

A photograph of two children standing on a beach. The child on the left is a girl with long dark hair, wearing a blue patterned bucket hat and a purple and pink floral swimsuit. The child on the right is a boy wearing a red and white bucket hat and red shorts. They are both smiling and have their hands on their hips. The background shows a rocky beach, the ocean, and a blue sky with light clouds. A teal vertical bar is on the left side of the image.

We Are
PROUD

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We are proud to present
Hutt City Council's
Annual Report for the
2013-14 financial year.



Ray Wallace
Mayor

Tony Stallinger
Chief Executive



This Report outlines our ongoing work to deliver our vision of Hutt City as a great place to live, work and play. A key focus over the past 12 months has been on how we will deliver this vision, and we have developed four key strategies for this.

We are developing our Infrastructure Strategy, which will cover a period of at least 30 years and provide us with the opportunity to look at significant issues, risks, opportunities and costs to utilities such as roads and water networks over time. In anticipation of this strong focus on network resilience, substantial background work has gone into developing our resilience related projects. This includes plans to complete our long term Bridge Strengthening Programme as well as the strengthening of retaining walls below Eastern Hutt Road through Taita Gorge.



The Urban Growth Strategy to 2032 outlines our plans for growth and development in the city. The Strategy was adopted in March and includes new ideas and bold proposals for at least doubling the current rate of housing growth in Hutt City. Our Economic Development Incentive policies support the Urban Growth Strategy by offering remittance of rates on particular developments. We saw an increase of 82% on the previous year in remitted rates for residential and commercial developments, showing that the desired growth is occurring.



The Environmental Sustainability Strategy is being reviewed with the aim of taking a longer-term approach to issues affecting the environment. Our Environmental Sustainability Strategy encompasses all our community outcomes, with corporate sustainability, waste management, recycling and environmental protection being primary subjects. A number of initiatives have been introduced that complement this Strategy with a key focus being on sustainable methods and approaches in schools. Hutt City is already home to 13 Enviroschools, supported by facilitators who work with each school to map out paths towards becoming more sustainable. This year this initiative was extended to kindergartens across the region.



The Leisure and Wellbeing Strategy to 2032 encompasses safety, youth development, and recreation and culture, with a particular focus on improving outcomes in the North East. Our Integrated Facilities Plan released in August highlights some key outcomes to be included in the Leisure and Wellbeing Strategy. This plan focuses on grouping together social and sporting clubs to create fit-for-purpose facilities of both regional and national significance. Fraser Park Sportsville is leading the way with Stage One now underway.

Another measure of success is members of our community participating in arts, cultural activities, and sports and recreation. Over 8,000 people attended Big Day Dowse in March; a record turnout for this free, family-friendly event. The McKenzie Baths in Petone were upgraded and used by 5,000 swimmers in the first week of reopening in November.

We monitor our customers' satisfaction levels through our annual NRB Communitrak Survey and achieved our target of 90% customer satisfaction for the third consecutive year. These results are above the average of our peer councils and we are committed to sustaining this high level of satisfaction.

Our Annual Report demonstrates Council's continuing strength in financial management and the secure basis we have for continuing to develop and deliver our vision. Financial services company Standard & Poor's reaffirmed Council's AA credit rating in their most recent evaluation. This is something we are very proud of and a success not many local bodies achieve.

“Our Annual Report demonstrates Council’s continuing strength in financial management and the secure basis we have for continuing to develop and deliver our vision.”

We achieved a net surplus of \$758,000, which was \$4 million better than budget, and Council's net debt reduced by over \$3 million during the year.

The decision to preserve an important heritage building in our Civic Centre Precinct and develop a fantastic centre that will meet current and future community needs was a major decision of 2014. This was one of 30 significant projects to be decided on in the 2014-15 Annual Plan process between April and July.

We are very proud of our achievements this year and are determined to continue delivering on our plans to rejuvenate Hutt City and make it a great place to live, work and play.

Ray Wallace
Mayor

Tony Stallinger
Chief Executive

OUR VISION FOR HUTT CITY

Our vision is to
make Hutt City a
great place to live,
work and play.

In our 2012-2022 Long Term Plan we signalled that we would develop four key strategic areas to deliver this vision.

In particular we're focussing on providing a healthy environment with quality infrastructure, growth and development in the local economy, and a wide range of activities and initiatives for our residents' leisure and overall wellbeing.

These include:

Infrastructure

Contributing to a great place to live

Growth and Development

Contributing to a great place to work

Leisure and Wellbeing

Contributing to a great place to play

Environmental Sustainability

Contributing to a great place to live,
work and play.

OUR COMMUNITY GOALS

The high level goals residents have identified as important to them for achieving our vision are primary outcomes of our four strategic areas:

A safe community

We live in a safe city, free from crime and injury. Our city is prepared for emergencies.

A strong and diverse economy

A city that grows existing businesses and attracts new business activity, with a focus on the research and development sector. All members of our community benefit from a strong economy, and we attract increasing numbers of visitors.

An accessible and connected city

A city that is easy to move about with well-designed roads, cycleways and footpaths. Members of our community are connected to the digital world.

Healthy people

We live healthy lives, and our city's services help to protect our health and our environment.

A healthy natural environment

We value and protect the natural environment and promote a sustainable city. Resources are used efficiently and there is minimal waste and pollution.

Actively engaged in community activities

Members of our community participate in arts, cultural, sports and other recreational and leisure activities. The city provides for and encourages participation in these activities.

Strong and inclusive communities

People feel a sense of belonging and are included in the community. Our city is built on strong communities that value diversity and support newcomers.

A healthy and attractive built environment

Our built environment enhances our quality of life. Our city is vibrant, attractive, healthy and well-designed. We promote development that is sustainable, and that values and protects our built heritage and the natural environment.

A well-governed city

All members of our community are empowered to participate in decision-making and to contribute to society. Their values and ideas are reflected.

HUTT CITY COUNCIL

Hutt City Council was established in 1989 through the amalgamation of the former Lower Hutt City, Eastbourne Borough, Petone Borough and Wainuiomata District Councils, and the Hutt Valley Drainage Board. Its jurisdiction covers the city of Lower Hutt.

Its purpose is:

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Its role is to have particular regard to the contribution that the following core services make to its communities:

- (a) network infrastructure
- (b) public transport services
- (c) solid waste collection and disposal
- (d) the avoidance or mitigation of natural hazards
- (e) libraries, museums, reserves, recreational facilities, and other community infrastructure.

Council governance

Hutt City Council is governed by a mayor and 12 councillors, with the mayor elected on a city-wide basis and the councillors elected to represent their respective wards, though also required to exercise their powers in the best interests of the city as a whole. There are six wards - Northern, Eastern, Central, Western, Harbour and Wainuiomata – each with two councillors.

Community boards and community committees

Council also works with three community boards covering Eastbourne, Petone and Wainuiomata, and four community committees covering the Northern, Eastern, Central and Western wards.

Each community board has six members elected by the community, plus two councillors from that ward appointed by Council. The only exception is Eastbourne

Community Board, which has agreed to have only five elected members.

The role of a community board is to:

- Represent and act as an advocate for the interests of its community
- Consider and report on any matter referred by Council and any issues of interest
- Make an annual submission to Council on projects and expenditure in the community
- Maintain an overview of services provided by Council within the local community
- Be a channel of communication between the community and Council
- Undertake any other responsibilities delegated by Council.

The community committees appointed by Council are non-statutory bodies with similar roles to those of community boards. Each committee has four members appointed from the community plus the two ward councillors. Members are appointed according to their skills and experience, including their ability to support existing residents' associations and similar community groups in their areas and engage positively with Council.

Council's management structure

The elected members of Council set the broad strategic direction and policies for the chief executive and staff to implement, and audit the results.

The chief executive is the sole employee of the elected members of Council, and in turn is the employer of all other Council staff members.

He is responsible to Council for:

- Implementing its decisions
- Advising Council, community board and community committee members
- Ensuring all functions delegated to staff are carried out.

Council monitors the chief executive's performance through a series of performance measures and the chief executive is accountable to Council through a quarterly reporting process.

In the past year, Council's Strategic Leadership Team focused on three priority areas:

PRIORITY AREA	ORGANISATIONAL OBJECTIVES
Services – deliver great customer experiences	Making it easier to do business, through fresh solutions and use of technology Delivering excellent and innovative services that provide value for money
Lead a future focused city	Leading the city's growth and development to ensure a vibrant and thriving Hutt City Taking action in response to the communities' changing economic, environmental, social and cultural needs
Staff – achieve through our great people	Providing staff with the environment, skills, information and tools they need to do their jobs

Customer services

Customer service continues to be a priority with ongoing initiatives to enhance the quality and cost-effectiveness of how our customers deal with us. Council's Strategic Customer Experience Refresh Programme involved all staff and looked at ways in which Council could deliver consistently high standards of service across the organisation. This included three big customer commitments Council-wide which help staff focus on continuous improvement:

- **Work with** – by making it happen and keeping our promises
- **Take accountability** – by owning our enquiries and continuously improving
- **Make it easy** – by giving you choices and keeping things simple.

We have introduced more online services and new payment options in line with these three customer commitments in order to give our customers more choice. We have combined our two front counters at our temporary premises on High Street resulting in more requests being dealt with at first point of contact. The drive to enhance the service we deliver extends even to how we cope with emergencies. Business continuity plans have been updated and processes are in place for any emergencies such as storms or earthquakes. Our after-hour's service provider, Palmerston North City Council, is available for us to switch to in such cases.

Requests for service

Our Customer Call Centre received 25,035 enquiries. Requests for service during the year are broken down as follows:

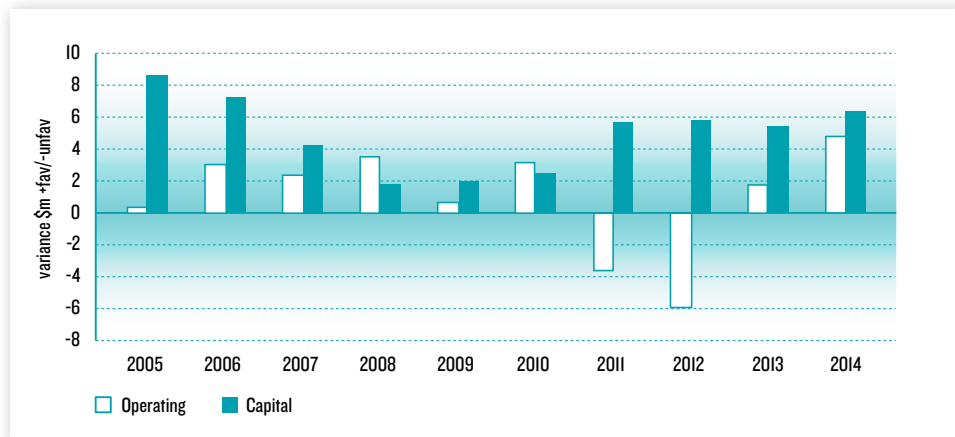
After hours	7,408
Animal services	4,271
Building/plumbing and drainage inspections	98
Environmental inspections	404
Hazardous substances	88
Health	348
Noise complaints	4,506
Parking control	421
Parks services	1,722
Planning and resource management	226
Property maintenance	1,714
Road maintenance and construction	4,548
Stormwater	643
Traffic lights, signs, road markings	1,348
Wastewater	1,012
Water supply	3,686
Total	25,035

KEY PERFORMANCE INDICATORS

There are five key performance indicators for these areas, which are in addition to the performance measures and targets for each of the 17 core activities.

Budget management

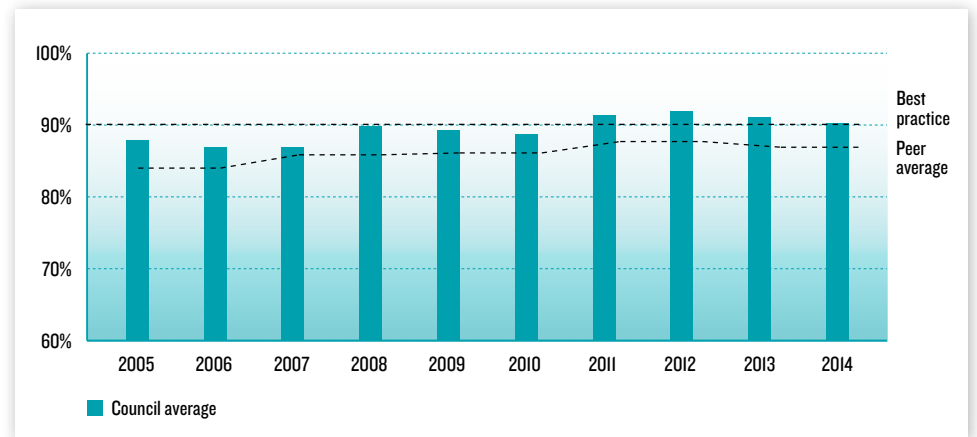
This key performance indicator compares results with budget targets. All activities are expected to operate within net capital and operating budgets. Despite budgeting for a deficit Council has managed to produce an operating surplus for 2014 mainly due to higher revenues and the deferral of some projects. The performance this year contributes positively towards the achievement of Council's Financial Strategy.



Customer satisfaction

Council monitors customer satisfaction levels through an independent annual survey, and the target of achieving 90.2% satisfaction was achieved for the first time in 2011 and has been maintained for three consecutive years. The results are above the average of our peer councils (86.9%), and we are committed to sustaining this high level of satisfaction.

See the reports of each activity for a breakdown of customer satisfaction results.



Compliance

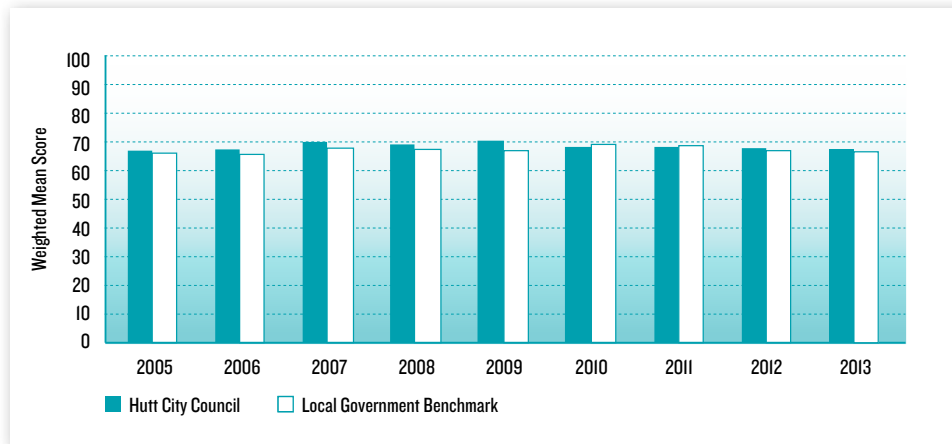
It is vital for staff, contractors and other businesses associated with Council to comply with the law, contracts, consents, employment agreements, health and safety requirements and Council policy.

Council monitors this compliance on a monthly basis, and has a target of no significant cases of non-compliance. This has been achieved every year since 2004. While there has been one minor breach, this has been fixed with no significant impact on Council operations.

YEAR	NON-COMPLIANCE INSTANCES	
	INSIGNIFICANT	SIGNIFICANT
2005	6	
2006	1	
2007	3	
2008	1	
2009	1	
2010	1	
2011	2	
2012	4	
2013	1	
2014	1	

Staff perceptions

Council measures staff perceptions using Kenexa Best Workplaces Survey. The graph depicts Council's overall performance index score (67.1%) compared with the overall local government performance index score (66.6%). Current initiatives to support staff include a strong internal communications strategy, learning and development opportunities, and health and wellbeing initiatives.



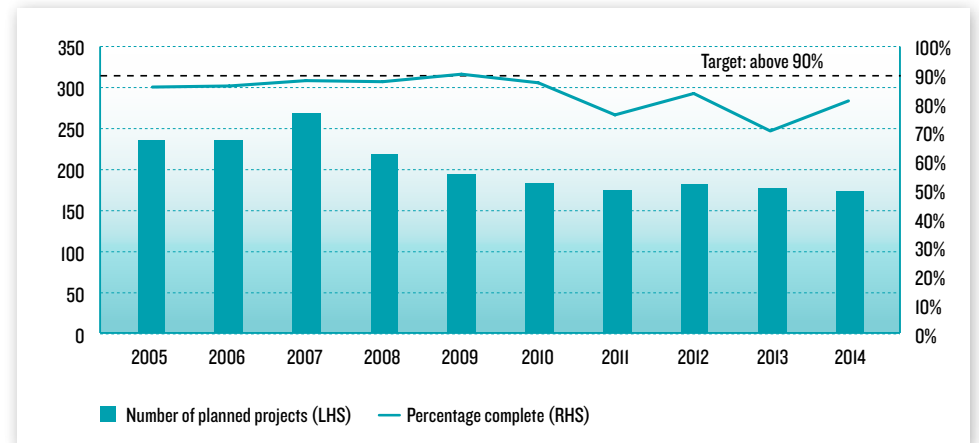
Project completion

Every year Council commits to as many as 300 projects through the Annual Plan. Inevitably some projects cannot be completed in time and are usually carried over to the next financial year for completion. For this reason, the completion target is at least 90% of projects scheduled for the financial year.

In 2013-14 a number of projects were not completed mainly due to delays. Some were deferred until 2014-15, the most significant being the Taita Community and Sports Centre, Fraser Park Sportsville Stage One, the Wainuiomata Hill Summit Bridge, Kelson/Fairway Drive Link Water Main, Trunk DBO Network Cyclic Replacement, Vista Grove Sewer Replacement, Strategic Property Purchases, IT System Maintenance, and the Development Stimulus Package.

Some projects involving improvements and maintenance of buildings were not completed. These included the Little Theatre, and various community halls, pending the outcome of proposals for the development of community hubs.

The McKenzie Pool Redevelopment was completed and work started on the strengthening of Council's Administration Building.



GROUP ORGANISATION

Contributing
to all community
outcomes for
Hutt City:

GROUP ORGANISATION PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Elected Members	Residents' satisfaction with public consultation and engagement was down slightly this year at 86% compared to the previous year of 91%. All other performance measures were achieved covering satisfaction with the Mayor's and Councillors' performance, and satisfaction with the way rates were spent.
Advice and Support	All performance measures were achieved this year, covering Councillors' and community board and committee members' satisfaction with the formal advice and responses to requests they received from officers.
Managing Services	All three performance measures were achieved covering staff turnover, compliance with legal and policy requirements, and work-related accidents.

GROUP ORGANISATION FINANCIAL SUMMARY

	(DEFICIT/SURPLUS BEFORE TAX)**			RATE REQUIREMENT PER RESIDENTS***
	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	ACTUAL 30 JUNE 2014 \$000
Elected Members	(1,902)	(2,029)	(1,888)	18.48
Advice and Support	(4,364)	(4,366)	(3,821)	42.41
Managing Services*	3,768	3,315	3,443	(36.62)

*The rate requirement figures are shown excluding total rate income.

** The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2013-1014 Annual Plan and the previous year.

***The rate per resident shows the average costs 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.

GROUP ORGANISATION FUNDING IMPACT STATEMENT

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	2,089	(2,379)	6,318	3,085	2,598
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	15	-	-	-	-
Fees, charges and targeted rates for water supply	1,124	951	1,199	1,077	1,171
Internal charges and overheads recovered	16,515	16,512	15,893	14,318	16,382
Local authorities fuel tax, fines, infringement fees, and other receipts	1,089	1,112	586	377	425
Total operating funding (A)	20,832	16,196	23,996	18,857	20,576
Applications of operating funding					
Payments to staff and suppliers	14,199	14,227	13,548	11,756	12,959
Finance costs	588	682	77	33	79
Internal charges and overheads applied	4,946	4,946	4,641	4,398	4,783
Other operating funding applications	3,302	3,210	3,312	3,222	3,210
Total applications of operating funding (B)	23,035	23,065	21,578	19,409	21,031
Surplus (deficit) of operating funding (A-B)	(2,203)	(6,869)	2,418	(552)	(455)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	6,429	8,760	(156)	2,927	(672)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	6,429	8,760	(156)	2,927	(672)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	3,299	2,724	1,145	1,208	(560)
- to replace existing assets	927	(833)	1,117	1,167	(567)
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,226	1,891	2,262	2,375	(1,127)
Surplus (deficit) of capital funding (C-D)	2,203	6,869	(2,418)	552	455
Funding balance ((A-B)+(C-D))	-	-	-	-	-

ELECTED MEMBERS

What we do

Elected members of Hutt City Council have an important role in the community. They:

- provide a governance role for the city
- set Council's strategic direction, including determining the activities we undertake (within legal parameters)
- monitor our performance on behalf of the city's residents and ratepayers.

Our governance structure includes community boards and community committees, which provide local input into our decision-making.

Why we do it

The Elected Members activity ensures sound governance and robust decision-making within Hutt City.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with the Mayor's and Councillors' performance: ≥ 90% of those expressing an opinion	97%	97%	84%	95% of those expressing an opinion. 7% of residents did not express an opinion	NRB Communitrak Survey
Residents' satisfaction with the way we spend their rates: ≥ 83% of those expressing an opinion	89%	86%	73%	89% of those expressing an opinion. 4% of residents did not express an opinion	NRB Communitrak Survey
Residents' satisfaction with our public consultation: Improvement	89%	91%	N/A	86% of those expressing an opinion. 4% of residents did not express an opinion	NRB Communitrak Survey

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	9	-	9	6
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	-	-	-	-
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	9	-	9	6
EXPENDITURE				
Employee Costs	18	-	(18)	-
Support Costs	776	776	-	644
Operating Costs	1,113	1,249	136	1,246
Loss on Property Disposals	-	-	-	-
Finance Cost	-	-	-	-
Depreciation	4	4	-	4
Total Expenditure	1,911	2,029	118	1,894
DEFICIT BEFORE TAX	(1,902)	(2,029)	127	(1,888)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(1,902)	(2,029)	127	(1,888)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(1,902)	(2,029)	127	(1,888)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	-
Capital Expenditure - to improve level of service	-	-	-	-
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	4	4	-	4
Total Loan Funding Requirement	4	4	-	4
TOTAL FUNDING REQUIREMENT	(1,898)	(2,025)	127	(1,884)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Regional Governance Review	30	30	-

Significant Operating Variations from the 2013-14 Annual Plan

Operating expenditure was under budget mainly due to savings in specialist services costs, elected members meeting fees and training costs.

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

There were no significant asset acquisitions, replacements or variations from the Annual Plan.

ADVICE AND SUPPORT

What we do

This activity comprises of the processes that support our decision-making, such as strategic planning, policy development and monitoring and reporting.

Why we do it

Professional advice and support are necessary to help us and community boards and committees to make informed decisions on behalf of our community.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Councillors' are satisfied or more than satisfied with the formal advice they received from officers: ≥ 80% of those expressing an opinion	100%	Too few Councillors' responded to the survey to be able to make a sound judgement on levels of satisfaction	N/A	91% of those expressing an opinion. One Councillor did not express an opinion	Survey of Elected and Appointed Members
Councillors' are satisfied or more than satisfied with responses to requests for help from officers: ≥ 80% of those expressing an opinion	100%	Too few Councillors' responded to the survey to be able to make a sound judgement on levels of satisfaction	N/A	82% of those expressing an opinion. One Councillor did not express an opinion	Survey of Elected and Appointed Members
Community board and community committee members' are satisfied or more than satisfied with the formal advice they received from officers: ≥ 80% of those expressing an opinion	90%	95%	N/A	95% of those expressing an opinion. One member did not express an opinion	Survey of Elected and Appointed Members
Community board and community committee members are satisfied or more than satisfied with responses to requests for help from officers: ≥ 80% of those expressing an opinion	80%	95%	N/A	97% of those expressing an opinion. One member did not express an opinion	Survey of Elected and Appointed Members

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Significant Operating Variations from the 2013-14 Annual Plan

There were no significant variations from the Annual Plan.

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

There were no significant asset acquisitions, replacements or variations from the Annual Plan.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	-	-	-	-
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	187	170	17	-
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	187	170	17	-
EXPENDITURE				
Employee Costs	19	22	3	2
Support Costs	4,170	4,170	-	3,754
Operating Costs	362	344	(18)	65
Loss on Property Disposals	-	-	-	-
Finance Cost	-	-	-	-
Depreciation	-	-	-	-
Total Expenditure	4,551	4,536	(15)	3,821
DEFICIT BEFORE TAX	(4,364)	(4,366)	2	(3,821)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(4,364)	(4,366)	2	(3,821)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(4,364)	(4,366)	2	(3,821)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	-
Capital Expenditure - to improve level of service	-	-	-	-
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	-	-	-
Total Loan Funding Requirement	-	-	-	-
TOTAL FUNDING REQUIREMENT	(4,364)	(4,366)	2	(3,821)

MANAGING SERVICES

What we do

Managing Services incorporates the organisational support functions that help us to provide our other activities efficiently and effectively.

Why we do it

The Managing Services activity supports all our activities by providing business, legal and support services and tools.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Staff turnover: Less than 12%	9.58%	9.42%	N/A	8.73%	Monthly Management Reports
Legal and policy requirements: No significant instances of non-compliance	No significant instances	No significant instances	N/A	No significant instances	Monthly Management Reports
Work-related accidents: No more than four resulting in time off work	Four	Four	N/A	Two	Monthly Management Reports

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	90,056	89,789	267	88,325
User Charges	1,115	950	165	1,071
Operating Subsidies and Grants	15	-	15	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	677	760	(83)	244
Dividends	6	-	6	-
Vested Assets	-	-	-	-
Other Revenue	216	182	34	133
Gain/(Loss) on Property Disposals	3	-	3	-
Total Revenue	92,088	91,681	407	89,773
EXPENDITURE				
Employee Costs	8,982	8,927	(55)	8,362
Support Costs	(16,512)	(16,512)	-	(14,318)
Operating Costs	3,702	3,686	(16)	2,132
Loss on Property Disposals	-	-	-	(51)
Finance Cost	588	682	94	33
Depreciation	1,504	1,794	290	1,847
Total Expenditure	(1,736)	(1,423)	313	(1,995)
SURPLUS BEFORE TAX	93,824	93,104	720	91,768
Gain/(Loss) on Revaluation of Financial Instruments	973	-	973	1,485
RATES FUNDING REQUIREMENT				
Surplus Before Tax	93,824	93,104	720	91,768
Add Capital Contributions	-	-	-	-
Rate Funded Debt Repayment	3,976	8,667	(4,691)	-
Total Rates Funding Requirement	97,800	101,771	(3,971)	91,768
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(927)	(1,167)	240	(1,167)
Capital Expenditure - to improve level of service	(3,299)	(4,053)	754	(1,208)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	1,507	1,794	(287)	1,848
Less Rate Funded Debt Repayment	(3,976)	(8,667)	4,691	-
Total Loan Funding Requirement	(6,695)	(12,093)	5,398	(527)
TOTAL FUNDING REQUIREMENT	91,105	89,678	1,427	91,241

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Research - Monitoring and Evaluation of Outcome	46	50	4
Internet Design	5	61	56
Development Stimulus Marketing	22	25	3
Regional Governance Review	510	-	(510)
Admin Building Temporary Accommodation	504	939	435
Administration Building Upgrade Non Capital Costs	204	526	322
Horticultural and Town Hall Upgrade Non Capital	137	-	(137)

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was over budget mainly due to higher rates from new properties and unbudgeted rental income from temporary accommodation. Operating costs were under budget mainly due to savings in insurance costs and bank charges. There were also savings in internet design costs due to completing many tasks internally without the need for external costly resources and also by managing the amount of planned change, against what was deemed essential. There were also savings resulting from delays in the Administration Building Upgrade.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Network Storage/Server Hardware and PC Replacement Programme	344	295	(49)
Pavilion Maintenance	-	15	15
System Maintenance	254	612	358
System Upgrades	294	220	(74)
Telecommunications	17	25	8
Capital to Improve Level of Service			
Vehicle Purchase	17	-	(17)
Admin Building Strengthening	2,863	3,460	597
Mobile Devices	20	123	103
Other (IT) Projects	314	375	61
Internet Online Services	101	95	(6)

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

A saving of \$58,000 and a carryover of \$300,000 was applied to System Maintenance. Some work had to be delayed due to other higher priorities and the savings were achieved due to careful choices made in terms of core systems maintenance versus extending the lifespan of some systems.

Overspending against computer hardware items and some upgrades were offset against savings resulting from other projects with the net affect leading to an overall saving of \$101,000 for IT Systems Capital.

Construction commenced on the Civic Centre Redevelopment in the 2013-14 financial year. Some of the planned work was rescheduled to dates later than originally anticipated which resulted in an underspend for the period.

COUNCIL-CONTROLLED ORGANISATIONS

Council operates four Council-Controlled Organisations:

- Seaview Marina Ltd
- Urbanplus Ltd
- Capacity Infrastructure Services Ltd (trading as Capacity)
- Hutt City Community Facilities Trust (CFT).

These organisations help Council achieve community outcomes by independently managing facilities, delivering services and undertaking developments.

Seaview Marina Ltd (SML)

Extent to which Council's 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 own and operate Seaview Marina. The company has operated successfully in this capacity during the year.

Nature and scope of its activities:

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Maintain asset management plans annually as detailed in the Operational Plan 2013-14	Achieved
Develop and complete asset management plans annually as detailed in the Operational Plan 2013-14	Achieved – the Asset Management Plan was updated and contractors hired to begin a major refurbishment to replace metal componentry identified for upgrading. This project will be spread over two years. Other maintenance work programmed over the year was completed
Management rating	Achieved – 92% positive response rate
Boatyard rating	Achieved – 89% positive response rate
Recommend Seaview Marina to others	Achieved – 89% positive response rate
Construct and lease a café as an economic rental on the Marina site	Not Achieved – this project was reviewed in light of an approach from the LBYC for SML to purchase their clubrooms, with the view of using part of the structure for a café. Unfortunately the club members voted against this proposal, which meant no action was possible on developing a café on site. The project is on hold for 12 months
Upgrade the old toilet block at the end of the central causeway	Achieved – the upgrade was completed on time and within budget and provides the licensees on D and E pier with two superior unisex shower and toilet facilities
Purchase and develop an additional hardstand area	Not Achieved – the proposal was developed by SML management and put to Council. It did not receive the support from Council and so the project was not able to proceed
Construct the second stage of the walkway within the Marina to eventually join up with the Greater Wellington Walkway	Achieved – this project was completed on budget and on time by the end of 2013. It has been an extremely successful addition to the Marina landscape and is encouraging the general public to utilise the Marina for recreational purposes
Construct rubbish bin compounds	Partially Achieved – the purchase of the containers and the rationalisation of the waste bins was arranged at the end of the financial year but the changes did not get implemented until the beginning of the 2014-15 financial year
Install pier gate structures	Not Achieved – the newly formed Marina Users Association lobbied the Council and the Board on this development with the consequence that the two gate structures have been put on hold. A change in the design has been approved by the Board, which will be cheaper but still functional. These will be constructed when the F and G pier development goes ahead in 2014-15
Work with the Council to develop a strategy that will encourage the public to use the Marina	Achieved – the stage two pathway has been installed and is now operational. Good feedback has been received from the general public and Marina clients. There is now only one section to be completed and this will form the completed link between the Eastern Bays Walkway and the Hutt River Walkway
Maintain staffing at agreed levels with suitably qualified personnel	Achieved – staffing levels were maintained but an additional part time employee was taken to handle the upgrade work necessary after the June 2013 storm
Full compliance with financial, technical and regulatory standards	Achieved

Urbanplus Ltd

Extent to which Council's 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 own and operate a portfolio of rental housing, develop property in preparation for sale or lease and manage Council property and building assets. The company has operated successfully in this capacity during the year.

Nature and scope of its activities:

Activities include property development, rental property management, facilities management of Council property, provision of strategic property advice to Council and the purchase of surplus property from Council.

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Facilities Management	
Capital and operational expenditure within budget	Not Achieved – \$365,980 due to June 2013 storm damage
Achieve a gross return of 20% on expense	Achieved – 48%
Residents' satisfaction with public halls greater than or equal to peer average, subject to Council funding	Achieved – 93% of residents' who expressed an opinion. Peer average is 83%
Residents' satisfaction with public toilets greater than or equal to peer average within five years, subject to Council funding	Achieved – 81% of residents' who expressed an opinion. Peer average is 78%
Tenant satisfaction with Council-owned community buildings greater than or equal to 90%	Not Achieved – 83% of residents' who expressed an opinion. Peer average is 93%
Council satisfaction with building management greater than or equal to 90%	Achieved – 93%
Rental Housing	
Capital and operational expenditure within budget	Partially Achieved – operational costs of \$1,159,304 and capital costs of \$1,493,418. Capital expenditure was not within budget due to property acquisitions and selected losses on sale
A return on equity before depreciation and after interest and tax greater than or equal to 3.5%	Achieved – 4.25%
Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90%	Achieved – 91%
Percentage of total housing units occupied by elderly/ socially disadvantaged greater than or equal to 85%	Achieved – 98% due to the sale of 990 High Street where a number of tenants were 'market' and/or sickness beneficiaries
Property Development	
Capital and operational expenditure within budget	Partially Achieved – operational costs of \$627,237 and capital costs of \$1,556,985. Operational expenditure was over budget due to pre-project due-diligence costs associated with projects that we did not proceed with
A return of 10% after interest and tax	Not Achieved – 23.5% due to pre-project due-diligence costs associated with projects that we did not proceed with

Capacity Infrastructure Services Ltd

Extent to which Council's 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 and other shareholding councils. 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.

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Measures included in water supply, wastewater and stormwater activities (see pages 36 to 44)	Achieved 13 of the 14 measures. Water quality at main recreational beaches target 90% not achieved (average 83% of sampling days achieved standard)
Number of dwelling flood notifications received as a result of a 1:50 year flood (or less)	Mainly Achieved
Achievement of key milestones in asset management plan improvement project, planning and production	Mainly Achieved
Trend of the operating cost of delivering water supply, wastewater and stormwater services relative to a national average	Achieved as part of WaterNZ
Deliver operating projects within budget and timeframes	Achieved
Deliver capital projects within budget and timeframes	Mainly Achieved
Manage Capacity within budget	Achieved
Full compliance with relevant standards, resource consents and legislation	Full compliance with all relevant legislation including Health and Safety in the Employment Act 1992

Hutt City Community Facilities Trust (CFT)

Extent to which Council's policies and objectives in regard to ownership and control of the organisation have been implemented:

On 13 March 2012 Council agreed to a proposal to establish a Charitable Trust to manage and develop its leisure and community facilities.

Council's objective for this Trust is for it to enhance the health and wellbeing of the city's communities through the effective and efficient provision, development and operation of leisure and community facilities throughout Hutt City.

Hutt City Council's Integrated Community Facilities Plan will see a series of 'community hubs' cluster civic and sporting facilities into more user-friendly, efficient and well-utilised centres which fit the needs of the communities that make up Hutt City now and into the future. The Hutt City Community Facilities Trust has been entrusted to help Council deliver on this plan.

Council has established the Hutt City Community Facilities Trust, a team of dedicated and experienced local businesspeople, to lead the rejuvenation of key community facilities, including the development of the Taita Community and Sports Centre, Fraser Park Sportsville, the Wellington Regional Bowls Centre and other projects.

Nature and scope of its activities:

Council expects the company to: establish a development fund to enable investment and improvement of community facilities, develop new or enhance existing facilities, administer any facilities vested in the Trust, and provide strategic direction, expert advice and champion ongoing investment and development.

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Governance	
100% of CCO accountability requirements met	Achieved
Financial	
CFT operational budget is not exceeded	Achieved
Administration	
General Manager appointed, staff contracted and office systems established	Achieved
Fundraising	
Taita Community and Sports Centre – target \$3 million	\$2 million raised to date
Fraser Park Sportsville Stage One – target \$500,000	Fundraising commences 2014-15
Wellington Regional Bowls Centre – target \$50,000	\$51,000 raised to date
Planning	
Strategic Plan established by November 2014	On track. Work commenced during early 2014 and draft plan circulated in July 2014
Reporting	
Annual Report, six-monthly report and Statement of Intent completed within required timeframes	Achieved
Project Delivery	
Taita Community and Sports Centre – budget \$12 million – tender approved by 30 June 2014	Contractor appointed 26 June 2014, agreed contract sum within budgeted estimate
Fraser Park Sportsville Stage One – budget \$3 million – tender approved by 30 June 2014	Contractor appointed 7 July 2014. Contract sum within 2% of budget estimate
Wellington Regional Bowls Centre – concept and preliminary design completed by 30 June 2014. Club partnership confirmed	Preliminary design completed May 2014. Stakeholding clubs agreed to concept. \$2.25 million capital expenditure included in the Hutt City Council Annual Plan 2014-15

PARTNERSHIPS WITH MĀORI

Waiho i te toipoto,
kaua i te toiroa
Let us keep close,
not far apart

Council has an obligation to take into account the principles of Te Tiriti o Waitangi and to recognise and provide for the special relationships between Māori and their culture, traditions, land and taonga.

The Local Government Act 2002 acknowledges the Crown's responsibilities under the Treaty of Waitangi and the responsibility to maintain and improve opportunities for Māori to contribute to local government decision-making processes. The obligation to consult includes recognising those who have mana whenua status. Within Hutt City, this rests with Taranaki Whānui, represented by the Port Nicholson Block Settlement Trust.

Council will consult with Te Rānanganui o Taranaki Whānui ki te Upoko o te Ika a Maui as a mana whenua organisation.

In fulfilling its obligations, Council will also consult other Māori within Hutt City, including the city's seven marae – Koraunui Marae, Te Mangungu Marae, Wainuiomata Marae, Te Kakano o te Aroha Marae, Waiwhetu Marae (also known as Arohanui ki te tangata), Te Tatau o te Po Marae and Keriana Olsen-Kākiri Marae.

Council has a memorandum of understanding with the Port Nicholson Block Settlement Trust. This memorandum confirms the strategic relationship between the parties and the opportunity for the Trust to contribute to Council's decision-making and be a provider of leadership with Council for the city.

The memorandum provides the following guiding principles for the Trust and Hutt City Council:

- The parties work together in partnership to ensure the mutual benefit and success of the relationship
- The sustainable prosperity of Hutt City is important to both parties
- Each party recognises the autonomy, authority and responsibilities of the other to represent its communities' interests
- The Trust acknowledges the autonomy, authority and responsibilities of Council when acting in its regulatory capacity and when discharging its legislative obligations
- The principles embodied in the Treaty of Waitangi will guide this relationship. In practical terms this means:

Partnership - acting reasonably, honourably and in good faith to ensure the strategic relationship has integrity and respect, in the present and for the future of Hutt City

Participation - recognising that both parties can contribute, for mutual benefit, in deciding the future of the city – working towards and achieving the parties' visions, and

Protection - actively protecting the taonga of Taranaki Whānui and safeguarding cultural concepts, values and practices to be celebrated and enjoyed for all Hutt City residents.

The memorandum also provides specifically for engagement between the Trust and Hutt City Council on:

Council planning and policy processes
– The Trust will have input into the various planning processes of Council, in particular the Annual Plan and Long Term Plan. The Trust will make significant contributions to reviewing the District Plan of Council. This will include commentary on all matters relating to mana whenua representation, sites of significance and rules, protocols, objectives and measures that are required.

Resource Management Act 1991 and other legislation – The parties will work together to achieve the purpose of legislation in relation to local government decision-making. Council will ensure matters are presented to the Trust in a timely and informative manner, which in turn will assist the Trust in the exercise of its Kaitiakitanga for Hutt City.

Culture and heritage – Council will ensure ceremonial, interpretation and naming opportunities are presented to the Trust so as to retain and protect Māori culture and heritage throughout Hutt City, as deemed by the Trust to be of significance.

The Trust, as the mana whenua representative, will provide cultural support to the mayor, councillors, chief executive and other staff as mutually agreed.

While Council will take special care in its relationship with mana whenua, it must also reach out to the wider Māori community and provide opportunities for Māori to contribute to Council's decision-making.

The key to this will be to foster and maintain strong relationships with Māori organisations within the city – in particular, Te Rānanganui o Taranaki Whānui ki te Upoko o te Ika a Maui and the city's seven marae.

The foundation of these relationships will be built on:

- Open and honest communication between Council and Māori
- Promoting tikanga Māori (Te Atiawa protocol) throughout Council
- Providing opportunities for Māori to contribute to Council's decision-making
- Providing quality advice and support for capacity and capability strengthening
- Maintaining the right of tangata whenua to be represented and vote at meetings of Council committees and subcommittees

There are three priority areas for improving engagement with Māori in the next five years:

- Fully engaging with and fostering Council's new strategic relationship with the Port Nicholson Block Settlement Trust
- Involving mana whenua and local Māori organisations earlier in the decision making process. For example, engaging mana whenua on Council's Annual Plan before finalisation for public consultation and engaging local marae early on issues into which they have insight and on which they can help Council determine solutions
- Getting Māori in general involved in the decision-making process, including looking at ways of engaging that make it easier and more appealing for Māori to have their say.



We Are
RESILIENT

GROUP UTILITY SERVICES

Contributing to Infrastructure
and making Hutt City a great
place to live.

The activities in Group Utility Services are key areas of focus in our Infrastructure Strategy that is currently being developed.

RESILIENCY IN INFRASTRUCTURE

In anticipation of a strong focus on network resilience in the upcoming three year (2015-18) funding round, substantial background work has gone into developing our funding applications to the New Zealand Transport Agency (NZTA) for resilience related projects.

We are planning to complete the seismic strengthening of the three remaining bridges from our long term Bridge Strengthening Programme. Work to an estimated value of \$680,000 is programmed for 2015-16 and includes the Wingate Overbridge along with two smaller bridges across the Waiwhetu Stream on Wainui Road and Seaview Road.

These bridges are essential for securing access to the regionally critical Seaview industrial area.

A network resilience study has also identified the need to strengthen retaining walls below the Eastern Hutt Road through Taita Gorge to secure the links between the upper and lower Hutt Valley. It needs to be noted that State Highway 2 (SH2) has also proved to be vulnerable over this section and there is no viable alternative route. The physical work of approximately \$3 million is programmed for 2020-21.

In addition, with climate change on our mind, the new emphasis on network resilience will strengthen our bid for NZTA funding for the Eastern Bays Walkway. Although this project had previously gained subsidy, our application was declined in the current three year funding

round primarily due to strong competition for a limited national cycleway pool exacerbated by the fact our project had a relatively high cost per kilometre. This cost is attributable to the value of the seawall required to support the shared path. There is a strong case for separating this seawall component of the project and applying for funding under a new resilience work category on the basis a new wall will result in less road closures.



HIGHLIGHTS

Capital Improvements

All capital roading projects were completed other than the Wainuiomata Hill Summit Cyclist Overbridge. This project was deferred in anticipation of gaining NZTA funding in 2014-15. Our road resealing contractors performed particularly well as they cleared a backlog of \$1 million taking the total value of resealing work completed in the year to almost \$7 million.

Although all clean-up work relating to the major 20th June 2013 wind storm event was completed in the 2012-13 year, subsequent physical repair work on damaged assets amounting to \$300,000 was undertaken in 2013-14 including work to seawalls around the Eastern Bays.

\$370,000 was spent on our cycle network with new bike lanes, bike crossings, and other safety provisions to improve cyclist's visibility on the road completed in targeted areas across the city.

Our earthquake resiliency programme for water networks across Hutt City continued. Both Konini and Kingsley Reservoirs were strengthened and the major water main that travels beneath the Kennedy Good Bridge was renewed.

Work continued on our major renewal programme of wastewater pipes in Wainuiomata, Naenae, Alicetown and Point Howard. Stormwater pumps were installed at the Kelson Pump Station and both wastewater and stormwater mains were renewed in Stokes Valley.

New Funding Stream

The introduction of a new funding stream targeting the construction of footpaths in hill road areas saw the completion of both Howard Road and Wairere Road. Previously our focus has been on upgrading substandard roads to meet the full District Plan standard. While work remains on key routes under the ongoing substandard road upgrade programme we acknowledge it is not appropriate to strive for these standards in some of the quieter, low trafficked roads. Through the new substandard road footpath programme we aim to improve pedestrian safety while maintaining low traffic speeds and minimising the visual impact of extensive road widening works.

Education on Water-Use

Council continues to raise awareness in the community on issues affecting water networks. A number of water conservation resources are now available to schools via the internet and visits have been made to major water users in the city to learn more about their water use.

New Framework

A 'criticality' framework was developed which considers the consequences of a utility such as a pipe or pump station failing. This will be used in conjunction with the models used for asset condition, to improve our decision-making for renewal investment. The model will also be used to prioritise maintenance activities based on how critical the asset is; this means we will be able to target our inspections or data collection to get the most benefit from the funding available.

Graffiti Removal and Prevention

Approximately 16,000 square metres of graffiti was removed from across the city by contractors, 93% of which was removed within 48 hours of it being reported. The number of graffiti-related jobs increased by 29% this year with 2,403 jobs despatched from the Council Call Centre. The balance was proactive work on behalf of the contractors. Community groups continue to be supportive and are taking responsibility for a large number of alleyways across the city. Additional funding was gained from the Ministry of Justice to support schools to educate children about graffiti. It will also facilitate the design and painting of their own murals that will be erected along alleyways near their school.

You can report graffiti in your area between working hours to the hotline at the Council Call Centre on 570 6666 or alternatively text 'TAG' followed by the address to 3143.

Safety Improvements at Crossings

Sensors were installed at two major crossings, one on Hutt Road, beneath the Dowse overbridge, and the other on High Street, near the Park Avenue shops. The sensors detect the presence of pedestrians and automatically activate the usual pole-mounted lights resulting in greater pedestrian visibility and a safer crossing. Additionally, 40 kilometres per hour variable speed limits were set around school zones on Hutt Road, Railway Avenue, Waiwhetu Road, and Knights Road.

Pomare Development

The Pomare residential development of 150 homes is making progress with civil engineering well underway. The first new home was officially opened by Minister of Conservation, Housing, Building and Construction Nick Smith in April, one of the 40 homes to be built in the first stage. The developers, City Living Group, are providing a mixture of housing including social housing and homes for private ownership aimed at first home buyers and growing families.

Group Utility Services Performance Summary

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Roading and Traffic	Seven out of nine performance measures were achieved covering satisfaction with footpaths, roads and parking and roads and gutters being litter free as well as the Road Condition Index, 'Quality of Ride', and accident trend. We were 2% behind the national average of resident satisfaction for street lighting at 90%, and dipped slightly lower than our traffic control satisfaction historical average.
Water Supply	All six performance measures were achieved covering satisfaction with the city water supply, compliance with national drinking water standards, water quality, reliability of water supply, response to disruptions and average unmetered water consumption.
Wastewater	All four performance measures were achieved covering satisfaction with the city wastewater service, resource consent compliance, reliability and prompt response to wastewater disruptions.
Stormwater	Three out of four performance measures were achieved covering satisfaction with stormwater services, reliability of the service and response to disruptions. The target of 90% for water quality at main recreational beaches was not achieved, falling short by 7%. The lower than expected result was due to a number of 'wet samples' undertaken during or shortly after heavy rainfall, when the 'first flush' effects are recorded. Follow up testing after the rainfall recorded low achieving results.
Solid Waste	Three out of four performance measures were achieved covering satisfaction with rubbish collection, recycling and compliance with resource consents. Satisfaction with refuse disposal was 8% below target at 83%.

Group Utility Services Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX		RATE REQUIREMENT PER RESIDENTS	
	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	ACTUAL 30 JUNE 2014 \$
Roading and Traffic	(13,312)	(13,295)	(13,838)	129.37
Water Supply	(11,786)	(12,017)	(11,806)	114.54
Wastewater	(16,009)	(16,410)	(16,300)	155.58
Stormwater	(6,806)	(6,960)	(6,973)	66.14
Solid Waste	4,792	4,804	4,551	(46.57)

Note: The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2013-2014 Annual Plan and the previous year.

Note: 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.

ROADING AND TRAFFIC

What we do

Our Roading and Traffic activity includes:

- the professional and technical work involved in managing the city's roading network
- the improvement and day-to-day operation and maintenance of footpaths, road pavement/reconstruction/upgrades, traffic signals, signs, street lighting, parking services, bridge maintenance and various road safety activities.

We support this work through policy development, forward planning, road safety coordination and various quality and safety management systems.

Why we do it

Having the road corridor in public ownership ensures that all our residents have appropriate access to property and freedom of travel throughout Hutt City. We provide sealed roads, footpaths and streetlights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with: - street lighting - roads and gutters being free of litter - traffic control - footpaths - roads - parking in and around Hutt City Better than our historical average or the average of our peer councils, whichever is the higher, for each of these measures	90% 94% 92% 87% 87% 85%	91% 89% 90% 86% 86% 81%	92% 87% N/A 79% 80% 61%	90% 89% 89% 81% 83% 83%	NRB Communitrak Survey
'Road Condition Index', which measures the condition of the road surface: Hold or improve rating Note: A lower number indicates an improved rating	1.7	1.2	N/A	1.5 Note: As half the city is surveyed in alternate years, the 2013-14 figure needs to be compared with 2011-12	Data from the Road Assessment and Maintenance Management System (RAMM)
'Quality of Ride' measured by the road network with roughness less than 150 NAASRA (National Association of Australian State Roading Authorities) counts. Hold or improve rating Note: A higher percentage indicates an improved rating	79.1%	79.6%	N/A	79.5% Note: As half the city is surveyed in alternate years, the 2013-14 figure needs to be compared with 2011-12	Data from RAMM
Accident trend: Contribute to a reducing trend over 10 years	130	146	N/A	116	Data from NZTA

Note: Survey percentages quoted exclude those who responded 'don't know'. Some percentages have been rounded and may not equal 100. We work to meet these measures through Capacity.

Statement of Comprehensive Income

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	4,214	4,221	(7)	4,258
Operating Subsidies and Grants	3,389	3,312	77	3,333
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	4,210	4,740	(530)	3,529
Development Contributions	11	70	(59)	26
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	558	273	285	242
Other Revenue	519	450	69	476
Gain/(Loss) on Property Disposals	10	-	10	-
Total Revenue	12,911	13,066	(155)	11,864
EXPENDITURE				
Employee Costs	1,220	1,215	(5)	1,133
Support Costs	2,475	2,475	-	1,970
Operating Costs	11,093	11,023	(70)	11,079
Loss on Property Disposals	-	-	-	206
Finance Cost	1,495	1,495	-	1,575
Depreciation	9,940	10,153	213	9,739
Total Expenditure	26,223	26,361	138	25,702
DEFICIT BEFORE TAX	(13,312)	(13,295)	(17)	(13,838)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(13,312)	(13,295)	(17)	(13,838)
Add Capital Contributions	(4,221)	(4,810)	589	(3,555)
Total Rates Funding Requirement	(17,533)	(18,105)	572	(17,393)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(7,661)	(7,333)	(328)	(5,523)
Capital Expenditure - to improve level of service	(1,239)	(2,501)	1,262	(1,509)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	4,221	4,810	(589)	3,555
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	9,940	10,153	(213)	9,739
Total Loan Funding Requirement	5,261	5,129	132	6,262
TOTAL FUNDING REQUIREMENT	(12,272)	(12,976)	704	(11,131)

Funding Impact Statement

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	18,091	18,378	17,677	17,393	17,861
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	3,389	3,312	3,539	3,333	3,504
Fees, charges and targeted rates for water supply	4,214	4,221	3,764	4,258	3,676
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	529	450	527	476	515
Total operating funding (A)	26,223	26,361	25,507	25,460	25,556
Applications of operating funding					
Payments to staff and suppliers	12,313	12,238	12,261	12,418	12,074
Finance costs	1,495	1,495	1,528	1,575	1,575
Internal charges and overheads applied	2,475	2,475	2,072	1,970	2,136
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	16,283	16,208	15,861	15,963	15,785
Surplus (deficit) of operating funding (A-B)	9,940	10,153	9,646	9,497	9,771
Sources of capital funding					
Subsidies and grants for capital expenditure	4,210	4,740	4,214	3,529	4,112
Development and financial contributions	11	70	82	26	80
Increase (decrease) in debt	(5,261)	(5,129)	(5,261)	(6,262)	(5,344)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(1,040)	(319)	(965)	(2,707)	(1,152)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	1,239	2,501	1,942	1,509	2,046
- to replace existing assets	7,661	7,333	6,739	5,523	6,573
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	8,900	9,834	8,681	7,032	8,619
Surplus (deficit) of capital funding (C-D)	(9,940)	(10,153)	(9,646)	(9,739)	(9,771)
Funding balance ((A-B)+(C-D))	-	-	-	(242)	-

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Roading and Traffic Transport Studies	77	100	23

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was under budget due to the non-approval of the anticipated NZTA subsidy on the Wainuiomata Hill Summit Bridge. This was offset to some extent by greater than anticipated receipts of vested assets through an increase in land subdivision activity along with a significant increase in associated subdivisional engineering fee revenue. Excluding a \$200,000 favourable variance in depreciation there was an unfavourable variance of \$70,000 in operating costs. This over expenditure representing less than 1% of the \$11 million operating cost budget was directly attributable to repairs of damage caused by the major wind storm of 20th June 2013.

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Council had a capital maintenance budget of \$7.7 million of which almost \$7 million was targeted at NZTA subsidised carriageway resealing and repair work across the 480 kilometres of road network. The roading contractors performed well to complete a larger than normal works programme as this figure included \$1 million carried over from the previous year. The \$2.1 million capital improvements budget was underspent by \$979,000 primarily due to the deferral of the Wainuiomata Hill Summit Bridge project due to lack of NZTA funding as mentioned above. It should be noted that this subsidy has subsequently been approved in the 2014-15 year.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Area Wide Pavement Treatment	1,905	1,893	(12)
Carpark Resurfacing	52	51	(1)
Footpath Resurfacing and Replacement	201	205	4
Pavement Surfacing	3,454	3,680	226
Minor Safety Works	48	51	3
Minor Road and Footpath Construction	81	74	(7)
Pedestrian Crossing Maintenance	32	31	(1)
Road Smoothing	300	302	2
Streetlight Lantern Replacement Programme	50	51	1
Streetlight Standard Replacement	100	100	-
Street Name Sign Replacement	20	20	-
Traffic Signal Replacement	161	165	4
Wainuiomata Hill Road Safety Seal	1,256	1,075	(181)
Capital to Improve Level of Service			
Roads Broad Band Ducting	21	21	-
Cycleways Continued Development	371	351	(20)
Local Area Traffic Management	53	51	(2)
Land Purchase for Roads	-	20	20
Pedestrian Crossings New	51	53	2
Substandard Roads Upgrade	351	360	9
School Speed Zone Programme	60	60	-
Traffic Safety Improvements	331	400	69
Wainuiomata Hill Summit Bridge	-	820	820

WATER SUPPLY

What we do

We provide a sustainable and high-quality water supply to our community for domestic and commercial use. We buy bulk water from Greater Wellington Regional Council (GWRC), then distribute it to the community through our water supply system. We regularly monitor the water quality and plan for the city's future water supply, including any maintenance and upgrades needed to maintain the required service.

Why we do it

In supplying high-quality, affordable water, we contribute to:

- our community's health
- community safety (through the water supply system's fire-fighting capability)
- industrial and residential development.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with the city water supply: ≥ 95% of those expressing an opinion	96%	98%	88%	96% of those expressing an opinion. 2% of residents did not express an opinion	NRB Communitrak Survey
Compliance with New Zealand Drinking Water Standards: Full compliance	Achieved full compliance	Achieved full compliance	N/A	Achieved full compliance	Portable Water Testing Contract Reports
Quality of water: Achieve 'b' grading from the Ministry of Health for the Hutt City water supply <small>Note: 'b' grading means a satisfactory, low level of risk. Most of Hutt City water supply is un-chlorinated. Chlorination of the water supply would be required to achieve an 'a' grading</small>	Achieved a 'b' grading	Achieved a 'b' grading	N/A	Achieved a 'b' grading	Ministry of Health Register of Community Drinking Water Suppliers Grading Report
Provide a reliable water supply service: Fewer than four unplanned supply cuts per 1000 connections	2.9	2.7	N/A	1.9	Operations and Maintenance Contract Monthly Report
Respond promptly to water supply disruptions: ≥ 97% of requests responded to within one hour of notification	100%	98.8%	N/A	97.2%	Operations and Maintenance Contract Monthly Report
Maintain the average unmetered water consumption in Hutt City: Less than 350 litres per head per day	308 litres	290 litres	N/A	280 litres	Monthly Management Report – sourced from the Metered Water Consumption Data Report and Greater Wellington Regional Council Consumption Report

Note: Survey percentages quoted exclude those who responded 'don't know'. Some percentages have been rounded and may not equal 100. We work to meet these measures through Capacity.

Statement of Comprehensive Income

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	2,118	2,310	(192)	2,156
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	4	35	(31)	9
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	213	114	99	60
Other Revenue	-	-	-	-
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	2,335	2,459	(124)	2,225
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	357	357	-	319
Operating Costs	10,174	10,586	412	10,133
Loss on Property Disposals	-	-	-	-
Finance Cost	313	313	-	331
Depreciation	3,277	3,220	(57)	3,248
Total Expenditure	14,121	14,476	355	14,031
DEFICIT BEFORE TAX	(11,786)	(12,017)	231	(11,806)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(11,786)	(12,017)	231	(11,806)
Add Capital Contributions	(4)	(35)	31	(9)
Total Rates Funding Requirement	(11,790)	(12,052)	262	(11,815)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(2,313)	(2,489)	176	(1,793)
Capital Expenditure - to improve level of service	(241)	(476)	235	(92)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	4	35	(31)	9
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	3,277	3,220	57	3,248
Total Loan Funding Requirement	727	290	437	1,372
TOTAL FUNDING REQUIREMENT	(11,063)	(11,762)	699	(10,443)

Funding Impact Statement

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	-	12,387	11,815	12,010
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	14,121	14,476	2,365	2,156	2,310
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	14,121	14,476	14,752	13,971	14,320
Applications of operating funding					
Payments to staff and suppliers	10,174	10,586	10,874	10,133	10,360
Finance costs	313	313	321	331	330
Internal charges and overheads applied	357	357	361	319	372
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	10,844	11,256	11,556	10,783	11,062
Surplus (deficit) of operating funding (A-B)	3,277	3,220	3,196	3,188	3,258
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	4	35	41	9	40
Increase (decrease) in debt	(727)	(290)	(824)	(1,372)	(860)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(723)	(255)	(783)	(1,363)	(820)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	241	476	154	92	440
- to replace existing assets	2,313	2,489	2,259	1,793	1,998
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	2,554	2,965	2,413	1,885	2,438
Surplus (deficit) of capital funding (C-D)	(3,277)	(3,220)	(3,196)	(3,248)	(3,258)
Funding balance ((A-B)+(C-D))	-	-	-	(60)	-

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was under budget mainly due to less income from metered water consumers and Development Contributions. There was increased income from vested assets. Expenditure was under budget mainly due to reduced bulk water charges.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Hawthorn Crescent - Main/Rider/Services Renewals	225	200	(25)
Kelson PS Renewal	491	468	(23)
Kingsley Street Reservoir Outlet Main Renewal Stage 2	282	315	33
Konini Road Reservoir Outlet Main - Main/Services Renewals	99	127	28
Minor Works (Water Supply)	83	150	67
Pump Station Minor Works	120	100	(20)
Reservoir Minor Work	69	51	(18)
SCADA Renewals Water Supply	44	100	56
Kelson/Fairway Drive Link Main Renewal Stage 2	516	405	(111)
Konini Road Reservoir Outlet Main Renewal Stage 2	117	250	133
Stokes Valley Road - Main/Rider/Services Renewals Stage 2	267	323	56
Capital to Improve Level of Service			
Emergency Water Supply Earthquake Mitigation	149	154	5
Kelson/Fairway Drive Link Main	92	322	230

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Approximately \$2.6 million was spent on upgrading and maintaining the water main network and pumping stations in the city. Significant projects included renewal of the Kelson Pump Station, Kingsley Street Reservoir Outlet Main, Konini Road Reservoir Outlet Main, Kelson/Fairway Drive Link Main, Stokes Valley Road Water Main and Hawthorn Crescent Water Main.

Four projects weren't completed due to delays in the resource consent process, withdrawal of preferred tender, project scope change and construction delays due to risks associated with wet weather working on steep slopes. The funding to complete these projects has been carried forward into 2014-15.

WASTEWATER

What we do

We provide a piping network that takes household and commercial effluent to the Seaview Wastewater Treatment Plant, which treats it to public health and environmental standards. Opened in November 2001, the resource consents under which the treatment plant now operates ensure that all relevant standards are adhered to, and that full compliance with the Resource Management Act 1991 is achieved. The plant's operation has led to a significant improvement in the environment. We regularly undertake maintenance and upgrades to maintain the required service levels.

Why we do it

By collecting, treating and disposing of wastewater, we provide a service to residents and businesses that supports development in the city and protects the physical environment and our community's health.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with the city wastewater service: ≥ 95% of those expressing an opinion	99%	99%	90%	96% of those expressing an opinion. 4% of residents did not express an opinion	NRB Communitrak Survey
No resource consent-related infringement notices received from Greater Wellington Regional Council (GWRC): 100% compliance	100% compliance	100% compliance	N/A	100% compliance	Compliance reports from GWRC
Provide a reliable wastewater service: Fewer than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline	0.9	0.74	N/A	0.68	Operations and Maintenance Contract Monthly Report
Respond promptly to wastewater disruptions: ≥ 97% of requests responded to within one hour of notification	100%	97.7%	N/A	98.8%	Operations and Maintenance Contract Monthly Report

Note: Survey percentages quoted exclude those who responded 'don't know'. Some percentages have been rounded and may not equal 100. We work to meet these measures through Capacity.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	1,067	1,091	(24)	963
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	2,397	2,530	(133)	2,580
Capital Subsidies	-	-	-	-
Development Contributions	244	350	(106)	460
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	341	114	227	46
Other Revenue	-	-	-	-
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	4,049	4,085	(36)	4,049
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	790	790	-	766
Operating Costs	11,604	12,086	482	11,956
Loss on Property Disposals	-	-	-	-
Finance Cost	766	766	-	808
Depreciation	6,898	6,853	(45)	6,819
Total Expenditure	20,058	20,495	437	20,349
DEFICIT BEFORE TAX	(16,009)	(16,410)	401	(16,300)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(16,009)	(16,410)	401	(16,300)
Add Capital Contributions	(244)	(350)	106	(460)
Total Rates Funding Requirement	(16,253)	(16,760)	507	(16,760)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(4,101)	(5,048)	947	(4,409)
Capital Expenditure - to improve level of service	(332)	(400)	68	(915)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	244	350	(106)	460
Less UHCC Capital Contributions	377	627	(250)	-
Less Depreciation	6,898	6,853	45	6,819
Total Loan Funding Requirement	3,086	2,382	704	1,955
TOTAL FUNDING REQUIREMENT	(13,167)	(14,378)	1,211	(14,805)

Funding Impact Statement

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	16,594	16,874	15,827	16,760	16,173
Subsidies and grants for operating purposes	2,397	2,530	2,391	2,580	2,420
Fees, charges and targeted rates for water supply	1,067	1,091	1,110	963	1,084
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	20,058	20,495	19,328	20,303	19,677
Applications of operating funding					
Payments to staff and suppliers	11,604	12,086	11,182	11,956	11,374
Finance costs	766	766	784	808	808
Internal charges and overheads applied	790	790	808	766	833
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	13,160	13,642	12,774	13,530	13,015
Surplus (deficit) of operating funding (A-B)	6,898	6,853	6,554	6,773	6,662
Sources of capital funding					
Subsidies and grants for capital expenditure	-	627	696	-	666
Development and financial contributions	244	350	420	460	410
Increase (decrease) in debt	(2,709)	(2,382)	(2,723)	(1,955)	(2,359)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(2,465)	(1,405)	(1,607)	(1,495)	(1,283)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	332	400	870	915	850
- to replace existing assets	4,101	5,048	4,077	4,409	4,529
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,433	5,448	4,947	5,324	5,379
Surplus (deficit) of capital funding (C-D)	(6,898)	(6,853)	(6,554)	(6,819)	(6,662)
Funding balance (A-B)+(C-D)	-	-	-	(46)	-

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Wastewater Flow Management Wainuiomata	78	100	22
Rising Main Vulnerability Assessment	50	50	-

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was under budget mainly due to less income from user charges, operating subsidies and development contributions. The income from vested assets was higher than budget. Expenditure was below budget mainly due to reduced operating costs for trunk wastewater, including favourable insurance costs and a one-off tax change credit. The favourable operating costs resulted in a lower operating subsidy than budget.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Cheviot Road Sewer Renewals	89	90	1
Local Pumping Station Wastewater	97	82	(15)
Minor Asset Renewals	160	170	10
Naenae Sewer Renewal	382	300	(82)
Pressure Testing of Sewers	213	300	87
SCADA Renewals Wastewater	28	27	(1)
Trunk DBO Asset Replacement Fund	1,170	1,238	68
Trunk Non-DBO Minor Works	10	10	-
Trunk DBO Pipeline Cyclic Replacement	38	578	540
Tui Street Sewer Renewals	220	270	50
Vista Grove Sewer Replacement	7	290	283
Wainuiomata Catchment Sewer Renewals	1,441	1,323	(118)
Westhill/Howard Sewer Renewal	246	370	124
Capital to Improve Level of Service			
Trunk DBO Type A Network Development	142	200	58
Trunk DBO Type B Network Development	190	200	10

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Approximately \$1.5 million was spent on upgrades and maintenance to the trunk sewer network. Tenders for the Trunk DBO Pipeline Cyclic Replacement project were not accepted and the seasonal dependent project was deferred to 2014-15. Work continued on sewer renewals in local sewer networks with spending at approximately \$2.9 million. Significant projects included sewer renewals in Wainuiomata, Naenae, Tui Street and Westhill/Howard Roads.

The Vista Grove Sewer Replacement project was deferred to 2014-15 due to an access issue with the owner. Options are being investigated by Council. Year-end underspend is due to the two carryover projects, favourable contract prices and changes of scope to projects during the investigation phase.

STORMWATER

What we do

We provide a stormwater drainage system to manage the surface water run-off from urban catchments, providing flood protection and control. Our objective is to achieve the best possible balance between the level of protection and the cost to our community. This includes maintaining and upgrading assets to maintain the required service levels.

Why we do it

Most of the development in Hutt City is concentrated on flat valley plains with the potential for flooding. We need to control stormwater to protect our community's health and safety and minimise property damage. A comprehensive stormwater system is the most efficient way to do this.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with the city stormwater service: ≥ 80% of those expressing an opinion	90%	87%	83%	84% of those who expressed an opinion. 2% of residents did not express an opinion	NRB Communitrak Survey
Provide a reliable stormwater service: Fewer than 0.5 stormwater incidents reported per kilometre of stormwater pipeline	0.0595	0.09	N/A	0.09	Operations and Maintenance Contract Monthly Report
Achieve water quality at main recreational beaches: 90% of sampling days when water quality meets Ministry for the Environment guidelines	92%	89%	N/A	83%	Operations and Maintenance Contract Monthly Report
Respond promptly to stormwater disruptions: ≥ 97% of requests responded to within one hour of notification	100%	98.4%	N/A	97.2%	Operations and Maintenance Contract Monthly Report

Note: Survey percentages quoted exclude those who responded 'don't know'. Some percentages have been rounded and may not equal 100. We work to meet these measures through Capacity.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	5	3	2	3
Operating Subsidies and Grants	17	9	8	8
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	5	150	(145)	22
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	321	114	207	56
Other Revenue	-	-	-	-
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	348	276	72	89
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	339	339	-	323
Operating Costs	3,373	3,509	136	3,306
Loss on Property Disposals	-	-	-	-
Finance Cost	472	472	-	498
Depreciation	2,970	2,916	(54)	2,935
Total Expenditure	7,154	7,236	82	7,062
DEFICIT BEFORE TAX	(6,806)	(6,960)	154	(6,973)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(6,806)	(6,960)	154	(6,973)
Add Capital Contributions	(5)	(150)	145	(22)
Total Rates Funding Requirement	(6,811)	(7,110)	299	(6,995)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(259)	(351)	92	(792)
Capital Expenditure - to improve level of service	(699)	(711)	12	(1,774)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	5	150	(145)	22
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	2,970	2,916	54	2,935
Total Loan Funding Requirement	2,017	2,004	13	391
TOTAL FUNDING REQUIREMENT	(4,794)	(5,106)	312	(6,604)

Funding Impact Statement

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,132	7,224	7,073	6,995	7,103
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	17	9	7	8	7
Fees, charges and targeted rates for water supply	5	3	3	3	3
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	7,154	7,236	7,083	7,006	7,113
Applications of operating funding					
Payments to staff and suppliers	3,373	3,509	3,341	3,306	3,313
Finance costs	472	472	483	498	498
Internal charges and overheads applied	339	339	348	323	359
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,184	4,320	4,172	4,127	4,170
Surplus (deficit) of operating funding (A-B)	2,970	2,916	2,911	2,879	2,943
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	5	150	174	22	170
Increase (decrease) in debt	(2,017)	(2,004)	(1,162)	(391)	(773)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(2,012)	(1,854)	(988)	(369)	(603)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	699	711	1,172	1,774	1,590
- to replace existing assets	259	351	751	792	750
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	958	1,062	1,923	2,566	2,340
Surplus (deficit) of capital funding (C-D)	(2,970)	(2,916)	(2,911)	(2,935)	(2,943)
Funding balance ((A-B)+(C-D))	-	-	-	(56)	-

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Waiwhetu Stream Flood Management Plan	2	50	48

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was higher than budget mainly due to more income from vested assets. We did however receive less income from development contributions. Expenditure was under budget mainly due to reduced operating costs.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Minor Works Stormwater	79	120	41
SCADA Renewals Stormwater	42	26	(16)
Tawhai Street Stormwater Renewal	56	128	72
Total Renewals Utilities Stormwater	82	77	(5)
Capital to Improve Level of Service			
Awamutu Stream	248	250	2
Hutt River Backflow Electrical	193	205	12
Hutt River Floodplain	258	256	(2)

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Approximately \$1 million was spent on stormwater upgrades and renewals across the city. This work included channel upgrade works within the lower reaches of the Awamutu Stream and stormwater outlet upgrading works as part of Hutt River flood protection work being undertaken by GWRC.

SOLID WASTE

What we do

We manage contracts for the collection of the city's refuse and recycling, and own and operate a landfill and a cleanfill where people and businesses can dispose of residual waste.

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.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with:					NRB Communitrak Survey
- rubbish collection ≥ 93% of those expressing an opinion	92%	95%	93%	93% of residents expressing an opinion. 10% of residents did not express an opinion	
- refuse disposal ≥ 91% of those expressing an opinion	91%	81%	85%	83% of residents expressing an opinion. 18% of residents did not express an opinion	
- recycling ≥ 86% of those expressing an opinion	94%	93%	90%	93% of residents expressing an opinion. 4% of residents did not express an opinion	
No resource consent-related infringement notices received from GWRC: 100% compliance	100% compliance	100% compliance	N/A	100% compliance	Compliance reports from GWRC

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100. We work to meet these measures through Capacity.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	12,911	10,652	2,259	10,949
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	(3)	1	(4)	78
Gain/(Loss) on Property Disposals	8	-	8	-
Total Revenue	12,916	10,653	2,263	11,027
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	182	182	-	164
Operating Costs	7,091	5,105	(1,986)	5,721
Loss on Property Disposals	-	-	-	(231)
Finance Cost	305	-	(305)	315
Depreciation	546	562	16	507
Total Expenditure	8,124	5,849	(2,275)	6,476
SURPLUS BEFORE TAX	4,792	4,804	(12)	4,551
RATES FUNDING REQUIREMENT				
Surplus Before Tax	4,792	4,804	(12)	4,551
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	4,792	4,804	(12)	4,551
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	-
Capital Expenditure - to improve level of service	(1,100)	(722)	(378)	(2,470)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	546	562	(16)	507
Total Loan Funding Requirement	(554)	(160)	(394)	(1,963)
TOTAL FUNDING REQUIREMENT	4,238	4,644	(406)	2,588

Funding Impact Statement

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	(5,992)	(6,004)	(7,016)	(5,751)	(6,831)
Targeted rates (other than a targeted rate for water supply)	1,200	1,200	1,229	1,200	1,200
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	12,911	10,652	12,162	10,949	11,877
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	1	10	78	10
Total operating funding (A)	8,124	5,849	6,385	6,476	6,256
Applications of operating funding					
Payments to staff and suppliers	7,091	5,105	5,747	5,490	5,612
Finance costs	305	-	-	315	-
Internal charges and overheads applied	182	182	174	164	179
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	7,578	5,287	5,921	5,969	5,791
Surplus (deficit) of operating funding (A-B)	546	562	464	507	465
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	554	160	258	1,963	1,730
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	554	160	258	1,963	1,730
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	1,100	722	722	2,470	2,195
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,100	722	722	2,470	2,195
Surplus (deficit) of capital funding (C-D)	(546)	(562)	(464)	(507)	(465)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was over budget at year end due to higher volumes at the landfills. About \$1 million of the revenue relates to treatment of the Ministry for the Environment levy which is offset by a similar overspend in operating costs. The finance costs variance relates to landfills aftercare costs.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Cleanfill Site Development	-	10	10
Silverstream Landfill Stage 2, Design and Construction	1,092	712	(380)
Wainuomata Landfill - Closure Costs	8	-	(8)

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

The development of the Silverstream Landfill is an ongoing project to provide for future solid waste disposal in the Hutt Valley. The overspend was due to bringing forward planned development work to cater for higher volumes which will be offset by savings in the next financial year. No further development of the Cleanfill Site was carried out.



We Are
ECO-MINDED

GROUP ENVIRONMENT

Contributing to Environmental Sustainability and making Hutt City a great place to live, work and play.

The activities undertaken in Group Environment contribute to our Environmental Sustainability Strategy.

SUSTAINABILITY AT HUTT CITY SCHOOLS

This year, Hutt City Enviroschools was extended to kindergartens across the region. Extending support for sustainability action to the early childhood sector in partnership with the Hutt Kindergarten Association marks a significant milestone for Hutt City Council as it responds to demand in the community for support in this area.

Hutt City Enviroschools are supported through regional and local facilitators who work with each school individually to map out paths towards becoming more sustainable.

Implementing actions around recycling systems, composting, gardening, water and energy conservation can all be part of the journey.

Hutt City is home to 13 Enviroschools, three of which have now reached 'Green Gold' achievement level, the highest achievement level within Enviroschools. Initially five Hutt City kindergartens have committed to an ongoing sustainability journey through the Enviroschools Programme: Naenae, Boulcott, Kelson, Waiwhetu, and Arakura. Once the programme is progressing well with the original five kindergartens, the intention is to develop this model to include more kindergartens with support from the "foundation" group of five.

“Enviroschools offers Hutt City Council a dynamic and effective vehicle to implement our sustainability strategy. It gives schools access to Council and enables us to deliver effective sustainability messages to schools.”

Mayor Ray Wallace, Hutt City Council



HIGHLIGHTS

Sustainable Fleet Vehicle Policy

The Sustainable Fleet Vehicle Policy has now been implemented at Council with GPS systems fitted to all fleet cars. As a result, fuel efficiency and driver behaviour has improved. The workplace travel plan continues to offer subsidies to encourage staff to use public transport and to cycle to work, and Council now provides one electric bike and three pedal bikes for staff to use for site visits and lunchtime exercise.

Business Sustainability

Our Sustainability Team works closely with the Hutt Valley Chamber of Commerce to deliver events such as Sustainable Business Network meetings. Business sustainability presentations were delivered through a series of breakfast events and will reoccur in the 2014-15 financial year.

Sustainable Living Centre

A temporary Sustainable Living Centre is now up and running which was created through the About Space programme, situated at 151 High Street in an empty shop. Hutt City Transition Towns and our sustainability officers have helped to develop the interactive education and information hub. A coordinator role has now been established, which is partly funded by Council. It is hoped that the Centre will become a permanent CBD fixture in the near future.

Community Unity Project

Council now provide funding assistance to the Epuni School Community Unity Project which brings together the local community and the school to teach children how to grow, cook food and make healthy food choices. The project also provides for bike repair and sewing lessons.

Eco Fashion Show

Our inaugural Eco Fashion Show took place in September with two evenings of catwalk shows displaying a number of national and international designers' creations. This is now an annual event that has been enthusiastically supported by local businesses.

World of Waste

World of Waste tours have been successfully running for several years now, and are aimed at Hutt City primary and intermediate schools. The World of Waste is a full day field trip that includes tours of Waste Management's recycling sorting depot, Silverstream Landfill and Earthlink's recycling shop and operations. The tour and associated teacher support is designed to enhance students' understanding about the nature and volume of waste that households and schools generate, and to offer alternative ideas to landfill disposal.

Waste Diversion from Silverstream Landfill

Council contract Earthlink to maintain a presence at the landfill to encourage users to recycle items such as waste electronics, bikes, ovens, beds, mowers and furniture, and some reusable items are dismantled at the landfill. Earthlink also provides a free recycling service for e-waste for all Hutt City residents, and maintains a curtain bank for Community Card holders.

Keep Hutt City Beautiful

The annual Keep Hutt City Beautiful Week campaign included both a Petone clean-up and a Wainuiomata clean-up. There were 40 volunteers in total, including 10 divers, who took to the water around Petone Wharf. The divers collected 138 kilograms of rubbish, with the surface volunteers collecting a further 38 kilograms. The volunteers in Wainuiomata collected over 10 bags of rubbish at Hugh Sinclair Park and surrounding areas.

Eco Design Advisor

Council now has a free Eco Design Advisor service for all Hutt City residents. The advisor offers independent advice to the public on how to make their homes warmer, drier and healthier. Advice is also given on suggested changes to house plans in order to take advantage of solar gain, thermal efficiency, types of insulation, and so on; with an emphasis on making houses more efficient at no additional cost.

Silver Lining

Council contracts WelTec to deliver the Silver Lining programme which aims to help businesses reduce waste to landfills by funding waste audits and finding solutions for difficult waste streams. The Earthlink contract was renewed and aims to divert waste from landfill and e-waste collection through education and awareness raising. One of the most successful projects has been a project to upcycle old uniforms into children's clothes, which has become an exciting new business.

Friends of Waiwhetu Stream

Council provided Friends of Waiwhetu Stream with over 1,500 eco-sourced native plants along Riverside Drive South in order to protect two small clumps of the native aquatic species *schoenoplectus validus* (lake clubrush). Planting was continuous from July, including native ferns along the stream edge, and 23 small plantings from Bell Road to Waddington Drive.

Group Environment Performance Summary

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Environmental Management	16 out of 18 performance measures were achieved this year covering satisfaction with Animal Services, parking, and environmental health services; compliance with processing times for LIMs, building consents, PIMs, resource consents, solar panel applications, premise and code compliance certificates; monitoring of resource consents; Animal Services opening hours; and response to dog attacks, but were 4% behind target for our response to other dog complaints at 91%. Our aim is to have 100% of fireplace applications processed within five days however we had two processed within six days resulting in being 7% below target at 93%.
Emergency Management	All three performance measures were achieved covering household preparedness for civil defence emergencies and response to emergencies and rural fires.

Group Environment Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENTS
	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	ACTUAL 30 JUNE 2014 \$
Environmental Management	(6,738)	(6,070)	(5,690)	65.48
Emergency Management	(731)	(796)	(736)	7.10

Note: The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2013-2014 Annual Plan and the previous year.

Note: 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.

Group Environment Funding Impact Statement

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,469	6,866	6,492	6,426	6,612
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	9	-	350	341	341
Fees, charges and targeted rates for water supply	3,620	3,030	3,440	3,149	3,359
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,061	1,021	194	789	190
Total operating funding (A)	12,159	10,917	10,476	10,705	10,502
Applications of operating funding					
Payments to staff and suppliers	9,604	8,369	7,835	8,576	7,781
Finance costs	-	-	-	-	-
Internal charges and overheads applied	2,508	2,505	2,610	2,091	2,690
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	12,112	10,874	10,445	10,667	10,471
Surplus (deficit) of operating funding (A-B)	47	43	31	38	31
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(47)	(43)	(31)	565	(31)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(47)	(43)	(31)	565	(31)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	-	-	-	515	-
- to replace existing assets	-	-	-	88	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	603	-
Surplus (deficit) of capital funding (C-D)	(47)	(43)	(31)	(38)	(31)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

ENVIRONMENTAL MANAGEMENT

What we do

This activity includes:

- developing, implementing and monitoring the District Plan, relevant bylaws and other environmental policies and plans for Hutt City's sustainable development
- providing resource management and building consents and inspections, and environmental health and animal services
- regular monitoring to ensure compliance with legislative requirements, the District Plan, resource and building consent conditions and bylaw requirements
- inspections of business and food premises, certifications, liquor licensing law compliance and pollution and trade waste control, and monitoring beaches to promote and protect public health and safety
- monitoring and controlling noise and hazardous substances.

Why we do it

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment. It's also a legal requirement for Hutt City Council.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with:					
- animal services ≥ 82% of those expressing an opinion	89%	87%	81%	82% of those expressing an opinion. 8% of residents did not express an opinion	NRB Communitrak Survey
- parking services ≥ 65% of those expressing an opinion	78%	69%	69%	83% of those expressing an opinion. 2% of residents did not express an opinion	NRB Communitrak Survey
- environmental health services ≥ 75%	100%	100%	N/A	90%	Independent Customer Survey
Land Information Memoranda's (LIMs) processed to comply with statutory requirements: ≥ 90% processed within nine working days	98%	100%	N/A	98%	Independent Customer Survey
Building consent/project information and resource consents processed to comply with the Building Code, Resource Management Act 1991 (RMA) and District Plan requirements: ≥ 80% of building and non-notified land use consents processed within 18 working days	100% of building consents and 99% of non-notified land use consents	99% of building consents and 96% of non-notified land use consents	N/A	85% of building consents and 99% of non-notified land use consents	Monthly Management Reports
Resource consents are monitored within five working days of being notified that development is commencing or within six months of the consent being granted, whichever is the sooner: ≥ 90% of resource consents monitored within these timeframes	99% of resource consents monitored within 5 working days 100% of resource consents monitored within six months of the consent being granted	99% of resource consents monitored within 5 working days 100% of resource consents monitored within six months of the consent being granted	N/A	100% of resource consents monitored within 5 working days 100% of resource consents monitored within six months of the consent being granted	Computer Database Records
Requests for service referred to RMA monitoring and enforcement team responded to within required timeframes: 100% acknowledged within 24 hours	99%	100%	N/A	100%	Computer Database Reports
Building consents for fireplaces processed in a timely manner: 100% processed within five working days	100%	100%	N/A	93%	Computer Database Reports

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Building consents for solar panels processed in a timely manner: 100% processed within five working days	100%	100%	N/A	100%	Computer Database Reports
Food premises operating under the Food Hygiene Regulations 1974: ≥ 90% registered or licensed within 30 days of application Food premises with a Food Control Plan operating under the Food Act 1981: ≥ 90% registered or licensed within three months	100%	100%	N/A N/A	99% 95%	Computer Database Reports
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act 2004: 100% issued within 20 working days; 80% issued within 18 working days	100% issued within 20 working days 100% issued within 18 working days	100% issued within 20 working days 100% issued within 18 working days	N/A	99% issued within 20 working days 95% issued within 18 working days	Computer Database Records
Animal Service Centre open 300 days per year: 100%	100%	100%	N/A	100%	Monthly Management Reports
Dog complaints are responded to: - within 30 minutes for dog attacks ≥ 95% - within 24 hours for other complaints ≥ 95%	99% 98%	96% 97%	N/A N/A	100% 91%	Monthly Management Reports
Noise complaints responded to within 45 minutes: ≥ 85%	97.5%	97%	N/A	92%	Computer Database Records

Note: Survey percentages quoted exclude those who responded 'don't know'. Some percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	3,618	3,018	600	3,140
Operating Subsidies and Grants	9	-	9	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	1,061	1,021	40	756
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	4,688	4,039	649	3,896
EXPENDITURE				
Employee Costs	5,511	5,399	(112)	5,232
Support Costs	2,330	2,327	(3)	1,832
Operating Costs	3,573	2,365	(1,208)	2,514
Loss on Property Disposals	-	-	-	-
Finance Cost	-	-	-	-
Depreciation	12	18	6	8
Total Expenditure	11,426	10,109	(1,317)	9,586
DEFICIT BEFORE TAX	(6,738)	(6,070)	(668)	(5,690)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(6,738)	(6,070)	(668)	(5,690)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(6,738)	(6,070)	(668)	(5,690)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	-
Capital Expenditure - to improve level of service	-	-	-	(515)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	12	18	(6)	8
Total Loan Funding Requirement	12	18	(6)	(507)
TOTAL FUNDING REQUIREMENT	(6,726)	(6,052)	(674)	(6,197)

Significant Operating Variations from the 2013-14 Annual Plan

Revenue is over budget due to higher consent fees offset by additional salaries to cater for additional consent activity and unbudgeted costs related to weathertightness home claims.

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

There were no significant asset acquisitions, replacements or variations from the Annual Plan.

EMERGENCY MANAGEMENT

What we do

Civil Defence Emergency Management (CDEM) within Hutt City is managed by the Wellington Region Emergency Management Office (WREMO). WREMO is a semi-autonomous team supporting all nine councils of the region. This new organisation, created on 2 July 2012, presents an opportunity to deliver more from existing resources by taking a coordinated, integrated, holistic and functional approach to the design and delivery of CDEM services, building on established relationships within and between councils, within the community, and with traditional emergency service partners such as Police, Fire, District Health Boards etc.

WREMO has two primary missions:

1. Building resilience in the community - resilient households, businesses, neighbourhoods, and therefore communities are better able to withstand the effects of, respond to, and recover from a disaster
2. Building and maintaining operational readiness capability - ensuring emergency management facilities, systems and partners are capable of responding effectively in the event of a disaster.

Pending the establishment of an Enlarged Rural Fire District (ERFD) which will manage our obligations under the Forest and Rural Fires Act 1975, WREMO staff will continue to manage the city's rural fire obligations. From 1 October 2013, the new ERFD team based out of Porirua will manage the current rural fire operational responsibilities of Upper Hutt, Hutt City, Wellington, Porirua and Kapiti Coast councils.

Why we do it

The Wellington region has a well-established risk profile of hazards. These include earthquakes, tsunami, flooding, storms, landslides, utility failures, drought, fire, biological, chemical and terrorism threats. There is much, however, that we can do to reduce the impact and consequences of these hazards on our community. Our approach to emergency management and rural fire is therefore based on the established principles of reduction of risk, readiness, response and recovery.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Percentage of households that are prepared for a civil defence emergency: ≥ 60% of those expressing an opinion	80%	78%	N/A	83% of those expressing an opinion. 1% of residents did not express an opinion	NRB Communitrak Survey
We respond to emergencies in accordance with the Wellington Region Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002: 100%	100%	100%	N/A	100%	Monthly Management Reports and Debrief Notes
We respond to rural fires in accordance with the Hutt City Rural Fire Plan and the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005: 100%	100%	100%	N/A	100%	Wellington Regional Rural Fire Committee

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	2	12	(10)	9
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	341
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	-	-	-	33
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	2	12	(10)	383
EXPENDITURE				
Employee Costs	-	-	-	(6)
Support Costs	178	178	-	259
Operating Costs	520	605	85	836
Loss on Property Disposals	-	-	-	-
Finance Cost	-	-	-	-
Depreciation	35	25	(10)	30
Total Expenditure	733	808	75	1,119
DEFICIT BEFORE TAX	(731)	(796)	65	(736)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(731)	(796)	65	(736)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(731)	(796)	65	(736)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	(88)
Capital Expenditure - to improve level of service	-	-	-	-
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	35	25	10	30
Total Loan Funding Requirement	35	25	10	(58)
TOTAL FUNDING REQUIREMENT	(696)	(771)	75	(794)

Significant Operating Variations from the 2013-14 Annual Plan

Expenditure was under budget mainly due to savings in specialist services costs.

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

There were no significant asset acquisitions, replacements or variations from the Annual Plan.



We Are
GROWING

GROUP ECONOMY

Contributing to growth
and development and
making Hutt City a great
place to work.

The activities undertaken by Group Economy contribute to our long term strategy for growth and development in our city, and includes the Urban Growth Strategy 2012-2032.

A NEW VISION FOR OUR CBD

Following on from the Council decision to retain and strengthen the main Administration Building, budget allowance was made to upgrade the Town and Horticultural Halls. Council's seismic strengthening working group spent time with an expert team of engineers and architects exploring options to develop a new multipurpose Civic Centre.

After careful consideration of around 15 options, Council decided on option 3E+ with budget initially provided between the 2015-17 financial years. This option was to involve the demolition of both halls.

Council's seismic strengthening working group commissioned an independent survey in the New Year to gauge opinion on a new option for the Civic Centre. Option 3F would

retain and upgrade the heritage of the Town Hall while replacing the Horticultural Hall with a modern, flexible space for community, conference, event and exhibition use. Following a positive response from the public, option 3F was included in the Draft Annual Plan 2014-15 public consultation. Option 3F was chosen and the budget was brought forward to the 2014-16 financial years allowing for the earliest possible start and completion.

Staff were relocated to 531 High Street in early April so that work could commence on the partial demolition of the Administration Building prior to its seismic strengthening. Demolition specialists have carefully removed internal walls and fixtures to make way for big machinery for the major aspect of the demolition, the west wing. Detailed design work is currently underway with the replacement of the Horticultural Hall and upgrade of the Town Hall expected to commence early in 2015, with the new building opening in 2016.

"The facility will enable us to host events and conferences that will greatly boost the vibrancy of the central Hutt and play a big part in driving our local economy forward."

Mayor Ray Wallace, Hutt City Council



Artist's impression of option 3F

HIGHLIGHTS

Economic Development Incentive Policies

Our Economic Development Incentives policies are in place to encourage businesses to establish themselves long term in the CBD. There is also the additional incentive that if certain criteria is met the development will also be eligible for 100% rates remission for up to five years. As a direct result there were 35 commercial and residential developments across the Hutt Valley that had fees remitted, totalling \$873,000. This is \$714,000 more than the year previous, an increase of 82%.

Dowse Square Award

The Dowse Square, at the heart of our Civic Centre precinct, won an award in the Planning and Urban Design category at the annual New Zealand Institute of Architects (NZIA) awards. Described as a 'refreshing and sustaining community asset' and a 'catalyst for future local development' by NZIA, the Dowse Square will serve as a focal point for the remaining work to be completed in and around the precinct.

WelTec Scholarships for Engineering

Council joined engineering companies KiwiRail, Fraser Engineering, Beca, Spencer Holmes, Opus and others to provide scholarships for students to study diplomas and degrees in engineering at WelTec in Petone. At \$25,000 per annum, Council views the investment in young people who wish to study engineering at an advanced level as critical to ensuring our innovation-led companies can continue to grow.

About Space

About Space had another successful year hosting pop-up stores across the city. To name a few; Rudolph Steiner School set up a Performing Arts Showcase which included a Shakespearian play and a pop-up cinema. The Learning Connexion provided a free one-day art class for students during their lunch break as well as a separate store displaying and selling 12 students' artwork. Discover Your Creativity's display at 151 High Street showcased 100 local artists who exhibited more than 200 items over a range of mediums. The aim of this campaign is to reinvigorate vacant shop spaces in order to aid existing shop owners as well as attract new ones.

huttcity.govt.nz

Council's website went responsive this year and is now more user friendly for smart phones and tablet devices. The Association of Local Government Information Management (ALGIM) has since rated huttcity.govt.nz the 17th best Council website in New Zealand in 2014, up from 61st in 2013.

GIS Viewer

A new GIS application for our GIS Viewer was introduced combining existing maps, property, rates and Land Information Memorandum (LIM) requests. New features include District Plan maps, wind zones, sewer, stormwater and water main details. New historic aerial images have also been made available online through our GIS Viewer. The images are on a slider so that users can slide their way from 1939 to 2010 and see how the land has changed.

Mural Art Competition

In January Naylor Love and Council coordinated the Mural Art Competition. Children from primary and intermediate schools across Hutt City were invited to take part, depicting what they love about living in Hutt City on hoarding boards. The materials were donated by Carters and Resene Paints and, following the judging, were given a protective coat and now surround the building site, to remain for the duration of the project.

Science Education in Hutt City

A report was commissioned by Council that looks at the current state of science education in secondary schools in Hutt City. This report puts forward recommended actions for making strong connections between schools and industry. We will now work with school students, teachers and principals as well as local businesses and tertiary education providers to ensure all the links are being made.

The Hutt Valley Primary Science Education Network was launched by Education Minister Hekia Parata in February at an event jointly hosted by Council and the Open Polytechnic. The collaborative network will provide a platform to build a strong collegial leadership base in science teaching in Hutt City primary schools with principals and teachers sharing their experiences to encourage more young people to study science.

Stopbank Upgrades

We have been working with GWRC and the NZTA to maximise the potential of planned stopbank upgrades and SH2 improvements at Melling. It is hoped that a strong connection can be created between the CBD and river, that future building development can open directly onto a riverside promenade, that high levels of amenity can be designed into redeveloped floodplains, and that traffic benefits will result for vehicles, cyclists, public transport, and pedestrians. The construction of new stopbanks is expected to start in 2017.

Bus Shelter Improvements in CBD

We have been focusing on improving bus waiting facilities in the CBD. Issues being addressed include the grouping of waiting facilities, public safety, good quality public space, walking connections, and future retail opportunities. Short term improvements have been carried out at Bunny Street to alleviate immediate public safety concerns. Design of the long term improvements is expected to be agreed during 2014-15.

Technology and Minoh

In March, NEC New Zealand partnered with Council to install Live Skype Windows with our Sister City in Minoh, Japan that allows for real time cultural exchanges. The conferencing links were established at Epuni Primary School and Todoromi No Mori Gakuen, Tui Glen School and Saito No Oka Gakuen, and our War Memorial Library and the Multicultural Centre in Minoh.

LITTLE Café

LITTLE Café opened next to the War Memorial Library in February to positive acclaim in the Dominion Post. Fitted out by award-winning architect Mary Daish, the modern space focuses on using locally-sourced ingredients like organic milk, yoghurt and cheese, cordials and beverages.

Petone Town Clock Centennial

The centennial of the Petone Town Clock was marked in July. Organised by the Jackson Street Programme, there was a parade of vintage cars, a Town Crier, a colouring-in competition, performances by local talents, and cake for 300. Mayor Ray Wallace and Mayoress Linda Goss-Wallace dressed in period costume to cut the ribbon to formally mark the occasion.

Sculpture for Seaview

Council facilitated a partnership between the E Tu Te Awakairangi Hutt Public Arts Trust and the Seaview Gracefield Working Group to commission a significant public sculpture in Seaview Gracefield. This will be a signifier of this important industrial region. Advanced planning is currently underway with the expectation of construction and completion over the next 12 months.

Rimutaka Cycle Trail

The Rimutaka Cycle Trail was officially opened in October by the Prime Minister at the start of the regional trail in Petone. It runs up the Hutt River Trail, over the Rimutaka Rail Trail and beside Lake Wairarapa. The Ocean Beach to Orongorongo coastal section of the Rimutaka Cycle Trail became operational in February 2014 with Council securing land access for the trail and the installation of a new car park at Orongorongo River.

Building Consent Figures on Rise

Building consent figures to March 2014 show a shift in building confidence in the city. Consent values rose from \$69 million for the nine month period to March 2012 to \$114 million for the nine month period to March 2014. This is an increase of 61%.

District Plan Changes

The District Plan is subject to ongoing monitoring and review throughout its lifetime. Plan changes to update the District Plan may be initiated by Council or by individuals and may be required because of new information, because of research, or to respond to the changing needs and values of the community.

District Plan Change 25 – a framework was established that provides for the activities of WelTec while maintaining the amenity of the surrounding areas.

District Plan Changes 26 and 27 – these Plan Changes provide for residential development on surplus recreation land in Stokes Valley.

Group Economy Performance Summary

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Local Urban Environment	Five out of seven performance measures were achieved covering overall look and feel of the city and satisfaction with litter control and recycling, and access to recycling facilities. Use of recycling services was 1% below target at 85% and 8% lower than our previous year. As a result, we had 75 tonnes less recycled per annum than our previous year.
Economic Development	All performance measures were achieved covering satisfaction with the i-SITE Visitor Information Centre and Hutt City's economic performance.

Group Economy Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENTS
	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	ACTUAL 30 JUNE 2014 \$
Local Urban Environment	(983)	(1,055)	(1,310)	9.55
Economic Development	(2,904)	(3,830)	(1,942)	28.22

Note: The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2013-2014 Annual Plan and the previous year.

Note: 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.

Group Economy Funding Impact Statement

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	3,774	4,781	3,859	3,147	4,066
Targeted rates (other than a targeted rate for water supply)	114	114	110	110	110
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	2	1	2	1
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	933	881	877	727	857
Total operating funding (A)	4,821	5,778	4,847	3,986	5,034
Applications of operating funding					
Payments to staff and suppliers	3,980	4,799	3,807	3,026	3,963
Finance costs	45	45	16	16	16
Internal charges and overheads applied	682	682	706	693	728
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,707	5,526	4,529	3,735	4,707
Surplus (deficit) of operating funding (A-B)	114	252	318	251	327
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	1	10	8	5	8
Increase (decrease) in debt	167	1,056	(62)	165	225
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	168	1,066	(54)	170	233
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	271	1,286	231	404	528
- to replace existing assets	11	32	33	17	32
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	282	1,318	264	421	560
Surplus (deficit) of capital funding (C-D)	(114)	(252)	(318)	(251)	(327)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

LOCAL URBAN ENVIRONMENT

What we do

We work to develop an urban environment that will enhance the city's image, attracting people, businesses and investment, and meet our community's needs and aspirations, while recognising the important role of our heritage and features.

We:

- implement environmental policies and plans for Hutt City's sustainable development, including environmental education and promotion
- run an annual waste minimisation programme to promote the concept of 'reduce, reuse, recycle' to businesses and residents.

Why we do it

We recognise that our urban design and infrastructure must support our changing business and community environment. We manage and develop Hutt City's public spaces and preserve our heritage buildings because this benefits both businesses and our community. It contributes to our point of difference from other cities, supporting local cultures and enhancing how we identify ourselves. We manage our waste (through promoting recycling and waste reduction) to maintain our community's health and quality of life.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents feel a sense of pride in the way the city looks and feels: ≥ previous results	90%	87%	N/A	87%	NRB Communitrak Survey
Businesses feel a sense of pride in the way the city looks and feels: ≥ previous results	N/A: measured every 2nd year	49%	N/A	N/A: measured every 2nd year	Biennial Business Survey
Residents' satisfaction with: - litter control: ≥ 86% of those expressing an opinion	94%	89%	87%	89% of those expressing an opinion. 1% of residents did not express an opinion	NRB Communitrak Survey
- recycling: ≥ 86% of those expressing an opinion	93%	97%	90%	93% of those expressing an opinion. 4% of residents did not express an opinion	NRB Communitrak Survey
Percentage of households that have used the recycling service in the previous 12 months: ≥ 86%	86%	93%	N/A	85%	NRB Communitrak Survey
All residents have access to community recycling facilities: 100%	100%	100%	N/A	100%	Monthly Management Reports
Tonnes of recycling per annum: Increasing	7,858	7,853	N/A	7,778	Monthly Management Reports

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	-	-	-	-
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	1	10	(9)	5
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	315	300	15	299
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	316	310	6	304
EXPENDITURE				
Employee Costs	445	414	(31)	423
Support Costs	271	271	-	260
Operating Costs	445	418	(27)	700
Loss on Property Disposals	-	-	-	-
Finance Cost	34	34	-	4
Depreciation	104	228	124	227
Total Expenditure	1,299	1,365	66	1,614
DEFICIT BEFORE TAX	(983)	(1,055)	72	(1,310)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(983)	(1,055)	72	(1,310)
Add Capital Contributions	(1)	(10)	9	(5)
Total Rates Funding Requirement	(984)	(1,065)	81	(1,315)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(11)	(32)	21	(17)
Capital Expenditure - to improve level of service	(240)	(1,286)	1,046	(404)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	1	10	(9)	5
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	104	228	(124)	227
Total Loan Funding Requirement	(146)	(1,080)	934	(189)
TOTAL FUNDING REQUIREMENT	(1,130)	(2,145)	1,015	(1,504)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Heritage Incentives	6	52	46
School Programmes	54	45	(9)
Business Programmes	63	61	(2)
Waste Minimisation Projects	129	113	(16)
Environmental Sustainability Projects	116	115	(1)

Significant Operating Variations from the 2013-14 Annual Plan

There were no significant operating variations. There was a low uptake on Heritage Incentive Grants. Waste minimisation projects and programmes continue to improve which help to support the city's focus on environmental sustainability. Programmes such as waste diversion at the landfill, annual hazardous waste collection, public recycling bins, Keep Hutt City Beautiful, education in schools, and assistance with business recycling and waste diversion continue to be supported. New programmes such as free electronic waste recycling, the Eco Fashion Show, support for Earthlink's Curtain Bank, additional public recycling bins, have necessitated slight spending increases during this period.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Seaview/Gracefield Banners	11	32	21
Capital to Improve Level of Service			
Making Places Projects	194	205	11
Seaview/Gracefield Development	29	81	52
Strategic Property Purchases	15	1,000	985

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

The Making Places project has continued from last year. Projects this year included Riddiford Garden's Upgrade (design development), CBD Bus Stops (design development), Riverside Promenade (design development partnered with GWRC and NZTA), Hotel Study (business case analysis), and CBD Traffic Modelling. Seaview Gracefield projects included Seaview Gracefield New Banners (design and installation) and park bench and picnic table installations. There was no significant spend on the Strategic Property Purchases as no specific property was identified for this purpose.

ECONOMIC DEVELOPMENT

What we do

We take a lead role in encouraging Hutt City's growth through:

- creating a business-friendly environment
- facilitating the expansion and creation of local businesses and employment
- increasing tourism and events in Hutt City
- contributing to regional growth through regional economic development.

Why we do it

We know that individual businesses generally lack incentives to explore opportunities that benefit Hutt City as a whole, as well as themselves. By supporting the business sector and promoting Hutt City as a business location and vibrant city, we generate benefits for local enterprises and our residents.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Businesses' satisfaction with economic development programmes: ≥ 95% of those expressing an opinion	N/A: measured every 2nd year	78.3%	N/A	N/A: measured every 2nd year	Biennial Business Survey
Residents' satisfaction with the i-SITE Visitor Information Centre: ≥ 91% of those expressing an opinion	98%	98%	N/A	98% of those expressing an opinion. 54% of residents did not express an opinion	NRB Communitrak Survey
Hutt City's economic performance according to the annual Economic Development Strategy report to Council, which includes measures such as: Improvement in relative ranking with other cities					
- number of businesses	- 0.6	- 1.0%	N/A	0.4%	Informetrics
- number of full-time equivalents (FTEs) in the workforce	- 0.7%	- 0.7%	N/A	- 0.8%	Informetrics
- Gross Domestic Product (GDP)	2.2%	1.4%	N/A	1.0%	Informetrics
- GDP per capita	1.9%	3.3%	N/A	0.8%	Informetrics
- export sector as proportion of GDP	1.6%	- 1.0%	N/A	This information is no longer collected	Informetrics
- high value sectors as percentage of all sectors (by GDP)	0.55%	3.3%	N/A	- 0.7%	Informetrics

Note: Survey percentages quoted exclude those who responded 'don't know'. Some percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	-	2	(2)	2
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	618	581	37	428
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	618	583	35	430
EXPENDITURE				
Employee Costs	546	545	(1)	480
Support Costs	411	411	-	433
Operating Costs	2,544	3,422	878	1,423
Loss on Property Disposals	-	-	-	-
Finance Cost	11	11	-	12
Depreciation	10	24	14	24
Total Expenditure	3,522	4,413	891	2,372
DEFICIT BEFORE TAX	(2,904)	(3,830)	926	(1,942)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(2,904)	(3,830)	926	(1,942)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(2,904)	(3,830)	926	(1,942)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	-
Capital Expenditure - to improve level of service	(31)	-	(31)	-
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	10	24	(14)	24
Total Loan Funding Requirement	(21)	24	(45)	24
TOTAL FUNDING REQUIREMENT	(2,925)	(3,806)	881	(1,918)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Jackson Street Programme	116	116	-
International Co-operating Cities	22	30	8
Economic Development Strategy	115	140	25
Hutt Valley Chamber Of Commerce	200	200	-
Economic Development Contestable Fund	44	44	-
Science and Technology	63	100	37
Development Stimulus Package	873	1,708	835
CBD Place Maker	175	100	(75)
Regional Amenities Fund	200	200	-
Urban Growth Strategy	121	100	(21)

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was higher than budget, despite reduced revenues from i-SITE sales, due to significantly higher rental income from the Riverbank Market. Expenditure was under budget due to reduced operating costs mainly from an underspend on the Development Stimulus Package which has been carried over to 2014-15.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Improve Level of Service			
Riverbank Market Equipment Purchase	31	-	(31)

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Capital expenditure was over budget due to the purchase of fixed assets relating to the Riverbank Market.



We Are
ACTIVE

GROUP PEOPLE

Contributing to Leisure
and Wellbeing and
making Hutt City a great
place to play.

The activities undertaken in Group People contribute to our long term Leisure and Wellbeing Strategy to 2032. Safety in communities and youth development are important aspects of this, as well as recreation, culture, and improving outcomes in the North East.

FRASER PARK SPORTS CLUBS WORKING TOGETHER

The Sportsville Hutt City project was launched in 2009 as a modern initiative to cluster sports groups across the Hutt region.

Fraser Park Sportsville (FPS) was the first of three Sportsvilles in Hutt City to get off the ground and has eight founding clubs and associations including Avalon Rugby Football Club, Hutt Valley Softball Association, Hutt Valley Dodgers Softball, Naenae Hockey Club, Taita District Cricket, Lower Hutt City AFC, Fraser Park Squash and the National Hockey Stadium Trust. Council recognised the changing preferences in the community for recreation, leisure, and community services and established the Hutt City Community Facilities Trust (CFT) in August 2012. The CFT were tasked to manage the integrated facilities model across the region, promoting strong and inclusive communities.

The 2013-14 financial year has been a very successful one for FPS. Following consultation on the Draft Annual Plan 2014-15 and the overwhelming amount of support received from the public, a further \$6 million of funding was allocated to the project between 2014-16 in addition to the \$6 million already earmarked. An agreement was reached between all FPS member clubs on what they wanted from the grounds and facility, allowing it to go out to tender for both Stage One and the facility design for Stage Two. The tender for Stage One was awarded in May, with work to commence in September 2014. A design brief was sent out to architects for Stage Two for their proposals in June, with construction planned for 2015-16. A key outcome for the Sportsville model is to protect and foster clubs through fit-for-purpose facilities and programmes in one location and FPS is at the forefront of this.

“We’ve found synergies when working with the other clubs and find that we work much better together now. We share many of the same problems and it’s great that we can work together to resolve them.”

Gary Gosper, *Chairman,*
Taita District Cricket Club,
Life Member Avalon Football Club



HIGHLIGHTS

Hutt Safe City

The Hutt Safe City Trust continues to develop and streamline their safety initiatives across the Hutt Valley. Hutt Safe City patrollers covered 16,787 kilometres and were active for 2,216 hours across the region. A Safe City Passport was released providing information on safety in the community and the support groups available. The Good Neighbour Award was also introduced which recognises individuals for going above and beyond in their neighbourhood.

McKenzie Baths

Petone's McKenzie Baths reopened in November following a major \$2.3 million redevelopment. The Baths have a new interactive water play splash pad and the main pool and learner pools' are now both heated. The opening week was a great success, with over 5,000 swimmers hitting the water.

Big Day Dowse

The Big Day Dowse was a huge success this year. With a local all-star musical line-up, the free event attracted more than 8,000 people. There was something for everyone including the Wellington Youth Circus, digital installations, clay sculpture making, food stalls and various craft activities.

Mayor's Taskforce for Jobs

The Mayor's Taskforce for Jobs scheme was officially launched in March. Youth Inspire are the administrators of the pilot programme and have been working with local school-leavers in Wainuiomata, moving them into further education, training or employment. So far, 12 young people have gained employment and a further four have been enrolled in study or training. It is an ambition of Youth Inspire to extend to other parts of Hutt City if the scheme in Wainuiomata continues to be successful.

KiwiSport

In 2010, only 1% of year one to five children in the North East could swim 200 metres. Thanks to perseverance and dedication of KiwiSport 51% now can with the expectation that this will continue to rise. In recognising the importance of youth learning to swim, \$6 million has been allocated by Council over the next two years for a new dedicated learn to swim facility at Huia Pool that will also include hydrotherapy and rehabilitation provisions.

Reading Reboot

During the Christmas holidays, the Reading Reboot programme operated across all eight Hutt City libraries. This year was our biggest Summer Reading Challenge yet, with over 4,000 books read by children taking part in the programme.

Dress for Success

The Dress for Success Breakfast Club for job seekers was successfully piloted between April and May. Many of the participants had never been into a Hutt City Library before and after six weeks of intensive job hunting, coaching and assistance with clothing, four of the 10 attendees who started the course gained employment.

<tek ctrl/>

A six week technology programme titled <tek ctrl/> was piloted for teens in conjunction with Victoria University's School of Engineering. Year 10 to 13 students could come and learn coding, application design, robotics, and game making and averaged six attendees per session.

Business Research Services Launch

Libraries launched Business Research Services in conjunction with the company Research Services in June. The initiative to offer better services to local businesses had clinics once a week at our War Memorial Library and has a dedicated webpage with links to business databases, books and journals. We have been promoting the service with visits to Grow Wellington, Hutt Valley Chamber of Commerce, and Council directorates.

Law for Lunch

A series of lunchtime seminars were run by the Community Law Centre at Naenae and War Memorial libraries on reforms, tenancy issues, relationship property, and wills. 85 people attended these seminars.

Free Bus Campaign

The Dowse Art Museum in partnership with the Learning Connexion launched the Free Bus Campaign, providing free transport for schools visiting The Dowse Art Museum and Petone Settlers Museum.

CarFit

CarFit, the joint project between Council, Hutt Valley District Health Board (HVDHB), Automobile Association (AA) and Community Police was held at Petone Working Men's Club. Designed for older drivers and carried out by volunteers, the programme involved a free 12-point car check.

War Memorial Library Upgrade

The War Memorial Library was reconfigured and upgraded between late November and December. This included a change to the layout, a computer system upgrade and an interior repaint of some sections.

Steinway & Sons

The Little Theatre purchased a new Steinway & Sons piano in May, thanks to fundraising and a grant from Hutt City Council. The \$170,000 piano from Hamburg replaced the former 60 year-old piano. To mark the occasion, Hutt City residents were invited to hear the new piano by local pianist Deirde Irons who performed Vesa Matti-Leppanen.

Naenae Pool Retile

Naenae Olympic Pool was closed in May in order to have the floor resealed and new tiles installed. It reopened in July to a pool party and free fitness sessions for all to enjoy.

Huia Pool Maintenance

Maintenance was undertaken at Huia Pool between July and August including replacement of the hydraulic rams on the removable floor, refurbishment of the women's showers, painting of the changing rooms and installation of automatic doors at the entrance.

Taita Netball Courts and Taita Community and Sport Centre

The Taita Netball Courts were upgraded between January and March for the 4,600 players that use the facility during the netball season. The project included a 25 millimetre asphalt overlay of nine courts, kerb and channel reconstruction, sump and lead and manhole installation, and lighting and towers.

Detailed design for the Taita Community and Sport Centre at the same site were completed by architects Warren and Mahoney and subsequently tendered. Following the allocation of an additional \$1 million in the Annual Plan 2014-15, the contract was awarded to Hawkins Construction, and is now underway. The Centre will include five indoor sports courts, 11 outdoor netball courts, a library, a fitness centre, community space and leasable offices and is due for completion in August 2015.

Petone Sportsville

Petone Sportsville continues to develop their model across Petone Recreation Ground and North Park with the Petone Rugby Football Club joining the fold in December. \$50,000 was allocated in the Annual Plan 2014-15 for a detailed feasibility study into combining facilities for all home codes.

Mildenhall Park

Led by the CFT, the Wellington Regional Bowls Centre proposal gained real traction following the \$2 million financial contribution from the Council for the 2015-16 financial year. The facility will be built at Mildenhall Park and bring together Park Avenue and Naenae Bowling Clubs' as well as the RSA, with room for possible other users in the modern, flexible facility.

Stokes Valley Community Hub

The \$2 million allocated to the Stokes Valley Community Hub as a capital grant to the CFT was brought forward to the 2015-16 financial year to allow work to progress sooner. The community is currently being engaged to ascertain community needs and aspirations for the hub.

Memorial Park

The Memorial Park changing rooms were refurbished for use during the football season and otherwise. This included the upgrading of the toilets and shower facilities and was completed between January and March.

New Playgrounds

The playground in Antrim Crescent, Wainuiomata, was replaced in September and now features three sections of modern play equipment in hard-wearing silver metal. It also includes a mesh climbing wall and overhead rotating climbers as well as 'The Supernova', a rotating disk to test balance and motor skills. The playground in Holly Grove, Maungaraki, was also replaced with a similar scope.

Wainuiomata Mountain Bike Park

Work continued on developing tracks and facilities at the Wainuiomata Mountain Bike Park for the many riders, both local and regional, who visit this exciting park. It is 20 minutes from the CBD and features a wide range of trails for all skill levels, including the family-friendly Wetlands Loop.

Hugh Sinclair Park

New public toilets were established on Hugh Sinclair Park in Wainuiomata at the front of the skate park for the convenience of park users and the wider public.

Whiorau Reserve

Funding for the Whiorau Reserve redevelopment was brought forward from 2019 and will now be completed within the next 12 months. The car park will be reconfigured and new seating installed that will be made out of recycled Point Howard Wharf timber.

Lion's Park

The amenities and landscape surrounding Lion's Park at the eastern end of Petone Esplanade were refurbished. A visual feature was included by Greytown-based sculptor and artist Roger Thompson, who installed 11 steel panels depicting a variety of scenes from Wellington Harbour. The courtyard was also revamped with the addition of a pergola, ramps, pathways, plantings and lawns with recycled Point Howard Wharf timber as a key feature leading to the steel panels.

Days Bay Wharf

The Days Bay Wharf was upgraded following the 20th June 2013 storm, and now features an exposed aggregate entrance, new paths, decks and seats made from recycled Point Howard Wharf timber, and landscaping. An event was organised in November by the Days Bay Residents Association and funded by Council which included a free sausage sizzle, ice blocks, lollies, balloons and music by two-piece band The Hypnotics and was attended by over 200 people.

All Blacks at Hutt Recreation Ground

In an historic day for Hutt City, the All Blacks played both the Canterbury XV and the Wellington Lions at Hutt Recreation Ground on 9 August. A temporary grandstand was set up and 6,000 tickets went on sale that were snapped up in 20 minutes. It was a match of three halves with each team playing each other for 40 minutes.

Banks Shoes Shapeshifter

Shapeshifter, the annual outdoor sculpture exhibition organised by the Rotary Club of Hutt City in association with several divisions of Council, including The Dowse Art Museum and Parks and Gardens, attracted 10,000 visitors over three weeks in summer. A wide range of sculptures selected by Museum Director Courtney Johnston were on display, including a piece from Guy Ngan – Eliza and Polynesian Pagoda.

Wunderruma

In March Dowse Art Museum toured 'Wunderruma' – the biggest ever show of contemporary New Zealand jewellery – to Munich, putting more than 75 New Zealand jewellers on the map at the world's largest jewellery festival. The exhibition returned to critical acclaim at The Dowse Art Museum in June.

Films by Starlight

Films by Starlight featured on Hutt City's summer calendar again this year. Tin Tin was shown at William's Park in Days Bay and the documentary Beyond the Edge shown at the Dowse Square the following month.

King of the Hill

The King of the Hill all-ages event was held in June and saw 318 people gather to walk or run from Queens Street Reserve to Wainuiomata Hill summit and back. There were great prizes up for grabs, including \$400 for first male and female home and \$50 Westfield vouchers for best dressed.

Charity Golf Tournament

In February the DLA Phillips Fox and Hutt City Council Charity Golf Tournament raised \$11,400 for Naenae Primary School. This money was used to install solar panels to reduce their electricity costs and the money saved from this went towards new computers for the school.

Fringe Festival

The community-based open access Fringe Festival was hosted in Hutt City between February and March. The grassroots festival provides a stage for emerging artists from a variety of art forms which this year included interactive sound experiences, pop-up art, drama, and circus arts.

Group People Performance Summary

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Libraries	Three out of six performance measures were achieved. The target of 1.2 million physical visits for the year fell slightly short at 1.1 million, and 71,994 pay sessions on Connect was short of the target 85,000 and the percentage of residents that use our library services was 1% below target at 79%; however there were 301,037 online visits compared with a target of 200,000.
Museums	All five performance measures were achieved covering number of visits and satisfaction of both The Dowse Art Museum and Petone Settlers Museum. We went well over our 11,000 target for public education programmes with 12,075 and received 100% satisfaction rating for delivery.
Aquatics and Recreation	All performance measures were achieved covering satisfaction with and use of pools and Leisure Active programmes and events, POOLSAFE accreditation, and cost per visit.
Parks and Reserves	Six out of seven performance measures were achieved. Maintenance and development of playgrounds, parks, reserves, gardens and cemeteries fell slightly short, meeting 90% of contract and asset management plan requirements with the expectation being 95% or greater.
Community Development	All performance measures were achieved covering resident perceptions of safety in the neighbourhood during the day and after dark, and in the city centre during the day; and satisfaction with graffiti removal. Too few community organisations' responded to our survey to make a statistically sound judgement on the availability and quality of support, advice and funding, and new settlers' information is now offered through the Department of Internal Affairs.

Group People Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX		RATE REQUIREMENT PER RESIDENTS	
	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	ACTUAL 30 JUNE 2014 \$
Libraries	(8,278)	(7,975)	(7,357)	80.45
Museums	(3,069)	(3,113)	(3,007)	29.83
Aquatics and Recreation	(6,165)	(5,820)	(5,448)	59.91
Parks and Reserves	(11,439)	(10,649)	(10,970)	111.17
Community Development	(3,081)	(3,312)	(3,585)	29.94
Community Facilities Development	(285)	(3,525)	(2)	2.77

Note: The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2013-2014 Annual Plan and the previous year.

Note: 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.

Group People Funding Impact Statement

For year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	BUDGET 30 JUNE 2014 \$000	LTP 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000	BUDGET 30 JUNE 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	32,321	34,394	30,359	30,602	30,503
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	377	322	-	-	-
Fees, charges and targeted rates for water supply	6,007	5,935	6,180	5,716	5,989
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,826	1,737	1,980	2,900	1,934
Total operating funding (A)	40,531	42,388	38,519	39,218	38,426
Applications of operating funding					
Payments to staff and suppliers	30,888	32,369	28,457	30,148	28,151
Finance costs	657	657	671	694	694
Internal charges and overheads applied	4,236	4,236	4,173	3,594	4,301
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	35,781	37,262	33,301	34,436	33,146
Surplus (deficit) of operating funding (A-B)	4,750	5,126	5,218	4,782	5,280
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(1,398)	(898)	764	(444)	1,997
Gross proceeds from sale of assets	1,110	2,500	2,560	-	1,500
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(288)	1,602	3,324	(444)	3,497
Application of capital funding					
Capital expenditure					
- to meet additional demand					
- to improve level of service	1,787	3,144	6,027	2,238	5,192
- to replace existing assets	2,675	3,584	2,515	2,100	3,585
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,462	6,728	8,542	4,338	8,777
Surplus (deficit) of capital funding (C-D)	(4,750)	(5,126)	(5,218)	(4,782)	(5,280)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

LIBRARIES

What we do

We provide a collective resource that is greater than any individual or family could afford or accommodate.

Why we do it

Providing library services enables all citizens to access information, knowledge and learning opportunities that support and strengthen individuals and the community.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Percentage of residents who have used library services during the year: ≥ 80%	84%	82%	N/A	79%	NRB Communitrak Survey
Residents' satisfaction with library services: ≥ 97% of those expressing an opinion	97%	99%	97%	100% of those expressing an opinion. 11% of residents did not express an opinion	NRB Communitrak Survey
Number of physical visits per year: ≥ 1,200,000	1,186,034	1,088,636	N/A	1,088,902	Monthly Management Reports
Number of visits via the internet per year: ≥ 200,000 Libraries Online visits ≥ 85,000 pay sessions on Connect	356,975 Libraries Online visits 91,349 pay sessions on Connect	312,531 Libraries Online visits 77,542 pay sessions on Connect	N/A	301,037 Libraries Online visits 71,994 pay sessions on Connect	Monthly Management Reports
Library stock turnover: ≥ national mean <small>Note: a number greater than or equal to the national mean shows that our library stock turnover is at least equal to or better than is achieved nationally</small>	7.02	6.0	National mean 3.50 average annual circulation per item	5.66	New Zealand Library Statistics

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	526	605	(79)	555
Operating Subsidies and Grants	2	-	2	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	37	36	1	138
Gain/(Loss) on Property Disposals	(173)	-	(173)	-
Total Revenue	392	641	(249)	693
EXPENDITURE				
Employee Costs	4,245	4,124	(121)	3,832
Support Costs	1,406	1,413	7	1,312
Operating Costs	1,595	1,619	24	1,521
Loss on Property Disposals	-	-	-	-
Finance Cost	36	36	-	38
Depreciation	1,388	1,424	36	1,347
Total Expenditure	8,670	8,616	(54)	8,050
DEFICIT BEFORE TAX	(8,278)	(7,975)	(303)	(7,357)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(8,278)	(7,975)	(303)	(7,357)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(8,278)	(7,975)	(303)	(7,357)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(950)	(989)	39	(909)
Capital Expenditure - to improve level of service	(88)	(205)	117	(128)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	1,388	1,424	(31)	1,347
Total Loan Funding Requirement	350	230	125	310
TOTAL FUNDING REQUIREMENT	(7,928)	(7,745)	(178)	(7,047)

Significant Operating Variations from the 2013-14 Annual Plan

Revenue under budget was due to less income from book rentals, internet usage, and overdue charges. Employee costs were over budget due to new positions following the restructuring of Community Development. Loss on sale relates to transfer of Libraries buildings from Hutt City Council to the Hutt City Community Facilities Trust.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Libraries Replace Furniture and Equipment	100	71	(29)
Libraries Exterior and Interior Maintenance	9	80	71
Replace Library Shelving	18	20	2
Libraries Security Maintenance	28	28	-
Libraries Stock Replacement	794	790	(4)
Capital to Improve Level of Service			
Libraries Digitisation	6	10	4
Library Buildings Improvements	25	80	55
Libraries Radio Frequency Identification	57	115	58

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

The most significant project was the Library Stock Replacement which is an ongoing project to update and replace books held in the Libraries. The other significant project was continuation of the radio frequency identification of books although some costs were treated as operating.

The replacement of furniture and equipment was slightly overspent due to a review and significant office expansion.

The Libraries Buildings Maintenance and Improvement work has been delayed pending a strategic review of all community facilities. Physical works for the Customers 2.0 project was delayed which caused an underspend on Libraries Building Improvements.

MUSEUMS

What we do

We operate two museums, which are open to the public at no charge other than for special exhibitions:

- The Dowse Art Museum collects and displays fine art as well as decorative and applied arts, and is a conduit for community engagement and participation in the creative arts, underpinned by innovative exhibitions, education and associated community programmes.
- The Petone Settlers Museum specialises in showcasing the social history of the early Māori and European settlement of the lower Hutt Valley and Petone area.

Why we do it

By providing museums we enable people to access freely arts and cultural facilities that enrich, inspire and offer a range of lifelong learning opportunities. The museums act as a focal point for the community, enhance cultural life and diversity, and promote civic pride and community values.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2012-13	ACHIEVED 2013-14	SOURCE OF INFORMATION
Number of museum visits per year: ≥ 200,000	203,398	217,152	N/A	205,874 (Dowse: 194,247 Petone Settlers: 11,627)	Monthly management Reports
Residents' satisfaction with the Dowse Art Museum: ≥ 93% of those expressing an opinion	95%	95%	97%	95% of those expressing an opinion. 16% of residents did not express an opinion	NRB Communitrak Survey
Residents' satisfaction with Petone Settlers Museum: ≥ 93% of those expressing an opinion	97%	96%	97%	97% of those expressing an opinion. 34% of residents did not express an opinion	NRB Communitrak Survey
Public education programmes delivered that meet the needs and expectations of community and school groups: Education programmes delivered to: ≥ 11,000 students ≥ 90% satisfaction	17,928 students 99% satisfaction	9,100 students 100% satisfaction	N/A	12,075 students 100% satisfaction	Management Reports and Participant Evaluation Forms

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	241	275	(34)	227
Operating Subsidies and Grants	16	40	(24)	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	312	460	(148)	323
Gain/(Loss) on Property Disposals	30	-	30	-
Total Revenue	599	775	(176)	550
EXPENDITURE				
Employee Costs	1,318	1,310	(8)	1,185
Support Costs	640	633	(7)	542
Operating Costs	1,152	1,357	205	1,284
Loss on Property Disposals	-	-	-	-
Finance Cost	71	71	-	75
Depreciation	487	517	30	471
Total Expenditure	3,668	3,888	220	3,557
DEFICIT BEFORE TAX	(3,069)	(3,113)	44	(3,007)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(3,069)	(3,113)	44	(3,007)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(3,069)	(3,113)	44	(3,007)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(113)	(196)	83	(79)
Capital Expenditure - to improve level of service	(198)	(237)	39	(38)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	487	517	(30)	471
Total Loan Funding Requirement	176	84	92	354
TOTAL FUNDING REQUIREMENT	(2,893)	(3,029)	136	(2,653)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Events Funding	29	36	7

Significant Operating Variations from the 2013-14 Annual Plan

Revenue was under budget due to the delayed opening of the LITTLE Café and reduced venue hire. Expenditure was under budget due to savings in operating costs.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Dowse Carpets and Soft Furnishings Gallery and Office	27	40	13
Dowse Office Furniture and Equipment	13	10	(3)
Dowse Gallery Lighting	10	10	-
Dowse Building and Plant Maintenance	25	30	5
Little Theatre Maintenance	37	80	43
Petone Settlers Museum Building and Plant Maintenance	-	26	26
Capital to Improve Level of Service			
Dowse New Artworks	22	22	-
Little Theatre Improvements	175	80	(95)
Little Theatre Development Needs Analysis	1	25	24
Little Theatre Sound and Lighting Improvements	-	110	110

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

A number of capital projects were underspent. Variance in Little Theatre Improvements pertains to the Piano Replacement project. Allocation for an acoustic upgrade to the Little Theatre was carried forward to allow for planning in conjunction with the Civic Centre Redevelopment project to ensure complementary services.

AQUATICS AND RECREATION

What we do

We provide six swimming pools and two gyms in Hutt City, and offer quality and accessible tuition in essential water safety and life skills. Our recreational programmes are community based and designed to encourage residents to engage in a range of recreational activities. Our events help to make Hutt City a vibrant and festive place to be.

Hutt City Community Facilities Trust, a Council-Controlled Organisation, develops and owns some of the city’s facilities in partnership with Council. For example, the Trust is expected to undertake the upgrade of the Walter Nash Stadium, expanding the number of courts and housing other council facilities within the one site.

Why we do it

People’s lives are positively affected by participation in recreation, sports, fitness and cultural activities – and providing these high-quality services at a low user cost makes them available to the whole community. Aquatics and recreational programmes and events also make an important contribution to creating an attractive area for people and businesses considering moving to Hutt City.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents’ satisfaction with pools: ≥ 93% of those expressing an opinion	93%	95%	88%	96% of those expressing an opinion. 18% of residents did not express an opinion	NRB Communitrak Survey
Residents’ use of pools: ≥ 65%	69%	70%	N/A	69%	NRB Communitrak Survey
POOLS SAFE accreditation for swimming pool operation, including quality standards for health and safety, water quality, supervision, pool building and operation, signage and other standards: Accreditation maintained	Accreditation maintained	Accreditation maintained	N/A	Accreditation maintained	Annual MSD Audit
Cost per visit to Council of aquatic services provided: Maintain the cost per visit at or below the target \$4.41	\$3.81	\$3.67	N/A	\$3.71	Net cost of pool service per user from financial management systems
User satisfaction with Leisure Active programmes and events: ≥ 92% of those expressing an opinion	98%	97%	N/A	98% of those expressing an opinion. 20% of users did not express an opinion	NRB Communitrak Survey
Residents’ use of Leisure Active programmes and events: ≥ 30%	34%	49%	N/A	44%	NRB Communitrak Survey

Note: Survey percentages quoted exclude those who responded ‘don’t know’. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	3,203	3,168	35	3,151
Operating Subsidies and Grants	204	157	47	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	1,015	1,234	(219)	1,379
Gain/(Loss) on Property Disposals	(261)	-	(261)	-
Total Revenue	4,161	4,559	(398)	4,530
EXPENDITURE				
Employee Costs	3,714	3,477	(237)	3,376
Support Costs	940	940	-	784
Operating Costs	4,273	4,416	143	4,395
Loss on Property Disposals	-	-	-	-
Finance Cost	108	108	-	114
Depreciation	1,291	1,438	147	1,309
Total Expenditure	10,326	10,379	53	9,978
DEFICIT BEFORE TAX	(6,165)	(5,820)	(345)	(5,448)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(6,165)	(5,820)	(345)	(5,448)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(6,165)	(5,820)	(345)	(5,448)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(1,041)	(1,076)	35	(369)
Capital Expenditure - to improve level of service	(1,206)	(1,609)	403	(1,549)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	1,291	1,438	(152)	1,309
Total Loan Funding Requirement	(956)	(1,247)	286	(609)
TOTAL FUNDING REQUIREMENT	(7,121)	(7,067)	(59)	(6,057)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Events Funding	243	255	12

Significant Operating Variations from the 2013-14 Annual Plan

The unfavourable revenue variance relates to the timing of central government grant funding for Connex and Kiwisport programmes. The unfavourable employee costs variance is largely attributable to increased life guarding requirements to respond to increased patronage of swimming pools. The loss on disposable is a result of the sale of the Walter Nash Stadium to the Hutt City Community Facilities Trust.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Community Halls Exterior and Interior Maintenance	102	205	103
Horticultural Hall Maintenance	-	15	15
Naenae Main Pool Tile Replacement	195	-	(195)
Other Projects	500	461	(39)
Walter Nash Stadium Maintenance	19	145	126
Wainuiomata Pool Filter Replacement	225	250	25
Capital to Improve Level of Service			
Community Halls Improvements	3	250	247
McKenzie Pool Replacement	1,382	1,100	(282)
Pools Other Improvement Projects	156	184	28
Sports House Computer Servers	75	-	(75)
Making Places Town Hall Upgrade	12	75	63
Walter Nash Stadium Upgrade	(421)	-	421

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

The planned maintenance on community halls has been delayed pending decisions on the development of community hubs. The unplanned capital replacement of tiles at Naenae Pool was due to a major tile failure while refilling the pool. Tiles were originally laid in 1956 and planned for replacement over the next five years. The McKenzie Baths project spanned two financial years with over expenditure this year balanced by under expenditure last year. The Sportshouse Computer Server Replacement was funded by a grant from the Pelorus Trust.

PARKS AND RESERVES

What we do

We provide and maintain active and passive recreational facilities in Hutt City for public enjoyment and wellbeing. With access largely free of charge, our recreation areas are both natural and developed. Most of our work is targeted at maintaining developed areas and retaining bush land in its natural state. 'Parks and Reserves' also includes Council cemeteries.

Why we do it

In providing and maintaining parks, reserves, sportsgrounds, street gardens and street trees, we help to create a pleasant environment in which people can live, work and play. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Residents' satisfaction with sportsgrounds: ≥ 95% of those expressing an opinion	96%	99%	91%	98% of those expressing an opinion. 14% of residents did not express an opinion	NRB Communitrak Survey
Residents' satisfaction with parks, reserves and gardens: ≥ 95% of those expressing an opinion	97%	96%	97%	97% of those expressing an opinion. 4% of residents did not express an opinion	NRB Communitrak Survey
Residents' satisfaction with cemeteries: ≥ 90% of those expressing an opinion	97%	98%	95%	96% of those expressing an opinion. 43% of residents did not express an opinion	NRB Communitrak Survey
Sports fields meet the standard agreed with sports codes: ≥ 95%	95%	95%	N/A	95%	Complaints from users during 2012/13 and sportsground audits
Area of parks and reserves per 1000 of population: ≥ 24.9 hectares	54 hectares	54 hectares	N/A	54 hectares	Reserves Strategy
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months: ≥ 89%	90%	90%	N/A	92%	NRB Communitrak Survey
Maintain a high standard of maintenance and development of playgrounds, parks, reserves, gardens and cemeteries: ≥ 95% of contract and asset management plan requirements met	95%	90%	N/A	90%	Playground and Parks Audits

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	1,969	1,800	169	1,688
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	4	-	4	235
Other Revenue	11	7	4	839
Gain/(Loss) on Property Disposals	808	-	808	-
Total Revenue	2,792	1,807	985	2,762
EXPENDITURE				
Employee Costs	751	750	(1)	794
Support Costs	661	661	-	522
Operating Costs	10,908	8,993	(1,915)	10,832
Loss on Property Disposals	-	-	-	(412)
Finance Cost	437	437	-	461
Depreciation	1,474	1,615	141	1,535
Total Expenditure	14,231	12,456	(1,775)	13,732
DEFICIT BEFORE TAX	(11,439)	(10,649)	(790)	(10,970)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(11,439)	(10,649)	(790)	(10,970)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(11,439)	(10,649)	(790)	(10,970)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(524)	(1,206)	682	(698)
Capital Expenditure - to improve level of service	(556)	(1,093)	537	(486)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Asset Sales (Proceeds)	1,460	2,500	1,040	1,286
Less Depreciation	1,474	1,615	(141)	1,535
Total Loan Funding Requirement	1,854	1,816	2,118	1,637
TOTAL FUNDING REQUIREMENT	(9,585)	(8,833)	1,328	(9,333)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Point Howard Wharf Laterals Demolition	532	-	(532)
Motorhome Waste Dump Station	23	4	(19)
Percy Reserve Ratanui Land Purchase	88	89	1
Petone Foreshore Clean Up	15	15	-
Taita Courts Contribution to Improvement	402	-	(402)

Significant Operating Variations from the 2013-14 Annual Plan

Revenue variance primarily relates to gain on property disposals. Expenditure variance relates to the unbudgeted Taita Court's Upgrade, storm damage clean-up, and costs transferred from capital projects related mainly to wharf demolition costs.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Singles Houses (Reserves) Maintenance	26	30	4
Honiana Te Puni Reserve Landscape Renovation	-	100	100
Minoh House Chimney	-	10	10
Seats and Bins	26	28	2
Parks Hard Surfaces Maintenance	80	150	70
Parks Signage and Interpretation	19	23	4
Playgrounds	182	195	13
Sportsground Buildings Maintenance	139	150	11
Track Maintenance	29	30	1
Wharves Maintenance	-	450	450
Williams Jones Park Drainage	41	40	(1)
Capital to Improve Level of Service			
Avalon Park Improvements (Rotary Project)	50	100	50
Parks and Gardens Protection Bollards	4	5	1
Land Purchase Dowse Interchange	-	58	58
Memorial Park Synthetic Turf and Changing Rooms	39	300	261
Otonga School Site Development	-	100	100
Poto Road Reserve Development	47	50	3
Toilets Upgrade	385	400	15
Waimarie Croquet Relocation and Development	-	50	50
Wainuiomata Mountain Bike Facility	33	30	(3)

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Significant work was carried out with new toilets constructed at Hugh Sinclair Park, for the upgrade and replacement of playground equipment, for track and facility improvements at the Mountain Bike Park in Wainuiomata, and a variety of parks buildings and parking spaces.

The demolition of the head of the Point Howard Wharf along with other works undertaken on maintaining buildings and hard surfaces was transferred to operating expenditure.

Landscape work on Honiana Te Puni Reserve will not go ahead as decisions on the future development of this Reserve are still to be made.

COMMUNITY DEVELOPMENT

What we do

We support our community through services such as facilitation, advocacy and consultation and through providing grants to community organisations and groups. We work with all sectors of the community, providing services through our Community Development team. We have funding relationships with government agencies to provide essential services to our community, including settlement support and safety initiatives.

Why we do it

We've always been committed to identifying and understanding our communities so that we can respond appropriately to issues affecting them. Our support helps community groups to achieve their goals where they can't do it themselves because of a lack of resources.

How we measure the success of our services

MEASURE	ACHIEVED 2011-12	ACHIEVED 2012-13	PEER AVERAGE 2013-14	ACHIEVED 2013-14	SOURCE OF INFORMATION
Community organisations' satisfaction with the availability and quality of our support, advice and funding: ≥ 90% of those expressing an opinion	66.7%	94%	N/A	Too few organisations responded to the survey to be able to make a statistically sound judgement on levels of satisfaction	Independent Survey
Residents' perceptions of Hutt City in terms of their sense of safety in their local neighbourhood and in the city centre during the day and after dark: ≥ 81% of those expressing an opinion overall	85% overall	87% overall	N/A	85% overall (96% during the day, 84% after dark – local neighbourhood; 97% during the day, 62% at night – city centre)	NRB Communitrak Survey
Residents' satisfaction with the city overall being free of graffiti: ≥ 80% of those expressing an opinion	85%	89%	N/A	88% of those expressing an opinion. 2% of residents did not express an opinion	NRB Communitrak Survey
New settlers' satisfaction with the availability and quality of our support, advice and training: ≥ 90% of those expressing an opinion	100%	100%	N/A	Result not available. Settlement service now offered through Department of Internal Affairs	Independent Survey

Note: Survey percentages quoted exclude those who responded 'don't know'. Percentages have been rounded and may not equal 100.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	68	87	(19)	95
Operating Subsidies and Grants	155	125	30	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	47	-	47	221
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	270	212	58	316
EXPENDITURE				
Employee Costs	748	807	59	741
Support Costs	589	589	-	434
Operating Costs	1,899	1,991	92	1,996
Loss on Property Disposals	-	-	-	604
Finance Cost	5	5	-	6
Depreciation	110	132	22	120
Total Expenditure	3,351	3,524	173	3,901
DEFICIT BEFORE TAX	(3,081)	(3,312)	231	(3,585)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(3,081)	(3,312)	231	(3,585)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(3,081)	(3,312)	231	(3,585)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	(47)	(50)	3	(45)
Capital Expenditure - to improve level of service	(3)	(68)	65	(37)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	110	132	(22)	120
Total Loan Funding Requirement	60	14	46	38
TOTAL FUNDING REQUIREMENT	(3,021)	(3,298)	277	(3,547)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Community Development Fund	113	148	35
Heritage Fund	8	15	7
Community Houses Funding	255	255	-
Marae Funding	129	180	51
Arts and Culture Funding	41	40	(1)
CAB Funding	75	75	-
Scholarships	7	10	3
Youth Infusion	9	30	21
Youth Centre	158	158	-
Rapid Response Anti-Graffiti Service	222	220	(2)
Safety Initiatives	295	343	48
Social Development Projects	122	95	(27)
Hutt Valley Community Arts	35	35	-
Regional Grants	34	33	(1)
Tamaiti Whangai Grant	17	20	3
Waiwhetu Marae Scholarship	5	5	-
The Anchorage	30	30	-
Wellington Free Ambulance	16	16	-

Significant Operating Variations from the 2013-14 Annual Plan

The favourable revenue variance is due to unbudgeted government grants for community programmes and income from graffiti removal. The favourable expenditure variance relates to savings in employee costs and some operating costs following a restructure. All operating projects were completed close to budget.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
Community Houses Building Maintenance	31	50	19
CCTV Upgrades Central Area, and Installation Wainuiomata	3	68	65

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

Community Houses Building Maintenance work continued. CCTV Upgrade work was not completed and some costs were transferred to operating.

COMMUNITY FACILITIES DEVELOPMENT

This is a new Activity that is included in the 2014-15 Annual Plan as part of Group People.

What we do

Hutt City Council has a Long Term Integrated Facilities Plan which provides a clear guide for Council and community decision making regarding the future development of community facilities. The Hutt City Community Facilities Trust (a CCO established in August 2012) will play an integral role in assisting Council to implement this plan.

Why we do it

The Long Term Integrated Facilities Plan is very much in the early stages with significant progress expected over the next few years resulting in a series of 'integrated community hubs' combining civic, social and sporting facilities into more user friendly, efficient and well utilised centres. It will also see the development of several world-class regional and nationally significant sporting and community facilities.

Statement of Comprehensive Income

For the year ended 30 June 2014

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000	ACTUAL 30 JUNE 2013 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	-	-	-	-
Operating Subsidies and Grants	-	-	-	-
UHCC Operating Subsidy	-	-	-	-
Capital Subsidies	-	-	-	-
Development Contributions	-	-	-	-
Interest Earned	-	-	-	-
Dividends	-	-	-	-
Vested Assets	-	-	-	-
Other Revenue	-	-	-	-
Gain/(Loss) on Property Disposals	-	-	-	-
Total Revenue	-	-	-	-
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	-	-	-	-
Operating Costs	285	3,525	3,240	2
Loss on Property Disposals	-	-	-	-
Finance Cost	-	-	-	-
Depreciation	-	-	-	-
Total Expenditure	285	3,525	3,240	2
DEFICIT BEFORE TAX	(285)	(3,525)	3,240	(2)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(285)	(3,525)	3,240	(2)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(285)	(3,525)	3,240	(2)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - to replace existing assets	-	-	-	-
Capital Expenditure - to improve level of service	264	-	264	(264)
Capital Expenditure - to meet additional demand	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	-	-	-
Total Loan Funding Requirement	264	-	264	(264)
TOTAL FUNDING REQUIREMENT	(21)	(3,525)	3,504	(266)

Operating Projects

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
CFT Operating Grant	256	150	(106)
CFT Taita Community and Sports Centre	3	1,875	1,872
CFT Fraser Park Sportsville and Artificial Surfaces	26	1,500	1,474

Significant Operating Variations from the 2013-14 Annual Plan

The significant underspend is due to delays with the Taita Community and Sports Centre project and Fraser Park Sportsville and Artificial Surfaces project. The work that was planned and the budget provision has been carried over to be completed in 2014-15.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2014 \$000	PLAN 30 JUNE 2014 \$000	VARIANCE 30 JUNE 2014 \$000
Capital to Replace Existing Assets			
CFT Taita Community and Sports Centre	(264)	-	264

Significant Asset Acquisitions or Replacements and Variations from the 2013-14 Annual Plan

There were no significant Asset Acquisitions. The variation relates to the transfer to the Hutt City Community Facilities Trust of earlier costs related to these projects.

We Are

FUTURE FOCUSED

OUR FINANCES

INDEPENDENT AUDITOR'S REPORT

To the readers of Hutt City Council and group's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Hutt City Council (the City Council) and group. The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the City Council and group that comprise:
 - the statement of financial position as at 30 June 2014 on page 99;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014 on pages 97 to 100; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 102 to 148;
- the statement of service provision (referred to as performance summaries) of the City Council on pages 12 to 90 and each group of activities carried out by the City Council on pages 12 to 90;
- the funding impact statements in relation to each group of activities of the City Council on pages 12 to 90;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on pages 12 to 90;

- the funding impact statement of the City Council on page 101; and
- the disclosures of the City Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 149 to 152.

In addition, the Auditor-General has appointed me to report on whether the City Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 129;
 - reserve funds on page 147 to 148;
 - remuneration paid to the elected members and certain employees of the City Council on page 137 to 141;
 - employee staffing levels and remuneration on page 139;
 - severance payments on page 139;
 - council-controlled organisations on page 22 to 25;
 - rating base units on page 153; and
 - insurance of assets on page 124.
- a report on the activities undertaken by the City Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 26 to 27; and

- a statement of compliance signed by the mayor of the Council, and by the City Council and group's chief executive on page 96.

Opinion

AUDITED INFORMATION

In our opinion:

- The financial statements of the City Council and group on pages 97 to 100:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the City Council and group's financial position as at 30 June 2014; and
 - the results of its operations and cash flows for the year ended on that date.
- The performance summaries of the City Council on pages 12 to 90:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the City Council's levels of service for the year ended 30 June 2014, including:

- the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The funding impact statements in relation to each group of activities of the City Council on pages 12 to 90, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term plan.
 - The statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on pages 12 to 90, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's long-term plan or annual plan.
 - The funding impact statement of the City Council on page 101, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan.
 - The disclosures on pages 102 to 148 represent a complete list of required disclosures and accurately reflects the information drawn from City Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the City Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2014. This 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 Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance summaries. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our

judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported performance summaries within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material

inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the City Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and performance summaries that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the City Council and group's financial position, financial performance and cash flows; and
 - fairly reflect its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term plan;

- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's long-term plan or annual plan;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to this audit, which includes our report on the Other Requirements, we have carried an audit of the LTP amendment, and an assurance engagement providing an auditor's report to the City Council's bond trustees, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the City Council or any of its subsidiaries.



Andy Burns

Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand

STATEMENT OF COMPLIANCE

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 the Local Government Act 2002, have been complied with.



Ray Wallace

Mayor

28 October 2014



Tony Stallinger

Chief Executive

28 October 2014

FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the year ended 30 June 2014

	NOTES	COUNCIL			GROUP	
		ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000	ACTUAL 2014 \$000	ACTUAL 2013 \$000
REVENUE						
Rates, excluding metered water supply rates	3.	90,056	89,789	88,325	89,841	88,053
Fees, charges and metered rates for water supply	4.	31,054	28,195	28,273	34,549	31,800
Development and financial contributions		263	615	522	265	522
Subsidies and grants	4.	10,013	10,591	9,791	10,013	9,791
Finance income	5.	677	760	244	221	92
Other revenue	4.	6,190	5,379	5,742	6,589	6,073
Gain on Disposal	6.	424	-	-	1,021	-
Total revenue		138,677	135,329	132,897	142,499	136,331
EXPENDITURE						
Employee costs	7.	27,517	26,989	25,554	28,438	26,306
Other expenses	8.	75,710	76,299	71,619	77,097	72,711
Finance costs	5.	4,642	4,430	4,270	4,642	4,550
Loss on Disposal	6.	-	-	116	-	59
Depreciation and amortisation expenses	15 - 17.	30,050	30,923	29,782	31,116	30,892
Total operating expenditure		137,919	138,641	131,341	141,293	134,518
Share of associate's surplus/(deficit)	18.	-	-	-	9	19
Surplus/(deficit) before tax		758	(3,312)	1,556	1,215	1,832
Income tax expense/(benefit)	9.	-	-	-	(204)	-
SURPLUS/(DEFICIT) AFTER TAX		758	(3,312)	1,556	1,419	1,832
Other comprehensive income						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Gain/(Loss) on revaluation of financial instruments	6.	943	-	1,485	943	1,485
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(losses) on property revaluations		(6,478)	-	-	(4,589)	-
Impairment of property plant and equipment		-	-	-	-	-
Deferred tax on revaluation		-	-	-	(204)	-
Total other comprehensive income/(deficit)		(5,535)	-	1,485	(3,850)	1,485
TOTAL COMPREHENSIVE INCOME/(DEFICIT)		(4,777)	(3,312)	3,041	(2,432)	3,317

The accompanying notes form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	NOTES	COUNCIL			GROUP	
		ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000	ACTUAL 2014 \$000	ACTUAL 2013 \$000
Balance at 1 July		1,247,141	1,250,328	1,244,100	1,249,672	1,246,354
Total comprehensive income/(deficit)		(4,777)	(3,312)	3,041	(2,432)	3,317
Balance at 30 June		1,242,364	1,247,016	1,247,141	1,247,240	1,249,672
Total comprehensive income attributable to:						
- Hutt City Council		1,242,364	1,247,016	1,247,141	1,242,604	1,245,420
- Urbanplus Limited		-	-	-	1,768	1,693
- Seaview Marina Limited		-	-	-	3,033	2,485
- Hutt City Community Facilities Trust		-	-	-	(165)	74
Balance at 30 June	26.	1,242,364	1,247,016	1,247,141	1,247,240	1,249,672

Explanations of the major variances against budget are provided in note 34.
The accompanying notes form an integral part of these Financial Statements.

Statement of Financial Position

As at 30 June 2014

	NOTES	COUNCIL			GROUP	
		ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000	ACTUAL 2014 \$000	ACTUAL 2013 \$000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	10.	14,503	11,184	11,309	17,820	11,820
Debtors and other receivables	11.	10,795	11,093	13,088	10,731	13,712
Inventories	13.	196	-	193	1,993	407
Derivative financial instruments	12.	284	800	690	284	690
Prepayments		8	-	169	116	181
Accrued interest		12	-	-	12	-
Other assets	19, 31.	5,120	10,087	9,150	-	-
Non-current assets held for sale	14.	2,752	9,114	-	2,752	1,552
Total current assets		33,670	42,278	34,599	33,708	28,362
NON-CURRENT ASSETS						
Property, plant and equipment	15.	1,294,592	1,297,855	1,305,920	1,321,226	1,332,150
Intangible assets	16.	1,694	5,286	1,963	1,696	1,972
Assets under construction		5,885	2,746	6,479	6,840	6,825
Investment in associate	18.	200	545	224	145	155
Other financial assets	19.					
- Investment in CCO's and other similar entities		21,641	14,545	17,555	516	260
- Investment in other entities		494	2,886	494	494	494
Total other financial assets		22,135	17,431	18,049	1,010	754
Total non-current assets		1,324,506	1,323,863	1,332,635	1,330,917	1,341,856
TOTAL ASSETS		1,358,176	1,366,141	1,367,234	1,364,625	1,370,218

	NOTES	COUNCIL			GROUP	
		ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000	ACTUAL 2014 \$000	ACTUAL 2013 \$000
LIABILITIES						
CURRENT LIABILITIES						
Borrowings - current	22.	25,222	40,924	31,256	25,222	31,256
Derivative financial instruments	12.	2,320	4,300	3,699	2,320	3,699
Creditors and other payables	21.	18,725	21,851	23,333	18,971	23,474
Employee entitlements	23.	2,448	2,392	2,351	2,529	2,391
Provisions - current	24.	1,230	-	-	1,230	-
Other liabilities	25.	3,054	3,890	3,623	4,316	3,874
Total current liabilities		52,999	73,357	64,262	54,588	64,694
NON-CURRENT LIABILITIES						
Borrowings	22.	56,000	40,000	50,010	56,000	50,010
Employee entitlements	23.	821	858	783	805	804
Provisions - non current	24.	5,992	4,910	5,038	5,992	5,038
Deferred tax liability	9.	-	-	-	-	-
Other liabilities	25.	-	-	-	-	-
Total non-current liabilities		62,813	45,768	55,831	62,797	55,852
TOTAL LIABILITIES		115,812	119,125	120,093	117,385	120,546
NET ASSETS		1,242,364	1,247,016	1,247,141	1,247,240	1,249,672
EQUITY						
Accumulated funds	26.	738,722	731,897	735,846	736,479	732,942
Other Reserves	26.	503,642	515,119	511,295	510,761	516,730
TOTAL EQUITY		1,242,364	1,247,016	1,247,141	1,247,240	1,249,672

Explanations of the major variances against budget are provided in note 34.
The accompanying notes form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 30 June 2014

	NOTES	COUNCIL			GROUP	
		ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000	ACTUAL 2014 \$000	ACTUAL 2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Receipts from rates and levies - Council		90,332	89,789	88,490	90,117	88,218
Receipts from rates and levies - GWRC*		17,633	18,939	20,452	17,633	20,452
Receipts from user charges and other income		47,314	44,765	42,151	52,938	45,000
Receipts from sales of commercial developments		-	-	-	777	1,659
Interest received		663	760	244	207	92
Dividends		-	-	-	-	-
Net GST received from Inland Revenue**		-	-	97	-	29
		155,942	154,253	151,434	161,672	155,450
<i>Cash was applied to:</i>						
Payments to employees		(27,382)	(26,989)	(25,670)	(28,299)	(26,433)
Payments to suppliers		(77,396)	(75,424)	(66,790)	(78,782)	(68,009)
Purchase of inventory held for commercial development		-	-	-	(2,354)	(769)
Interest paid		(3,987)	(4,430)	(3,843)	(3,987)	(4,156)
Net GST paid to Inland Revenue **		(384)	-	-	(420)	-
Rates and levies passed to GWRC*		(17,501)	(18,939)	(20,366)	(17,501)	(20,366)
		(126,650)	(125,782)	(116,669)	(131,343)	(119,733)
Net cash flows from operating activities	27.	29,292	28,471	34,765	30,329	35,717

* Greater Wellington Regional Council (GWRC) is the Regional Council for which the Hutt City Council acts as a collection agency by including additional rates in its own billing processes. Once collected the monies are passed to GWRC.

** The GST (net) component of operating activities reflects the net GST paid and received with Inland Revenue. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of the major variances against budget are provided in note 34.
The accompanying notes form an integral part of these Financial Statements.

	NOTES	COUNCIL			GROUP	
		ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000	ACTUAL 2014 \$000	ACTUAL 2013 \$000
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash was provided from:</i>						
Receipts from sale of property, plant and equipment		1,255	2,500	1,549	4,094	1,549
Other investment receipts		224	400	306	24	9,266
		1,479	2,900	1,855	4,118	10,815
Purchase of property, plant and equipment		(22,268)	(22,748)	(22,111)	(22,538)	(20,546)
- less UHCC capital contribution		406	627	-	406	-
Purchase of assets under construction		(4,861)	(2,000)	(3,733)	(5,470)	(4,027)
Purchase of intangible assets		(554)	(5,220)	(1,050)	(544)	(1,051)
Other payments and investments		(256)	(100)	(9,260)	(256)	(9,520)
		(27,533)	(29,441)	(36,154)	(28,402)	(35,144)
Net cash flows from investing activities		(26,054)	(26,541)	(34,299)	(24,284)	(24,329)
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash was provided from:</i>						
Proceeds from borrowings		42,829	124,157	93,801	42,829	124,851
<i>Cash was applied to:</i>						
Repayment of borrowings		(42,873)	(124,312)	(89,388)	(42,873)	(130,938)
		(44)	(155)	4,413	(44)	(6,087)
Net cash flows from financing activities		(44)	(155)	4,413	(44)	(6,087)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		3,194	1,775	4,879	6,000	5,301
Cash, cash equivalents and bank overdrafts at the beginning of the year		11,309	9,409	6,430	11,820	6,519
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	10.	14,503	11,184	11,309	17,820	11,820

Funding Impact Statement

For the year ended 30 June 2014 (Whole of Council)

	ACTUAL 2014 \$000	BUDGET 2014 \$000	LTP 2014 \$000	ACTUAL 2013 \$000	BUDGET 2013 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	64,884	63,264	64,762	62,301	61,913
Targeted rates (other than a targeted rate for water supply)	17,908	18,184	29,553	29,885	29,493
Subsidies and grants for operating purposes	6,204	5,851	6,287	6,262	6,272
Fees, charges and targeted rates for water supply	43,069	40,361	30,224	28,273	29,470
Interest and dividends from investments	677	-	763	244	285
Local authorities fuel tax, fines, infringement fees, and other receipts	4,766	5,524	3,411	5,103	3,646
Total operating funding (A)	137,508	133,184	135,000	132,068	131,079
Applications of operating funding					
Payments to staff and suppliers	103,226	103,288	97,052	96,809	95,587
Finance costs	4,641	4,430	3,880	4,270	4,000
Other operating funding applications	3,302	3,210	3,312	3,222	3,210
Total applications of operating funding (B)	111,169	110,928	104,244	104,301	102,797
Surplus (deficit) of operating funding (A-B)	26,339	22,256	30,756	27,767	28,282
Sources of capital funding					
Subsidies and grants for capital expenditure	4,210	5,367	4,910	3,529	4,778
Development and financial contributions	265	615	725	522	708
Increase (decrease) in debt	(5,009)	(770)	(9,197)	(4,804)	(6,087)
Gross proceeds from sale of assets	1,110	2,500	2,560	-	1,500
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	576	7,712	(1,002)	(753)	899
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	8,968	11,964	12,263	11,125	12,281
- to replace existing assets	17,947	18,004	17,491	15,889	16,900
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	26,915	29,968	29,754	27,014	29,181
Surplus (deficit) of capital funding (C-D)	(26,339)	(22,256)	(30,756)	(27,767)	(28,282)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

I. Statement of Accounting Policies

REPORTING ENTITY

The Hutt City Council (referred to as 'Council') is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name was changed to Hutt City Council by a special Act of Parliament on 8 October 1991. The Group consists of Council, its subsidiaries, Seaview Marina Limited and Urbanplus Limited (both 100% owned), its controlled trust Hutt City Community Facilities Trust and associate Capacity Infrastructure Services. The primary objective of Council is to provide goods and/or services for the community for social benefit rather than making a financial return. Accordingly, Council has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The Financial Statements of the Council and Group are for the year ended 30 June 2014. The Financial statements were authorised for issue by Council on 18 October 2014.

BASIS OF PREPARATION

Statement of compliance

These 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 in New Zealand (NZ GAAP).

These Financial Statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The Financial Statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments (including derivative instruments).

Functional and presentation currency

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's). The functional currency of Council and Group is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and

losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council and Group, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based

on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means the Council will transition to the new standards in preparing its 30 June 2015 Financial Statements.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities.

Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

The Council anticipates that these standards will have no material impact on the Financial Statements in the period of initial application. It is likely that the changes arising from this Framework will affect the disclosures required in the Financial Statements. However, it is not practicable to provide a reasonable estimate until a detailed review had been completed.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods, and
- where the Council and Group has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The purchase method is used to prepare the consolidated Financial Statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

Council consolidates as subsidiaries in the Group Financial Statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the Statement of Comprehensive Income.

Council's investments in its subsidiaries are carried at cost in the Council's own "parent entity" Financial Statements. 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.

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

Associates

Council accounts for an investment in an associate in the Group Financial Statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Council's share of the surplus or deficit of the associate is recognised in Council's Statement of Comprehensive Income. Distributions received from an associate reduce the carrying amount of the investment.

If Council's share of deficits of an associate equals or exceeds its interest in the associate, Council discontinues recognising its share of further deficits. After Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Council's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the Council and its associates is eliminated.

Council's investments in associates are carried at cost in Council's own "parent entity" Financial Statements.

Council has one associate, Capacity, which has a balance date of 30 June. Audited Financial Statements of Capacity have been used in preparing the Group Financial Statements.

NZLGFA

Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard & Poor's of AA+.

Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2014, NZLGFA had borrowings totalling \$3.7 billion (2013: \$2.5 billion). Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council, along with other New Zealand Councils, has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Greater Wellington Regional Council (GWRC) are not recognised in the Financial Statements as the Council is acting as an agent for the GWRC.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Grants

Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The Group receives grants and subsidies from other organisations, all grants and subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council and Group are recognised as revenue when control over the asset is obtained.

Sale of goods

Sales of goods are recognised when a product is sold to the customer. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other revenue.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Development contributions

The revenue recognition point for development and financial contributions is at the later of the point when Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Construction contracts

Contract costs are recognised as expenses by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date

as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

Income tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable surplus.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council and Group recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council and Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the Statement of Financial Position.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Derivative financial instruments

Council uses derivative financial instruments to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a

hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The Council and Group designates certain derivatives as either:

- hedges of the fair value of recognised asset or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council and Group do not designate its derivative financial instruments as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as fair value through surplus or deficit.

Financial assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the Statement of Comprehensive Income.

Purchases and sales of investments are recognised on trade-date, the date on which Council and Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive income.

The classification depends on the purpose for which the investments were acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives (e.g. interest rate swaps and options) are also categorised as held for trading unless they are designated as hedges (see above).

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition assets in this class are measured at their fair values with gains or losses recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. The Council and Group loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, community and related party loans.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans, including loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included

in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The Council and Group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that Council holds for strategic purposes.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates), whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in equity is reclassified and recognised in the surplus or deficit.

Impairment of financial assets

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

Loans, receivables and term deposits

Impairment of a loan, receivable or term deposit is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits impairment losses are recognised directly against the instrument's carrying amount.

Quoted and unquoted equity investments

For each equity investment classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in the Statement of Comprehensive Income) is removed from equity and recognised in the Statement of Comprehensive Income.

Impairment losses recognised in the Statement of Comprehensive Income on equity investments are not reversed through the Statement of Comprehensive Income.

Inventory

Inventory (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Emission trading units are held for consumption based on landfill emissions and are valued at net realisable value.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are

recognised in the Statement of Comprehensive Income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Property, plant and equipment consist of:

Infrastructure assets

The fixed utility systems owned by 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, landfill post closure, improvements, library books, plant and equipment and collection items.

Restricted assets

Parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with

the item will flow to Council and Group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

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. Borrowing costs are not capitalised.

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.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and Group and the cost of the item can be measured reliably.

Council costs that do not meet the criteria for capitalisation, or are below the thresholds of \$1,000 for information technology hardware and \$2,500 for other items, are charged to operating expenditure.

Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

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 that art, museum collections and land are not depreciated.

Estimated economic lives

The expected useful economic lives have been estimated as follows:

	YEARS	PERCENTAGES
Operational assets		
Buildings:		
- Structure	30-100	1-3.33
- Roof	40-55	1.82-2.5
- Services	35-55	1.82-2.86
- Internal fit-out	15-45	2.22-6.67
- Plant	30-35	2.86-3.33
Landfill building assets	50-100	1-2
Library books	2-14	7.14-50
Plant and equipment:		
- Office furniture	5-20	5-20
- Plant	3-25	4-33.33
- Computer equipment	3-10	10-33.33
- Playground equipment	5-30	3.33-20
- Recycling depots	10	10
Wharves	10-40	2.5-10
Landfill plant	20-35	2.86-5
Breakwaters	100	1
Parking meters	10-25	4-10
Other collection items	10	10
Infrastructure assets		
Storm, supply and waste water utility assets:		
- Pumping stations	12-80	1.25-8.33
- Pencarrow outfall tunnels	500	0.2

- Pencarrow outfall other assets	25-62	1.61-4
- Resource consents	Life of the consent	
- Silverstream river crossing structure	60	1.67
- Storage tanks	15-50	2-6.67
- Treatment plant	5-100	1-20
- Pipework	20-40	2.5-5
Landfill storm water	100	1
Landfill roading	20-100	1-5
Roading network:		
- Berms	20	5
- Bridges	80-100	1-1.25
- Bus shelters	30-50	2-3.33
- Car parking	8-80	1.25-12.5
- Culvert and subways	100	1
- Debris fences	25	4
- Footpath walkway	15-50	2-6.67
- Kerbs and channel	15-80	1.25-6.67
- Pedestrian crossings	40-50	2-2.5
- Retaining walls	15-100	1-6.67
- Roading carriageway	7-120	0.83-14.29
- Seawalls	60-90	1.11-1.67
- Speed humps	12-50	2-8.33
- Street light support	50	2
- Street lights	25	4
- Sumps and leads	80	1.25
- Traffic barriers	10-30	3.33-10
- Traffic islands	60	1.67
- Traffic signals and signs	5-30	3.33-20
- Vehicle crossings	80	1.25

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

The Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset class is revalued.

- Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years, on the basis described below. All other asset classes are carried at depreciated historical cost.
- Land and buildings have been valued at either optimised depreciated replacement cost or fair value.
- Infrastructure assets have been valued at optimised depreciated replacement cost. The exceptions are:
 - wharves, were valued at indemnity value, reflecting their minimum residual value. Wharves are no longer revalued. The Council elected to use the fair value of the wharves at 30 June 1990 (the date of the last valuation) as the deemed cost of these assets. Subsequent additions have been recorded at cost.
 - traffic signs, which are stated at cost
 - land under roads, which is not revalued (historically they were valued at 45% of the average market value of adjacent land).
- Landfill assets are valued at depreciated replacement cost.

- Library literary assets were valued at depreciated replacement cost in accordance with draft guidelines released by the New Zealand Library Association and the National Library of New Zealand. Library assets are no longer revalued. The Council elected to use the fair value of library assets at 30 June 2006 (the date of the last valuation) as the deemed cost of these assets. Subsequent additions have been recorded at cost.
- Collections items are classified into relevant asset classes and are revalued on a cyclical basis.

All revaluations are carried out by independent valuers who specialise in the asset classes listed above.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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

The Hutt Valley and Wainuiomata bulk wastewater system is managed by Council. Upper Hutt City Council pays an annual levy to the Hutt City Council based on an apportionment formula equating to between 26% and 33% 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 Comprehensive Income 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.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by Council and Group, are recognised as an intangible asset.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	33.33% – 20%	3 - 5 years
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Impairment of property, plant and equipment and intangible assets

Assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council and Group have an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term benefits

Employee benefits that Council and Group expect to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council and Group recognise a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council and Group anticipates it will be used by staff to cover those future absences.

Council and Group recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

The discount rate used is the current New Zealand Government long-term bond rate as at 30 June each year, and the inflation rate used is the annual Consumer Price Index. The discount rate is based on Council's long-term cost of funds. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred.

Defined benefit schemes

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 7.

Provisions

Council and Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Landfill post closure costs

As operator of the Silverstream landfill site, Council has an obligation to ensure the ongoing maintenance and monitoring services at these landfill sites after closure. Council also has an obligation to monitor the closed landfill site at Wainuiomata and other 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 closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care for Silverstream is 30 years and Wainuiomata is 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 Council.

Amounts provided for closure and post closure costs are capitalised to the landfill asset where they give rise to future economic benefits, or

if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

Equity

Equity is the community's interest in Council, 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 makes 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.

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.

Asset revaluation reserves relate to the revaluation of property, plant, and equipment to fair value.

Goods and services tax (GST)

All items in the Financial Statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council, as a separate entity, in the Annual Plan at the beginning of the year after a period of consultation with the public as part of the Community Planning process. The Annual Plan figures do not include budget information relating to the subsidiaries, associates or joint ventures. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan 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.

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.

Critical accounting estimates, judgements and assumptions

In preparing these Financial Statements Council and Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections,

deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Judgements that have a significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post closure costs.

2. Summary Income and Expenditure for Group Activities

	COUNCIL		
	ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000
Income			
Libraries	392	641	693
Museums	599	775	550
Aquatics and Recreation	4,161	4,559	4,530
Parks and Reserves	2,792	1,807	2,762
Community Development	270	212	316
Property	-	-	-
Roading and Traffic	12,911	13,066	11,864
Water Supply	14,125	14,599	14,261
Wastewater	20,302	20,923	19,936
Stormwater	348	276	89
Solid Waste	12,916	10,653	12,207
Environmental Management	4,688	4,039	3,896
Emergency Management	2	12	383
Local Urban Environment	316	310	304
Economic Development	618	583	540
Elected Members	9	-	6
Advice and Support	187	170	-
Managing Services	18,539	18,405	15,766
Total activity income	93,175	91,030	88,103
Less internal income	(16,512)	(16,512)	(14,318)
General rates	62,014	60,811	59,112
Total income	138,677	135,329	132,897

	COUNCIL		
	ACTUAL 2014 \$000	BUDGET 2014 \$000	ACTUAL 2013 \$000
Expenditure			
Libraries	8,670	8,616	8,050
Museums	3,668	3,888	3,557
Aquatics and Recreation	10,326	10,379	9,978
Parks and Reserves	14,231	12,456	13,732
Community Development	3,351	3,524	3,901
Property	285	3,525	-
Roading and Traffic	26,223	26,361	25,702
Water Supply	14,121	14,476	14,031
Wastewater	20,058	20,495	20,349
Stormwater	7,154	7,236	7,062
Solid Waste	8,124	5,849	6,476
Environmental Management	11,426	10,109	9,586
Emergency Management	733	808	1,119
Local Urban Environment	1,299	1,365	1,614
Economic Development	3,522	4,413	2,372
Elected Members	1,911	2,029	1,894
Advice and Support	4,551	4,536	3,821
Managing Services	14,778	15,088	12,415
Total activity expenditure	154,431	155,153	145,659
Less internal expenditure	(16,512)	(16,512)	(14,318)
Total operating expenditure	137,919	138,641	131,341

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to each activities (refer note 3). In order to fairly reflect the total external operations for Council in the Statement of Comprehensive Income, these transactions are eliminated as shown above.

3. Rates Revenue

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
General rates	59,679	59,112	59,464	58,840
Targeted rates attributable to activities:				
- water supply	12,225	12,036	12,225	12,036
- wastewater	16,868	15,887	16,868	15,887
- recycling	1,171	1,180	1,171	1,180
- Jackson Street programme	113	110	113	110
Total rates, excluding metered water supply rates	90,056	88,325	89,841	88,053

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its Financial Statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by Council from other authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income for Council for the year ended 30 June 2014 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	COUNCIL	
	2014 \$000	2013 \$000
Rates, excluding targeted water supply rates	90,056	88,325
Targeted water supply rates	-	-
Lump sum contributions	-	-
	90,056	88,325

RATES REMISSIONS

Rates revenue is shown net of rates remissions, totalling \$229,000 (2013 \$276,000). The Council's rate remission policy (set out in detail in the LTP) allows the Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital, and land protected for historical or cultural purposes, provided the property is used for community benefit and not surplus. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's rates remission policy.

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Total gross rates, excluding targeted water supply rates	90,355	88,601	90,140	88,329
Rates remissions:				
- Schools	202	194	202	194
- Kindergartens/playcentres	8	7	8	7
- Sports bodies	4	3	4	3
- Churches	36	31	36	31
- Hospitals	19	18	19	18
- Economic Development	-	-	-	-
- Other	12	10	12	10
- Flooding	-	-	-	-
- Penalty remissions	18	13	18	13
Total rates remissions	299	276	299	276
Rates (net of remissions), excluding metered water supply rates	90,056	88,325	89,841	88,053

4. User Charges and Subsidies Received

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Fees, charges and metered rates for water supply				
Rent	1,551	1,319	4,989	4,790
Water by meter	1,880	1,929	1,937	1,985
Targeted water supply rates	-	-	-	-
Parking fees	1,600	1,746	1,600	1,746
Service and entry fees	3,461	3,862	3,461	3,862
Solid waste collection and disposal	12,901	11,018	12,901	11,078
Other user charges	1,197	836	1,197	776
Regulatory revenue	4,973	4,044	4,973	4,044
Penalties	3,491	3,519	3,491	3,519
Total fees, charges and metered rates for water supply	31,054	28,273	34,549	31,800
Subsidies and grants				
Operating subsidies	42	121	42	121
New Zealand Transport Agency	7,525	6,358	7,525	6,358
Upper Hutt City Council	2,397	2,921	2,397	2,921
Other government	49	46	49	46
Capital subsidies	-	345	-	345
Total subsidies and grants	10,013	9,791	10,013	9,791
Other revenue				
Dividends	6	-	6	-
Vested assets	1,437	639	1,437	651
Petrol tax	400	392	400	392
Sale of goods	857	727	1,027	980
Miscellaneous revenue	3,490	3,984	3,719	4,050
Total other revenue	6,190	5,742	6,589	6,073

There are no unfulfilled conditions or other contingences attached to New Zealand Transport Agency and other subsidies recognised.

5. Finance Income and Finance Costs

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Finance income				
Interest revenue				
- call and term deposits	181	80	221	92
- related party deposits	496	164	-	-
Total finance income	677	244	221	92
Finance costs				
Interest expense				
- interest on bank borrowings	4,337	3,955	4,337	4,235
- related party borrowings	-	-	-	-
- discount unwind on provisions (note 24)	305	315	305	315
Fair value gains on hedging instruments				
- fair value hedging instruments	-	-	-	-
- fair value adjustment to bank borrowings	-	-	-	-
Total finance costs	4,642	4,270	4,642	4,550
Net finance costs	3,965	4,026	4,421	4,458

6. Gains and Losses

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Non-financial instruments				
Property, plant and equipment gains/(losses) on disposal	424	(116)	1,021	(59)
Total non-financial instruments gains/(losses)	424	(116)	1,021	(59)
Financial instruments				
Fair value through equity investments gains on disposal	-	-	-	-
Gains/(Losses) on held for trading derivative financial instruments:				
- interest rate swaps	943	1,485	943	1,485
Ineffectiveness on fair value hedges	-	-	-	-
Total financial instruments gains/(losses)	943	1,485	943	1,485
Total gains/(losses)	1,367	1,369	1,964	1,426

7. Employee Costs

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Salaries and wages	25,626	24,345	26,497	25,071
Redundancy	112	185	112	185
Recruitment costs	88	56	101	57
Training	486	396	498	409
ACC	252	111	262	119
Other employee costs	246	243	255	256
Retiring and Long Service Leave	18	(29)	20	(27)
Defined contribution plan employer contributions	554	363	554	363
Increase/(decrease) in employee entitlements/liabilities	135	(116)	139	(127)
Total employee costs	27,517	25,554	28,438	26,306

Employer contributions to defined contribution plans are the contributions to KiwiSaver and other superannuation plans.

8. Operating Costs

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Auditors' fees				
- for auditing the Financial Statements	158	153	197	188
- additional costs for auditing the 2013 Financial Statements	17	-	18	-
- for auditing the 2012 Long Term Plan Amendment	16	2	16	2
Impairment of receivables	137	1	144	9
Directors' fees	-	-	128	132
Entertainment	34	38	37	40
Grants	1,307	1,556	1,307	1,560
Donations	22	22	22	18
Insurance	2,640	2,468	2,852	2,655
Inventories	493	387	497	388
Legal services	392	313	403	335
Other specialist services	2,735	2,955	3,084	3,066
Total remuneration to councillors	720	697	720	697
Minimum lease payments under operating leases	869	762	907	815
Operational contracts	24,958	24,574	24,628	24,091
Maintenance	9,536	10,471	9,923	10,865
GWRC bulk water charges	6,459	6,342	6,459	6,342
Energy costs	3,377	3,185	3,404	3,209
Other expenses	21,840	17,693	22,351	18,298
Total operating costs	75,710	71,619	77,097	72,710

9. Taxation

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Components of tax expense				
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax expense	-	-	-	-
Tax expense/(benefit)	-	-	-	-
Relationship between tax expense and accounting profit				
Net surplus/(deficit) before tax	758	1,556	1,215	1,832
Tax at 28%	212	436	340	513
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	2	-
Non-taxable income	(212)	(436)	(621)	(318)
Prior year adjustment	-	-	1	(45)
Group loss offset	-	-	-	-
Unrecognised temporary differences	-	-	93	25
Unrecognised tax losses	-	-	40	(86)
Tax losses recognised	-	-	-	-
Tax rate change	-	-	-	-
Tax losses not previously recognised	-	-	(59)	(89)
Deferred tax adjustment	-	-	-	-
Tax expense/(benefit)	-	-	(204)	-

DEFERRED TAX ASSET/(LIABILITY)	PROPERTY, PLANT AND EQUIPMENT	OTHER PROVISIONS	TAX LOSSES	DEFERRED TAX ASSET/(LIABILITY)
COUNCIL				
Balance at 30 June 2012	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
Balance at 30 June 2013	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
Change in tax rate	-	-	-	-
Balance at 30 June 2014	-	-	-	-
GROUP				
Balance at 30 June 2012	(2,549)	27	2,522	-
Charged to income	622	(3)	(619)	-
Charged to equity	-	-	-	-
Balance at 30 June 2013	(1,927)	24	1,903	-
Charged to income	193	4	7	204
Charged to equity	(204)	-	-	(204)
Change in tax rate	-	-	-	-
Balance at 30 June 2014	(1,938)	28	1,910	-

Generally, local authorities are exempt from taxation except for income derived from any Council Controlled Company or port activity per section CW 39 of the Income Tax Act 2007.

Council has unrecognised tax losses available to carry forward of \$2,331,133 (2013: \$2,745,230), with a tax effect of \$652,717 (2013: \$768,690). The losses are available for offset against future assessable income.

The Group has unrecognised tax losses available to carry forward of \$9,856,722 (2013: \$10,440,000), with a tax effect of \$2,759,862 (2013: \$2,932,000). The losses are available for offset against future assessable income.

10. Cash and Cash Equivalents

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Cash at bank and on hand	14,503	11,309	17,820	11,820
Term deposits with maturities less than three months	-	-	-	-
Cash and Cash Equivalents	14,503	11,309	17,820	11,820

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The total value of cash and cash equivalents within restricted reserves that can only be used for specified purposes, (as outlined in the relevant trust deeds) is \$78,000 (2013: \$74,000), as shown in note 26.

Cash, cash equivalent and bank overdrafts include the following for the purposes of the Statement of Cash Flows.

	NOTE	COUNCIL		GROUP	
		2014 \$000	2013 \$000	2014 \$000	2013 \$000
Cash at bank and on hand		14,503	11,309	17,820	11,820
Term deposits with maturities less than three months		-	-	-	-
Bank overdraft	22.	-	-	-	-
Total		14,503	11,309	17,820	11,820

11. Debtors and Other Receivables

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Rates receivable	3,784	3,999	3,784	3,999
Other receivables:				
- Amounts due from related parties (note 31)	487	231	-	-
- GST receivable	1,823	1,438	1,881	1,460
- Other receivables	5,077	7,684	5,474	8,547
Total other receivables	7,387	9,353	7,355	10,007
Gross debtors and other receivables	11,171	13,352	11,139	14,006
Less provision for impairment	(376)	(264)	(408)	(294)
Total debtors and other receivables	10,795	13,088	10,731	13,712

FAIR VALUE

Debtors and other receivables are non-interest bearing and receipts are normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

IMPAIRMENT

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2013: \$nil).

The status of receivables as at 30 June is detailed below:

RATES RECEIVABLES	2014			2013		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
COUNCIL						
Not past due	-	-	-	-	-	-
Past due 1-60 days	3,552	-	3,552	1,866	(13)	1,853
Past due 61-120 days	-	-	-	1,236	-	1,236
Past due >120 days	232	(13)	219	897	-	897
Total	3,784	(13)	3,771	3,999	(13)	3,986
GROUP						
Not past due	-	-	-	-	-	-
Past due 1-60 days	3,552	-	3,552	1,866	(13)	1,853
Past due 61-120 days	-	-	-	1,236	-	1,236
Past due >120 days	231	(13)	218	897	-	897
Total	3,784	(13)	3,771	3,999	(13)	3,986

OTHER RECEIVABLES	2014			2013		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
COUNCIL						
Not past due	4,697	-	4,697	8,969	(165)	8,804
Past due 1-30 days	1,865	-	1,865	54	-	54
Past due 31-60 days	215	-	215	38	(1)	37
Past due >60 days	610	(363)	247	292	(85)	207
Total	7,387	(363)	7,024	9,353	(251)	9,102
GROUP						
Not past due	4,600	-	4,600	9,541	(134)	9,407
Past due 1-30 days	1,899	(6)	1,893	73	-	73
Past due 31-60 days	221	(1)	220	48	(4)	44
Past due >60 days	636	(388)	248	345	(143)	202
Total	7,355	(395)	6,960	10,007	(281)	9,726
Total receivables - Council	11,171	(376)	10,795	13,352	(264)	13,088
Total receivables - Group	11,139	(408)	10,731	14,006	(294)	13,712

The impairment provision has been calculated based on expected losses for the Council's pool of debtors. Expected losses have been determined based on an analysis of the Council's losses in previous periods, and review of specific debtors as detailed below:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Individual impairment	108	86	140	116
Collective impairment	268	178	268	178
Total provision for impairment	376	264	408	294

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Not past due	-	-	-	-
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	1	-	2
Past due > 60 days	108	85	140	114
Total individual impairment	108	86	140	116

Movements in the provisions for impairment of receivables are as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
At 1 July	264	284	294	308
Additional provisions made during the year	112	203	114	218
Provisions reversed during the year	-	(186)	-	(196)
Receivables written-off during the period	-	(37)	-	(36)
At 30 June	376	264	408	294

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

12. Derivative Financial Instruments

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Current asset portion				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - cash flow hedges	-	-	-	-
Interest rate swaps - held for trading - Asset	284	690	284	690
Total current asset portion	284	690	284	690
Non-current asset portion				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - cash flow hedges	-	-	-	-
Interest rate swaps - held for trading	-	-	-	-
Total non-current asset portion	-	-	-	-
Total derivative financial instrument assets	284	690	284	690
Current liability portion				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - held for trading - Liability	2,320	3,699	2,320	3,699
Forward foreign exchange contracts - held for trading	-	-	-	-
Total current liability portion	2,320	3,699	2,320	3,699
Non-current liability portion				
Interest rate swaps - held for trading	-	-	-	-
Total non-current liability portion	-	-	-	-
Total derivative financial instrument liabilities	2,320	3,699	2,320	3,699
Total derivative financial instruments	(2,036)	(3,009)	(2,036)	(3,009)

Fair value

The fair value of interest rate swaps has been determined using a discounted cash flows valuation technique based on quoted market prices.

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for the Council and Group were \$47 million (2013: \$57 million). At 30 June 2014, the fixed interest rates of cash flow hedges interest rate swaps vary from 3.44% to 6.10% (2013: 2.64% to 7.11%).

13. Inventories

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
<i>Commercial inventories held for sale:</i>				
Diesel	-	-	12	6
Emission trading units	110	110	110	110
Inventory	86	83	86	83
Commercial property developments	-	-	1,785	208
Total inventories	196	193	1,993	407

No inventories are pledged as security for liabilities (2013: \$nil). However, some inventories are subject to retention of title clauses. Commercial inventories are valued at cost, as there are no impairments of inventories.

14. Non-Current Assets Held for Sale

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
<i>Non-current assets held for sale are:</i>				
- land and buildings	2,752	-	2,752	1,552
- plant	-	-	-	-
Total non-current assets held for sale are:	2,752	-	2,752	1,552

15. Property, Plant and Equipment

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
COUNCIL 2014															
Operational assets															
Land	40,393	-	40,393	244	-	(55)	-	-	-	-	-	-	40,582	-	40,582
Buildings	61,212	(5,124)	56,088	4,536	-	(3,053)	939	-	-	-	(3,217)	(1,704)	60,991	(7,402)	53,589
Landfill Building Assets	4,255	(108)	4,147	305	-	-	-	-	-	-	(77)	-	4,560	(185)	4,375
Library Books	7,766	(4,598)	3,168	831	-	-	-	-	-	-	(771)	-	8,597	(5,369)	3,228
Plant and Equipment	18,387	(8,648)	9,739	1,481	-	(101)	92	-	-	-	(1,629)	(21)	19,746	(10,186)	9,560
Vehicles	-	-	-	16	-	-	-	-	-	-	-	-	16	-	16
Landfill Plant	13,832	(261)	13,571	-	-	(45)	45	-	-	-	(213)	-	13,787	(429)	13,358
Wharves	2,636	(1,934)	702	1	-	-	-	-	-	-	(56)	-	2,637	(1,990)	647
Breakwaters	5,786	(97)	5,689	-	-	-	-	-	-	-	(65)	-	5,786	(162)	5,624
	154,267	(20,770)	133,497	7,414	-	(3,254)	1,076	-	-	-	(6,028)	(1,725)	156,702	(25,723)	130,979
Collection assets															
Paintings	5,950	-	5,950	8	-	-	-	-	-	-	-	-	5,958	-	5,958
Works on Paper (NZ) & International	910	-	910	-	-	1	-	-	-	-	-	-	911	-	911
Other Collection Items	2,745	-	2,745	14	-	-	-	-	-	-	-	-	2,759	-	2,759
Petone Settlers	151	-	151	-	-	-	-	-	-	-	-	-	151	-	151
Total collections	9,756	-	9,756	22	-	1	-	-	-	-	-	-	9,779	-	9,779
Total operational assets	164,023	(20,770)	143,253	7,436	-	(3,253)	1,076	-	-	-	(6,028)	(1,725)	166,481	(25,723)	140,758
Infrastructural assets															
Wastewater System	195,737	(9,571)	186,166	5,644	341	-	117	-	-	-	(6,265)	(1,173)	200,549	(15,719)	184,830
Wastewater Treatment Plant	49,020	(3,358)	45,662	1,189	-	-	-	-	-	-	(2,078)	-	50,209	(5,436)	44,773
Less UHCC Share in HVS Assets	(43,814)	2,345	(41,469)	(406)	-	-	-	-	-	-	1,526	-	(44,220)	3,871	(40,349)
	200,943	(10,584)	190,359	6,427	341	-	117	-	-	-	(6,817)	(1,173)	206,538	(17,285)	189,253
Land	161,362	-	161,362	11	216	-	-	-	-	-	-	(20)	161,569	-	161,569
Landfill Land Asset	4,096	-	4,096	-	-	(640)	-	-	-	-	-	-	3,456	-	3,456
Stormwater System	180,136	(4,396)	175,740	958	321	-	2	-	-	-	(2,986)	(16)	181,399	(7,380)	174,019
Stormwater Landfill Assets	6,934	(275)	6,659	-	-	-	-	-	-	-	(183)	-	6,934	(458)	6,476
Water Supply System	106,984	(4,817)	102,167	2,667	213	-	-	-	-	-	(3,261)	-	109,864	(8,078)	101,786
Roading Network	428,147	(14,939)	413,208	8,968	342	-	808	-	-	-	(9,807)	(4,972)	432,485	(23,936)	408,549
Roading Landfill Assets	3,728	(106)	3,622	-	-	-	-	-	-	-	(71)	-	3,728	(177)	3,551
Seawalls	3,901	(111)	3,790	-	-	-	-	-	-	-	(74)	-	3,901	(185)	3,716
Total infrastructural assets	1,096,231	(35,228)	1,061,003	19,031	1,433	(640)	927	-	-	-	(23,199)	(6,181)	1,109,874	(57,499)	1,052,375
Restricted assets															
Land	101,664	-	101,664	56	4	(265)	-	-	-	-	-	-	101,459	-	101,459
Total restricted assets	101,664	-	101,664	56	4	(265)	-	-	-	-	-	-	101,459	-	101,459
Joint venture assets															
Share of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total joint venture assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total property, plant and equipment	1,361,918	(55,998)	1,305,920	26,523	1,437	(4,158)	-	2,003	-	-	(29,227)	(7,906)	1,377,814	(83,222)	1,294,592

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
COUNCIL 2013															
Operational assets															
Land	38,609	-	38,609	286		(646)	2,144	-	-	-	-	-	40,393	-	40,393
Buildings	62,615	(1,890)	60,725	1,207	235	(686)	(2,159)	113	-	14	(3,361)	-	61,212	(5,124)	56,088
Landfill Building Assets	4,262	(36)	4,226	-		(7)	-	1	-	-	(73)	-	4,255	(108)	4,147
Library Books	6,888	(3,915)	2,973	878		-	-	-	-	-	(683)	-	7,766	(4,598)	3,168
Plant and Equipment	15,901	(7,094)	8,807	2,481		-	4	-	-	(4)	(1,549)	-	18,387	(8,648)	9,739
Vehicles															
Landfill Plant	11,718	(98)	11,620	2,115		(1)	-	-	-	-	(163)	-	13,832	(261)	13,571
Wharves	2,606	(1,878)	728	30		-	-	-	-	-	(56)	-	2,636	(1,934)	702
Breakwaters	5,786	(32)	5,754	-		-	-	-	-	-	(65)	-	5,786	(97)	5,689
	148,385	(14,943)	133,442	6,997	235	(1,340)	(11)	114	-	10	(5,950)	-	154,267	(20,770)	133,497
Collection assets															
Paintings	5,947	-	5,947	3		-	-	-	-	-	-	-	5,950	-	5,950
Works on Paper (NZ) & International	910	-	910	-		-	-	-	-	-	-	-	910	-	910
Other Collection Items	2,737	-	2,737	8		-	-	-	-	-	-	-	2,745	-	2,745
Petone Settlers	151	-	151	-		-	-	-	-	-	-	-	151	-	151
<i>Total collections</i>	9,745	-	9,745	11	-	-	-	-	-	-	-	-	9,756	-	9,756
Total operational assets	158,130	(14,943)	143,187	7,008	235	(1,340)	(11)	114	-	10	(5,950)	-	164,023	(20,770)	143,253
Infrastructural assets															
Wastewater System	192,356	(3,369)	188,987	3,149	46	-	186	-	-	(35)	(6,167)	-	195,737	(9,571)	186,166
Wastewater Treatment Plant	49,020	(1,280)	47,740	-							(2,078)		49,020	(3,358)	45,662
Less UHCC Share in HVS Assets	(43,082)	830	(42,252)	(546)			(186)			35	1,480		(43,814)	2,345	(41,469)
	198,294	(3,819)	194,475	2,603	46	-	-	-	-	-	(6,765)	-	200,943	(10,584)	190,359
Land	161,362	-	161,362	-									161,362	-	161,362
Landfill Land Asset	4,026	-	4,026	70									4,096	-	4,096
Stormwater System	177,459	(1,444)	176,015	2,622	55	-	-	-	-	-	(2,952)	-	180,136	(4,396)	175,740
Stormwater Landfill Assets	6,934	(91)	6,843	-							(184)		6,934	(275)	6,659
Water Supply System	105,152	(1,585)	103,567	1,772	60	-	-	-	-	-	(3,232)	-	106,984	(4,817)	102,167
Roading Network	420,642	(5,335)	415,307	7,623	243	(361)	-	155	-	-	(9,759)	-	428,147	(14,939)	413,208
Roading Landfill Assets	3,728	(34)	3,694	-							(72)		3,728	(106)	3,622
Seawalls	3,901	(37)	3,864	-							(74)		3,901	(111)	3,790
<i>Total Infrastructural assets</i>	1,081,498	(12,345)	1,069,153	14,690	404	(361)	-	155	-	-	(23,038)	-	1,096,231	(35,228)	1,061,003
Restricted assets															
Land	101,702	-	101,702	-		(38)	-	-	-	-	-	-	101,664	-	101,664
<i>Total Restricted assets</i>	101,702	-	101,702	-	-	(38)	-	-	-	-	-	-	101,664	-	101,664
Joint venture assets															
Share of PPE	164	(130)	34	-		(164)	-	130	-	-	-	-	-	-	-
<i>Total joint venture assets</i>	164	(130)	34	-	-	(164)	-	130	-	-	-	-	-	-	-
Total Property, plant and equipment	1,341,494	(27,418)	1,314,076	21,698	639	(1,903)	(11)	399	-	10	(28,988)	-	1,361,918	(55,998)	1,305,920

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
GROUP 2014															
Operational assets															
Land	40,393	-	40,393	244	-	(55)	-	-	-	-	-	-	40,582	-	40,582
Buildings	61,222	(5,124)	56,098	4,526	-	(3,053)	-	939	-	-	(3,217)	(1,704)	60,991	(7,402)	53,589
Landfill Building Assets	4,255	(108)	4,147	305	-	-	-	-	-	-	(77)	-	4,560	(185)	4,375
Library Books	7,766	(4,598)	3,169	831	-	-	-	-	-	-	(771)	-	8,597	(5,369)	3,228
Plant and Equipment	18,386	(8,647)	9,739	1,481	-	(101)	-	92	-	-	(1,629)	(21)	19,745	(10,184)	9,561
Vehicles	-	-	-	16	-	-	-	-	-	-	-	-	16	-	16
Landfill Plant	13,832	(261)	13,571	-	-	(45)	-	45	-	-	(213)	-	13,787	(429)	13,358
Wharves	2,636	(1,934)	702	1	-	-	-	-	-	-	(56)	-	2,637	(1,990)	647
Breakwaters	5,786	(97)	5,689	-	-	-	-	-	-	-	(65)	-	5,786	(162)	5,624
Seaview Marina	3,089	(864)	2,225	176	-	-	-	-	-	-	(148)	-	3,265	(1,012)	2,253
Marina Service Centre	3,763	(290)	3,473	-	-	-	-	-	-	-	(103)	-	3,763	(393)	3,370
Piers and Berths	2,858	(927)	1,931	19	-	-	-	-	-	-	(115)	-	2,877	(1,042)	1,836
Urbanplus Land	8,479	-	8,479	-	-	(330)	-	-	-	-	-	1,164	9,313	-	9,313
Urbanplus Buildings	11,475	(1,395)	10,080	78	-	(485)	-	2,086	-	-	(691)	(1,236)	9,832	-	9,832
Urbanplus Other Assets	10	(8)	-	-	-	-	-	-	-	-	(2)	-	10	(10)	-
Hutt City Community Facilities Trust Equipment	30	-	30	-	-	-	-	-	-	-	(1)	-	30	(1)	29
	183,981	(24,253)	159,726	7,678	-	(4,069)	-	3,162	-	-	(7,088)	(1,797)	185,792	(28,179)	157,613
Collection assets															
Paintings	5,950	-	5,950	8	-	-	-	-	-	-	-	-	5,958	-	5,958
Works on Paper (NZ) & International	910	-	910	-	-	1	-	-	-	-	-	-	911	-	911
Other Collection Items	2,745	-	2,745	14	-	-	-	-	-	-	-	-	2,759	-	2,759
Petone Settlers	151	-	151	-	-	-	-	-	-	-	-	-	151	-	151
<i>Total collections</i>	9,756	-	9,756	22	-	1	-	-	-	-	-	-	9,779	-	9,779
Total operational assets	193,737	(24,253)	169,482	7,700	-	(4,068)	-	3,162	-	-	(7,088)	(1,797)	195,571	(28,179)	167,392
Infrastructural assets															
Wastewater System	195,737	(9,571)	186,166	5,644	341	-	-	117	-	-	(6,265)	(1,173)	200,549	(15,719)	184,830
Wastewater Treatment Plant	49,020	(3,358)	45,662	1,189	-	-	-	-	-	-	(2,078)	-	50,209	(5,436)	44,773
Less UHCC Share in HVS Assets	(43,814)	2,345	(41,469)	(406)	-	-	-	-	-	-	1,526	-	(44,220)	3,871	(40,349)
	200,943	(10,584)	190,359	6,427	341	-	-	117	-	-	(6,817)	(1,173)	206,538	(17,285)	189,253
Land	161,362	-	161,362	11	216	-	-	-	-	-	-	(20)	161,569	-	161,569
Landfill Land Asset	4,096	-	4,096	-	-	(640)	-	-	-	-	-	-	3,456	-	3,456
Stormwater System	180,136	(4,396)	175,740	958	321	-	-	2	-	-	(2,986)	(16)	181,399	(7,380)	174,019
Stormwater Landfill Assets	6,934	(275)	6,659	-	-	-	-	-	-	-	(183)	-	6,934	(458)	6,476
Water Supply System	106,984	(4,817)	102,167	2,667	213	-	-	-	-	-	(3,261)	-	109,864	(8,078)	101,786
Roading Network	428,147	(14,939)	413,208	8,968	342	-	-	808	-	-	(9,807)	(4,972)	432,485	(23,938)	408,547
Roading Landfill Assets	3,728	(106)	3,622	-	-	-	-	-	-	-	(71)	-	3,728	(177)	3,551
Seawalls	3,901	(111)	3,790	-	-	-	-	-	-	-	(74)	-	3,901	(185)	3,716
<i>Total Infrastructural assets</i>	1,096,231	(35,228)	1,061,003	19,031	1,433	(640)	-	927	-	-	(23,199)	(6,181)	1,109,874	(57,500)	1,052,374
Restricted assets															
Land	101,664	-	101,664	56	4	(265)	-	-	-	-	-	-	101,459	-	101,459
<i>Total Restricted assets</i>	101,664	-	101,664	56	4	(265)	-	-	-	-	-	-	101,459	-	101,459
Joint venture assets															
Share of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Total joint venture assets</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property, plant and equipment	1,391,632	(59,482)	1,332,150	26,787	1,437	(4,973)	-	4,089	-	-	(30,286)	(7,978)	1,406,906	(85,680)	1,321,226

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
GROUP 2013															
Operational assets															
Land	38,609	-	38,609	286	-	(646)	2,144	-	-	-	-	-	40,393	-	40,393
Buildings	62,620	(1,890)	60,730	1,200	247	(686)	(2,159)	113	-	14	(3,361)	-	61,222	(5,124)	56,098
Landfill Building Assets	4,262	(36)	4,226	-	-	(7)	-	1	-	-	(73)	-	4,255	(108)	4,147
Library Books	6,888	(3,915)	2,973	878	-	-	-	-	-	-	(683)	-	7,766	(4,598)	3,169
Plant and Equipment	15,901	(7,094)	8,807	2,481	-	-	4	-	-	(4)	(1,549)	-	18,386	(8,647)	9,739
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Plant	11,718	(98)	11,620	2,115	-	(1)	-	-	-	-	(163)	-	13,832	(261)	13,571
Wharves	2,606	(1,878)	728	30	-	-	-	-	-	-	(56)	-	2,636	(1,934)	702
Breakwaters	5,786	(32)	5,754	-	-	-	-	-	-	-	(65)	-	5,786	(97)	5,689
Seaview Marina	2,789	(719)	2,070	300	-	-	-	-	-	-	(145)	-	3,089	(864)	2,225
Marina Service Centre	3,680	(189)	3,491	83	-	-	-	-	-	-	(101)	-	3,763	(290)	3,473
Piers and Berths	2,856	(811)	2,045	2	-	-	-	-	-	-	(116)	-	2,858	(927)	1,931
Urbanplus Land	9,406	(40)	9,366	-	-	(927)	-	-	40	-	-	-	8,479	-	8,479
Urbanplus Buildings	12,716	(862)	11,854	292	-	(1,533)	-	-	71	-	(744)	140	11,475	(1,395)	10,080
Urbanplus Other Assets	10	(7)	3	-	-	-	-	-	-	-	(1)	-	10	(8)	2
Hutt City Community Facilities Trust Equipment	-	-	-	30	-	-	-	-	-	-	-	-	30	-	30
	179,848	(17,571)	162,276	7,697	247	(3,800)	(11)	114	111	10	(7,057)	140	183,981	(24,253)	159,728
Collection assets															
Paintings	5,947	-	5,947	3	-	-	-	-	-	-	-	-	5,950	-	5,950
Works on Paper (NZ) & International	910	-	910	-	-	-	-	-	-	-	-	-	910	-	910
Other Collection Items	2,737	-	2,737	8	-	-	-	-	-	-	-	-	2,745	-	2,745
Petone Settlers	151	-	151	-	-	-	-	-	-	-	-	-	151	-	151
<i>Total collections</i>	9,745	-	9,745	11	-	-	-	-	-	-	-	-	9,756	-	9,756
<i>Total operational assets</i>	189,593	(17,571)	172,021	7,708	247	(3,800)	(11)	114	111	10	(7,057)	140	193,737	(24,253)	169,484
Infrastructural assets															
Wastewater System	192,356	(3,369)	188,987	3,149	46	-	186	-	-	(35)	(6,167)	-	195,737	(9,571)	186,166
Wastewater Treatment Plant	49,020	(1,280)	47,740	-	-	-	-	-	-	-	(2,078)	-	49,020	(3,358)	45,662
Less UHCC Share in HVS Assets	(43,082)	830	(42,252)	(546)	-	-	(186)	-	-	35	1,480	-	(43,814)	2,345	(41,469)
	198,294	(3,819)	194,475	2,603	46	-	-	-	-	-	(6,765)	-	200,943	(10,584)	190,359
Land	161,362	-	161,362	-	-	-	-	-	-	-	-	-	161,362	-	161,362
Landfill Land Asset	4,026	-	4,026	70	-	-	-	-	-	-	-	-	4,096	-	4,096
Stormwater System	177,459	(1,444)	176,015	2,622	55	-	-	-	-	-	(2,952)	-	180,136	(4,396)	175,740
Stormwater Landfill Assets	6,934	(91)	6,843	-	-	-	-	-	-	-	(184)	-	6,934	(275)	6,659
Water Supply System	105,152	(1,585)	103,567	1,772	60	-	-	-	-	-	(3,232)	-	106,984	(4,817)	102,167
Roading Network	420,642	(5,335)	415,307	7,623	243	(361)	-	155	-	-	(9,759)	-	428,147	(14,939)	413,208
Roading Landfill Assets	3,728	(34)	3,694	-	-	-	-	-	-	-	(72)	-	3,728	(106)	3,622
Seawalls	3,901	(37)	3,864	-	-	-	-	-	-	-	(74)	-	3,901	(111)	3,790
<i>Total Infrastructural assets</i>	1,081,498	(12,345)	1,069,153	14,690	404	(361)	-	155	-	-	(23,038)	-	1,096,231	(35,228)	1,061,003
Restricted assets															
Land	101,702	-	101,702	-	-	(38)	-	-	-	-	-	-	101,664	-	101,664
<i>Total Restricted assets</i>	101,702	-	101,702	-	-	(38)	-	-	-	-	-	-	101,664	-	101,664
Joint venture assets															
Share of PPE	164	(130)	34	-	-	(164)	-	130	-	-	-	-	-	-	-
<i>Total joint venture assets</i>	164	(130)	34	-	-	(164)	-	130	-	-	-	-	-	-	-
Total Property, plant and equipment	1,372,957	(30,046)	1,342,910	22,398	651	(4,363)	(11)	399	111	10	(30,095)	140	1,391,632	(59,482)	1,332,150

Valuation

Operational and restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuations are as follows: land and buildings was performed by Angela Croad BBS(VPM), MPINZ, of Darroch, and the valuation is effective as at 31 December 2011. Wharves valuation was performed by Ian Macallan & Co Limited as at 30 June 1990.

Landfills

At fair value as determined from market-based evidence by an independent valuer. Wainuiomata and Silverstream landfills were valued by AECOM Limited as at 31 December 2011. The valuer was Colin Gerrard (BSc, MSc, GIPENZ) and was reviewed by Ian Martin (BSc, BE (Hons), CPEng, CEng (UK), MIPENZ, MCIWEM).

Infrastructural assets

At fair value as determined from market-based evidence by an independent valuer. Infrastructure land under roads was valued by Quotable Value New Zealand as at 30 June 2006. The valuer was Kerry Stewart Val Prof Urb MBA. PG Dip Env Auditing, Registered Valuer, ANZIV, SPINZ. Other infrastructure assets were valued by Capacity and independently reviewed by AECOM Limited as at 31 December 2011. The valuer was Colin Gerrard (BSc, MSc, GIPENZ) and was reviewed by Ian Martin (BSc, BE (Hons), CPEng, CEng (UK), MIPENZ, MCIWEM).

Council's most recent estimate of the replacement cost of infrastructural asset is at 30 June 2011:

	\$000
Wastewater	423,787
Wastewater treatment plant	71,148
Stormwater	294,491
Water supply	231,900
Roading (excluding land under roads)	773,795
	1,795,122

Collection items

Painting and works on paper were valued as at 31 December 2011 by James Parkinson (MPINZ), Art+Object, cultural and forensic specialists contracted as independent valuers.

Assets held by Subsidiaries

Assets held by Seaview Marina Limited are recorded at deemed cost or actual cost and are not revalued.

Land and buildings assets held by Urbanplus Limited were revalued during the year. Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage. Buildings comprising residential dwellings have been valued in relation to market-based evidence. Market rents and capitalisation rates were applied to reflect market value while considering the highest and best use alternatives. The most recent valuation was performed by an independent valuer Pieter Geill (BBS, VPM ANZIV, SPINZ) of Quotable Value Limited and the valuation is effective as at 30 June 2014. The total valuation was for \$19,144,100.

Insurance

ASSET TYPE	POLICY CLASS	TOTAL DECLARED VALUE	MAXIMUM LIMITED OF LIABILITY
Buildings, Plant and Equipment and above ground infrastructure property (land, roading assets and bridges are not insured)	Material Damage	\$180,503,779	Natural Catastrophe: \$150 million any one loss or series of losses arising out of any one event and in annual aggregate for all four Councils. All other losses: \$150 million any one loss or series of losses arising out of any one event for all four Councils.
Underground Infrastructure Assets	Material Damage – Natural Catastrophe only	\$1,043,267,793	Natural Catastrophe: \$300 million each and every loss or series of losses arising out of any one event for all four Councils and limited to a \$210 million sublimit for HCC.
Residential Property	Material Damage	\$3,377,200	Natural Catastrophe: First \$100,000 per unit to be recovered from the Earthquake Commission. Any remaining top up required per unit to a maximum of \$3,377,200 for 21 units. All other losses: Replacement value per unit to a maximum of \$3,377,200 for 21 units.
Motor Vehicle	Comprehensive Motor Vehicle	\$2,057,797	Market value at time of loss. Maximum limit any one vehicle \$250,000, unless agreed by insurer prior to loss. Third party liability – limit any one accident \$10 million.
Fine Arts	Material Damage	\$15,453,831	Permanent Collection: \$15,453,831 any one loss. Exhibitions and Temporary Loans, incoming and outgoing: Whilst at any unnamed location: \$1,500,000 any one loss. Transit Limit: \$750,000 any one loss.

16. Intangible Assets

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council 2014															
Software	7,052	(5,089)	1,963	554	-	-	-	-	-	-	(823)	-	7,606	(5,912)	1,694
	7,052	(5,089)	1,963	554	-	-	-	-	-	-	(823)	-	7,606	(5,912)	1,694
Council 2013															
Software	6,470	(4,285)	2,185	571	-	-	11	-	-	(10)	(794)	-	7,052	(5,089)	1,963
	6,470	(4,285)	2,185	571	-	-	11	-	-	(10)	(794)	-	7,052	(5,089)	1,963
Group 2014															
Software	7,138	(5,166)	1,972	554	-	-	-	-	-	-	(830)	-	7,692	(5,996)	1,696
	7,138	(5,166)	1,972	554	-	-	-	-	-	-	(830)	-	7,692	(5,996)	1,696
Group 2013															
Software	6,555	(4,359)	2,196	572	-	-	11	-	-	(10)	(797)	-	7,138	(5,166)	1,972
	6,555	(4,359)	2,196	572	-	-	11	-	-	(10)	(797)	-	7,138	(5,166)	1,972

17. Depreciation and Amortisation Expense by Group of Activity

	COUNCIL	
	ACTUAL 2014 \$000	ACTUAL 2013 \$000
Directly attributable depreciation and amortisation expense by activity (group of activity)		
Libraries	1,388	1,342
Museums	487	471
Aquatics and Recreation	1,292	1,309
Parks and Reserves	1,474	1,535
Community Development	110	120
Group People	4,751	4,776
Property	-	-
Roading and Traffic	9,940	9,739
Water Supply	3,277	3,248
Wastewater	6,898	6,819
Stormwater	2,970	2,935
Solid Waste	546	507
Environmental Management	12	8
Emergency Management	35	30
Group Environment	47	38
Local Urban Environment	104	227
Economic Development	10	24
Group Economy	114	251
Elected Members	4	4
Advice and Support	-	-
Managing Services	1,504	1,465
Group Organisation	1,508	1,469
Total directly attributable depreciation and amortisation expense by group of activity	30,050	29,782
Depreciation and amortisation not directly attributable by group of activity	-	-
Total depreciation and amortisation expense	30,050	29,782

18. Investment In Associate

Capacity Infrastructure Services (formerly Wellington Water Management Limited) was jointly created with Wellington City Council on 9 July 2003 and has a balance date of 30 June. The nature of the business is to jointly manage the water services for Lower Hutt and Wellington cities.

The Company has issued Class A shares representing voting rights and Class B shares which confers the level of contributions and ownership between each council.

During October 2013, Upper Hutt City Council and Porirua City Council purchased shares in the company. The company is considered to be jointly controlled because of the equal share of voting rights conferred through the Class A shares and is therefore an associate of all councils in accordance with IAS 28: Investments in Associates. Each council will equally account for their respective ownership interest as determined by the proportionate value of Class A and Class B shares held. Hutt City Council's ownership interest in the company is 25% (2013: 37%).

	SHARES ON ISSUE	HUTT CITY COUNCIL	WELLINGTON CITY COUNCIL	UPPER HUTT COUNCIL	PORIRUA CITY COUNCIL
2014					
Class A shares (voting entitlements)	600	150	150	150	150
		25%	25%	25%	25%
Class B shares (financial entitlements)	400	100	200	40	60
		25%	50%	10%	15%
2013					
Class A shares (voting entitlements)	300	150	150	-	-
		50%	50%	-	-
Class B shares (financial entitlements)	300	112	188	-	-
		37%	63%	-	-

Capacity is an unlisted company and accordingly there are no published price quotations to determine the fair value of Council's investment in Capacity.

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Capacity				
Balance at beginning of the year	224	224	155	136
New Shares issued	-	-	-	-
B Shares sold	(24)	-	(24)	-
Share of operating surplus / (deficit)	-	-	14	19
Balance at end of the year	200	224	145	155

	TOTAL CAPACITY		GROUP SHARE	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Revenue	13,281	7,620	3,320	2,819
Expenditure	13,225	7,646	3,306	2,829
Surplus (Deficit) before taxation	56	(26)	14	(10)
Taxation (Expense)/ benefit	(18)	79	(5)	29
Surplus (Deficit) after taxation	38	53	9	19
Assets	4,981	2,160	1,245	799
Liabilities	4,327	1,744	1,082	645
Equity	654	416	164	154

19. Other Financial Assets

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
CURRENT PORTION				
Loans to related parties (note 31)	5,120	9,150	-	-
Total other assets - current portion	5,120	9,150	-	-
NON-CURRENT PORTION				
<i>Investment in CCO's and other similar entities</i>				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 31)	6,580	2,750	-	-
Unlisted shares in LGFA	100	100	100	100
Borrower notes from LGFA	416	160	416	160
Total Investment in CCO's and other similar entities	21,641	17,555	516	260
<i>Investment in other entities</i>				
NZ Local Government Insurance Company	455	455	455	455
Smartlinx 3 Limited	39	39	39	39
Community and development loans	-	-	-	-
Total Investment in other entities	494	494	494	494
Total other assets - non current portion	22,135	18,049	1,010	754
Total other assets	27,255	27,199	1,010	754

Urbanplus Limited and Seaview Marina Limited are 100% owned subsidiaries.

UNLISTED SHARES

The fair value of the unlisted shares held in NZ Local Government Insurance Company has been determined using historical cost. The fair value of the unlisted shares held in Smartlinx 3 Limited has been determined using the last share issue price.

Impairment

There has been an impairment provision change made on the investment in NZ Local Government Insurance Company due to the financial state of the company. Movements in the provision for impairment of NZ Local Government Insurance Company are as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
At 1 July	-	(23)	-	(23)
Additional provisions made during the year	-	-	-	-
Provisions reversed during the year	-	23	-	23
At 30 June	-	-	-	-

There has been an impairment provision made on the investment in Smartlinx 3 Limited due to the financial state of the company. Movements in the provision for impairment of Smartlinx 3 Limited are as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
At 1 July	(426)	(426)	(426)	(426)
Additional provisions made during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
At 30 June	(426)	(426)	(426)	(426)

COMMUNITY AND DEVELOPMENT LOANS

The fair value of community and development loans is \$32,750 (2012: \$3,000). Fair value has been determined using a financial risk factor of 25% (2012: 25%). The face value of community and development loans is \$11,000 (2012: \$12,000).

Impairment

There have been impairments provisions made on community and development loans due to the financial risks of the payees. Movements in the provision for impairment of community and development loans are as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
At 1 July	(12)	(3)	(12)	(3)
Additional provisions made during the year	-	(9)	-	(9)
Provisions reversed during the year	1	-	1	-
Loans written-off during the period	-	-	-	-
At 30 June	(11)	(12)	(11)	(12)

20. Joint Venture

Council sold its 7% participating interest in the Silverstream Gas Joint Venture in August 2012. The principal activity of the joint venture is converting gas from the Silverstream landfill, owned by the Council, into electricity for the Hutt Valley, also reducing the emissions of gas.

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
SHARE OF ASSETS EMPLOYED				
Share of revenue	-	11	-	11
Share of expenses	-	(5)	-	(5)
Share of net surplus/(deficit)	-	6	-	6
Share of property, plant and equipment	-	-	-	-
Share of accounts receivable	-	-	-	-
Share of accounts payable	-	-	-	-
Total share of assets employed	-	-	-	-

There were no capital commitments, contingent assets or contingent liabilities owing at balance date (2013: \$nil).

21. Creditors and Other Payables

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Trade and other payables	7,912	13,745	7,912	13,745
Deposits and bonds	270	278	272	280
Accrued expenses	8,318	7,229	8,562	7,368
Rates in advance	806	745	806	745
Amounts due to customers for contract work	1,419	1,336	1,419	1,336
Total creditors and other payables	18,725	23,333	18,971	23,474

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximate their fair value.

22. Borrowings

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

	NOTES	COUNCIL		GROUP	
		2014 \$000	2013 \$000	2014 \$000	2013 \$000
Current portion					
Bank overdraft	10.	-	-	-	-
Secured loans - Current		25,222	31,256	25,222	31,256
Total current portion		25,222	31,256	25,222	31,256
Non-current portion					
Secured loans - Non-current		56,000	50,010	56,000	50,010
Total non-current portion		56,000	50,010	56,000	50,010
Total borrowing		81,222	81,266	81,222	81,266

MATURITY PROFILE

	INTEREST COST		COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Years of Maturity						
Under 1 year	1,347	1,575	25,222	31,256	25,222	31,256
1 to 2 years	534	660	10,000	20,001	10,000	20,001
2 to 3 years	-	390	-	10,001	-	10,001
3 to 4 years	534	40	10,000	-	10,000	-
4 to 5 years	1,281	611	24,000	10,000	24,000	10,000
Over 5 years	641	679	12,000	10,008	12,000	10,008
Total borrowing	4,337	3,955	81,222	81,266	81,222	81,266

SECURED LOANS

The Council's debt of \$81 million (2013: \$81 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 3.23% to 7.11% (2013: 2.61% to 7.11%).

SECURITY

A debenture trust deed has been established and Perpetual Trust Limited appointed as Trustee. All borrowing is secured by a charge overall rating in favour of the Trustee (2013: all borrowing except \$18,000).

Council has a \$20 million (2013: \$20 million) wholesale advance facility signed on 28 September 2012. As at 30 June a total of \$nil (2013: \$nil) had been drawn against this facility. The Facility is secured under the Debenture Trust Deed.

INTERNAL BORROWINGS

Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

23. Employee Entitlements

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Current portion				
Accrued Salaries and Wages	640	515	640	515
Time in Lieu	25	29	25	29
Annual Leave	1,671	1,674	1,752	1,693
Long Service Leave	42	67	42	88
Sick Leave	70	66	70	66
Total current portion	2,448	2,351	2,529	2,391
Non-current portion				
Long Service Leave	42	-	3	21
Retirement Gratuities	779	783	802	783
Total non-current portion	821	783	805	804
Total employee entitlements	3,269	3,134	3,334	3,195

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from independent actuary. A weighted average discount rate of 4.99% (2013: 4.87%) and an inflation factor of 3.0% (2013: 3.0%) were used.

Sick Leave, Long Service Leave and Retirement Gratuities are independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2014.

24. Provisions

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Provision for landfill aftercare	5,992	5,038	5,992	5,038
Weathertight home	1,230	-	1,230	-
Financial guarantees	-	-	-	-
Total provisions	7,222	5,038	7,222	5,038

MOVEMENTS IN PROVISIONS

	LANDFILL AFTERCARE	
	2014 \$000	2013 \$000
Balance at beginning of the year	5,038	4,910
Discount unwinding	305	315
Amounts charged to provision during the period	649	(187)
Balance at end of the year (Non-current liability)	5,992	5,038

	WEATHERTIGHT HOME	
	2014 \$000	2013 \$000
Balance at beginning of the year	-	-
Amounts charged to provision during the period	1,230	-
Balance at end of the year (Current liability)	1,230	-

LANDFILL AFTERCARE COSTS

The Council has resource consents to operate the Silverstream Landfill. Wainuiomata Landfill was closed during 2013. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the sites are closed. Closure responsibilities include final cover and application of vegetation, completing facilities for leachate collection, water quality and gas monitoring. The management of the landfills will influence the timing of recognition of some liabilities.

Council currently operates one landfill, Silverstream (stage one and two). The stage two landfill is consented to be developed progressively with a total estimated airspace of 5.3 million cubic metres. The estimated available airspace in the completed section of the landfill is 162,000 cubic metres (2013: 150,000 cubic metres). Airspace usage is currently approximately 135,000 cubic metres per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for four years, is projected to be approximately 46 years. Council is monitoring gas, leachate, and water for six closed landfills identified as potential risks.

The cash outflows for the closed landfills at Silverstream stage one and Wainuiomata are expected to continue for at least twenty to thirty years. 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 5.5% (2013: 5.5%). The accounting treatment of this provision is described in detail in the Statement of Accounting Policies.

The provision is independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2014.

WEATHERTIGHT HOME PROVISION

The Council is subject to claims in respect to weathertight building defects that were advised to it by the Weathertight Homes Resolution Service (WHRS). The Council has also received claims directly. The provision is calculated with reference to past history of weathertight claims submitted and resolved.

The Council has provided for the likely costs to be incurred as a result of these active and reported claims. Active claims are accrued based on the best estimate of what the Council expects to pay on a case by case basis. The costs for reported claims are based on an estimate as at 30 June 2014. This provision includes both estimates of the repair costs as well as the estimated legal costs and other professional fee expenses. Due to the level of uncertainty about future unreported claims, the Council has not recorded these claims as part of this provision. The provision is comprised of active and reported claims. Active are those which are actively being managed through a resolution process. As these claims are nearing resolution there is considered to be a high level of certainty regarding this provision amount. Reported claims are those which have been notified to the Council or the Weathertight Homes Resolution Service. The material assumptions when deriving the reported claim provision balance are as follows:

The number of claims settled through the Government's Financial Assistance Scheme in relation to weathertight building defects whereby the councils and the Crown would each pay a cap of 25 per cent of the agreed repair costs.

Amount claimed - this assumption is derived from the claims settled to date. The ultimate cost will vary to the extent that the claim amounts vary in the future either through an increase or decrease.

Settlement level award - this relates to the settlement award from the resolution process for those claims not assumed to be under the Government Financial Assistance Package. This amount has increased over time and future increases are allowed for in the provision.

Council contribution to the settlement amount - this assumption is based on historical data regarding Council contributions and will apply to those claims not assumed to be under the Government Financial Assistance Package. The Council's share has increased over time and future increases are allowed for in the provision.

25. Other Liabilities

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
OTHER LIABILITIES - CURRENT PORTION				
Accrued interest expenses	801	451	801	451
Third party funds	193	192	193	192
Miscellaneous current liabilities	1,065	864	1,069	868
Income earned in advance	502	1,833	1,760	2,080
Development contributions	493	283	493	283
Total other liabilities - current portion	3,054	3,623	4,316	3,874
OTHER LIABILITIES - NON-CURRENT PORTION				
Total other liabilities - non-current portion	-	-	-	-
Total other liabilities	3,054	3,623	4,316	3,874

26. Equity

	NOTE	COUNCIL 2014 \$000	2013 \$000	GROUP 2014 \$000	2013 \$000
ACCUMULATED FUNDS					
Balance at beginning of the year		735,846	735,958	732,942	733,110
Interest allocated to reserves		(657)	(493)	(657)	(493)
Transfers from property revaluation reserves on disposal		-	568	-	236
Other transfers to reserves		501	(8,269)	501	(8,269)
Transfers from reserves		1,331	5,041	1,332	5,041
Net surplus/(deficit) after tax		758	1,556	1,419	1,832
Items from other comprehensive income		943	1,485	943	1,485
Balance at end of the year		738,722	735,846	736,479	732,942

	NOTE	COUNCIL 2014 \$000	2013 \$000	GROUP 2014 \$000	2013 \$000
COUNCIL CREATED RESERVES					
Balance at beginning of the year		21,744	18,025	22,991	19,272
Transfers to accumulated funds		(1,332)	(5,041)	(1,332)	(5,041)
Transfers from accumulated funds		(501)	8,269	(501)	8,269
Interest earned		654	491	654	491
Balance at end of the year		20,565	21,744	21,812	22,991
RESTRICTED RESERVES*					
Balance at beginning of the year		74	72	81	79
Transfers to accumulated funds		1	-	-	-
Transfers from accumulated funds		-	-	-	-
Interest earned		3	2	3	2
Balance at end of the year	10.	78	74	84	81
ASSET REVALUATION RESERVES					
Balance at beginning of the year		489,477	490,045	493,658	493,894
Changes in asset value		(6,478)	-	(4,589)	-
Valuation gains/(losses) taken to equity		-	(568)	-	(236)
Deferred tax on revaluation		-	-	(204)	-
Balance at end of the year		482,999	489,477	488,865	493,658
Asset revaluation reserves consist of:					
<i>Operational Assets</i>					
Library books		706	706	706	706
Buildings		14,276	15,740	17,099	18,040
Land		8,900	8,900	10,780	10,780
Collections		2,412	2,412	2,412	2,412
<i>Infrastructure Assets</i>					
Land		74,236	74,256	75,400	74,256
Wastewater		74,751	75,755	74,751	75,755
Stormwater		86,652	86,666	86,652	86,666
Water		36,708	36,708	36,708	36,708
Road		136,738	140,715	136,738	140,715
<i>Restricted Assets</i>					
Land		47,619	47,619	47,619	47,619
Total asset revaluation reserves		482,999	489,477	488,865	493,657
Total other reserves		503,642	511,295	510,761	516,730
Total equity		1,242,364	1,247,141	1,247,240	1,249,672

*Restricted reserves relate to bequest and trust money for a specific purpose.

27. Reconciliation of Surplus After Tax with Cash Flows from Operating Activities

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Surplus after tax	758	1,648	1,419	1,924
<i>Add/(less) non-cash items:</i>				
Depreciation and amortisation	30,050	30,170	31,116	31,280
Share of associates (surplus)/deficit	-	-	(14)	(19)
Net bad debts/impairment expense	76	1	77	(37)
Impairment of inventory	-	-	-	-
Landfill and weathertight home provision	2,184	128	2,184	128
Vested Assets	(1,437)	(639)	(1,437)	(639)
Income tax expense	-	-	-	-
<i>Add/(less) movements in working capital:</i>				
(Increase)/decrease in accounts receivable and other assets	2,327	(874)	1,334	(1,139)
Increase/(decrease) in creditors	(3,807)	4,271	(3,703)	4,453
Increase in provisions and other liabilities	(435)	(383)	579	(293)
Increase in deferred tax liability	-	-	-	-
<i>Add/(less) items classified as investing activities:</i>				
Profit on sale of property, plant and equipment and other movements	(424)	443	(1,021)	59
Net cash inflows from operating activities	29,292	34,765	30,533	35,717

28. Financial Instruments Risk

	NOTE	COUNCIL		GROUP	
		2014 \$000	2013 \$000	2014 \$000	2013 \$000
FINANCIAL ASSETS					
Fair value through profit and loss – Held for trading					
Derivative financial instrument assets	12.	284	690	284	690
		284	690	284	690
Loans and receivables					
Cash and cash equivalents	10.	14,503	11,309	17,820	11,820
Debtors and other receivables	11.	10,795	13,088	10,731	13,712
Other financial assets:					
- community and development loans	19.	-	-	-	-
- loans to Related Parties	19.	11,700	11,900	-	-
Total loans and receivables		36,998	36,297	28,551	25,532
Held to maturity					
Other financial assets:					
- NZ Local Government Insurance Company	19.	455	455	455	455
- NZ Local Government Funding Agency	19.	516	260	516	260
- local authority stock		-	-	-	-
Total held to maturity		971	715	971	715
Fair value through equity					
Other financial assets:					
- local authority stock		-	-	-	-
- unlisted shares	19.	39	39	39	39
- listed shares		-	-	-	-
Total fair value through equity		39	39	39	39
Total financial assets		38,292	37,741	29,845	26,976

	NOTE	COUNCIL		GROUP	
		2014 \$000	2013 \$000	2014 \$000	2013 \$000
FINANCIAL LIABILITIES					
Fair value through profit and loss – Held for trading					
Derivative financial instrument liabilities	12.	2,320	3,699	2,320	3,699
		2,320	3,699	2,320	3,699
Financial liabilities at amortised cost					
Trade Creditors and other payables	21.	18,725	23,333	18,971	23,474
Borrowings:					
- bank overdraft	22.	-	-	-	-
- secured loans	22.	81,222	81,266	81,222	81,266
Total financial liabilities at amortised cost		99,947	104,599	100,193	104,740
Total financial liabilities		102,267	108,298	102,513	108,439

The Council has a series of policies to manage the risks associated with financial instruments. The Council is risk averse and seeks to minimise exposures from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

MARKET RISK

Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to market movements in listed securities. The price risk is managed by diversification of the Council's investment portfolio in accordance with the limits set out in the Council's Investment Policy.

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June 2014 the Council does not have any foreign currency risk (2013: \$nil).

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. The Council's Liability Management Policy is to maintain approximately between 55% and 95% of its borrowings in fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates in excess of the policy target range.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates expose the Council to cash flow interest rate risk.

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to the Council, causing the Council to incur a loss. Due to the timing of its cash flows and outflows, the Council at times invests surplus cash into bank and term deposits which gives rise to credit risk.

Council Investment Policy limits the amount of credit exposure to any one financial institution or organisation. The Group only invest funds with entities that have a Standard & Poor's credit rating of at least A- for short term and A- for long-term investments.

Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Financial instruments which potentially subject the group to credit risk principally consist of cash and/or cash equivalents, trade and other receivables, other assets, financial guarantees and interest rate swaps and options.

The maximum exposure to credit risk:

	NOTE	COUNCIL		GROUP	
		2014 \$000	2013 \$000	2014 \$000	2013 \$000
Cash, cash equivalents and term deposits	10.	14,503	11,309	17,820	11,820
Debtors and other receivables	11.	10,795	13,088	10,731	13,712
Other assets	19.	494	494	494	494
Community and development loans	19.	-	-	-	-
Loans to related parties	19.	11,700	11,900	-	-
Financial guarantees	33.	161	207	161	207
Derivative financial instrument assets (interest rate swaps and options)	12.	284	690	284	690
Total credit risk		37,937	37,688	29,490	26,923

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 trade and other receivables and other assets.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA	14,503	11,309	17,820	11,820
Total cash at bank and term deposits	14,503	11,309	17,820	11,820
Derivative financial instrument assets				
AA+	-	-	-	-
AA	284	690	284	690
Total derivative financial instrument assets	284	690	284	690
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	11,700	11,900	-	-
Existing counterparty with defaults in the past	-	-	-	-
Total community, development and related party loans	11,700	11,900	-	-

Debtors and other receivables mainly arise from the Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

LIQUIDITY RISK

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies. These policies have been adopted as part of Council's Long Term Plan. Council has a policy to maintain the overdraft facility to below \$250,000 at any one time, and has undrawn credit facilities totalling \$20 million (2013: \$20 million).

Contractual maturity analysis of financial liabilities

The table below analyses Council's financial liabilities into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based in the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows. Financial guarantees are included in the time band containing the earliest date they can be called upon.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	BETWEEN 1-3 YEARS \$000	BETWEEN 3-5 YEARS \$000	GREATER THAN 5 YEARS \$000
COUNCIL 2014						
Trade Creditors and other payables	7,912	7,912	7,912	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	81,222	85,559	26,569	10,534	35,815	12,641
Finance leases	-	-	-	-	-	-
Financial guarantees	161	161	161	-	-	-
Total	89,295	93,632	34,643	10,534	35,815	12,641
GROUP 2014						
Trade Creditors and other payables	7,912	7,912	7,912	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	81,222	85,559	26,569	10,534	35,815	12,641
Finance leases	-	-	-	-	-	-
Financial guarantees	161	161	161	-	-	-
Total	89,295	93,632	34,643	10,534	35,815	12,641
COUNCIL 2013						
Trade Creditors and other payables	13,745	13,745	13,745	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	81,266	88,615	33,491	32,894	11,452	10,778
Finance leases	-	-	-	-	-	-
Financial guarantees	207	207	207	-	-	-
Total	95,218	102,567	47,443	32,894	11,452	10,778
GROUP 2013						
Trade Creditors and other payables	13,745	13,745	13,745	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	81,266	88,615	33,491	32,894	11,452	10,778
Finance leases	-	-	-	-	-	-
Financial guarantees	207	207	207	-	-	-
Total	95,218	102,567	47,443	32,894	11,452	10,778

Sensitivity analysis

The tables below illustrate the potential surplus and deficit and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposure at balance date.

COUNCIL	2014 \$000				2013 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading 1	(2,215)	-	2,062	-	(1,741)	-	1,652	-
Financial liabilities								
Borrowing:								
- short term loans	252	-	(252)	-	310	-	(310)	-
- term loans 3	560	-	(560)	-	500	-	(500)	-
Total sensitivity to interest rate risk	(1,403)	-	1,250	-	(931)	-	842	-

GROUP	2014 \$000				2013 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(2,215)	-	2,062	-	(1,741)	-	1,652	-
Financial liabilities								
Borrowing:								
- short term loans	252	-	(252)	-	310	-	(310)	-
- term loans	560	-	(500)	-	500	-	(500)	-
Total sensitivity to interest rate risk	(1,403)	-	1,310	-	(931)	-	842	-

EXPLANATION OF SENSITIVITY ANALYSIS

Derivative net financial assets and derivatives held for trading include interest rate swaps with a fair value liability totalling \$2,036,000 (2013 liability: \$3,009,000). A movement in interest rates of plus 1% has an effect of \$2,062,000 (2013: \$1,652,000) on the unrealised value of the derivatives.

No equity instruments are held.

SHORT TERM LOANS

Council has short term floating rate debt with a principal amount totalling \$25 million (2013: \$31 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$252,000 (2013: \$310,000).

TERM LOANS

Council has term floating rate debt with a principal amount totalling \$56 million (2013: \$60 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$560,000 (2013: \$600,000). A movement in market interest rates on fixed rate debt \$10 million (2013: \$10 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognised at fair value on the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - financial instruments with quoted prices for identified instruments in active markets
- Valuation technique using observable inputs (level 2) - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using where all significant inputs are observable
- Valuation techniques with significant non-observable inputs (level 3) - financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the Statement of Financial Position.

	2014				2013			
	VALUATION TECHNIQUE			TOTAL	VALUATION TECHNIQUE			TOTAL
	LEVEL 1 QUOTED MARKET PRICE \$000	LEVEL 2 OBSERVABLE INPUTS \$000	LEVEL 3 SIGNIFICANT NON- OBSERVABLE INPUTS \$000		LEVEL 1 QUOTED MARKET PRICE \$000	LEVEL 2 OBSERVABLE INPUTS \$000	LEVEL 3 SIGNIFICANT NON- OBSERVABLE INPUTS \$000	
COUNCIL								
Financial assets								
Derivatives		284		284		690		690
Shares			1,010	1,010			754	754
Financial liabilities								
Derivatives		2,320		2,320		3,699		3,699
GROUP								
Financial assets								
Derivatives		284		284		690		690
Shares			1,010	1,010			754	754
Financial liabilities								
Derivatives		2,320		2,320		3,699		3,699

Valuation techniques with significant non-observable inputs (level 3):

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2014 \$000	2013 \$000
Balance at 1 July	754	380
Gain and losses recognised in the surplus or deficit	-	114
Gain and losses recognised in other comprehensive income	-	-
Purchases	256	260
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance at 30 June	1,010	754

29. Remuneration

THE CHIEF EXECUTIVE RECEIVED THE FOLLOWING REMUNERATION:

	2014				2013			
	SALARY \$	MOTOR VEHICLE \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$	SALARY \$	MOTOR VEHICLE \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$
Chief Executive	329,617	10,505	9,889	350,011	323,767	10,505	9,713	343,985

ELECTED REPRESENTATIVES RECEIVED THE FOLLOWING REMUNERATION:

MAYOR AND COUNCILLORS	COUNCIL		GROUP TOTAL		COUNCIL		GROUP TOTAL	
	2014		2013		2013		2013	
	REMUNERATION \$000	DIRECTOR FEES \$000	TOTAL REMUNERATION \$000	REMUNERATION \$000	DIRECTOR FEES \$000	TOTAL REMUNERATION \$000	REMUNERATION \$000	DIRECTOR FEES \$000
WR Wallace	126,007	-	126,007	122,800	-	122,800	-	-
C Barry	34,976	-	34,976	-	-	-	-	-
D Bassett	64,394	-	64,394	57,177	-	57,177	-	-
B Branch	34,976	-	34,976	-	-	-	-	-
L Bridson	45,986	-	45,986	44,772	-	44,772	-	-
MJ Cousins	55,066	-	55,066	52,044	-	52,044	-	-
A Finlayson	52,224	14,960	67,185	50,315	14,960	65,275	-	-
VR Jamieson	16,440	-	16,440	50,315	12,467	62,782	-	-
K Laban	14,296	6,569	20,865	43,635	-	43,635	-	-
T Lewis	35,087	-	35,087	-	-	-	-	-
M Lulich	45,780	-	45,780	43,635	-	43,635	-	-
G McDonald	45,780	-	45,780	43,635	-	43,635	-	-
C Milne	45,780	12,467	58,247	43,635	12,467	56,102	-	-
MJ Shierlaw	52,224	-	52,224	50,678	-	50,678	-	-
A Skene *	-	10,357	10,357	-	-	-	-	-
A Stewart *	-	27,427	27,427	-	-	-	-	-
RW Styles	16,440	14,960	31,401	50,315	14,960	65,275	-	-
B Walshe *	-	41,141	41,141	-	-	-	-	-
M Willard	45,780	-	45,780	43,635	-	43,635	-	-
Total	731,236	127,882	859,118	696,591	54,854	751,445		

Remuneration to Councillors includes annual salary payments and resource consent hearing fees.

* These representatives are appointed to directorships rather than elected by the public.

MEETING ATTENDANCE OF ELECTED REPRESENTATIVES 2014

MEETING	COUNCIL	POLICY (JUL - OCT) POLICY & REGULATORY (OCT - CURRENT)	CITY & INFRASTRUCTURE (JUL - OCT) CITY DEVELOPMENT (OCT - CURRENT)	DISTRICT PLAN SUBCOMMITTEE	CIVIC HONOURS	FINANCE & AUDIT	COMMUNITY PLAN	HUTT VALLEY SERVICES
Number of meetings held	14	9	8	2	2	7	3	4
WR Wallace	14	3	6	-	1	5	3	1
D Bassett	13	6	-	-	2	7	3	1
C Barry (Oct 2013 - current)	8	3	-	-	-	4	3	-
B Branch (Oct 2013 - current)	8	4	4	-	-	-	3	1
L Bridson	13	8	3	2	2	4	3	-
MJ Cousins	12	9	4	-	2	7	3	-
A Finlayson	12	5	6	-	2	-	3	3
VR Jamieson (Jul - Oct 2013)	4	3	2	-	1	3	-	-
K Laban (Jul - Oct 2013)	3	3	2	-	-	-	-	-
T Lewis (Oct 2013 - current)	9	5	4	-	-	-	3	-
M Lulich	13	4	4	-	1	7	3	-
G McDonald	9	3	3	-	-	-	3	1
C Milne	12	4	5	1	-	6	3	3
MJ Shierlaw	13	-	2	7	-	7	3	-
RW Styles (Jul - Oct 2013)	4	1	1	1	-	1	-	-
M Willard	13	9	8	-	1	-	3	-

MEETING ATTENDANCE OF ELECTED REPRESENTATIVES 2013

MEETING	COUNCIL	POLICY	CITY & INFRASTRUCTURE	FINANCE & AUDIT	CITY DEVELOPMENT	COMMUNITY PLAN	HUTT VALLEY SERVICES
Number of meetings held	13	6	6	6	7	4	4
WR Wallace	13	6	5	3	6	4	2
D Bassett	13	6	-	6	7	4	-
L Bridson	12	6	6	-	7	4	-
MJ Cousins	12	6	-	6	-	4	-
A Finlayson	12	-	6	-	-	3	4
VR Jamieson	13	5	6	5	-	4	-
K Laban	11	5	6	-	6	4	-
M Lulich	13	-	6	6	7	4	-
G McDonald	12	6	-	-	-	4	4
C Milne	12	-	-	5	6	4	2
MJ Shierlaw	13	-	6	5	7	4	-
RW Styles	12	5	-	5	7	3	1
M Willard	13	6	6	-	7	4	-

Note: Where no number is shown, the Councillor named is not a member of that committee.

EMPLOYEE STAFFING LEVELS AND REMUNERATION

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Full-time equivalent salaried employees	335.70	321.61	347.88	329.61
Full-time equivalent waged and temporary employees	77.61	75.00	77.61	76.76
Total full-time equivalent	413.31	396.61	425.49	406.37
Total number of staff	472.00	454.00	494.00	465.00
Definition: One Full-time equivalent employee is a person in an employment relationship with Hutt City Council or Group employed to work 40 hours per week for the year.				
The number of employees earning per annum.				
Salary range				
\$320,000 - \$349,999	1	1	1	1
\$210,000 - \$219,999	1	2	1	2
\$150,000 - \$209,999	6	5	7	6
\$130,000 - \$149,999	5	5	5	5
\$110,000 - \$129,999	7	9	7	9
\$100,000 - \$109,999	9	5	10	6
\$80,000 - \$99,999	44	40	44	40
\$60,000 - \$79,999	81	82	85	85
Less than \$59,999	318	305	334	311
Total	472	454	494	465

No other employees earn over \$100,000 per annum.

30. 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.

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Severance payments	5,000	-	5,000	-
Number of employees	1	-	1	-

31. Related Parties Transactions

The Council is the ultimate parent of the Group and controls three entities, being Urbanplus Limited, Seaview Marina Limited, and Hutt City Community Facilities Trust, and has significant influence over Capacity Infrastructure Services (formerly Wellington Water Management Limited) as an associate.

RELATED PARTY TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURE:

	2014 \$000	2013 \$000
With Seaview Marina Limited (the Marina)		
Council charged the Marina for accountancy fees	26,000	23,000
Council charged the Marina for building and resource consents	1,396	2,157
Council charged the Marina for rates	71,106	71,713
Council charged the Marina for water rates	11,485	9,603
Council charged the Marina interest on borrowings	139,470	141,774
Borrowings from Hutt City Council are issued at the 3 month BKBM FRA Rate plus a margin of 200 basis points. The maximum amount to be advanced at any time during the term of loan shall not exceed \$3,500,000. At balance date, the Marina loan with Council amounted to:	2,700,000	2,900,000
At balance date, the Marina advance with Council amounted to:	70,114	75,182
With Urbanplus Limited (Urbanplus)		
Council charged Urbanplus for accountancy fees	45,008	45,000
Council charged Urbanplus for building and resource consents	14,842	26,996
Council charged Urbanplus for rates	193,104	179,939
Council charged Urbanplus for water rates	-	-
Council charged Urbanplus interest on borrowings	396,112	44,447
Council paid Urbanplus a management fees for services	487,000	531,583
Council paid Urbanplus for share of property sales losses	12,454	210,647
During the year, Council sold land and buildings to Urbanplus	810,000	1,025,000
Borrowings from Hutt City Council are issued at the 3 month BKBM FRA Rate plus a margin of 100 basis points. The maximum amount to be advanced at any time during the term of loan shall not exceed \$13,000,000. At balance date, Urbanplus loan with Council amounted to:	9,000,000	9,000,000
At balance date, Urbanplus advance with Council amounted to:	400,051	62,502

	2014 \$000	2013 \$000
With Hutt City Community Facilities Trust (CFT)		
Council paid CFT a management fee for services	250,000	-
Council paid a contribution for the formation of CFT	-	100
At balance date, CFT advance with Council amounted to:	17,041	91,900
Urbanplus Limited with Seaview Marina Limited		
During the year Urbanplus provided consultancy services to Seaview Marina. These transactions where on normal business terms and conditions.	7,088	6,394
With Capacity Infrastructure Services (Capacity)		
As at balance date, Council owed Capacity:	72,022	340,000
As at balance date Capacity owed Council:	8,075	-
During the year the Council paid Capacity for professional services	3,494,065	1,630,000
During the year Council paid Capacity for city care services	2,925,600	2,570,000
During the year Capacity paid directors fees to Councillor David Bassett	17,500	15,000
Material related party transactions – other organisations		
NZ Local Government Funding Agency Limited (LGFA) The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80% of the issued capital, with the Government holding the remaining 20%. The Council became a shareholder in this Council Controlled Trading Organisation (CCTO) with an initial investment of 0.4% of paid-up capital.	100,000	100,000
At balance date, the Council investment in LGFA borrower notes amounted to:	416,000	160,000
Interest received on the LGFA borrower notes during the year amounted to:	12,444	3,428
At balance date, the Council borrowing with LGFA amounted to:	26,000,000	10,000,000
Interest on borrowings paid to LGFA during the year amounted to:	910,998	268,493

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel include the Chief Executive, members of the Strategic Leadership Team, the Mayor and Councillors.

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
KEY MANAGEMENT PERSONNEL COSTS				
Salary and other short term benefits	1,874	1,841	2,386	2,236
Post-employment benefits	31	16	39	25
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Total key management personnel costs	1,905	1,857	2,425	2,261

The table above includes the remuneration of the Chief Executive, members of the Strategic Leadership Team, the Mayor and Councillors.

During the year Councillors and key management personnel, as part of a normal customer relationship, engaged in minor transactions with Council (such as payment of rates, purchase of rubbish bags, etc.) Except for the transactions listed below, and items of trivial nature, no other Councillors or key management personnel entered into any related party transactions with the Group. All services supplied to Council were on normal commercial terms.

	2014 \$000	2013 \$000
Mayor Ray Wallace is the Chair on Hutt Minoh House Friendship Trust during the year Council made payments to the Trust for venue hire.	-	1,150
Mayor Ray Wallace is a trustee of the Hutt Valley Disable Resources Trust. During the year Council made payments of:	4,773	7,096
Councillor Margaret Willard is a director of Development Wainuiomata Incorporated (DWI). The Council made payments DWI for cleaning services in Wainuiomata.	10,815	8,073
Councillor Margaret Willard is a member of the Wainuiomata Historical Museum Society. The Council made payments:	-	2,000
Councillors David Bassett is an elected member of the Hutt Valley District Health Board (HVDHB).		
The Council made payments to HVDHB during the year:	22,401	5,971
The Council received from HVDHB fees for water charges and venue hire:	145,265	197,660
The Council received from HVDHB fees for electoral office fees and expenses:	114,604	-

	2014 \$000	2013 \$000
Councillor David Bassett is a director and shareholder of Tours New Zealand Limited. During the year Council paid the Company for promotions:	-	-
Councillor Chris Milne is a director on the Seaview Marina Board and is a consultant of Zeald Limited, and during the year the Marina purchased services:	2,022	3,023
Councillor Chris Milne is a director on the Seaview Marina Board and a partner in Arcadia Associates, and during the year the Marina purchased services:	-	-
Councillor Margaret Cousins is a Trustee of the Hutt Council of Social Services. The Council made payments of:	-	-
Councillor Margaret Cousins is an executive committee member and Councillor Max Shierlaw is an auditor of the Normandale Residents Association. The Council made payments of:	-	-
Councillor Margaret Cousins is a member of the Petone Workingmens Club. The Council made payments of:	2,017	-
Councillor Margaret Cousins is an employee of Victoria University of Wellington. The Council made payments of:	3,468	1,948
Councillor Margaret Cousins is a member of the Friends of Hutt City Libraries. The Council made payments of:	800	1,500
Councillor Max Shierlaw is a committee member of the Alicetown Community Association. The Council made payments of:	29,300	-
Councillor Max Shierlaw is a committee member of the Kelson Community Association. The Council made payments of:	14,500	13,000
Councillor Max Shierlaw is a committee member of the Maungaraki Community Association. The Council made payments of:	-	-
Councillor Max Shierlaw is a committee member of the Belmont Ratepayers Improvement Association incorporated. The Council made payments of:	3,942	-
Councillors Max Shierlaw and Campbell Barry and community board member Peter-Clinton Foese are trustees of Hutt Valley Youth Health Trust. The Council made payments to the Trust as a contribution to programmes:	11,500	8,403
Community board member Peter-Clinton Foese became a trustee of Youthwise Trust during 2012. The Council made payments to the Trust for annual funding grant and services:	126,060	135,869
Community board members Peter-Clinton Foese, Heather Robb and Terry Stallworth are staff members of Hutt City Council.		
Community board member Karl Dickson is the deputy chairman of the Wainuiomata Community Centre. The Council made payments to the Wainuiomata Community Centre as a contribution to running the community house:	47,840	57,733
Community board member Peter Foese is the trustee of Hutt Valley High School. The Council made payments of:	2,589	300

	2014 \$000	2013 \$000
Community board member Peter Foese is the trustee and Community Committee member Desiree Mulligan is an employee, of Taita College. The Council made payments of:	233	4,600
Community committee member Leigh Sutton is the owner of Riverside Media publishers. The Council made payments for document publishing and advertising/ column space in various local publications:	9,039	15,398
Community committee member Dina Awarau is the chairperson of the Taita Community Trust. The Council made payments for services under service level agreement and grants:	8,880	31,200
Community committee member Dina Awarau is the chairperson of the Port Nicholson Block Settlement Trust. The Council made payments for services under service level agreement and grants:	34,500	34,500
Community committee member Robert Ashe is board member of The Family Centre. During the year the Council made grants of:	-	6,176
Community committee member Fredrick Allen is the managing director of Kiwi Plants Limited. During the year the Council made payments of:	18,182	11,685
Community committee member Fredrick Allen is a trustee of the Matiu Soames Charitable Trust. During the year the Council made payments of:	-	-
Community committee member Jennifer Thompson is the president of the Hutt Valley Horticultural Society Incorporated. During the year the Council made payments of:	792	784
Community committee member Desiree Mulligan is a member of the Hutt Valley Irish Society Incorporated. During the year the Council made payments of:	-	-
Community committee member Peter Foese is a member of the Hutt Multicultural Council Incorporated. During the year Council made payments in grants and donations:	500	2,500
Community committee member Bunnie Willing is the principal of the Epuni Primary School. During the year Council made payments of:	125	-
Community committee member Matt Roberts is an employee of the ministry of Social Development. During the year Council made payments of:	-	-
Community committee member Barbara Branch is employed by the Hutt Valley Chamber of Commerce as the CBD retail co-ordinator. During the year the Council made payments for service delivery, retail co-ordinator and attendance at Chamber events and workshops.	242,317	234,497
During the year Council paid Smartlinx 3 Limited for the provision of broadband, security and WIFI services.	40,126	170,691

There are close family members of key management personnel and community board members employed by Council and Group. The terms and conditions of those arrangements are no more favourable than Council and Group would have adopted if there were no relationship to key management or community boards.

32. Capital Commitments and Operating Leases

CAPITAL COMMITMENTS

Commitments for capital expenditure contracted, but not provided for:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Property, plant and equipment	2,594	8,228	2,594	8,228
Intangible assets	-	-	-	-
Investment property	-	-	-	-
Total capital commitments	2,594	8,228	2,594	8,228

There are no capital commitments in relation to Council's interest in the Silverstream Gas Joint Venture.

OPERATING LEASES AND LESSEE

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum leases payments payable under non-cancellable leases are as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Not later than one year	1,493	496	1,498	528
Later than one year and not later than five years	1,514	728	1,523	738
Later than five years	429	137	429	137
Total non-cancellable operating leases	3,436	1,361	3,450	1,403

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2013: \$nil).

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Council by any of the leasing arrangements.

OPERATING LEASES AND LESSOR

Council leases property under operating leases. The majority of these leases have a non-cancellable term of 36 months, with the exception of housing leases that have a non-cancellable term of 22 working days. The future aggregate minimum leases payments payable under non-cancellable leases are as follows:

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Not later than one year	-	-	194	152
Later than one year and not later than five years	-	-	220	164
Later than five years	-	-	14	-
Total operating leases as lessor	-	-	428	316

No contingent rents have been recognised in the Statement of Comprehensive Income during the period.

33. Contingencies

Contingent liabilities

	COUNCIL		GROUP	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Financial guarantees	161	207	161	207
Waste water	3,608	4,006	3,608	4,006
Other legal proceedings	-	1,411	-	1,411
Total contingent liabilities	3,769	5,624	3,769	5,624

FINANCIAL GUARANTEES

The value of financial guarantees disclosed as contingent liabilities reflects Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the Statement of Financial Position, to local community groups. Council has recognised \$nil (2013: \$nil) financial guarantees in the Statement of Financial Position.

LOCAL AUTHORITY PROTECTION PROGRAMME (LAPP)

Council owns significant infrastructural assets. In a catastrophe local authorities are required to meet 40% of the cost of the damage to these assets and central government will meet the other 60%. The contribution from central government is contingent on local authorities having a mechanism in place to fund their 40% share. Many councils, including Hutt City Council, have chosen to do this through membership of LAPP.

For Council ceased to be a member as at 1 July 2014 and therefore no longer has a contingent liability to LAPP (2013: contingent liability of up to \$3,325,600 for one event or up to \$6,651,200 for two events).

OTHER LEGAL PROCEEDINGS

No information has been disclosed as any disclosure may seriously prejudice the outcome.

UNQUANTIFIED CLAIMS

Council is a participating employer in the Defined Benefit Plan Contributors Scheme (the scheme), which is a multi-employer defined benefit scheme. If the participating employers cease to participate in the scheme, Council could be responsible for any deficit of the scheme. Similarly, if a number of employers cease to participate in the scheme, Council could be responsible for an increased share of any deficit.

ASSOCIATE'S CONTINGENT LIABILITIES

There are no contingent liabilities associated with the Capacity associate (2013: \$nil).

LOCAL GOVERNMENT FUNDING AGENCY

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard & Poor's of AA+.

Council is one of 30 local authority shareholders and eight local authority guarantors of the LGFA. In that regard it has uncalled capital of \$1 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified.

Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2014, NZLGFA had borrowings totalling \$3.99 billion (2013: \$2.48 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

It is not aware of any local authority debt default events in New Zealand; and

local authority legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

CONTINGENT ASSETS

Council operates a system whereby community services and sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The community services and clubs control the use of these facilities and Council will only gain control of the asset if the community service/club vacates the facility, no other organisation is willing to purchase the facility and it is not removed (per the lease agreement). Until these events occur these assets are not recognised as assets in the Statement of Financial Position.

34. Major Budget Variations

Explanations for major variations from Council's budgeted figures in the 2013-14 Annual Plan are as follows:

The Statement of Comprehensive Income discloses the financial performance of Council and the Group for the financial year ended 30 June 2014. The Statement shows the operating revenue and expenditure as well as other transactions that have impacted on the Council's and the Group's wealth. The following are the significant variances:

- Rates, excluding metered water supply rates is \$0.2 million above budget and \$1.7 million above prior year (Group: \$1.8 million above prior year). This is a result of increase in rates revenue based on CPI and growth
 - Fees, charges and metered rates for water supply is \$2.9 million above budget and \$2.8 million above prior year (Group: \$2.7 million above prior year). This is a result of increase revenue from solid waste collection and disposal
 - Gain on disposal is \$0.4 million above budget and prior year (Group: \$1.0 million). Gain on disposal are not budgeted for
 - Employee costs is \$0.5 million above budget and \$2.0 above prior year (Group: \$2.1 million above prior year). This is a result of a variation in staff numbers and inflation on salary costs
 - Other expenses is \$0.6 million below budget and \$4.0 million above prior year (Group: \$4.3 million above prior year). This is a result of unexpected costs and inflation on expenses
 - The above has contributed to net surplus after tax result of \$4 million above budget and \$0.8 million above prior year (Group: \$0.6 below prior year)
 - Gain/(Loss) on revaluation of financial instruments is \$0.9 million up on budget and \$0.5 million below prior year (Group: \$0.5 million below prior year). Gains and losses on revaluation is not budgeted for
 - Gain/(Loss) on property revaluation is \$6.5 million below budget and prior year (Group: \$4.6 below prior year). Loss in Council is due to the removing of duplicate assets incorrectly accounted for in the 2011 revaluation cycle. The additional gain of \$1.9 million in the Group is the result of residential property revaluation in Urbanplus Limited as at 30 June 2014. Gain/Losses on revaluation are not budgeted for
 - The above has contributed to total comprehensive income/deficit of \$1.4 million below budget and \$7.8 million above prior year (Group: \$5.7 million below prior year).
- The Statement of Financial Position (that is what Council own and owe) is as at 30 June 2014 (the end of each financial year). The following are significant variances in the Statement of Financial Position:
- Cash and cash equivalents is \$3.3 million above budget and \$3.1 million above prior year (Group: \$6 million above prior year). Refer to cash flow explanations
 - Debtors and other Receivables is \$0.3 million below budget and \$2.2 million below prior year (Group: \$2.9 million below prior year). This is due to increase collection on rates, lower level of receivable from NZTA (by \$0.9 million) and invoices for dog registrations of \$1.3 million for the 2014-15 year had not been raised at year end but had been included in the prior year end
 - Other receivables is \$5.0 million below budget and prior year (Group: \$0.0 million). This is due to renegotiated intercompany borrowing resulting in a moved from current borrowing to non-current borrowing reflecting the new term. Balance eliminates at Group level
 - Property, plant and equipment is \$3.0 million below budget and \$11.3 million below prior year (Group: \$10.9 million below prior year) - refer to movements in note 15
 - Intangible assets is \$3.6 million below budget and \$0.3 million from prior year (Group: \$0.3 million below prior year). This is the result of restating intangible assets as outlined in note 37
 - Investments in CCO is \$7.0 million above budget and \$4.0 million above prior year (Group: \$0.2 million above prior year). This is due to the renegotiated intercompany borrowing resulting in a move from current to non-current borrowing reflecting the new term. Balance eliminates at Group level
 - Borrowings Current is \$15.7 million below budget and \$6.0 million below prior year. Borrowings non-current is \$16 million above budget and \$6.0 million above prior year (Group: Current is \$6.0 million below prior year and non-current is \$6.0 million above prior year). This is due to the extended terms offered for new borrowings

- Derivative financial instruments is \$1.9 million below budget and \$1.3 million below prior year (Group \$1.3 million below prior year). This is due to the revaluation of Council's interest rate swap portfolio
- Creditors and other payables are \$3.1 million below budget and \$4.6 million below prior year (Group: \$4.5 million below prior year). This is due to timing of payments to suppliers for operational and capital expenditure
- The accumulation of the above, results in Net Assets and Equity being \$4.6 million below budget and \$4.7 million below prior year (Group: \$2.4 million below prior year).

The following are significant variances in the Statement of Cash Flows:

- Cash flow from operations is \$0.8 million above budget and \$5.4 million above prior year (Group: \$5.3 million above prior year due to
 - Increased rates charges and collections \$0.5 million above budget and \$1.8 million from prior year (Group: \$1.8 million from prior year)
 - Increased user charges \$2.5 million above budget and \$5.2 million from prior year (Group: \$7.9 million from prior year) mainly solid waste collection and disposal and collection of debtors and receivables
 - Payments to employees up \$0.3 million on budget and \$1.7 million on prior year (Group: \$1.8 million)
 - Payments to suppliers above budget \$1.9 million on budget and \$10.6 million on prior year (Group: \$10.7 million)
- Cash flow from investing \$0.5 million above budget and \$8.2 million above prior year (Group: \$0.1 million above prior year). Prior year include additional investments in intercompany loan of \$9 million
- Cash flow from financing \$0.1 million above budget and \$4.4 million below prior year (Group: \$6.0 million below prior year). Prior year included additional borrowing to fund intercompany loans.

Explanations for further budget variations are shown at the end of the Financial Performance Statement for each activity.

35. Capital Management

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are managed largely as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations.

Additionally Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its LTP to meet the expenditure needs identified in those plans. The Act also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Hutt City Council has the following Council created reserves:

- reserves for different areas of benefit
- self-insurance reserves
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to Trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

36. Events After the Balance Date

There were no material events after the balance date.

37. Restatement of Prior Year as a Result of Material Error

The opening balance of equity and results to June 2013, have been adjusted to reflect a material error. During 2011 and 2012, Council capitalised \$3.8 million of costs associated with digitalisation of Council records as an intangible asset and \$0.1 million as property, plant and equipment. A further \$0.5 million intangible asset was capitalised during 2013. Due to the uncertainty of whether these intangible assets met the recognition requirements of "NZ IAS 38 Intangible Assets", particularly being able to identify the probably future economic benefits attributed to these assets, these intangible and property, plant and equipment assets were reversed in the period.

The effect on the Financial Statements are summarised in the following table:

	COUNCIL 2013 \$000	GROUP 2013 \$000
Statement of Financial Performance		
Other expenses	71,139	72,230
Adjustment: Expense costs associated with digitalised of Council material 2013	480	481
Adjusted other expenses	71,619	72,711
Depreciation and amortisation expenses	30,170	31,280
Adjustment: Reversed depreciation of digitalised assets	(8)	(8)
Adjustment: Reversed amortisation of digitalised assets	(380)	(380)
Adjusted depreciation and amortisation expense	29,782	30,892
Total Operating Expenditure	131,249	134,426
Net - Expenses and Amortisation/Depreciation	92	92
Adjusted Total Operating Expenditure	131,341	134,518
Surplus/(Deficit) Before Tax and After Tax	1,648	1,924
Net - Expenses and Amortisation/Depreciation	(92)	(92)
Adjusted Surplus/(Deficit) Before Tax and After Tax	1,556	1,832
Total Comprehensive Income	3,133	3,409
Net - Expenses and Amortisation/Depreciation	(92)	(92)
Adjusted Total Comprehensive Income	3,041	3,317
Statement of Changes in Equity		
Balance at 1 July	1,247,261	1,249,516

	COUNCIL 2013 \$000	GROUP 2013 \$000
Adjustment: Expense costs associated with digitalisation of Council material 2011/2012	(3,161)	(3,162)
Adjusted Balance at 1 July	1,244,100	1,246,354
Balance at 30 June	1,250,394	1,252,925
Net - Expenses and Amortisation/Depreciation	(92)	(92)
Adjustment: Expense costs associated with digitalisation of Council material 2011/2012	(3,161)	(3,162)
Adjusted Balance at 30 June	1,247,141	1,249,672
Statement of Financial Position		
Property, plant and equipment	1,305,972	1,332,202
Adjustment: Reversed depreciation of digitalised assets	8	8
Adjustment: Expense costs associated with digitalisation of Council material 2011/2012	(60)	(60)
Adjusted property, plant and equipment	1,305,920	1,332,150
Intangible assets	5,164	5,173
Adjustment: Expense costs associated with digitalised material 2013 and reversed amortisation of digitalised assets	(100)	(100)
Adjustment: Expense costs associated with digitalisation of Council material 2011/2012	(3,101)	(3,101)
Adjusted intangible assets	1,963	1,972
Total non-current assets	1,335,888	1,345,109
Adjustments: Property, plant and equipment and intangible asset	(3,253)	(3,253)
Adjusted total non-current assets	1,332,635	1,341,856
Net assets	1,250,394	1,252,925
Adjustments: Property, plant and equipment and intangible asset	(3,253)	(3,253)
Adjusted net assets	1,247,141	1,249,672
Accumulated funds	739,099	736,195
Adjustments: Property, plant and equipment and intangible asset	(3,253)	(3,253)
Adjusted accumulated funds	735,846	732,942
Total equity	1,250,394	1,252,925
Adjustments: Property, plant and equipment and intangible asset	(3,253)	(3,253)
Adjusted total equity	1,247,141	1,249,672

RESERVE FUNDS

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surplus held in reserves are credited with interest. Council holds 13 reserves, with five being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and Council activity to which each reserve relates, together with summary financial balances for the 2013-14 year:

	OPENING BALANCE JULY 2013 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2014 \$000
Council Created Reserves – Purpose of the Fund				
Reserve Purchase & Development (Parks and Reserves Activity) To provide for the purchase of land for reserves purposes or the development of existing reserves. The Fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the Fund is to provide open space and recreational opportunity to offset the effects of land use intensification.	5,744	168	(493)	5,419
Election Fund (Managing Services Activity) To annually provide for the cost of Council elections and by-elections.	147	51	-	198
Landfills Reserve (Solid Waste Activity) To set funds aside for the longer term replacement of the landfill.	13,795	367	(2,502)	11,660

	OPENING BALANCE JULY 2013 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2014 \$000
Waste Minimisation Reserve To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.	1,568	1,045	164	2,777
Wingate Landfill Reserve (Parks and Reserves Activity) To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	149	4	-	153
Piano Replacement Reserve (Museums Activity) To provide funds for the replacement of the Steinway piano at the Little Theatre.	74	7	-	81
Wingate Park (Parks and Reserves Activity) To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	153	5	-	158
Ex Hillary Commission Funds (Aquatics and Recreation) To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	114	4	-	118
Totals	21,744	1,652	(2,831)	20,564
Restricted Reserves – Purpose of the Fund				
Taita Cemetery - JV Bently (Parks and Reserves Activity) The Council is contracted to maintain Plot 32/33 block 7, St James section in perpetuity. The plots contain Issac Young, Eliza Young and AG Talbut.	2	1	-	3
Lavelle Tree Bequest (Parks and Reserves Activity) To provide for the planting of trees in and around Hutt City on major thoroughfares.	29	-	-	29

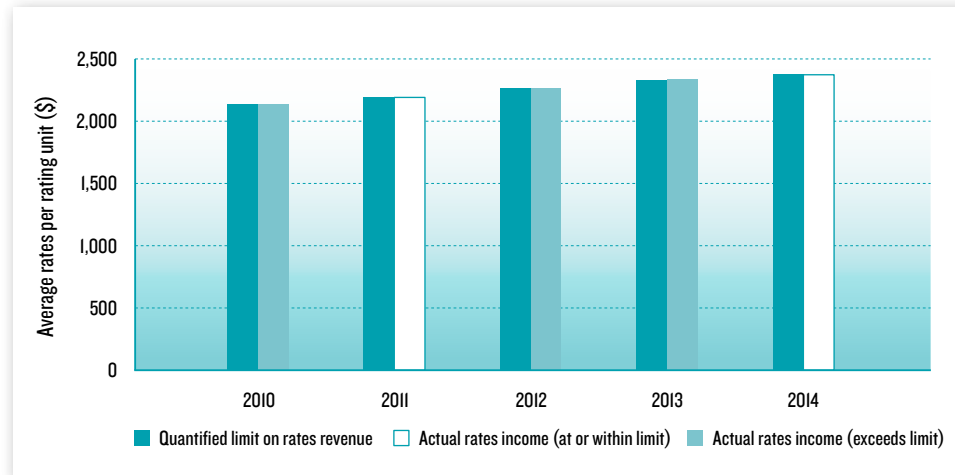
	OPENING BALANCE JULY 2013 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2014 \$000
<p><i>JWT Adams Bequest (Museums Activity)</i> To be utilised to establish and service a photographic collection for the Dowse. There is no specific expenditure plan for the coming ten years on the purchase of photographic items for the collection.</p>	18	1		19
<p><i>ML Talbut Bequest (Parks and Reserves Activity)</i> To provide for the planting and maintenance of reserves.</p>	12	1		13
<p><i>Eastbourne Arts Trust (Museums Activity)</i> To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.</p>	13	1		14
Totals	74	4	-	78

PRUDENCE REPORTING

Prudence benchmarks

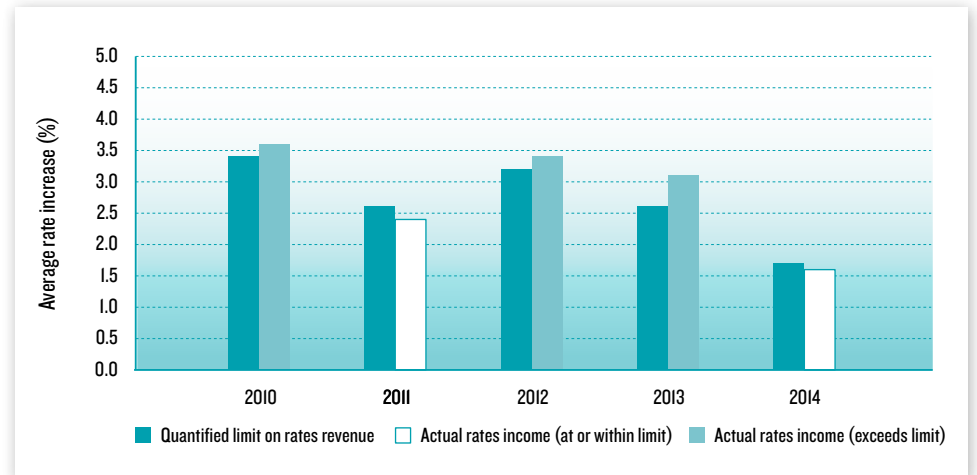
RATES (INCOME) AFFORDABILITY BENCHMARK

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's long-term plan. The quantified limit is to increase rates by no more than inflation (plus 0.5% for year 2010, increasing to 0.8% by 2013).



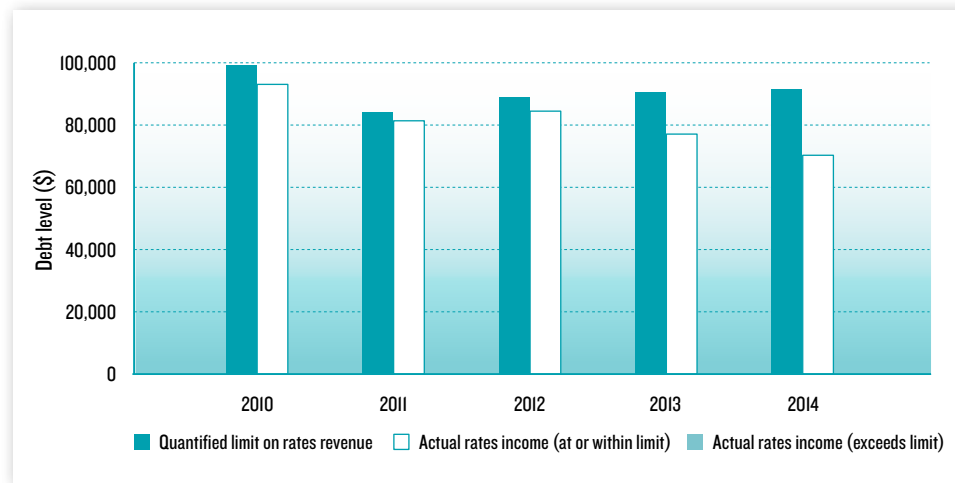
RATES (INCREASE) AFFORDABILITY BENCHMARK

The following graph compares Council's actual rates increase with a quantified limit on rates increases contained in the Financial Strategy included in Council's long-term plan. The quantified limit is to increase rates by no more than inflation (plus 0.5% for year 2010, increase to 0.8% by 2013).



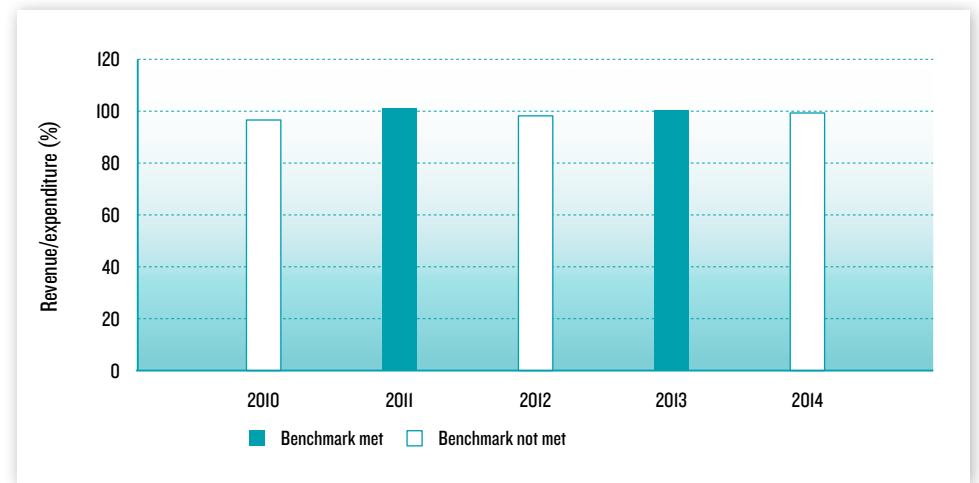
DEBT AFFORDABILITY BENCHMARK

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in Council's long-term and annual plans. The quantified limit is to achieve debt levels below our annual target (as outlined in the long-term plan).



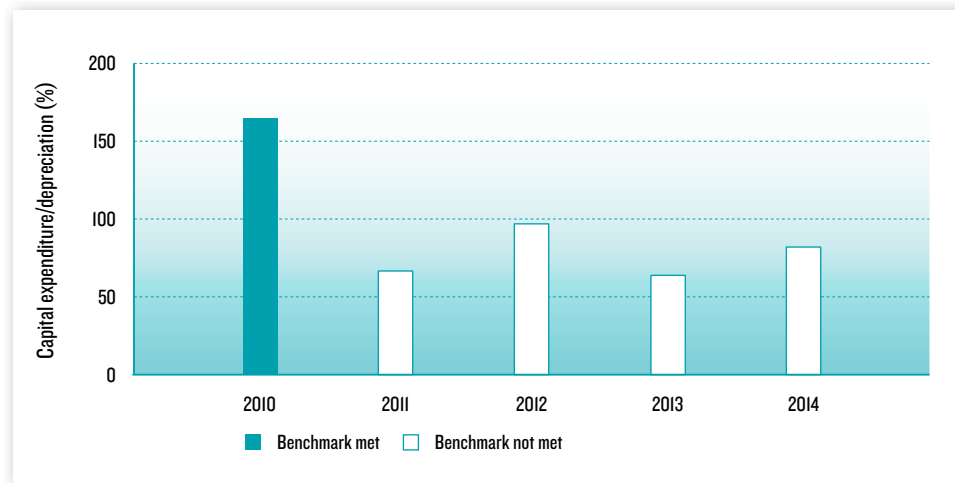
BALANCED BUDGET BENCHMARK

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivate financial instruments and revaluations of property, plant or equipment). Council meets this benchmark if its revenue equals or is greater than its operating expenses.



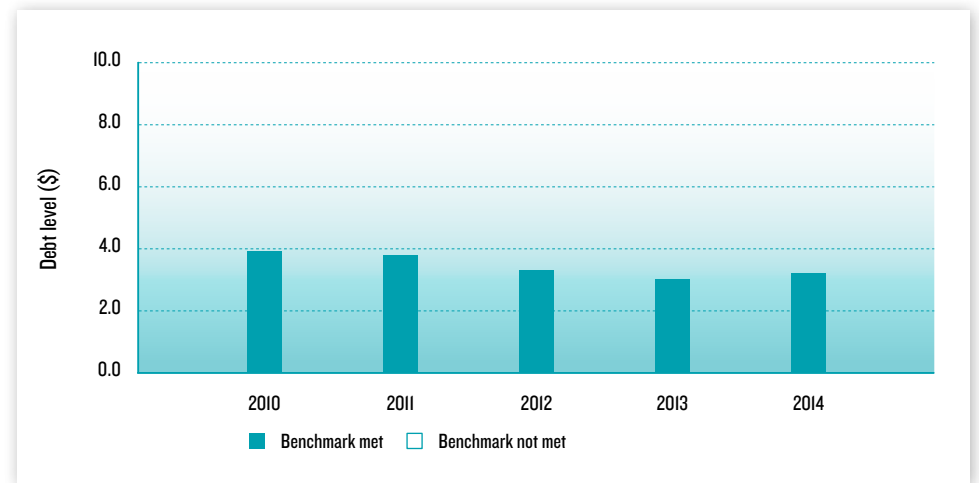
Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



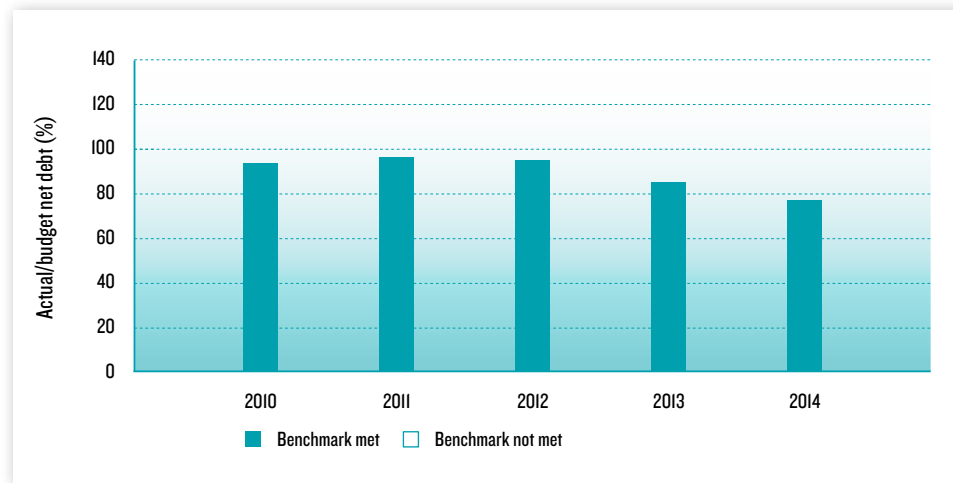
Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment). Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



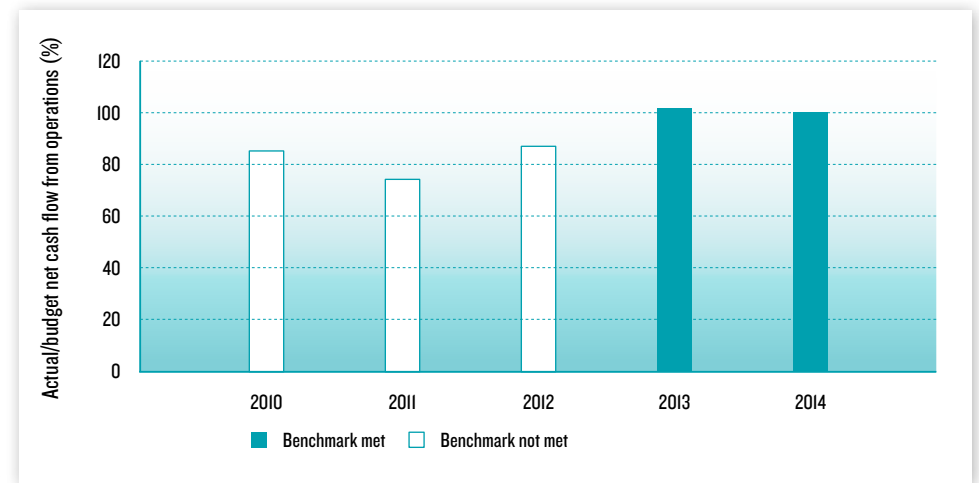
Debt control benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operational control benchmark

The following graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operational control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



APPENDICES

OUR 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. The city has an area of approximately 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.

Summary

Land area	37,998 hectares
Population¹	
Northern Ward	15,065
Eastern Ward	16,665
Western Ward	14,747
Central Ward	17,087
Wainuiomata Ward	17,298
Harbour Ward	17,376
Total population	98,238
Number of households²	
Northern Ward	5,840
Eastern Ward	6,840
Western Ward	5,690
Central Ward	6,930
Wainuiomata Ward	6,320
Harbour Ward	7,460
Total households	39,080
Age²	
0 to 14	21.9%
15 to 39	33.7%
40 to 64	32.4%
65 and over	12.0%
Ethnicity²	
European	71.8%
Maori	18.5%
Pacific Peoples	12.0%
Asian	10.0%

¹ Statistics from Statistics New Zealand 2013 Census.

² Statistics from Statistics New Zealand Medium Series Projections based on the 2006 Census.

Hutt City Assets

Total council assets as at 30 June 2014	\$1,367,333,000
Area of parks and reserves	3,760 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	481.4 km
Length of footpaths	728 km
Number of street lights	13,618
Length of wastewater pipes	681 km
Length of stormwater pipes	548 km
Length of water pipes	677 km
Rating system	Capital
Rateable units	38,613
Average rates per residential ratepayer	\$2,064
Capital value of rating units (30 June 2013)	\$17,145,399,727
Total land value of rating units (30 June 2013)	\$8,670,859,000
Capital value of the city (30 June 2013)	\$21,563,412,000

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.

Annual Plan

A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.

Appropriation/Appropriated

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

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.

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. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.

Community Committees

Local committees set up by Council. Community committees are consulted by Council and can represent community concerns to Council. Hutt City Council has four community committees: Central, Western, Northern and Eastern.

Community Outcome

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

Council-Controlled Organisations (CCOs)

Companies in which Council is at least 50% shareholder that independently manage facilities and deliver services and undertake developments on behalf of the Hutt City community. Where necessary, Council funds these organisations.

Council-Controlled Trading Organisations (CCTOs)

CCTOs that operate a trading undertaking for the purpose of making a profit.

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.

Forecast Financial Statement

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

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 Council.

Long Term Plan (LTP)

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.

Maintenance Costs

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

Mana Whenua

People with the mana of the land.

N/A

No peer average available.

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.

Port Nicholson Block Settlement Trust

A Trust established in August 2008 to receive and manage the settlement package for Taranaki Whānui ki Te Upoko o Te Ika who can whakapapa to Wellington at 1840.

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 also include Targeted Rates.

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 wellbeing of the community.

Significant Activities

The Annual Plan lists 18 separate significant activities that fall within five groups of activities.

Supplier Costs

Expenditure for the purchase of general goods and services.

Support Costs

The internal allocation of expenditure incorporated in the Managing Services activity.

Taonga

A highly prized resource.

Targeted Rates

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

Te Atiawa

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

Te Rūnanganui o Taranaki Whānui ki te Upoko o te Ika a Maui

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

User Charges

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

SOURCE OF INFORMATION FOR LEVEL OF ACHIEVEMENT

Our Annual Report indicates the source of information for each performance measure in the interests of improving 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. Our 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% and the maximum level of significant difference at the 95% level of confidence is 6%. These maximums for the margin of error and significant difference will occur when the sample is split 50/50 on an issue.

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.

SURVEY OF ELECTED AND APPOINTED MEMBERS

As part of its commitment to continuous improvement, Hutt City Council commissions an annual survey of Councillors' and community board/committee members. The survey explores the organisation's performance in providing advice to members. The survey for 2013-14 was conducted by Peter Glen Research.

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.

BEST WORKPLACES SURVEY

We participate in the annual Kenexa Best Workplaces Survey, formerly known as the John Robertson & Associates' Best Places to Work Survey. This survey provides Council with important information on how staff view Council, and how this compares with other organisations.

CONTACT DETAILS

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COMMUNITY BOARDS

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COMMUNITY COMMITTEES

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