



2005 *Annual Report*

For the year ended 30 June 2005



LS

*A great place to
live, work and play*

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Vision for Hutt City

The Community Plan provides direction for Council's plans, policies and strategies and gives a long term focus to all Council's activities.

The Community Plan has five key areas:

PEOPLE

Hutt City Council Strategic Goals

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

UTILITY SERVICES

Hutt City Council Strategic Goal

- Affordable, sustainable, accessible and high quality services.

ENVIRONMENT

Hutt City Council Strategic Goal

- A clean, healthy, attractive and sustainable environment.

ECONOMY

Hutt City Council Strategic Goal

- A strong, enterprising and diverse economy.

ORGANISATION

Hutt City Council Strategic Goals

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

Report from Council

The new council, elected in October 2004, has moved quickly and effectively to build the profile of the city, to control expenditure and debt and to set new priorities for council staff.

An annual report traditionally looks back at the previous year. In recent months, council has achieved much and I am very confident that we are heading in the right direction.

The local government elections in October 2004 saw the election of a new Mayor and three new councillors. The new council has made decisions to hold rate increases to the rate of inflation and to reduce the level of long term debt, and yet to maintain the assets of the city.

In the annual planning and budgeting round, which has just concluded, we have responded to the community's calls to spend more on the stormwater problems in the City. The Hutt Park redevelopment will now not proceed in its original form.

The floods the city has experienced regularly in recent years, and most notably in February and August last year, are not just emergencies that have to be addressed at the time. They were also reminders of the state of our stormwater system, and the need for this to be addressed urgently given the extreme weather events we are experiencing. Council has addressed this issue in the 2005/06 Long Term Council Community Plan by boosting expenditure on the stormwater system to \$17 million over the next ten years. This is three times as much as council was projecting in 2003/04 to spend over the same period.

Last year, council's Long Term Financial Strategy showed debt at \$52.0m in 10 year's time. The Strategy adopted by the new council has debt falling to \$24.0m in 10 year's time. This will reduce interest charges (estimated savings are \$6 million over ten years) and that will help keep the burden of rates down.

Events with a lasting impact on the city include the enormous uplift in economic development activity, with the opening of the Mitre10 Megastore in Petone, a Bunnings warehouse, and a large distribution warehouse at The Quadrant in Seaview.

In addition there were a number of large office/workshop developments at Seaview, and shops at the southern end and middle of High Street, as well as extensions to the Boulcott Clinic. Construction of the Pak N Save supermarket in Brunswick Street is underway and there has been noticeable progress in the construction of the extension at Westfield, including the opening of the new Woolworths supermarket.

Every one of these investments reflects the confidence of business owners in the future of Hutt City. It is heartening to have so many positive signs of support for the city. There are more on the horizon.

Resource consent was granted to the revised Harvey Norman development at the corner of Rutherford Street and Melling Bridge and plans for this large development have been unveiled. Orica has also decided to locate its Australasian call centre in the city, quite a coup for this city, as we were competing with several Australian cities. That decision alone means well over 40 jobs are retained or created in Hutt City. Demand for industrial space in Wingate has seen vacancy rates in the area fall to nearly zero.

From the council's own operations, the Melling skateboard park has been completed and was opened in November 2004. The refurbishments to the War Memorial Library were opened by Her Excellency the Governor General in August 2004.

There has been much attention paid to the infrastructure of the city.

Council has now obtained a resource consent for Stage Two of the Silverstream Landfill, and the water maintenance contract is being tendered jointly with Wellington City as part of our joint venture on management of a regional water supply and treatment.

Council is participating in a pilot scheme to address the needs of at risk youth. The new Youth Transition Service seeks to identify at-risk youth and provide community owned solutions. Community groups working with young people have developed a three-year Strategic Plan and about \$900,000 will be available from the Government to the Hutt Valley, including Upper Hutt, each year to deliver the services identified in the plan. Although economic growth is at high levels and unemployment is low, this area of youth employment needs to be worked on.

This is one example of a number of initiatives being planned or implemented to make Hutt City a more attractive place to live work and play. Our direction is to become more family friendly, and this means that the community is safe and our people support each other as neighbours and as citizens.

It means that we need to improve even more the high quality services we have in education, training, recreation and social services, so that we can nurture and grow our young. Parents need to believe that they can raise a good family in this city, that there are the facilities and services they need, and that there is a supportive and positive atmosphere for them.

We are working hard to retain and attract employment opportunities and to reshape the image and perceptions of Hutt City in the minds of the residents of neighbouring cities. The Go Ahead campaign is rolling out over the next couple of years to realise more confidence among city residents and to attract more visitors to the city to shop, undertake recreation and to visit our many attractions.

We have the opportunity to do even more wonderful things in our city. I have absolute confidence in its future and I know that this is shared by councillors, council officers, and by the thousands of people who happily live and work in Lower Hutt. Over 100,000 residents make up our wonderful city. Let's be healthy and be wise as we live in the present and look forward to the future.

We can go forward together with pride and confidence.



David Ogden

MAYOR

On behalf of Council

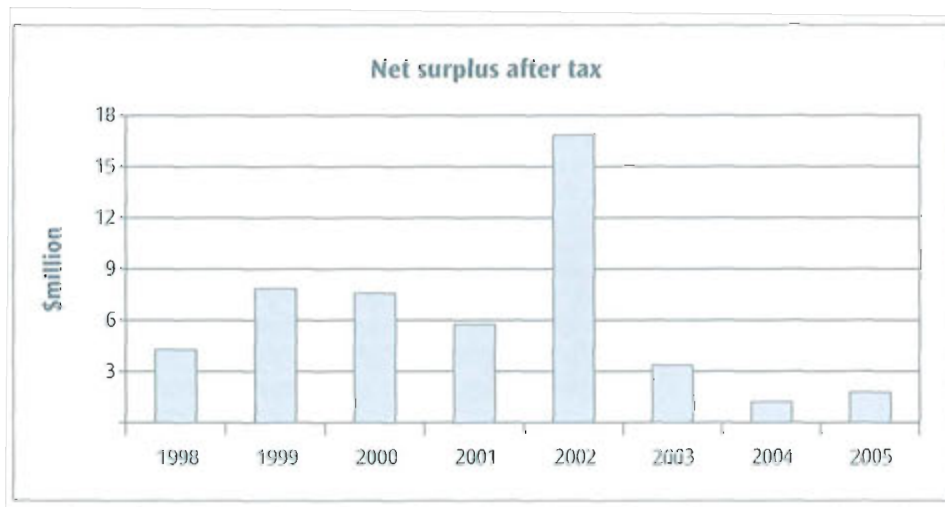
A handwritten signature in dark ink that reads "David Ogden". The signature is written in a cursive style and is positioned to the right of the portrait and printed name.

Report from the Staff

The year ending 30 June 2005 was a challenging one for Council. The city was hit by three significant flooding events that caused considerable damage to private property and infrastructure. Hutt City was not alone in suffering damage from these extreme weather events, and the result has been widespread community concern about the level of preparedness for such events in the future. Indications from experts seem to suggest that such events are likely to become more frequent.

Council spent \$4.5 million repairing storm damage in the 2004/2005 financial year. Consultation with the community undertaken to determine spending priorities for the coming financial year clearly reflected community concerns over the city's flood protection and stormwater systems. To that end Council voted to spend some \$17 million over the next ten years on improving our level of preparedness for these extreme weather events.

Despite the unbudgeted expenditure on repairing storm damage, Council has been able to achieve a net surplus after tax for the eighth year in a row – an outstanding achievement in the circumstances. All surpluses are applied to debt repayment.



City development

The year ending June 2005 witnessed a level of new development in the city not seen for quite some years. In an annual survey of Hutt City residents, 45 per cent of people thought that Hutt City was now a better place to live than it was three years ago (up from 35 per cent the year before).

Statistics for Hutt City announced in November last year showed that:

- The city's GDP grew by 2.2 per cent or \$62 million
- The number of businesses increased by 3.8 per cent or 289 businesses
- The number of jobs increased by 2.2 per cent or 818 FTEs (full time equivalents)
- Registered job seekers decreased by 22 per cent or 933 people.

The city can take some pride from the fact that our job growth rate (in percentage terms) was the highest rate recorded out of all the councils in the region and business growth second highest.

The total number of building consents issued for the 2004/05 year was 2100, which is a nine per cent increase over the year before. However, the biggest, and most dramatic, change was in the value of work for which consents were issued. This figure almost doubled from \$90.3 million in 2003/04 to \$173.7 million in the last financial year. Major projects have included Bunnings, Mega Mitre 10, Westfield Queensgate, Pak n Save and Boulcott Hospital.

Financial Results

Council achieved a net surplus after tax of \$1.7 million, \$0.4 million above budget.

While several major storm events gave rise to \$4.5 million of unbudgeted expenditure, this was more than offset by additional revenue. Approximately \$2.2 million of the storm related costs were covered by subsidies from various sources. Activity revenue increased significantly as a result of higher volumes, particularly from landfills, environmental management and parking services.

Customer Service

Hutt City Council has won a number of prestigious business awards over the years. The commitment to business excellence has driven a culture of continually seeking to improve levels of customer service. Council has systems in place to benchmark and measure our performance across a range of service areas.

Market research showed that the average customer satisfaction rate with our services was 89 per cent. This is the highest rating Council has achieved. The peer average is 84 per cent.

Wellington Regional Strategy

The Wellington Regional Strategy is a joint project of the councils of the wider Wellington area working together building an internationally competitive region. The project formally commenced on 1 July 2004. Hutt City Council has been an active participant in this project.

It is a growth strategy – to achieve sustainable and desirable growth for the long term benefit of the region's citizens, businesses and institutions. The Strategy provides the opportunity for the region to work together to develop agreed directions, and then make that common and agreed future happen.

The first output from the Wellington Regional Strategy is the Growth Framework, which is a discussion document outlining the direction for the region for the next 10-20 years. This includes comment on the vision for the regional, a set of regional outcomes, key growth principles and four focus areas, which include things like what we need to do to achieve sustainable economic growth and how to make the most of each of the cities strengths.

The Wellington Regional Strategy recognises that it is only by working cooperatively to achieve shared goals will the cities of the region continue to grow and thrive. Each of the cities has unique attributes. Hutt City is home to some of the region's most innovative and dynamic companies. We have world class educational, research and science-based institutions and some of the most breathtaking natural attractions in the region.

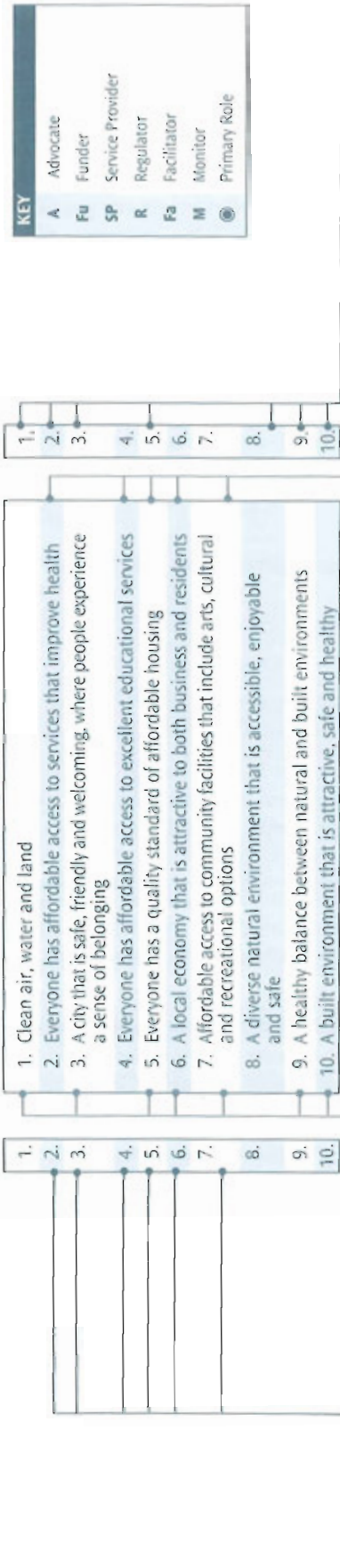
As this Annual Report shows, we are a city going ahead with renewed confidence and vigour. Hutt City definitely is a great place to live, work and play.



R.I.K. (Rik) Hart
CHIEF EXECUTIVE

On behalf of the staff

Community Outcomes

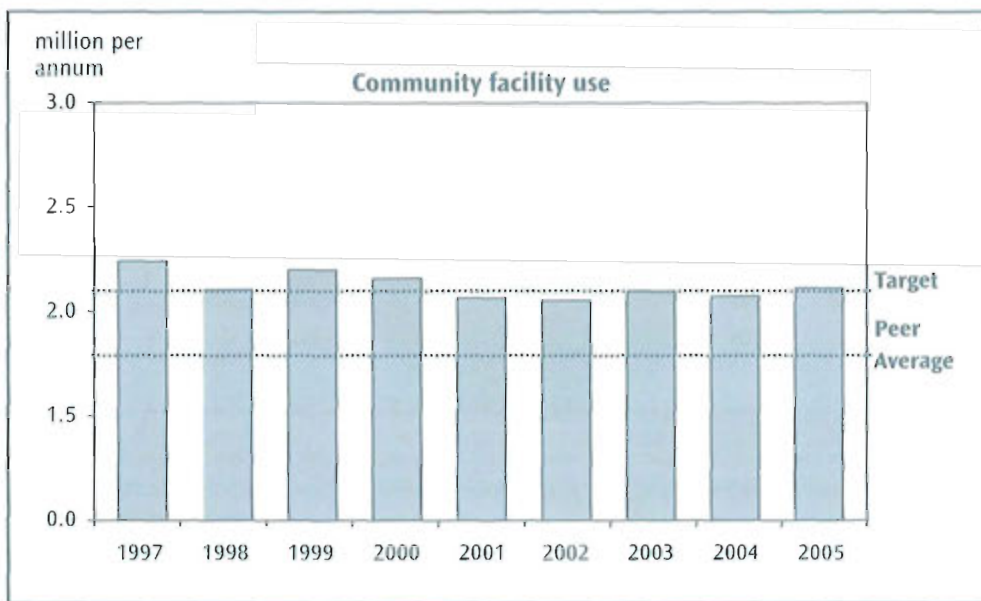


KEY

A	Advocate
Fu	Funder
SP	Service Provider
R	Regulator
Fa	Facilitator
M	Monitor
○	Primary Role

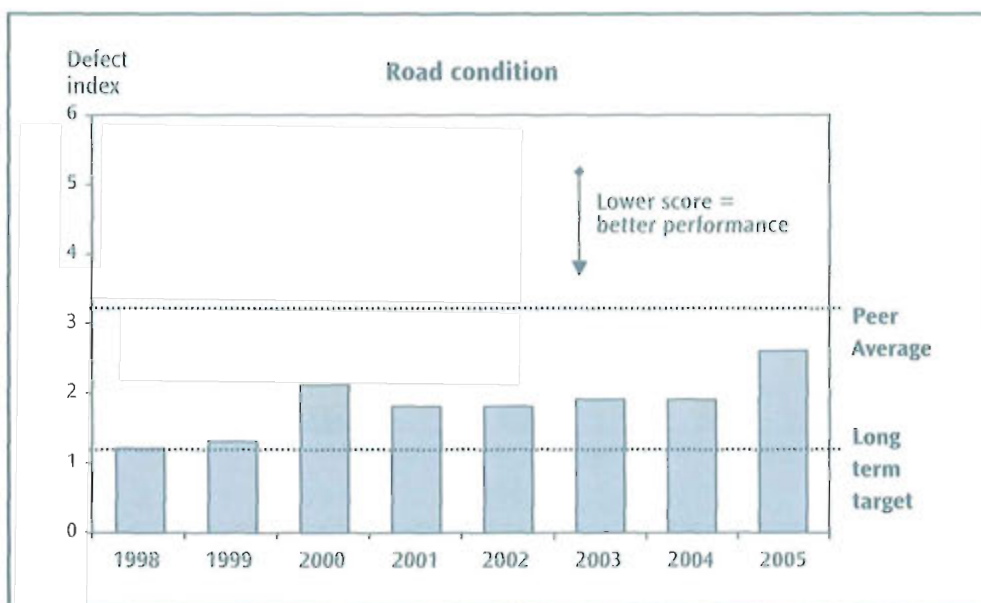
Strategic Measures

Strategic Measures – People

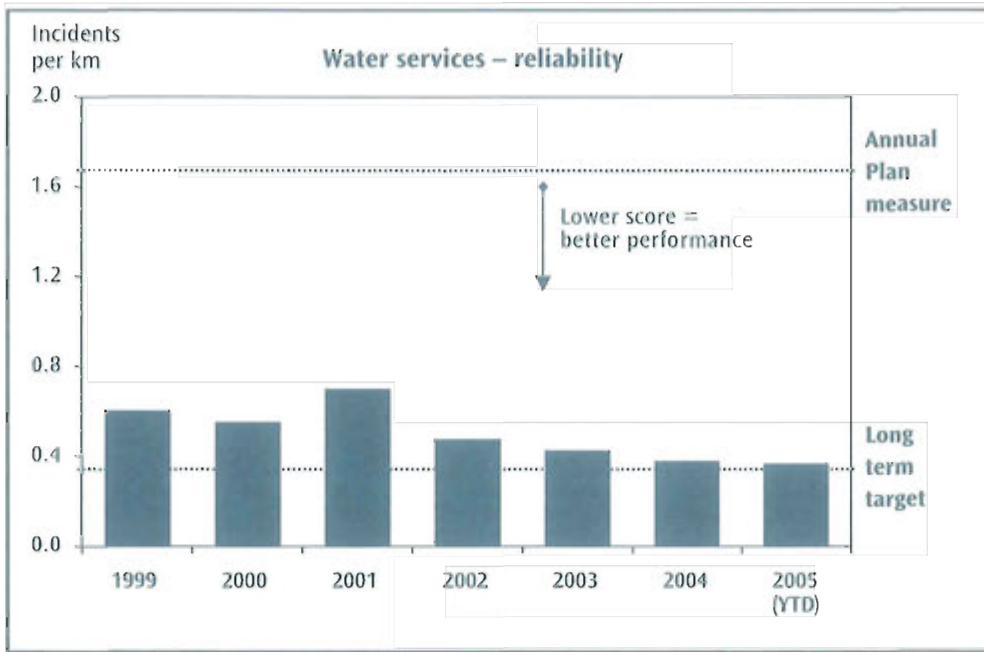


Council monitors use of its key facilities. The graph shows visitors to libraries, pools, and museums, and also Council recreation programme participants. Council has a target of maintaining visitor numbers to these key facilities steady at about 2.1 million each year. The steady target recognises the growing number of competing recreation options available and the limited ability of Council to invest in enhanced facilities. The target was achieved in 2005.

Strategic Measures – Utility Services

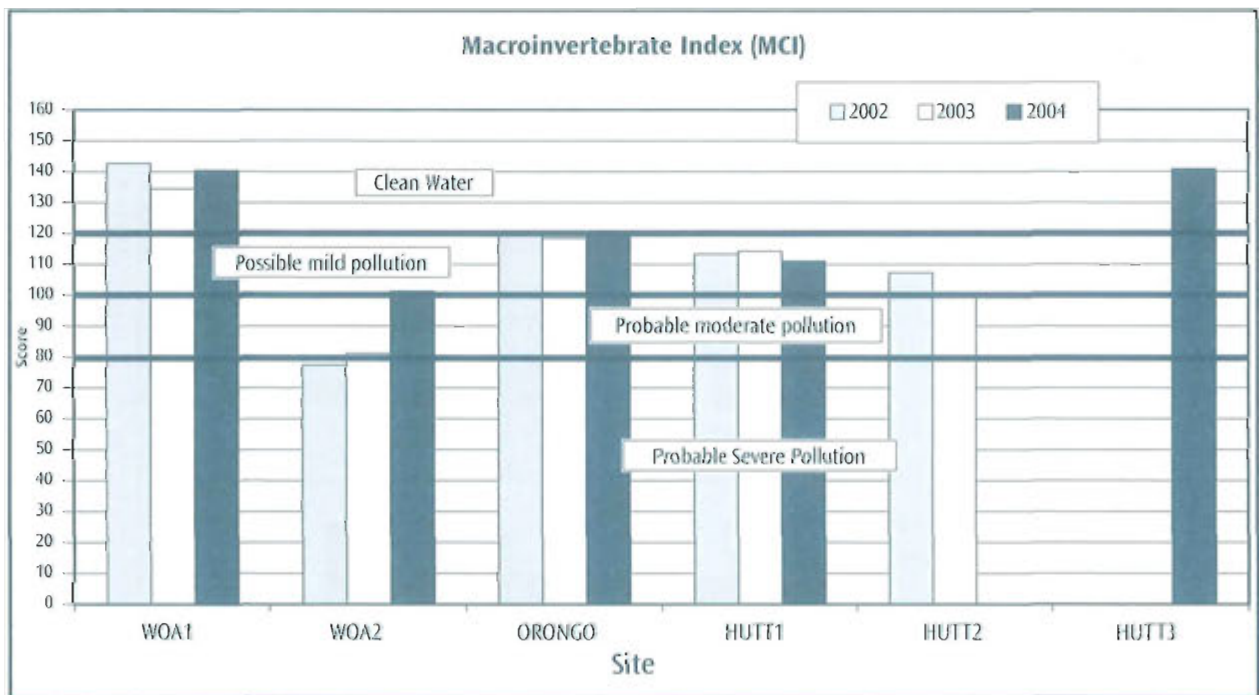


Transfund measures defects in roading surfaces and records a surface condition index. This graph shows the historical condition of the roads in Hutt City and Council's current target. There has been a gradual deterioration since the results achieved in 1998, although average road condition remains better than that in peer cities. Council intends directing a greater proportion of expenditure towards road maintenance in order to reverse this unfavourable trend.



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

Strategic Measures – Environment

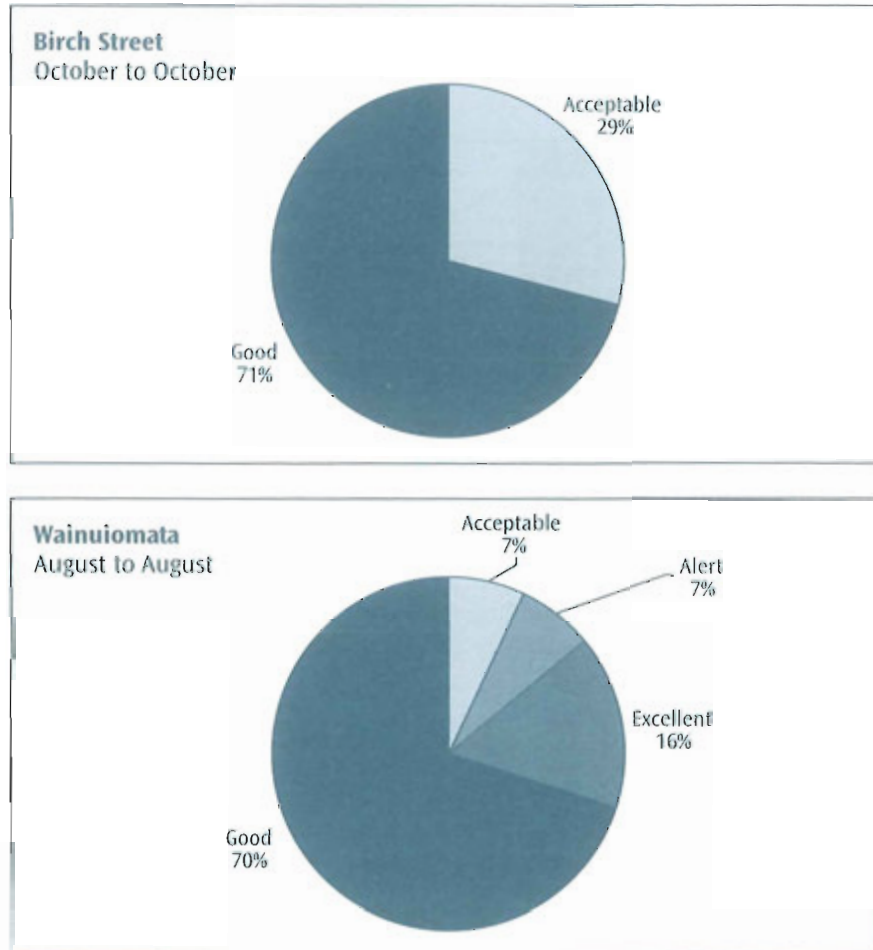


Sampling Sites: Two on the Wainuiomata River: 1 at the Gauge Station, 2 at White Bridge; Orongorongo River near the river mouth; 2 on the Hutt River: 1 near Manor Park, 2 at Melling. Data supplied by Greater Wellington – The Regional Council.

The water quality in the Wainuiomata River is continuing to improve. In the last three years the sampling near White Bridge (WOA2) has improved from the probable severe pollution category to the possible mild pollution category. The results clearly show the positive effects from the removal of the sewage discharge into the Wainuiomata River. The water quality at the Gauge Station site on the Wainuiomata River has remained in the clean/pristine category over the three years. The Orongorongo River again falls just below clean/pristine environment mark of 120.

One of the sampling sites on the Hutt River was changed from Melling (Hutt2) to Boulcott (Hutt3). The samples from these two sites are not compatible and the improvement in results may be due to a better habitat for macroinvertebrate communities at Boulcott rather than a change in water quality. There was very little change in the water quality at the Manor Park sampling site on the Hutt River.

Clean air indicator



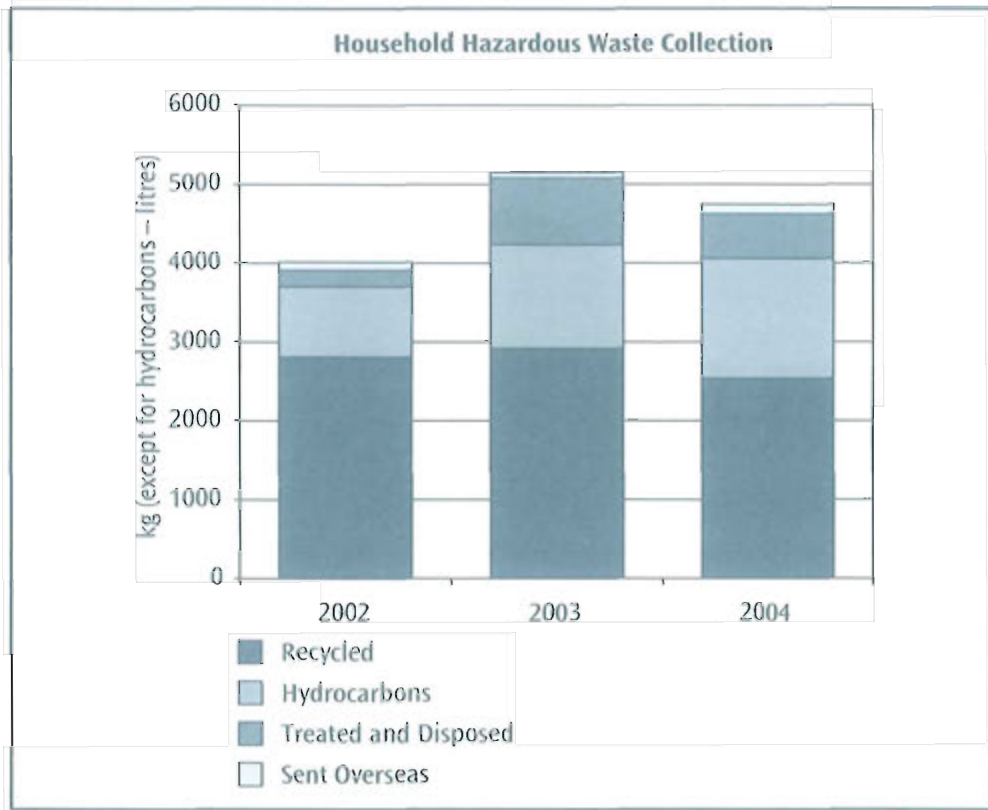
The national air quality guideline of 50 $\mu\text{g}/\text{m}^3$ is the maximum acceptable level for the protection of human health. Provisional results indicate that for the Birch Street site results were well within the national guideline and in fact never reached 40 $\mu\text{g}/\text{m}^3$. In Wainuiomata the national guideline was exceeded once during the year. At both sites the results are higher during the winter months. This would be largely due to household fires.

Levels: Excellent – Less than 10% of guideline; Good – Between 10% and 33% of guideline; Acceptable – Between 33% and 66% of guideline; Alert – Between 66% and 100% of the guideline; Action – Exceeds guideline.

Data Supplied by Greater Wellington – The Regional Council.

Clean land indicator

Amount Collected during the Household Hazardous Waste Collection



Explanation of Indicator

The Household Hazardous Waste Collection provides residents with the opportunity to dispose of hazardous waste which is stored on their property. Many of the substances collected can harm both the environment and human health if not disposed of properly. Residents using this service are removing the substances from their property and therefore eliminating the potential for an accidental spillage/leakage or pollution incident.

Council runs an annual household hazardous waste collection service. The service has only been operating for three years, so it is difficult to determine any trends from the data collected so far. Any hazardous waste collected is an advantage, as this is then properly disposed of or recycled to minimise any potential adverse environmental effects.

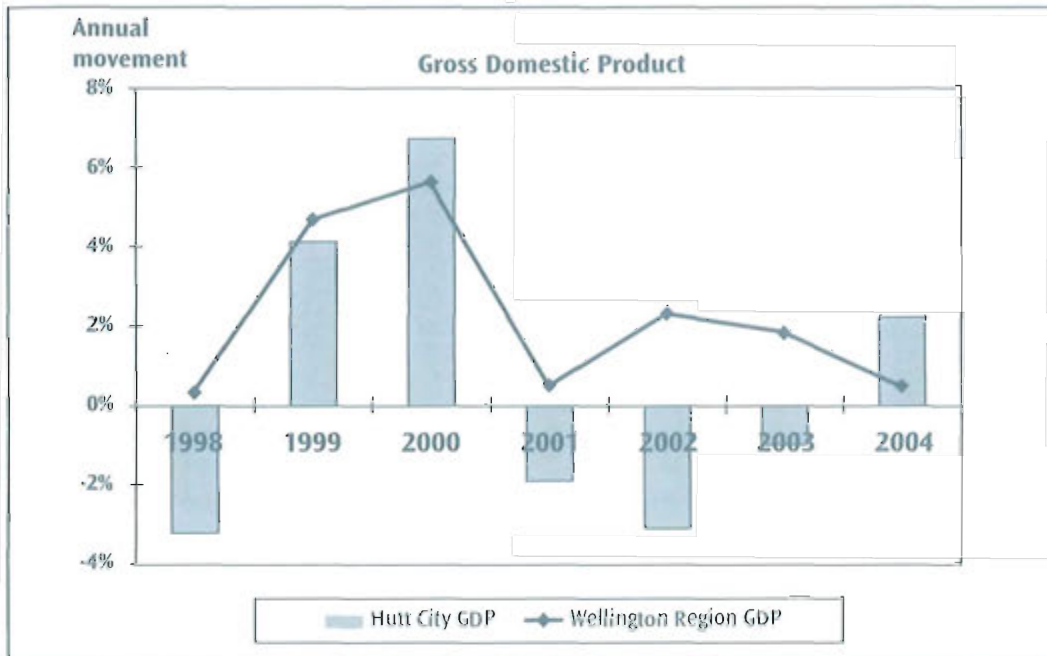
The largest amount of intractable waste was collected during the 2004 collection.

This suggests that the City's residents are using the opportunity to dispose of these dangerous chemicals. There would now be less of these chemicals being stored in garages and sheds where they could potentially damage the environment and the health of individuals. The intractable waste includes many substances that are now banned such as DDT and PCB. These wastes have to be sent overseas for disposal.

One promising aspect of the service is that the amount of hydrocarbons collected each year has increased; much of which is waste oil. Any hydrocarbons collected are used as fuel for cement kilns; which means that they are completely removed from the waste stream.

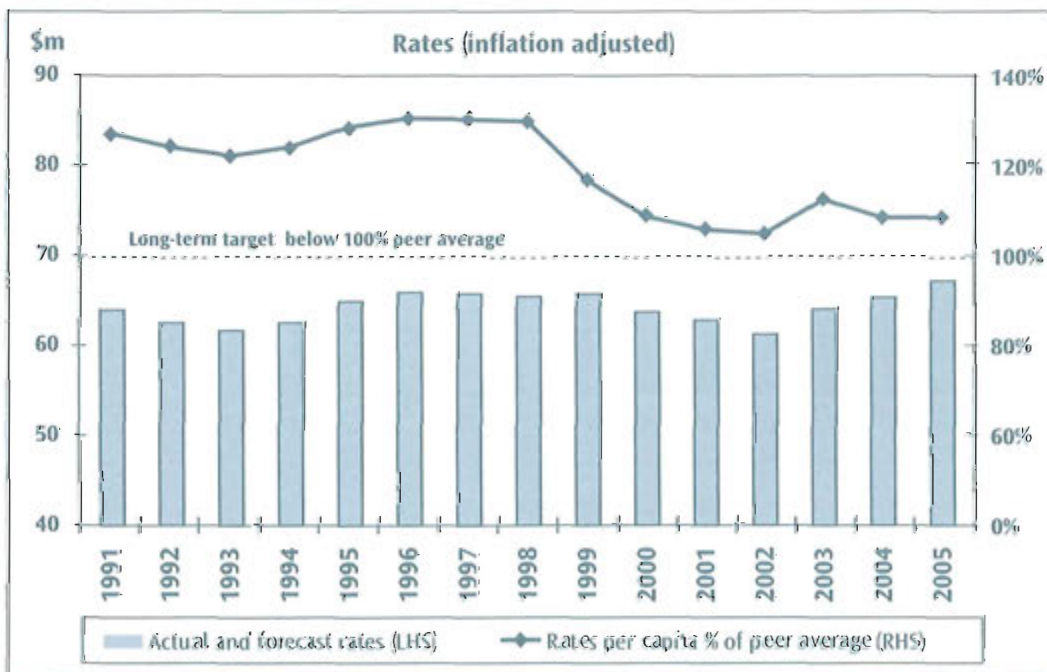
Paint is one of the main items disposed of at the collection days. Paint can have a devastating effect on waterways if disposed of down stormwater systems. This service provides an opportunity for paint to be disposed of safely, and recycled back into new paint where possible.

Strategic Measures – Economy



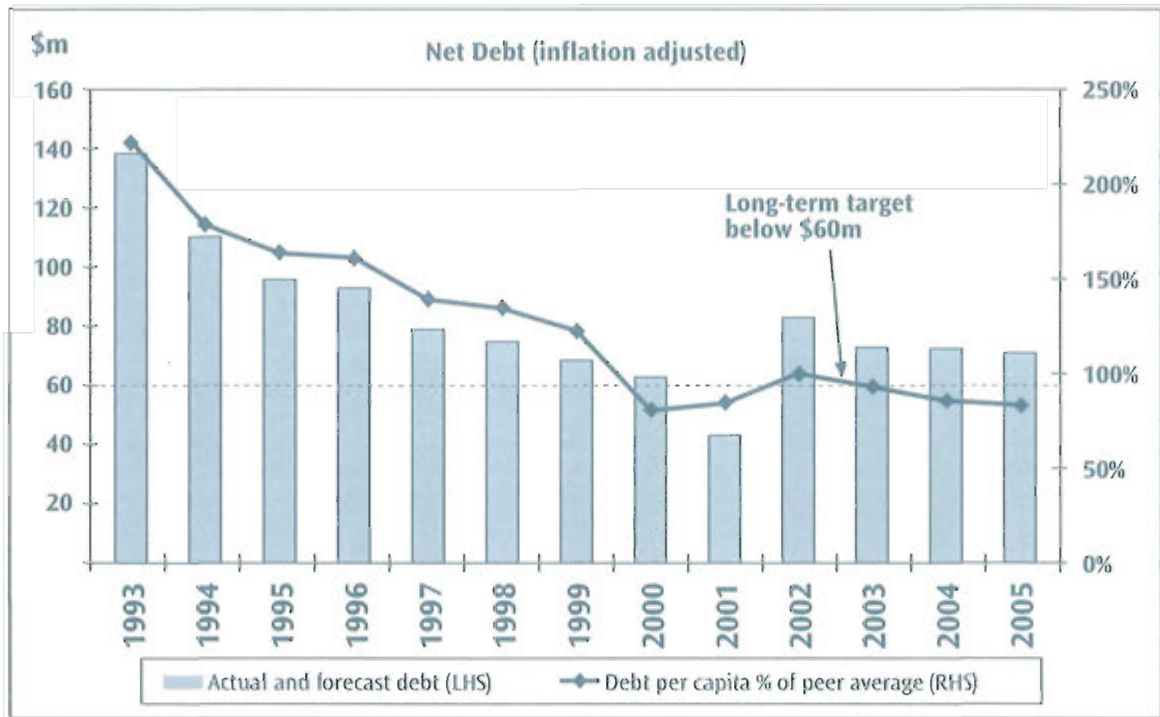
In recent years the performance of the local economy has not been strong and has not compared favourably with New Zealand as a whole. The economy has been in transition since the closure of the motor vehicle assembly industry in the city and the downsizing of other large employers. In response, Council has adopted an economic development strategy. The strategy aims to build the city's economy, particularly in the areas of business numbers, jobs, events and tourism. The long-term target is for local gross domestic product growth to exceed the regional average. The most recent results to March 2004 are encouraging, with Hutt City experiencing growth of 2.2%, well above the regional average. Visitor numbers, job numbers and population are also showing improving trends.

Strategic Measures – Organisation



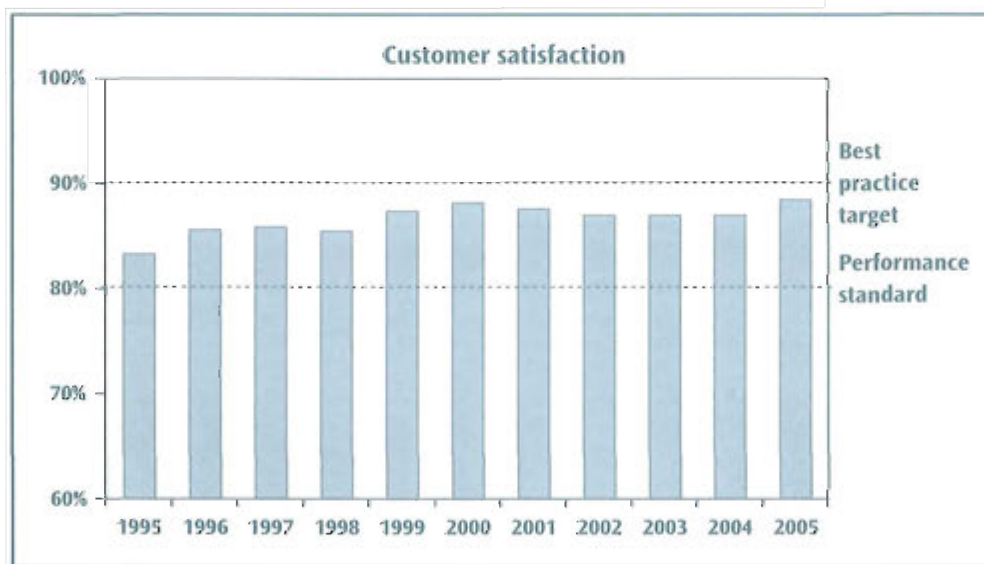
This graph shows historical rate levels. It highlights the reductions achieved from 1999 onwards, offset by modest increases in recent years to cover the cost of wastewater treatment facilities.

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



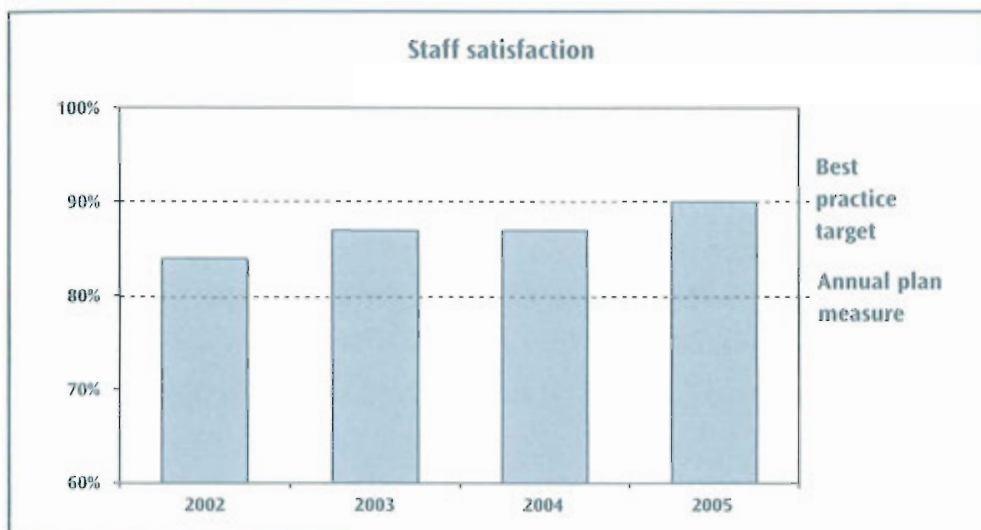
This graph shows historical net debt levels. It highlights the considerable success Council has had in reducing debt levels since 1993. At that time debt levels in Hutt City were more than twice the average for similar local authorities.

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



Council monitors customer satisfaction levels with Council services annually by way of an independently conducted survey. The graph shows there were significant improvements until 2000 and that satisfaction ratings have maintained a high level since then. In 2005 Council achieved its best ever customer satisfaction rating of 89%.

Council budgets to maintain satisfaction levels of at least 80%, but has a long-term target of achieving results regarded as best practice, i.e. 90%.



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

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

The 2005 results show further improvements but are not necessarily directly comparable as a different survey format was used.

Report on Governance

Local democracy is about:

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

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

Political Governance

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

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

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

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

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

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

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

Treaty of Waitangi

The Council takes into account the principles of the Treaty of Waitangi and ensures that a sincere partnership is maintained between the mana whenua and elected Council. This recognition and relationship has been achieved through the development of agreements and a Code of Conduct. Council works hard to make sure all parties are kept informed and have the opportunity to take part in Council's affairs. A full statement regarding the Treaty of Waitangi can be found on page 25.

Roles and responsibilities

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

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

Political Structure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance

Hutt City Council management is focused on:

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

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

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

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

Report on Staff Management

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

To this end we will, in the coming year, participate in the Best Places to Work Survey, the results of which will be reported in 2006.

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

Staff Performance Results

The staff performance management system is an annual process, one of the outcomes of which is identification of staff members whose performance exceeds the requirements in his/her job description.

The top performers within eligibility guidelines were paid an individual bonus. This review process is completed in mid-August; therefore 2005 results were not available at time of publishing this report. Similar results are expected however, and this year as a result of consultation and review, the top 20% of performers will receive an individual bonus.

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

Staff Involvement

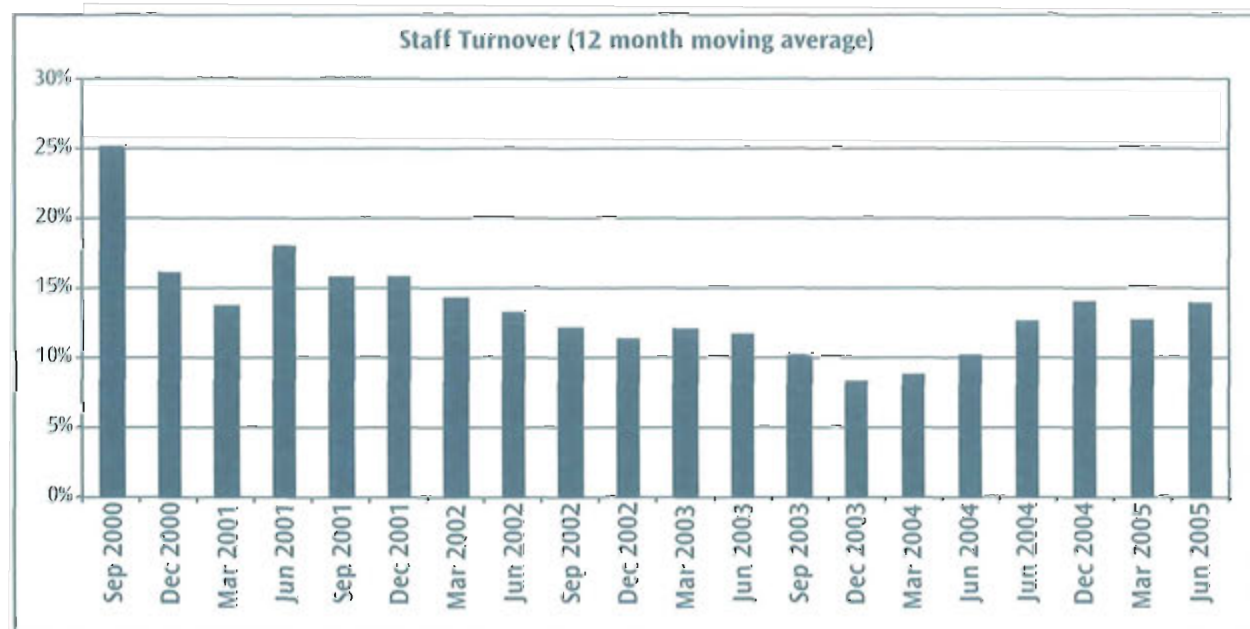
The improvement scheme initiated in 2000 encourages staff to become involved in improving work practices, customer interface, safety and satisfaction. 744 improvements were recorded in 2004/2005, well exceeding the target of 700

Staff Health and Safety

Council is committed to providing a work environment that promotes and supports the wellbeing of all employees. We have in 2004 brought together a number of existing initiatives and added some new benefits and personal development opportunities under a Wellness Programme – a holistic approach to the wellbeing of our staff.

A reduction in the number of work place accidents is reported in this year. Only 18 accidents were reported, one of which was of serious harm and reported to the Labour Department.

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



One of the goals for the team bonus is a staff turnover of less than 15%. This year we have achieved this goal, although turnover has increased in recent months. Analysis of figures indicates that this is higher in areas experiencing pressure nationally, and turnover in the remainder of the organisation is well below goal levels.

Training and Development

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

An addition to the training and development programme in 2005 has been a leadership programme for senior managers, and an amended version espousing the same language and values for team leaders.

Equal Employment Opportunities

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

The principles of the Equal Employment Programme are to:

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

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

This year the Council will continue its Equal Employment Programme which:

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

Report on

Social Development

Overview

In 2003 Council developed 10 community outcomes following a significant consultative process with residents. These outcomes have helped focus Council's activities and efforts on issues of importance to the community. Around half of the community outcomes concern social development and the Council has worked to be an effective contributor to achieving these outcomes in a variety of ways. Activities have ranged from increased funding through to a greater emphasis on facilitation and advocacy, depending on the outcome sought and the most appropriate role for the Council. This report on Social Development highlights some of the key projects and developments in these areas over the last year.

Council Priorities

The Council's priorities are aligned to the community outcomes. Five outcomes encompass social development issues. These are listed below, along with some of the key projects the Council has been involved in 2004/05. Many other agencies have a significant impact on social development in the City and the Council works with these to achieve greater results. The Hutt Valley Governance Group was established in 2003 as a result of both the Council's and central government's desire to develop a 'whole of government' approach to the provision of services within the Hutt Valley. Its membership comprises representatives from Hutt City Council, Upper Hutt City Council, government departments and other government funded agencies that provide services to the Hutt Valley. The purpose of the Group is to improve the overall coordination, policies and programmes of its members, to enhance the well-being of the Hutt Valley. This initiative is expected to assist the achievement of social development outcomes in the future as agencies work more effectively together, aligning resources and efforts to maximise positive individual and community outcomes.

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

The Council does not have a direct role in the provision of health services. However, it maintains a close relationship with the Hutt Valley District Health Board and is working on several joint initiatives with the DHB, for example, investigating the establishment of joint advisory groups and looking at options for housing for elderly in Wainuiomata.

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

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

Community Development Fund

This was the second year of Council's new annual contestable funding for community groups with the establishment of the Community Development and Small Grants Funding Schemes. The total funding available to the community was \$236,000 in recognition of the vital and valuable work undertaken by a range of community groups in the City. The funding schemes aimed to support those groups that provide services that contribute to the community outcomes identified in the Community Plan. The Fund also now includes funding ring-fenced for arts and culture and heritage projects.

City Safety

This year the Council strengthened its commitment to city safety in a number of ways. The CCTV project in the central business district has been completed and a review of their success is currently underway. Interim results from this initiative look very promising and the Police provide considerable support through their monitoring role. Streetsmart have been contracted to oversee monitoring of the cameras during daytime hours. Safety in Naenae and Taita continues to be addressed following the completion of consultation and safety audits. The Ministry of Justice has contracted Hutt City Council to manage community crime prevention activities in partnership with community-based organisations and other central agencies. The contract with the Crime Prevention Unit of the Ministry of Justice has resulted in a three-year contract from 2004/05 onwards and the appointment of a City Safety Officer. Over time these changes will enable a more concentrated focus on safety issues by the Council, in conjunction with relevant agencies and community organisations. The Council also responded to growing concerns over alcohol issues, developing a liquor policy and establishing the inter-agency Liquor Advisory Group for the City. A smaller project team will focus on preventing youth access to alcohol (YATA).

Hutt Council of Social Services

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

Community Outcome – Everyone has affordable access to excellent educational services

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

The Job Track Project

Job Track is a collaborative project between Hutt City Council and Work and Income, which began in late 2003. Work and Income are funding the initiative and the Council is the host agency providing space, resources and staff resources. Job Track provides information, support and advice for 16-18 year old school leavers who have not identified future career paths. Job Track works with government agencies, community and youth organisations and local schools to provide a cohesive service for young people. Referrals are made by young people themselves, agencies, family or whanau members. In the future it is envisaged that this project will be integrated into the youth transition service

Youth Transition Service

The Council, along with the Upper Hutt City Council entered into an agreement with the Ministry of Social Development early 2005 to provide a 'Youth Transition Service' (YTS) within the Hutt Valley. The service is to provide help and support to young people as they make the transition from school into the workforce. An extensive public consultation process was undertaken within the Hutt Valley between March and May 2005 to establish the type of transition service needed within the Valley. This resulted in the establishment of a Strategic Plan for the Hutt Valley YTS. Expressions of Interest for the provision of the YTS, based upon the requirements outlined in the Strategic Plan, were called in July. It is envisaged that the YTS will be operational by late 2005.

Community Outcome – Everyone has a quality standard of affordable housing

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

The Council provided support to a 'Healthy Housing Pilot' undertaken from October to January within Hutt City. The Pilot involved Hutt City Council, ACC, BRANZ, Regional Public Health, Hutt Valley DHB and the Wellington School of Medicine and Health Sciences. The aim of this pilot study is to investigate the feasibility of creating a Healthy Housing Index (HHI). The HHI will provide a practical tool for understanding the link between housing – with a focus on building condition – and health. It is intended for use by a wide range of agencies involved in the housing and/or health and safety sector.

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

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

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

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

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

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

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

New Settlers Centre

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

Hutt City's Youth Centre – Phonic

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

Report on

Our Commitment to the Treaty of Waitangi

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

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

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

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

Key Principles

- To take into account the principles of the Treaty of Waitangi – Te Tiriti O Waitangi
- To use the Memorandum of Agreement to promote consultation effectively with Te Atiawa
- To continue with the established contractual arrangements with the Wellington Tenth Trust and Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui
- To pursue Council's statutory obligations under Part II of the Resource Management Act 1991.

Goals

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

Programme

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

Introduction

Continued implementation of the Economic Development Strategy (EDS) has been a key priority of Council, which as one of many players in the economic development of Hutt City is committed to encouraging a strong, enterprising and diverse economic base. The primary purpose of the EDS is to increase the number of jobs available within Hutt City over the 5-year time frame 2002–2007.

Current Situation

Reporting the results for the second full year since the EDS was signed off, Hutt City's economic performance was better in all measures reported for the year ended June 2005 than for the previous year and in most cases greater than those experienced across the Wellington Region. Although still rating at the lower end of comparisons with peer Councils, we saw positive growth in all of the four major measures of performance.

- Job numbers increased by 2.2%, with a net increase of 818 Full Time Equivalents for the year
- There were 289 new businesses created in 2003-2004
- GDP/Value Added rose by 2.2%
- The number of residents was estimated to have risen by 300

These are continued encouraging results. Job numbers in particular are to be noted. The EDS identified a target of 37,716 jobs by 2007. As at March 2004, there were 38,570 jobs in Hutt City.

Council is now working hard to attract industries and businesses to locate in Hutt City to ensure a broad-based economy. There have been a number of successes in this regard over the past 12 months.

Key Priorities

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

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

IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT STRATEGY (EDS)

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

To achieve this, the focus is on four outcomes:

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

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

- Taking a primary role in the "more business" and "recognition" outcomes, working in partnership with relevant local, regional and national organisations. These include the local Chamber of Commerce and New Zealand Trade & Enterprise.
- Taking an increasingly active role in the "skilled workforce" outcome in conjunction with organisations such as Work & Income and Weltec.
- Taking a secondary or support role in the "continued investment" (with the exception of Council infrastructure) outcome in conjunction with organisations such as Positively Wellington Business (the Regional Economic Development Agency).

RETENTION, GROWTH AND ATTRACTION OF BUSINESSES

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

This is a key to the future economic growth of the city. In the 12 months to March 2004, 289 new businesses were created in the city.

Following the granting of rates remission by Council last year Westfield confirmed the commencement of its long awaited expansion of Queensgate and work is now well underway on this \$140m project. A rates remission was granted in this financial year to Land Equity Group for the development of a specialised customer service centre on the long vacant Levene's site. Completed in December 2004, this development is expected to bring up to 300 new jobs into the city. Future increased rates received by Council from these developments will be used to reduce the rates of other businesses.

During this year the city Visitor Information Centre gained accreditation to the Visitor Information Network benefiting from the association with the internationally recognised i-SITE brand. Enhanced services such as accommodation, travel and activity bookings have helped to attract increasing numbers of international visitors to the centre. Council continues to undertake small business training programme funding and funding of events in the city.

Council's staff have undertaken a more proactive role in the attraction of businesses to the city. Orica NZ consolidated its Australasian service centres into a single operation in Hutt City following months of intensive discussions between Council, the company and Government agencies resulting in a \$300,000 training package that has delivered around 40 jobs and \$2.5 million in state of the art technology and facilities. 30 of the new staff were taken from the registers of Work & Income.

Working with businesses in the Wingate industrial region, Council has commenced implementation of a three-year development plan for the area with installation of entry signage and new landscaping work. Council has also completed a Long Term Vision and Urban Enhancement Plan for the Seaview/Gracefield area and has established a business steering group to assist with implementation of the initiatives outlined in the this plan in the next financial year.

Significant urban enhancement work was completed in both the Naenae and Taita suburban shopping centres. A review of the Suburban Shopping Centre Fund policy commenced during the year and will guide future Council investment in centre upgrades.

Council, along with CBD Plus, has taken a significant role in the development of a long-term strategic framework for future urban enhancement of the CBD. Planning for the first initiative under this framework, the Retail Connector is nearing completion for implementation in the early part of the next financial year.

Council continues its involvement in Smartlinx 3 Limited along with the Councils of Porirua and Upper Hutt and individuals and businesses from the three cities. This company was established to develop an open, competitive high band-width telecommunications infrastructure.

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

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

A new business attraction brochure outlining the benefits of living, playing and operating a business in Hutt City has been prepared by Council for use in attracting new businesses to the city.

Council's Business Communication Programme included mayoral visits to businesses, mayoral breakfasts and presentations by senior Council staff to business groups. Regular updates to the real estate industry were introduced during the year. Council staff continue a regular meeting programme with businesses in the city.

In December 2004 a visit to the city by the Hon. Jim Anderton, Minister for Economic Development, provided an opportunity for Council to showcase progressive new businesses in the city along with Weltec's increasing technical and training support for the manufacturing industries. Business leaders had an opportunity to discuss directly with the Minister issues of interest and concern to small business in the city.

Council's support of the Wellington Region Gold Awards to business continued this year, with Hutt-based businesses winning three of the nine category awards, including the ACC Thinksafe Workplace Safety Award for the third consecutive year.

Council commenced a three-year \$580,000 campaign to promote 'the Hutt'. The Go Ahead campaign was well received by the business community with opportunities to utilise the logo and campaign theme in their own advertising and promotions.

CONTINUED RELATIONSHIP DEVELOPMENT AND MANAGEMENT

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

Following the creation of the creative manufacturing cluster by Positively Wellington Business (PWB), work is now underway in preparing a Major Regional Initiative proposal in support of this cluster and the manufacturing industries in the region.

Weltec, with the creation of a centre for Smart Product and the appointment of a Director of Innovative Manufacturing, is taking a leading role in the development of advanced capability in the manufacturing sector in the region.

Council has developed a concept for a Trades Information Centre in consultation with Industry Training Organisations, Polytechnics, schools and businesses. With funding from the Ministry of Social Development secured, a pilot centre aimed at getting more people into apprenticeships and trades training will be opened early in the next financial year.

The renewal of Council's contract with PWB at the end of June 2004 has enabled a closer alignment of PWB's capabilities with Council's Economic Development Strategy outcomes, targeting a greater focus on business attraction and inward investment activities. PWB's immigration attraction programme has also successfully assisted a growing number of Hutt City businesses address skill shortages over the past year.

Discussions between the Hutt Valley Chamber of Commerce and CBD Plus have resulted in a joint venture organisation "Business Hutt Valley" which will provide a stronger representation of the business community across the city.

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

Wellington Regional Strategy

This is a joint project of the councils of the Wellington region and in association with Positively Wellington Business, working together to build an internationally competitive Wellington region. A large component of the work in this two year project will be focused on economic development within the region and how to achieve competitive growth. The project started formally on 1 July 2004. The first deliverable from this project will be available for consultation in August 2005. This discussion document is known as the Growth Framework. For more information on this go to www.wrs.govt.nz

Report on the Environment

Hutt City residents place a clean and healthy environment high in the list of outcomes that they want to see for the City. This can be seen in some of the ten Community Outcomes that were identified in the Community Plan. The Community Outcomes include:

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

This section outlines some of the projects, programmes, and issues that Council has been involved in over the 2004/05 year while working towards meeting the Community Outcomes.

Melling Skateboard Park

After much planning and consultation, this year an underutilised car parking area was turned into a youth recreational area that is highly popular. With this new facility, Hutt City hosted the inaugural regional skateboarding championships in April.



Keep Hutt City Beautiful

Keep Hutt City Beautiful Week (11-19 September 2004) was a success despite some indifferent weather and most of the registered schools and groups were able to complete their clean ups. Significant quantities of rubbish were removed from the different sites which included Pencarrow Coast, Port Road, Petone Beach, parts of the Hutt River Trail and many parks and reserves. In total 42 sites were covered, 1,970 bags distributed with 6278 people participating including 27 schools and 17 groups or businesses.

Cartridge World sponsored the Clean Up NZ website and their local Manager, Bill Swan, fully supported the programme.

The Westfield Queensgate promotion was very successful with a good take up of car litterbags, Tidy Kiwi Rulz badges, graffiti wipes and pocket ashtrays.

On Wednesday, 20 April Keep Hutt City Beautiful celebrated its 100th meeting with a special lunch and speech by His Worship the Mayor, David Ogden. The special cake created by Bellamy's was cut by the programme's patrons, Sir Frank and Lady Nola Holmes. The lunch was also attended by several retired members of the group.



Paint Hutt City Beautiful Day

This initiative took place on Saturday, 2 April and was to encourage local communities to tidy graffiti in their own public areas. The local ward committee and community board members each took responsibility to coordinate initiatives in their own areas. It is envisaged that this project will continue in the future as a tool to manage the 183 million square metres of fence managed by Parks Services and the estimated 42,000 square metres along "street to street" walkways managed by Utility Services.



Figure 1 below shows on what type of facilities graffiti incidents most frequently occur. As with previous years public toilets, halls and libraries are the most frequently targeted facilities.

FIGURE 1

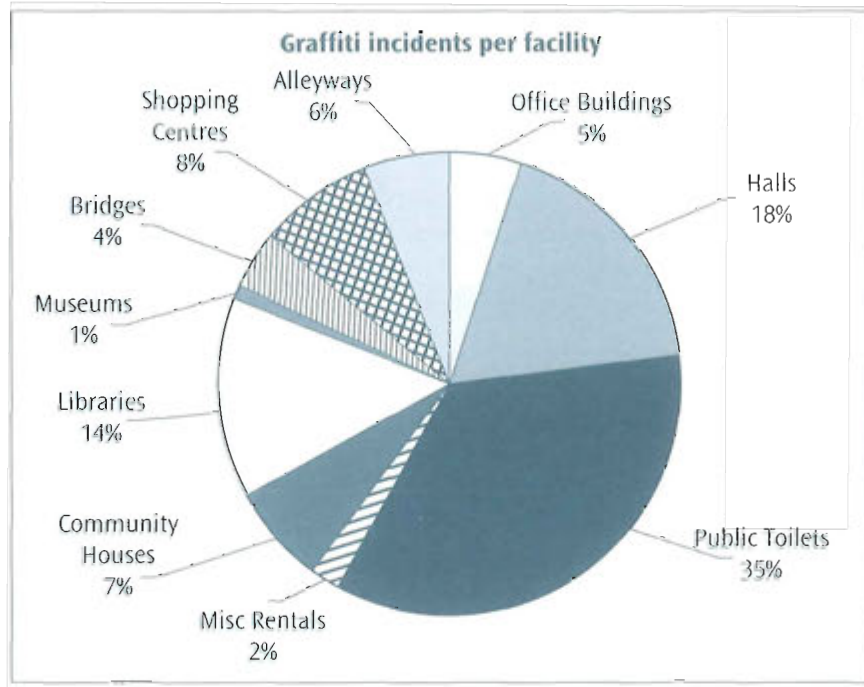
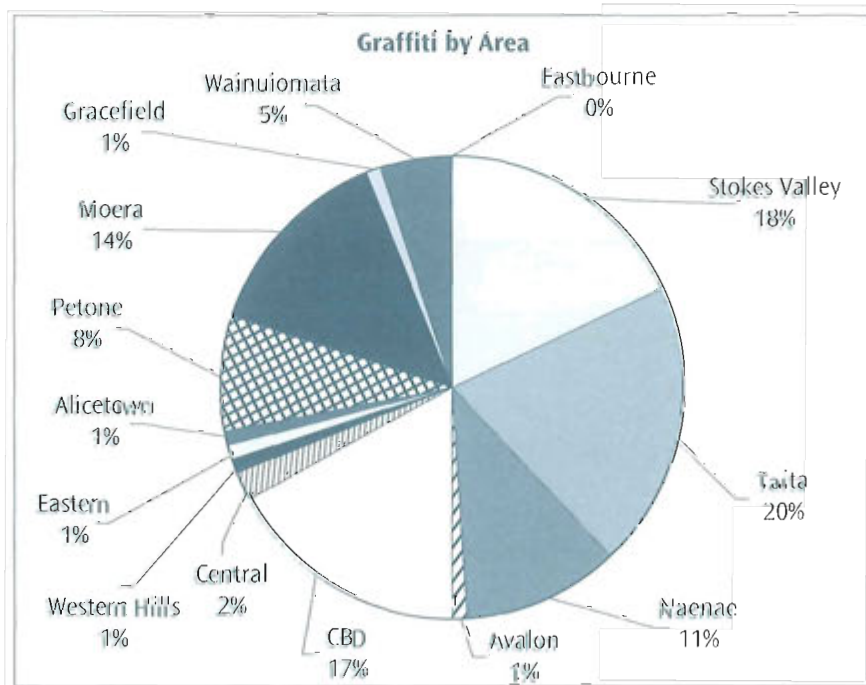


Figure 2 shows the percentage of graffiti incidents by suburb with Taita and Stokes Valley the worst hit.

FIGURE 2



Drains to Sea/Drains to Streams

During the year the Youth for Christ Conservation Corps affixed 60 "Drains to Streams" plaques adjacent to stormwater drains around the central business district. Gracefield School affixed 10 "Drains to Streams" plaques adjacent to stormwater drains on the site, and in the immediate vicinity of the school in collaboration with Greater Wellington Regional Council's Take Action for Water programme. The plaques are designed to educate people that the stormwater drains flow straight out untreated into rivers, streams and the sea.

Christmas Parade Float

The theme for the Christmas Parade 2004 float reflected a "Car Wash" theme to highlight the fact that people should not wash their cars in locations that would result in the wash water going down into the stormwater drains. Naenae Intermediate Venture Class students created a Santa's Sleigh, decided that they wanted to use a bubble machine and adopted the newly re-released song "Car Wash" in their song and dance routine.

Dune Restoration

This past year the 14km of coastline from Korokoro Gateway to Burden's Gate at Eastbourne was declared virtually free of shrubby weeds. Volunteers from overseas completed removal of the tree medic at Eastbourne beach, and this was complemented by spray control by contractors of other weeds such as gorse, boneseed and horned poppy.

Local residents are handweeding small areas of beach, and experimental planting projects have commenced at Petone, Days Bay and Eastbourne dunes. The Eastbourne project is partially funded by Greater Wellington. Skinks, penguins and variable oystercatchers are common at this location.

Native dune plants have been grown this year so that replacement of marram grass on Petone foreshore can be commenced next winter. Greater Wellington Biosecurity have offered to partner on this project.

Pest Animal Control

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

On the western hills, Speedy's Stream was treated with bait stations by Greater Wellington.

This year the Possumbuster trap loan scheme continued to operate with some 350 traps out on loan to residents. Volunteer trapping on reserve lands has also been upgraded with the supply of new traps and the establishment of the innovative Naenae Possumbusters training group. Volunteer trappers operate in Stokes Valley, Eastern Hills, Jubilee Park and Galbraiths Gully.

Hutt residents should be very proud of the effects generated from the trapping. Bellbirds (of Hutt Valley dialect) were reliably reported at Speedy's, Oakleigh St and Mawson St this year. The extensive flowering of northern rata in December along the eastern hills, plus the hillsides of beautiful undamaged treeferns throughout the western hill suburbs indicate that possum populations are being controlled to low numbers.

Dangerous Pine Removal

Two large stands of problem trees were finally felled and removed from reserve land in Korokoro and Days Bay. The trees were removed for safety reasons, so that recreational access can be maintained. Another benefit is reduction of seed source for wilding pines in these two reserves.

Biodiversity Planting

300 northern rata trees were planted into slips created by the February storms. The trees are excellent colonisers and this was an opportune way to re-disperse this uncommon species throughout the valley.

Volunteer Support

Volunteer workers now have more consistent support with the creation of the community liaison position for parks and reserves land. Community ownership of projects is able to be fostered, and appropriate expertise and funding directed towards projects which otherwise might not proceed, for example, development of the Korokoro track network, and establishment of the new Friends of Waiwhetu's Hayward Scenic Reserve group.

Art 4 Change

The Art 4 Change programme has evolved and developed to include a wider range of possible projects, targeting a wider range of young people and children. The projects undertaken this year involved a core of twelve young people. Projects undertaken by the core group included creating a "graf art" style sign for the Hutt Valley Youth Health Service. They also undertook a mural project on the stopbank retaining wall opposite Countdown supermarket. The work undertaken in several Art 4 Change projects are described below.

Naenae Primary School

This project was the result of a conversation between Council's environmental education programmes coordinator and the school's principal, following an approach by their next door neighbour, who suggested the children create a mural on the normally graffitied garage back walls. The participating children were encouraged by Council's contracted artist to be involved from the beginning of the design process through to the mural's completion. The story about this project was captured in a movie clip produced by the school's deputy principal which he is taking to a conference that is being held in Melbourne later this year.

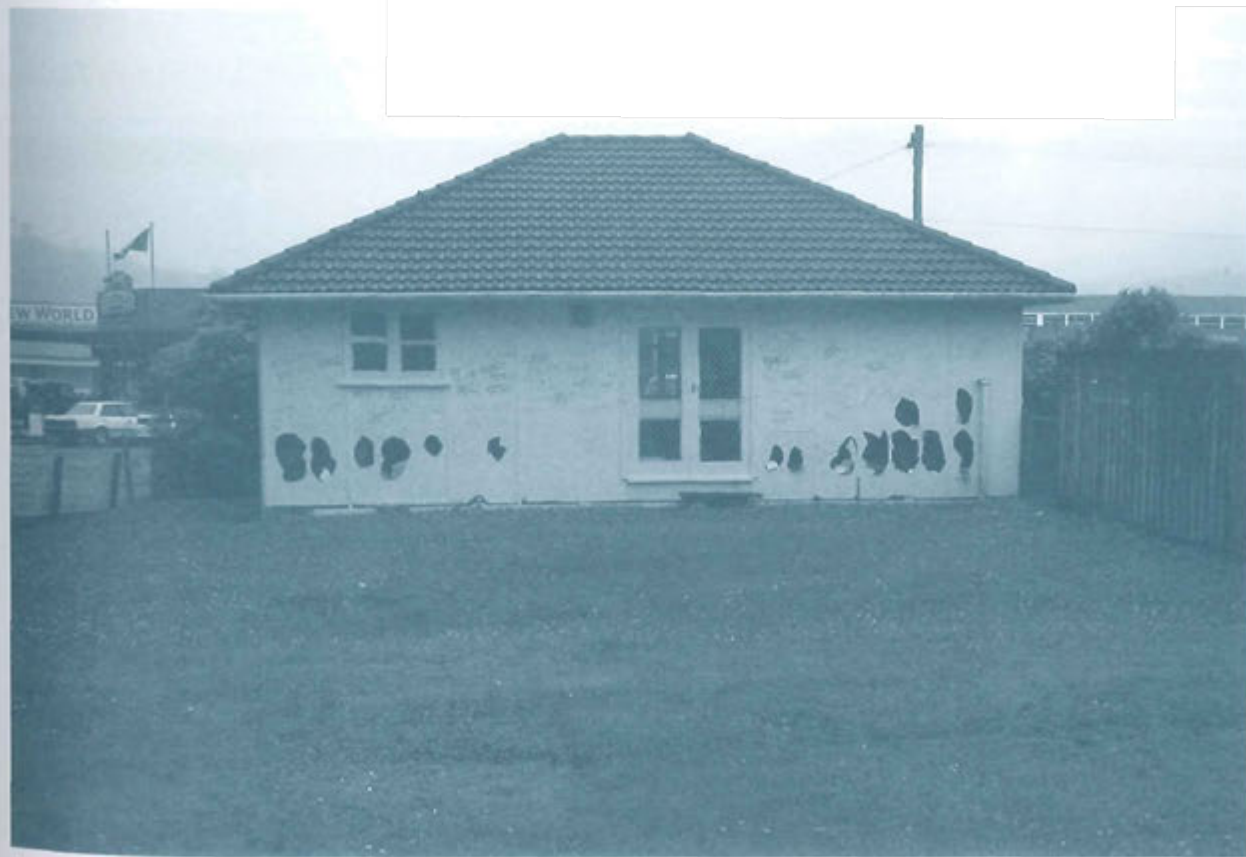


Melling Skateboard Park Billboard Competition

This ALAC sponsored competition project was initiated by a District Health Board Alcohol and Drug clinician. Three young people joined our more experienced team in participating in a billboard competition to promote positive health messages advocating against the use of drugs and cigarettes. The theme "Bewa of the grim reefa" won the competition. The winning design is to be displayed at the Melling Skateboard Park for a year.

Plunket Rooms, Stokes Valley.

The Stokes Valley Plunket nurse contacted the Council's environmental education programmes coordinator on advice from Council's graffiti removal contractor. The badly vandalised and graffitied Stokes Valley Plunket room needed both repair and a fresh coat of paint. Council's coordinator created a project involving Koraunui Marae and the local Rotary club.





A team of students from Korauui Marae was involved with Cr. Angus Finlayson in the repair of the Plunket Room exterior walls. A second team was involved with Council's contracted artist to create the child friendly murals on the walls facing the children's playground in Speldhurst Park. The story of this project has been captured in a children's storybook which is read to pre-schoolers in the city's community libraries.

Walter Nash Stadium, Taita.

The Walter Nash Stadium Trust approached Council to create a mural on its frequently graffitied wall opposite the Taita RSA. Youth workers from the Taita Community Trust encouraged local young people to participate who attended workshops held after school, taught by Council's contracted artist. The young people created a very large mural that encapsulated a range of images that highlight the wide variety of sporting activities that take place at the Stadium.



Solid Waste

Council now has a working group set up to implement the Hutt Valley Waste Management Plan (WMP) 2004. This group consists of an officer and a Councillor from both Hutt City and Upper Hutt City Council. The plan outlines the high level strategy by which the Councils will jointly manage waste and is consistent with the New Zealand Waste Strategy which was released in March 2002. The WMP includes targets and time frames for achieving reductions in certain wastes.

FIGURE 3

Figure 3 shows that there was 152,689 tonnes of waste disposed to Hutt City Council landfills during the 2004/2005 financial year. This is a 3%, 5,500 T increase in the amount of waste disposed compared to the previous year.

Cleanup from floods in August and March contributed approximately 13,000 tonnes of waste this financial year. This is a similar amount to the February floods the previous financial year.

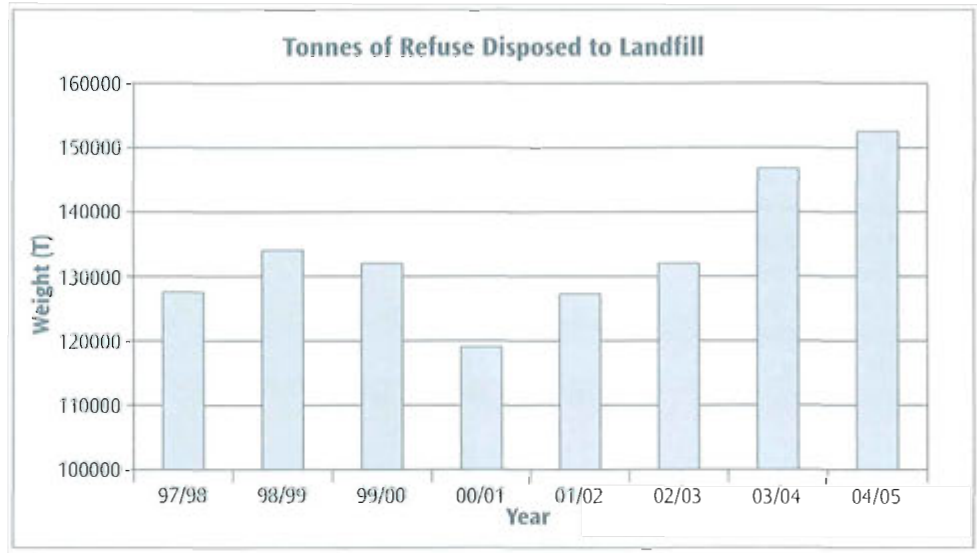
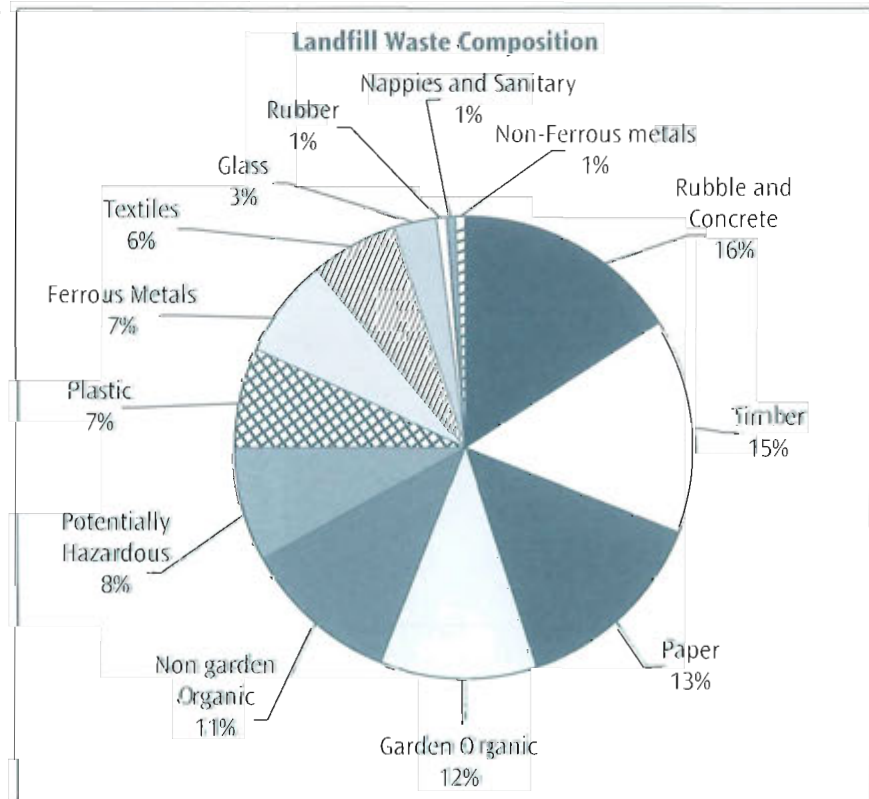


FIGURE 4

The Ministry for the Environment and Hutt City Council's jointly funded project to look at the composition of the waste entering the landfills was completed this financial year. The composition of the waste entering the landfill is shown in Figure 4.

Organic waste

This year approximately 18,300 tonnes of organic garden waste was disposed to landfill as compared to 17,500 tonnes in the previous year. Council's target, as outlined in the 2004 Hutt Valley Waste Management Plan, is to reduce this amount to 9,000 tonnes by December 2005 and to around 1,000 tonnes by 2010 where this is economically viable.

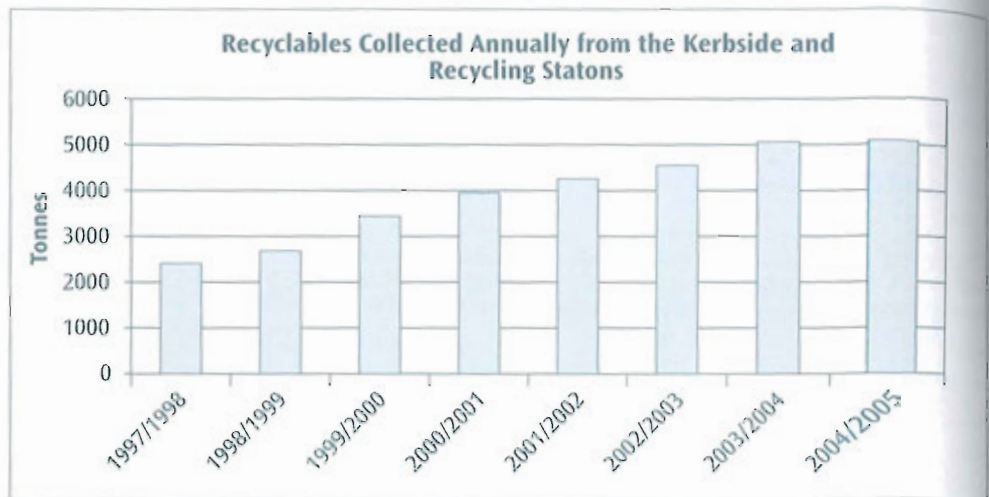


Recycling

All Hutt City residents have access to recycling services, through the residential kerbside collection and/or the recycling stations throughout the City. Hutt City residents recycled more during the past year than in any previous year. A survey conducted in January showed that 78% of households use the kerbside recycling collection service with 43% of households putting their recycling bin out in any one week.

FIGURE 5

A total of 5,083 tonnes of materials was collected from kerbside and from the recycling stations. The volume of recyclables collected at Kerbside and Recycling Centres has steadily increased since 1998; see Figure 5. Recycling helps reduce the demand for new materials and diverts materials from being deposited in a landfill.



Recycling Promotion and Larger Recycling Bins

Recycling wheels containing information on what can be recycled were distributed to every household in Hutt City this year. The recycling wheels were last distributed in 2000.

Distribution of the wheels was complemented with a radio competition where residents had to show they were recycling the correct items and packing their recycling bins correctly to win a prize. Five prizes were given away.



One of our prize winners is shown below with her family and their recycling.

The ads on wheels truck, shown below, and advertising in the Hutt News was also used to let people know to watch for their recycling wheel arriving in the mail.



Our post campaign survey indicated that 90% of those residents who read the information on the recycling wheel found the information useful to their recycling efforts.

At the same time as the recycling wheels were distributed residents were made aware that a larger 55 litre recycling bin was now available. These bins will make it easier for residents to recycle more and also help reduce the amount of wind blown litter from recycling bins.

As part of the radio promotion 50 of the new larger recycling bins were distributed to households who looked like they could use a larger bin.

Recycling at Hutt Valley High School

After a year of planning, hard work and fund raising, the Hutt Valley High School, with the help of Council, set up a comprehensive and effective recycling system in their school. Each classroom has two bins – one for bottles and cans and the other for paper and cardboard. Recycling wheelie bins for bottles and cans are also strategically placed in the canteen and in other popular locations.

Hutt Valley High school applied to the EnviroSchools Awards Programme with the recycling project as one of their main projects and received the bronze award, the very first EnviroSchools Award to be awarded to a Lower Hutt school.



Hutt Valley High School students holding posters which tell the school how to recycle using the new bins.



Recycling bottles outside the school café.

Hazardous Waste Collection



The Household Hazardous Waste Collection was provided again this year on 4th September 2004. 372 Hutt City Households took advantage of this free service, a similar high attendance rate to last year. Wastes such as pesticides, herbicides, pool chemicals, cleaning chemicals, paint, oil, and batteries were collected. This represented a total of 4,800 kg of hazardous waste. Of particular note this year was the doubling in the amount of the most hazardous chemicals being collected. These chemicals are the types of materials we are most interested in collecting as they can potentially cause the most damage to residents and the environment. These chemicals are sent overseas for destruction in high temperature furnaces.

Enviroschools

Currently four schools are undertaking the Enviroschools programme with help from Council. Wa Ora Montessori started the programme last year and Naenae Primary, Raphael House Rudolph Steiner and Wainuiomata Intermediate were recently enlisted into the programme.

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

Wa Ora Montessori has achieved significant progress during the Council's financial year as illustrated below. The senior class of nine to twelve year olds (Silver Fern) has led the charge, taking the school from planning discussions to action.

In each classroom the school has four bins: one for plastic recyclables, one for paper, one for normal rubbish and one for single sided paper they call 'G.O.O.S' paper (good on one side). They aspire to

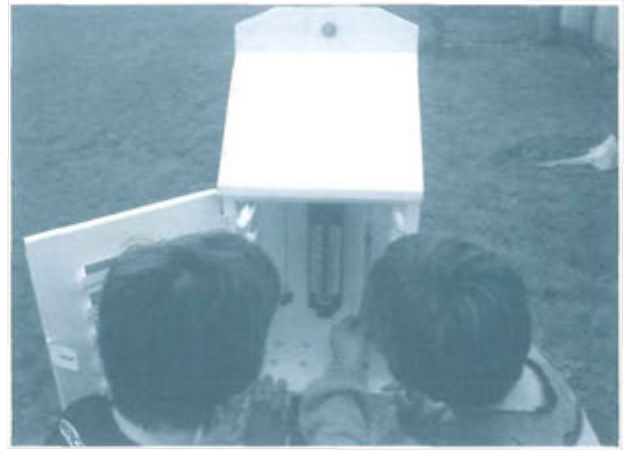
- dispose of all rubbish properly;
- not litter;
- think about what they are going to throw away before they do;
- reuse and recycle as often as they can; and
- put all their food scraps in composts bin as much as possible.



This term they started weighing all their landfill rubbish and recycling. They are graphing the measurements each week and hope to use the information to help do a better job keeping their waste low.

The school also composts and worm composts and is currently building a larger compost bin.

Other initiatives undertaken include developing tips for saving energy, plantings around the school and at Cicada Creek Reserve and installation of a weather station.



Cleaner Production – BusinessCare

A survey of Hutt City businesses was undertaken to further identify how our BusinessCare programme can best be delivered. A number of changes to the programme are planned for the next financial year and Greater Wellington are also interested in contributing towards this programme.

Wellington Institute of Technology tutors took part in a two-day workshop aimed at increasing their understanding about sustainability and cleaner production, so they can incorporate these principles when training industry.

The workshop was the result of collaboration between Hutt City Council's Environmental Education and WelTec's Centre for Smart Product staff.

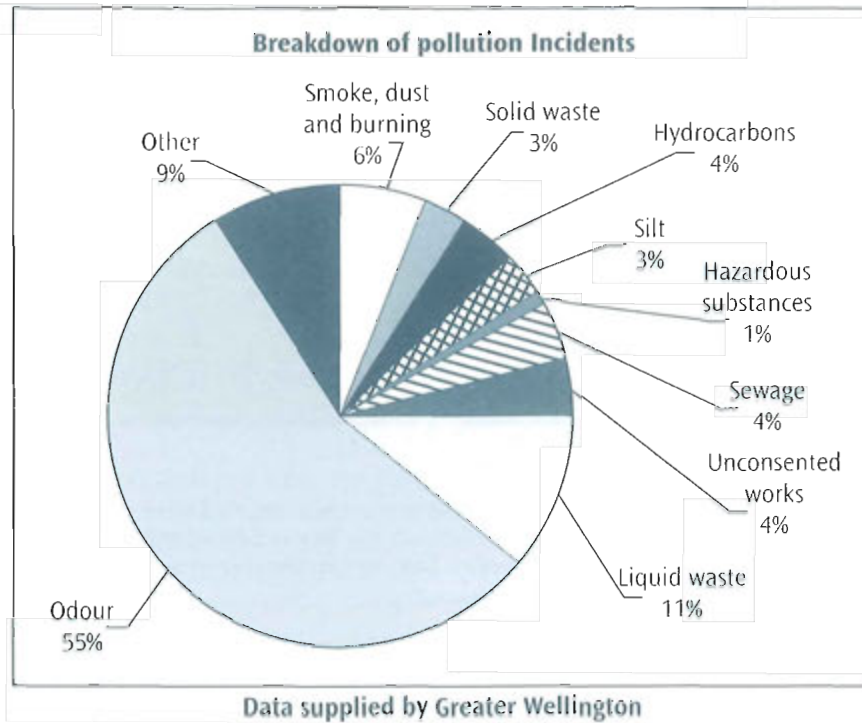
The two-day workshop, held at the Centre for Smart Product in Hutt City, involved sessions on sustainability, legislation, basic cleaner production, and a site visit to Unilever (local leaders in resource efficiency). Participants did a self assessment on their understanding of what cleaner production and sustainability are at the beginning and end of the workshop. This revealed an increase in understanding from around 5% to 50%. One participant said that while his understanding about "what" cleaner production is had increased to 50%, his awareness of "why" he should be teaching these principles had leapt to 95%! In his words "I feel enlightened". WelTec and Hutt City Council are planning more workshops for their tutors towards the end of the calendar year.

Pollution Incidents

Greater Wellington monitors pollution within Hutt City. In the 2003/2004 financial year there were 234 pollution incidents within Hutt City compared to 214 pollution incidents the previous year.

Figure 6 shows that incidents relating to odour are by far the most common incident type and increased from 95 incidents during 2002/03 to 130 in 2003/04. The 'Other' category includes natural occurrences, dead animals, vehicles and all other incidents.

FIGURE 6



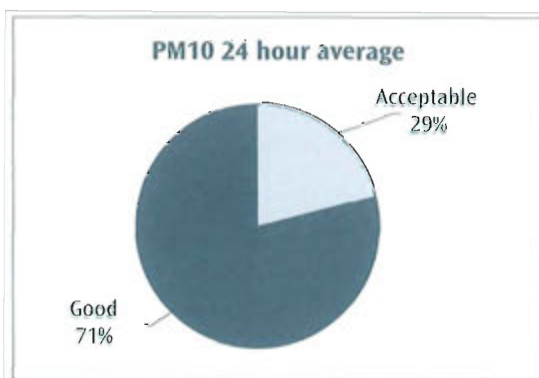
Air Quality

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

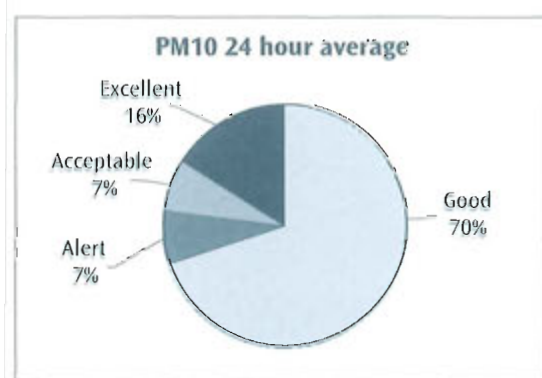
The results in Figure 7 show the monitoring results compared with the relative ambient air quality guideline using assessment categories which range from Excellent, Good, Acceptable, Alert and Action. The results show the amount of time that the monitoring results fall into each category. The 'Alert' category means that the level reached is between 66% and 100% of the guideline.

FIGURE 7

LOWER HUTT



WAINUIOMATA



Data supplied by Greater Wellington

The results indicate that there are air quality issues and potential for adverse human health effects in Wainuiomata. The higher readings in Lower Hutt and Wainuiomata for PM10 occur over the winter months and is due to a combination of temperature inversions and household fires.

Figure 8 shows the results of both the CO and NO₂ monitoring at Lower Hutt over the 2003-04 year. Both of these variables never came near their respective national guidelines and were similar to the results from the previous year. Greater Wellington reported that CO concentrations showed a variation similar to NO₂ with higher levels being recorded during the winter months.

FIGURE 8

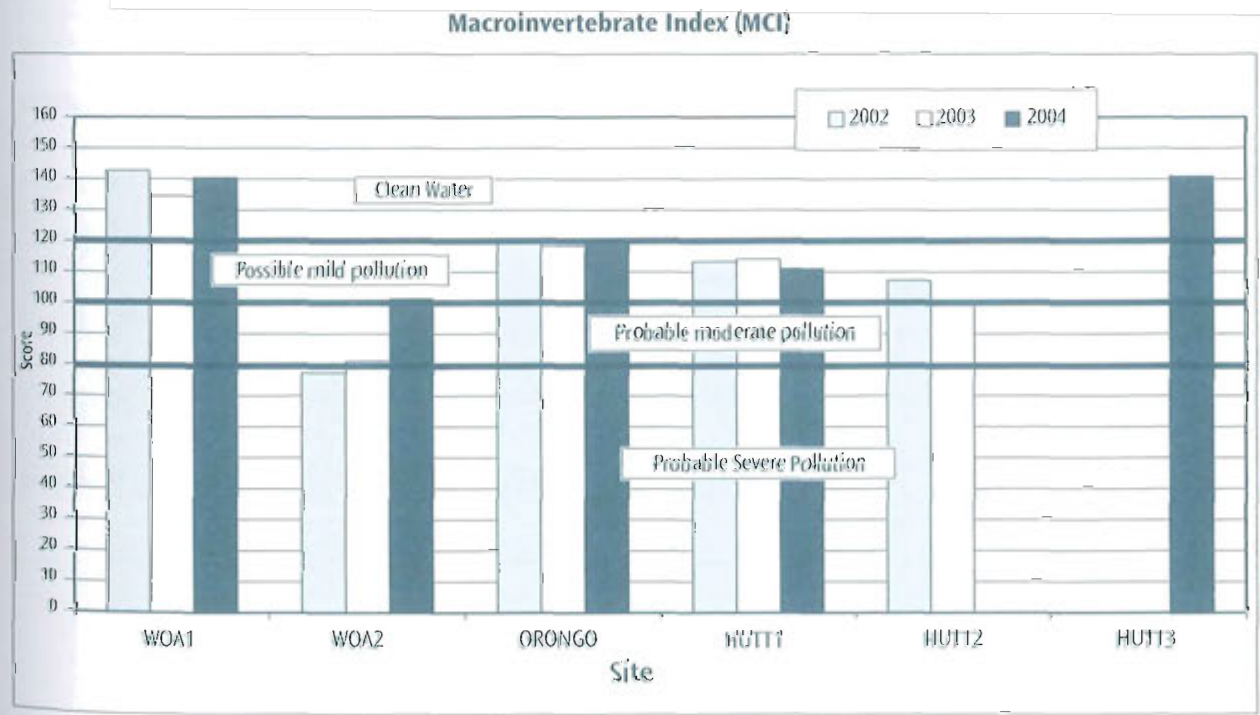


Data supplied by Greater Wellington

Water Quality

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

FIGURE 9



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

The results in Figure 9 show the positive effects from the removal of the sewage discharge into the Wainuiomata River. Site WOA2 is just downstream from the where the sewage used to be discharged. Water quality at the WOA1 site has remained at a clean water level over the three years.

The Hutt River monitoring site near Manor Park has remained steady at a level of "possible mild pollution" for the last three years as result of urban stresses. Monitoring at Hutt 2 near Melling has been discontinued and a new site at Boulcott established which has "clean/pristine" water quality. The samples from these two sites are not compatible and the improvement in results may be due to a better habitat for macroinvertebrate communities at Boulcott rather than a change in water quality

The Orongorongo River is sampled near the river mouth and just falls short of the "clean/pristine" mark.

The water quality at popular swimming beaches in Hutt City is monitored to ensure that it meets swimming guideline standards. Water quality at beaches can vary as it is mainly influenced by water run off from the land. The water quality at the City's bathing beaches is good most of the time however the 2003-04 year had more breaches of the safe recreational level due to the summer being wetter than usual. Bacteria levels rise after periods of heavy rainfall but drop down again within a couple of days.

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Report on Financial Policies

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

Development and Financial Contributions Policy Report

BACKGROUND

The Development and Financial Contributions Policy describes what financial contributions Council will require from developers when their property developments impose increased demand on Council services. Council has chosen to rely on the financial contributions specified in chapter 12 of the District Plan.

SUMMARY OF FINANCIAL CONTRIBUTIONS

Council received \$0.231 million in reserve contributions from developers during the year.

Liability Management Policy Report

BACKGROUND

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

OVERALL PERFORMANCE

Council monitors compliance with the liability management policy on a monthly basis. There was 100% compliance with Policy limits during 2004/2005, with one minor and temporary exception.

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

BORROWING LIMITS

The table below shows the limits on borrowing contained in the Council's Liability Management Policy and the actual position at 30 June 2005.

Ratio	Actual 30 June 2005	Policy Limit
Net debt to equity	9%	<20%
Net debt to income	68%	<150%
Net interest to income	5%	<10%
Net interest to rates income	7%	<15%
Liquidity	107%	>100%
Net debt	\$69 million	<\$100 million
Net debt per capita	\$695	<\$1,000
Maturity of committed funds:		
0 to 3 years	31%	10% - 60%
3 to 5 years	56%	20% - 60%
5 years plus	13%	10% - 60%
Maturity of fixed rate instruments:		
Overall fixed proportion	91%	55% - 95%
1 to 3 years	23%	20% - 50%
3 to 5 years	31%	20% - 50%
5 to 10 years	46%	15% - 50%
Total financial guarantees	\$0.7 million	<\$1.2 million
Largest single financial guarantee	\$0.3 million	<\$0.3 million

Investment Policy Report

BACKGROUND

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

OVERALL PERFORMANCE

Council is a net borrower, and as such has minimised the amount of investments held to those necessary to meet specific business objectives. No breaches of the Investment Policy were reported during the 2004/2005 financial year.

INVESTMENT LIMITS

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

Counterparty	Minimum credit rating	Actual 30 June 2005	Policy Limit
NZ Government	A-	\$0.1 million	unlimited
State Owned Enterprises	A-	Nil	\$5.0 million
NZ Registered Banks:			
WestpacTrust	A-	\$10.2 million	\$15.0 million
ANZ National	A-	\$7.5 million	\$15.0 million
Bank of New Zealand	A-	\$7.0 million	\$15.0 million
Corporate Bonds	A-	Nil	\$2.0 million
Local Authority Bond Trust		Nil	\$2.0 million
Local Government Finance Corporation		Nil	\$2.0 million
Local Government Stock - rated	A-	Nil	\$2.0 million
Local Government Stock - unrated		Nil	\$0.5 million

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

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

Revenue and Financing Policy Report

BACKGROUND

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

SUMMARY OF COST ALLOCATIONS

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

The summary compares these policy funding proportions against actual funding sources for 2004/2005, with explanations for variances over 5%.

REVENUE AND FINANCING POLICY: SUMMARY OF COST ALLOCATIONS

ACTIVITY	REVENUE AND FINANCING POLICY INDICATIVE ALLOCATION OF COSTS											ACTUAL 2004/2005 PRIVATE FUNDING %	
	PRIVATE FUNDING %					PUBLIC FUNDING %						Private Total	Variance from Target
	Fees & Charges	Operating Subsidies	Other Revenue	Targeted Rates	Private Total	Residential & Other	Business	Utilities	Rural	Public Total			
1. Libraries	4	-	2	-	6	74	15	4	1	94	7	1	
2. Museums	5	-	15	-	20	51	25	3	1	80	16	(4)	
3. Aquatics and Recreation	30	-	5	-	35	51	10	3	1	65	35	-	
4. Parks and Reserves	10	-	-	-	10	71	15	4	-	90	10	-	
5. Community Support *	-	-	-	-	-	78	16	5	1	100	8	8	
6. Community Property *	55	-	-	-	55	35	7	2	1	45	46	(9)	
7. Roading and Traffic *	14	12	-	-	26	18	43	13	-	74	48	22	
8. Water Supply	17	-	-	73	90	8	2	-	-	10	90	-	
9. Wastewater	4	13	-	78	95	4	1	-	-	5	95	-	
10. Stormwater *	-	-	-	-	-	57	39	4	-	100	14	14	
11. Solid Waste *	124	-	-	-	124	(19)	(4)	(1)	-	(24)	160	36	
12. Environmental Management	53	-	-	-	53	7	40	-	-	47	56	3	
13. Emergency Management *	-	-	7	-	7	73	15	4	1	93	44	37	
14. Local Urban Design *	-	-	-	-	-	9	90	1	-	100	34	34	
15. Economic Development *	-	-	-	-	-	-	89	11	-	100	9	9	
16. Elected Members	-	-	-	-	-	78	16	5	1	100	-	-	
17. Advice and Support	-	-	-	-	-	78	16	5	1	100	3	3	

* Explanations of significant variances in private funding percentages:

Community Support

The private funding target was exceeded by 8% as a result of obtaining external funding for several programmes.

Community Property

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

Roading and Traffic

The private funding target was exceeded by 22% as a result of increased central government subsidies to partially cover storm related costs.

Stormwater

The private funding target was exceeded by 14% as a result of government subsidies received to partially cover storm related costs.

Solid Waste

The private funding target was exceeded by 36% as a result of increased volumes to landfills following storms during the year, and increased pricing to maintain regional relativity.

Emergency Management

The private funding target was exceeded by 37% as a result of central government subsidies received to partially cover costs incurred in relation to the storm events.

Urban Design and Enhancement

The private funding target was exceeded by 34% as a result of unanticipated subsidies from Greater Wellington Regional Council.

Economic Development

The private funding target was exceeded by 9% as a result of external funding being obtained to support events, and incorporating the revenue and expenditure of the Visitor Information Centre in this activity.

Funding Impact Statement Report

BACKGROUND

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

SPECIFIC TARGETS

The following pie graphs show the proportion of funding forecast from each mechanism in the Funding Impact Statement and the actual funding received in 2004/2005.

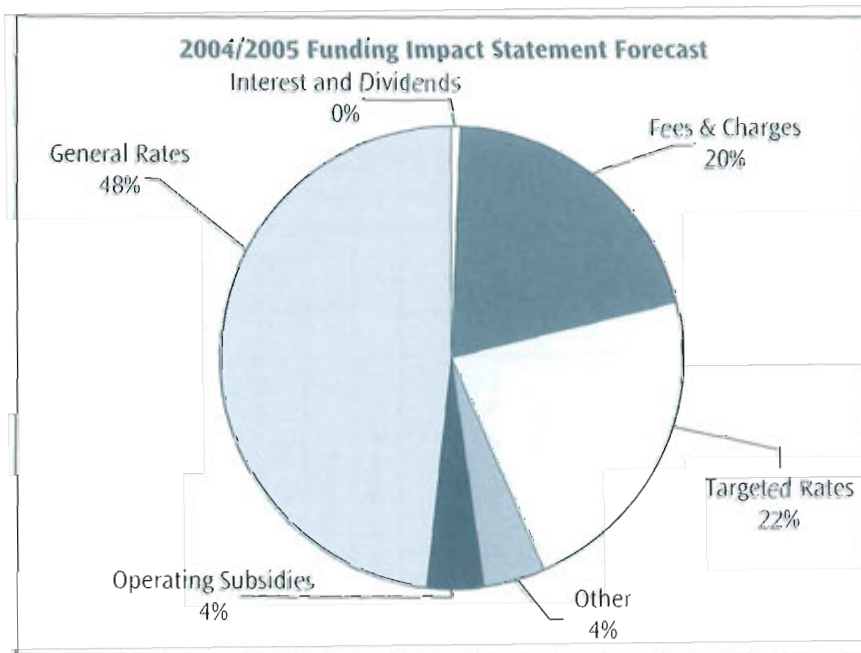
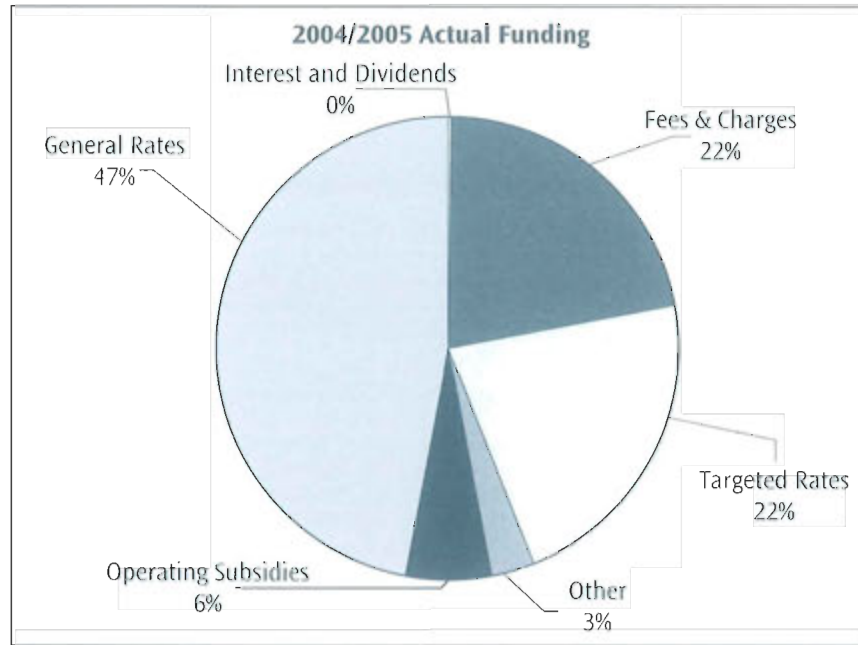


FIGURE 21

FIGURE 22



Rates Remission and Postponement Policies Report

BACKGROUND

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

SUMMARY OF REMISSIONS AND POSTPONEMENTS

Over the last two years the Council has approved two substantial applications for rates remission for economic development. No remission will be granted on either application until the 2005/2006 rating year.

A summary of the remissions granted for the current year is set out below. A number of postponements were granted during the previous year to ratepayers affected by the flooding in February 2004. The postponed amounts were remitted during the year and are included in these figures.

RATES REMISSIONS	
	Actual 30 June 2005 \$000
School remissions	164
Church remissions	26
Hospital remissions	15
Kindergarten/playcentre remissions	7
Sports body remissions	3
Flooding remissions	25
Penalty remissions	13
Other remissions	11
Total remissions including GST	264



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Financial Statements

Financial Statements

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Report of the Auditor-General



Audit New Zealand

AUDIT REPORT

TO THE READERS OF HUTT CITY COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of Hutt City Council (the City Council) and group. The Auditor-General has appointed me, Laurie Desborough, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the City Council and group for the year ended 30 June 2005, including the financial statements.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the City Council and group on pages 52 to 126:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the City Council and group's financial position as at 30 June 2005; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the City Council on pages 52 to 94 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The City Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements"), including the provisions of Clause 15(f) of Schedule 10 relating to the significant acquisitions or replacements of assets

The audit was completed on 11 August 2005, and is the date at which our opinion is expressed.

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

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

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

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

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

Audit procedures generally include:

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

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

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support the opinion above.

RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2005. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing the information in the other requirements including service provision information that must fairly reflect the Council's level of service provision. The Council's responsibilities arise from Schedule 10 of the Local Government Act 2002.

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

INDEPENDENCE

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

Other than the audit, we have no relationship with or interests in the City Council or any of its subsidiaries.



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

Significant Activity Summary

	Net (Deficit)/Surplus Before Tax			Rate Requirement Per Resident Actual Parent 30 June 2005 \$	Achievement Versus Performance Measures Actual Parent 30 June 2005
	Actual Parent 30 June 2005 \$000	Actual Plan Parent 30 June 2005 \$000	Actual Parent 30 June 2004 \$000		
Libraries	(5,645)	(5,657)	(5,082)	56.5	✓✓
Museums	(1,801)	(1,405)	(1,690)	18.0	✓
Aquatics and Recreation	(3,088)	(3,105)	(3,157)	30.9	✓✓✓
Parks and Reserves	(8,166)	(7,524)	(6,868)	81.7	✓✓
Community Support	(1,848)	(1,991)	(1,858)	18.5	✓✓
Community Property	(1,860)	(1,595)	(1,770)	18.6	✓✓✓
Roading and Traffic	(10,771)	(10,043)	(10,946)	143.4	✓✓✓
Water Supply	(10,348)	(10,389)	(10,403)	103.5	✓✓✓
Wastewater	(12,391)	(12,146)	(12,294)	123.9	✓✓
Stormwater	(5,360)	(4,775)	(5,784)	53.6	✓✓
Solid Waste	3,012	2,009	2,822	(30.1)	✓✓✓
Environmental Management	(2,304)	(2,550)	(1,885)	23.0	✓✓
Emergency Management	(504)	(542)	(570)	5.0	✓✓
Local Urban Design	(197)	(370)	(167)	3.0	✓✓
Economic Development	(2,345)	(2,333)	(1,944)	23.5	✓✓✓
Elected Members	(1,432)	(1,497)	(1,382)	14.3	✓✓✓
Advice and Support	(3,226)	(3,192)	(3,049)	32.3	✓✓✓
Managing Services	1,097	-	1,826	(11.0)	✓✓✓

The net (deficit)/surplus before tax shows the net cost of Council's activities for the year in comparison to the 2004/2005 Community Plan and the previous year.

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

Key for Performance Measures

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

Group People

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

Significant Activity

1. Libraries	54
2. Museums	56
3. Aquatics and Recreation Programmes	58
4. Parks and Reserves	60
5. Community Support	62
6. Community Property	64

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1. Libraries

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
Achieve the benchmark of 1,560,000 library visits or virtual visits.	2005: Achieved: 1,980,684	Monthly Management Reports
2004 Benchmark: 1,500,000	2004: Not achieved: 1,350,862, library visits decreased slightly due to the temporary relocation of the Central Library, while the Central Library upgrade was being undertaken.	
2005: Achieve the benchmark of 1,778,000 transactions (issues and enquiries):	2005: Achieved: 1,850,616	Monthly Management Reports
2004: Achieve the benchmark of 1,700,000 transactions (issues and enquiries):	2004: Achieved: 1,812,195	
Achieve the following net direct cost of \$3.18 per transaction (Community Plan incorrectly stated 2005 target as \$2.82)	2005: Achieved: \$3.05 2004: Achieved: \$2.80	Operational expenditure against issues
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	2005: Achieved 2004: Not achieved, due to the disruption caused by the relocation of the central library into the Horticultural Hall while the library upgrade takes place	Monthly Management Reports
That the percentage of residents who use the library service during the year is above peer Council average.	2005: 86% Peer Council average not available 2004: 78%	NRB Communitrak Survey
That the percentage of residents who are satisfied with the library service is above peer Council average.	2005: Not achieved: 98% Peer Council average 98% 2004: 96%	NRB Communitrak Survey

LIBRARIES – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	391	412	372
Other revenue	5	8	(5)
Total operating revenue	396	420	367
OPERATING EXPENDITURE			
Employee costs	2,370	2,372	2,282
Support costs	1,960	1,956	1,476
Operating costs	608	623	603
Interest expense	42	42	58
Depreciation	1,061	1,084	1,030
Total operating expenditure	6,041	6,077	5,449
NET DEFICIT BEFORE TAX	(5,645)	(5,657)	(5,082)
CAPITAL EXPENDITURE	1,720	1,746	3,958

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Variance 30 June 2005 \$000
Central Library upgrade	791	850	59

The Central Library was upgraded because it did not meet current building standards, or provide for the needs of a modern library service. The project commenced in the 2004 financial year and had a total cost of \$4.131 million.

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

2. Museums

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
At least 80% of Hutt City residents are satisfied with museum services, 70% of visitors rate the museum experience as very good or better	<p>2005: Achieved: 95% satisfied Peer Council Average: 93%</p> <p>Not achieved: 65% of visitors rate very good or better</p> <p>2004: Achieved: 97% satisfied, 66% of visitors rate very good or better</p>	NRB Communitrak Survey
Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.	<p>2005: Achieved: Except security system & grease trap upgrade which will be completed in 2005/06 as part of Dowse redevelopment.</p> <p>2004: Achieved</p>	Monthly Management Reports
Dowse – 90,000 visitors per year. Net direct cost per visitor \$13.57	<p>2005: Not achieved: 76,388. The need to focus staff energy & gallery space on the Dowse extension fundraising activities resulted in a lower profile programme than anticipated with lower visitor numbers.</p> <p>2004: Achieved: 99,478</p> <p>2005: Not achieved: \$18.18. As a result of lower than expected visitor numbers</p> <p>2004: Achieved: \$12.12</p>	Monthly Management Reports

Performance Measures	Level of Achievement	Source of Information
Settlers – 23,000 visitors per year	2005: Not achieved: 18,799. A new approach to programmes and promotions was launched in December 2004 which has resulted in visitor number increases exceeding the target for the final 2 quarters of the 2004 financial year.	Monthly Management Reports
Net direct cost per visitor \$17.87	2004: Not achieved: 11,350 2005: Not achieved: \$21.96 As a result of lower than expected visitor numbers 2004: Not achieved: \$34.88	
That the percentage of residents that are satisfied with the Dowse and Settlers' Museums is above peer Council average.	2005: Achieved: 95% Peer Council average 93% 2004: N/A new measure	

MUSEUMS – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	116	122	84
Capital subsidies	–	300	–
Other revenue	233	199	224
Total operating revenue	349	621	308
OPERATING EXPENDITURE			
Employee costs	823	782	764
Support costs	451	441	421
Operating costs	684	600	618
Interest expense	64	64	60
Depreciation	128	139	135
Total operating expenditure	2,150	2,026	1,998
NET DEFICIT BEFORE TAX	(1,801)	(1,405)	(1,690)
CAPITAL EXPENDITURE	155	533	14

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Variance 30 June 2005 \$000
Dowse upgrade (external subsidies total 67% of gross costs)	141	500	359

The Dowse is being upgraded to extend and improve exhibition and public space. The project commenced in the 2005 financial year and will continue into the 2006 and 2007 financial years. The total project cost is \$5.250 million. External contributions of \$3.500 million are being sought, leaving a total Council contribution of \$1.750 million.

The under expenditure on the Dowse upgrade during 2005 represents a timing difference only. Fund raising for the project is progressing well, and construction is expected to commence during 2005/06. There were no other significant variations between the LTCCP's projections of capital expenditure and the actual expenditure during the year.

3. Aquatics and Recreation

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
At least 300 programmes and events are carried out with an increasing trend in participation across all programmes.	<p>2005: Achieved: 305 programmes were carried out with 83,141 participants.</p> <p>Two fireworks displays fell within this period compared to one in 2004. Total attendance approx 40,000 per display.</p> <p>2004: Achieved: 350 programmes were carried out with 11,866 participants (in previous years Leisure Active has included participants at small community events. This ceased in 2004)</p>	<p>Monthly Management Reports</p>
That the percentage of Hutt City residents that used a pool during the year is above peer Council average.	<p>2005 Achieved: 70%</p> <p>Peer Council average is significantly lower</p> <p>2004: Achieved: 68%</p>	<p>NRB Communitrak Survey</p> <p>Ernest and Young Local Government Benchmarks Report 2003</p>
All HCC pools achieve and maintain ACC Poolsafe certification.	<p>2005: Achieved</p> <p>2004: Achieved</p>	<p>Monthly Management Reports</p>
That HCC maintains its 'Out of School Care and Recreation' (OSCAR) accreditation for its school holiday programme.	<p>2005: Achieved</p> <p>2004: Achieved</p>	<p>Monthly Management Reports</p>
That the percentage of Hutt City users are satisfied with recreation programmes is above peer average	<p>2005: 94%</p> <p>Peer Council average not available</p> <p>2004: Achieved: 91%</p>	<p>NRB Communitrak Survey</p>
That the percentage of Hutt City residents who are satisfied with the pools is above peer Council average	<p>2005: Achieved: 94%</p> <p>Peer Council average 91%</p> <p>2004: Achieved: 92%</p>	<p>NRB Communitrak Survey</p>

Performance Measures	Level of Achievement	Source of Information
Programmes to maintain and improve current services are completed on time, to the required standard and within budget	2005: Achieved 2004: Achieved	Monthly Management Reports
At least 750,000 people access the pools per year.	2005: Achieved: 785,032 2004: Achieved: 763,408	Monthly Management Reports
Achieve an average net direct cost per user of \$3.96 per visit.	2005: Achieved: \$3.31 2004: Achieved: \$3.30	Operational expenditure against user numbers

AQUATICS AND RECREATION – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	1,458	1,321	1,341
Profit/(loss) on sale of assets	–	–	6
Other revenue	188	246	189
Total operating revenue	1,646	1,567	1,536
OPERATING EXPENDITURE			
Employee costs	1,855	1,857	1,841
Support costs	499	505	507
Operating costs	1,756	1,735	1,700
Interest expense	66	66	149
Depreciation	558	509	496
Total operating expenditure	4,734	4,672	4,693
NET DEFICIT BEFORE TAX	(3,088)	(3,105)	(3,157)
CAPITAL EXPENDITURE	346	359	305

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

4. Parks and Reserves

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City residents that are satisfied with parks and reserves are above peer Council average.	2005: Not achieved: 97% Peer Council Average: 98%	NRB Communitrak Survey
Sportsfields used at least 80% of their carrying capacity	2004: Achieved: 96% 2005: Achieved: 93% summer, 85% winter 2004: Achieved: 88% summer, 84% winter	Monthly Management Reports
95% of sports fields meet the standards agreed with sports codes.	2005: Achieved: 99% 2004: Achieved: 99%	Complaints from users during 2004/2005
Programmes to maintain and improve current services are completed on time, to the required standard and within budget.	2005: Not achieved: Hutt Park Sports Zone Development, Hutt Village Green, Memorial Park Grandstand and Percy Scenic Reserve Upgrade have been carried over to 2005/06. 2004: Achieved	Monthly Management Reports
That the percentage of Hutt City residents that are satisfied with cemeteries is above peer Council average.	2005: Achieved: 93% Peer Council Average: 88% 2004: Achieved: 93%	NRB Communitrak Survey

PARKS AND RESERVES – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	877	879	781
Operating subsidies	5	–	–
Other revenue	8	1	20
Total operating revenue	890	880	801
OPERATING EXPENDITURE			
Employee costs	462	455	385
Support costs	537	535	487
Operating costs	6,701	6,133	5,722
Interest expense	515	515	385
Depreciation	841	766	690
Total operating expenditure	9,056	8,404	7,669
NET DEFICIT BEFORE TAX	(8,166)	(7,524)	(6,868)
CAPITAL EXPENDITURE	2,118	6,476	1,557

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Variance 30 June 2005 \$000
Hutt Park village green and sports zone	661	4,185	3,524

Hutt Park is being upgraded to make better use of this large area of recreational space.

During the year \$0.579 million was spent on the "village green" area. Funding for a further \$0.405 million of work on this area was carried over to the 2006 financial year, as no acceptable tender was received during 2005. Funding of \$3.200 million was planned for the sports zone development, but only minimal expenditure was incurred as a firm business case was not established prior to year end. The project is being revisited during the 2006 financial year.

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

5. Community Support

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
Conducting surveys, needs assessments, safety audits and facilitation of networks, forums and meetings so the Community Outcomes meet the terms and conditions described in the annual work plan.	2005: Achieved 2004: N/A new measure	Monthly Management Reports
Delivering community development programmes to meet the terms and conditions described in the annual work plan.	2005: Achieved 2004: N/A new measure	Management Reports
Community grants programmes are completed on time, to the required standard and within budget.	2005: Not achieved: Further work on building capability and capacity of safety providers required before all of safety initiative funds is allocated, \$70,000 carry over 2005/06. 2004: Achieved	Management Reports

COMMUNITY SUPPORT – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	19	20	42
Operating subsidies	5	–	–
Other revenue	138	119	–
Total operating revenue	162	139	42
OPERATING EXPENDITURE			
Employee costs	484	427	311
Support costs	452	457	362
Operating costs	1,074	1,246	1,227
Total operating expenditure	2,010	2,130	1,900
NET DEFICIT BEFORE TAX	(1,848)	(1,991)	(1,858)
CAPITAL EXPENDITURE	–	–	148

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

6. Community Property

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
At least 90% occupancy for rental housing	2005: Achieved: 97% 2004: Achieved: 99%	Management Reports
At least 90% occupancy for commercial properties	2005: Achieved: 99% 2004: Achieved: 99%	Management Reports
Identify and continue to seek opportunities for Council to divest itself of properties that are not considered to be within Council's core business	2005: Achieved 2004: N/A new measure	Management Reports
Programmes to maintain and improve current services are completed on time, to the required standard and within budget.	2005: Achieved: Except upgrade to Town Hall and upgrade Community House signage that has been carried over to 2005/06. 2004: Achieved	Management Reports

COMMUNITY PROPERTY – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	1,586	1,455	1,671
Profit on sale of assets	–	–	68
Total operating revenue	1,586	1,455	1,739
OPERATING EXPENDITURE			
Employee costs	201	292	277
Support costs	(1,118)	(1,105)	(1,061)
Operating costs	2,900	2,411	2,760
Interest expense	309	309	341
Depreciation	1,154	1,143	1,192
Total operating expenditure	3,446	3,050	3,509
NET DEFICIT BEFORE TAX	(1,860)	(1,595)	(1,770)
CAPITAL EXPENDITURE	660	961	541

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

Group Infrastructure

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

Significant Activity

7. Roading and Traffic	67
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7. Roading and Traffic

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City residents that are satisfied with the standard and safety of streets, roads and footpaths is above peer Council average.	<p>2005: Achieved: 77% roading / 85% footpaths</p> <p>Peer Council average: 71% roading / 74% footpaths</p> <p>2004: Not achieved: 74% roads, 78% footpaths, due to resurfacing of Wainuiomata main road and replacing with a flexible chip seal surface which was perceived to provide a rougher ride</p>	NRB Communitrak Survey
That the percentage of Hutt City residents that are satisfied with the cleanliness of roads and gutters around the City is above peer Council average.	<p>2005: Achieved: 90%</p> <p>Peer Council average: 78%</p> <p>2004: Achieved: 84%</p>	NRB Communitrak Survey
That the percentage of Hutt City residents that are satisfied with the safety and convenience of movement around the City's streets is above peer Council average.	<p>2005: Achieved: 87%</p> <p>Peer Council average: 82%</p> <p>2004: Achieved: 82%</p>	NRB Communitrak Survey
That the percentage of Hutt City residents that are satisfied with street lighting around the city is above peer Council average.	<p>2005: Achieved: 92%</p> <p>Peer Council average: 89%</p> <p>2004: Achieved: 91%</p>	NRB Communitrak Survey
The trend of reducing injury accidents through the joint efforts of the Council, the Police and other agencies is maintained.	<p>2005: Achieved</p> <p>2004: Achieved</p>	Accident data supplied by the Land Transport Safety Authority. (Note that data is supplied to end of each calendar year; latest data available is to Dec 2004)

Performance Measures	Level of Achievement	Source of Information
Programmes to maintain and improve current services (asset renewals, maintenance and operations) completed on time, to the required standard and within budget	<p>2005: Achieved: Except for Silverstream Bridge, Moores Valley Culvert replacement, Taita Shop Bus Access, Pedestrian Lighting Improvements, Wainuiomata Hill Road Safety Barrier and Port Road to Point Howard Cycleway carried over to 2005/06.</p> <p>2004: Not achieved, due to exceptional flood event costs, and additional costs associated with the Seaview roundabout.</p>	

ROADING AND TRAFFIC – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	2,509	1,967	2,148
Operating subsidies	3,263	2,439	3,764
Capital subsidies	3,828	3,353	2,887
Loss on sale of assets	–	–	–
Other revenue	497	518	25
Total operating revenue	10,097	8,277	8,824
OPERATING EXPENDITURE			
Employee costs	910	910	884
Support costs	1,913	1,913	1,730
Operating costs	9,915	7,700	9,407
Interest expense	1,635	1,635	1,631
Depreciation	6,495	6,162	6,118
Total operating expenditure	20,868	18,320	19,770
NET DEFICIT BEFORE TAX	(10,771)	(10,043)	(10,946)
CAPITAL EXPENDITURE	7,821	8,075	8,186

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

There were no significant asset acquisitions or replacements during the year. The following significant variations arose between actual acquisitions and replacements and those projected in the LTCCP:

- Roundabouts were constructed at Brunswick/High Street, Jackson/Gear Street, and Pretoria/High Street for a combined cost of \$1.097 million. While not projected in the LTCCP, these roundabouts were necessary for traffic management and were fully funded by third parties.
- The roundabout planned for Udy/Hutt Road was not constructed as the cost benefit study did not support the investment.

8. Water

WHAT WE DO

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

WHY WE DO IT

The supply of high quality, affordable water contributes to:

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City residents that are satisfied with the water supply services is above peer Council average.	2005: Achieved: 97% Peer Council average: 91% 2004: Achieved: 97%	NRB Communitrak Survey
Compliance with NZ Drinking Water Standards for NZ 2002	2005: Achieved 2004: Achieved	Potable Water Testing Contract Reports
Fewer than eight unplanned supply interruptions per 100 connections	2005: Achieved 2004: Achieved	Incident Reports

WATER – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	2,072	2,149	2,088
Capital subsidies	–	–	(27)
Total operating revenue	2,072	2,149	2,061
OPERATING EXPENDITURE			
Employee costs	35	35	279
Support costs	424	424	451
Operating costs	9,012	9,142	8,689
Interest expense	565	565	672
Depreciation	2,384	2,372	2,363
Total operating expenditure	12,420	12,538	12,464
NET DEFICIT BEFORE TAX	(10,348)	(10,389)	(10,403)
CAPITAL EXPENDITURE	1,197	1,170	1,157

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

9. Wastewater

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentages of Hutt City residents that are satisfied with wastewater services is above peer Council average.	2005: Achieved: 96% Peer Council Average: 89% 2004: Achieved: 97%	NRB Communitrak Survey
Programmes to maintain and improve current services are completed on time, to required standard and within overall budget.	2005: Not achieved: Wainuomata Sewer, TeMarua Pumping Station, and Excess flow management carried over to 2005/06. 2004: Achieved for normal programmes, excluding exceptional flood event costs.	Management Reports
Fewer than 1.8 wastewater reticulation incidents per kilometre of pipeline reported to the Council.	2005: Achieved 2004: Achieved	Incident Reports
Seaview wastewater treatment facilities achieve 100% compliance with relevant resource consent requirements.	2005: Achieved 2004: Achieved	Incident Reports Effluent Quality Testing Reports

WASTEWATER – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	771	637	525
Operating subsidies	206	–	–
Upper Hutt City Council operating contribution	1,907	2,036	1,980
Capital subsidies	–	120	–
Total operating revenue	2,884	2,793	2,505
OPERATING EXPENDITURE			
Employee costs	35	35	177
Support costs	745	743	669
Operating costs	8,937	8,639	8,277
Interest expense	1,056	1,056	1,226
Depreciation	4,502	4,466	4,450
Total operating expenditure	15,275	14,939	14,799
NET DEFICIT BEFORE TAX	(12,391)	(12,146)	(12,294)
CAPITAL EXPENDITURE	2,735	4,291	3,942

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Variance 30 June 2005 \$000
Excess flow management (Upper Hutt City Council contributes 32% of gross costs)	863	1,815	952

A peak flow wastewater storage facility is being constructed at Silverstream. This will reduce the risk of wastewater overflows during periods of heavy rainfall. The project commenced during the 2005 financial year and will continue into the 2006 financial year. The total project cost is over \$8 million.

Expenditure on this project was below budget during 2005 due to delays with obtaining the necessary consents.

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

10. Stormwater

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City residents that are satisfied with stormwater services is above peer Council average.	<p>2005: Not achieved: 59%. A clear result due to recent flood events. Funding increased to \$17 m over next ten years for stormwater.</p> <p>Peer Council average: 77%</p> <p>2004: Not achieved: 66%, due in part to survey being undertaken just after major flooding had occurred in and around the City.</p>	NRB Communitrak Survey
Fewer than two stormwater reticulation incidents per five kilometres of public stormwater drain reported to the Council.	<p>2005: Achieved</p> <p>2004: Achieved</p>	Incident Reports
Programmes to maintain and improve current services are completed on time, to the required standard and within budget	<p>2005: Achieved: Except for Black Creek improvements carried over 2005/06 and excluding exceptional flood event costs.</p> <p>2004: Achieved for normal programmes, excluding exceptional flood event costs.</p>	Management Reports

STORMWATER – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	2	–	2
Operating subsidies	881	14	14
Other revenue	9	–	9
Total operating revenue	892	14	25
OPERATING EXPENDITURE			
Employee costs	35	35	254
Support costs	344	344	365
Operating costs	3,583	2,107	2,911
Interest expense	632	632	628
Depreciation	1,658	1,671	1,651
Total operating expenditure	6,252	4,789	5,809
NET DEFICIT BEFORE TAX	(5,360)	(4,775)	(5,784)
CAPITAL EXPENDITURE	1,893	2,250	629

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

11. Solid Waste

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City residents that are satisfied with the refuse collection service is above peer Council average.	<p>2005: Achieved: 95%</p> <p>Peer Council average: 91%</p> <p>2004: Achieved: 94%</p>	NRB Communitrak Survey
That the percentage of Hutt City residents that are satisfied with refuse disposal facilities is above peer Council average.	<p>2005: Achieved: 92%</p> <p>Peer Council average: 81%</p> <p>2004: Achieved: 90%</p>	NRB Communitrak Survey
That the percentage of Hutt City residents that are satisfied with the city's recycling service is above peer Council average.	<p>2005: Achieved: 96%</p> <p>Peer Council average: 86%</p> <p>2004: Achieved: 93%</p>	NRB Communitrak Survey
Compliance with landfill management plans and discharge consents.	<p>2005: Achieved: Except for the Wainuiomata Landfill in relation to contaminated stormwater overflowing from the landfill into the silt pond during 2004 flood.</p> <p>2004: Achieved</p>	Management Reports
Programmes to maintain and improve current services are completed on time, to the required standard and within budget	<p>2005: Achieved: Except for part of Silverstream Landfill stage 2 carried over to 2005/06.</p> <p>2004: Achieved</p>	Management Reports

SOLID WASTE – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	8,058	6,649	7,692
Total operating revenue	8,058	6,649	7,692
OPERATING EXPENDITURE			
Employee costs	79	79	77
Support costs	96	96	84
Operating costs	4,482	3,995	4,315
Depreciation	389	470	394
Total operating expenditure	5,046	4,640	4,870
NET SURPLUS BEFORE TAX	3,012	2,009	2,822
CAPITAL EXPENDITURE	1,307	1,650	616

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Variance 30 June 2005 \$000
Silverstream Landfill stage two	1,252	1,250	(2)

The useful life of stage one of the Silverstream Landfill is nearing an end. Work is underway on a major project to develop stage two of the landfill and provide for the solid waste disposal needs of the Hutt Valley.

The project will span several financial years and cost close to \$9 million.

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

Group Environment

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

Significant Activity

12. Environmental Management	78
13. Emergency Management	81

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12. Environmental Management

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
All notified applications not requiring a hearing submitted for decision within ten working days.	<p>2005: Not achieved: 94%</p> <p>18 decisions submitted, however one fell outside the timeframe but within statutory period. The measure specified is half of the time period specified in the Act which is 20 working days</p> <p>2004: Not achieved: 88%</p> <p>8 decisions were submitted, however one fell outside the time frame but within statutory period. Please note: The measure specified is a half of the time period specified in the Act which is 20 working days</p>	Computer Database Records
The percentage of non-notified land use consents issued within a median of five working days is greater than 80%.	<p>2005: Not achieved: 68%</p> <p>93.7% of decisions released within statutory period of 20 working days.</p> <p>2004: Not achieved: 67%</p> <p>99% of decisions released within Statutory Period of 20 working days. Assessing applications is getting more complex given the decision of the High Court and Court of Appeal on judicial reviews on the matter of non-notification. More justification and careful assessment needs to be carried out now.</p>	

Performance Measures	Level of Achievement	Source of Information
90% of premises registered or licensed within 30 days of the date of application.	2005: Achieved: 98% 2004: Achieved: 94%	Computer Database Records
80% of Hutt City users are satisfied with the service in processing non-notified resource consents.	2005: Achieved: 88% 2004: Achieved: 97%	Customer Survey
80% of hearing participants are satisfied they have received a fair hearing.	2005: Not achieved: 75% 2004: Achieved: 87%	Survey of participants
At least 80% of hearings decisions issued within ten working days of the hearing.	2005: Achieved: 100% 2004: Achieved: 95%	Computer Database Records
90% of applications for building consents determined: Within nine working days for consents under \$500,000 in value.	2005: Not achieved: 69% The leaky building syndrome and the implementation of the new Building Act has required closer checking of building consents. In addition the building boom led to over 2000 consents being processed, including several large projects under \$500,000. 2004: Not achieved: 79% Following the leaky building syndrome more careful checking of building consents is now required. In addition the building boom lead to an increase in the number of building consents processed.	Computer Database Records
Within 20 working days for consents over \$500,000	2005: Not achieved: 80% The leaky building syndrome and the implementation of the new Building Act has required closer checking of building consents. In addition the building boom led to over 2000 consents being processed. 2004: Achieved: 100%	Computer Database Records
Annual Environmental Monitoring Report presented to the Council by the end of June 2004.	2005: Achieved 2004: Achieved	Council Minutes
Animal Control customer satisfaction levels are above peer Council average.	2005: Achieved: 82% Peer Council average: 76% 2004: Achieved: 73%	NBR Communitrak Survey
The Keep Hutt City Beautiful Programme is implemented in conjunction with community group representatives.	2005: Achieved 2004: Achieved	Divisional Records

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City users that are satisfied with the inspection service and requests for service is above peer Council average.	2005: Achieved: 82% for inspection service.	Evaluation of survey forms
	85% satisfaction with requests for service.	
	Peer Council average for Inspection service 67%	
	Peer Council average for requests for service not available	
	2004: Partly achieved: 97% with the inspection service and 77.5% with requests for service partly achieved due to delay as inspectors dealt with flood issues.	
District Plan changes are prepared and processed as agreed by Council	2005: Achieved 2004: Achieved	Council Minutes

ENVIRONMENTAL MANAGEMENT – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	2,789	2,396	2,597
Operating subsidies	3	–	–
Other revenue	117	28	46
Total operating revenue	2,909	2,424	2,643
OPERATING EXPENDITURE			
Employee costs	3,050	3,009	2,639
Support costs	754	748	723
Operating costs	1,404	1,205	1,155
Interest expense	–	1	1
Depreciation	5	11	10
Total operating expenditure	5,213	4,974	4,528
NET DEFICIT BEFORE TAX	(2,304)	(2,550)	(1,885)
CAPITAL EXPENDITURE	28	27	–

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

13. Emergency Management

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of information
That the percentage of Hutt City residents that are prepared for an emergency is above that of peer Councils.	<p>2005: 60%</p> <p>Peer Council average not available</p> <p>2004: Not achieved: 54%, this measure has been refined to a more realistic target from 2005 onward. Most Territorial Local Authorities in the region average between 50 and 55% per annum.</p>	NRB Communitrak Survey
Emergencies responded to in accordance with the corporate Emergency Plan, Civil Defence Plan and related procedures.	<p>2005: Achieved</p> <p>2004: Achieved</p>	Management Reports and debrief notes
Rural fire emergencies responded to in accordance with the Rural Fire Plan and related procedures.	<p>2005: Achieved</p> <p>2004: Achieved</p>	Wellington Regional Rural Fire Committee Records

EMERGENCY MANAGEMENT – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
Operating subsidies	395	40	158
Other revenue	4	–	11
Total operating revenue	399	40	169
OPERATING EXPENDITURE			
Employee costs	473	227	327
Support costs	235	208	173
Operating costs	181	122	225
Interest expense	1	–	–
Depreciation	13	25	14
Total operating expenditure	903	582	739
NET DEFICIT BEFORE TAX	(504)	(542)	(570)
CAPITAL EXPENDITURE			
	–	–	–

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

Group Economy

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

Significant Activity

14. Local Urban Design	84
15. Economic Development	86

14. Local Urban Design

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
Business area development projects are completed on time, to the satisfaction of businesses and within budget.	<p>2005: Not achieved: CBD development carried over to 2005/06.</p> <p>2004: Achieved</p>	Management Reports
Urban design and enhancement projects are completed on time, to the required standard and within budget.	<p>2005: Not achieved: Masterplan stage 1 carried over to 2005/06.</p> <p>2004: Achieved, except for small signage project in Wainuiomata not undertaken</p>	Management Reports
Earthquake Risk and Heritage Building Fund projects are completed on time, to the required standard and within budget.	<p>2005: Achieved</p> <p>2004: Achieved</p>	Management Reports
Suburban Shopping centre programmes to improve services (asset upgrades and new assets) completed on time, to the required standard and within budget.	<p>2005: Achieved</p> <p>2004: Achieved: Taita Shopping Centre Stage 2 to be undertaken 2004/05 (\$80k carryover)</p>	Management Reports

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LOCAL URBAN DESIGN – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
Capital subsidies	101	-	105
Total operating revenue	101	-	105
OPERATING EXPENDITURE			
Employee costs	29	29	46
Support costs	93	93	60
Operating costs	78	154	95
Interest expense	5	5	-
Depreciation	93	89	71
Total operating expenditure	298	370	272
NET DEFICIT BEFORE TAX	(197)	(370)	(167)
CAPITAL EXPENDITURE	551	1,247	537

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Variance 30 June 2005 \$000
CBD Masterplan	75	800	725

Council is undertaking a range of improvements in the CBD designed to better integrate the city with the new Westfield Queensgate development and make the environment more attractive to shoppers. Funding from the 2005 financial year was carried over and combined with 2006 funding to finance stage one of the Masterplan at a cost of \$1.200 million. This essentially relates to street works between Queensgate and High Street. Additional expenditure is anticipated in future financial years.

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

15. Economic Development

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
Economic Development Strategy implementation programs are completed on time, to the required standard and within budget.	2005: Achieved: Except Seaview / Gracefield and Wingate developments carried over to 2005/06. 2004: Achieved	Management Records
CBD+ business plan milestones met.	2005: Achieved 2004: Achieved	Management Records
Regional Economic Development Agency business plan milestones are met.	2005: Achieved 2004: Achieved	Management Records
Jackson Street Programme business plan milestones met.	2005: Achieved 2004: Achieved	Management Records
Meet development Wainuomata milestones.	2005: Achieved 2004: N/A new measure	Management Records
At least 80% of Hutt City residents are satisfied with the visitor information services and special events.	2005: Achieved: 95% 2004: Achieved: 97%	NRB Communitytrak Survey
Achieve a job and GDP growth in Hutt City relative to peer group of New Zealand cities.	2005: Achieved improvement: 2.2% GDP & 2.2% job growth year ended 31 March 2004 Peer Group of NZ cities: GDP 3.1% & job growth 3.6% 2004: Achieved: 1.4% for year ended 31 March 2003.	Dept of Statistics

Performance Measures	Level of Achievement	Source of information
Achieve a job growth rate in Hutt City of equivalent to 0.7% pa over the period 2002-2007.	2005: Achieved: 2.2% for year ended 31 March 2004 2004: Achieved: 1.4% for year ended 31 March 2003.	BERL
Economic impact of events is satisfactory.	2005: Achieved 2004: Achieved	Economic Impact Assessment Model

ECONOMIC DEVELOPMENT – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
Operating subsidies	5	–	–
Other revenue	228	15	2
Total operating revenue	233	15	2
OPERATING EXPENDITURE			
Employee costs	305	280	196
Support costs	517	519	109
Operating costs	1,742	1,535	1,641
Interest expense	14	14	–
Total operating expenditure	2,578	2,348	1,946
NET DEFICIT BEFORE TAX	(2,345)	(2,333)	(1,944)
CAPITAL EXPENDITURE	69	400	51

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

Group Organisation

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

Significant Activity

16. Elected Members	89
17. Advice and Support	91
18. Managing Services	92

16. Elected Members
WHAT WE DO
Council is an elected body that represents Hutt City. Council is responsible for setting the strategic direction for the city and for the day-to-day management of the city's services.
WHY WE DO IT
This is a legal requirement.
HOW WE DO IT
• The Mayor and Councillors
• The Council Executive
HOW WE DO IT
Performing well
That the residents of Hutt City are satisfied with the performance of the Council is a key objective.
That the residents of Hutt City are satisfied with the performance of the Council is a key objective.
Hutt City Council is committed to providing the highest quality of services to its residents.
Average satisfaction levels are high compared to other councils in the region.

16. Elected Members

WHAT WE DO

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

WHY WE DO IT

This is a legal requirement

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
That the percentage of Hutt City residents that have seen or read Councils published information in the year is above peer Council average.	2005: 69% Peer Council average not available 2004: Achieved: 74%	NRB Communitrak Survey
That the percentage of Hutt City resident's satisfaction with the performance of the Mayor and Councillors is above peer Council average.	2005: Achieved: 89% Peer Council average 84% 2004: Not achieved: 84%	NRB Communitrak Survey
Hutt City residents' satisfaction with the way rates are spent is above peer Council average.	2005: Achieved: 87% Peer Council average 79% 2004: Achieved: 84%	NRB Communitrak Survey
Average of Hutt City's residents' satisfaction across all standard community survey questions is above peer Council average.	2005: Achieved: 89% Peer Council average 84% 2004: Higher or on par with Peer Group for all services except for streets, roads and footpaths, public toilets, stormwater services, and residents satisfaction with the performance of the Mayor and Councillors.	NRB Communitrak Survey

ELECTED MEMBERS – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	3	–	4
Total operating revenue	3	–	4
OPERATING EXPENDITURE			
Employee costs	838	915	817
Support costs	516	516	492
Operating costs	81	66	77
Total operating expenditure	1,435	1,497	1,386
NET DEFICIT BEFORE TAX	(1,432)	(1,497)	(1,382)

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

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17. Advice and Support

WHAT WE DO

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

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
The majority of Councillors report that they are satisfied or more than satisfied with formal advice received from officers	<p>2005: Achieved: 92%</p> <p>2004: Achieved: the majority of Councillors reported they were satisfied or more than satisfied.</p>	CEO Performance Review

ADVICE AND SUPPORT – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
Other revenue	91	70	24
Total operating revenue	91	70	24
OPERATING EXPENDITURE			
Employee costs	14	–	–
Support costs	3,013	3,014	2,788
Operating costs	290	248	285
Total operating expenditure	3,317	3,262	3,073
NET DEFICIT BEFORE TAX	(3,226)	(3,192)	(3,049)

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

18. Managing Services

WHAT WE DO

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

- Corporate Planning
- Customer Relations
- Finance
- General Administration
- Human Resources
- Information Management
- Office of the Chief Executive (including Legal Counsel and Communications)
- Strategic Development (including Democratic Services and the Mayors Office).

WHY WE DO IT

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

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

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

HOW WE CHECK PROGRESS

Performance Measures	Level of Achievement	Source of Information
Operating and capital results are kept within budget	<p>2005: Achieved: Operating results were \$0.4 million better than budget. Capital results were \$1.7 million better than budget.</p> <p>2004: Not achieved: Operating expenditure was \$5.4 million above budget due to the cost of repairing storm damage. Capital expenditure was \$1.5 million below budget</p>	Monthly Management Reports
Less than 6 work related accidents resulting in time of work.	<p>2005: Achieved: 5 work related accidents resulted in time off work during the year</p> <p>2004: N/A new measure</p>	Monthly Management Reports
No significant non-compliance instances in relation to legal and policy requirements.	<p>2005: Achieved: No significant non-compliance instances reported.</p> <p>2004: N/A new measure</p>	Legal Compliance Reports

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Performance Measures	Level of Achievement	Source of Information
Achieve a Bronze award from the New Zealand Business Excellence Foundation.	2005: Achieved: Bronze 2004: Achieved	Report of the New Zealand Business Excellence Foundation
Results exceed peer organisation averages in at least 80% of measures	2005: Achieved: Key measures of customer satisfaction, staff satisfaction and financial control are better than peer averages. 2004: Achieved: Key measures of customer satisfaction, staff satisfaction and financial control are better than peer averages	Monthly Management Reports
Achieve more than 700 organisation improvements, as reported by staff	2005: Achieved: 744 improvements registered. 2004: Achieved: 813 improvements registered	Monthly Management Reports
Satisfaction ratings in surveys of customer satisfaction exceed 80%	2005: Achieved: 89% 2004: Achieved: 87%	NRB Communitrak Survey
Satisfaction ratings in surveys of staff satisfaction exceed 80%	2005: Achieved: 90% 2004: Achieved: 87%	2005: Staff Survey on Communications 2004: ACNielsen staff survey
Staff turnover is kept to less than 15%	2005: Achieved: 14% 2004: Achieved: 11%	Monthly Management Reports

MANAGING SERVICES – NET COST OF SERVICE

For the year ended 30 June 2005

	Actual 30 June 2005 \$000	Plan 30 June 2005 \$000	Actual 30 June 2004 \$000
OPERATING REVENUE			
User charges	1,073	875	956
Operating subsidies	12	–	–
Dividend income	28	–	–
Interest income	9	–	(63)
(Loss)/profit on sale of assets	166	–	150
Other revenue	388	132	2,427
Total operating revenue	1,676	1,007	3,470
OPERATING EXPENDITURE			
Employee costs	5,069	5,064	4,738
Operating costs	6,031	6,168	6,176
Interest expense	153	–	(180)
Depreciation	918	1,337	950
Total operating expenditure	12,171	12,569	11,684
Operating deficit before adjustments	(10,495)	(11,562)	(8,214)
Net costs allocated to significant activities	11,592	11,562	10,040
Net surplus before tax	1,097	–	1,826
Tax expense	–	–	–
NET SURPLUS AFTER TAX	1,097	–	1,826
CAPITAL EXPENDITURE	1,419	1,474	1,260

SIGNIFICANT ASSET ACQUISITIONS OR REPLACEMENTS AND VARIATIONS FROM THE LTCCP

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

Five-Year Financial Summary

	Actual 30 June 2005 Notes	Budget 30 June 2005 \$000	Actual 30 June 2004 \$000	Actual 30 June 2003 \$000	Actual 30 June 2002 \$000	Actual 30 June 2001 \$000
FINANCIAL PERFORMANCE						
Rates revenue	65,825	65,458	62,400	60,022	56,373	56,253
Other operating revenue	34,443	28,517	32,392	30,793	23,074	22,728
Total operating revenue	100,268	93,975	94,792	90,815	79,447	78,981
Depreciation	20,198	20,242	19,566	19,092	16,906	15,572
Interest expense	5,227	5,073	5,220	5,916	4,856	5,143
Other expenditure	73,118	67,302	68,887	64,350	57,167	54,936
Total operating expenditure	98,543	92,617	93,673	89,358	78,929	75,651
Operating surplus before adjustments	1,725	1,358	1,119	1,457	518	3,330
Property, plant and equipment adjustments	(i)	-	-	1,877	16,309	2,178
Tax (expense)/benefit	-	-	-	-	(21)	157
Net surplus after tax	1,725	1,358	1,119	3,334	16,806	5,665
Capital expenditure	22,017	30,657	22,901	15,868	75,289	15,177
FINANCIAL POSITION						
Cash and short-term deposits	5,529	3,770	4,960	6,730	7,141	12,165
Sinking funds	216	-	201	1,148	12,450	10,941
Fixed assets	800,813	810,476	801,550	806,868	750,053	686,108
Other assets	22,309	11,683	21,615	11,930	18,296	24,979
Public debt	(73,556)	(72,646)	(70,624)	(72,737)	(94,442)	(57,246)
Other liabilities	(23,725)	(19,561)	(26,777)	(22,546)	(27,603)	(25,907)
Equity	731,586	733,722	730,925	731,393	665,895	651,040
FINANCIAL RATIOS						
Net public debt to total assets	8.4%	8.3%	8.3%	8.2%	9.7%	4.7%
Interest expense to total operating revenue	5.2%	5.4%	5.5%	6.5%	6.1%	6.5%
Increase/(decrease) in inflation-adjusted rates revenue	2.7%	2.2%	1.8%	4.4%	(2.5)%	(1.3)%

KEY FINANCIAL RESULTS

- The net surplus after tax for the year ended 30 June 2005 of \$1.7 million was \$0.4 million above budget.
- Capital expenditure for the year ended 30 June 2005 of \$22.0 million was \$8.6 million below budget. Funding has been carried over to the next financial year for completion of certain capital projects.

EXPLANATORY NOTES:

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

Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

		Actual Council 30 June 2005 \$000	Budget Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
OPERATING REVENUE						
Rates revenue	1	65,825	65,458	65,825	62,400	62,400
Revenue from activities	1	32,165	27,012	32,917	29,015	29,678
Other revenue	1	2,278	1,505	2,279	3,377	1,804
Total operating revenue		100,268	93,975	101,021	94,792	93,882
OPERATING EXPENDITURE						
Expenditure on activities	2	98,543	92,617	99,182	93,673	94,234
Total operating expenditure		98,543	92,617	99,182	93,673	94,234
Operating surplus/(deficit) before tax		1,725	1,358	1,839	1,119	(352)
Tax expense	3	-	-	-	-	-
NET SURPLUS/(DEFICIT) AFTER TAX		1,725	1,358	1,839	1,119	(352)

EXPLANATION OF THE COUNCIL'S NET SURPLUS AFTER TAX

Council made a net surplus after tax of \$1.725 million compared with a budgeted net surplus after tax of \$1.358 million. The operating result was therefore \$0.367 million better than budget.

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

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

STATEMENT OF MOVEMENTS IN EQUITY

		Actual Council 30 June 2005 \$000	Budget Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Net surplus/(deficit) after tax		1,725	1,358	1,839	1,119	(352)
OTHER RECOGNISED REVENUES AND EXPENSES (Decrease)/increase in revaluation reserves and other movements	4	(1,063)	-	(1,063)	(1,588)	(1,588)
Total recognised revenue and expenses for the year		662	1,358	776	(469)	(1,940)
Equity at beginning of the year		730,924	732,364	731,446	731,393	733,386
EQUITY AT END OF THE YEAR	4	731,586	733,722	732,222	730,924	731,446

STATEMENT OF FINANCIAL POSITION

As at 30 June 2005

	Notes	Actual Council 30 June 2005 \$000	Budget Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
EQUITY						
Accumulated funds	4	402,540	407,924	403,176	403,605	404,127
Council created reserves	4	11,243	5,339	11,243	8,451	8,451
Restricted reserves	4	52	55	52	52	52
Asset revaluation reserves	4	317,751	320,404	317,751	318,816	318,816
TOTAL EQUITY		731,586	733,722	732,222	730,924	731,446
<i>Represented by:</i>						
CURRENT ASSETS						
Cash and short term deposits		5,529	3,770	5,539	4,960	5,038
Accounts receivable and prepayments	5	8,599	5,404	8,723	8,915	8,971
Inventories		16	–	23	28	28
Sinking funds		132	–	132	124	124
Properties intended for resale		3,518	3,000	3,518	1,846	1,846
Total current assets		17,794	12,174	17,935	15,873	16,007
NON-CURRENT ASSETS						
Property, plant and equipment	6	800,813	810,476	803,807	801,550	803,832
Assets under construction	6	7,048	413	7,093	7,699	8,369
Investment in subsidiaries	7	2,545	2,545	–	2,545	–
Investment in associates	8	224	–	224	224	224
Sinking funds		84	–	84	77	77
Other assets	9	359	321	359	358	358
Total non-current assets		811,073	813,755	811,567	812,453	812,860
TOTAL ASSETS		828,867	825,929	829,502	828,326	828,867
CURRENT LIABILITIES						
Bank overdraft (unsecured)		2,132	–	2,132	3,359	3,359
Public debt	11	48,153	57,646	48,153	55,190	55,190
Accounts payable		5,477	5,000	5,493	7,484	7,864
Employee entitlements	13	1,142	1,000	1,142	1,121	1,121
Deposits held		337	200	337	302	302
Other liabilities	14	11,399	10,273	11,382	11,330	10,969
Total current liabilities		68,640	74,119	68,639	78,786	78,805
NON-CURRENT LIABILITIES						
Public debt	11	25,403	15,000	25,403	15,434	15,434
Employee entitlements	13	522	650	522	547	547
Other liabilities	14	2,716	2,438	2,716	2,635	2,635
Total non-current liabilities		28,641	18,088	28,641	18,616	18,616
TOTAL LIABILITIES		97,281	92,207	97,280	97,402	97,421
NET ASSETS		731,586	733,722	732,222	730,924	731,446

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

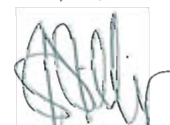
The Council and management of Hutt City Council confirm that all statutory requirements in relation to the annual report, as outlined in schedule 10 of the Local Government Act 2002, have been complied with.



Mayor



Chief Executive



General Manager, Finance

The accompanying accounting policies and notes form an integral part of these Financial Statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2005

	Actual Council 30 June 2005 Notes	Budget Council 30 June 2005	Actual Group 30 June 2005	Actual Council 30 June 2004	Actual Group 30 June 2004
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from:</i>					
Rates revenue	65,177	65,458	65,177	62,243	62,243
User charges and other income	34,643	28,348	35,323	29,779	29,301
Interest received	171	169	173	150	174
Net GST received from Inland Revenue	142	-	142	-	-
Regional council rates	12,689	11,100	12,689	11,590	11,590
	112,822	105,075	113,504	103,762	103,308
<i>Cash was applied to:</i>					
Payments to suppliers and employees	(75,047)	(67,300)	(75,537)	(65,287)	(65,616)
Interest paid	(4,974)	(5,073)	(4,965)	(5,139)	(5,097)
Net GST paid to Inland Revenue	-	-	-	(366)	(366)
Regional council rates	(12,520)	(11,100)	(12,520)	(12,118)	(12,118)
	(92,541)	(83,473)	(93,022)	(82,910)	(83,197)
Net cash flows from operating activities	15 20,281	21,602	20,482	20,852	20,111
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash was provided from:</i>					
Sale of property, plant and equipment	226	7,324	228	282	282
Sale of sinking fund investments	1,646	-	1,646	3,965	3,965
Other investment receipts	36	-	356	95	1,095
	1,908	7,324	2,230	4,342	5,342
<i>Cash was applied to:</i>					
Purchase and construction of property, plant and equipment	(21,502)	(29,819)	(22,190)	(22,430)	(22,770)
Contributions to sinking funds	(1,654)	-	(1,654)	(2,975)	(2,975)
Other payments and investments	(69)	-	(72)	(251)	(251)
	(23,325)	(29,819)	(23,916)	(25,656)	(25,996)
Net cash flows from investing activities	(21,417)	(22,495)	(21,686)	(21,314)	(20,654)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash was provided from:</i>					
Funds raised from public debt	231,262	227,755	231,262	234,530	234,530
<i>Cash was applied to:</i>					
Repayment of public debt	(228,330)	(226,812)	(228,330)	(236,643)	(236,643)
Net cash flows from financing activities	2,932	943	2,932	(2,113)	(2,113)
Net decrease in cash balance	1,796	50	1,728	(2,575)	(2,656)
Cash balance at beginning of the year	1,601	3,720	1,679	4,176	4,335
CASH BALANCE AT END OF THE YEAR	3,397	3,770	3,407	1,601	1,679
<i>Cash balance at end of the year comprises:</i>					
Cash and on call deposits	5,529	3,770	5,539	4,960	5,038
Bank overdraft (unsecured)	(2,132)	-	(2,132)	(3,359)	(3,359)
CASH BALANCE AT END OF THE YEAR	3,397	3,770	3,407	1,601	1,679

Statement of Accounting Policies

1. Reporting Entity and Statutory Base

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

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

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

2. Measurement Base

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

3. Specific Accounting Policies

A. BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are those entities controlled by Council.

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

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

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

Associates

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

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

The financial statements are unaudited and the balance date for Wellington Water Management Limited is 30 June. The Associate's results relating to the year ended 30 June 2005 have been included in these financial statements.

Joint venture

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

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

The financial statements are unaudited and the balance date for the Silverstream Gas Joint Venture is 30 June. Joint venture results relating to the year ended 30 June 2005 have been included in these Financial Statements.

B. BUDGET FIGURES

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

C. REVENUE

Rates revenue is recognised when levied.

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

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

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

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

D. CONSTRUCTION CONTRACTS

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

Foreseeable losses on a contract are recognised immediately.

E. GOODS AND SERVICES TAX “GST”

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

F. TAXATION

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

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

G. EQUITY

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

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

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

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

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

H. ACCOUNTS RECEIVABLE

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

I. INVENTORIES

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

J. PROPERTY, PLANT AND EQUIPMENT

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

Property, plant and equipment consists of:

- **Infrastructure assets**
Infrastructure assets are the fixed utility systems owned by Council and include resource consents. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.
- **Operational assets**
These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.
- **Restricted assets**
Restricted assets are parks and reserves owned by Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

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

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

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

Valuation

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

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

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

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

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

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

Additions

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

Assets under construction

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

K. DEPRECIATION

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

- art, museum collections and land are not depreciated.

The expected useful economic lives have been estimated as follows:

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

L. INVESTMENTS

Investments in subsidiaries

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

Investments in associates

Investments in associates are valued at the lower of their cost and net realisable value in Council's Statement of Financial Position. Investments in associates are valued at cost adjusted for the Group's share of the associates' post-acquisition gains and losses.

Investment properties

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

Other investments

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

M. SINKING FUNDS

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

N. EMPLOYEE ENTITLEMENTS

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

O. LEASES

Operating Leases

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

P. LANDFILL POST CLOSURE COSTS

As operator of the Silverstream and Wainuiomata landfill sites, 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 closed landfill sites previously operated by local authorities subsequently amalgamated to form the Hutt City Council.

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

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

Q. FINANCIAL INSTRUMENTS

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

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

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

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

Accounts receivable and investments

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

Financial guarantees

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

Interest rate swaps and options

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

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

R. OPERATING STATEMENTS INCLUDED IN THE STATEMENT OF SERVICE PERFORMANCE

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

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

S. STATEMENT OF CASH FLOWS

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

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

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

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

4. Changes in Accounting Policies

Revaluations of land and buildings, infrastructure assets and library literary assets are now carried out five yearly, with the next revaluation under this new policy being due during the 2007/2008 financial year. Previously these revaluations were carried out every three years. This change in accounting policy has had no impact on these financial statements.

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

Notes to the Financial Statements

1. OPERATING REVENUE

	Actual Council 30 June 2005 \$000	Budget Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
RATES REVENUE	65,825	65,458	65,825	62,400	62,400
FROM ACTIVITIES					
User charges	16,361	14,272	17,113	15,555	16,218
Subsidies	10,610	8,302	10,610	8,882	8,882
Regulatory revenue	3,413	2,929	3,413	3,017	3,017
Penalties	1,781	1,509	1,781	1,561	1,561
Total activities revenue	32,165	27,012	32,917	29,015	29,678
OTHER REVENUE					
Interest revenue	178	169	179	187	214
Profit on sale of property, plant and equipment	166	–	166	223	223
Dividends	28	–	28	–	–
Miscellaneous revenue	1,906	1,336	1,906	2,967	1,367
Total other revenue	2,278	1,505	2,279	3,377	1,804
TOTAL OPERATING REVENUE	100,268	93,975	101,021	94,792	93,882

2. OPERATING EXPENDITURE

	Actual Council 30 June 2005 \$000	Budget Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Auditors' fees					
– for auditing the financial statements	115	153	124	102	107
– for other services	–	–	–	14	14
Bad debt expense	35	60	35	24	75
Depreciation	20,198	20,242	20,340	19,566	19,669
Directors' fees	–	–	30	–	37
Entertainment	70	80	70	58	58
Grants and donations	21	28	21	28	28
Insurance expenses	1,225	1,040	1,263	1,046	1,080
Interest expense	5,227	5,073	5,068	5,220	5,145
Movement in provision for doubtful debts	(100)	–	(97)	–	(54)
Remuneration to councillors	589	565	592	554	554
Rent and lease expenses	586	595	586	601	601
Subscriptions	55	50	55	63	63
Other operating expenses	70,522	64,731	71,095	66,397	66,857
TOTAL OPERATING EXPENDITURE	98,543	92,617	99,182	93,673	94,234

Other operating expenses include rates remitted under Council's rate remission policies totalling \$0.235 million. Rates revenue is reported in these financial statements on a gross basis without deducting any rates remitted. Council's policy (set out in the LTCCP) enables consideration of rates remissions in a number of circumstances including where the ratepayer is a sporting or community organisation, a church, school, kindergarten, or play centre, or a hospital provided the property is used for community benefit and not for profit. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

3. TAXATION

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Net surplus/(deficit) before tax	1,725	1,839	1,119	(352)
Prima facie tax @ 33%	569	607	369	(116)
Tax effect of permanent differences	(556)	(556)	(392)	136
Losses not recognised	(13)	(51)	23	(2)
Timing differences not recognised/(previously recognised)	-	-	-	(18)
Prior period adjustments	-	-	-	-
TOTAL TAX EXPENSE	-	-	-	-
<i>Tax expense comprises:</i>				
Current taxation	-	-	-	-
Deferred taxation	-	-	-	-
TOTAL TAX EXPENSE	-	-	-	-

PARENT

Tax losses of \$3,034,397 (2004: \$3,104,633), tax effect of \$1,001,351 (2004: \$1,024,529), have not been recognised, but will be available for offset against future income derived by Council or any member of the same wholly owned group subject to legislative requirements being met. It is not intended that any tax losses (2004: \$nil), will be used to offset against income derived by other group companies during the 2006 income tax year.

CONSOLIDATED

Tax losses of \$21,276,417 (2004: \$21,468,855), tax effect of \$7,021,218 (2004: \$7,084,722), have not been recognised, but will be available for offset against future income derived by Council or any member of the same wholly owned group subject to legislative requirements being met.

4. EQUITY

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
ACCUMULATED FUNDS				
Balance at beginning of the year	403,605	404,127	405,525	407,518
Net surplus/(deficit) after tax	1,725	1,839	1,119	(352)
Interest allocated to reserves	(458)	(458)	(312)	(312)
Net transfers from reserves	(2,332)	(2,332)	(2,727)	(2,727)
BALANCE AT END OF THE YEAR	402,540	403,176	403,605	404,127
COUNCIL CREATED RESERVES				
Balance at beginning of the year	8,451	8,451	5,409	5,409
Transfers to accumulated funds	(921)	(921)	(1,266)	(1,266)
Transfers from accumulated funds	3,256	3,256	3,997	3,997
Interest earned	457	457	311	311
BALANCE AT END OF THE YEAR	11,243	11,243	8,451	8,451

4. EQUITY CONTINUED

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
RESTRICTED RESERVES				
Balance at beginning of the year	52	52	55	55
Transfers to accumulated funds	(3)	(3)	(4)	(4)
Transfers in	1	1	-	-
Interest earned	2	2	1	1
BALANCE AT END OF THE YEAR	52	52	52	52
ASSET REVALUATION RESERVES				
Land				
Balance at beginning of the year	125,233	125,233	125,495	125,495
Revaluation attributed to assets sold or decommissioned and other movements	(265)	(265)	(262)	(262)
BALANCE AT END OF THE YEAR	124,968	124,968	125,233	125,233
Buildings				
Balance at beginning of the year	33,684	33,684	35,010	35,010
Revaluation attributed to assets sold or decommissioned and other movements	(800)	(800)	(1,326)	(1,326)
BALANCE AT END OF THE YEAR	32,884	32,884	33,684	33,684
Roading Infrastructure				
Balance at beginning of the year	83,861	83,861	83,861	83,861
BALANCE AT END OF THE YEAR	83,861	83,861	83,861	83,861
Water Infrastructure				
Balance at beginning of the year	76,038	76,038	76,038	76,038
BALANCE AT END OF THE YEAR	76,038	76,038	76,038	76,038
TOTAL ASSET REVALUATION RESERVE				
Balance at beginning of the year	318,816	318,816	320,404	320,404
Revaluation attributed to assets sold or decommissioned	(1,065)	(1,065)	(1,588)	(1,588)
BALANCE AT END OF THE YEAR	317,751	317,751	318,816	318,816
TOTAL EQUITY				
Balance at beginning of the year	730,924	731,446	731,393	733,386
Movements during the year	662	776	(469)	(1,940)
BALANCE AT END OF THE YEAR	731,586	732,222	730,924	731,446

5. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Trade receivables	1,588	1,717	1,550	1,615
Rates receivable	1,825	1,825	1,823	1,823
Prepayments	840	840	503	503
Sundry debtors	4,040	4,047	4,515	4,518
GST receivable	916	916	1,234	1,234
Provision for doubtful debts	(610)	(622)	(710)	(722)
TOTAL ACCOUNTS RECEIVABLE AND PREPAYMENTS	8,599	8,723	8,915	8,971

6. PROPERTY, PLANT AND EQUIPMENT

	Actual Depreciation 30 June 2005 \$000	Actual Cost/valuation 30 June 2005 \$000	Actual Acc Depn 30 June 2005 \$000	Actual Book value 30 June 2005 \$000	Actual Cost/valuation 30 June 2004 \$000	Actual Acc Depn 30 June 2004 \$000	Actual Book value 30 June 2004 \$000
OPERATIONAL ASSETS							
Land	63	25,018	81	24,937	26,142	18	26,124
Buildings	2,592	66,301	7,225	59,076	60,708	4,764	55,944
Parking meters	77	742	229	513	723	153	570
Office equipment	74	1,375	944	431	1,382	882	500
Plant	370	4,206	1,679	2,527	3,919	1,325	2,594
Recycling depots	-	16	16	-	16	16	-
Playground and reserve equipment	93	1,383	866	517	1,383	773	610
EDP equipment and software	889	7,435	5,132	2,303	6,682	5,205	1,477
Library books	1,013	4,513	2,777	1,736	3,649	1,764	1,885
Collections	-	1,812	-	1,812	1,798	-	1,798
Total operational assets	5,171	112,801	18,949	93,852	106,402	14,900	91,502
INFRASTRUCTURE ASSETS							
Land	-	100,226	-	100,226	100,301	-	100,301
Seawalls	38	5,922	112	5,810	5,922	73	5,849
Wharves	126	2,241	1,286	955	2,241	1,160	1,081
Bridges	493	25,385	1,469	23,916	25,211	976	24,235
Road structures	175	8,463	456	8,007	7,831	281	6,750
Roading	5,201	237,561	14,766	222,795	231,403	9,565	221,838
Streetlights	299	5,394	844	4,550	4,845	545	4,300
Traffic signals	114	1,107	336	771	1,050	223	827
Traffic signs	40	531	248	283	466	208	258
Stormwater	1,657	89,941	4,911	85,030	88,048	3,254	84,794
Water supply	2,363	78,377	7,025	71,352	77,181	4,663	72,518
Bulk wastewater	3,742	118,003	11,025	106,978	117,470	7,284	110,186
Less UHCC interest in bulk wastewater assets*	(1,178)	(34,973)	(3,539)	(31,434)	(34,495)	(2,359)	(32,136)
Local wastewater	1,558	55,623	4,723	50,900	54,687	3,164	51,523
SCADA	148	1,458	433	1,025	1,458	287	1,171
Resource consents	247	3,992	1,892	2,100	3,992	1,645	2,347
Total infrastructure assets	15,023	699,251	45,987	653,264	686,811	30,969	655,842

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

6. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Actual Depreciation 30 June 2005 \$000	Actual Cost/valuation 30 June 2005 \$000	Actual Acc Depn 30 June 2005 \$000	Actual Book value 30 June 2005 \$000	Actual Cost/valuation 30 June 2004 \$000	Actual Acc Depn 30 June 2004 \$000	Actual Book value 30 June 2004 \$000
RESTRICTED ASSETS							
Land	4	53,575	11	53,564	54,056	–	54,056
Total restricted assets	4	53,575	11	53,564	54,056	–	54,056
Sub total	20,198	865,627	64,947	800,680	847,269	45,869	801,400
Joint venture assets	18	343	210	133	342	192	150
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	20,216	865,970	65,157	800,813	847,611	46,061	801,550
SUBSIDIARY FIXED ASSETS							
Seaview marina	124	3,242	248	2,994	2,408	126	2,282
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	20,340	869,212	65,405	803,807	850,019	46,187	803,832

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

ASSETS UNDER CONSTRUCTION	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
	Buildings	2762	2,762	4575
EDP equipment and software	742	742	986	986
Seawalls	8	8	–	–
Bridges	94	94	–	–
Road structures	61	61	50	50
Roading	107	107	100	100
Wharves	41	41	–	–
Bulk wastewater	3233	3,233	1988	1,988
Seaview Marina	–	45	–	670
TOTAL ASSETS UNDER CONSTRUCTION	7,048	7,093	7,699	8,369

VALUATION

Property, plant and equipment have been valued in accordance with the accounting policies set out on page 101. The valuations included in the above figures are as follows:

- Land and buildings were valued by Quotable Value New Zealand as at 1 July 2002. The valuer was Andrew Parkyn B.Com(VPM), PG Dip (Com)
- Infrastructure assets were valued by Beca Valuation Limited as at 1 July 2002, with the following exceptions:
 - Wharves were valued by Ian MacCallan & Co limited as at 1 July 1990
 - Infrastructure land under roads were valued by Quotable Value New Zealand as at 1 July 2002. The valuer was Andrew Parkyn B.Com(VPM), PG Dip (Com)

The Beca Valuations Limited valuer was Brian Kellett, MIMechE, CEng, Reng, MIPENZ, SMZPF, Reg Plant & Machinery Valuer
- Library literary assets were valued by library staff who are specialised in this area as at 1 July 2002.
- Whaiomata and Silverstream landfills were valued by Quotable Value New Zealand as at 1 July 2002. The valuer was Andrew Parkyn B.Com(VPM), PG Dip (Com)

7. INVESTMENT IN SUBSIDIARIES

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
SEAVIEW MARINA LIMITED				
Balance at beginning of the year	2,495	–	2,495	–
BALANCE AT END OF THE YEAR	2,495	–	2,495	–
HUTT HOLDINGS LIMITED				
Balance at beginning of the year	50	–	700	–
Current year revaluation	–	–	1,600	–
Capital distribution	–	–	(2,250)	–
BALANCE AT END OF THE YEAR	50	–	50	–

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

Caulfold Holdings Limited purchased Seaview Marina from Hutt City Council on 1 April 2003 for \$2.335 million. Shares were issued to the Council on the same day to fund the purchase. Caulfold Holdings Limited subsequently changed its name to Seaview Marina Limited.

Hutt Holdings Limited owned the Centre City Plaza car parking and retail shopping complex in High Street, Lower Hutt. The Centre City Plaza complex was sold in July 2002 for \$6.000 million. A temporary advance back to the purchaser of \$1.000 million was agreed to.

The sale agreement incorporated the purchaser building an additional two floors of office space on the parking building, and Hutt Holdings Limited sharing in any future surplus from the sale of the building should it be sold within three years of the date of the original sale agreement. The purchaser has since sold the property. Hutt Holdings Limited received repayment of the \$1.000 million advance and a further \$1.050 million pursuant to the profit share agreement on 20 November 2003.

Hutt Holdings Limited repurchased shares for \$2.250 million in March 2004.

8. INVESTMENT IN ASSOCIATES

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
WELLINGTON WATER MANAGEMENT LIMITED				
Balance at beginning of the year	224	224	–	–
New shares Issued	–	–	224	224
Share of operating surplus/(deficit)	–	–	–	–
BALANCE AT END OF THE YEAR	224	224	224	224

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

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

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

9. OTHER ASSETS

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
OTHER ASSETS – NON-CURRENT PORTION				
NZ Local Government Insurance Company	234	234	234	234
Community loans	193	193	236	236
Smartlynx 3 Limited	55	55	–	–
Other assets	145	145	156	156
Provision for community loans and other assets	(268)	(268)	(268)	(268)
Total other assets – non-current portion	359	359	358	358
TOTAL OTHER ASSETS	359	359	358	358

10. JOINT VENTURE

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

SHARE OF ASSETS EMPLOYED

The joint venture's unaudited results for the year ended 30 June 2005 are included in these Financial Statements under the classifications shown below:

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Share of revenue	45	45	39	39
Share of expenses	(54)	(54)	(55)	(55)
SHARE OF NET DEFICIT	(9)	(9)	(16)	(16)
Property, plant and equipment	133	133	150	150
Accounts receivable	57	57	43	43
Accounts payable	(7)	(7)	(2)	(2)
TOTAL SHARE OF ASSETS EMPLOYED	183	183	191	191

11. PUBLIC DEBT

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

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Current portion	48,153	48,153	55,190	55,190
Non-current portion	25,403	25,403	15,434	15,434
TOTAL PUBLIC DEBT	73,556	73,556	70,624	70,624

11. PUBLIC DEBT CONTINUED

	Actual Interest cost 30 June 2005 \$000	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
PUBLIC DEBT MATURITY PROFILE					
Years of Repayment					
2004/2005	3,501	–	–	55,190	55,190
2005/2006	432	48,153	48,153	–	–
2007/2008	7	70	70	70	70
2008/2009	1	24	24	30	30
2009/2010	833	15,005	15,005	15,007	15,007
2010 onwards	204	10,304	10,304	327	327
TOTAL PUBLIC DEBT	4,978	73,556	73,556	70,624	70,624

SECURITY

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

12. CREDIT FACILITIES

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

13. EMPLOYEE ENTITLEMENTS

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Time in lieu	10	10	6	6
Annual leave	1,132	1,132	1,115	1,115
Long service leave	20	20	12	12
Retirement gratuities	502	502	535	535
TOTAL EMPLOYEE ENTITLEMENTS	1,664	1,664	1,668	1,668
<i>Disclosed as follows:</i>				
Current	1,142	1,142	1,121	1,121
Non-current	522	522	547	547
TOTAL EMPLOYEE ENTITLEMENTS	1,664	1,664	1,668	1,668

14. OTHER LIABILITIES

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
OTHER LIABILITIES – CURRENT PORTION				
Accrued interest expenses	439	439	477	477
Other accrued expenses	9,495	9,522	9,054	9,087
Due to subsidiary companies	44	–	394	–
Third party funds	127	127	190	190
Miscellaneous current liabilities	1,294	1,294	1,215	1,215
Total other liabilities – current portion	11,399	11,382	11,330	10,969
OTHER LIABILITIES – NON-CURRENT PORTION				
Provision for landfill aftercare**	2,716	2,716	2,635	2,635
Total other liabilities – non-current portion	2,716	2,716	2,635	2,635
TOTAL OTHER LIABILITIES	14,115	14,098	13,965	13,604
MOVEMENTS IN PROVISIONS				
	Landfill Aftercare \$000			
Balance at beginning of the year	2,635			
Additional provisions made during the year	143			
Unused amounts reversed during the year	(62)			
BALANCE AT END OF THE YEAR	2,716			

** PROVISION FOR LANDFILL AFTERCARE

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

Closure responsibilities include final cover and application of vegetation, completing facilities for leachate collection, water quality and gas monitoring. Post closure activities include leachate, water and gas monitoring and remedial measures such as ongoing site maintenance for drainage systems, final cover and vegetation.

Council currently operates two landfills. These are Silverstream (Stage 1) and Wainuiomata. These landfills have a remaining capacity of 300,000 (2004: 455,200) cubic metres (two years) and 290,000 (2004: 350,240) cubic metres (six years) respectively. Council is also monitoring gas, leachate, and water for five closed landfills identified as potential risks.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 6.67% (2004: 6.99%). The accounting treatment of this provision is described in detail in the Statement of Accounting Policies.

15. RECONCILIATION OF NET SURPLUS AFTER TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
NET SURPLUS/(DEFICIT) AFTER TAX	1,725	1,839	1,119	(352)
<i>Add/(less) non-cash items:</i>				
Depreciation	20,198	20,340	19,566	19,669
Profit share from Centre City Plaza	–	–	–	1,050
Interest income accrued to investments and special funds	(40)	(40)	216	213
Bad debt expense and other non-cash items	(23)	(23)	485	2,024
<i>Add/(less) movements in working capital:</i>				
Increase in accounts receivable and other assets	(285)	(325)	(2,573)	(2,456)
Increase/(decrease) in creditors	(1,892)	(1,889)	2,663	2,828
Increase/(decrease) in provisions and other liabilities	764	763	(401)	(392)
<i>Add/(less) items classified as investing activities:</i>				
Profit on sale of property, plant and equipment and other movements	(166)	(183)	(223)	(2,473)
NET CASH FLOWS FROM OPERATING ACTIVITIES	20,281	20,482	20,852	20,111

16. TRANSACTIONS WITH RELATED PARTIES

Council had the following material transactions:

WITH SEAVIEW MARINA LIMITED

During the year Council repaid advances to Seaview Marina Limited totalling \$319,355 (2004: Council repaid \$165,484)

Total advances outstanding at 30 June 2005 amounted to \$40,978 (2004: \$360,333). Interest is charged on outstanding advances at market rates and amounted to \$9,358 for the year ended 30 June 2005 (2004: \$32,578).

For the year ended 30 June 2005, Council charged Seaview Marina Limited \$22,451 as professional service fees (2004: \$20,664).

WITH HUTT HOLDINGS LIMITED

During the year Council repaid advances to Hutt Holdings Limited totalling \$30,809 (2004: Hutt Holdings advanced to Council \$2,200,000).

Total advances outstanding at 30 June 2005 amounted to \$3,477 (2004: \$34,286). Interest is charged on outstanding advances at market rates and amounted to \$1,024 for the year ended 30 June 2005 (2004: \$42,189).

For the year ended 30 June 2005, Council charged Hutt Holdings Limited accountancy fees \$nil (2004: \$4,000) as legal fees \$nil (2004: \$5,000) and as directors fees \$nil (2004: \$2,000).

WITH WELLINGTON WATER MANAGEMENT LIMITED

For the year ended 30 June 2005, Council charged Wellington Water Management Limited \$21,968 (2004: \$75,000), for services provided.

For the year ended 30 June 2005, Wellington Water Management Limited charged Council \$971,373 for professional service fees (2004: \$261,000).

As at 30 June 2005 Council owed Wellington Water Management Limited \$119,268 (2004: \$115,000).

As at 30 June 2005 Wellington Water Management Limited owed Council \$16 (2004: \$75,000).

WITH COUNCILLORS AND COMMUNITY BOARD AND WARD COMMITTEE MEMBERS

During the year ended 30 June 2005, Council transacted business on normal commercial terms with Kiwi Plants Limited, a business managed by Northern Community Board member Fred Allen, for \$2,241 (2004: \$97). The amount payable as at 30 June 2005 was nil (2004: nil). These transactions related to the provision of plants.

During the year ended 30 June 2005, Council transacted business on normal commercial terms with Kevin Hislop Architects, a business managed by Kevin Hislop husband of Councillor Deborah Hislop, for \$11,570 (2004: \$nil). The amount payable as at 30 June 2005 was nil (2004: nil). These transactions related to the provision of architectural services.

17. FINANCIAL INSTRUMENTS

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

CREDIT RISK

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

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

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

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

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

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Cash and short-term deposits	5,529	5,539	4,960	5,038
Accounts receivable	7,759	8,201	8,412	8,468
Sinking funds	216	216	201	201
Other assets	359	359	358	358
Financial guarantees	699	699	714	714
Interest rate swaps and swaptions	824	824	421	421

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

CURRENCY RISK

Council and the Group had no exposure to currency risk at 30 June 2005 (2004: nil).

INTEREST RATE RISK

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

17. FINANCIAL INSTRUMENTS CONTINUED

	Effective interest rates	Less than 1 year 30 June 2005 \$000	Between 1-2 years 30 June 2005 \$000	Between 2-5 years 30 June 2005 \$000	Greater than 5 years 30 June 2005 \$000	Total 30 June 2005 \$000
Assets						
Cash and short-term deposits	6.75%	5,529	–	–	–	5,529
Sinking funds	7.01%	132	–	84	–	216
		5,661	–	84	–	5,745
Liabilities						
Bank overdraft	6.75%	(2,132)	–	–	–	(2,132)
Public debt	6.72%	(48,153)	–	(15,099)	(10,304)	(73,556)
Off-balance sheet						
Interest rate swaps and options	6.85%	43,000	(16,000)	(6,000)	(21,000)	–
NET INTEREST RATE REPRICING		(1,624)	(16,000)	(21,015)	(31,304)	(69,943)
	Weighted average interest rates	Less than 1 year 30 June 2004 \$000	Between 1-2 years 30 June 2004 \$000	Between 2-5 years 30 June 2004 \$000	Greater than 5 years 30 June 2004 \$000	Total 30 June 2004 \$000
Assets						
Cash and short-term deposits	5.75%	4,960	–	–	–	4,960
Sinking funds	6.40%	124	–	77	–	201
		5,084	–	77	–	5,161
Liabilities						
Bank overdraft	5.75%	(3,359)	–	–	–	(3,359)
Public debt	5.86%	(55,190)	–	(100)	(15,334)	(70,624)
Off-balance sheet						
Interest rate swaps and swaptions	7.58%	48,000	(15,000)	(17,000)	(16,000)	–
NET INTEREST RATE REPRICING		(5,465)	(15,000)	(17,023)	(31,334)	(68,822)

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Sinking funds and other assets

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

Public debt

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

Interest rate swaps and options

Based on valuations provided by Council's bankers.

17. FINANCIAL INSTRUMENTS CONTINUED

	Book value 30 June 2005 \$000	Fair value 30 June 2005 \$000	Book value 30 June 2004 \$000	Fair value 30 June 2004 \$000
Assets				
Sinking funds	216	216	201	201
Liabilities				
Public debt	73,556	73,137	70,624	69,555
Off-balance sheet				
Interest rate swaps and swaptions	—	(784)	—	(1,295)

18. REMUNERATION

The Chief Executive of Hutt City Council received a salary (including bonus) of \$218,444 for the year ended 30 June 2005 (2004: \$219,520). In terms of his contract the Chief Executive also received the following additional benefit:

Motor Vehicle: \$24,151 (2004: \$21,861)

For the year ended 30 June 2005, the total cost, including performance bonus, fringe benefit tax, of the remuneration package received by the Chief Executive was \$242,595 (2004: \$241,381).

Remuneration of Elected Representatives

	Council Remuneration \$	Director Fees \$	Total Remuneration 2005 \$	Council Remuneration 2004 \$
Mayor and Councillors				
DK Ogden (Mayor)	68,055	1,074	69,129	—
J Terris (Mayor)*	29,236	—	29,236	97,589
RW Styles (Deputy Mayor)	48,370	5,800	54,170	41,940
WR Wallace (Deputy Mayor)*	53,867	10,400	64,267	51,340
J Austad*	12,311	2,900	15,211	43,730
JMK Baird	43,699	—	43,699	42,110
GD Barratt	43,699	—	43,699	42,314
MJ Cousins	41,680	—	41,680	36,239
S Dalziel*	9,277	—	9,277	33,297
J Engelbretsen	37,761	—	37,761	33,297
A Finlayson	45,728	—	45,728	46,184
D Hislop	29,879	—	29,879	—
VR Jamieson	46,737	—	46,737	47,271
C Milne	28,367	—	28,367	—
TE Pollard	32,891	—	32,891	—
JM Sylvester*	19,485	—	19,485	38,515
Total	591,042	20,174	611,216	553,826

* To October 2004.

SEVERANCE PAYMENTS

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

	30 June 2005	30 June 2004
Severance payments	\$1,564	\$26,625
Number of employees	one	one

19. COMMITMENTS AND CONTINGENCIES

CAPITAL COMMITMENTS

Commitments for capital expenditure contracted, but not provided for:

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
TOTAL CAPITAL COMMITMENTS	5,717	5,717	868	868

OPERATING COMMITMENTS

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

	Actual Council 30 June 2005 \$000	Actual Group 30 June 2005 \$000	Actual Council 30 June 2004 \$000	Actual Group 30 June 2004 \$000
Less than one year	1,844	1,844	534	534
Between one and two years	1,759	1,759	333	333
Between two and five years	2,967	2,967	317	317
Greater than five years	-	-	-	-
TOTAL OPERATING COMMITMENTS	6,570	6,570	1,184	1,184

CONTINGENCIES

Council has guaranteed the borrowings of certain sports and social clubs. The total of these guarantees as at 30 June 2005 was \$699,065 (2004: \$714,265).

Council has entered into a cancellable contract for the operation of the wastewater treatment plant and associated facilities. The remaining term of the contract is 15 years and payments are calculated based on volume. Minimum payments due under the contract in the event of cancellation total \$4.9 million (2004: \$17.0 million).

A number of legal actions are being taken against Council. If successful, Council's financial exposure is minimal as these claims are covered by Council's insurers (2004: financial exposure minimal).

20. MAJOR BUDGET VARIATIONS

Explanations for major variations from Council's budget figures in the 2004/2005 Community Plan are as follows:

STATEMENT OF FINANCIAL PERFORMANCE

The net surplus after tax was \$0.4 million above budget for the year ended 30 June 2005. The components of this favourable result are explained below.

Operating revenue was above budget by \$6.3 million for the year ended 30 June 2005. The following major items contributed to this variance:

- Rates revenue was above budget by \$0.4 million as a result of variations in the rating base
- User charges were above budget by \$2.1 million, of which \$1.4 million was due to a temporary volume increase at the Silverstream landfill arising from flood events and \$0.4 million due to additional parking revenue during the Queensgate Mall redevelopment
- Subsidies received were above budget by \$2.3 million. Additional subsidies were received in relation to storm and flood related expenditure
- Regulatory revenue was above budget by \$0.5 million as a result of increased activity in the City
- Revenue from penalties was above budget by \$0.3 million
- Miscellaneous revenue was above budget by \$0.6 million. This includes a \$0.2 million receipt from the Hutt Mana Energy Trust.

Operating expenditure was above budget by \$5.9 million for the year ended 30 June 2005. The following major items contributed to this variance:

- The gross cost to Council of the repairs required following several major storm events during the year totalled approximately \$4.5 million
- Other unbudgeted repairs and maintenance costs of approximately \$0.6 million were incurred
- Increased volumes at the landfills and in the environmental management area resulted in additional revenue as outlined above, but also increased costs by approximately \$0.6 million
- Interest expense was \$0.2 million above budget as a result of delays in property sales.

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

STATEMENT OF MOVEMENTS IN EQUITY

Opening equity was below budget by \$1 million. This was a result of differences between the forecast equity position for 30 June 2004 included in the Council's 2004/2005 Community Plan and the final equity position included in the Council's Annual Report at that date.

Variances in the net surplus after tax have been commented on under the Statement of Financial Performance above.

The \$1 million variance in revaluation reserves and other movements resulted from the reversal of asset revaluation reserve balances relating to assets sold or written-off during the year.

STATEMENT OF FINANCIAL POSITION

The actual financial position at 30 June 2005 is very close to budget. The only significant variances are explained below.

Council created reserves are above budget by \$6 million. The actual opening position of these reserves was higher than budgeted, and additional landfill profits were transferred to reserves during the year.

Assets under construction are \$7 million above budget as several large projects were incomplete at 30 June 2005 and not yet capitalised. Property, plant and equipment is below budget as a result.

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

STATEMENT OF CASH FLOWS

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

Cash provided from the sale of property, plant and equipment was below budget by \$7 million as planned sales were not able to be completed during the year.

Cash applied to the purchase and construction of property, plant and equipment was below budget by \$8 million as certain projects were not able to be completed and have been carried over into the 2005/2006 financial year.

Financial Summary of Major Capital and Operating Projects

For the year ended 30 June 2005
Projects with a budget over \$100,000

LIBRARIES

Capital Projects
Central Library Upgrade*
Library Stock Replacement

MUSEUMS

Capital Projects
Dowse Upgrade (\$370,000 carried over to 2005/06)*

PARKS & RESERVES

Operating Projects
Waiwhetu Cultural Centre Waka Contribution

Capital Projects

Hutt Park Sports Zone (\$295,000 carried over to 2005/06 & scope of project reduced)*
Hutt Park Village Green (\$405,000 carried over to 2005/06)*
Korohiwa Landscape Development (\$200,000 carried over to 2005/06)
Memorial Park Grandstand Upgrade (\$455,000 carried over to 2005/06)
Melling Skateboard Park Stage II
Petone Foreshore Upgrade
Playgrounds
Percy Scenic Reserve SH2 Development (\$150,000 carried over to 2005/06)
Taita Cemetery Burial Sites
Wharf Maintenance

COMMUNITY SUPPORT

Operating Projects
Community Development Contestable Fund
Community Houses Fund
Phonic Youth Centre
Safety Initiatives (\$70,000 carried over to 2005/06)
Discretionary Rates Remissions

COMMUNITY PROPERTY

Capital Projects
Administration Building Upgrade
Town Hall Upgrade (\$283,000 carried over to 2005/06)

	Actual 30 June 2005	Budget 30 June 2005
	\$791,101	\$850,000
	\$863,436	\$792,000
	\$140,963	\$500,000
	\$200,000	\$200,000
	\$82,498	\$3,200,000
	\$578,768	\$985,000
	\$0	\$200,000
	\$46,481	\$500,000
	\$162,360	\$145,000
	\$224,445	\$215,000
	\$89,950	\$110,000
	\$0	\$150,000
	\$110,144	\$80,000
	\$237,127	\$300,000
	\$194,686	\$206,000
	\$188,001	\$188,000
	\$130,848	\$111,000
	\$58,949	\$140,000
	\$198,939	\$205,000
	\$376,901	\$294,000
	\$17,092	\$300,000

ROADING & TRAFFIC*Operating Projects*

Road Safety Coordination

Actual 30 June 2005	Budget 30 June 2005
------------------------	------------------------

\$107,628	\$109,750
-----------	-----------

Capital Projects

Area Wide Pavement Treatment (Subsidised 45%)

\$845,247	\$675,000
-----------	-----------

Silverstream Bridge Strengthening (\$500,000 carried over to 2005/06) (Subsidised 55%)

\$0	\$500,000
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Bridge Strengthening (Subsidised 55%)

\$174,445	\$140,000
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Carpark Resurfacing

\$118,300	\$117,000
-----------	-----------

Cycleways (Funding partly used on Eastern Bays Walkway) (Subsidised 55%)

\$10,239	\$100,000
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Eastern Bays Walkway (\$278,000 carried over to 2005/06) (Subsidised 55%)

\$278,221	\$475,000
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Moore's Valley Road Bridge Replacement (\$173,400 carried over to 2005/06) (Subsidised 73%)

\$93,960	\$265,000
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Footpath Resurfacing And Replacement

\$225,090	\$200,000
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Brunswick/High Roundabout (Subsidised 100%)*

\$732,989	\$0
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Jackson/Gear Roundabout (Subsidised 100%)*

\$231,627	\$0
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Pretoria/High Roundabout (Subsidised 100%)*

\$132,028	\$0
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High/Daysh/Fairway Roundabout (Subsidised 55%)

\$562,516	\$500,000
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Maintenance Chip Sealing (Subsidised 45%)

\$1,841,943	\$2,150,000
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Road Smoothing (Subsidised 55%)

\$450,957	\$440,000
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Residential Road Lighting (Subsidised 45%)

\$159,970	\$160,000
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Sub-Standard Road Upgrading Poto Rd

\$167,540	\$180,000
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Thin Asphaltic Surfacing (Subsidised 45%)

\$1,095,370	\$775,000
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Traffic Safety Improvements (\$272,000 carried over to 2005/06) (Subsidised 55%)

\$165,377	\$500,000
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Udy St/Hutt Rd Roundabout*

\$10,500	\$320,000
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WATER SUPPLY*Capital Projects*

Minor Works

\$254,830	\$130,000
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Reservoir Auto Shut Off Valves

\$208,592	\$200,000
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WASTEWATER*Capital Projects*

Local Wastewater Minor Works, Pipes

\$164,407	\$130,000
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Replacement and Rehabilitation Of Sewers, Hawkins St

\$122,645	\$83,000
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Replacement and Rehabilitation Of Sewers, Whites Line East

\$271,445	\$200,000
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Trunk Wastewater, Asset Replacement (Subsidised 29%)

\$314,608	\$320,976
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Trunk Wastewater, Network Development (Subsidised 29%)

\$229,793	\$315,000
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Trunk Wastewater, Excess Flow Management (\$1,100,000 carried over to 2005/06)

(Subsidised 32%)*

\$863,095	\$1,815,000
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Trunk Wastewater, DBO, Project Management (Subsidised 29%)

\$156,623	\$156,623
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Trunk Wastewater, Te Marua Pumping Station, Rising Main (\$235,000 carried over to 2005/06)

(Subsidised 66%)

\$4,257	\$240,000
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Trunk Wastewater, Wainui Generator

\$108,950	\$113,000
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Wainuiomata Sewer, Peel Place To Gibbs Crescent (\$320,000 carried over to 05/06)

\$29,847	\$370,000
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STORMWATER*Capital Projects*

Hutt River Floodplain Upgrade

\$140,701	\$165,000
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Marine Parade Stormwater Improvement

\$132,287	\$130,000
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Other Stormwater Improvement

\$739,003	\$785,000
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Puketea Street Stormwater Improvement

\$510,748	\$500,000
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Wainuiomata Black Creek Improvements (\$250,000 carried over to 2005/06)

\$0	\$250,000
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	Actual 30 June 2005 \$'000	Budget 30 June 2005 \$'000
SOLID WASTE		
<i>Operating Projects</i>		
Waste Minimisation Programme	\$135,111	\$135,000
<i>Capital Projects</i>		
Silverstream Landfill, Stage One Closure	\$2,237	\$100,000
Silverstream Landfill, Stage One Resource Consent	\$27,804	\$200,000
Silverstream Landfill, Stage Two Design (\$440,000 carried over to 2005/06)*	\$1,252,280	\$1,250,000
Wainuomata Landfill, Resource Consents Work	\$24,190	\$100,000
LOCAL URBAN DESIGN		
<i>Capital Projects</i>		
CBD Development (\$230,000 carried over to 2005/06)*	\$75,000	\$300,000
CBD Masterplan Stage One (\$500,000 carried over to 2005/06)*	\$0	\$500,000
Naenae Shopping Centre	\$163,988	\$100,000
Suburban Shopping Centres	\$311,825	\$267,000
ECONOMIC DEVELOPMENT		
<i>Operating Projects</i>		
CBD Plus Grant	\$241,470	\$240,000
Events Funding	\$366,721	\$245,000
Positively Wellington Business (Regional Economic Development Agency)	\$414,526	\$410,000
Economic Development Strategy	\$164,378	\$150,000
Regional Development Strategy	\$88,274	\$100,000
<i>Capital Projects</i>		
Seaview/Gracefield Developments (\$100,000 carried over to 2005/06)	\$3,994	\$100,000
Wingate Industrial Area Development (\$200,000 carried over to 2005/06)	\$30,689	\$150,000
MANAGING SERVICES		
<i>Operating Projects</i>		
Hutt City Promotion	\$170,509	\$180,000
<i>Capital Projects</i>		
Core Business Software Enhancement	\$88,592	\$140,000
GEMS Replacement Programme	\$649,337	\$600,000
PC Replacement Programme	\$302,426	\$319,700

* These projects have been identified for reporting purposes under schedule 10, 15(b) of the Local Government Act 2002 as either significant acquisitions or replacements, or significant variations in planned acquisitions or replacements. The additional information required by that schedule is included in the reports on each significant activity on pages 53 to 94.

When variations are solely due to the timing of expenditure, this is generally identified above by funding being carried over to the 2005/2006 financial year.

Council-Controlled Organisations

Seaview Marina Limited¹

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

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

NATURE AND SCOPE OF ITS ACTIVITIES

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

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Achieve a rate of return on shareholders funds of 5% before taxation	Not achieved
Achieve the following capital development programme targets for the marina complex before 30 June 2006: <ul style="list-style-type: none"> ▪ Extension of Marina by addition of Pier E; • Addition of Central boat ramp pontoon; • Waste management modifications. 	Achieved: The central boat ramp pontoon and Pier E were completed. Some waste management modifications were made and further work will occur over the next 12 months. In addition, an extension to trailer park facilities was completed.
Ensure everything complies with financial, building, technical and regulatory standards	Achieved: Ongoing improvements are being made in relation to waste management.
Ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice.	Achieved

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

Hutt Holdings Limited¹ (Formerly named Centre City Plaza Limited)

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

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

NATURE AND SCOPE OF ITS ACTIVITIES

- The business of the company is to finalise residual issues arising from the management of the company's investment in Centre City Plaza. Those issues have now been finalised and the company is essentially non-trading.

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

Wellington Water Management Ltd (WWML) Trading as Capacity¹

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

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

NATURE AND SCOPE OF ITS ACTIVITIES

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

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Achieve total overall savings of \$4.775m to shareholding councils after five years.	The Service Level Agreement between Capacity and Hutt City Council and Wellington City Council has been signed and requires the savings model to be available to be applied to reports for the period ended 31 March 2005. The model has been approved in principle and results on the first year will be reported in August 2005.
Achieve targets within allocated budgets.	Achieved: Expenditure below allocated budget.
Comply with financial, technical and regulatory standards.	Achieved: All standards have been complied with.
Establish a strategic plan and business plan by 30 June 2004.	Achieved: 2004/05 Strategic plan and business plan completed by 30 June 2004
Develop asset management plans as required that reflect best practice or meet specific requirements for approval by the appropriate organisation.	Achieved: Water supply, wastewater and stormwater asset management plans completed for approval.
Ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice.	Achieved: Asset maintenance carried out in accordance with Hutt City Council asset management plans to best trade standards and practice.
Meet the performance measures set by shareholders in service contracts or service level agreements, including managing emergencies.	Achieved: All performance measures set out in the Service level agreement have been met.

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

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

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

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

NATURE AND SCOPE OF ITS ACTIVITIES

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

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Work within approved budget and Business Plan.	Achieved: PWB has worked within its approved budget and Business Plan.
Work within and report on the approved Strategic Plan and Statement of Intent.	Achieved: PWB has worked within its approved Strategic Plan and Statement of Intent.
Number of new jobs established in the Wellington region.	Not achieved: PWB has contributed to a growth of 70 jobs in the region from direct investment against a target of 100.
Number of companies investing, reinvesting or locating in Wellington region.	Not achieved: PWB has secured \$7.65 million worth of investment in this financial year against its target of \$18 million for the full year.
Growth in number of people employed in the region with business cluster groups relative to national growth figures.	Achieved: Location quotients show the relative concentration of employment in an industry compared with the national average. For 2004 the location quotient for Education was 1.14, resulting in a 2% increase in jobs on 2003. This means the concentration of employment in that industry was 1.14 times the national average. For Information and Communication Technology it was 1.76, a 1% decrease in jobs on 2003, for Professional Engineering it was 1.28, a 5% increase in jobs on 2003, for Creative Industries (incl. Film) it was 1.09, a 4% increase in jobs and for Manufacturing it was 0.54 a 1% increase in jobs.
Wellington region's share of national GDP	Achieved: PWB exceeded its target of achieving GDP growth of 1%, with 2.1% achieved by March year-end 2004.

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Number and value of collaborative international contract bids won by cluster members.	Achieved: The total value of export collaborative contract wins for the 04/05 year was more than \$7.566 million. This does not include the cluster members who declined to disclose the value of the contracts due to commercial sensitivity. The target in the Strategic Plan was \$7.5 million.
Wellington region recognised as Innovative and Entrepreneurship culture	Achieved: PWB has fostered entrepreneurship in the region through its incubators Creative HQ and Fashion HQ. Five of Creative HQ's graduated out in June 05. PWB ran 17 start up business courses, 6 venture capital courses and helped 110 businesses to start up.

Hutt City Profile

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

Hutt City – A Summary Profile

Land area (hectares)

37,998

Percentage change
from 1996

WARDS 2001 POPULATION

Ward	Population	Percentage change from 1996
Northern	14,802	1.1%
Eastern	16,476	0.0%
Western	11,913	2.3%
Central	18,150	-0.3%
Wainuiomata	17,058	-0.2%
Harbour	17,070	-0.4%

WARDS 2001 HOUSEHOLDS

Ward	Households	Percentage change from 1996
Northern	5,097	2.3%
Eastern	6,066	1.8%
Western	4,200	4.5%
Central	6,957	2.2%
Wainuiomata	5,640	0.0%
Harbour	6,702	1.7%

Hutt City Assets – (30 June 2005)

Total council assets	\$828,867,000
Area of parks and reserves	5,000 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	475 km
Length of footpaths	588 km
Number of street lights	10,650
Length of wastewater pipes	657 km
Length of stormwater pipes	500 km
Length of water pipes	671 km
Rating system	Capital
Rateable properties	37,421
Average rates per residential ratepayer	\$1,349
Capital value of the city	\$11,481,729,000

AGE BREAKDOWN 2001 CENSUS

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

ETHNIC BREAKDOWN 2001 CENSUS

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

CLIMATE

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

Definitions

DEFINITIONS

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

Asset

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

Asset Management Plan

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

Appropriation/Appropriated

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

Capital Expenditure

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

Capital Value

Value of land including any improvements.

Community Boards

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

Community Outcome

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

Council-Controlled Organisations (CCO's)

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

Employee Costs

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

Financial Year

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

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

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

Long Term Council Community Plan, or Community Plan

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

Forecast Financial Statement

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

Maintenance Costs

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

Mana Whenua

People with the mana of the land.

Operating Expenditure

Expenditure for the normal services of Council.

Operating Projects

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

Performance Measure

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

Rates

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

Te Taura Here o te Te Awakairangi

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

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

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

Significance

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

Significant Activities

This plan lists 18 separate significant activities including Managing Services.

Support Costs

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

Taonga

A highly prized resource.

Te Atiawa

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

Targeted Rates

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

User Charges

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

Ward Committees

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

Wellington Tenth's Trust Te Atiawa

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

Source of Information for Level of Achievement

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

NRB Communitrak Survey

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

Management Reports

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

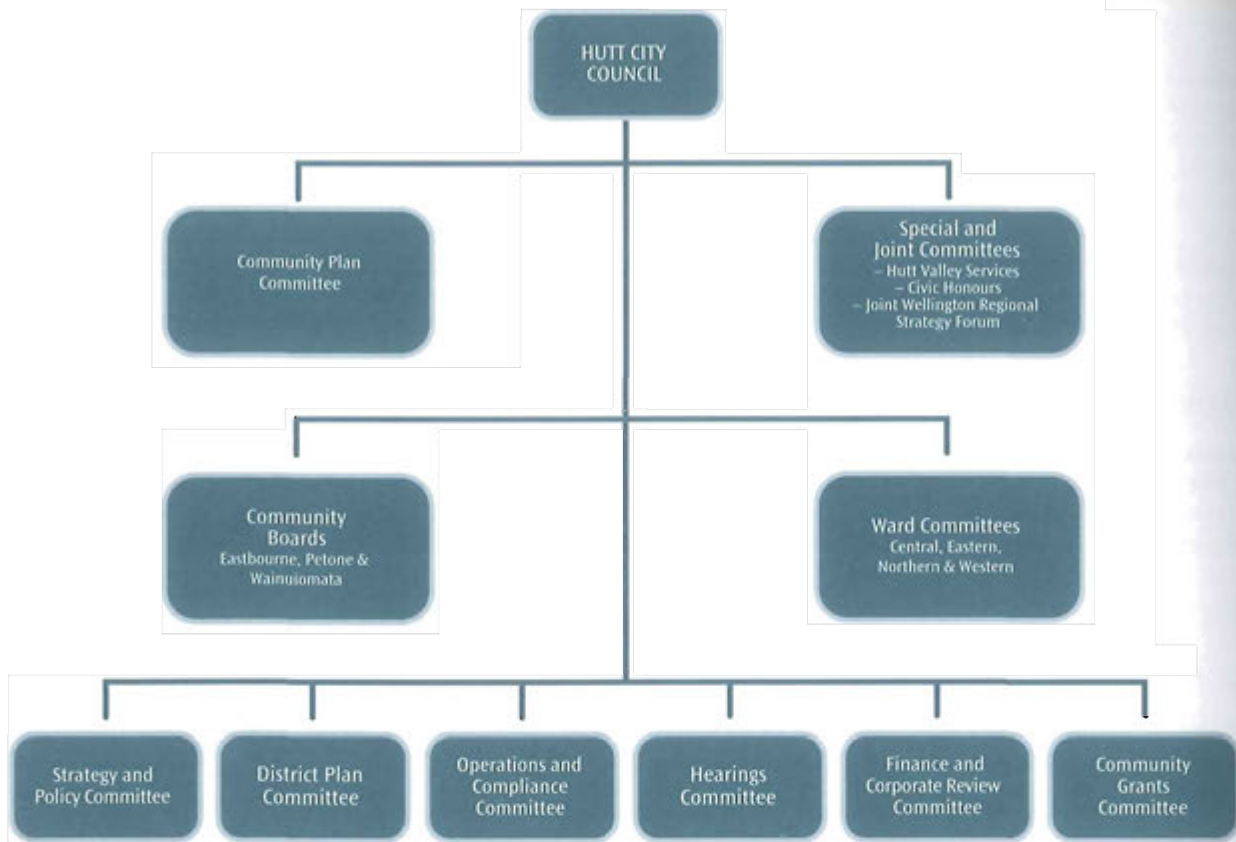
AC Nielsen Survey

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

The results were compared to the benchmark and differences noted.

In the future Council will be participating in a different staff survey together with many other organisations. The change in surveys is occurring so that Council will have access to comparative data from the other participants.

Political Structure



Back row – Ray Wallace, Tracey Pollard, Angus Finlayson, Christopher Milne, Ross Jamieson, Julie Englebretsen, Margaret Cousins

Front row – Deborah Hislop, Roger Styles, David Ogden, Joy Baird and Glenda Barratt

Mayor and Councillors

(I) Independent
(CV) City Vision
(H) Hutt 20/20

(OCOF) Our City, Our Future

You can contact the Mayor or any Councillor at:

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Private Bag 31 912
Lower Hutt

Telephone: (04) 570 6666 or 0800 HUTT CITY

Facsimile: (04) 569 4290

Email: contact@huttcity.govt.nz



Mayor David Ogden (CA,JP) (OCOF)

Mayor

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Email: david.ogden@huttcity.govt.nz



Cr R (Roger) Styles (OCOF)

Deputy Mayor, Eastern Ward

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Northern Ward

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Cr JMK (Joy) Baird JP (I)

Harbour Ward

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918 7838 (business)

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Wainuiomata Ward

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027 226 4046 (business)

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Cr VR (Ross) Jamieson JP (I)

Harbour Ward

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Cr T (Tracy) Pollard (I)

Wainuiomata Ward

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Cr MJ (Margaret) Cousins JP (I)

Western Ward

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Cr C (Christopher) Milne (OCOF)

Central Ward

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Mobile: 027 442 2708

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Community Board and Ward Committee Members

Eastbourne Community Board

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

Wainuiomata Community Board

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

Petone Community Board

Mr Richard Cole (Chair)	586 1113
Miss Megan Casey (Deputy Chair)	569 6974
Mr Gerald Davidson	938 3723
Miss Vera Ellen	938 1946
Mr Michael Lulich	568 7597
Mr Neil Newman	562 7881

Central Ward Committee

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

Eastern Ward Committee

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

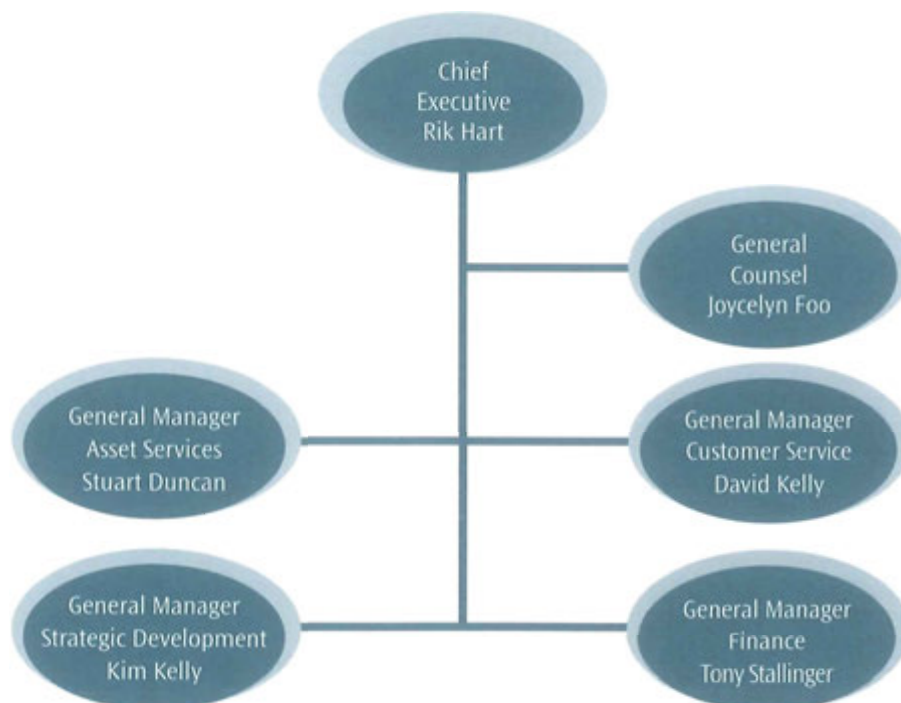
Northern Ward Committee

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

Western Ward Committee

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

Management Structure



Front row

Tony Stallinger, General Manager, Finance

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Rik Hart, Chief Executive

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Kim Kelly, General Manager, Strategic Development

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Back row

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Stuart Duncan, General Manager, Asset Services

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Joycelyn Foo, General Counsel

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