITED

For the year ended 30 June 2006, Council charged Wellington Water Management Limited \$12,287 (2005: \$21,968), for services provided.

For the year ended 30 June 2006, Wellington Water Management Limited charged Council \$1,016,334 for professional service fees (2005: \$1,000,191).

As at 30 June 2006 Council owed Wellington Water Management Limited \$nil (2005: \$119,268).

As at 30 June 2006 Wellington Water Management Limited owed Council \$833 (2005: \$16).

WITH COUNCILLORS AND COMMUNITY BOARD AND WARD COMMITTEE MEMBERS

During the year ended 30 June 2006, Council transacted business on normal commercial terms with Kevin Hislop Architects, a business managed by Kevin Hislop husband of Councillor Deborah Hislop, for \$3,704 (2005: \$11,570). The amount payable as at 30 June 2006 was \$nil (2005: \$nil). These transactions related to the provision of architectural services.

During the year ended 30 June 2006, Council transacted business on normal commercial terms with DTS Limited for \$19,156 (2005: \$nil). The chair of the Northern Ward Committee, Steve Ritchie, has a shareholding in DTS Limited and is managing director. The amount payable as at 30 June 2006 was \$nil (2005: \$nil). These transactions related to the provision of internet services.

During the year ended 30 June 2006, Council transacted business on normal commercial terms with Smartlinx3 Limited for \$86,728 (2005: \$40,000). The chair of the Northern Ward Committee, Steve Ritchie, is a director in Smartlinx3, and an 11% shareholding in Smartlinx3 is held by DTS Investments Limited of which Steve Ritchie is also a shareholder and director. Council also has an 11% shareholding in Smartlinx3 Limited. The amount payable as at 30 June 2006 was \$2,614 (2005: \$nil). These transactions related to the provision of network capability to enable internet provision services and payment for calls on share capital issued by the company to Council.

During the year ended 30 June 2006, Council transacted business with Development Wainuiomata for \$44,804 (2005: \$46,325). Councillor Ray Wallace is the voluntary president of Development Wainuiomata. The amount payable as at 30 June 2006 was \$1,969 (2005: \$nil). These transactions related to the payment of a grant by Council.

During the year ended 30 June 2006, Council transacted business on normal commercial terms with the Hutt Valley District Health Board for \$64,755 (2005: \$1,125). Mayor David Ogden and Councillor Ray Wallace are Board members of the Hutt Valley District Health Board. The amount payable as at 30 June 2006 was \$nil (2005: \$1,125). These transactions related to the provision of health services.

During the year ended 30 June 2006, Council transacted business on normal commercial terms with The Open Polytechnic of New Zealand for \$2,060 (2005: \$565). Mayor David Ogden is a member of The Open Polytechnic of New Zealand Council. The amount payable as at 30 June 2006 was \$nil (2005: \$nil). These transactions related to the provision of training services.

17. FINANCIAL INSTRUMENTS

Council and the Group are risk averse and seek to minimise exposure arising from their treasury activities. Council has established a Treasury Policy specifying what transactions can be entered into. The policy does not allow any transactions which are speculative in nature.

CREDIT RISK

Financial instruments which potentially subject Council and the Group to credit risk principally consist of cash and on call deposits, accounts receivable, sinking funds, other assets, financial guarantees and interest rate swaps and options.

Credit risk is minimised as a result of several key controls:

- maintaining maximum limits for each broad class of counterparty and individual counterparties
- limiting investments to organisations with a long term Standard & Poor's credit rating of A+ or better
- controlling the level and spread of accounts receivable outstanding.

As a result of these controls there are no significant concentrations of credit risk.

The maximum exposure to credit risk as at balance date was:

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Cash and short term deposits	5,041	5,078	5,529	5,539
Accounts receivable	8,952	8,936	7,759	8,201
Sinking funds	233	233	216	216
Other assets	373	373	359	359
Financial guarantees	450	450	699	699
Interest rate swaps and options	791	791	824	824

The maximum exposures shown above are net of any recognised provisions for losses on these financial instruments. Council and the Group hold security for certain amounts included in accounts receivable and other investments.

CURRENCY RISK

Council and the Group had no exposure to currency risk at 30 June 2006 (2005: \$nil).

INTEREST RATE RISK

The following tables identify the periods in which interest rates are subject to review on financial instruments and provides the weighted average interest rate for each item. These tables are for Council. Group tables have not been produced because the interest rate repricing analysis would not differ materially from that of Council.

	Effective interest rates	Less than 1 year 30 June 2006 \$000	Between 1–2 years 30 June 2006 \$000	Between 2–5 years 30 June 2006 \$000	Greater than 5 years 30 June 2006 \$000	Total 30 June 2006 \$000
Assets						
Cash and short term deposits	7.25%	5,041	–	–	–	5,041
Sinking funds	7.35%	142	91	–	–	233
		5,183	91	–	–	5,274
Liabilities						
Bank overdraft	7.25%	(2,012)	–	–	–	(2,012)
Public debt	7.03%	(49,085)	(70)	(15,078)	(10,222)	(74,455)
Off-balance sheet						
Interest rate swaps and options	6.54%	42,000	(5,000)	(16,000)	(21,000)	–
NET INTEREST RATE REPRICING		(3,914)	(4,979)	(31,078)	(31,222)	(71,193)
	Effective interest rates	Less than 1 year 30 June 2005 \$000	Between 1–2 years 30 June 2005 \$000	Between 2–5 years 30 June 2005 \$000	Greater than 5 years 30 June 2005 \$000	Total 30 June 2005 \$000
Assets						
Cash and short term deposits	6.75%	5,529	–	–	–	5,529
Sinking funds	7.01%	132	–	84	–	216
		5,661	–	84	–	5,745
Liabilities						
Bank overdraft	6.75%	(2,132)	–	–	–	(2,132)
Public debt	6.72%	(49,085)	(70)	(15,078)	(10,222)	(74,455)
Off-balance sheet						
Interest rate swaps and options	6.85%	43,000	(16,000)	(6,000)	(21,000)	–
NET INTEREST RATE REPRICING		(1,624)	(16,000)	(21,015)	(31,304)	(69,943)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following fair value calculations are for Council. Group tables have not been produced because the fair value calculations would not differ materially from that of Council. The following methods and assumptions were used to estimate the fair value of each class of instrument.

Cash and short term deposits, accounts receivable, other assets, bank overdraft, accounts payable, deposits held and other liabilities

The book value of these items is equivalent to their fair value. As such, they have been excluded from the table below.

Sinking funds and other assets

Generally based on discounted cash flows using the investment rate management would expect to be available to Council and the Group for investments of a similar maturity as at balance date. Fair values of unlisted shares are estimated by reviewing the net asset backing calculated from the latest available financial reports.

Public debt

Based on discounted cash flows using the borrowing rate management would expect to be available to Council and the Group for debt of a similar maturity as at balance date.

Interest rate swaps and options

Based on valuations provided by Council's bankers.

	Book value 30 June 2006 \$000	Fair value 30 June 2006 \$000	Book value 30 June 2005 \$000	Fair value 30 June 2005 \$000
Assets				
Sinking funds	233	233	216	216
Liabilities				
Public debt	74,455	73,650	73,556	73,137
Off-balance sheet				
Interest rate swaps and options	–	(238)	–	(784)

18. REMUNERATION

The Chief Executive of the Hutt City Council received a salary (including bonus) of \$246,118 for the year ended 30 June 2006 (2005: \$218,444). In terms of his contract the Chief Executive also received the following additional benefit:

Motor Vehicle: \$19,481 (2005: \$24,151)

For the year ended 30 June 2006, the total cost, including performance bonus, fringe benefit tax, of the remuneration package received by the Chief Executive was \$265,599 (2005: \$242,595).

REMUNERATION OF ELECTED REPRESENTATIVES

	Council Remuneration \$	Director Fees \$	Total Remuneration 30 June 2006 \$	Total Remuneration 30 June 2005 \$
Mayor and Councillors				
DK Ogden (Mayor)	95,077	–	95,077	69,129
J Terris (Mayor)*	–	–	–	29,236
RW Styles (Deputy Mayor)	56,053	10,000	66,053	54,170
WR Wallace (Deputy Mayor)*	48,443	10,000	58,443	64,267
J Austad*	–	–	–	15,211
JMK Baird	48,103	–	48,103	43,699
GD Barratt	48,613	–	48,613	43,699
MJ Cousins	50,063	–	50,063	41,680
S Dalziel*	–	–	–	9,277
J Engelbretsen	41,929	–	41,929	37,761
A Finlayson	49,433	–	49,433	45,728
D Hislop	41,829	–	41,829	29,879
VR Jamieson	50,709	–	50,709	46,737
C Milne	41,999	–	41,999	28,367
TE Pollard	45,018	–	45,018	32,891
JM Sylvester*	–	–	–	19,485
Total	617,269	20,000	637,269	611,216

* To October 2004.

SEVERANCE PAYMENTS

Severance payments include any consideration (monetary or non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with Council.

	30 June 2006	30 June 2005
Severance payments	\$nil	\$1,564
Number of employees	none	one

19. COMMITMENTS AND CONTINGENCIES

CAPITAL COMMITMENTS

Commitments for capital expenditure contracted, but not provided for:

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
TOTAL CAPITAL COMMITMENTS	4,397	4,397	5,717	5,717

OPERATING COMMITMENTS

Commitments for non-cancellable operating leases and other operating commitments:

	Actual Council 30 June 2006 \$000	Actual Group 30 June 2006 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000
Less than one year	1,888	1,888	1,844	1,844
Between one and two years	1,692	1,692	1,759	1,759
Between two and five years	2,948	2,948	2,967	2,967
Greater than five years	–	–	–	–
TOTAL OPERATING COMMITMENTS	6,528	6,528	6,570	6,570

CONTINGENCIES

The Council has guaranteed the borrowings of certain sports and social clubs. The total of these guarantees as at 30 June 2006 was \$449,924 (2005:\$699,065).

Council has entered into a cancellable contract for the operation of the wastewater treatment plant and associated facilities. The remaining term of the contract is 15 years and payments are calculated based on volume. Minimum payments due under the contract in the event of cancellation total \$4.9 million (2005: \$4.9 million).

A number of legal actions are being taken against the Council. If successful, Council's financial exposure is minimal (2005:minimal) as these actions are covered by Council's insurers.

20. MAJOR BUDGET VARIATIONS

Explanations for major variations from Council's budget figures in the 2005/2006 Community Plan are as follows:

STATEMENT OF FINANCIAL PERFORMANCE

The net surplus after tax was \$3.0 million above budget for the year ended 30 June 2006. The components of this favourable result are explained below.

Operating revenue was above budget by \$4.0 million for the year ended 30 June 2006. The following major items contributed to this variance:

- Rates revenue was above budget by \$0.6 million as a result of variations in the rating base
- User charges were above budget by \$0.8 million. Additional revenue was achieved from parking and landfill services
- Subsidies received were below budget by \$1.6 million as some planned capital expenditure was deferred to the 2007 financial year
- Regulatory revenue was above budget by \$0.8 million as a result of increased activity in the City
- Revenue from penalties was above budget by \$0.2 million
- Interest revenue was \$0.1 million above budget
- An unbudgeted profit on sale of property of \$1.9 million was recognised
- Miscellaneous revenue was above budget by \$1.1 million. This includes assets vested in Council by developers valued at \$0.6 million. There was no budget for vested assets.

Operating expenditure was above budget by \$1.0 million for the year ended 30 June 2006. The following major items contributed to this variance:

- Interest expense was \$0.5 million below budget and depreciation expense was \$0.3 million below budget. Both variances were due to capital project expenditure occurring later than planned
- Personnel costs were above budget by \$0.2 million and other expenses were above budget by \$0.2 million
- Unbudgeted asset write-offs mainly related to the cancelled Korohiwa development of \$1.4 million.

The net surplus after tax has been used to repay debt after adjusting for items not having a cash flow nature and items supporting capital expenditure.

STATEMENT OF MOVEMENTS IN EQUITY

Variances in the net surplus after tax have been commented on under the Statement of Financial Performance above. There are no other major budget variations in the Statement of Movements in Equity.

STATEMENT OF FINANCIAL POSITION

The actual financial position at 30 June 2006 is very close to budget. The only significant variances are explained below.

Assets under construction are \$21 million above budget as several large projects were incomplete at 30 June 2006 and not yet capitalised. Property, plant and equipment is below budget as a result.

The current portion of public debt is below budget by approximately \$11 million, with the term portion of public debt above budget by a corresponding amount. Council replaced \$10 million of 90-day commercial paper with a ten-year note.

STATEMENT OF CASH FLOWS

The budget variations explained above also contribute to budget variations in the Statement of Cash Flows, particularly cash flows from operating activities.

Cash provided from the sale of property, plant and equipment was below budget by \$8 million as planned sales were not able to be completed during the year.

Cash applied to the purchase and construction of property, plant and equipment was below budget by \$7 million as certain projects were not able to be completed and have been carried over into the 2007 financial year.

Financial Summary of Major Capital and Operating Projects

For the year ended 30 June 2006 Projects with a budget over \$100,000	Actual 30 June 2006 \$000	Plan 30 June 2006 \$000
Libraries		
<i>Capital Projects</i>		
Library stock replacement	\$605	\$662
Museums		
<i>Capital Projects</i>		
Dowse upgrade (\$1,348,000 carried over to 2006/07) (subsidised 67%)	\$2,800	\$4,120
Aquatics and Recreation		
<i>Capital Projects</i>		
Huia Pool ventilation and heating plant replacement (\$170,000 carried over to 2006/07)	\$0	\$170
Naenae Pool bulkhead replacement	\$0	\$150
Parks and Reserves		
<i>Operating Projects</i>		
Pines removal Ferry Road	\$183	\$150
Problem tree removal	\$251	\$185
<i>Capital Projects</i>		
Hutt Park sports zone (\$280,000 carried over to 2006/07)	\$22	\$295
Hutt Park village green (\$348,000 carried over to 2006/07)	\$57	\$405
Korohiwa landscape development (works cancelled while options for the site are re-evaluated)	\$0	\$500
Memorial Park Grandstand upgrade	\$454	\$455
Percy Scenic Reserve SH2 development (\$110,000 carried over to 2006/07)	\$40	\$150
Playground equipment replacement	\$111	\$110
Sportsground building maintenance	\$154	\$150
Walter Nash Stadium mortgage (\$180,000 carried over to 2006/07)	\$0	\$180
Walter Nash Stadium stage 3 upgrade	\$527	\$500
Community Support		
<i>Operating Projects</i>		
Community development contestable fund	\$201	\$206
Community houses fund	\$188	\$188
Marae funding	\$108	\$100
Phonic youth centre	\$117	\$117
Safety initiatives	\$299	\$280
Community Property		
<i>Capital Projects</i>		
Town Hall upgrade	\$285	\$283

For the year ended 30 June 2006	Actual	Plan
Projects with a budget over \$100,000	30 June 2006	30 June 2006
	\$000	\$000
Roading and Traffic		
<i>Capital Projects</i>		
Area wide pavement treatment (subsidised 46%)	\$384	\$265
Eastern bays walkway (generally subsidised 55%, plus unplanned subsidies of \$363,000 from the oil companies)	\$761	\$278
Footpath resurfacing and replacement	\$394	\$200
Jackson Street improvements	\$234	\$250
Maintenance chip sealing (subsidised 45%)	\$4,235	\$4,370
Moore's Valley Road bridge replacement (\$538,400 carried over to 2006/07) (subsidised 73%)	\$87	\$628
Residential road lighting	\$168	\$160
Road smoothing (subsidised 55%)	\$304	\$282
Silverstream Bridge strengthening (\$425,000 carried over to 2006/07) (subsidised 55%)	\$74	\$500
Sub-standard road upgrading Hill Road	\$258	\$250
Traffic safety improvements (subsidised 55%)	\$659	\$672
Traffic signal replacement (subsidised 45%)	\$107	\$120
Traffic signals Woburn Road (subsidised 54%)	\$115	\$170
Water Supply		
<i>Capital Projects</i>		
Gracefield reservoir structural upgrade (\$400,000 carried over to 2006/07)	\$0	\$400
Mains renewals Chittick Street	\$111	\$118
Mains renewals Jackson Street	\$440	\$375
Mains renewals Konini Street	\$89	\$102
Mains renewals Thomas Street	\$265	\$165
Wastewater		
<i>Capital Projects</i>		
Excess flow management - Silverstream peak flow storage facility (subsidised 32%)	\$7,330	\$7,290
Minor works on local wastewater pipes	\$188	\$142
New sewer at Te Whiti Grove	\$97	\$170
Sewer pressure testing	\$402	\$300
Sewer renewal Hutt Road/Hume Street	\$135	\$200
Sewer renewal Jackson Street	\$405	\$400
Sewer renewal Peel Place to Gibbs Crescent	\$289	\$320
Sewer renewal Pukatea Street	\$100	\$100
Sewer renewal Whites Line East & Leighton Avenue	\$757	\$770
Te Marua pumping station rising main (\$235,000 carried over to 2006/07) (subsidised 51%)	\$0	\$235
Trunk wastewater asset replacement (subsidised 29%)	\$600	\$620
Trunk wastewater network development (\$1,200,000 carried over to 2006/07) (subsidised 29%)	\$190	\$1,290
Trunk wastewater pipeline replacement (\$191,000 carried over to 2006/07) (subsidised 29%)	\$9	\$200
Trunk wastewater project management (subsidised 29%)	\$77	\$130
Stormwater		
<i>Capital Projects</i>		
Hutt River floodplain outlet upgrade	\$344	\$350
Mains renewal Marine Drive (Lowry Bay)	\$147	\$150
Mains upgrade Jackson Street	\$280	\$280
New pumping station for Opahu Stream (\$900,000 carried over to 2006/07)	\$1,002	\$1,500
Pukatea Street improvements	\$206	\$200

For the year ended 30 June 2006	Actual	Plan
Projects with a budget over \$100,000	30 June 2006	30 June 2006
	\$000	\$000
Wainuiomata Black Creek improvements	\$1,493	\$1,500
Solid Waste		
<i>Capital Projects</i>		
Silverstream Landfill, stage one closure	\$0	\$100
Silverstream Landfill, stage one resource consent work	\$0	\$100
Silverstream Landfill, stage two design and construction (\$400,000 carried over to 2006/07)	\$3,847	\$3,940
Local Urban Design		
<i>Operating Projects</i>		
Rapid response anti-graffiti service	\$126	\$150
<i>Capital Projects</i>		
CBD development ('Masterplan')	\$1,131	\$1,230
Suburban shopping centres	\$247	\$250
Economic Development		
<i>Operating Projects</i>		
Business Hutt Valley	\$240	\$240
Economic Development Strategy	\$103	\$150
Events funding (additional external support was received offsetting this expenditure)	\$357	\$245
Positively Wellington Business (Regional Economic Development Agency)	\$410	\$410
Regional Development Strategy	\$60	\$100
<i>Capital Projects</i>		
Seaview/Gracefield developments	\$0	\$100
Wingate industrial area development (\$100,000 carried over to 2006/07)	\$220	\$350
Managing Services		
<i>Operating Projects</i>		
Hutt City promotion	\$195	\$200
<i>Capital Projects</i>		
Archives storage	\$106	\$100
Core application replacement programme (\$56,000 carried over to 2006/07)	\$150	\$200
Core business software enhancement (\$22,000 carried over to 2006/07)	\$172	\$140
Electronic document management (\$100,000 carried over to 2006/07)	\$81	\$200
Library software replacement (\$760,000 carried over to 2006/07)	\$102	\$1,000
PC replacement programme	\$306	\$327

Council-Controlled Organisations

Seaview Marina Limited¹

EXTENT TO WHICH COUNCIL'S POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL OF THE ORGANISATION HAVE BEEN IMPLEMENTED

From 1 April 2003, this company assumed responsibility for and ownership of the Seaview Marina. This is the key role of this company.

NATURE AND SCOPE OF ITS ACTIVITIES

Council's expects this company to own and operate the Seaview Marina as a facility for the enjoyment of the Hutt City community without compromising its commercial objectives and environmental responsibilities.

The results shown against the key performance targets below indicate that the business has been managed successfully. Public access to the Marina has been maintained throughout the year.

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Achieve a rate of return on shareholders funds of 5% before taxation	2006: Achieved
Achieve the following capital development programme targets for the marina complex before 30 June 2006: <ul style="list-style-type: none"> Complete the building of an ablution/administration block; Investigate the development of enclosed maintenance facilities. 	2006: Achieved
Ensure everything complies with financial, building, technical and regulatory standards	2006: Achieved
Ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice.	2006: Achieved

Hutt Holdings Limited

EXTENT TO WHICH COUNCIL'S POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL OF THE ORGANISATION HAVE BEEN IMPLEMENTED.

This company managed the Centre City Plaza Building prior to the sale of those properties in July 2002. Now that the company's interests in the plaza are finalised, the company is being retained for future use not yet determined.

NATURE AND SCOPE OF ITS ACTIVITIES

- The company is essentially non-trading.

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Provide reports to officers in accordance with performance monitoring requirements under the Local Government Act 2002.	2006: Achieved

¹ For more information on these companies, see their statements of intent, which are available after 1 July each year.

Wellington Water Management Ltd (WWML) Trading as Capacity¹

EXTENT TO WHICH COUNCILS POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL OF THE ORGANISATION HAVE BEEN IMPLEMENTED

Council's objective for this company is for it to manage the provision of water services to Hutt City Council and Wellington City Council. The company has operated successfully in this capacity during the year.

NATURE AND SCOPE OF ITS ACTIVITIES

Council expects the company to manage, for the long term, the water, wastewater and stormwater assets of the shareholding councils and to operate as a successful business, managed on a non-profit basis.

The results shown against the key performance targets below indicate that the business has been managed successfully.

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Achieve total overall savings of \$4.175m to shareholding councils after five years and \$1.6m annually thereafter.	Under the service level agreement between Capacity, Hutt City Council and Wellington City Council, a savings model has to be approved by shareholders before savings can be reported. A savings model developed by Capacity is currently under review by the shareholders.
Achieve targets within allocated budgets.	Achieved – targets achieved within budget
Ensure business operation complies with financial, technical and regulatory standards.	Achieved – All standards have been complied with. The exception was during the August 2004 floods which caused debris to block approx 200m of stormwater main in Lowry Bay. To mitigate future blockage a debris arrestoe/gabion was installed in the stream under the 'emergency works' category. GWRC subsequently advised a resource consent was required and issued a 'minor' infringement notice.
Develop asset management plans as required that reflect best practice or meet specific requirements for approval by the appropriate organisation.	Achieved – Asset Management Plans for water, stormwater and wastewater are on target to be completed by August 2006.
Ensure infrastructure asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice.	Achieved – Asset maintenance has been carried out in accordance with asset management plans.
Meet the performance measures set by shareholders in service contracts or service level agreements, including managing emergencies.	Nine out of ten performance measures were achieved. The customer satisfaction level for stormwater was not achieved. 64% surveyed were satisfied or fairly satisfied against a peer average target of 70%. This is due to localised flooding in the city during the year. This is an improvement on 2005 of 59% satisfaction.

¹ For more information on these companies, see their statements of intent, which are available after 1 July each year.

Wellington Regional Economic Development Trust (operating name Positively Wellington Business ('PWB'))¹

EXTENT TO WHICH COUNCILS POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL OF THE ORGANISATION HAVE BEEN IMPLEMENTED

The Council has an economic development strategy that includes encouraging economic activity and co-operation on a “greater Wellington” or regional basis. PWB is a jointly held CCO (trading as Positively Wellington Business ‘PWB’) with Wellington, Porirua and Upper Hutt City Councils, and Kapiti Coast District Council, which was established to ensure there is opportunity for co-operation with Government, the private sector and Iwi, and with the ability for other territorial local authorities to participate in specific programmes and projects. It has mostly achieved its key performance targets

NATURE AND SCOPE OF ITS ACTIVITIES

Council expects the company to facilitate, promote and foster development of a dynamic and innovative economy in the Wellington region for the benefit of the people of the Wellington region by:

- Encouraging and assisting in the establishment, retention and development of sustainable, new and existing businesses
- Promoting new investments
- Developing viable employment opportunities
- Marketing business opportunities
- Working with local, regional and central government and other providers of services within the Wellington region

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Work within approved budget and Business Plan.	Achieved: PWB has worked within its approved budget and Business Plan up to 31 March 2006. End of year accounts to be signed off by PWB Board 14 August 2006.
Work within and report on the approved Strategic Plan and Statement of Intent.	Achieved: PWB has worked within its approved Strategic Plan and Statement of Intent.
Growth in GDP.	Partly Achieved: GDP growth in the region was 5.5% compared to national GDP growth of 4.2%. Of 5 targeted sectors all had positive growth but only Education and Manufacturing had GDP growth higher than the national average.
Growth in businesses and new investment.	Partly Achieved: The number of new businesses in the region grew by 2.4%. Three of 5 targeted sectors showed positive growth in the number of businesses. \$5.2m of direct investment was attracted against a target of \$18m.
Job Creation.	Partly Achieved: The number of jobs in the region grew by 5.8%. PWB achieved 5 new jobs in the region through direct targeted investment against a target of 50 and 64 skilled migrants were helped into employment against a target of 40. Three of 5 targeted sectors showed positive job growth.
Development and improvement of comparative strengths.	Partly Achieved: Of the 5 targeted sectors 4 sectors maintain employment location quotients above the national average of 1. For 2005 the location quotient for Education was 1.15, resulting in a 0.3% decrease in jobs on 2004. For ICT it was 1.74, a 6% increase in jobs on 2004, for Professional Engineering it was 1.21, a 7.3% increase in jobs on 2004, for Creative Industries (incl. Film) it was 1.14, a 1.2% decrease in jobs and for Manufacturing it was 0.53 a 2.1% increase in jobs.
Number and value of collaborative international contract bids won by cluster members.	Partly Achieved: The Professional Services achieved export contracts valued at \$2.24m against a target of \$4.5m. The ICT sector earned \$3.19m from collaborative contracts against a target of \$3m.

¹ For more information on these companies, see their statements of intent, which are available after 1 July each year.

STATEMENT OF INTENT MEASURES

Performance against three levels of indicators: Mega, Macro and Micro.

Mega

These measures relate to the overall performance of the Wellington region's economy. PWB's ability to influence the economy at the Mega level is limited.

AREA	MEASURE	2005/06 TARGET	2005/06 ACTUAL
Regional Economic Growth – Gross Domestic Product	Above national average	National GDP growth: 4.2% Wellington regional GDP growth: 5.5%	Year to March 2005
Number of businesses in the region	Positive growth	2.4%	Year to March 2005
Number of jobs in the region	Positive growth	5.8%	Year to March 2005

Source: Wellington Regional Outlook, Infometrics 2006

Macro

These measures relate to the performance of sectors in the Wellington region targeted by PWB through its sector growth programme. PWB's ability to influence at Macro level is greater than at Mega, but still limited.

Sector	Increase in Sectors' Contribution to Regional GDP Target: Above national average		Growth in Number of Businesses Target: Positive growth	Growth in Number of Jobs Target: Positive growth	Employment Location Quotients Target: Above national average of 1
	National Average	Wellington Region			
Education	13.0%	14.6%	-0.5%	-0.3%	1.15
Information Communication Technology	9.0%	7.0%	2.2%	6.0%	1.74
Professional Services/Engineering	13.0%	7.7%	3.1%	7.3%	1.21
Creative and Film	6.5%	3.4%	2.7%	-1.2%	1.14
Manufacturing	2.4%	3.2%	-0.5%	2.1%	0.53

Source: Wellington Regional Sector Report 2005, Infometrics 2006

Micro

These measures relate to specific programme goals in PWB's business plan for 2005/2006.

AREA	MEASURE	2005/06 TARGET	2005/06 ACTUAL
Marketing	Number of quality media mentions.	100	218
Business Development	New business start-ups facilitated by PWB.	100	175
Business Development	Number of people, starting their own businesses, trained in basic business principles through PWB courses and advisory sessions.	300	297
Business Development	Value of research and development grants sourced for businesses by PWB.	\$1.25 million	\$1.79 million

¹ For more information on these companies, see their statements of intent, which are available after 1 July each year.

AREA	MEASURE	2005/06 TARGET	2005/06 ACTUAL
Business Development	Enhanced capability of sector-cluster members through delivery of training programmes.	15 programmes	7 programmes
Business Incubation	Economic impact achieved through incubator and resident activities.	\$10 million	\$10.56 million
Business Incubation	Number of high growth companies resident in Creative HQ and Fashion HQ	20 minimum	22
Business Incubation	Increase in sponsorship revenue	10%	15.2%
Business Incubation	Percentage of Creative HQ residents' business plans on target at 18-month review.	60%	60%
Business Incubation	Percentage of incubator resident companies receiving a private equity injection within 18 months of entry.	50%	0% (excludes increased investment by founding shareholders)
Business Incubation	Success rate for exiting companies, based on capital/turnover targets.	60%	60%
Business Incubation	An Angel Investment Network established.		Established.
Business Incubation	Businesses exiting Fashion HQ, having reached financial targets.	2	0
Migrant Attraction	Employers and recruitment agencies assisted in obtaining skilled migrant/expatriate labour and/or assisted in the immigration process.	40	64
Migrant Attraction	New immigrants and expatriates registered on PWB database.	500	1763
Migrant Attraction	Assist migrants into jobs.	60 migrants, with economic impact of \$6 million	113 migrants, with economic impact of \$11.3 million
Investment Attraction	As a result of investment attraction, grow the number of jobs.	50 new jobs	[tba]
Investment Attraction	Attract new investment.	\$18 million	\$5.2 million
Investment Attraction	Attract new business investment migrants.	10	2
Sector Growth • Education	There is an economic impact from international student education.	\$185 million	\$144.8 million
Sector Growth • Professional Services	Achieve export contracts.	\$4.5 million	\$2.24 million
Sector Growth • Creative & Film	Increase in creative sector employment and GDP.	5%	3.4% increase in contribution to regional GDP. • 1.2% movement in job numbers.
Sector Growth • ICT	ICT Cluster members' earnings from collaborative projects.	\$3 million	\$3.19 million

¹ For more information on these companies, see their statements of intent, which are available after 1 July each year.

Hutt City Profile

Hutt City (geographical name Lower Hutt) is located at the southern end of the North Island of New Zealand. It is the second largest city in the Wellington Region and borders onto the capital city Wellington. Hutt City with a population of 95,478 (Source: Statistics NZ) ranks 9th in size out of the 74 territorial authorities in New Zealand. The city has an area of around 38,000 hectares and over 40 kilometres of coastline. Hutt City has a vitality and uniqueness that is enhanced by its beautiful natural setting – a combination of hills, valleys, rivers and the sea. This setting offers residents the best of both worlds; the facilities and services provided by a major urban centre, as well as a central location for residents to enjoy a variety of outdoor pursuits.

Hutt City – A Summary Profile

Land area (hectares)
37,998

**Percentage change
from 1996**

WARDS 2001 POPULATION

Northern	14,802	1.1%
Eastern	16,476	0.0%
Western	11,913	2.3%
Central	18,150	-0.3%
Wainuiomata	17,058	-0.2%
Harbour	17,070	-0.4%

WARDS 2001 HOUSEHOLDS

Northern	5,097	2.3%
Eastern	6,066	1.8%
Western	4,200	4.5%
Central	6,957	2.2%
Wainuiomata	5,640	0.0%
Harbour	6,702	1.7%

Hutt City Assets

Total council assets	\$844,120,000
Area of parks and reserves	5,000 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	475 km
Length of footpaths	588 km
Number of street lights	10,650
Length of wastewater pipes	657 km
Length of stormwater pipes	500 km
Length of water pipes	671 km
Rating system	Capital
Rateable properties	37,421
Average rates per residential ratepayer	\$1,474
Capital value of the city	\$11,767,348,000

AGE BREAKDOWN 2001 CENSUS

	Lower Hutt	New Zealand
Under 15	24.0%	22.7%
15 to 24	13.1%	13.5%
25 to 44	31.0%	29.7%
45 to 64	21.4%	22.1%
65 and over	10.5%	12.0%

ETHNIC BREAKDOWN 2001 CENSUS

	Lower Hutt	New Zealand
European	76.7%	80.1%
New Zealand Maori	16.0%	14.7%
Pacific Islands	9.4%	6.5%
Asian	7.0%	6.6%
Other	0.7%	0.7%
Not specified	2.6%	4.0%

CLIMATE

- temperature: mean daily maximum temperature of 21°C in January and 11°C in July
- sunshine hours: 1,900 – 2,000 hours of sunshine per year
- rainfall: 1,350 mm – 1,450 mm of rainfall per year
- wind: predominant wind 50% of the time is from between the north and west –30% of the time it is from between the southeast and southwest.

Definitions

DEFINITIONS

These definitions are intended to define terms used in this Annual Report in plain English. For legal definitions see the Local Government Act 2002.

Asset

Something of value that Council owns on behalf of the people of Hutt City, such as roads, drains, parks and buildings.

Asset Management Plan

A long-term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

Appropriation/Appropriated

Money that has been set aside from, or brought into, an operating or revenue account.

Capital Expenditure

Expenditure that will increase the value of Council's assets.

Capital Value

Value of land including any improvements.

Community Boards

Local elected bodies set up under the Local Government Act. Community Boards are consulted by Council and can represent community concerns to Council (see also Ward Committees). Hutt City Council has three Community Boards: Eastbourne, Petone and Wainuiomata.

Community Outcome

An outcome for the community that is identified as a priority.

Council-Controlled Organisations (CCO's)

Organisations which independently manage facilities and deliver services and undertake developments on behalf of the Hutt City community. Where necessary, Council funds the organisations.

Employee Costs

Expenditure on staff. This includes wages, salaries and related taxes, training and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading.

Financial Year

Council's Financial Year runs from 1 July to 30 June of the following year.

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

The key legislation that defines the powers and responsibilities of local authorities like Hutt City.

Long Term Council Community Plan (LTCCP or Community Plan)

A plan that describes the activities of the local authority, the Community Outcomes and long-term focus for the decisions and activities of the local authority.

Forecast Financial Statement

This is a 10-year plan for Council's revenue and expenditure, cash flows, and borrowing programme.

Maintenance Costs

Expenditure in relation to repairs and maintenance of Council's assets.

Mana Whenua

People with the mana of the land.

Operating Expenditure

Expenditure for the normal services of Council.

Operating Projects

Significant projects that do not result in the creation of Council assets.

Performance Measure

A measure that shows how well Council is doing in achieving the goals it has set for itself.

Rates

Funds collected by Council from levies on property. These are based on the capital value of the property but the term is often used to include Uniform Annual General Charges and Targeted Rates also.

Te Taura Here o te Te Awakairangi

The Hutt Valley branch of Runanganui o Taura Here ki te Whanganui a Tara which represents 23 tribal groups in the greater Wellington region.

Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui

A representative Maori Council made up from local tangata whenua and representing the eight Taranaki tribes within the Wellington region.

Significance

Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural well-being of the community.

Significant Activities

The Community Plan lists 18 separate significant activities including Managing Services.

Support Costs

The internal allocation of expenditure incorporated in significant activity 18, 'Managing Services'.

Taonga

A highly prized resource.

Te Atiawa

Local tangata whenua with inherited land ownership and kinship to northern Taranaki Te Atiawa.

Targeted Rates

Any rate levied other than the general rate, targeted at users of a service such as water supply, wastewater and the Jackson Street Programme.

User Charges

Income to Council through fees paid by those who use specific services provided by Council.

Ward Committees

Local committees set up by Council. Ward Committees are consulted by Council and can represent community concerns to Council (see also Community Boards). Hutt City Council has four Ward Committees: Central, Eastern, Northern, and Western.

Wellington Tenths Trust Te Atiawa

Local tangata whenua with inherited land ownership in Wellington and Hutt Valley and kinship to Northern Taranaki Te Atiawa.

Source of Information for Level of Achievement

Hutt City Council's Annual Report indicates the source of information for each performance measure. This disclosure is designed to improve accountability and transparency. A more detailed discussion of the main sources of information is provided below.

NRB Communitrak Survey

The National Research Bureau Limited undertakes these annual surveys for participating local authorities. The results also include national and peer group comparisons. Hutt City Council has commissioned these surveys since 1994. Hutt City Council's Communitrak survey utilises 500 telephone interviews, 100 more than the standard Communitrak survey, to ensure adequate representation from each ward. Randomised sampling methods are used to access residents over the age of 18 and weightings are applied to reflect the ward, gender and age proportions of the area. The maximum margin of error at the 95% level of confidence for Hutt City Council's survey is +/- 4.4% and the maximum level of significant difference at the 95% level of confidence is +/- 6.2%. These maximums for the margin of error and significant difference will occur when the sample is split 50/50 on an issue. However when the split is less, for instance 80/20, the percentages for the margin of error and significant difference decrease. The level of achievement in terms of measuring satisfaction levels is calculated after excluding the responses of those unable to comment on the specific service being measured.

Management Reports

Management Reports encompass a range of documentation and records, such as reports from internal service providers to asset managers and reports from contractors to managers. Quality assurance in the level of performance of Council is very important. For infrastructural renewal and capital programmes, management reports include quality assurance procedures such as certificates of completion verified by third parties. These certificates confirm that the appropriate technical standards and specifications have been met. For all regulatory services, ISO systems and procedures provide quality assurance in service delivery and achievement reporting. Internal and external audits also form part of Council's quality assurance programmes.

AC Nielsen Survey

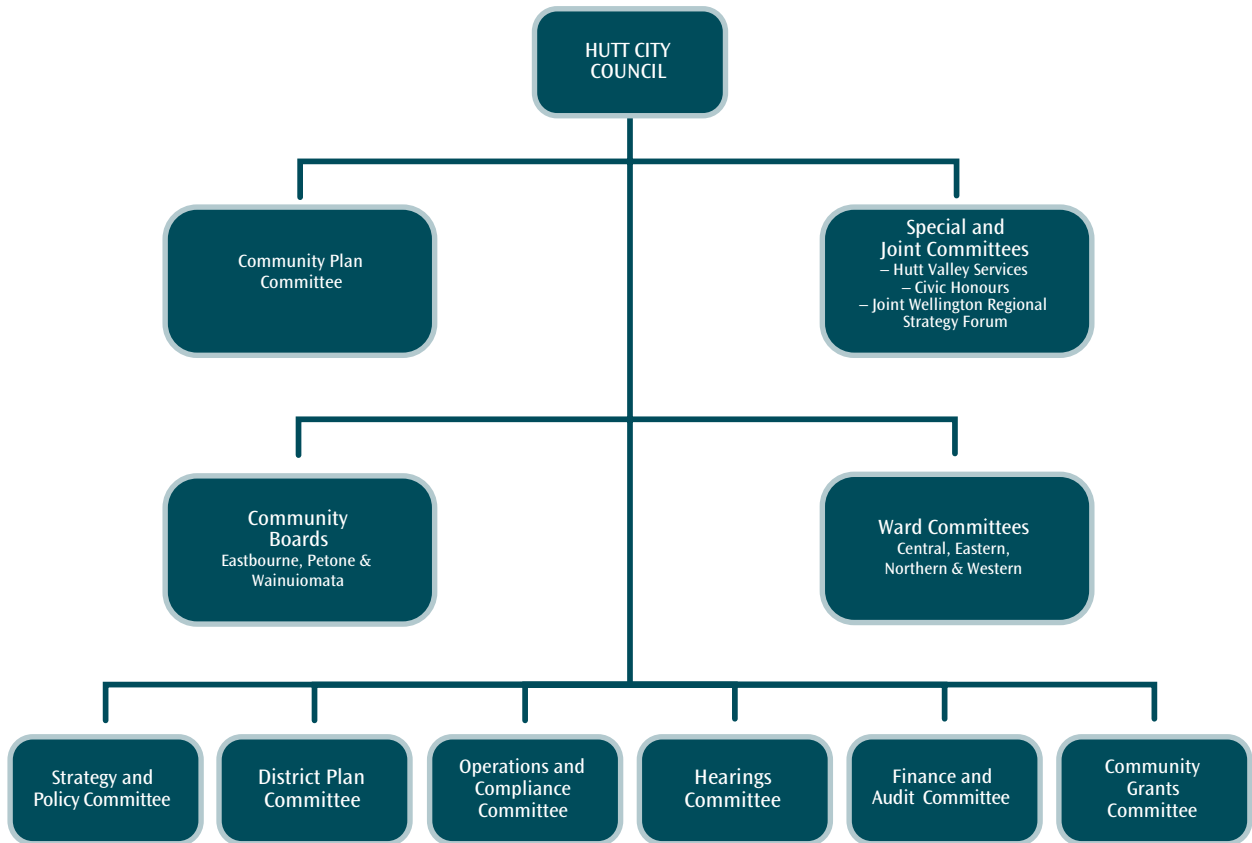
AC Nielsen previously undertook an annual staff survey in which staff are asked to rate their satisfaction with Hutt City Council. A five-point rating scale (very good, good, satisfactory, poor, very poor) was used.

The results were compared to the benchmark and differences noted.

Best Places to Work Survey

Council now participates in the annual Best Places to Work Survey by John Robertson Associates. This survey provides Council with important information on how staff view Council, and how this compares with other organisations.

Political Structure



Back row – Ray Wallace, Tracey Pollard, Angus Finlayson, Christopher Milne, Ross Jamieson, Julie Englebretsen, Margaret Cousins
 Front row – Deborah Hislop, Roger Styles, David Ogden, Joy Baird and Glenda Barratt

Mayor and Councillors

(I) Independent

(CV) City Vision

(H) Hutt 20/20

(OCOF) Our City, Our Future

You can contact the Mayor or any Councillor at:

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Mayor David Ogden (CA,JP) (OCOF)

Mayor

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Cr R (Roger) Styles (OCOF)

Deputy Mayor, Eastern Ward

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Central Ward

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Northern Ward

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Facsimile: 920 9825 (business)

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Cr JMK (Joy) Baird JP (I)

Harbour Ward

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918 7838 (business)

Facsimile: 569 3350

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Facsimile: 566 2082 (private)

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Eastern Ward

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Email: ray.wallace@huttcity.govt.nz

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Harbour Ward

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Cr T (Tracy) Pollard (I)

Wainuiomata Ward

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Cr MJ (Margaret) Cousins JP (I)

Western Ward

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Cr C (Christopher) Milne (OCOF)

Central Ward

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Mobile: 027 442 2708

Email: christopher.milne@huttcity.govt.nz

Community Board and Ward Committee Members

Eastbourne Community Board

Mr Geoff Mann (Chair)	568 5573
Mr Ian Young (Deputy Chair)	562 8622
Mr Murray Gibbons	562 8567
Mr Geoff Rashbrooke	568 4988
Mr Derek Wilshere	562 7920

Wainuiomata Community Board

Julie Sylvester (Chair)	564 3968
Mr Randall Day (Deputy Chair)	972 9996
Mr Darryl Angus	939 6550
Mr Alec Gage	564 5802
Mr Reg Moore	971 6872
Mr Kevin Small	564 6841

Petone Community Board

Mr Richard Cole (Chair)	586 1113
Miss Megan Casey (Deputy Chair)	569 6974
Mr Gerald Davidson	938 3723
Miss Vera Ellen	938 1946
Mr Michael Lulich	568 7597
Mr Neil Newman	939 1133

Central Ward Committee

Brian Moylan (Chair)	569 2499
Evan Ng (Deputy Chair)	570 1898
Sue Lafrentz	567 0856
Desiree Mulligan	938 9525

Eastern Ward Committee

Sally Fergus (Chair)	566 2902
Gerry Pallo (Deputy Chair)	567 6919
Mohammed Bah	569 8321
Teri Puketapu	566 0809

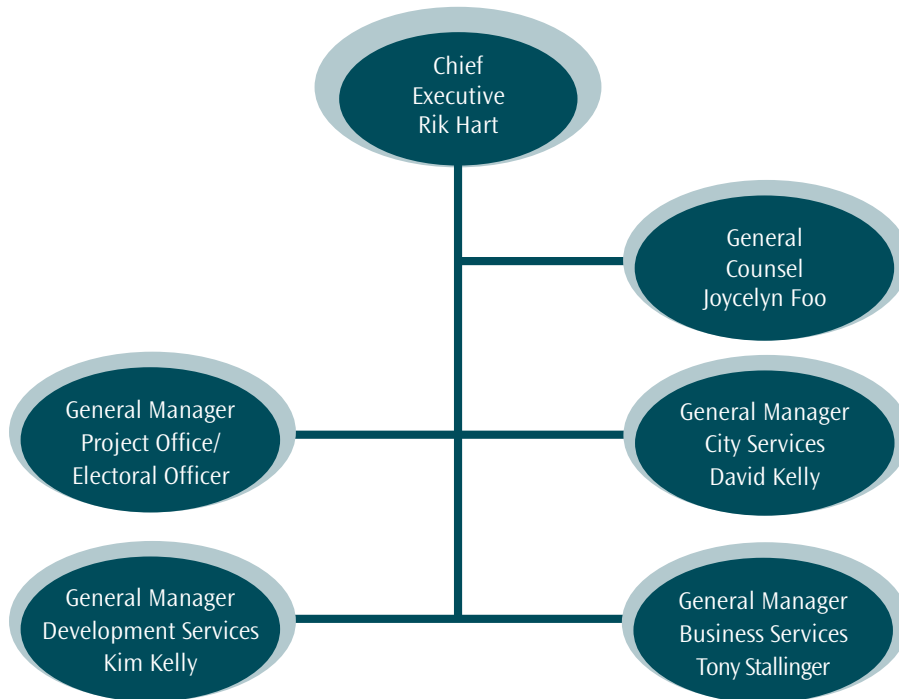
Northern Ward Committee

Steve Ritchie (Chair)	938 7223
Filomena Aukuso (Deputy Chair)	938 3550
Stuart Duck	025 682 7042
Leigh Sutton	563 5184

Western Ward Committee

Jill Berridge (Chair)	566 8781
Noeline Matthews (Deputy Chair)	569 2551
John McLellan	565 0446
Max Shierlaw	589 3669

Management Structure



Front row

Tony Stallinger, General Manager, Business Services

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Rik Hart, Chief Executive

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Kim Kelly, General Manager, Development Services

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Back row

David Kelly, General Manager, City Services

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Stuart Duncan, General Manager, Project Office/Electoral Officer

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Joycelyn Foo, General Counsel

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email: joycelyn.foo@huttcity.govt.nz



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