

# GROWING OUR CITY

## SUMMARY ANNUAL REPORT TO 30 JUNE 2017

**It's been a busy year and we've been working hard to achieve our vision for Lower Hutt: creating a great place to live, work and play.**

We are part way through the largest concentrated rejuvenation in our city's history. Look up on any given day and you'll see it in action. In almost every community, across Lower Hutt, we are building. New pools, new playgrounds, community hubs, sports facilities, gardens, walkways and cycle ways. The city is thriving.

But this is not rejuvenation at any cost. We have balanced rejuvenation with prudent financial management. We retain our excellent credit rating with AA long-term and A-1+ short-term ratings from Standard and Poors.

It is our robust financial history that allows us to invest in our city while maintaining low rates rises and keeping debt within our target levels. Our investment is attracting hundreds of millions of dollars of private investment which is also contributing to the city's growth.

We've been focussed on developing and upgrading key infrastructure, as well as a number of social development projects in communities facing deprivation, and sporting and leisure facilities for all our residents to enjoy.

On any given weekend the new Avalon Park draws children and parents from across the region. Huia Pool's newly opened hydrotherapy pool is a life-changing asset for those in our community with limited mobility, health conditions, or in need of rehabilitation. In March, the Walter Nash Centre saw its one-millionth visitor.

We have been recognised for our work "Empowering Tamariki for the Future" - making a positive impact in communities in our northern suburbs through increasing access to literacy, recreation and arts programmes. Our YOUth Inspire programme which supports young people into jobs, training and study is going from strength to strength.

We continue to have the fourth largest number of people in New Zealand employed in medium-high tech manufacturing. Another successful STEM festival was held this year,

highlighting the science, technology, engineering, mathematics and manufacturing industries to our youth.

We're contributing to keeping our community safe from harm. Free dog training and educational programmes are proving beneficial, evidenced by a reduction in the number of dog bites reported in Lower Hutt despite a nationwide increase. Our Smokefree Policy has been extended to cover popular outdoor areas like parks and sports grounds and public places are designed with safety and security in mind.

We're working with Greater Wellington Regional Council and the New Zealand Transport Agency on the Riverlink project which will improve flood protection for the CBD and also enhance connections between the CBD and the Hutt River. Rejuvenation continues with the Lower Hutt Events Centre and refurbished Town Hall construction in full swing and the Riddiford Gardens upgrade entering the next phase.

Building consent numbers continue to rise and requests for LIMs have increased significantly in the last two years. A new fees calculator for building

consent fees is making doing business with us much easier.

A Quality of Life survey rated Hutt City Council above average for residents feeling like they have an influence on council decisions. Our Annual Plan consultation attracted over 1,200 submissions, with nearly three-quarters of these supportive of our vision to rejuvenate Lower Hutt through investment in the things that matter to our community.

Lower Hutt is in good shape and Hutt City Council is working hard to make a better city - a vibrant, thriving community that we are all proud to be a part of.



*Ray Wallace*

Ray Wallace  
MAYOR OF  
LOWER HUTT



*Tony Stallinger*

Tony Stallinger  
CHIEF EXECUTIVE  
HUTT CITY COUNCIL

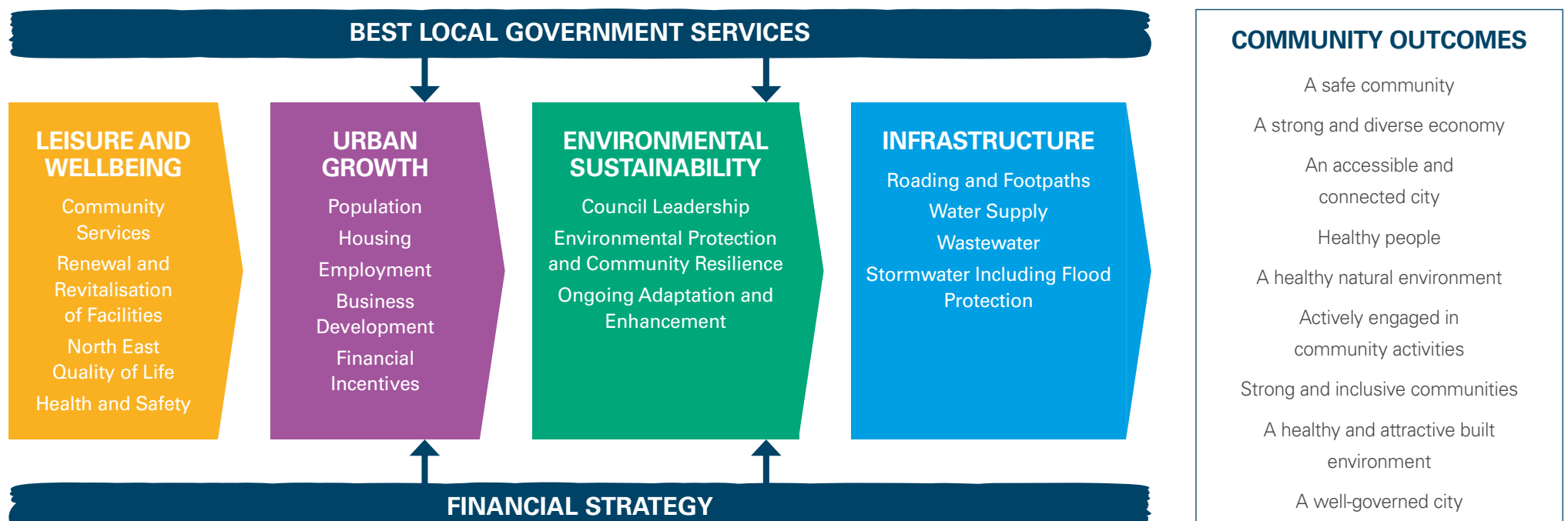
## VISION FOR THE CITY:

### HUTT CITY WILL BE A GREAT PLACE TO LIVE, WORK AND PLAY

Council has a vision for the city's future that Hutt City will be a great place to live, work and play. That is, a city people are proud to live in, where working and investing is a smart choice, and where there's always something for families to explore. Four key strategies have been developed to help achieve this vision.

### STRATEGIC DIRECTION: OUR FOUR KEY STRATEGIES AND COMMUNITY OUTCOMES

Our vision is to make our city a great place to live, work and play. The move to rejuvenate and revitalise Hutt City is underpinned by four key strategies Council developed since 2012 - Leisure and Wellbeing, Urban Growth, Environmental Sustainability and Infrastructure. The four strategies are linked to the nine community outcomes described in our Long Term Plan. The diagram below shows how these four strategies and their key objectives feed into and out of Council's Financial Strategy and organisational goals and ultimately come together to achieve our community outcomes.



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## LEISURE & WELLBEING

The Leisure and Wellbeing Strategy is a long-term approach to improving the cultural, physical and educational wellbeing of residents. It aims to deliver the best core local government public services in New Zealand in the areas of libraries, museums, physical recreation and community safety and connections. Building skills from a young age has been highlighted as a priority and will be fundamental to achieving this Strategy's goals. The Leisure and Wellbeing activities contribute to the majority of the community outcomes but are closely linked to: a safe community; healthy people; actively engaged in community activities and strong inclusive communities. Below are a few of the achievements over the past 12 months for each of the community outcomes.

### HEALTHY PEOPLE

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

We all want to be healthy. A number of activities within the Leisure and Wellbeing strategy encourage us to be healthier by providing access to facilities and services supporting fitness and recreation. The redeveloped Huia Pool+Fitness opened in July 2017 with an expanded range of facilities including two additional swimming pools and other amenities. The programme pool includes hydrotherapy facilities, making it accessible to more people. The Action Replay campaign offers big and small sports gear items as a free community loan from Wainuiomata Library. It encourages an active lifestyle by removing the cost barrier. The programme targets families, schools, churches and sporting groups who may not be in the position to prioritise paying for sport equipment. The newly created Walter Nash Centre in Taita celebrated its first birthday with 750,000 visitors in its first year. More than 70 games of basketball, netball or volleyball are played every week and sports programming is delivering to more than 5,000 children.

A healthy home provides an environment for healthier living. Many residents have taken up the opportunity for our Eco Design Advisor to visit them at their house and advise them on how to make their home warmer, drier and healthier. We also offer a number of online resources to assist residents in making their own home more energy efficient and healthy. All of these services are available to anyone living in Lower Hutt free of charge.

Providing smokefree areas for everyone to enjoy has been another priority for the Council. In 2016 the Council unanimously agreed to extend smokefree areas to all parks and sports grounds, train stations, bus shelters, beaches, outdoor dining on pavements, outdoor areas in town centres and outdoor public areas around Council buildings and facilities. The Policy leads the way in promoting a smokefree life and aims to reduce smoking and the impact of second hand smoking.

### ACTIVELY ENGAGED IN COMMUNITY ACTIVITIES

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

The Leisure and Wellbeing Strategy supports these goals, by working to renew and revitalise the city's network

of community facilities and improving the quality of life and wellbeing of those living in high deprivation communities.

Funding was confirmed in last year's Annual Plan for a new purpose-built Stokes Valley Community Hub. This Hub will integrate a range of community, council and other services, as well as being flexible for different uses. It is due to open later in 2017.

The reopening of our upgraded Avalon Park Playground was one of our big achievements in the past year, proving a drawcard for families

from across the region and receiving overwhelmingly positive feedback. In addition Walter Mildenhall Park behind Naenae Olympic Pool was opened in September 2017.

The park features the only indoor bowls facility of its kind in the region, along with open bowling greens, petanque pistes, new clubrooms and community meeting rooms.

Our museums offered a variety of exhibitions that attracted over 225,000 visitors in the past year. During the year Petone Settlers Museum was refurbished and welcomed significantly more visitors than previous years.

### STRONG AND INCLUSIVE COMMUNITIES

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

The Leisure and Wellbeing Strategy supports these goals through the range of community facilities and services described in 'Actively engaging in community activities', as well as through a number of trusts and initiatives we have underway.

We recognise and provide for the special relationship Māori have with their culture, traditions and tāonga within our community. We do this by incorporating aspects of Māori culture into civic ceremonies, including all citizenship ceremonies and openings of community spaces and buildings, as well as within our organisation where staff have access to Treaty of Waitangi and Te Reo Māori training, and a Kapa Haka Group. We honour our commitment to engage with Māori, and to improve the opportunities for Māori to contribute to local government decision-making processes by recognising those who have mana whenua status, Taranaki

Whānui, represented by the Port Nicholson Block Settlement Trust and engaging with Te Runanganui o Te Atiawa ki te Upoko o te Ika a Maui as mana whenua. We also consult with other Māori in Hutt City, including our city's seven marae.

For the past 23 years the city has hosted Te Rā o Te Raukura, an outdoor whānau and community focused music festival. Each year Te Rā o Te Raukura brings together about 20,000 people to promote sentiments of love, respect and togetherness towards our fellow neighbours. While music takes front stage, the event is not just about music. In 2017 Te Awakairangi Health Network promoted a 'healthier Hutt Valley for all' in association with Te Rūnanganui o Te Atiawa ki te Upoko o te Ika a Maui offering free health checks. The work of Te Rā o Te Raukura and the values it promotes were recognised in the Wellington Airport Regional Community Awards (Lower Hutt) in August where it was awarded the Supreme Winner in the Arts and Culture section.

The Northeast Pathways Project (NEPP) received a Community Impact Award from the Government sports body, Sport NZ. The Award celebrates, promotes and encourages collaborative projects that will have

a positive impact on the community and community sport. NEPP ties together seven schools in the Taita, Stokes Valley and Pomare area in a project designed to use sport as an engagement tool to encourage greater student participation in education and improved educational results. NEPP is part of "Empowering Tamariki for the Future", a wider Council-driven project aimed at making sure all Lower Hutt children have access to literacy, recreation, arts programmes and facilities of benefit to them.

For the second time we secured external funding to run the successful two-week Naenae Akoranga Programme. The programme brought together pools, libraries, clubhouses, Hutt Science, museums and community partners to provide services for about 60 children who would not usually have access to such services. The Council-led Te Awakairangi (TAKA) Trust, formed in partnership with community, schools, government and businesses, was set up to help children from challenged high deprivation communities such as Taita and Pomare to access opportunities, learning and experiences that will make a life-changing difference.

### A SAFE COMMUNITY

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

We continue to support various initiatives and voluntary organisations helping make our city a safe place under the Hutt Safe City Trust. Our Safe City Ambassadors patrol our streets to look out for people's safety, provide a presence on the streets to deter crime and look out for criminal activity. Their presence contributes to residents feeling more comfortable and safe in our city.

We know a lot of crime in our city is related to, or made worse by alcohol consumption. To make our city safer

we consulted on and made changes to the Local Alcohol Policy, which sets the opening hours for on- and off-license premises across Lower Hutt, and introduced a revised Control of Alcohol in Public Places Bylaw. The new Bylaw introduced permanent alcohol free zones and a 9pm-5am ban on the consumption of alcohol in all public places except for Eastbourne and the Western Hills.

We continue to encourage positive Crime Prevention Through Environmental Design (CPTED) as part of all new developments, as well as making positive CPTED changes to existing public places. This project is based on the principle the environment can influence both the level of crime committed and the fear of crime in an area.

An increasing number of New Zealanders are being admitted to hospital each year for dog bites. Lower Hutt is the exception where the number of dog bites is dropping significantly. Government is interested in learning about the dog control initiatives we have in place which are driving our declining rates of dog bites. These initiatives include 'Safety Around Dogs' a programme run at schools which teaches children how to be safe around dogs, particularly unknown dogs and free community dog training.

Overall our residents feel safe in their community with residents' perceived safety within their own home and in the city higher than national averages in the 2016 Quality of Life Survey.



# URBAN GROWTH STRATEGY

The Urban Growth Strategy focuses on how much we want the city to grow, where new homes and businesses will be accommodated, and what will be done to support and encourage this development. We are working on increasing the number of houses built, providing more employment opportunities through improved economic conditions and increasing our population.

The Urban Growth Strategy contributes to the majority of the community outcomes but is closely linked to: a strong and diverse economy; and a healthy and attractive built environment. Below are a few of the achievements over the past 12 months for the community outcomes.

## A STRONG AND DIVERSE ECONOMY

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

There are signs of a strong and diverse economy with record numbers of building consent applications

and requests for Land Information Memorandums (LIMs) rising. Over the past year 325 new homes were built, more than what was targeted. Latest figures from the Ministry of Business, Innovation and Employment indicate tourism spend is up in the Hutt.

We're working on developing the medium and high-tech sector to ensure the resilience of the city's economic base. For the second year Lower Hutt hosted the STEMM Festival which highlights what is happening in the areas of science, technology, engineering, mathematics and manufacturing (or STEMM).

The festival aims to encourage young people into STEMM industries and to showcase the enterprises and enterprising people that are benefiting the city. With technological developments affecting more aspects of life, we are encouraging children to take an interest in science and to understand the challenges technological developments can bring such as increased automation and a changing job market.

As part of our priority to deliver best local government services we are making it easier for our customers to do business with us. In addition

to retaining our existing services, we have moved a number of our services online. An example of this is our new fees calculator for building consents that allows applicants to calculate a quote for application fees. We know a large proportion of building consent queries received through our contact centre and over our counter are requests for quotes. By providing this service online our customers are able to access this information whenever it suits them. We have also made building information searches for building consents and building permit documentation available to the public online.

## A HEALTHY AND ATTRACTIVE BUILT ENVIRONMENT

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

Council has a long-term plan to rejuvenate and revitalise our city, to make our city a healthy and attractive environment for all to enjoy. Three current priorities for the city are completing the Events Centre and associated Town Hall, finalising the redevelopment of Riddiford Garden, and working with Greater Wellington Regional Council to integrate Council's vision of turning the CBD towards Te Awakairangi/ Hutt River with Greater Wellington's

planned floodplain and stopbank works and NZTA's Melling interchange project. Good progress has been made on each of these projects over the year with the Events Centre and associated Town Hall due to be completed in 2018.

During the year the earthquake strengthened, revitalised Hutt City Council administration building on Laings Road won four prestigious architecture awards in the heritage,

interior architecture and public architecture categories. These awards provide recognition of building and design excellence in the city and complement the wider rejuvenation strategy.

The majority of Lower Hutt residents are proud of the city we live in, with over three quarters of residents satisfied with the overall look and feel of the city.

# ENVIRONMENTAL SUSTAINABILITY STRATEGY

Our Environmental Sustainability Strategy focuses on opportunities and risks we face in regard to our environment. It addresses potential issues, and provides short-term, mid-term and long-term solutions for change, including working in partnership with the community and local businesses to use resources efficiently and to minimise pollution. The strategy recognises our dependence on the environment is fundamental to many aspects of our lives, and proper care is essential if the city and our communities are to prosper. The strategy guides future decision-making for Council.

The Environmental Sustainability Strategy contributes to the majority of the community outcomes but is closely linked to a healthy natural environment and healthy people. Below are a few of the achievements over the past 12 months for the community outcomes.

## A HEALTHY NATURAL ENVIRONMENT

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

We are working on a number of environmental challenges, including climate change, sea level rise and natural hazards, to find out more about communities and assets under threat. This will help to identify appropriate responses, including exploring any changes that may be required to our district and long term planning.

Key pieces of our work on waste minimisation have included delivering waste minimisation education and initiatives to reduce commercial waste and exploring ways to increase residential recycling.

In August 2016 we held the Kids Connect event with EnviroSchools, an organisation promoting sustainability programmes in schools. The Kids Connect event consisted of a mix of discussions and activities aimed for the future generation, on sustainability and protecting the environment.

We are working with communities and business to improve the efficiency of water usage.

## HEALTHY PEOPLE

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

We recognise there is a greater focus than ever before on regional resilience and are working with Wellington City Council which has been accepted into the international 100 Resilient Cities programmes. Together we are working with other councils in the region on initiatives to improve resilience.

Wellington Water Limited also has a comprehensive plan, "Shaping

our Future" to assess risks and improvement options across the water supply, waste water and storm water networks. This work will influence investment in these assets for decades to come. Similar work will be required across other core infrastructure areas such as transport, electricity and gas supply networks.

We know resilience begins in the home so we are working to raise people's awareness of opportunities for greater resilience and preparedness, including food security and better use of power and resources through solar panels and rainwater tanks. Improved resilience and preparedness for emergencies will lead to healthier people.

# INFRASTRUCTURE STRATEGY

Infrastructure underpins the quality of life we value and includes essential services often taken for granted such as water, sewerage, stormwater, flood protection, roads and footpaths. The infrastructure strategy provides an integrated, long-term assessment of the city's key infrastructural assets. Our vision is that our infrastructure is resilient, fit for purpose, affordable and meets the needs of today without compromising the needs of tomorrow.

The Infrastructure Strategy contributes to the majority of the community outcomes but is closely linked to an accessible and connected city.

## AN ACCESSIBLE AND CONNECTED CITY

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

Residents' satisfaction with the city water supply and wastewater service remains high. Wellington Water, which delivers our water services, has been working on improving stormwater and wastewater quality in light of changing regulations and consent requirements. Wellington Water tests the quality of our water in accordance with the Drinking Water Standards of New Zealand. Water supplied from the aquifer is tested at the treatment plant at least three times a week, and water in the network is tested at 60 other

sites over 700 times a year. An equally important focus is network resilience and how best to be prepared for events such as an earthquake, as well as foreseeable risks like climate change.

We maintain over 481 kms of road and 728 kms of footpaths. Our roading and traffic team have two clear objectives: to provide a transport network allowing people to travel efficiently and to provide for the safety of motorists, pedestrians and cyclists when they use our roads. Over the year we have led a number of

programmes aimed at promoting active and safe travel, including a walking school bus, cycle training and assisting pupils from low decile schools to participate in the Weetbix TRYathlon by subsidising entry fees, providing bike and fitness training and free loan bikes. Work was also completed on two new roading projects, Hill Road in Belmont and High Street in Petone, designed to improve safety.

In addition to encouraging more people to take up cycling, reducing accidents is one of the goals of our three cycleway projects

covering the Wainuiomata Hill, the Eastern Bays and the Beltway. The three projects were progressed during the current year and when complete will give a significant boost to, and improve the safety of, recreational cycling and walking in our city.

Investigation and design of the Cross Valley Link designed to improve access from State Highway 2 at Petone to Seaview and related suburbs continues. This work is closely related to NZTA's agreed Petone to Grenada link road.

## GOVERNANCE

### A WELL GOVERNED CITY

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

Under the Local Government Act 2002, Council has two purposes:

1. to enable democratic local decision-making and action by, and on behalf of, communities; and
2. to meet the current and future needs of communities for good-quality local infrastructure, local public services,

and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Our last community outcome, a well governed city, responds to these two purposes and spans our four strategies. We aim to build trust and confidence in decision-making by keeping residents well informed and engaged. To achieve this, residents are kept informed through a wide variety of media, including newspapers, radio, Council publications and our website. We also engage and consult widely before making decisions on issues facing the city through public consultation on our policies and bylaws, resident surveys and

partnerships with a wide range of groups. All Council meetings are open to the public, and we are one of the few Councils in the country to schedule our Council meetings in the evening so those who work during the day are able to attend. Council meetings are also live streamed and made available online so people are able to view the meetings in the comfort of their own home.

Over 1200 individuals and groups took up the opportunity to have a say on our 2017-18 Annual Plan. We also surveyed residents through an online residents' panel to ensure views were representative of our community.






Predominantly submitters and residents agreed with Council's decisions, providing confidence that we are on the right track with how we are choosing to invest in the city.

Our high level of consultation with the community is reflected in the 2016 Quality of Life Survey, where Hutt City respondents were more likely than average to indicate that they felt they had an influence on Council decisions.

Hutt City Council retained its excellent credit rating with an AA long-term and A-1+ short term credit ratings from Standard and Poors, one of the world's leading providers of credit ratings.

## HOW COUNCIL PERFORMED IN 2016-2017

Council uses five key performance indicators to assess its overall performance:

Budget management		Net operating and capital expenditure was managed within budget despite increased costs on some major projects.
Customer satisfaction		Resident satisfaction remains high with 88% satisfied. It has dropped slightly from last year, however this is likely to be result of the change in research approach.
Staff perceptions		The overall score in the workplace survey increased slightly to 68.7%, less than the target of 72% but higher than the local government benchmark of 62.6%.
Project completion		In 2016-17 Council committed to an ambitious target of completing over 200 projects. A number of projects were delayed and are due to be completed in 2017-18.
Compliance		There were no significant instances of non-compliance.

 Fully achieved     Mainly achieved     Not achieved

## CUSTOMER RESEARCH:

Providing the best local government services is a key priority for Council. To achieve this we need to know how satisfied our customers are, how we can do better and what is most important to our customers so we can prioritise and deliver better value for the community. To answer these questions we changed our research approach and provider in 2016-17 (there is more on this in the full report). While we believe the change has delivered the answers we need to build on the service we already offer, it has meant the 2016-17 results are not directly comparable to previous years' results or the target. This has resulted in us not achieving some of the targets sourced from customer research. We know the difference in results is likely to be due to the change in research approach, rather than an actual change in performance, due to parallel testing completed in 2015-16.

### LEISURE AND WELLBEING

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Libraries	● All measures covering visitor numbers and library stock turnover were achieved. Resident satisfaction and usage results were slightly below target. This is likely to be due to the change in research approach and provider.
Museums	● All measures covering visitor numbers and satisfaction with education programmes were achieved. Resident satisfaction results were below target. This is likely to be due to the change in research approach and provider.
Aquatics and Recreation	● All measures concerning resident/user satisfaction, recreation programme usage and accreditation were achieved. Resident's use of pools and cost per visit below target due to poor weather and refurbishment at Huia Pool.
Parks and Reserves	● All measures covering resident satisfaction, sports field standards, area of parks and reserves, and maintenance and development standards were achieved. Measure concerning residents' usage of parks and reserves was below target. This is likely to be due to change in research approach and provider.
Community Safety and Connections	● All measures covering community organisations' satisfaction with funding service and residents' perceptions of safety in the city during the day were achieved. Residents' perception of safety after dark was below target. This is likely to be due to the change in research approach and provider.
Community Facilities Development	● All measures covering Walter Nash Centre, Fraser Park Sportsville, Walter Mildenhall Park Redevelopment and Community Facilities Trust were achieved.
Regulatory Services	● All measures covering dog pound, response to dog complaints, registration/licensing of food premises, and response to noise complaints were achieved. Residents' satisfaction with animal services was below target. This is likely to be due to the change in research approach and provider.
Emergency Management	● All measures covering time to activate Emergency Operations Centre and development of community response plans were achieved. Measure concerning household emergency preparedness was not achieved due to a change in how preparedness is defined and research approach and provider.

### ORGANISATION

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Elected Members	● Residents' satisfaction with the Mayor and Councillors, the way rates are spent and public consultation below target. This is likely to be due in the change in research approach and provider.
Advice and Support	● All measures achieved covering satisfaction with formal advice received and responses to requests for help from Council officers.
Support Services	● All measures covering staff turnover, compliance with legal and policy requirements and work-related accidents achieved.

### INFRASTRUCTURE

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Roading and Traffic	● Nearly all technical measures and three resident satisfaction measures were achieved. Remaining resident satisfaction measures were not achieved. This is likely to be due to the change in research approach and provider.
Water Supply	● Achieved majority of water supply measures including resident satisfaction, compliance with standards, number of complaints, median response time for urgent callouts and quality and reliability of water supply. Remaining measures including, non-urgent callouts, water consumption and loss not achieved by a slim margin.
Wastewater	● All measures achieved covering resident satisfaction, infringement notices, reliability of service, response to disruptions, number of complaints, response time for overflows and breaches of resource consents achieved. Dry weather wastewater overflows not achieved by a slim margin.
Stormwater	● Majority of stormwater measures achieved including reliability of service, water quality at recreational beaches, pipeline blockages, complaints, response time, breaches of resource consents and flood protection. Resident's satisfaction target not achieved however is likely to be due to the change in research approach and provider. Number of flood events and number of habitable floors flooded not achieved following the November 2016 earthquake. Nearly all (85%) of the flood protection and control works programme was completed.
Solid Waste	● Targets concerning residents' satisfaction with rubbish collection and compliance with resource consents achieved. Target for resident satisfaction with refuse disposal was not achieved.

### GROWTH, DEVELOPMENT AND SUSTAINABILITY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Local Urban Environment	● Four measures covering Suburban Shopping Centres improvement fund, residents' satisfaction with litter control and recycling, and the amount of recycling were achieved. Measures not achieved include development of the Events Centre and residents' sense of pride in the city.
Economic Development	● Urban Growth Strategy measures covering population growth and number of new homes were achieved. Economic performance measures not achieved. This is likely to be due to changes in the data collection for major sectors.
Environmental Consents	● All measures were achieved.
Environmental Policy	● Measure covering statutory processing timeframes was achieved.
City Promotions	● All measures covering major and minor events in the city achieved. Measure concerning resident satisfaction with i-SITE Visitor Information Centre not achieved, likely to be due to the change in research approach and provider.



# FINANCIAL OVERVIEW

## OUR RESULTS FOR THE YEAR

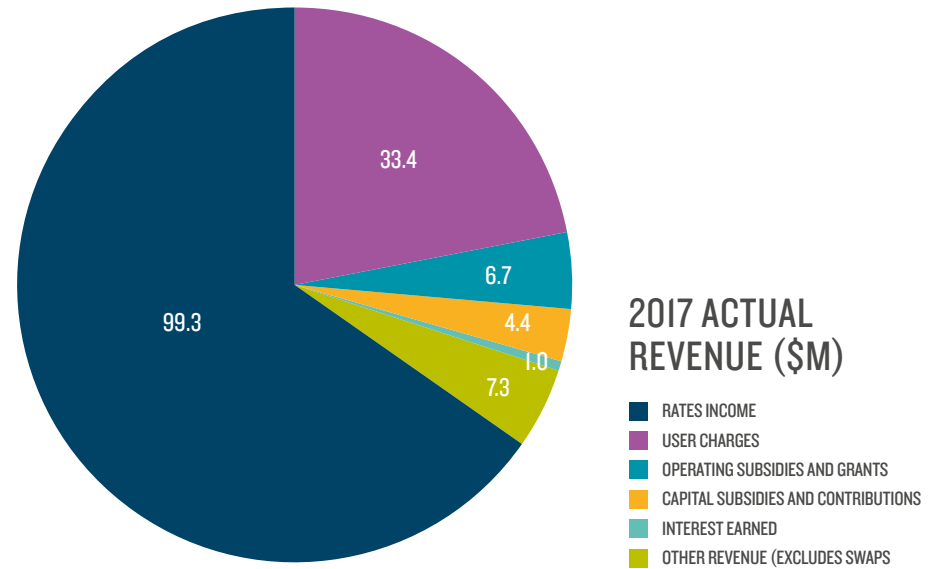
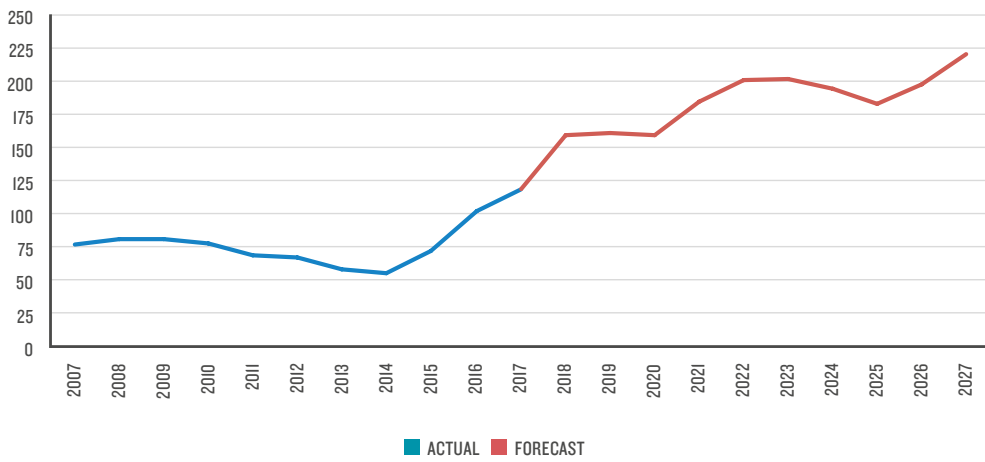
The net surplus or deficit is the difference between income received and expenses incurred during the year.

The Council recorded a net deficit, inclusive of grants paid to the Hutt City Community Facilities Trust (CFT) but excluding gains/losses on property disposals and the revaluation of financial instruments, of \$4.9 million compared to a budgeted net deficit of \$14.6 million.

The favourable difference of \$9.7 million is mainly due to grants paid to CFT being \$10.6 million under budget. The net deficit does not include \$5.2 million in gains from the revaluation of financial instruments. The latter is a non-cash item and does not have an impact on debt.

Capital expenditure was also significantly under budget, by \$42.3 million.

### NET DEBT (\$M)

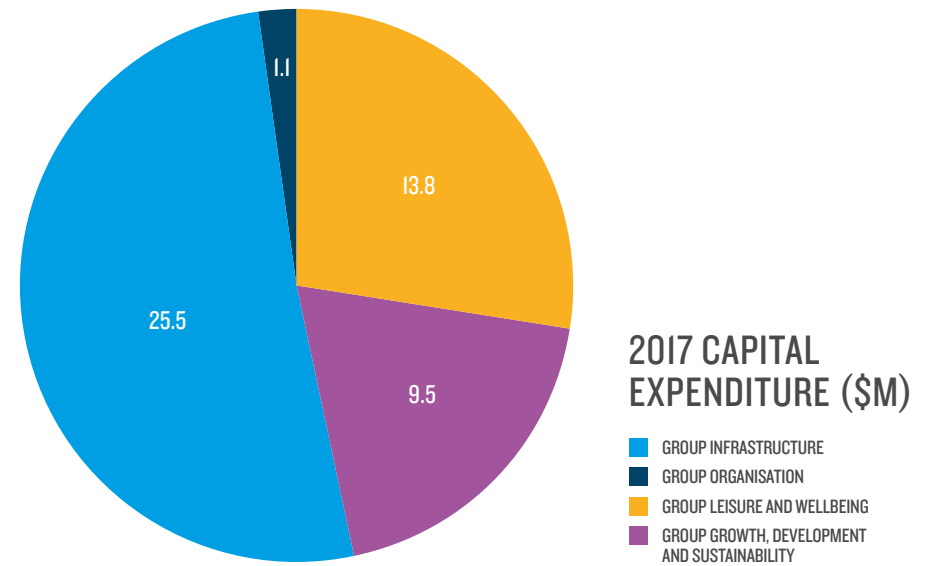
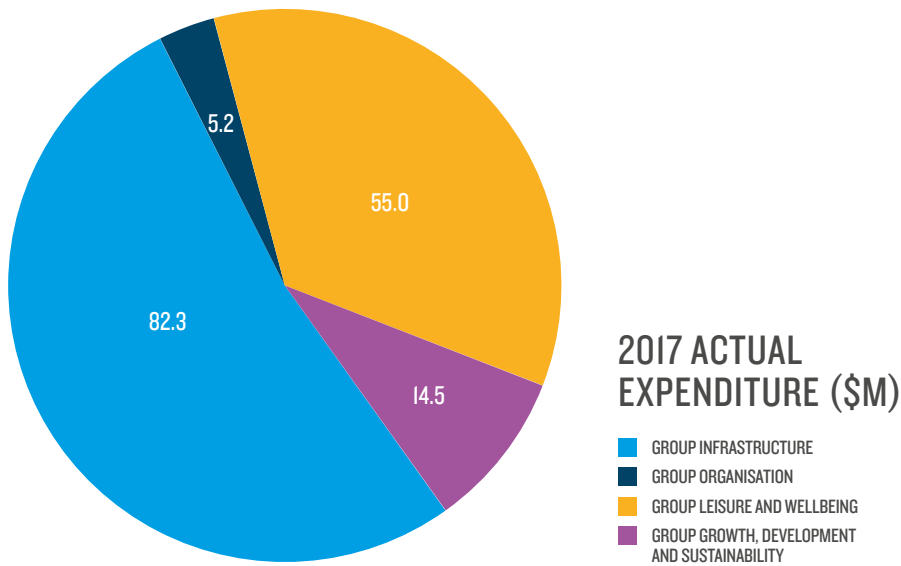


### DEBT

This graph shows Council's historic actual debt and forecast debt. Council's financial strategy was altered during the year, replacing the five yearly \$125 million net debt maximum limits with maximum limits aligned to affordability (revenue), and providing capacity for further borrowing for future Councils. As a result of the favourable operating and capital variances during the year, net debt at the end of the year, excluding borrowing on behalf of Council's CCO's, was \$118.7 million compared to a budget of \$152.3 million. Throughout the year, Council operated within its other borrowing limits as shown in the report on financial policies contained in the full Annual Report.

### REVENUE

This graph shows where Council's revenue comes from. Total revenue for the year (excluding gains on property disposals and the revaluation of financial instruments) was \$152.1 million which was \$2.3 million below budget. \$99.3 million (65.3%) comes from rates with \$33.4 million (22%), from fees and charges. The balance is made up predominantly of subsidies and grants. The main reason for the difference between budgeted and actual revenue was lower capital subsidy receipts from delays in completing planned road and cycleway projects.



### EXPENDITURE

This graph shows where Council's operating expenditure was spent during the year. Total expenditure for the year (excluding losses on property disposals and the revaluation of financial instruments) was \$157.0 million which was under budget by \$12.0 million. Maintaining infrastructure is a major portion of Council spending at \$82.3 million. Council also spent some \$55.0 million providing community facilities and services. A smaller portion of \$14.5 million was for the provision of services for the environment and economy, with the remainder being for governance and support of the organisation. The main reason for the difference between budgeted and actual expenditure was the deferral to 2017/18 of grant payments to CFT for community related rejuvenation projects, lower than budgeted interest expense from lower than planned debt levels and lower market interest rates.

### CAPITAL EXPENDITURE

Capital expenditure is money spent on assets to improve levels of service, to meet additional demand, or to replace existing assets. The graph above shows where capital was spent during the year across Council's core groups. Council's planned capital expenditure programme was \$92.2 million. Council had a target to achieve at least 80% (\$73.7m) of its capital programme. Actual capital spent this year was \$49.9 million which was well below this target. Replacing and improving infrastructure made up almost \$25.5 million of Council capital spending, \$13.8 million was spent on providing community facilities, \$9.5 million was spent on environmental and economic facilities, and \$1.1 million on organisational support facilities. The most significant underspends were for the road and cycleway projects and the Events Centre project both non infrastructure. Almost all of the unspent budgets for these and a number of other incomplete projects have been carried over to be completed in 2017/18.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

The Statement of Comprehensive Revenue and Expenses represents Council's financial performance for the year. Total revenue for the year was \$158.0 million with expenses of \$157.0 inclusive of \$4.8 million in grant payments to CFT. The overall comprehensive revenue for Council was \$1.0 million.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2017	COUNCIL			GROUP	
	ACTUAL 2017 (\$000)	BUDGET 2017 (\$000)	ACTUAL 2016 (\$000)	ACTUAL 2017 (\$000)	ACTUAL 2016 (\$000)
Total revenue	157,950	154,438	144,899	163,332	149,763
Finance costs	(6,145)	(7,187)	(5,561)	(6,145)	(5,561)
Loss on revaluation of financial instruments	-	-	(7,991)	-	(7,991)
Operating expenditure excluding finance costs and loss on revaluation of financial instruments	(150,831)	(161,813)	(147,226)	(150,129)	(146,816)
Share of associate's surplus/(Deficit)	-	-	-	(52)	84
<b>Surplus/(deficit) before tax</b>	<b>974</b>	<b>(14,562)</b>	<b>(15,879)</b>	<b>7,006</b>	<b>(10,521)</b>
Income Tax expense	-	-	-	-	-
<b>Surplus/(deficit) after tax</b>	<b>974</b>	<b>(14,562)</b>	<b>(15,879)</b>	<b>7,006</b>	<b>(10,521)</b>
Gain/(losses) on property revaluations	-	-	89	6,054	89
Deferred tax on revaluation	-	-	-	-	79
<b>Total other comprehensive revenue and expenses</b>	<b>-</b>	<b>-</b>	<b>89</b>	<b>6,054</b>	<b>168</b>
<b>Total comprehensive revenue and expenses attributable to Hutt City Council</b>	<b>974</b>	<b>(14,562)</b>	<b>(15,790)</b>	<b>13,060</b>	<b>(10,353)</b>

## NET EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017	COUNCIL			GROUP	
	ACTUAL 2017 (\$000)	BUDGET 2017 (\$000)	ACTUAL 2016 (\$000)	ACTUAL 2017 (\$000)	ACTUAL 2016 (\$000)
Equity at the beginning of the year	1,252,918	1,266,496	1,268,708	1,279,327	1,288,218
Total comprehensive income	974	(14,562)	(15,790)	13,060	(10,353)
Adjustment to deferred tax on transition to PBE accounting standards	-	-	-	-	1,462
<b>Equity at the end of the year</b>	<b>1,253,892</b>	<b>1,251,934</b>	<b>1,252,918</b>	<b>1,292,387</b>	<b>1,279,327</b>

The table above shows the equity at the start of the year plus the net surplus/(deficit) achieved during the year.

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of Council is the difference between assets (what Council owns), and liabilities (what it owes). The Council has assets of \$1.45 billion with liabilities of only \$0.19 billion.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017	COUNCIL			GROUP	
	ACTUAL 2017 (\$000)	BUDGET 2017 (\$000)	ACTUAL 2016 (\$000)	ACTUAL 2017 (\$000)	ACTUAL 2016 (\$000)
Current assets	43,776	35,756	24,322	42,322	30,228
Non-current assets	1,404,270	1,430,625	1,398,426	1,446,095	1,420,135
<b>Total Assets</b>	<b>1,448,046</b>	<b>1,466,381</b>	<b>1,422,748</b>	<b>1,488,417</b>	<b>1,450,363</b>
Current liabilities	51,361	59,865	28,757	53,237	29,963
Non-current liabilities	142,793	154,582	141,073	142,793	141,073
<b>Total liabilities</b>	<b>194,154</b>	<b>214,447</b>	<b>169,830</b>	<b>196,030</b>	<b>171,036</b>
Net assets	1,253,892	1,251,934	1,252,918	1,292,387	1,279,327
<b>Total equity</b>	<b>1,253,892</b>	<b>1,251,934</b>	<b>1,252,918</b>	<b>1,292,387</b>	<b>1,279,327</b>

## STATEMENT OF CASH FLOW

Cash flow represents the movement through receipts and payments of all cash including loans raised and repaid. The net cash from operating activities was close to budget. Net cash outflow from investing activities and cash inflow from financing activities largely offset each other with both under budget mainly due to the under spend in planned capital expenditure.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017	COUNCIL			GROUP	
	ACTUAL 2017 (\$000)	BUDGET 2017 (\$000)	ACTUAL 2016 (\$000)	ACTUAL 2017 (\$000)	ACTUAL 2016 (\$000)
Net cash flow from operating activities	31,714	21,070	22,890	35,617	27,351
Net cash flow from investing activities	(55,983)	(72,183)	(52,574)	(58,861)	(57,334)
Net cash flow from financing activities	27,920	51,113	24,920	27,920	24,920
<b>Net cash flow for the year</b>	<b>3,651</b>	<b>-</b>	<b>(4,764)</b>	<b>4,676</b>	<b>(5,063)</b>

## GROUP HIGHLIGHTS

The group consists of Council, its subsidiaries Seaview Marina Limited, UrbanPlus Limited and Hutt City Community Facilities Trust (all 100% owned) and associate Wellington Water Limited.

GROUP HIGHLIGHTS	2017 (\$M)	2016 (\$M)	2015 (\$M)	2014 (\$M)	2013 (\$M)
Net Surplus	7.0	(10.5)	3.7	1.4	1.8
Total assets	1,488.4	1,450.4	1,425.7	1,346.6	1,370.2
Total liabilities	196.0	171.0	137.5	118.7	120.5
Total equity	1,292.4	1,279.3	1,288.2	1,245.9	1,249.7

## NOTES

- The specific disclosures included in the summary financial report have been extracted from the full financial report. The full financial statements have been prepared in accordance with Tier 1 PBE Standards.
- The summary financial report has been presented in New Zealand dollars.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The full financial report dated 18 October 2017 has received an unmodified audit report. A copy of the financial report may be obtained from the Council's website [huttcity.govt.nz](http://huttcity.govt.nz) from mid November 2017.
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unmodified auditor's report is included with this summary annual report.
- This summary financial report has been prepared in accordance with PBE FRS-43.
- This summary Annual Report was authorised by the Chief Executive Officer of the Hutt City Council on 10 November 2017.



# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## TO THE READERS OF THE HUTT CITY COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

The summary of the annual report was derived from the annual report of the Hutt City Council (the City Council) and group for the year ended 30 June 2017.

The summary of the annual report comprises the following summary statements on pages 4 to 7:

- the summary statement of financial position as at 30 June 2017;
- the summaries of the statement of comprehensive revenue and expenses, net equity and statement of cash flow for the year ended 30 June 2017;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service provision.

### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2017 in our auditor's report dated 18 October 2017.

### Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary annual report, we have reported on the full annual report, and carried out an assurance review of the City Council's Debenture Trust Deed which is compatible with those independence requirements. Other than this reporting and the assurance review, we have no relationship with, or interests in the City Council or its subsidiaries.



Andrew Clark, Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand  
10 November 2017

