



Whakarāpopoto Pūrongo ā-tau 2019-2020 Annual Report Summary 2019-2020



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Tō Tātou Tāone Our City

POPULATION

108,700



Median age: **36.9 YEARS**

26%
born overseas

18%
Māori
17% nationwide

12%
Pacific
8% nationwide

15%
Asian
15% nationwide

4.7%
Te Reo Māori
speakers

23%
speak two or
more languages

EDUCATION

18%
have no
qualification

15%
have a
**bachelor's
degree** or
higher

87%
have access to
the internet

Median
weekly
rent
\$300

37,278

occupied
private
dwellings

Average
house
value:
\$661,610

**54% own or partly own
their own home**

93%
have access to
a cellphone/
mobile phone





Median personal income

\$34,700

4.8% unemployed

TRANSPORT

HOW WE TRAVEL TO WORK:



14%



66%



6%



4%



2%



1%



8%

work from home

ELECTED MEMBERS



MAYOR
Campbell Barry

CITYWIDE



Brady Dyer



Deborah Hislop



Josh Briggs



Naomi Shaw



Shazly Rasheed



Simon Edwards



WESTERN WARD
Chris Milne



CENTRAL WARD
David Bassett



HARBOUR WARD
Tui Lewis
(Deputy Mayor)



NORTHERN WARD
Leigh Sutton



EASTERN WARD
Andy Mitchell



WAINUIOMATA WARD
Keri Brown

Ko Tā Mātou Whakakitenga mō Te Awa Kairangi Ki Tai Our Vision for Lower Hutt

A thriving city

What: A city that is financially sustainable, fair, and where we think about the next generation. A city that our people are proud to live in, where working and investing is a smart choice, where there's always something for our families to explore and where everyone has opportunities to thrive.

Why: Our vision to be a thriving city means we need good public services provided where and when needed, investment in our assets for future generations, to nurture our natural environment, work with our communities to be the best we can be, and focus our attention on climate change and a sustainable future.

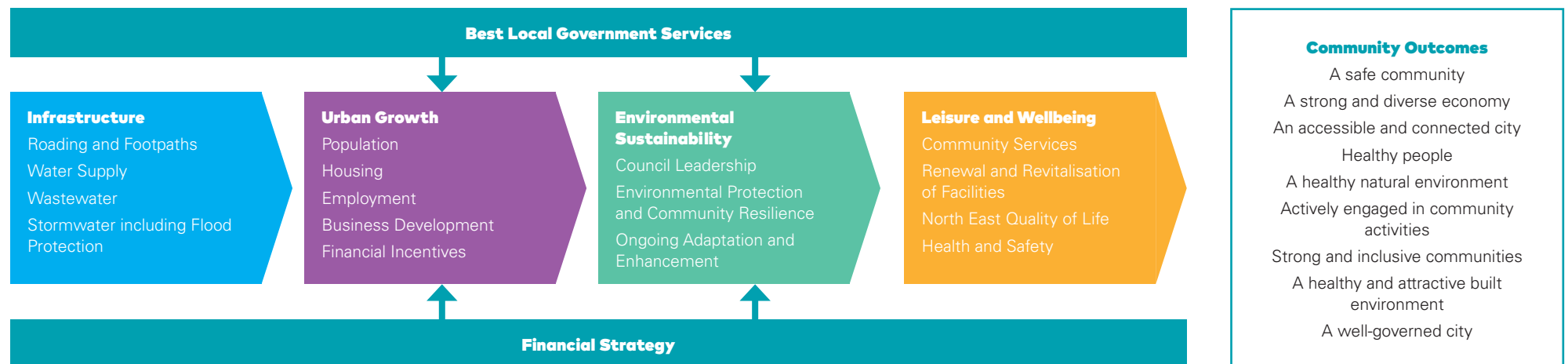
We also need to manage our finances prudently and ensure that our rates, fees, charges and costs are fair and shared equitably across the generations that will benefit from the services provided. Our everyday costs must be paid for within our means and borrowing for these should never be an option.

How: Council currently has four key strategies which were developed to help us achieve our vision. These are:

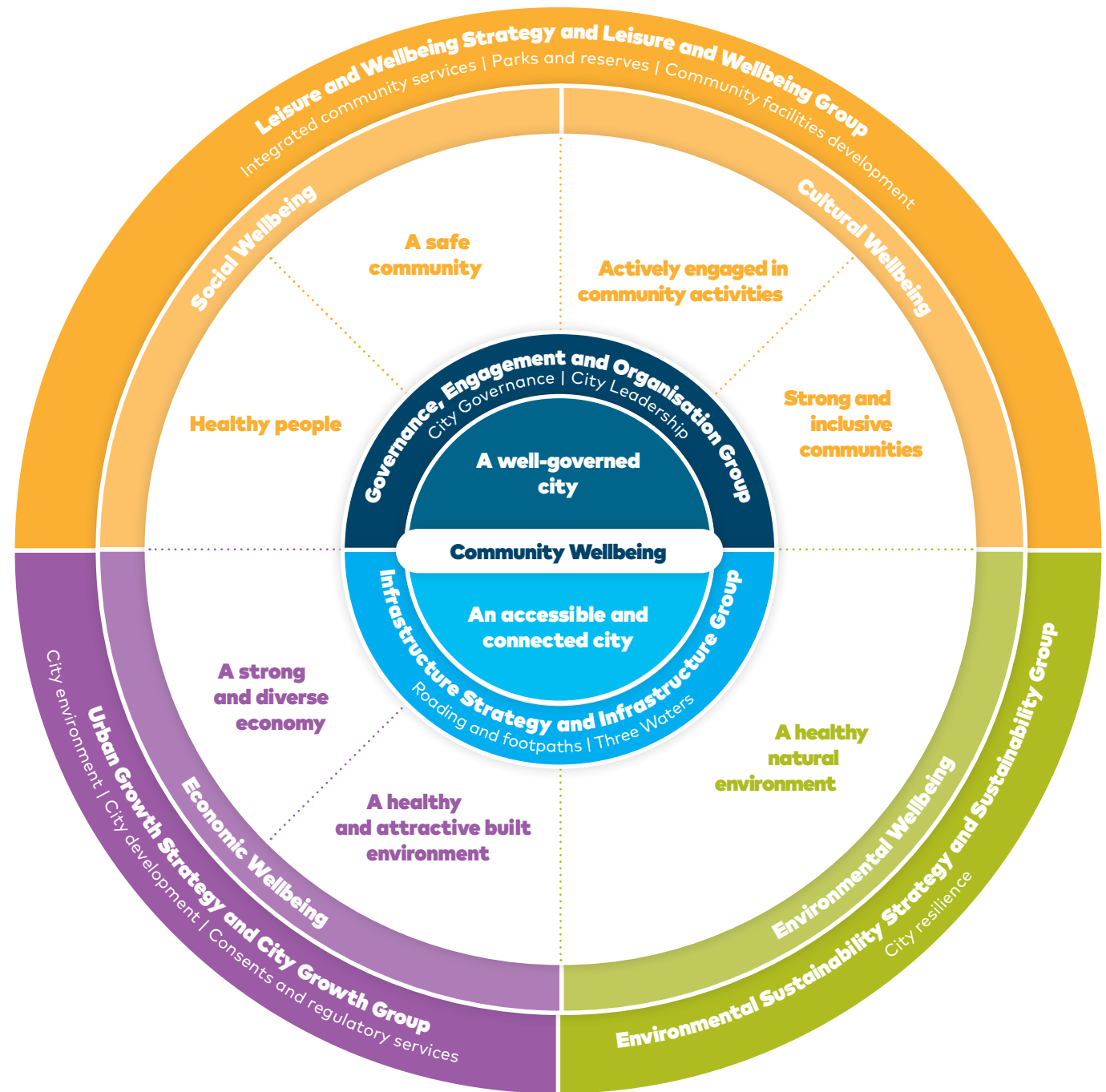
- The Infrastructure Strategy 2018-2048.
- The Urban Growth Strategy 2012-2032.
- The Environmental Sustainability Strategy 2015-2045.
- The Leisure and Wellbeing Strategy 2012-2032.

These strategies have served Council well in the past. However, given the considerable challenges the city is facing as a result of COVID-19 together with the need to invest in our water infrastructure as well as other major projects of the future such as Naenae Pool and fitness centre and our investment in things like roads and cycleways, these strategies and associated projects need to be reviewed.

As we move towards the 2021-2031 Long Term Plan, we will be working alongside you to develop a city plan – a new plan for a thriving Lower Hutt.



Community wellbeing is at the centre of everything we do. Our purpose as a council is to promote the social, economic, environmental and cultural wellbeing of our communities, both now and looking into the future. Our community outcomes provide a focus for our work in each of these areas. While most Council activities contribute in some way to the majority of our community outcomes, our key strategies and organisational structures have a strong alignment to particular components of wellbeing.



E ngā muka tangata kua rangitāmirotia nei e ngā wai tuku kiri e korowaitia ana tēnei whenua taurikura, e ngā ihoiho o ngā mounga whakahī e karapoti ana i a tātou, ngā iwi, e noho koni ahi ana i Te Awa Kairangi, tēnā tātou katoa.

To the people who have bound themselves to the waters of this region which give us protection and sustenance, to the lofty mountains that surround us, to tribes and people who live here and have lit their fires in Te Awa Kairangi, my acknowledgements and mihi.

He Kupu nā Te Koromatua Campbell Barry

Message from Mayor Campbell Barry

The 2019/20 financial year has presented challenges we never thought we would have to confront. However, in the face of these challenges we have made significant progress in tackling a range of issues, from transport right through to infrastructure and housing supply, all while managing the effects of COVID-19.

Lower Hutt's transport infrastructure got a major boost in the past financial year with an announcement that the Government will be funding the new Melling Interchange. Set to be completed by 2026, the project will improve transport safety, reliability, and choice. It is a critical part of the flood protection work underway to safeguard the long term future of residents and businesses.

Hutt City Council has also sought Government funding to improve local infrastructure, as part of its call for "shovel ready" projects. Council applied for funding for nine projects, including housing developments led by Council's social housing arm Urban Plus, Three Waters infrastructure

improvements, the Eastern Bays Shared Path, and a rebuild of the Naenae Pool and Fitness Facility.

Lower Hutt continues to face challenges around local housing supply and affordability, especially as we experience sustained population growth. We implemented Plan Change 43 to help alleviate this stress, which introduces medium density housing across eight suburban centres around Lower Hutt. Plan Change 43 provides our people with more housing options by reducing barriers to infill developments and minor dwellings.

Council recognises that district plan changes won't immediately help our people who need access to housing in Lower Hutt. That is why we have also developed a local homelessness strategy, and are investing in services that focus on prevention and addressing Lower Hutt's homelessness problem.

No one expected that a global pandemic would be our main financial challenge for the last financial year. The impacts



that COVID-19 had on our city are clear: revenues are down, and it has shone a light on longstanding deprivation and needs. However, in the face of these effects, Council has responded with a significant range of measures to soften the impacts of the pandemic.

In March, we created the Community Resilience Fund, providing \$100,000 worth of funding to community groups in Lower Hutt, and a further \$30,000 to help sport and recreation groups to get up and running again. The fund has enabled groups to store and package food, keep people connected, and purchase tech items to facilitate virtual consultations in health clinics.

To further ease the financial stress on our people, we adopted a new rates policy to support ratepayers, and extended this to businesses for the first time in Council's history. We also provided a range of welfare checks to those needing it most. These included food grants, check-in calls to the elderly to support MSD, and lending vehicles to the community so that food and sanitation packages could be delivered to families in need.

Staff directly employed by Hutt City Council have received the living wage since 2018. Until recently, this did not apply to staff who work for contractors delivering services on our behalf. That changed for our street cleaners and litter control employees when InterGroup, Council's street cleaning contractor, agreed to pay their workers the living wage as part of negotiations undertaken during the contract's recent renewal.

The past year was one full of challenges no one could ever predict, particularly the emergence and impact of the COVID-19 pandemic. Despite these challenges our Council team has been focused on tackling the big issues facing our city. We have adopted a back-to-basics approach, and have worked hard to find a balance between investing in key infrastructure and providing some relief to our ratepayers.

Our financial strategy is clearly working. Recently Standard & Poor's (a global credit rating agency) informed



Mayor Barry at the Pōhiri for the new Council, Waiwhetū Marae

us that we have retained our AA credit rating with a stable outlook. Council is being recognised for our responsible and prudent financial management, which will ultimately enable us to invest in the basic infrastructure and services our city expects and relies on every day.

The coming year is all about developing our Long Term Plan, which sets out Council's plans for the ten years ahead. We know in the coming decade we have some major challenges we have to tackle, particularly the required investment in critical infrastructure. Ultimately our back-to-basics approach, coupled with our strong balance sheet will ensure we are well positioned to do this. However, there will be some hard conversations with the community to understand the services we all value,

and how we can best prioritise our spending.

Whatever the coming year brings, our Council will be working alongside all of our communities to address the biggest issues we face, and to build a city where all of our people thrive. It is an absolute privilege to serve Te Awakairangi as Mayor. I'm looking forward to engaging with you in the year ahead as we continue our work to make Lower Hutt the best place it can be.

**He ao te rangi ka ūhia, mā te kahukura te manu ka rere.
Just as the clouds adorn the sky, a cloak of feathers
enables the bird to fly.**

Campbell Barry, Te Koromatua | Mayor

**He tātai muka, he tātai tangata - Tuia i runga, tuia i raro, tuia i roto, tuia i waho,
tuia te here tangata, ka rongo te pō, ka rongo te ao. Tuia te muka tangata i
takea mai i ngā Hawaiki, whiria te taura e here nei i te tangata ki hēnei whenua
- te ūkaipō, te ūkaiao o tātou katoa - ki Te Awa Kairangi ki Tai e tū nei.**

Weave together the strands, weave together the people - fasten above, bind below, unite from within, unify the outer, bring together the people.
Unite the many people and cultures that descend from far off lands and are now bound to this place that sustains us

He Kupu nā Te Tumu Whakarae Jo Miller Message from Chief Executive Jo Miller

This has been a challenging year for our city, our community and all of Aotearoa. There is no doubt that we will continue to work and live in an environment characterised by uncertainty and change for the foreseeable future. As a Council this means we need to be nimble and clearly focused on serving our community well. We must balance our books to ensure our long term financial sustainability and target resources to the job at hand – not only getting us through, but getting the basics right and, together with our community, making a secure and thriving future for all.

I started in the role of Chief Executive in July 2019 and was warmly welcomed with a Pōhiri at Waiwhetū Marae. I set about learning about our city and establishing relationships across the community, with other councils in the Wellington region and key central and local government stakeholders.

During the first six months of this financial year, Council made some significant steps towards new ways of engaging and working with our communities. The Voice of the Community Report was released on Naenae Pool and town centre. This project represents our undertaking to, and first steps towards, meaningfully engaging with our community and providing clear direction on what is important to residents.

The organisation's commitment to this "new way" is reflected in other areas of our work with our community and includes strengthening our relationship with mana whenua, creating a better way of progressing efforts to protect our indigenous biodiversity and addressing housing issues such as affordability, supply, quality and ownership. Transparent processes and putting more power in the hands of our community is reflected in ensuring that council briefings are open to the public and improving online access to Council papers and meetings.



Jo (right) with Naenae residents Davinia, Ora and Annette.

By the end of 2019 I signalled that a new leadership structure would be put in place to provide capability and capacity and better reflect our community. This team is now established with a broad range of portfolios with a modern focus and includes a new role of Kaitātari Tumuaki (Principal Māori Advisor). This role will help cement our relationship with mana whenua/lwi and improve our understanding and connectedness with Māori views and aspirations.

Our response to COVID-19 dominated the second half of the year and now influences almost everything we do. Having a connected, resilient and inclusive city where all of our people thrive - Kia noho māi tēnei tāone hei pou herenga waka, hei pou herenga kaupapa, hei wāhi whai hua ki hōna iwi - became the emerging goal as we sought to keep our community safe and able to recover from the impact of COVID-19.

During lockdown we continued to provide essential services and made supporting our people and the business community our number one priority. We developed and implemented a COVID-19 Response Plan putting in place a number of initiatives to relieve financial pressure and stress on our community.

We worked hard to reduce the approved pre-COVID-19 rates rise by more than half to 3.8%, with the majority of the increase going directly into Three Waters infrastructure to redirect resource to where it was most needed, finding \$3million in savings with staff playing their part and accepting a pay freeze. As well as making savings we worked at speed to reconfigure services. We invested to save – our technology is outdated and if we are to take advantage of enabling staff to work remotely and our people to access services easily on line we must, and have, invested in this. COVID-19 gave us a glimpse of how being cut off from services for long periods of time can impact on people's wellbeing – technology can provide some of the answers.

In many ways our experiences meant we could change the way we worked and what we could offer our



community faster. Our work with the Hutt Valley Chamber of Commerce, for example, saw our events team redirected to support local businesses. The Love Local campaign was launched and an online resource hub was established along with a Facebook group for businesses to connect with one another. More than 20 livestreams from experts provided critical business advice during lockdown and this service will continue to be offered.

COVID-19 impacted financial performance for the year, mainly due to the closure of pools, libraries and museums. Despite this Council achieved a \$4.8 million improvement on the Annual Plan budgeted operating deficit of \$23.9 million. Capital investment of \$40.4 million was delivered across the Council group during the year. This included core infrastructure investment of \$11.8 million for Three Waters and \$8.3 million for transport related projects.

Operating deficits have been, and continue to be, forecast for the future. We are focused on returning a balanced

budget for our governors and our city. News of our continued high credit rating from Standard & Poor's was welcomed and provided independent backing that our financial strategy and outlook is strong. My thanks to the finance team for providing clear and timely advice.

At this time our values Manaakitanga – show you care, Te Hononga – be connected and Kia Kaha – have courage have never been more meaningful and more relevant.

Thank you to our staff for your service and dedication throughout the year.

Kia kōmiroa, kia whiria ngā weu kia ū, kia roa, kia pītongatonga ai te taura.

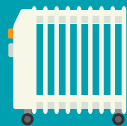
As we weave together new strands into our rope, we lengthen and strengthen the essence within.

Jo Miller, Tumu Whakarae | Chief Executive

Te Mate Korona - Tō Tātou Urupare COVID-19 - Our City Responds

EMERGENCY OPERATIONS CENTRE & WELFARE

DURING LOCKDOWN WE DELIVERED



600
HEATERS

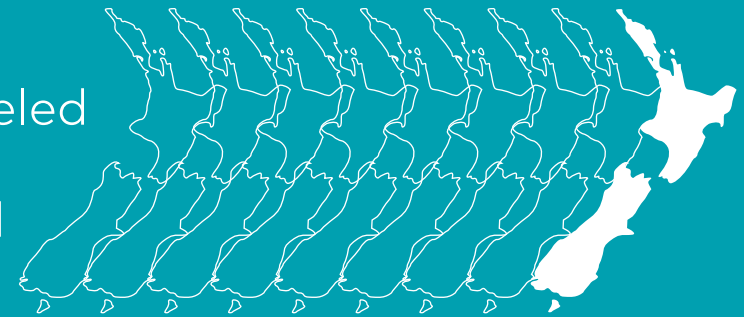


10,500
FOOD PARCELS

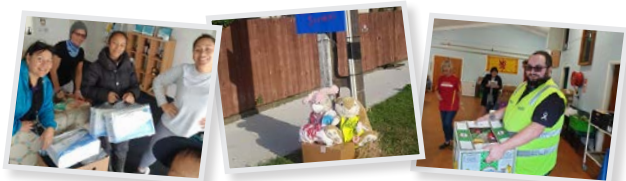


1,800 SANITATION PACKS

Our delivery vehicles traveled equal to **9X THE LENGTH OF NZ**



COVID-19 RESPONSE PLAN



OUR STAFF

32 supported **Hutt Emergency Operations Centre**

100 joined **Team Manaakitanga** making deliveries and supporting community



NO PARKING CHARGES



NO LIBRARY FINES

\$26K

GRANTED TO COMMUNITY GROUPS

\$8K

GRANTED TO SPORT AND RECREATION

696
MEMBERS

of the **Hutt Valley COVID-19 Business Support Group** Facebook group



Rang elderly members of the community to support MSD

RATES POSTPONEMENT POLICY

new and extended to businesses for the first time

504 New rates payment arrangements

Responded to **254** rates emails relating specifically to COVID-19

ESSENTIAL SERVICES

OVER LOCKDOWN WE MAINTAINED



water network



street cleaning



roading



rubbish & recycling



public toilets



GOING ONLINE

5

**COUNCIL/
COMMITTEE
MEETINGS**

held via Zoom during lockdown

**CREATED
VIRTUAL
CONTACT
CENTRE**

90 HOUSEHOLDS

received free modems and affordable internet

85% OF STAFF WORKED FROM HOME

LIBRARIES AND MUSEUMS



2X
eBook
downloads

4X
Video
streaming

155 NEW
online library memberships
processed

81,000 PEOPLE took part in online activities from Libraries and Museums





**Te oranga i
tō tātou tāone
Wellbeing in our city**

The four wellbeings

The Local Government (Community Wellbeing) Amendment Act 2019 restored the four aspects of community wellbeing. The reintroduction of these wellbeings - social, economic, environmental and cultural - recognises the work local councils do to deliver wellbeing outcomes for their communities. It also explicitly acknowledges the broader role local councils have in fostering liveable communities rather than simply being providers of core services.

Te Awa Kairangi is a city of diverse cultures and communities with passionate people who have strengths and considerable energy, creativity, expertise and potential on which to build. The city also faces challenges with many in our communities experiencing poor health and wellbeing, poor educational attainment, higher unemployment, low incomes and higher vulnerability to crime.

We continue to work actively alongside and for our community to ensure that everyone has an opportunity to thrive socially, economically and culturally and live in an environment that is nurtured and life sustaining for future generations.



Oranga pāpori Social wellbeing



9,977

DOG REGISTRATIONS



76%

of households prepared for an emergency lasting 4-7 days



95%

of dog attacks responded to in 30 minutes or less



97%

of residents feel safe in their local neighbourhood



Play in the Hutt nominated for Sports New Zealand Community Impact Award



ONE OF TWO COUNCILS with Beach Access Mats for disability accessibility





A safe community

Ensuring that our people are prepared for emergencies remains a key focus of Council and our regional partners. We work with our communities to make sure they have enough food and water for seven days. Three quarters of households report having sufficient provisions for at least four days.

Feeling safe when out and about is vital to people's sense of wellbeing. Nearly all residents feel safe during the day in their local neighbourhood (96%) and in our city centre (97%). The feeling of safety at night is not as strong with 81 percent feeling safe in their local area and only 68 percent feeling safe in our city centre.

Lower Hutt residents love their dogs and we have 10,000 of our canine friends living with us in our city. Our Animal

Services staff work in the community to teach families about safety around dogs, and respond to dog attacks quickly (95% in 30 minutes or less). Our rehoming programme for stray dogs is known nationally for its success rate.

Urban Plus Limited (UPL), have partnered with Hutt City Council and Wellington City Mission to support people into longer-term sustainable and permanent housing. At the end of 2019, UPL purchased the former Te Omanga Hospice site, Britannia House. Wellington City Mission is now managing Britannia House and providing safe, warm and secure transitional housing for people who are homeless. This partnership complements the implementation of the Homelessness Strategy, a city-wide partnership approach to reducing homelessness in Lower Hutt.

Healthy people

Participation in sport and recreation plays a key role in improving the physical and psychological wellbeing of our people.

Sport and recreation provides the catalyst for community gatherings, from small functions to major events, where people play, talk and share experiences. It has a positive effect at many levels of our society. Sport and recreation also contributes to lifelong learning. As an example, volunteers such as sports administrators, coaches and officials can develop new skills through training and professional development courses.

Most of our community report that they (97%) undertake 30 minutes of moderate exercise at least once a week and three quarters (75%) of residents are members of at least one sport or recreational club, gym or fitness centre, or social/work sports team.

95%

of residents do **30 minutes of exercise** once a week



75%

Residents who regularly **take part in a sport or physical activity**

Oranga ahurea Cultural wellbeing

Free concert -
Symphony in the Hutt

1,000

LOCALS ATTENDED



Epuni community empowerment and
growth project

\$100K

allocated over two year period



100

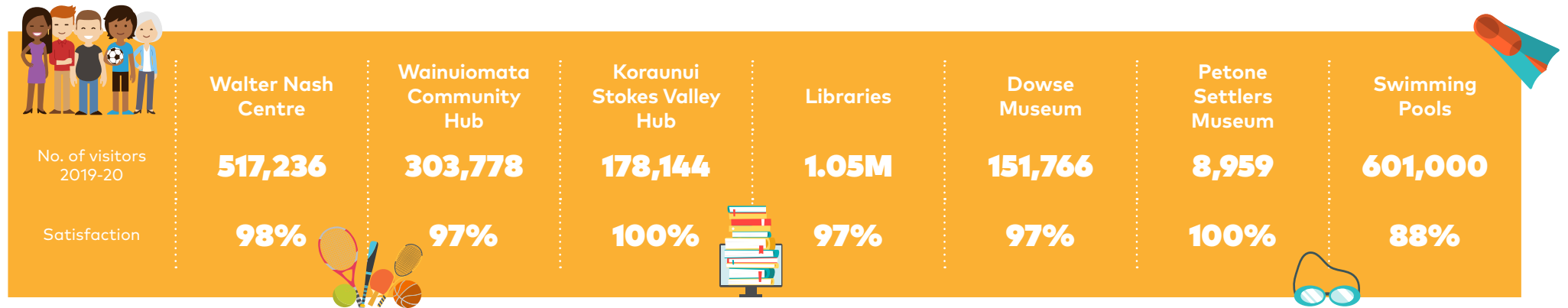


**BIKES TO LOW
DECILE SCHOOLS**

Actively engaged in community activities

Libraries support community learning, literacy and recreation. Our libraries are well placed to support the educational development of our young people, particularly in terms of access to technology. The educational role of museums lies at the core of their service to the public. Learning in museums can be both discovery-based, through interaction with exhibitions and displays in a leisure setting, and also structured, through targeted education activities. Museum experiences help to build a desire for life-long learning.

Our libraries, museums, swimming pools and community hubs provide opportunities for our community to participate in a number of arts, cultural, sports and other recreational and leisure activities. In the last year we had over one million visits to our libraries, just under a million visits to our community hubs, and 600,000 visits to our pools.



Strong and inclusive communities

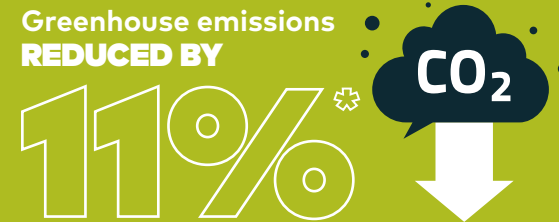
A sense of self and identity is vital for personal wellbeing. We have started work in partnership with our community and Kāinga Ora to help bring a new community together in the 700 homes currently being built in Eponi. We have set aside \$100K for a project focused on community empowerment and growth, which will be led by a kaitiaki leadership group. This initiative will help identify local skills and give local people stronger voices and greater confidence to speak to the issues that matter to them the most.

Community partnerships enabled 100 brand new bikes to be given away to children, and a free community concert was held at the Walter Nash Stadium with one thousand locals attending.

Feeling good about where you live contributes to sense of wellbeing - 90% of residents feel a sense of pride in the way Lower Hutt looks and feels.



Oranga taiao Environmental wellbeing



* City wide reduction 2001-2019

A healthy natural environment

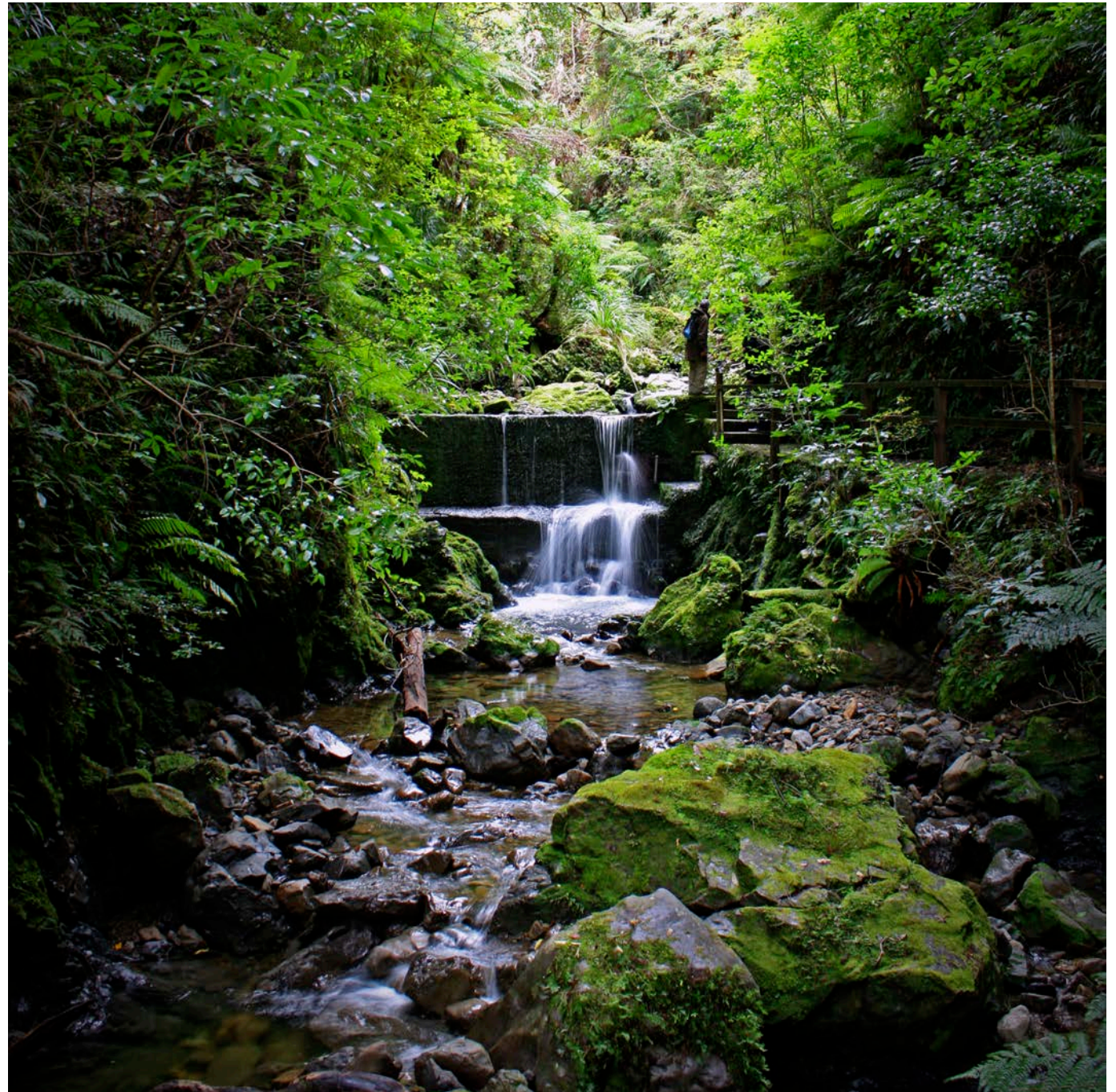
New Zealand has a goal to reach zero carbon emissions by 2050. Council has a role to play in achieving this objective, by making changes in its own operations and activities.

Council has agreed to *“scope the development of a plan to identify relevant objectives and prioritise community-focused actions in order to reduce city-wide greenhouse gas emissions, in line with the proposed New Zealand net Zero by 2050 target.”* To help achieve these goals and obligations we have: put energy and carbon reduction plans in place at our facilities; appointed a new energy advisor jointly funded by the Energy Efficiency & Conservation Authority; and updated our Council’s vehicle fleet with 13 fully electric vehicles.

Under the Emissions Trading Scheme we have been working to register forestry to earn carbon credits (which have a monetary value). Council owns a significant amount of land that either is already forested, or could be put into forest, and be eligible for carbon credits.

Our communities’ drinking water achieved full compliance with drinking water standards and 98 percent of residents were satisfied with our local water supply. As a city we do have some significant challenges though. Our consumption of drinking water per resident is 389 litres per day which is unsustainable. Having enough water for everyone in the future will rely on people using less water, more water-efficient appliances and better monitoring of water use and leakages.

To ensure the resilience of our water supply the Taitā Reservoir has been seismically strengthened to withstand a 1 in 2500 year earthquake, and the Kelson Grove stormwater main was renewed.



Oranga ohaoha Economic wellbeing



493

NEW HOMES

First Council to **include Homefit and Homestar certificates** in our LIMs

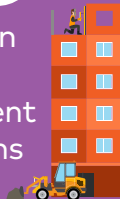


1,616
Building consents

Highest number in five years

135

Subdivision and development applications approved



SEAVIEW MARINA

31 
more berths being created

\$258
MILLION

Funding for Melling Interchange approved



WAINUIOMATA SHARED PATH

HUTT

65,701
Pedestrians

27,081
Cyclists

since Oct 2018

WAINUIOMATA

116,166
Pedestrians

15,516
Cyclists

since Jul 2019



28KM OF SAFE ON-ROAD CYCLE TRAIL

Heartland ride through Wainuiomata approved (Grade 3-4 trail)





National Fastpitch Softball Tournament
10 teams/**3** days



Capital Football Age Grade Tournament
400 attendees



10,623 businesses in Lower Hutt



A strong & diverse economy

COVID-19 was the big news in the last quarter of 2019 and, due to the COVID-19 level 3 and level 4 lockdown restrictions, our economy shrunk by 11% pa in the June 2020 quarter – the first time since 2014.

This resulted in a rise of 8.7% in the number of Jobseeker Support recipients to just over 4,336 in the June 2020 year – the highest since 2010, but lower than the 19% rise nationally.

The city is home to 10,623 businesses of which 10% (1053) are in the medium and high tech sector. In 2020, the Shop Naenae virtual marketplace was launched and twenty businesses have already listed. Our city is promoted through the HuttValleyNZ website. The launch of the refreshed website in March 2020 saw a 40% increase in the number of visitors.

A healthy and attractive built environment

Council is committed to working in partnership with others to build and deliver warm, safe and affordable homes to those Lower Hutt households in need, as well as addressing the overall housing shortage in the city. In the last year: 493 new homes were completed; 1,616 building consents were granted and 135 subdivision and development applications were approved. We became the first to include Homefit and Homestar certificates in our Land Information Memorandums (LIMs).

Housing shortage remains a critical issue with 4,382 emergency housing grants issued (up from 3,108 currently) and 584 households on the social housing register. Twelve percent of our residents live in overcrowded homes; this percentage is higher among our Māori and Pacific Communities – 22 percent and 33 percent respectively. We are taking a partnership approach to addressing homelessness and supporting people into longer-term sustainable and permanent housing.

District Plan Change 43 came into force in March 2020 and the additional housing provided through this will help address the city's housing supply shortage. The Plan Change supports medium density residential areas close to transport, shopping, schools – this helps to address carbon emissions by reducing congestion on the roads.

Central government has agreed to fund the new Melling Interchange and this is due to be completed by 2026 at a cost of \$258 million. Council's shovel ready funding application for building Naenae Pool and the Eastern Bays Shared Path was shortlisted and has since been approved. This success has substantially reduced the impact on ratepayers and has many other benefits including local employment opportunities on both projects.

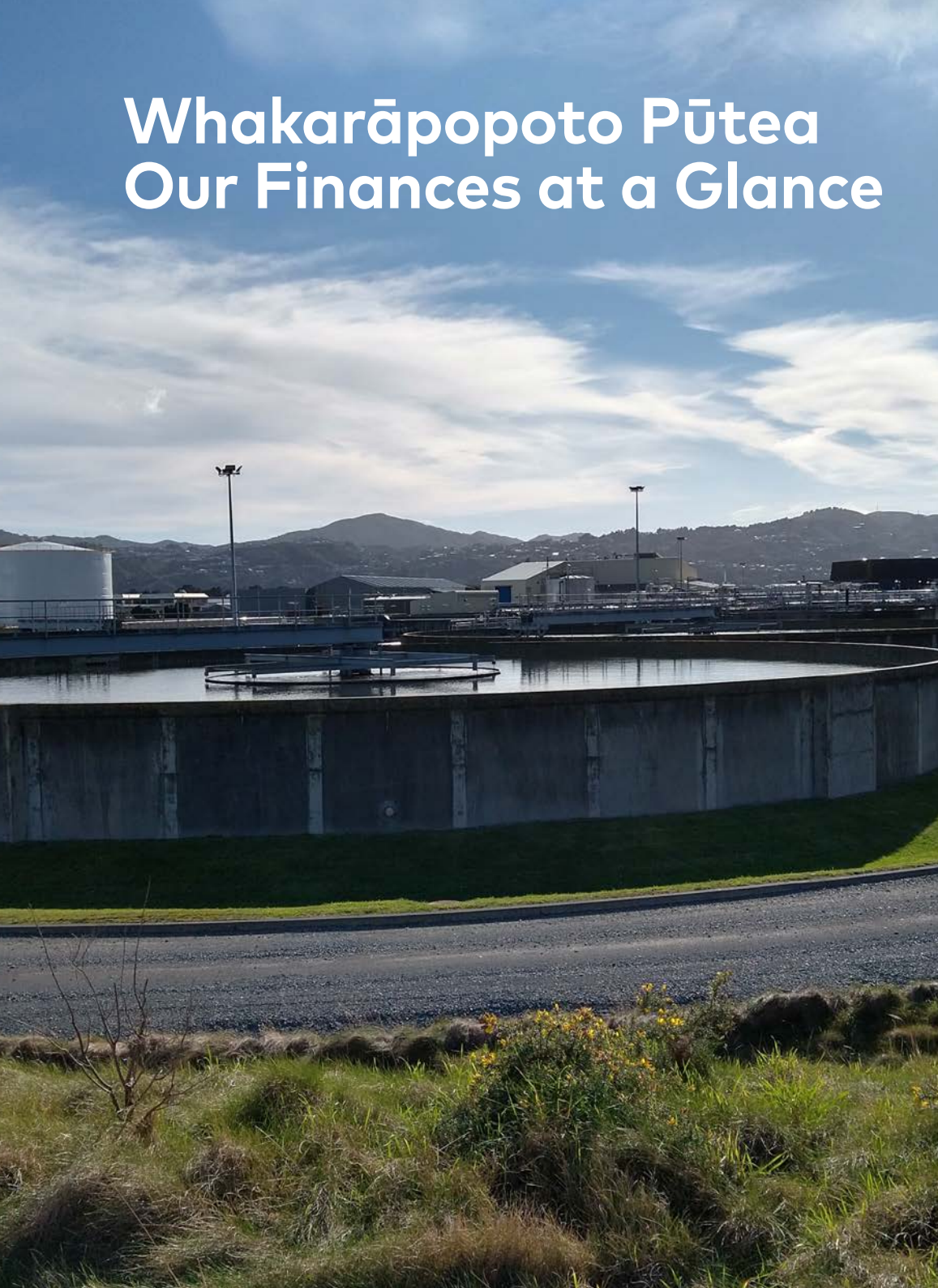
Seaview Marina¹ is situated near Point Howard, and is Wellington's newest and fastest developing marina. The marina was granted a 35 year Seabed Licence and

approved a contract for 31 more berths. This will help the marina grow into one of New Zealand's premier businesses through further expansion and diversification of the marina facilities, maximising the financial returns achieved and the value added.

We had 92,782 pedestrians and cyclists on the Hutt side of the Wainuiomata Shared Path since it opened in October 2018, and 131,682 pedestrians and cyclists on the Wainuiomata side since installation in July 2019. The Heartland Ride through Wainuiomata was approved to start at the Ōrongorongo River car park and connect to the Hutt River Trail. It will create a safe 28km on-road grade 3-4 cycle trail.

¹ Seaview Marina is 100% owned by Hutt City Council and is a Council Controlled Trading Organisation (CCTO) as defined by the Local Government Act 2002 (LGA). Seaview Marina Limited (the Company) is responsible for the operation of the boating facilities and services, the maintenance of infrastructural assets and the development of additional facilities and services as demand dictates.

Whakarāpopoto Pūtea Our Finances at a Glance



Being accountable to ratepayers and residents for the management of our finances, both in the short term and the long term, is a key responsibility of Council. This section aims to provide a brief overview to understand our finances, and in particular, where we have spent the money that we have received and how we have invested in the future of our City.

The Council Group's Financial Strategy promotes the sustainable funding of services and is based on the key principles of:

- Affordability of rates;
- Delivering services effectively and efficiently;
- Achieving intergenerational equity by spreading the costs between both present and future ratepayers;
- Maintaining prudent debt levels; and
- Strengthening the Group's financial position.

These principles provide the foundation to drive towards sustainable financial management.

As at 30 June 2020, the Council Group's total assets were worth \$1.7 billion and included infrastructure assets, land and buildings, whilst total liabilities were lower at \$0.3 billion and included borrowings and payables to suppliers. During the 2019/20 year, the Group delivered capital investment for the year of \$40.4 million which comprised \$14 million to replace existing assets, \$23 million to improve the level of service and \$3 million to meet additional demand for service.

Council's 2019/20 Annual Plan projected income of \$173.5 million, operating expenditure of \$186.8 million and a net deficit of \$13.3 million. These budgets fund the wide range of services delivered by Council and also include the cost of asset maintenance. Council achieved income of \$169.7 million and operating expenditure of \$181.1 million with a net deficit of \$11.3 million for the year. This year end result excludes the unbudgeted loss on revaluation of financial instruments of \$10.1 million and the gain on property revaluations of \$69.0 million. The underlying net operating deficit for the year was \$19.1 million after adjusting for income received towards capital works of \$5.8 million and the gain on disposal of properties; this was an improved result compared to the budgeted Annual Plan net operating deficit of \$23.9 million.

The cost to run the city (based on total Group expenditure) is approximately **\$13.35 PER DAY** for each rateable unit (property that pays rates) or **\$4.90 PER DAY PER PERSON**

THESE COSTS PER YEAR ARE APPROXIMATELY:

\$14 million

to maintain over **18,000 hectares of parks and reserves** including bush reserves and trails, street trees and horticultural gardens, public spaces and neighbourhood parks, beaches and;



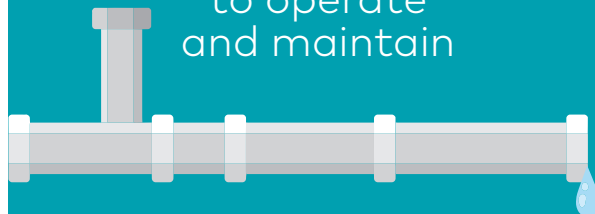
\$36 million



as well as various community halls and venues, and Community Facilities Development

\$52 million

to operate and maintain



711km of pipes for **water** **678km** of pipes for **wastewater** **534km** of pipes for **storm water services**



\$31 million

to maintain more than **485km of road** and **683km of footpath**



\$23 million

for other costs including **City Development, Environment and Resilience, and Organisation**



\$13 million

for solid waste including **rubbish and recycling collection** and to **operate our landfills**



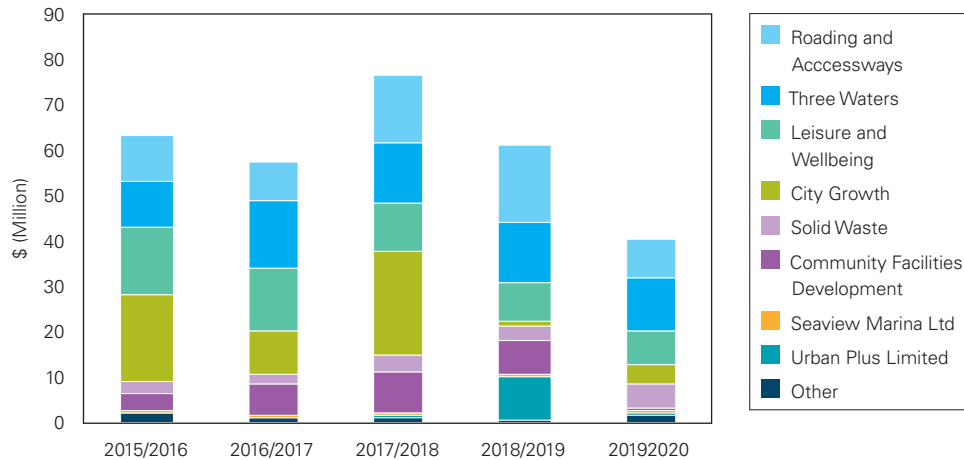
\$12 million

to carry out **resource and building consenting services** and **regulatory services**

Capital investment delivery

Continued investment in core infrastructure for the city was further progressed during the year with a focus on the vision for the city as a connected, resilient and inclusive city where all of our people thrive.

Group five year trend on capital spend (\$ million)



Key capital investments during 2019/20 included:

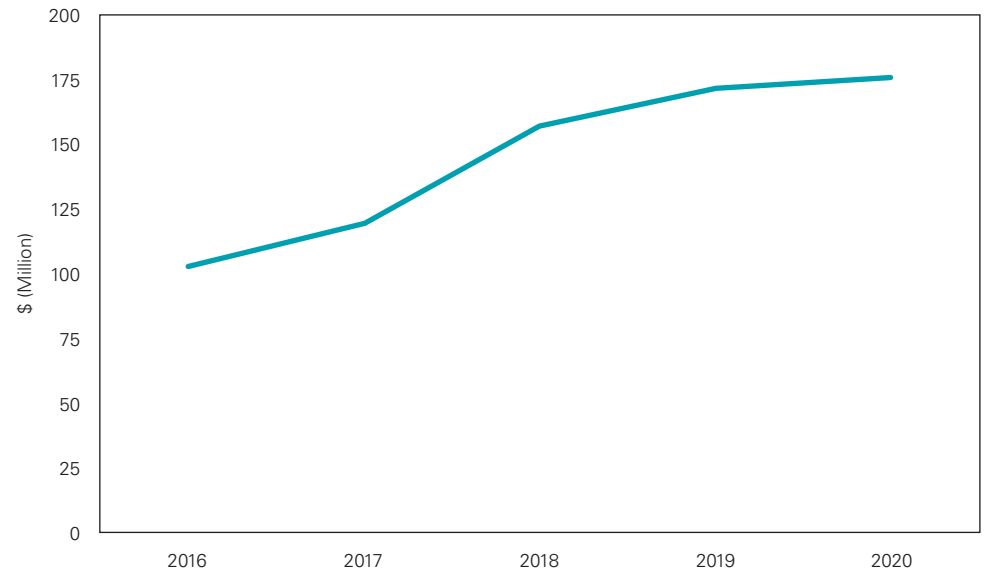
- \$11.8 million for Three Waters Infrastructure projects, including \$1.4 million reservoir upgrades, \$4 million for network upgrades and renewals, and \$2.8 million on wastewater asset development and replacement
- \$8.3 million for Transport projects including \$1.5 million on cycleways and shared pathway project
- \$5.1 million for Solid Waste including developments at our Silverstream Landfill site
- \$4.5 million for strategic property purchase and other costs in relation to the RiverLink project, and
- \$7.1 million for Leisure and Wellbeing projects (including \$2.3 million for pools, halls, libraries, and museums projects, \$2.3 million for wharves refurbishment and \$2.4 million for other parks and garden projects).

This investment has resulted in the value of our property, plant and equipment assets growing to \$1.56 billion. A further increase of \$77 million from the recent revaluation of significant asset classes brought the total value of these assets to \$1.64 billion.

Total Group assets equate to approx. \$43,100 per rateable unit or \$15,800 per person/resident

Borrowings

Council Net Debt (\$ million)



The Council's debt is primarily driven by investment in new assets with long lives. The benefits from this expenditure will be spread over time. Using debt financing means that costs will be shared with those people who will benefit from the assets in the future, including this generation and future generations.

Our debt and finances are managed in a prudent manner. This is a key reason why we have a strong credit rating of AA from Standard and Poor's – the highest in New Zealand apart from central government.

Over the last five years debt has increased due to investment across a range of important infrastructure and community assets, such as Three Waters investment, Rooding and Cycleways, Fraser Park Sportville, Huia Pools, Riddiford Gardens, Walter Nash Stadium, Stokes Valley Hub, the Council Administration Building and funding for the Development Stimulus Package.

To help pay for investment in 2019/20, Council net debt increased by \$4 million to \$175.8 million at June 2020 (Group net debt: \$192.7 million). This debt level was lower than planned largely as a result of delays in capital delivery largely due to the COVID-19 pandemic.

Net Group borrowings equate to approx. \$4,800 per rateable unit or \$1,800 per person/resident

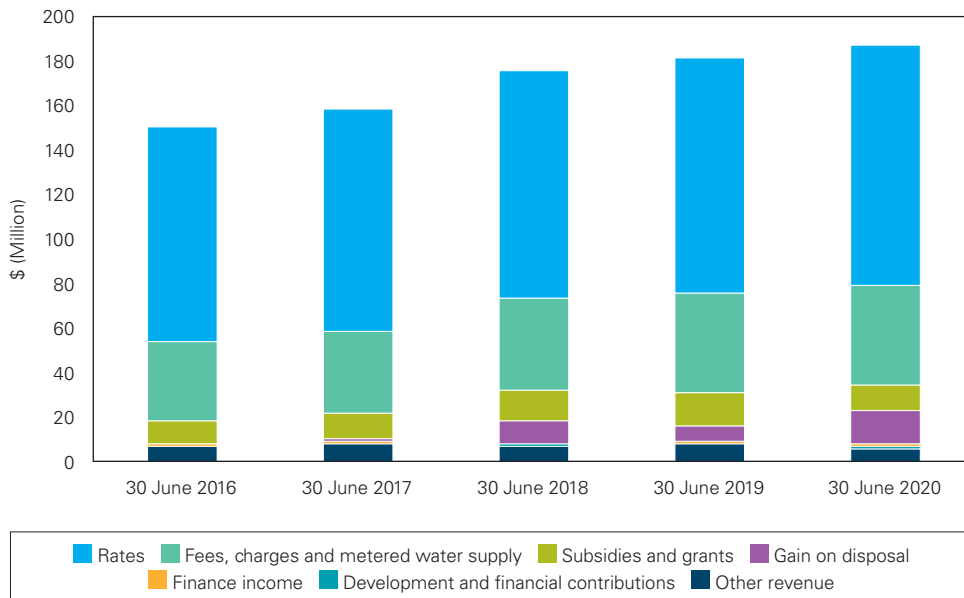
Financial operating performance

For the financial year 2019/20 the Group achieved a net deficit (before revaluation of financial instruments and property) of \$8.0 million. Including the revaluation of financial instruments, property and the performance of Council Controlled Organisations, the Group comprehensive result was a surplus of \$57.5 million.

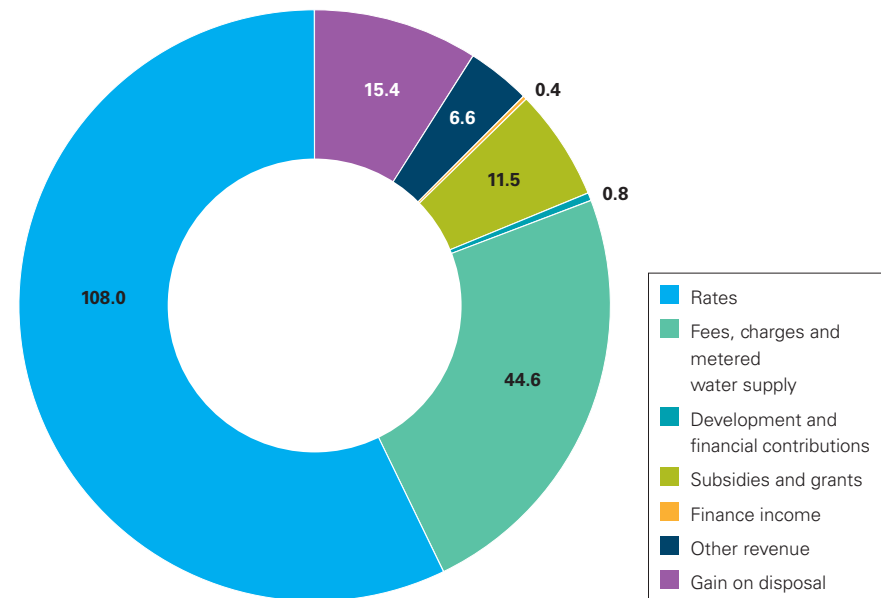
During the fourth quarter of 2019/20 New Zealand moved through the COVID-19 Alert levels emerging on 8 June to Alert level 1 where we stayed for the remainder of the quarter. Accordingly, Council's response to the COVID-19 pandemic dominated the quarter and impacted our performance on a number of fronts. Capital investment and asset maintenance programmes were unable to progress as planned and the enforced closure of facilities impacted on service delivery performance and reduced revenue levels in a number of areas. More detailed information on the impact of COVID-19 and other significant variances to budget can be located in note 31 and 34 of the financial statements in the full Annual Report.

Operating Revenue

Sources of Group revenue (\$ million) for the past five years



Sources of Group revenue (\$ million) for 2019/20 year



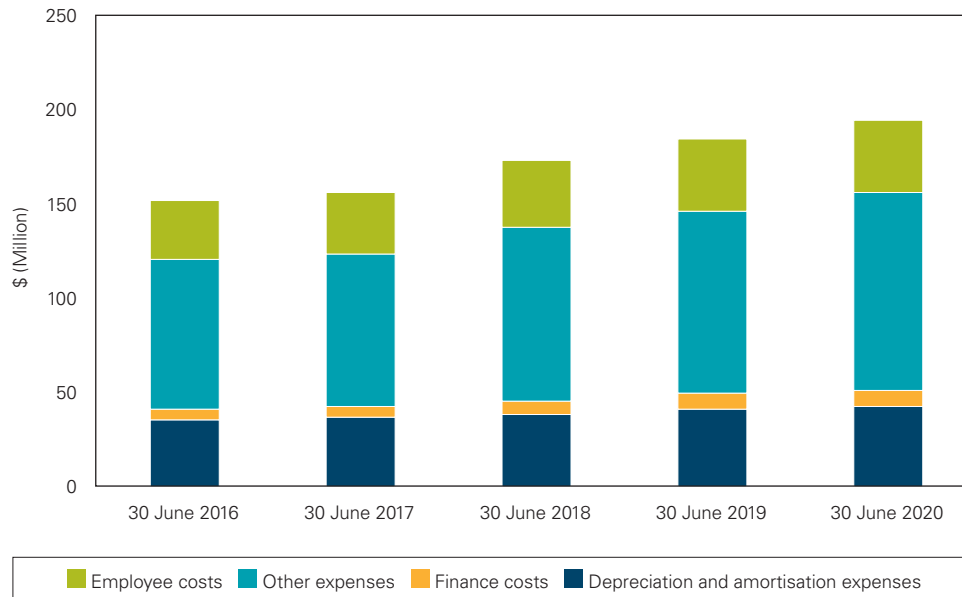
Total revenue was \$187.4 million. The level of revenue was lower than expected due to:

- \$1.7 million decreased user charges from community facilities (pools, libraries, museums) services and entry fees due to closures under COVID-19 level 3 and 4 restrictions,
- \$3.6 million decreased capital subsidies as a result of delays in completing planned road and cycleway projects,
- \$1.0 million decreased Development Contributions and Vested Assets due to fewer developments completed than expected.

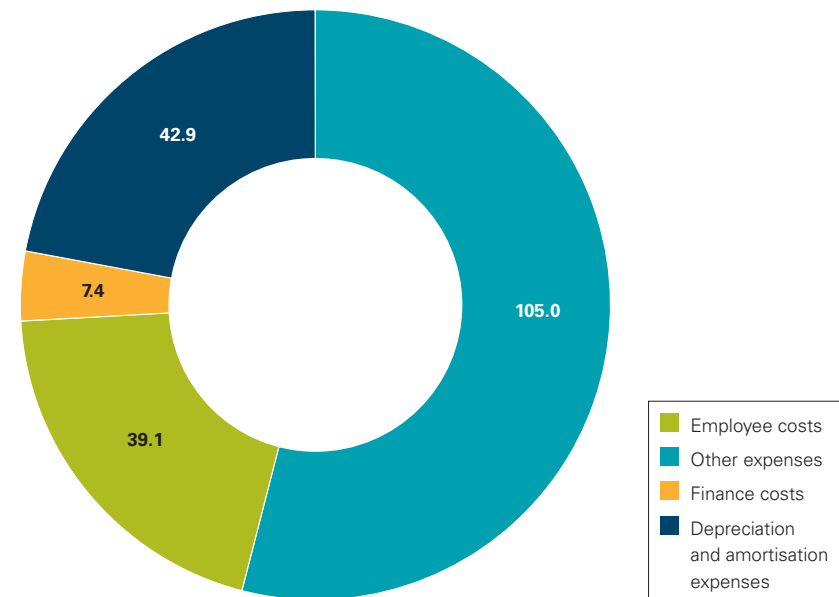
These are offset by a \$1.9 million gain on asset disposals.

Operating Expenditure

Group expenditure (\$ million) for the past five years



Group operating expenditure (\$ million) for the 2019/20 year



Total expenditure (excluding losses on the revaluation of financial instruments) for the Group was \$194.4 million. The level of expenditure was lower than expected due to:

- deferred costs of \$3 million for the Development Stimulus Package,
- decisions not to progress \$6.1 million of grants funding in 2019/20 to Hutt Valley Tennis, Hutt Valley Gym Sports and Sportsville Wainuiomata,
- decreased and deferred operating costs of \$1.4 million for Roads and Accessways,
- transferred costs of \$1.0 million for RiverLink from operating to capital,
- decreased finance costs of \$1.4 million due to lower than expected interest rates and borrowing levels.

This was offset by:

- increased costs of \$2.0 million associated with the operations of Three Water activities,
- increased costs of \$2.6 million in landfills due to extra volumes (\$2.2 million) and unbudgeted landfill aftercare provision (\$0.4 million),
- increased costs of \$1.8 million relating to Information Technology as a result of implementing technology as a service rather than as a capital investment.

Statement of Comprehensive Revenue and Expenses

For the year ending 30 June 2020

	Council		Group		
	Actual 2020 \$000	Budget 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Total revenue	169,739	173,515	172,645	187,351	180,938
Finance costs	(7,406)	(8,796)	(8,042)	(7,406)	(8,042)
Loss on revaluation of financial instruments	(10,147)	-	(11,557)	(10,147)	(11,557)
Other operating expenditures	(173,680)	(177,972)	(170,983)	(186,958)	(175,726)
Share of associate's surplus/(Deficit)	-	-	-	(40)	6
Surplus / (deficit) before tax	(21,494)	(13,253)	(17,937)	(17,199)	(14,381)
Income Tax expense	-	-	-	997	436
Surplus / (deficit) after tax	(21,494)	(13,253)	(17,937)	(18,196)	(14,817)
Gain/(losses) on property revaluations	68,961	-	-	76,687	4,031
Impairment gain/(losses) on revalued property	-	-	(9,358)	-	(9,358)
Deferred tax on revaluation	-	-	-	(1,039)	369
Total other comprehensive revenue and expenses	68,961	-	(9,358)	75,648	(4,958)
Total comprehensive revenue and expenses attributable to Hutt City Council	47,467	(13,253)	(27,295)	57,452	(19,774)

Net Equity

For the year ending 30 June 2020

	Council		Group		
	Actual 2020 \$000	Budget 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Equity at the beginning of the year	1,285,175	1,298,906	1,312,470	1,347,101	1,366,875
Total comprehensive income	47,467	(13,253)	(27,295)	57,452	(19,774)
Adjustment to deferred tax on transition to PBE accounting standards	-	-	-	-	-
Equity at the end of the year	1,332,642	1,285,653	1,285,175	1,404,553	1,347,101

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 21 December 2020 has received a qualification in its audit report in relation to four performance measures (for more information see the 'Wellington Water performance measurement systems' notes on page 28). A copy of the financial report may be obtained from Council's website huttcity.govt.nz.
- This summary financial report has been examined by the auditor for consistency with the full financial 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 21 January 2021.

Statement of Financial Position

For the year ending 30 June 2020

	Council			Group	
	Actual 2020 \$000	Budget 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Current assets	62,500	43,680	29,281	75,051	37,693
Non-current assets	1,580,912	1,523,203	1,514,927	1,643,151	1,570,044
Total assets	1,643,412	1,566,883	1,544,208	1,718,202	1,607,737
Current liabilities	77,120	76,464	30,215	77,799	31,688
Non-current liabilities	233,650	204,766	228,818	235,850	228,948
Total liabilities	310,770	281,230	259,033	313,649	260,636
Net assets	1,332,642	1,285,653	1,285,175	1,404,553	1,347,101
Total equity	1,332,642	1,285,653	1,285,175	1,404,553	1,347,101

Statement of Cash Flows

For the year ending 30 June 2020

	Council		Group		
	Actual 2020 \$000	Budget 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Net cash flow from operating activities	27,254	26,430	27,231	15,975	21,536
Net cash flow from investing activities	(48,698)	(51,180)	(32,881)	(36,487)	(36,596)
Net cash flow from financing activities	37,000	24,750	11,961	37,000	11,961
Net cash flow for the year	15,556	-	6,311	16,489	(3,099)

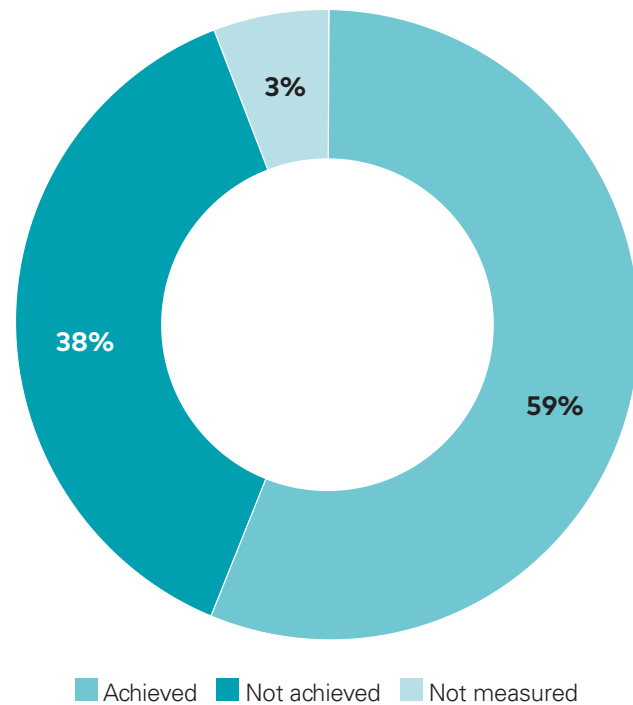
Group Results at a Glance

	2020 \$M	2019 \$M	2018 \$M	2017 \$M	2016 \$M
Net surplus / (deficit)	(18.2)	(14.8)	-	7.0	(10.5)
Total assets	1,718.2	1,607.7	1,611.6	1,488.4	1,450.4
Total liabilities	313.6	260.6	244.7	196.0	171.0
Total equity	1,404.6	1,347.1	1,366.9	1,292.4	1,279.3

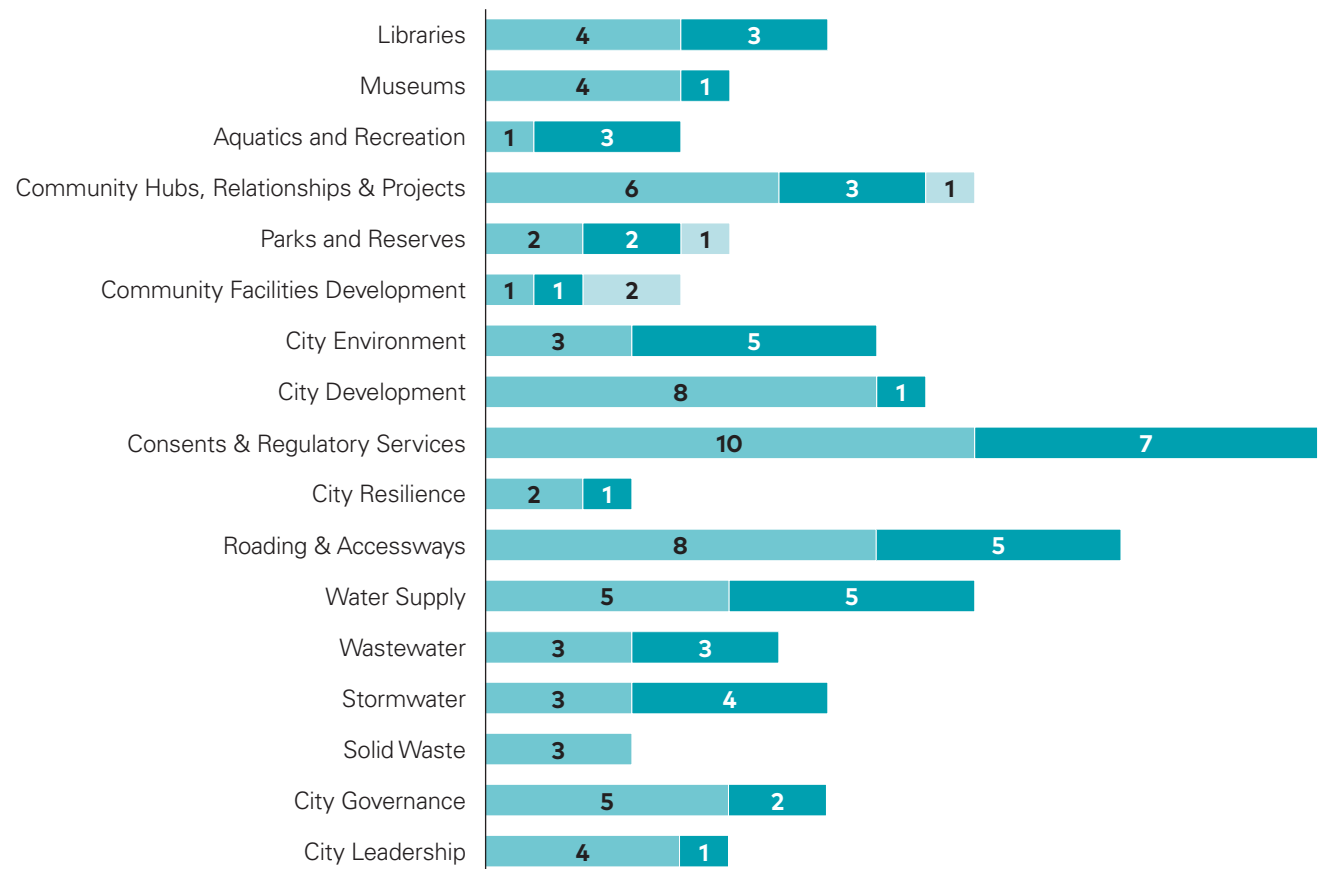
Whakarāpopoto Tātaritanga

Our Performance at a Glance

Overall Performance Targets Summary



Overall Key Performance Targets by Activity Area



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.

Wellington Water performance measurement systems

The following notes relate to performance measures outlined on pages 37-46 and 102-103 of the Annual Report.

We outsource the management of our Three Waters infrastructure to Wellington Water Ltd. (WWL). This includes the gathering of information to support the reporting of Council performance measures in these areas.

WWL notified Council in September 2020 that issues were identified in relation to some of the systems and processes that WWL use to record information that supports certain performance measures. These measures are set by the Secretary for Local Government and are required to be reported against by all Councils.

WWL is working on improving the maturity of its performance management and reporting systems. It has identified opportunities for improvement, particularly its ability to independently verify results, document processes, collect data and the way it manages and maintains data quality. This includes the implementation of additional internal controls to provide assurance over data recorded. In addition, we will work with WWL to address the matters raised.

The following measures have been affected:

- Dry weather overflows
- Water Loss
- Fault response times
- Customer complaints

For more information see pages 100-101 of the Annual Report.

COVID-19 impact on performance

On 21 March 2020 the Government introduced a 4-tiered Alert Level system in response to COVID-19 and New Zealand immediately moved to Alert Level 2. Later that day Hutt City Council announced that facilities like libraries, swimming pools, community hubs, museums, sports facilities, and community centres would be closed from Sunday 22 March. Council's main offices on Laings Road remained open to the public until the country went into lockdown on 26 March and 85% of staff were set up to work from home. Our contact centre became virtual and meetings, including Council meetings, were held via Zoom.

During Alert Levels 3 and 4 Council continued to provide essential services including rubbish collection, maintaining roads and ensuring the water network continued to function (through our CCO Wellington Water Ltd). When the country moved to Alert Level 2 on 13 May most Hutt City Council services and facilities reopened with some restrictions.

The closure of facilities adversely impacted the annual number of visitors to our facilities and the volume of some services such as building consents and inspections. Those services and facilities whose performance was affected by the various Alert Level lockdown periods have had this noted against the relevant measures.



Independent Auditor's report

To the readers of the Hutt City Council and group's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the Hutt City Council (the City Council) and group (the Group) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements between pages 21 to 28:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expenses, net equity and statement of cash flows for the year ended 30 June 2020;
- 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.

However, the summary statement of service provision includes a limitation of scope to the equivalent extent as the audited statement of service provision in the full annual report. This limitation of scope is explained below in the full annual report and our audit report thereon section below.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting 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 a qualified opinion on the statement of service provision in the full audit report and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2020 in our auditor's report dated 21 December 2020. The basis for our qualified opinion on the statement of service provision in the full audit report is explained below.

Basis for our qualified opinion

Six councils, including the City Council, are joint shareholders in Wellington Water Limited (Wellington Water). Wellington Water manages the six councils' water assets and services on their behalf. A Committee represented by a member of each shareholding council monitors the performance of Wellington Water. Wellington Water reports its performance in respect of water services to the six councils, which are required to report thereon in their respective statements of service provision.

We identified a number of significant issues with the performance measures as described below.

Fault response times – Water supply, Wastewater and Stormwater

Wellington Water was unable to accurately report on fault response times for each of the three water services. The information produced by the system used to report on fault response times was not reliable because attendance and resolution times for service requests were not always recorded at the point in time they occurred.

Maintenance of the reticulation network – Water supply

Wellington Water was unable to report a reliable water loss percentage for each shareholding council due to the limited number of water meters across the reticulation network.

Instead, the water loss percentage for the City Council was reported at a regional level. However, the reliability of this regional water loss percentage was also affected by the limited number of water meters.

Total number of complaints received – Water supply, Wastewater, and Stormwater

Wellington Water was unable to accurately report the number of complaints for each of the three water services. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.

Number of dry weather sewerage overflows – Wastewater

Wellington Water was unable to accurately report the number of dry weather sewerage overflows, as the system used for recording events included blockages in the wastewater network that did not necessarily result in an overflow.

As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for the performance measures described above.

Information about this matter is also disclosed on page 28 of the City Council's summary annual report.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the City Council as set out in note 34 to the financial statements and page 29 of the statement of service provision.

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, performed a limited assurance engagement related to the City Council's debenture trust deed, and the audit of a Long-Term Plan amendment. Other than in our capacity as auditor of these engagements, we have no relationship with, or interests in the City Council or its subsidiaries and controlled entities.



Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
21 January 2021





HUTT CITY
TE AWA KAIRANGI