

HUTT CITY COUNCIL 2010 SUMMARY ANNUAL REPORT TO 30 JUNE 2010



We are proud of our work during the past 12 months to make Hutt City a great place to live, work and play.

A major milestone was the completion of the Waiwhetu Stream clean up and associated work to protect the area from future flooding. We have had positive feedback from the community about the project and planting alongside the stream is set to make it a great public walkway.

With 120,000m³ of soil excavated and 30,000m² of liner laid the new Silverstream Landfill was also open for business. After 10 years of preparation, design and construction the landfill is a great achievement for our city.

Financially it was a difficult year and growth in Hutt City's economy slowed. Overall we achieved average results although we seemed to have fared better than most other peer councils. There were plenty of positives for Hutt City businesses though. Naenae and Stokes Valley shopping centres were upgraded and we started working with businesses in Wingate to improve customer access to the area. In April our upgrade of Hutt City's CBD won silver in the urban landscape design category at the NZILA 2010 Resene Pride of Place Landscape Awards. This is a great coup as we continue with our Making Places project to make the CBD an attractive and vibrant place for people to live, work and shop, and for businesses to invest.

There's no shortage of things to do in Hutt City and during the past 12 months we've improved the line-up. During summer we had New Zealand music fans on their feet with a series of concerts in local parks. Our new Marine Service Centre opened in Seaview and the historic Korohiwa Bus Barn in Eastbourne was restored. The renovation of the Petone Settlers Museum was also a standout.

Capping off the year we welcomed Standard and Poor's affirmation of Hutt City Council's AA/A-1+ credit rating and its decision to revise our outlook from stable to positive. We signed off our annual plan and again successfully struck a balance between keeping rates down and providing the services, facilities and infrastructure you expect from us.

Thank you for helping make these achievements happen. We're looking forward to working with you again in the year ahead and together making Hutt City a great place to live, work and play.

For more details on our achievements over the last year see our full annual report, available at www.huttcity.govt.nz or from any Hutt City library or the main council building, 30 Laings Road, Lower Hutt.

A GREAT PLACE TO LIVE

People are proud to live in Hutt City. It's a compact, vibrant and diverse place offering the best of city living while being safe, friendly and easy to get around. There's quality education and healthcare, with a choice of housing options.

We're proud to call Hutt City home too and in the past year we've worked with our community to provide a range of services that contribute to the social, cultural and environmental wellbeing of residents.

One major project was the clean up of Waiwhetu Stream and associated work to reduce the risk of flooding in the area. We worked closely with Greater Wellington Regional Council and the Ministry for the Environment to turn what used to be known as New Zealand's most polluted waterway back into a clean and attractive stream.

We also committed to working with other local authorities where we could see the benefits for Hutt City. Our libraries entered into a shared services arrangement and we worked with Upper Hutt City Council, Regional Public Health, Hutt Valley District Health Board, ACC and police to achieve World Health Organisation accreditation as a member of the International Safe Community Network.

Another milestone was the opening of the new Silverstream Landfill. The Class A landfill is expected to provide for the safe and efficient disposal of residual refuse from the Hutt Valley for the next 50 years. To complement this we ran e-recycling days and hazardous waste collections to encourage responsible rubbish disposal.

It was a year of big achievements with the NZTA upgrade of the Dowse to Petone section of SH2 completed. Access to Percy Scenic Reserve from both directions of SH2 was also made safer and easier and we finalised our Urban Forest Plan. With feedback from residents and contributions from industry experts we've set the direction for future management of natural areas, urban reserves and street trees across the city.

The Naenae Computer Clubhouse opened. This is a place where young people work with volunteer mentors using the latest computers and equipment. Our youth development team also surveyed young people across Hutt Valley to find out what they think about the Hutt and they'll use the results to guide their work in the year ahead.

We embraced technology last year. A great new property enquiry system was developed and made accessible for free via our website. We also made building records available free of charge from public computers at our front counter.

The Hutt Valley Emergency Management Office worked with schools and community organisations across the Hutt Valley to improve emergency preparedness and was the first emergency management office in New Zealand to use the 'Readynet' network.

David Ogden
MAYOR
4 October 2010

Tony Stallinger
CHIEF EXECUTIVE
4 October 2010



A GREAT PLACE TO WORK

Being part of Hutt City's economy is a smart choice. This is a place of new ideas, creativity and innovation. A city that brings together the best of the arts, industry and science and where people come to work, invest and grow.

We are committed to our Economic Development Strategy and in the past year we have worked with local businesses to strengthen the local economy and create opportunities for more sustainable futures.

2009 was a tough year financially for many New Zealanders but by March 2009 Hutt City had bucked the trend and not followed the national economy into recession.

We continued to work closely with the Wingate Business Group. In May this year we started on the final instalment of the Wingate Development Plan which builds on previous landscaping initiatives in the area, and we also continued to support the Jackson Street Programme in Petone.

A major piece of work was the development of our Seaview Gracefield Vision 2030. We recognise the Seaview Gracefield area as an important industrial hub for the city and after extensive community consultation developed the vision document to guide its future growth and development.

Our retail coordinator who works in Taita, Naenae and Stokes Valley had a busy year, playing a key role in the upgrade of the Naenae and Stokes Valley shopping centres and organising community paint-a-thons and murals to spruce up the areas. The establishment of a CBD retail coordinator position by Business Hutt Valley was also a highlight for the year.

Preparing businesses for the future and encouraging more sustainable business practices was a focus for us and something we continue to promote. We did a waste audit on selected businesses in Jackson Street to find out how much compostable rubbish they throw away. As a result 10 pubs, cafes and restaurants agreed to take part in a composting trial. To connect like-minded organisations interested in reducing their environmental impact we also partnered with the Sustainable Business Network to set up networking opportunities and workshops.

A GREAT PLACE TO PLAY

There is always something happening in Hutt City which is why it is such a great place to play. Experience our culture and heritage, visit our museums and libraries, or enjoy our cafes, restaurants and boutique stores. Head outdoors to a park or beach, walk along the river, take the boat out, hit the hills or a mountain bike trail.

We work hard to make Hutt City a vibrant and exciting place and during the past year we have made great contributions to the leisure and lifestyle opportunities available.

We breathed new life into the historic Petone Setters Museum with a significant upgrade of the building interior and a new permanent exhibition of early Petone history.

A highlight at TheNewDowse was the staging of work by the internationally renowned artist Bill Viola which attracted visitors from across New Zealand.

Hutt City libraries are always popular and around eight out of every 10 residents use our libraries at least once a year.

People love our swimming pools too and last year we had more than 800,000 people visit them, up six percent on the previous year.

In November we opened another gym facility in Stokes Valley following the success of our Naenae Fitness Suite. The Stokes Valley Fitness Suite is helping people in our community lose weight, keep fit and stay active.

We also became part of the Sportsville project to help connect sports clubs across the city and help them work together to become stronger and more successful.

After several years of planning and construction we opened a new Marine Service Centre in Seaview that makes our marina the top facility of its kind in the region.

We also finished work on the historic Korohiwa Bus Barns in Eastbourne to restore the Historic Places Trust category 2-listed building to its former glory.

We worked closely with the Wainuiomata Trail Project to build 9.6 kilometres of mountain bike track in Wainuiomata. We've got plans for more track developments in the future and this is a great example of how we are working with community groups to achieve positive results.

SUMMARY OF COUNCIL'S PERFORMANCE

We use five 'key performance indicators' to track and assess the performance of the Council organisation overall:

- ✓ Budget management – we have delivered operating and capital surpluses compared with budget every year since 1998. We also operate within Council's financial strategy and have met the target of keeping the increase in rates income to no more than 0.5% above the rate of inflation.
- ✓ Customer satisfaction – an independent annual survey shows that we have achieved steady results above the average of our peer councils, and we are committed to continuing to improve.
- ✓ Staff perceptions – the John Robertson & Associates' 'Best Places to Work' survey shows that our staff perceive Hutt City Council to be a better place to work than the average local authority.
- ✓ Project completion – we have a target of completing at least 90 percent of projects scheduled for the financial year. A number of projects scheduled for 2009/10 were not completed and have been carried forward to 2010/11 for reasons related to contractor availability, engineering/ technological and staffing issues, resource consent delays, staging of works with other parties and inclement weather.
- ✓ Compliance with the law, contracts, consents, employment agreements, health and safety requirements and Council policy – we have had no significant non-compliance instances. While there have been some minor breaches, these have been remedied with no significant impact on our operations.

The organisation is divided into five groups and each group is divided into the significant activities that make up that group. We set targets for the performance of the 18 significant activities within our five groups.

GROUP PEOPLE

Libraries	All performance measures were achieved apart from online visitor targets as no measurement was undertaken during a software changeover
Museums	All performance measures were achieved
Aquatics and Recreation	All performance measures were achieved
Parks and Reserves	All performance measures were achieved
Community Support	Satisfaction with community support services failed to meet the stretched targets of 90% set for the first time in 2009/10 – 84% of survey respondents were satisfied/very satisfied with the services received while 16% were neither satisfied nor dissatisfied
Property	All performance measures were achieved

GROUP UTILITY SERVICES

Roading and Traffic	Eight out of ten performance measures were achieved, with street lighting 1% below the target of 89% resident satisfaction, and road crashes causing injury continuing to show a rising trend in spite of the significant reduction in crashes over the last year
Water Supply	All performance measures were achieved
Wastewater	All performance measures were achieved apart from response to wastewater disruptions which was 1% below the target of 97% of requests responded to within one hour of notification
Stormwater	All performance measures were achieved
Solid Waste	One out of three performance measures was achieved, with resident satisfaction with rubbish collection 4% below the target of 93%, and resident satisfaction with refuse disposal at landfills 5% below the target of 87%, mainly because of cost

GROUP ENVIRONMENT

Environmental Management	Twelve out of 15 performance measures were achieved, with resident satisfaction with animal services 7% below our target of 87%, satisfaction with requests for service 1% below our target of 84%, and response to noise complaints within 30 minutes 13% below our target of 85% - but 93% of complaints were responded to within 45 minutes which is considered a more realistic timeframe given the travel distances around the city
Emergency Management	All performance measures were achieved

GROUP ECONOMY

Local Urban Environment	Two performance measures relating to use of the recycling service and access to community recycling facilities were achieved. Resident and business satisfaction with the overall look and feel of the city has dropped since last year, resident satisfaction with litter control is 2% below our target of 89%, satisfaction with the recycling service is 1% below our target, satisfaction with graffiti levels is 3% below our target, and the down turn in the economy is considered to be largely responsible for a decrease in the volume of materials recycled, with people not buying as much as they were previously
Economic Development	All performance measures were achieved

GROUP ORGANISATION

Elected Members	All performance measures were achieved
Advice and support	All performance measures were achieved
Managing Services	Two out of three performance measures were achieved, with the target of fewer than six work-related accidents resulting in time off work exceeded by one

FINANCIAL PERFORMANCE

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

The following table summarises the financial performance of Council and of the Group* for the financial year ended 30 June 2010. The summary shows the operating revenue and expenditure as well as other transactions that have impacted on the Council's and the Group's net wealth.

Actual revenue is \$17.237 million greater than the plan budget. This is mainly attributable to an increase in vested assets of \$12.427 million. An additional \$5.150 million revenue was received in unbudgeted landfill charges relating to the Waiwhetu Stream clean up.

The unplanned extra revenue was partly offset by increased expenditure of \$12.250 million, mainly attributable to \$8.476 million related to unbudgeted costs for work on the Waiwhetu Stream clean up. In addition, extra costs were incurred for interest expense, providing for future landfill costs and a drop in the value of financial instruments held.

ALL FIGURES: \$000	COUNCIL			GROUP	
	ACTUAL 2010	BUDGET 2010	ACTUAL 2009	ACTUAL 2010	ACTUAL 2009
Revenue	141,417	124,180	124,397	143,426	126,963
Expenditure (including finance costs)	132,970	120,720	118,901	135,706	121,895
Finance costs	6,415	4,418	6,330	6,603	6,581
Share of associate's surplus/(deficit)	-	-	-	14	-
Surplus before income tax	8,447	3,460	5,496	7,734	5,068
Income tax expense	-	-	-	-	-
Surplus after tax	8,447	3,460	5,496	7,734	5,068
Other comprehensive income	(1,058)	800	162,146	(1,058)	162,146
TOTAL COMPREHENSIVE INCOME	7,389	4,260	167,642	6,676	167,214
Summary Statement of Changes in Equity					
Equity at the beginning of the year	1,139,809	1,081,827	972,167	1,140,224	973,010
Total recognised revenue and expenditure	7,389	4,260	167,642	6,676	167,214
Equity at the end of the year	1,147,198	1,086,087	1,139,809	1,146,900	1,140,224

* The Group covers the 'Council' and its interests in Council-Controlled Organisations Seaview Marina, UrbanPlus and Capacity.



SUMMARY STATEMENT OF CASH FLOWS

The following table summarises how Council and the Group generated and used cash during the respective financial years. In both years, large cash surpluses from operating activities were invested in the city's assets.

ALL FIGURES: \$000	COUNCIL			GROUP	
	ACTUAL 2010	BUDGET 2010	ACTUAL 2009	ACTUAL 2010	ACTUAL 2009
Net cash flows from operating activities	24,853	29,185	23,053	25,958	23,618
Net cash flows from investing activities	(25,342)	(19,447)	(22,367)	(27,957)	(24,848)
Net cash flows from financing activities	(5,575)	(10,843)	8,469	(4,025)	10,119
Net cash flow for the year	(6,064)	(1,105)	9,155	(6,024)	8,889

SUMMARY STATEMENT OF FINANCIAL POSITION

The following table provides a summary of the Council and Group financial position (that is what they own and owe) at the end of each financial year. The Council's financial position remains strong with liabilities representing only 9.4% of total assets. Net debt is \$8.287 million higher than budget at the end of the year, mainly due to projected asset sales not taking place.

ALL FIGURES: \$000	COUNCIL			GROUP	
	ACTUAL 2010	BUDGET 2010	ACTUAL 2009	ACTUAL 2010	ACTUAL 2009
Total current assets	17,991	29,038	21,503	20,753	23,642
Total non current assets	1,248,652	1,160,095	1,237,839	1,254,110	1,242,453
Total Assets	1,266,643	1,189,133	1,259,342	1,274,863	1,266,095
Total current liabilities	53,684	69,460	70,080	62,202	76,418
Total non-current liabilities	65,761	33,586	49,453	65,761	49,453
Total Liabilities	119,445	103,046	119,533	127,963	125,871
Net Assets / Equity	1,147,198	1,086,087	1,139,809	1,146,900	1,140,224

NOTES

- Part 6 s 98(b) of the Local Government Act 2002 requires Council to make publicly available a summary of information contained in its Annual Report.
- The specific disclosures included in the summary financial report have been extracted from the full financial report. Both reports were adopted on 4 October 2010. This summary has been prepared in accordance with FRS-43: Summary Financial Statements.
- The summary financial report has been presented in New Zealand dollars.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The full financial report dated 4 October 2010 has received an unqualified audit report. A copy of the financial report may be obtained from Council's offices.
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unqualified auditor's report is included with this summary.
- The Council has complied with New Zealand equivalents to the International Financial Reporting Standards as applicable for public benefit entities.

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Hutt City Council and group's summary annual financial statements, service provision information and the other requirements for the year ended 30 June 2010

We have audited the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 as set out in pages 3 to 4.

Unqualified opinion

In our opinion:

- the summary financial statements, service provision information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, service provision information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements, service provision information and the other requirements from which they are derived.

We expressed an unqualified audit opinion, in our report dated 4 October 2010, on:

- the full financial statements;
- the service provision information; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Hutt City Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.

John O'Connell, Audit New Zealand
On behalf of the Auditor General, Wellington, New Zealand

CONTACT US

You can contact the Mayor or any councillor at:

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Mayor and councillors

Mayor Ray Wallace
Councillor David Bassett
Councillor Lisa Bridson
Councillor Margaret Cousins

Councillor Angus Finlayson
Councillor Ross Jamieson
Councillor Ken Laban
Councillor Michael Lulich
Councillor Gwen McDonald

Councillor Chris Milne
Councillor Max Shierlaw
Councillor Roger Styles
Councillor Margaret Willard

