



ANNUAL REPORT 2018-2019

OUR CITY, OUR COMMUNITY, OUR FUTURE
TO TĀTOU PĀ, TO TĀTOU HĀPORI, TO TĀTOU HEKE MAI

HUTT CITY
TE AWA KAIRANGI

CONTENTS

Hutt City Council's Annual Report to 30 June 2019

Vision for the City

Our year in review

Highlights

Performance

Financials

Leisure and Wellbeing

Integrated Community Services

Parks and Reserves

Community Facilities Development

Growth, Development and Sustainability

City Environment

City Development

Consents and Regulatory Services

Sustainability

City Resilience

Infrastructure

Roading and Accessways

Water Supply

Wastewater

Stormwater

Solid Waste

3	Governance, Engagement and Organisation	73
4	City Governance	76
6	City Leadership	78
6	Hutt City Council	81
8	Council Controlled Organisations	85
10	Our Community Partnerships	91
13	Our Finances	92
20	Independent Auditor's Report	92
25	Statement of Compliance	94
29	Financial Statements	95
30	Notes to the Financial Statements	100
36	Reserve Funds	143
38	Prudence Reporting	144
40	Appendices	148
44	Definitions	149
47	Source of Information for Level of Achievement	151
51	Contact Details	152
54		
58		
62		
66		
69		



HUTT CITY COUNCIL'S ANNUAL REPORT TO 30 JUNE 2019

FOREWORD

It's been another busy year as we work to make Lower Hutt a great place to live, work, play, learn and visit. We're working with our community to improve opportunities for everyone to actively participate in sport and recreation, keep each other safe from harm, increase our city's resilience and ensure a diverse and strong economy underpins our city's success.

Our financial performance results this year show delivery of capital investment for the year of \$44 million, with net debt at \$172M which is well within our financial strategy limits. We have retained our strong credit rating from Standard and Poor's – an AA credit rating with a stable outlook, reflecting our prudent and sustainable financial management.

In April 2019, the difficult decision was made to close Naenae Pool following engineering advice that raised concerns about the building's safety in the event of a significant earthquake. While everyone was disappointed by this outcome we now have the opportunity to work together with our community to look at the bigger picture for community facilities in Naenae. Working alongside our communities, defining ambitions, plans and solutions together is crucial to our success as a city.

In December 2018 Council set itself a goal of reducing greenhouse gas emissions to net zero by 2050. In June this year we joined other cities in declaring a climate emergency, citing the need to raise awareness on climate change, prioritise reducing council and city-wide emissions and ensure all Council decisions take into account the likely impact on climate change and the need to achieve emission reductions.

We're keeping our community safe by ensuring all buildings in Lower Hutt with unreinforced masonry parapets and facades deemed an earthquake risk to public safety were brought up to a safe standard by the 2018 deadline set by the government in the wake of the Hurunui/Kaikoura Earthquake, and Wellington Water has developed an above ground emergency water network to source, treat and distribute water until damaged pipes can be repaired in the case of a major earthquake.

The Ricoh Sports Centre opened to the public earlier this year. Featuring six squash courts, an indoor training space, administration offices, meeting rooms, changing rooms and a café, this incredible facility will change the way sport is played and viewed in the Hutt Valley and is set to attract many players and visitors from across the region, New Zealand and overseas.

Stage three of the Avalon Park upgrade, which opened to the public in November 2018, provides thousands that visit the park each year with a new entrance, new bridge and an improved duck pond, with a 6.5-tonne giant steel Tyrannosaurus Rex known as Colin, created by Hutt Valley firms for the 2018 Highlight: Carnival of Lights, installed in the pond in March 2019.

In June this year Te Hikoi Ararewa (the Wainuiomata Shared Path) was opened to the public, providing a safe and attractive cycling and walking connection between Wainuiomata and the rest of Lower Hutt.

A strong and diverse economy is critical to our city's success and Council continues to prepare and position our city for a prosperous future.

This year Council launched Te Wā Heke – Invent the Future to bring a fresh perspective to our work in the STEM (science, technology, engineering and mathematics) space, incorporating all Council's science, technology and innovation initiatives. In May 2019, over 1,600 school children from 22 schools attended the first day of the inaugural Te Wā Heke festival.

The Lower Hutt Events Centre opened in July 2018 and it was a significant moment for the city. Boosting Lower Hutt's ability to host events and conferences will have positive benefits for the city in terms of job creation and flow-on effects to the accommodation, hospitality, retail and service sectors.

Building consents and applications for new buildings have reached an all-time high this year, a strong indicator of economic growth in the city, with Lower Hutt expecting to see an additional 1535 new dwellings built in the next 2-3 years. Improving access to housing for those who are homeless has been another significant issue, with an action plan developed in partnership with social service and government agencies and those who have experienced homelessness, now completed and implementation underway.

Lower Hutt is in good shape and well-placed to seize on the many opportunities on the horizon. We will continue to build on our successes this year in partnership with our community, to ensure a vibrant, thriving, inclusive city into the future.



Ray Wallace
Ray Wallace
Mayor of Lower Hutt



Jo Miller
Jo Miller
Chief Executive

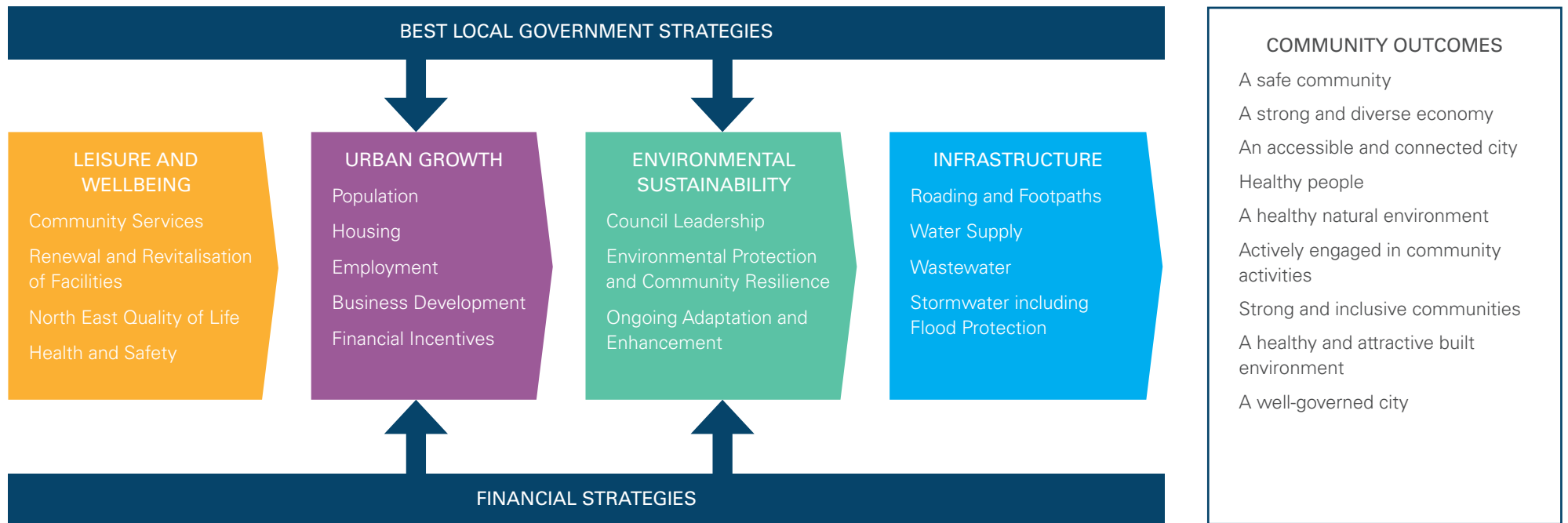
VISION FOR THE CITY

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 that 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 Lower Hutt is underpinned by four key strategies –Urban Growth, Leisure and Wellbeing, 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.





OUR YEAR IN REVIEW: HIGHLIGHTS

A SAFE COMMUNITY

Residents feel **MOSTLY OR VERY SAFE** in their local neighbourhood



80% of residents think **PUBLIC TRANSPORT IS SAFE**



A HEALTHY NATURAL ENVIRONMENT

Twenty-five schools and groups, amounting to over



participants, took part in **CLEAN-UP WEEK**



Hutt Park in Seaview has received international **GREEN FLAG® STATUS**

A STRONG AND DIVERSE ECONOMY

\$5 MILLION **COMBINED ECONOMIC BENEFIT** to the city of commercial events that took place in Lower Hutt

Lower Hutt Events Centre
290
EVENTS HELD SINCE IT OPENED

2.1% **ANNUAL GROWTH** in the number of business units in Lower Hutt (NZ = 0.7%)

STRONG AND INCLUSIVE COMMUNITIES

INNOVATIVE YOUNG MINDS 2018 programme increased the interest in pursuing a STEM career of

97% of the young women who attended



OVER 4,000

ITEMS DONATED TO LOCAL FOODBANKS by library customers in return for having their fines waived

95%

of people in Lower Hutt **HAD POSITIVE CONTACT** with people in their neighbourhood in last 12 months

HEALTHY PEOPLE

63% of residents participate in **30 MINS OF MODERATE EXERCISE** at least 4 days a week

81% of residents perceive their **OVERALL HEALTH TO BE GOOD OR BETTER**

AN ACCESSIBLE AND CONNECTED CITY

DOGGONE tag and app introduced



ACCESSAWARE app goes live



82% of residents agree that **PUBLIC TRANSPORT IS EASY TO GET TO**

TE HIKOI ARAREWA - WAINUIOMATA HILL SHARED PATH

COMPLETED - MAY 2019



A HEALTHY AND ATTRACTIVE BUILT ENVIRONMENT



Hutt City Council
adopts

ZERO
CARBON TARGET



of residents think Lower Hutt is
A GREAT PLACETO LIVE



FOUR

**COMMUNITY
WATER
STATIONS**

installed as an
emergency
water network

ACTIVELY ENGAGED IN COMMUNITY ACTIVITIES

4,000

people attended the **INAUGRAL
TE WA HEKE FESTIVAL** over the
2 days - this included 1,600
students from 22 Lower Hutt
schools (including 13 lower
decile schools)

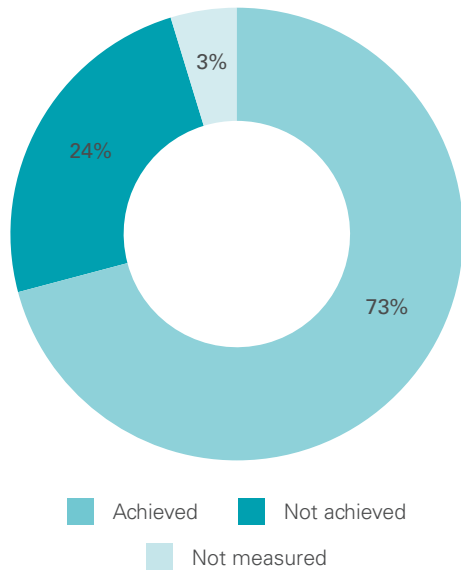
140,000

attended **HIGHLIGHT: CARNIVAL OF LIGHTS 2018**
raising funds for Te Omanga Hospice



OUR YEAR IN REVIEW: PERFORMANCE

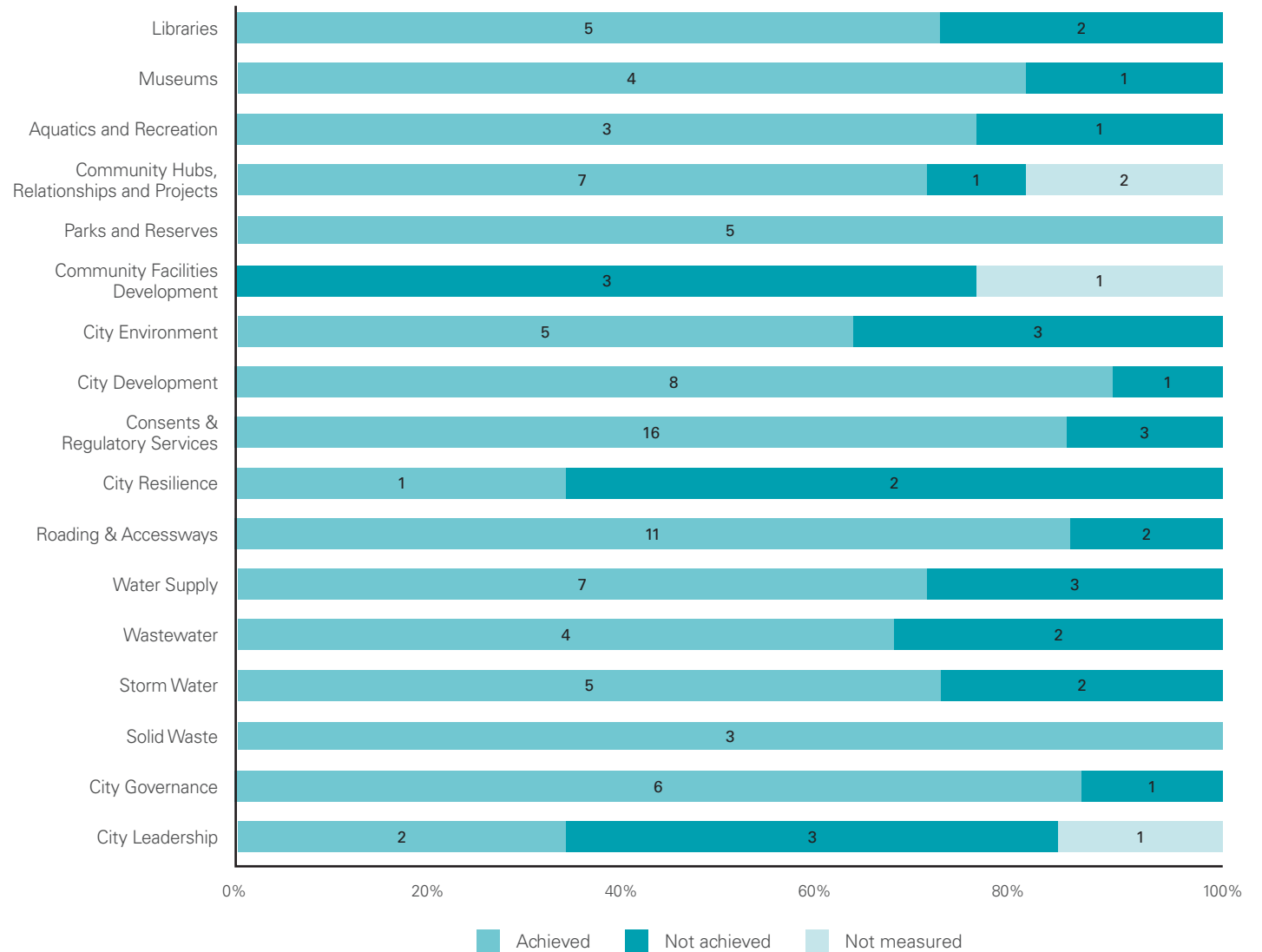
OVERALL PERFORMANCE TARGETS SUMMARY



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.

OVERALL KEY PERFORMANCE TARGETS BY ACTIVITY AREA





OUR YEAR IN REVIEW: FINANCIAL OVERVIEW

Being accountable to the ratepayers and residents for the management of its budgets and assets is a key responsibility of Council. We have produced this overview to help ratepayers and residents 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 the City.

FOR THE 2018-19 FINANCIAL YEAR OUR:

REVENUE
WAS
\$172.6M

OPERATING
SPEND WAS
\$179M

NET
DEFICIT
\$27.3M

HUTT CITY COUNCIL IS AN
ENTITY WORTH

\$1.3BN

NET DEBT
WAS
\$171.8M

TOTAL CAPITAL
SPEND WAS
\$44.2M

WE MAINTAINED OUR
STANDARD & POOR'S

**AA CREDIT
RATING**

FINANCIAL PERFORMANCE

The net surplus or deficit is the difference between revenue received and expenses incurred during the year. The Council recorded a net deficit of \$6.4M compared to a budgeted net deficit of \$2.1M. After adjusting for the loss of \$11.6M in revaluation of financial instruments the net deficit is \$17.9M. In addition there were impairments of \$9.3M (mainly Naenae Pool) resulting in a net deficit of \$27.3M.

OPERATING REVENUE

Total revenue was \$172.6M which was \$4M above budget. The main reasons for the difference between budgeted and actual revenue were a gain on assets disposals of \$3.3M, higher user charges from consent fees \$0.9M and landfill fees \$2.2M, and vested assets \$1.5M, offset by lower capital subsidy receipts \$2.7M as a result of delays in completing planned road and cycleway projects and lower than expected reserve contributions and parking and enforcement revenue.

OPERATING EXPENDITURE

Total expenditure (excluding losses on the revaluation of financial instruments) was \$179M which was over budget by \$8.3M. The main reasons for the difference between budgeted and actual expenditure were increased costs incurred in regulatory services \$0.8M (due to increase in service demand and offset by higher revenue), landfill \$1M (offset by higher revenue), bulk water levy costs \$0.5M, insurance \$0.5M and depreciation \$0.9M. In addition costs of \$4M were budgeted as capital expenditure and were transferred to operational expenditure (Development Incentives Package \$1.5M, RiverLink project \$1.1M, IT system upgrade \$1M and facility maintenance \$0.2M). These increased costs were partially offset by \$0.7M underspend in interest expense made up of savings of \$1M in borrowing costs reduced by \$0.3M due to unbudgeted costs for Landfill revaluation interest unwinding component.

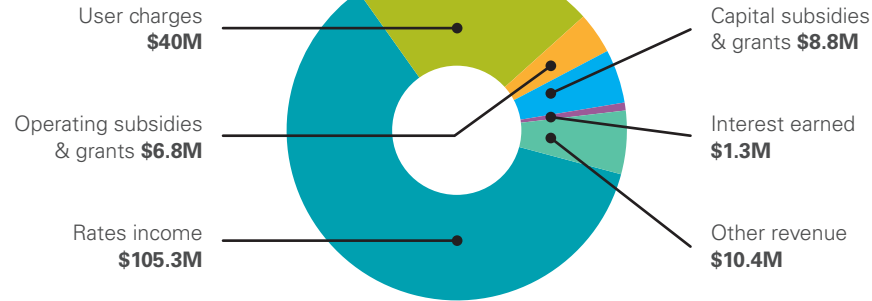
CAPITAL

Capital expenditure is money spent on assets to meet additional demand, to improve levels of service, or to replace existing assets. Council's planned capital expenditure was \$72.6M. The actual capital spend for the year was \$44.2M which included \$10.1M for Cycleways/Shared Paths projects, \$13.4M for Three Waters projects, \$2.9M for Pools, Halls Libraries, and Museums, \$2.9M for Wharves Refurbishment, \$0.7M for Avalon Park, \$2.2M for other Parks projects, \$1.9M for the Events Centre, and \$0.7M for IT System upgrades. The most significant underspends were on Eastern Bays Cycleways/Shared Path project \$4.7M, Three Waters \$3.5M, Strategic Property purchases \$5.7M, together with the \$4M of costs which were budgeted as capital but transferred to operating expenditure. Most of the projects underspent have been carried over and will be completed in 2019-20.

OUR INCOME WAS \$172.6M

WHERE DID THIS MONEY COME FROM?

ACTUAL INCOME (\$M)

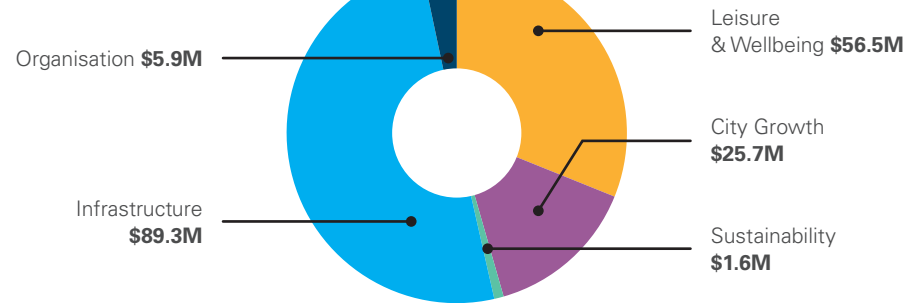


OUR OPERATING SPEND WAS \$179M

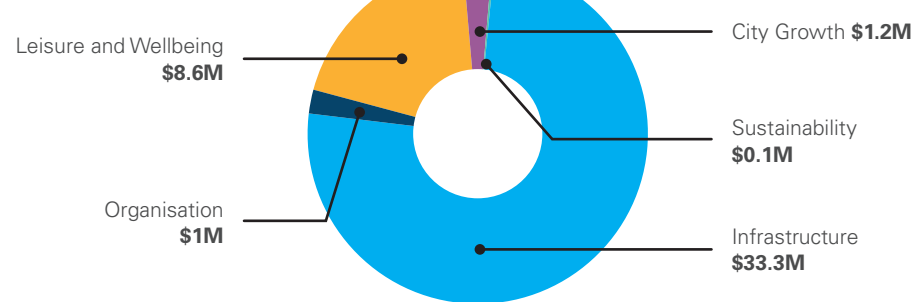
(EXCLUDING LOSS ON REVALUATION OF FINANCIAL INSTRUMENTS)

HOW THIS MONEY WAS SPENT

ACTUAL EXPENDITURE (\$M)

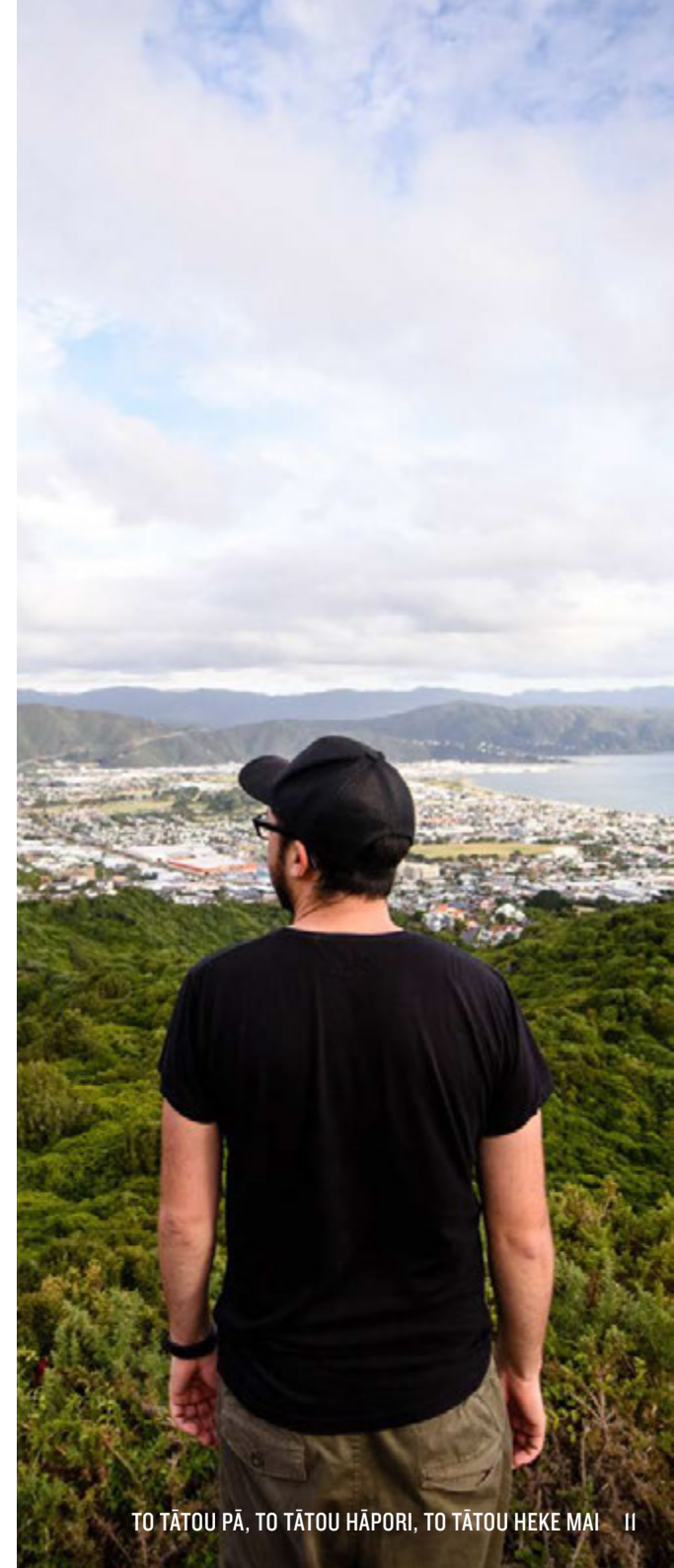


CAPITAL EXPENDITURE (\$M)



OUR CAPITAL SPEND WAS \$44.2M

HOW WAS THIS MONEY SPENT?

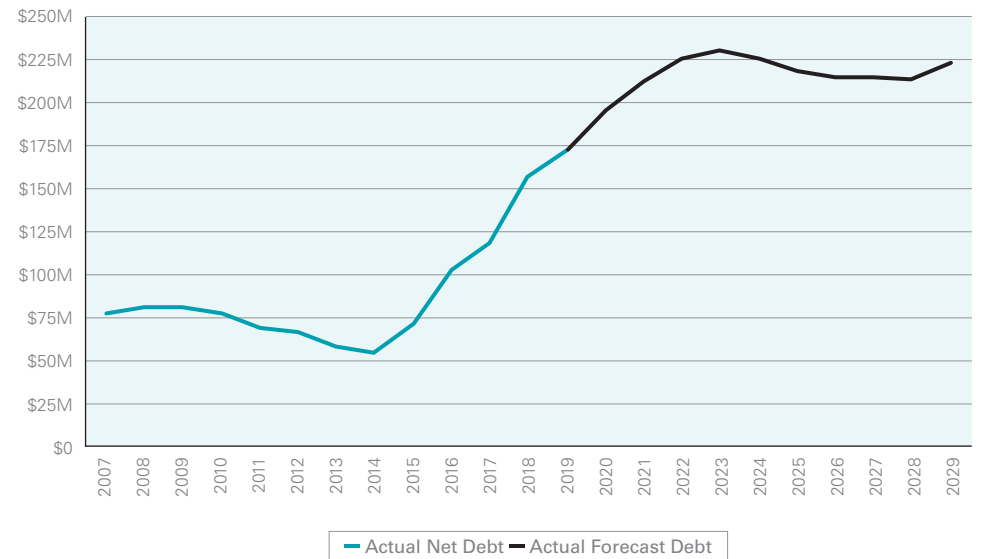




DEBT

Council's financial strategy for 2018/19 set maximum net debt levels which are linked to a percentage of revenue. Debt was budgeted to be \$176.5M at the end of the year. As a result of the under spend on capital projects together with operating expenditure variances, net debt at the end of the year, excluding borrowing on behalf of Council's CCO's, was slightly below the budgeted level at \$171.8M.

The following graph shows Council's historic actual net debt and forecast net debt.



FINANCIAL PRUDENCE

All local authorities are required to report against a set of benchmarks around three key elements of financial prudence – affordability, sustainability and predictability.

These benchmarks and Council's performance against them are set out in the Prudence Reporting Section.

LEISURE & WELLBEING

WHAT

The Leisure and Wellbeing Strategy is our long-term approach to improving the cultural, physical and educational wellbeing of our residents. Building skills from a young age has been highlighted as a priority and will be fundamental to achieving this strategy's goals.

WHY

The Census 2013 results indicated that the city will be getting older and that our ethnic population will increase over time. By investing in building and improving our recreation and community facilities we will be adding to Hutt City's quality of life and providing a more attractive environment.

ACTIVITIES

Leisure and Wellbeing activities are responsible for developing and delivering services through the city's community, cultural and leisure facilities; supporting the local community through safety initiatives, partnerships and funding; and promoting the health, safety and wellbeing of residents and visitors.

The following activities currently fall under Leisure and Wellbeing:

- Integrated Community Services incorporating libraries, museums, aquatics and recreation and community hubs, relationships and projects.
- Parks and Reserves.
- Community Facilities Development.

Leisure and Wellbeing activities play a broad role in meeting the current and future needs of our communities for good quality local infrastructure, local public services and performance of regulatory functions.

These activities contribute mainly to the following high level goals for the city's wellbeing, also referred to as 'community outcomes':

- **A safe community** – we live in a safe city, free from crime and injury. Our city is prepared for emergencies.
- **A strong and diverse economy** – all members of our community benefit from a strong economy, and we attract increasing numbers of visitors.

- **An accessible and connected city** – members of our community are connected to the digital world.
- **Healthy people** – we live healthy lives, and our city's services help to protect our health and our environment.
- **A healthy natural environment** – we value and protect the natural environment and promote a sustainable city. Resources are used efficiently and there is minimal waste and pollution.
- **Actively engaged in community activities** – members of our community participate in arts, cultural, sports and other recreational and leisure activities; the city provides for and encourages participation in these activities.
- **Strong and inclusive communities** – people feel a sense of belonging and are included in the community; our city is built on strong communities that value diversity and support newcomers.
- **A healthy and attractive built environment** – our built environment enhances our quality of life. Our city is vibrant, attractive, healthy and well-designed. We promote development that is sustainable, and that values and protects our built heritage and the natural environment.

SOME OF THE YEAR'S ACHIEVEMENTS

Investment in Taita

Analysis carried out to look at the impact of investment in Taita by Council and others shows that educational outcomes are up, fewer young people are getting in trouble at school, and more are getting engaged in extra-curricular activities – all environmental factors that can result in better long-term outcomes. The analysis also shows that crime rates in Taita have fallen between 2014 and 2018 and participation in sports is up.

TAKA WIFI Initiative

The TAKA WIFI initiative has seen 125 tamariki at Naenae's Rata Street School given access to Wifi at home in an effort to lessen the digital divide. The initiative is a partnership between Hutt City Council, the TAKA Trust, Chorus, the Ministry of Education and Network for Learning. Council's aim is to extend this initiative across all schools in the north east, building a community of engaged, active and healthy young people who are motivated to strive towards brighter futures.



Ricoh Sports Centre

In November 2018 Te Atiawa led a ceremony to lay a mouri stone beneath the ground of the new Ricoh Sports Centre at Fraser Park. The mouri stone was sourced from the Te Rere Kapuni waterfall in Taranaki, by Kura Moeahu. These falls are a place of special significance to the ancestors of Te Atiawa Iwi and the ceremonial laying of this stone, named Te Aio, meaning tranquility, peace, calm, is significant as it imbues the mouri with all its life force to protect Ricoh Sports Centre and its visitors. The facility is the home of Lower Hutt's first Sportsville, a concept that brings sports groups together to share facilities and collaborate to both retain their members and attract new ones. The centre was officially opened in December 2018, marking the handover from Council and the Hutt City Community Facilities Trust to Fraser Park Sportsville who will govern and manage the centre. The facility opened for business in 2019, and features six squash courts, an indoor training space, administration offices, meeting rooms, changing rooms and a cafe. The venue is set to attract international, national and local competitors, tournaments and matches.

Avalon Park

In November 2018 stage three of the Avalon Park upgrade was opened to the public. This involved work on the new entrance, a replacement feature bridge, pond edge improvements, work on the path network, signage, new furniture and planting.

The 6.5-tonne giant steel Tyrannosaurus Rex known as Colin was created by Hutt Valley

firms for the 2018 Highlight: Carnival of Lights and then donated for auction with all money raised going to support Te Omanga Hospice. Through further donations the sculpture was gifted to Hutt City Council and in March 2019 took up residence in the pond at Avalon Park.

International Award for Hutt Park

In November 2018, Hutt Park in Seaview received international recognition for its outdoor spaces, one of only 23 parks in New Zealand to achieve this standard. The international award is presided over by a panel of judges from a broad range of backgrounds including nature conservation, ecology, parks management, and the environment. The panel granted the award following its assessment that the area has achieved the international standard for the management of recreational outdoor spaces. Council is working towards applying for this status for other parks in the city.

Wharves

Rona Bay wharf reopened in December 2018 following refurbishment that took into account the heritage listing of the wharf and included ripping up the old deck surface and replacement of all timber beams and braces, the repair of piles, the laying of a new concrete deck and replacement of approach fencing and stairs to the beach. Work on Days Bay wharf commenced in 2019 after the busy summer period. A geological study of the piles at Point Howard wharf established that the risk to the aquifer from removing the wharf is low, and further work is being done to mitigate any risk involved in the removal of the wharf. Refurbishment of Petone wharf is scheduled for 2032.



CASE STUDIES

HOMELESSNESS STRATEGY

People in the city voiced their growing concerns about the number of people who were homeless or at threat of becoming homeless in the city. Council recognised these concerns, worked with our community to develop a Homelessness Strategy that focuses on preventing homelessness and committed funding to implement the Strategy in the 2019-2020 Annual Plan.

Council worked very closely with our community to develop its approach so that the community's investment will make a real difference. We wanted to find out what was happening at a local level in our city - who was homeless and why. We found that the majority of those experiencing homelessness are hidden - they are couch-surfing, in temporary and emergency accommodation, living in overcrowded accommodation, or in the case of those at the sharp end of the crisis – sleeping rough.

While we reviewed literature and gathered data the most important part of our work was working directly with people on the challenges and solutions to homelessness. Successful intervention needed to be informed by people who are experiencing

homelessness or are on the edge of becoming homeless and the people involved in helping them.

There were many kanohi ki te kanohi (face to face) conversations. Our library staff know many individuals who are sleeping rough as they often go to the libraries during the day and they played a key role in bringing policy staff together with these individuals to talk about their experience with homelessness. A meal was shared and people talked about what they thought was needed to make things better.

This approach gave Council a strong understanding of the situation locally and built trust with our community. We went back to people a number of times to seek their feedback on the work as it developed and then met again with groups to discuss what was being recommended to Council. Ensuring people had the opportunity to participate at any stage of the process was key to its success.

The intention of this approach was to ensure the end result was a 'city strategy' rather than solely a 'Council Strategy' and, based on the feedback received from those involved in the work, this community engagement, conversational approach achieved this result.

WORKING WITH OUR DISABILITY COMMUNITY

1.1M or 24% of people in New Zealand identify as being disabled. This represents almost a quarter of New Zealand's population and translates, in Lower Hutt, to 24,480 people living with disabilities.

People aged 65 or over are more likely to be disabled (59 per cent) than adults under 65 years (21 per cent) or children under 15 years (11 per cent) and Māori and Pacific people have higher than average disability rates.

Council works within the disability sector to advance the rights and aspirations of disabled people and together with the disability community we developed the Accessibility and Inclusiveness Plan 2017-2027¹. This plan outlines the goals and key performance indicators that Council and the disability community will focus on achieving together over the next ten years. The establishment of a Sub Committee of Council made up of people from the disability community was a key outcome for the Plan.

2018 was the sub committee's first full year of operation and, following their advice, Council agreed to put extra funding towards footpath smoothing and walk-offs and invest in Blind Square – an accessible GPS app developed for the blind and visually impaired.² The Central Community Panel³ also agreed to use their local projects fund to help to fund a Changing Places Facility⁴ in the central city. This facility is something that our disability community asked for in a submission to the 2018-2028 Long Term Plan and it will make a big difference for people with multiple or complex care needs. They will be able to visit the central city knowing that they will have easy access to safe, clean facilities if they need them.



1 <http://www.huttcity.govt.nz/aip>

2 BlindSquare is the world's most popular accessible GPS-app developed for the blind and visually impaired. It describes the environment, announces points of interest and street intersections as you travel. In conjunction with free, third-party navigation apps it is a powerful solution providing most of the information blind and visually impaired people need to travel independently.

3 A Community Panel model has replaced the old community committee structure, which was disestablished at the end of Council's 2013-2016 triennium. Council established four community panels in the Central, Eastern, Northern and Western ward communities. Each panel consists of up to five community representatives along with two ward councillors. The role of the panels is to represent and act as an advocate for the interests of their communities. They also allocate and manage a Local Community Projects Fund. Panels meet as needed.

4 A Changing Places bathroom is much more than an accessible toilet. It is a place where people with multiple or complex disabilities can get changed in a safe, clean environment. It has facilities for toileting, showering, and changing for adults or children who might have more than one caregiver with them.



TE WĀ HEKE (INVENT THE FUTURE) EDUCATION

Science and technology is moving fast. It's enabling innovation and changing the way we live. Te Wā Heke represents Hutt City Council's activity in science, technology and innovation, bringing together new and existing initiatives for our community, businesses, educators and students. It's about being part of a community that works together to invent the future.

Learning

Women are under-represented in science and technology in New Zealand and we want to change that. The **Innovative Young Minds Programme** is a week-long residential programme for Year 11 and 12 female secondary school students, that allows them to experience what it is like to work in diverse industries like engineering, high-tech manufacturing and science.

Hutt Science inspires young people to get involved in science and technology earlier. Through Hutt Science, schools are provided with teaching kits, professional development and children's programmes for primary and intermediate school teachers to help engage children in science.

Our **libraries** connect people with science and technology through books, eResources,⁵ talks, workshops, hands on experiences and experts at any of our 8 libraries⁶ around Lower Hutt. Libraries offer hundreds of events every year for people of all ages including computer courses, robotics and coding workshops, science talks and much more.

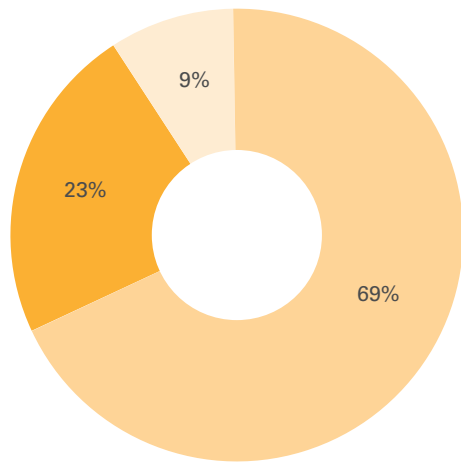
Our **Clubhouses** in Naenae and Taita are free, creative out-of-school learning environments for people aged 10-18. They're part of an international youth programme of over 100 Clubhouses in 19 countries with a focus on exploring technology through the arts. Young people work in a self-led environment with mentors to explore ideas, learn new skills, build confidence and find future career options.

5 <http://library.huttcity.govt.nz/eresources>

6 <https://library.huttcity.govt.nz/locations>

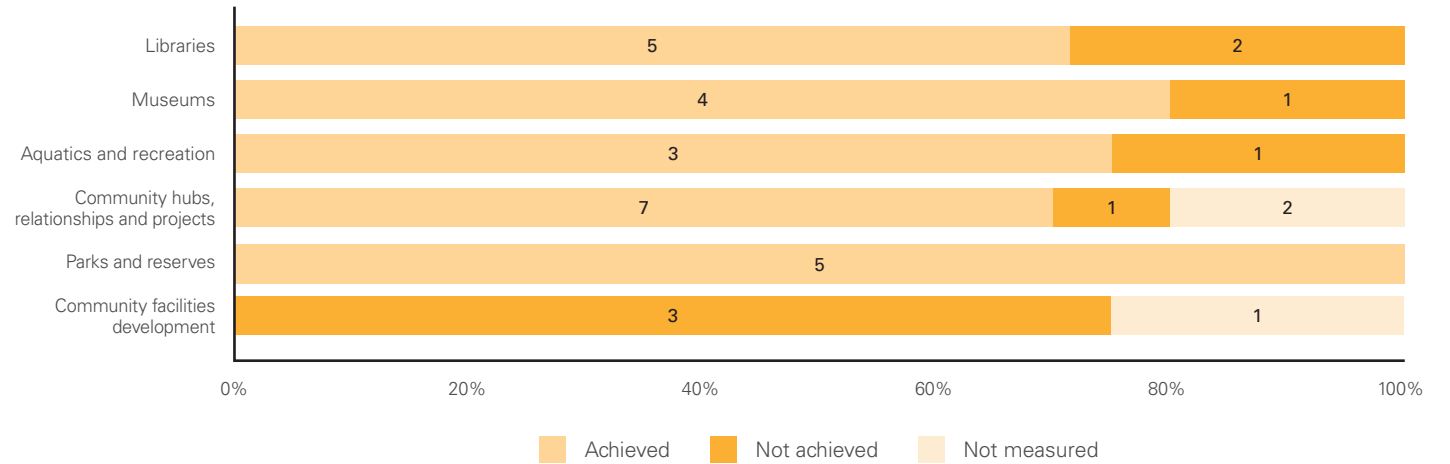
LEISURE & WELLBEING PERFORMANCE

LEISURE AND WELLBEING: PERFORMANCE TARGETS SUMMARY



■ Achieved
 ■ Not achieved
 ■ Not measured

LEISURE AND WELLBEING: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



LEISURE AND WELLBEING: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	34,774	47,087	43,022	44,013
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	240	116	259	133
Fees and charges	8,624	7,550	8,615	7,118
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,641	2,360	2,031	5,206
Total operating funding (A)	46,279	57,113	53,927	56,470
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	33,287	43,221	40,415	41,004
Finance costs	2,571	1,695	2,107	1,768
Internal charges and overheads applied	5,280	5,561	4,839	4,839
Other operating funding applications	-	22	-	1,192
Total applications of operating funding (B)	41,138	50,499	47,361	48,803
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	5,141	6,614	6,566	7,667
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(1,247)	4,004	5,778	(5,114)
Gross proceeds from sale of assets	1,710	103	1,250	6,075
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	463	4,107	7,028	961
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	1,818	8,268	8,643	5,324
- to replace existing assets	3,786	2,453	4,951	3,304
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	5,604	10,721	13,594	8,628
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(5,141)	(6,614)	(6,566)	(7,667)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

Note: For the Leisure and Wellbeing Funding Impact Statement the Actuals shown for 2017 when compared to the 2016-17 Annual Report are a combination of libraries, museums, aquatics and recreation, and community safety and connections activities.



INTEGRATED COMMUNITY SERVICES

WHAT WE DO

We provide:

- eight libraries across the city, which run as a single city-wide service. Libraries are located in the Lower Hutt CBD, Moera, Naenae, Taita, Stokes Valley, Eastbourne, Petone and Wainuiomata. Petone Community Library provides a focus for heritage collections and services
- two museums, the Dowse Art Museum and the Petone Settlers Museum, which are open to the public at no charge with the exception of special exhibitions
- six swimming pools, nine community halls and three community gyms
- a range of community based recreational programmes and events designed to remove barriers to participation and encourage residents to engage in recreational activities
- two integrated community hubs or facilities that provide core community and other council services. The hubs are focused on providing communities with opportunities for social and leisure activities, practical help and advice, and contributing to growing social capital.

WHY WE DO IT

Our libraries and museums enable all citizens to access information, knowledge, arts and cultural facilities that support and enrich individuals and the community. People's lives are positively affected by participation in recreation, sport and fitness. We provide these high quality services at a low user cost so the whole community is able to access them. Our libraries, museums, aquatic and recreation facilities and community hubs act as a focal point for the community. They enhance cultural life, diversity, wellbeing and promote civic pride and community values. Contributing to stronger communities means the city as a whole will achieve better social and economic outcomes and be more resilient in the future.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

LIBRARIES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Percentage of residents who have used a library during the last 12 months \geq 72%	81%	72%	67%	70%	Key Research
Residents' satisfaction with library services \geq 96%	98%	96%	97%	99%	Key Research
Number of physical visits per year over 1M ¹	1,204,830	1,415,759	1,295,893	1,303,639	Monthly Management Reports
Number of visits via the internet per year					Monthly Management Reports
500,000 Libraries Online visits	579,543	507,974	476,122	453,170	
110,000 pay sessions on Connect	162,182	176,620	167,926	146,038	
Library stock turnover	5.2	4.2	4.6	4.4	New Zealand Library Statistics
\geq national mean	(national mean 3.5)	(national mean 3.4)	(national mean 3.5)	(national mean 3.1)	
Note: a number greater than or equal to the national mean shows that our library stock turnover is at least equal to or better than is achieved nationally					
Library programmes and events delivered to participants \geq 40,000 participants	New measure for 2017-18	New measure for 2017-18	50,107	62,868	Management Reports

MUSEUMS

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Number of total museum visits per year \geq 215,000 (Dowse and Petone Settlers)	226,946 Dowse: 218,847 Petone Settlers: 8,099	225,693 Dowse: 210,402 Petone Settlers: 15,291	229,219 Dowse: 215,990 Petone Settlers: 13,229	199,399 Dowse: 185,968 Petone Settlers: 13,431	Monthly management reports
Residents' satisfaction with:					Key research
• the Dowse Art Museum \geq 87%	95%	87%	93%	95%	
• the Petone Settlers Museum \geq 89%	97%	89%	98%	97%	
Public education programmes delivered that meet the needs and expectations of community and school groups:					Management reports
Number of participants public education programmes delivered to: 5,500 participants ²	11,168	10,159	8,104	10,481	
Participant satisfaction with public education programmes \geq 90%	100%	97%	98%	97%	Participant evaluation forms

AQUATICS AND RECREATION

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with pools \geq 92%	97%	93%	98%	95%	Key Research
Number of swimming pool visits per year: 900,000	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	957,325	Management Reports
POOLSAFE accreditation for swimming pool operation ³ : Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	Annual NZRA External Audit
Cost per visit to Council of aquatic services provided: \$5.00	\$3.72	\$5.00	\$4.83	\$5.44	Management Reports

COMMUNITY HUBS, RELATIONSHIPS AND PROJECTS

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' perceptions of Hutt City in terms of their sense of safety \geq 79% overall	85%	79%	84% overall	84%	Key Research
• in their local neighbourhood during the day	96%	92%	95%	94%	
• in their local neighbourhood after dark	82%	77%	78%	77%	
• in the Lower Hutt city centre during day	97%	95%	96%	97%	
• in the Lower Hutt city centre after dark	63%	58%	68%	67%	
Community organisations' satisfaction with the availability and quality of our funding service \geq 90%	97%	95%	96%	97%	Measured by Survey of Community Organisations
	(32 responses received)	(62 responses received)	(96 responses received)	(29 responses received)	
Number of visits per year to Community Hubs:					Annual management Report
• Walter Nash Centre \geq 750,000	New measures for 2016-17	771,000	867,000	848,834	
• Wainuiomata Community Hub \geq 300,000	New measure for 2017-18	New measure for 2017-18	319,150	292,745	
• Koraunui Stokes Valley Community Hub \geq 250,000	New measure for 2017-18	New measure for 2017-18	165,506 ⁴	254,235	
Satisfaction with Community Hubs:					Key Research
• Walter Nash Centre facilities \geq 90%	New measure for 2016-17	96%	100%	98%	
• Wainuiomata Community Hub facilities \geq 90%	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	95%	
• Koraunui Stokes Valley Community Hub facilities \geq 90%	New measure for 2017-18	New measure for 2017-18	93%	93%	
Three or more significant events held each year at Walter Nash Centre	New measures for 2016-17	5 significant events	8 significant events	10 Significant events	Annual Management Report
Planning completed for the Naenae Hub by 30 June 2019	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	On hold due to Naenae Pool	Annual Management Report

Notes:

- Physical visits to Stokes Valley Library not counted from 16 September 2016.
- Contract with Ministry of Education re-negotiated in January 2017. Target participation reduced to 5,500.
- Accreditation including quality standards for health and safety, water quality, supervision, pool building and operation, signage and other standards.
- Koraunui Stokes Valley opened late October 2017 so the number of visits reflects that the hub was open for 8 months only. 2018-19 was the first year of full operation

INTEGRATED COMMUNITY SERVICES: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	6,674	4,856	5,566	4,917	(649)
Operating Subsidies & Grants	240	110	253	104	(149)
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	(135)	(135)
Vested Assets	-	-	-	-	-
Other Revenue	2,634	2,201	2,031	2,120	89
Total Revenue	9,548	7,167	7,850	7,006	(844)
EXPENDITURE					
Employee Costs	11,485	13,553	14,308	14,177	131
Operating Costs	10,400	9,464	9,810	10,150	(340)
Support Costs	4,704	4,831	4,160	4,160	-
Loss On Prop Revals, Sales, Disposals	-	22	-	-	-
Finance Cost	862	690	733	615	118
Depreciation	3,405	4,424	4,588	5,519	(931)
Total Expenditure	30,856	32,984	33,599	34,621	(1,022)
DEFICIT BEFORE TAX	(21,308)	(25,817)	(25,749)	(27,615)	(1,866)
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(21,308)	(25,817)	(25,749)	(27,615)	(1,866)
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(21,308)	(25,817)	(25,749)	(27,615)	(1,866)
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	(847)	(1,424)	(1,924)	(604)	1,320
Capital To Replace Existing Assets	(3,070)	(1,873)	(3,967)	(2,246)	1,721
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	3,405	4,424	4,588	5,519	931
Total Loan Funding Requirement	(512)	1,127	(1,303)	2,669	3,972
TOTAL FUNDING REQUIREMENT	(21,820)	(24,690)	(27,052)	(24,946)	2,106

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Community Houses Funding	183	186	(3)
Marae Funding	200	200	-
Arts & Culture Funding	40	39	1
CAB Funding	87	89	(2)
Scholarships	10	-	10
Events Funding	20	42	(22)
Youth Infusion	10	8	2
Safety Initiatives	334	347	(13)
Nuku Tewhatewha Research	40	-	40
Regional Grants	33	18	15
Tamaiti Whangai Grant	20	19	1
Waiwhetu Marae Scholarship	5	5	-
Wellington Free Ambulance	100	100	-
Mayors Taskforce for Jobs Wainuiomata	70	70	-
Sportsville	50	46	4
North East Projects	10	32	(22)
Youth Partnership	13	13	-
Hutt Valley Tennis - Mitchell Park	250	-	250
Sport Wellington Long Term Regional Strategy	15	15	-
Community Arts Funding	93	51	42
Russell Clark Sculpture Maintenance	135	127	8
Volunteer Hutt	5	5	-
Family Centre	20	20	-
Kakano Fund	50	50	-
Mahia Atu General Fund	120	120	-
Mahia Atu Partnership Fund	189	70	119

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: Revenue is unfavourable mainly due to the closure of the Walter Nash Fitness suite offset by savings in operating costs, and Walter Nash sponsorship target not being achieved. Libraries are also unfavourable due to decreases in hire/rental fees and charges. Revenue in Pools is below budget mainly due to the closure of Naenae Learners Pool in November and the closure of the balance of Naenae Pool & Fitness Suite in April.

Expenditure Variance: Employee costs are favourable due to the closure of Walter Nash fitness suite, and savings from some vacancies. This is slightly offset by unfavourable variances within Pools, due to higher than expected costs of paying the living wage and extending the opening of our outdoor pools in response to increased usage due to good

summer weather. Operating costs are unfavourable mainly due to higher Insurance costs and the transfer of cost for projects budgeted as capital but being treated as operating. There are offsetting savings in capital. These unfavourable operating variances are mostly offset by delayed projects including Hutt Valley Tennis - Mitchell Park and the Mahia Atua Partnership fund with both having been deferred to 2019/20.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Community Halls Improvements	390	144	246
Community Hubs - Building Improvements	5	-	5
Clubhouse Equipment Replacement	35	23	12
Community Houses	50	43	7
Community Panel Projects	457	36	421
Dowse Collection Storage Upgrade	-	12	(12)
Dowse Entrance Upgrade	142	5	137
Dowse New Artworks	43	64	(21)
Huia Pool Replace Roof Membranes	250	-	250
Libraries Buildings Improvements	77	91	(14)
Little Theatre Improvements	117	95	22
Little Theatre Sound and Lighting Improvements	115	19	96
Nuku Tewhatewha Hardware (Computer)	7	-	7
Nuku Tewhatewha Refurbishment	34	-	34
Nuku Tewhatewha software Licences	45	-	45
RFID Robotic Returns Sorter	62	-	62
Stokes Valley Pool Fitness Suite Equipment	40	-	40
Stokes Valley Community Hub	25	-	25
Wainuiomata Hall New Heating Unit	30	32	(2)
Dowse Carpets and Soft Furnishings Gallery and Office	23	-	23
Community Hubs - Interior & Exterior Maintenance	5	-	5
Community Hubs - Furniture & Equipment Replacements	10	4	6
Community Houses Building Maintenance	66	64	2
CBD Community Resource Centre	20	-	20
CCTV Replacement	45	24	21
Dowse Audio Visual Equipment Replacement	22	31	(9)
Dowse Building Repair and Repaint	30	26	4
Dowse Office Furniture and Equipment	15	8	7
Dowse Gallery Lighting	15	17	(2)
Dowse Building and Plant Maintenance	86	84	2
Dowse Museum Maintenance	650	223	427
Dowse Ventilation Plant Replacement	82	71	11
Community Halls External and Internal Maintenance	309	42	267

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Huia Pool Coloursteel Roof Replacement	280	-	280
Furniture and Equipment Replacement Programme Libraries	67	62	5
Libraries Interior and Exterior Maintenance	158	27	131
Replace Library Shelving	40	5	35
Libraries Security Maintenance	15	44	(29)
Libraries Stock Replacement	850	859	(9)
Other Pool Projects	627	597	30
Petone Settlers Museum Exhibition Furniture and Fittings	5	-	5
Petone Settlers Museum Building & Plant Maintenance	15	42	(27)
Stokes Valley Hub Maintenance	15	-	15
Stokes Valley Pool Roof Replacement	400	-	400
Walter Nash Centre Maintenance	118	-	118
Civic Events Centre Improvements	-	29	(29)
Vehicle Purchase	-	24	(24)
Water Fountain	-	3	(3)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

Capital was underspent mainly due to delays in a number of projects including Huia Pool Replace Roof Membranes, Huia Pool Coloursteel Roof Replacement, Stokes Valley Pool Roof Replacement and the Dowse Entrance Upgrade, which have all been deferred to 2019/20. The underspend in capital is also due to the transfer of some costs to operating.

PARKS AND RESERVES

WHAT WE DO

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

WHY WE DO IT

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with:					
• sports grounds ≥ 95%	96%	95%	95%	95%	Key Research
• parks, reserves and gardens ≥ 95%	96%	96%	94%	96%	
• cemeteries ≥ 95%	94%	95%	95%	97%	
Sportsfields - scheduled sports games that take place >90%	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	95%	Management Reports
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months ≥ 85%	92%	84%	84%	85%	Key Research

PARKS AND RESERVES: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	1,950	2,694	3,049	2,201	(848)
Operating Subsidies & Grants	-	6	6	29	23
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	106	-	3,172	3,172
Vested Assets	-	-	-	-	-
Other Revenue	7	53	-	49	49
Total Revenue	1,957	2,859	3,055	5,451	2,396
EXPENDITURE					
Employee Costs	777	671	793	736	57
Operating Costs	9,796	10,398	9,708	11,271	(1,563)
Support Costs	576	730	679	679	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	791	589	783	657	126
Depreciation	1,736	2,190	1,978	2,148	(170)
Total Expenditure	13,676	14,578	13,941	15,491	(1,550)
DEFICIT BEFORE TAX	(11,719)	(11,719)	(10,886)	(10,040)	846
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(11,719)	(11,719)	(10,886)	(10,040)	846
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(11,719)	(11,719)	(10,886)	(10,040)	846
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	(971)	(6,844)	(4,719)	(4,720)	(1)
Capital To Replace Existing Assets	(716)	(580)	(984)	(1,058)	(74)
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	1,710	103	1,250	6,075	4,825
Less Depreciation	1,736	2,190	1,978	2,148	170
Total Loan Funding Requirement	1,759	(5,131)	(2,475)	2,445	4,920
TOTAL FUNDING REQUIREMENT	(9,960)	(16,850)	(13,361)	(7,595)	5,766

OPERATING PROJECTS

There were no operating projects separately budgeted for the year.

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: The unfavourable variance is mainly due to reserves contributions being below budget for the year as more developments were expected than actually occurred although these are expected to take place in 2019/20.

Expenditure Variance: The unfavourable variance is mainly due to \$1.2M derecognition of the Fraser Park Grandstand which is to be demolished. In addition operating costs for reserves contract items were higher than budgeted mainly due to the scope of works increasing as re-developed parks and reserves came on line. There were also additional costs for remediation of land sold at Mitchell Park. In addition costs for several projects budgeted as capital have been transferred to operating with an offsetting underspend in capital.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Avalon Park Development	-	747	(747)
Stokes Valley Half Court	150	152	(2)
Parks & Gardens Protection Bollards	5	11	(6)
Light Boxes	24	22	2
Mountain Bike Park	80	74	6
Manor Park Cycle Trail	370	-	370
Percy Reserve SH2 Development	200	147	53
Making Places Riddiford Gardens Stage 3	-	406	(406)
Valley Floor Review Implementation	310	100	210
Sportsground Drainage Upgrades	250	24	226
Mitchell Park Improvements	250	-	250
Avalon Park Toilets	350	35	315
Toilets Upgrade	100	46	54
T-Rex	-	41	(41)
Te Whiti Park New Changing Rooms	-	(46)	46
Urban Plus Misc Capital Improvements	-	4	(4)
Wharves Refurbishment	2,500	2,872	(372)
Wainuiomata Garden Of Remembrance	100	100	-
Wainuiomata Welcome Sign	30	-	30
Walter Nash Reserve Upgrade	-	(12)	12
Avalon Park Lions Train - track replace	50	-	50
Miscellaneous Rentals Maintenance	40	-	40

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Seats & Bins	59	83	(24)
Parks Hard Surfaces Maintenance	250	286	(36)
Parks Signage & Interpretation	30	24	6
Playgrounds	305	418	(113)
Sportsground Buildings Maintenance	220	220	-
Track Maintenance	30	24	6

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The overspend for the Wharves Refurbishment project was partly due to increased costs to refurbish the Rona Bay Wharf which was completed in December 2018, and to the timing of the works on the refurbishment of the Days Bay Wharf. This overspend is expected to be offset by an underspend in 2019/20. The overspend on Avalon Park is mostly offset by an underspend in 2017/18 and the overspend on Making Places - Riddiford Gardens Stage 3 is due to additional costs including contract variations which is also partly offset by an underspend in 2017/18. There are also underspends due to delays in a number of projects including Avalon Park Lions Track, Avalon Park Toilets, Mitchell Park Improvements, Sportsground Drainage, Manor Park Cycle Trail, Percy Reserve, and Valley Floor Review, which have all been carried over to 2019/20.



COMMUNITY FACILITIES DEVELOPMENT

WHAT WE DO

Hutt City Council has a Long Term Integrated Facilities Plan which provides a clear guide for Council and community decision-making regarding the future development of community facilities. The Hutt City Community Facilities Trust (CFT) (a Council Controlled Organisation established in August 2012) plays an integral role in assisting Council in implementing this plan.

WHY WE DO IT

After a stocktake and review of the community facilities in Lower Hutt, Council consulted with the community around the future provisioning of public infrastructure in Lower Hutt. The resulting Integrated Community Facilities Plan endorsed the concept of community hubs and identified the CFT as the prime delivery agent for new community facilities. The key to the hub concept is integration. A community hub gathers in one convenient place the community services that together provide an environment where social, educational, recreational and cultural activities can occur, enhancing connections and relationships among people in the area as a result.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Fraser Park Sportsville					
User satisfaction with stage 1 Fraser Park facilities > 90%	New measure for 2016-17	90%	Not measured ¹	Not measured ²	Annual Management Report
Stage 2 building work completed: Building work completed by December 2018	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	Not achieved Completed January 2019	Annual Management Report
Community Facilities Trust:					
• Operating and capital expenditure within budget	Achieved	Achieved	Achieved	Not achieved ³	Annual Management Report
• 100% of Council accountability requirements met	Achieved	Achieved	Achieved	Not achieved ⁴	Report

Notes:

1. Not measured due to staff resourcing
2. Not measured due to staff resourcing
3. Operating expenditure over budget due to a grant paid to Fraser Park Sportsville for fit-out of RICOH Sports Centre (unbudgeted). Capital expenditure over budget due to late completion and contract variations at the RICOH Sports Centre, resulting in higher than planned costs.
4. Failure to issue Statement of Intent for the period beginning 1 July 2019, by 30 June 2019 accordance with Section 64 Clause 3 of Schedule 8 of the Local Government Act 2002.

COMMUNITY FACILITIES DEVELOPMENT: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	-	-	-	-	-
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenue	-	-	-	-	-
EXPENDITURE					
Employee Costs	-	-	-	-	-
Operating Costs	829	9,135	5,796	5,862	(66)
Support Costs	-	-	-	-	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	918	416	591	496	95
Depreciation	-	-	-	-	-
Total Expenditure	1,747	9,551	6,387	6,358	29
DEFICIT BEFORE TAX	(1,747)	(9,551)	(6,387)	(6,358)	29
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(1,747)	(9,551)	(6,387)	(6,358)	29
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(1,747)	(9,551)	(6,387)	(6,358)	29
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	-	-	(2,000)	-	2,000
Capital To Replace Existing Assets	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	-	-	-	-	-
Total Loan Funding Requirement	-	-	(2,000)	-	2,000
TOTAL FUNDING REQUIREMENT	(1,747)	(9,551)	(8,387)	(6,358)	2,029

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
CFT Operating Grant	350	350	-
CFT Fraser Park Sportsville	1,900	2,699	(799)
CFT Naenae Hub Development	-	264	(264)
CFT Sportsville Wainuiomata	2,500	-	2,500

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: There are no variances.

Expenditure Variance: The year end variance is mainly due to additional funding for Fraser Park Sportsville, which will be offset by revenue in future years from naming rights & sponsorships. This is offset by Wainuiomata Sportsville project being deferred to 2019/20. Of the total operating spend \$3M was for grants to fund capital projects.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Naenae Hub Development	2,000	-	2,000

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The underspend is due to Naenae Hub Development which has been deferred to 2020/21.

CITY GROWTH

WHAT

The Urban Growth Strategy is Council's approach to managing growth and development in Hutt City to 2032. It 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.

WHY

The 2013 Census night result showed that Hutt City had grown by only 537 people in the previous seven years. We recognise growth and development is essential if our city and our communities are to prosper in the medium to long term and that Council needs to be proactive to ensure Hutt City gets its fair share of the region's growth. In response to this we developed our Urban Growth Strategy. By promoting building and construction we can help our city grow, through businesses and organisations that operate here, and through appropriate housing for the range of residents that live or plan to live here.

ACTIVITIES

City Growth activities are responsible for developing the economic wellbeing of the city, including delivering promotion of the city, environmental planning and consents functions.

The following activities fall under City Growth:

- City Environment
- City Development
- Consents and Regulatory Services

City Growth activities play a broad role in meeting the current and future needs of our communities for good quality local infrastructure, local public services and performance of regulatory functions.

These activities contribute mainly to the following high level goals for the city's wellbeing, also referred to as 'community outcomes':

- **A safe community** – we live in a safe city, free from crime and injury. Our city is prepared for emergencies.
- **A strong and diverse economy** – a city that grows existing businesses and attracts new business activity, with a focus on the research and development sector; all

members of our community benefit from a strong economy, and we attract increasing numbers of visitors.

- **An accessible and connected city** – a city that is easy to move about with well-designed roads, cycleways and footpaths; members of our community are connected to the digital world.
- **Healthy people** – we live healthy lives, and our city's services help to protect our health and our environment.
- **A healthy natural environment** – we value and protect the natural environment and promote a sustainable city; resources are used efficiently and there is minimal waste and pollution.
- **Actively engaged in community activities** – members of our community participate in arts, cultural, sports and other recreational and leisure activities; the city provides for and encourages participation in these activities.
- **Strong and inclusive communities** – people feel a sense of belonging and are included in the community; our city is built on strong communities that value diversity and support newcomers.
- **A healthy and attractive built environment** – our built environment enhances our quality of life; our city is vibrant, attractive, healthy and well-designed; we promote development that is sustainable, and that values and protects our built heritage and the natural environment.

SOME OF THE YEAR'S ACHIEVEMENTS

Central City Transformation Plan

The Central City Transformation Plan (CCTP) is a framework that aims to stimulate and coordinate the thinking around the design and development of the central city and its neighbouring communities. Developed by urban planners, economists, infrastructure experts, local and regional stakeholders and the community, and completed during 2019, it builds on our long-held desire to create a true river city.

The CCTP strengthens the case for infrastructure investment and private investment in central Lower Hutt, and is the culmination of three decades of formal planning and community consultation that seeks to re-energise a city centre firmly focused on Hutt River/Te Awa Kairangi. The CCTP updates and adds essential detail to Council's 2009 vision document for the central city – Making Places.

The research behind the CCTP confirms that RiverLink is the one opportunity for Lower Hutt to bring the river to its rightful place in the central city, and the only opportunity on the horizon to reinvigorate the broader central city.

The CCTP is based on nine principles and related projects:

- Consolidating the city's core
- Turning to face the river
- Residential development
- A clear, distinct route into and through the CBD
- East-West links to the river and beyond
- A park-like extension to the Civic Precinct
- Integrating the northern central part of the CBD with the city centre
- Creating a leafy suburban fringe
- Gateway experiences

Riverlink

In August 2018 the RiverLink project team started investigations to better understand the geotechnical complexities of the Hutt Valley. This work informed the design of the new stopbanks, the large retaining wall to support the promenade, piers and abutments for the pedestrian cycle bridge, and assisted with costings to build a highway interchange and new Melling bridge. Resource Management Act consents work will commence mid-2019.

Civic Precinct

Several thousand people turned out to the opening held in July 2018 to see and experience the new Lower Hutt Events Centre and refurbished Town Hall. The final phase of the garden upgrade has been completed, including a sunken plaza with a water feature, new paths and bridges. The Lower Hutt Horticultural Society has been influential in helping to establish a planting palette and the character of the various sites in the upgraded gardens.

Building Boom

Building consents and applications for new buildings have reached an all-time high, a strong indicator of economic growth in the city. By June 2019, building consents received

were up 8% on the previous year with Hutt City Council receiving 1,633 consents. Council also received a total of 402 resource consent applications, up 32% on 2018 when we received 304 resource consents, with many for new buildings such as multi-unit dwellings and new housing subdivisions. Developments like those led by Council's property company Urban Plus Limited are contributing to the building boom, with Lower Hutt expecting to see an additional 1535 new dwellings built in the next 2 – 3 years.

Festivals and Events

Highlight: Carnival of Lights 2018 returned for four nights over Labour Weekend to transform Riddiford Garden into a spectacular carnival of lights, entertainment and performances that was enjoyed by around 140,000 people of all ages. The carnival included journeying below the waves, across land and sky, experiencing the power of the elements, meeting creepy-crawly characters, and discovering a mythical forest, with around 75 installations, performances and activities. It was preceded by HighLight Nights, a series of pre-carnival events across the Hutt Valley. Te Omanga Hospice was chosen as the charity partner with money raised to help with the rebuild of its earthquake-prone building. In March 2019, Highlight 2017 won the Best Community Event 2018 award. The award recognises excellence in an event delivered to meet local community needs or provide an enhanced experience.

The Hutt Winter Festival returned for a second year in 2018, warming up the winter months with an explosion of arts and cultural events for all ages, accessibility needs and interests. Locals and visitors to the region were treated to free workshops at various community hubs throughout the Hutt Valley in July and August which included lantern and mask making, a talent quest, fashion competition, puppet parade, street theatre, community labyrinth and a fantastic night-time illuminated bicycle parade.

Williams Park in Days Bay and the Hutt Recreation Ground attracted large crowds to outdoor concerts in early 2019.



CASE STUDIES

CENTRAL CITY TRANSFORMATION PLAN

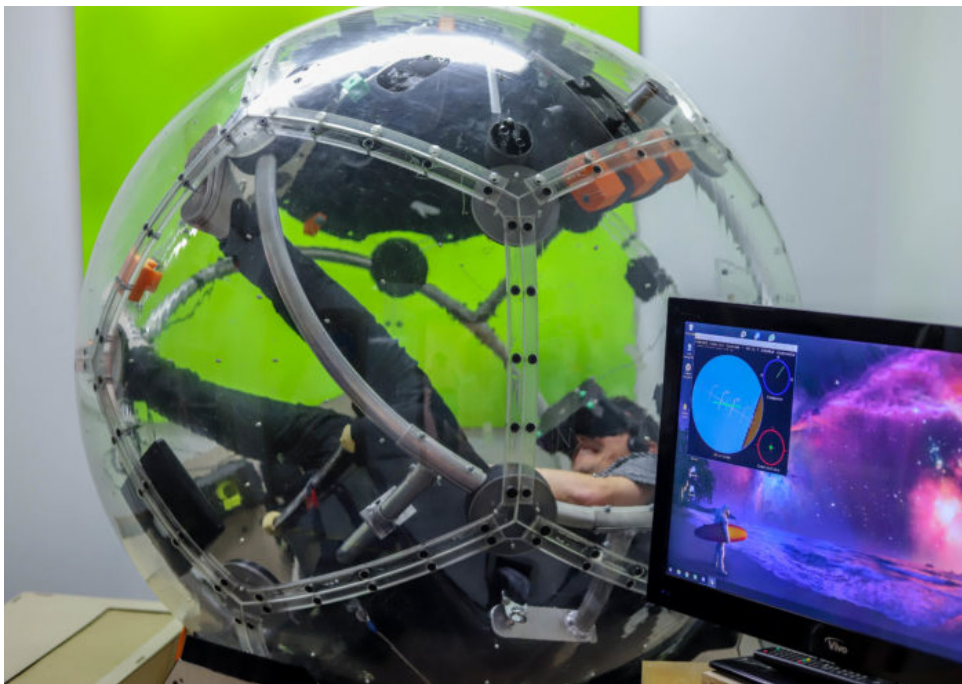
The Central City Transformation Plan (CCTP) is a framework that aims to stimulate and coordinate the thinking around the design and development of the central city and its neighbouring communities. Developed by urban planners, economists, infrastructure experts, local and regional stakeholders and the community, and completed during 2019, it builds on our long-held desire to create a true river city.

The CCTP strengthens the case for infrastructure investment and private investment in central Lower Hutt, and is the culmination of three decades of formal planning and community consultation that seeks to re-energise a city centre firmly focused on Hutt River/Te Awa Kairangi. The CCTP updates and adds essential detail to Council's 2009 vision document for the central city – Making Places.

The research behind the CCTP confirms that RiverLink is the one opportunity for Lower Hutt to bring the river to its rightful place in the central city, and the only opportunity on the horizon to reinvigorate the broader central city.

The CCTP is based on nine principles and related projects:

- Consolidating the city's core
- Turning to face the river
- Residential development
- A clear, distinct route into and through the CBD
- East-West links to the river and beyond
- A park-like extension to the Civic Precinct
- Integrating the northern central part of the CBD with the city centre
- Creating a leafy suburban fringe
- Gateway experiences



TA WĀ HEKE (INVENT THE FUTURE) BUSINESS

Lower Hutt has a large number of high and medium technology businesses with a large number of employees that are always seeking local talent. Hutt City Council aims to foster this talent through supporting new start-ups and existing technology businesses.

The Settlement is a development hub for scaleable start-ups in the product, design, manufacturing or technology sector. The contemporary work environment provides an ideal space for people with new business ideas to work alongside each other sharing ideas and experiences with access to coaches, advisors and mentors, as well as specialist workshops and inspirational speakers.

We support technology businesses and innovators in Lower Hutt through the industry-led **Technology Valley Forum**. Its role is to market our region and businesses as the prime New Zealand centre for growth in science, technology and innovation.

Council also offers targeted tax rebates for science and technology businesses, business advice, international relationship networks and more. See Council's website for more on doing business here www.huttcity.govt.nz

SWEET AS HUTT HOT CHOCOLATE CHALLENGE

Council founded the Hutt Hot Chocolate Challenge as a way to inspire local cafes to be creative as well as to draw people out to the central city during winter. This year was a record year for the challenge which has become a real hit for the Hutt Valley hospitality scene. It is getting bigger and better every year. The challenge first began in 2015 and the number of hot chocolates sold during the first four years of the challenge was around 15,000. In 2019 that number was almost reached with just shy of 15,000 hot chocolates sold.

The Council run challenge saw 17 hospitality operators including cafes, restaurants, bars and a bakery in Lower Hutt create their own signature hot chocolate drinks for people to enjoy over three weeks. Customers were given the chance to vote for their favourite drink by ballot or on Sweet As Hutt's Hot Chocolate Facebook page.

People from all over the wider Wellington region including visitors from Christchurch, Auckland and Gisborne came in droves to sample the creative range of signature drinks. More than 8,000 votes were cast this year, in comparison with 1,100 in 2018. Cafe owners claimed record sales and there were lines out the door in several situations.

120 HOT CHOCOLATES SOLD IN ONE DAY FOR ONE COMPETITOR – HIGHEST EVER FOR THEM : "THERE WERE LINES OUT THE DOOR"

219
IMAGES POSTED ON
#SWEETASCHALLENGE

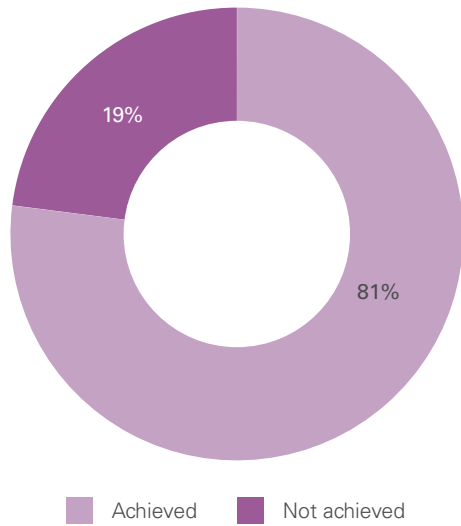
147k
POST VIEWS
ON FACEBOOK

"WE HAD RECORD
TRADING DAYS OVER
THE WEEKEND"

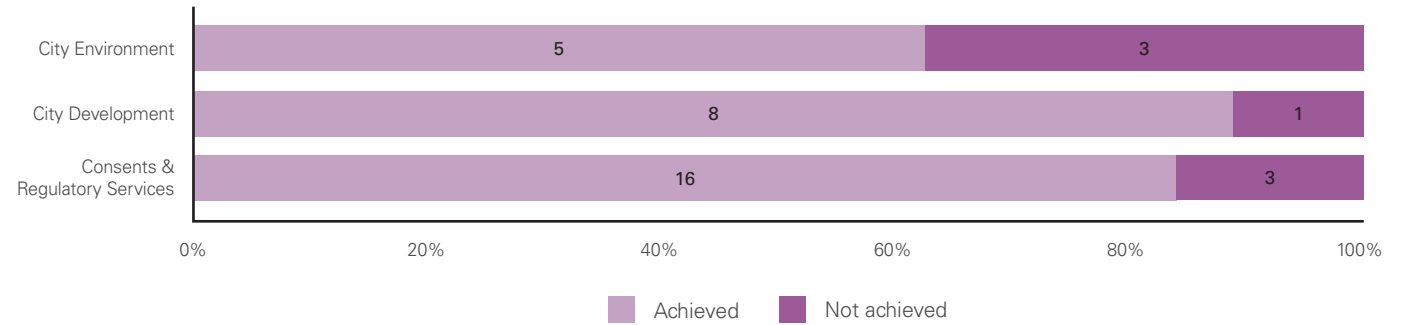


CITY GROWTH PERFORMANCE

CITY GROWTH: PERFORMANCE TARGETS SUMMARY



CITY GROWTH: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



CITY GROWTH: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	10,657	13,893	16,572	17,539
Targeted rates	137	134	137	137
Subsidies and grants for operating purposes	62	-	55	80
Fees and charges	4,348	5,662	5,734	6,520
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,854	1,468	1,497	1,393
Total operating funding (A)	17,058	21,157	23,995	25,669
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	13,392	18,862	18,294	20,971
Finance costs	1,844	1,117	1,795	1,506
Internal charges and overheads applied	948	1,062	3,051	3,064
Other operating funding applications	-	1	-	-
Total applications of operating funding (B)	16,184	21,042	23,140	25,541
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	874	115	855	128
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(864)	22,687	10,906	1,109
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(864)	22,687	10,906	1,109
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	2,886	-
- to improve level of service	-	22,802	8,875	1,237
- to replace existing assets	10	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	10	22,802	11,761	1,237
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(874)	(115)	(855)	(128)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

CITY ENVIRONMENT

WHAT WE DO

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

We do this by:

- developing, reviewing, implementing and monitoring the District Plan
- advocating for good long term spatial and urban form solutions through expert design advice
- preserving and protecting our heritage buildings, reflecting and enhancing our distinctive character and identity

WHY WE DO IT

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment. We recognise that our urban design and infrastructure must support our changing business and community environment. We manage and develop Hutt City's public spaces and preserve our heritage buildings because this benefits both businesses and our community. It contributes to our point of difference from other cities, supporting local cultures and enhancing how we identify ourselves.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Making Places: RiverLink Project Lodgement of Resource Consent application: January 2019	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	Not achieved ¹	Management Report
Start construction: February 2020	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	Not achieved ²	
Residents feel a sense of pride in the way the city looks and feels ≥ previous results	82%	76%	85%	87%	Key Research
Residents' satisfaction with:					
• litter control ≥ 86%	77%	86%	85%	86%	Key Research
• recycling ≥ 86%	86%	88%	90%	87%	Key Research
Percentage of households that have used the recycling service in the previous 12 months: 86% of households	84%	Not measured in 2016-17	86%	86%	Key Research
Tonnes of recycling collected ³ per annum: Increasing	7,357	7,619	8,235	8,144	Monthly Management Report
Percentage of Plan Changes and Notices of Requirements processed within statutory requirements: 100%	100%	100%	100%	100%	Section 32 Report

Notes:

1. RiverLink timing was delayed to allow NZTA's process for Melling Interchange to catch up.
2. Construction to start mid 2021 pending consultation and processing of RMA consent application.
3. Adding the word "collected" makes measure more accurate.

CITY ENVIRONMENT: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-28 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	-	36	112	4	(108)
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	(14)	(14)
Vested Assets	-	-	-	-	-
Other Revenue	-	4	50	36	(14)
Total Revenue	-	40	162	26	(136)
EXPENDITURE					
Employee Costs	668	639	627	626	1
Operating Costs	727	2,476	2,023	2,586	(563)
Support Costs	422	530	495	495	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	1,836	1,099	1,712	1,437	275
Depreciation	843	6	747	4	743
Total Expenditure	4,496	4,750	5,604	5,148	456
DEFICIT BEFORE TAX	(4,496)	(4,710)	(5,442)	(5,122)	320
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(4,496)	(4,710)	(5,442)	(5,122)	320
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(4,496)	(4,710)	(5,442)	(5,122)	320
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	-	(22,523)	(8,875)	(1,175)	7,700
Capital To Replace Existing Assets	(10)	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	843	6	747	4	(743)
Total Loan Funding Requirement	833	(22,517)	(8,128)	(1,171)	6,957
TOTAL FUNDING REQUIREMENT	(3,663)	(27,227)	(13,570)	(6,293)	7,277

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Heritage Incentives	52	62	(10)
Sculpture Trust	50	-	50
Petone 2040	150	42	108
Local Business Area Revitalisation	50	33	17

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: User charges are below budget mainly due to the rental agreement for the Pavilion being delayed.

Expenditure Variance: The unfavourable variance in operating costs is mainly due to the Council's share of costs for the Making Places Riverlink project that was budgeted as capital but is being treated as operating.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Making Places - Civic Events Centre Upgrade	1,700	1,939	(239)
Making Places - Investigations For Future Projects	200	-	200
Making Places Projects (Riverlink)	1,000	(650)	1,650
Riverlink - Strategic Property Purchases	5,675	(114)	5,789
Suburban Shopping Centres Improvements	300	-	300

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The significant underspend is due to costs for the Making Places Riverlink project having been transferred to operating including an adjustment from 2017/18. The Strategic Property Purchases did not occur and are now due to be completed in 2019/20.

CITY DEVELOPMENT

WHAT WE DO

We take a lead role in promoting Hutt City to develop and grow by:

- creating a business-friendly environment
- facilitating the expansion and creation of local businesses and employment
- increasing tourism and events in Hutt City
- contributing to regional growth through regional economic development
- providing quality online and digital experiences to our customers
- managing an integrated year-round events calendar.

WHY WE DO IT

Attracting and providing services for business and visitors is necessary for the city's economic development. By supporting the business sector and promoting Hutt City as a business location and vibrant city, we generate benefits for local enterprises and our residents. Major events make the city a more vibrant and interesting place, and attract visitors from outside the city.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Urban Growth Strategy					
• population growth \geq 0.6% per annum (to achieve population increase of 110,000 by 2032)	0.3%	1.4%	1.3%	1.1%	Statistics New Zealand Estimates ¹
• number of new homes \geq 328 new homes per annum (to achieve 6000 new homes by 2032)	232	325	466	224 (Not achieved)	Building consents with Code of Compliance Certificates
Hutt City's economic performance					
• Number of businesses in Lower Hutt - 11,000 by 2028	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	10,365	Infometrics
• Employment in medium/high-tech sector - 4,600 by 2028	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	3,819	
• Medium/high tech businesses as a percentage of total business numbers in Lower Hutt - 10% (1,100) by 2028	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	9.6% 1,056	
• Number of businesses in medium and high-tech sector - 1,100 by 2028	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	993	
Major events in Hutt City: 100,000 people attending events supported by the major event fund ²	104,000 attendees	101,500 attendees	154,000 attendees	158,500 attendees	Hutt City Council Events Team
Minor events in Hutt City: 25 diverse events supported through the event support fund ³	32 events supported	37 events supported	29 events supported ³	35 events supported	Hutt City Council Events Team
Commercial event attraction: Commercial events will be secured to take place in Lower Hutt with a combined economic benefit to the city of \$1million pa	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	\$5,041,000 economic benefit to Lower Hutt	Hutt City Council Events Team

Notes:

1. Population estimates are published in October each year; data provided is latest available at time of publication
2. The major event fund is used for Council owned events, as well as providing support to other events that take place in our city.
3. The event support fund (previously named minor event funds) is a grant fund that community event organisers can apply to for support.

CITY DEVELOPMENT: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	40	25	62	48	(14)
Operating Subsidies & Grants	62	-	55	80	25
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	753	357	315	292	(23)
Total Revenue	855	382	432	420	(12)
EXPENDITURE					
Employee Costs	1,397	1,782	2,110	2,125	(15)
Operating Costs	2,788	5,824	4,507	6,082	(1,575)
Support Costs	(1,154)	(1,484)	631	631	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	1	1	69	58	11
Depreciation	6	14	14	14	-
Total Expenditure	3,038	6,137	7,331	8,910	(1,579)
DEFICIT BEFORE TAX	(2,183)	(5,755)	(6,899)	(8,490)	(1,591)
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(2,183)	(5,755)	(6,899)	(8,490)	(1,591)
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(2,183)	(5,755)	(6,899)	(8,490)	(1,591)
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	(2,886)	-	2,886
Capital To Improve Level Of Service	-	-	-	-	-
Capital To Replace Existing Assets	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	6	14	14	14	-
Total Loan Funding Requirement	6	14	(2,872)	14	2,886
TOTAL FUNDING REQUIREMENT	(2,177)	(5,741)	(9,771)	(8,476)	1,295

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Jackson Street Programme	136	132	4
Events Funding	479	962	(483)
International Co-operating Cities	45	47	(2)
Economic Development Strategy	135	83	52
Urban Precinct Placemaking	40	6	34
Love Wainuiomata	100	100	-
South High Street Reinvigorate	40	-	40
Hutt Valley Chamber Of Commerce	100	100	-
Economic Development Contestable Fund	44	44	-
Science & Technology	225	230	(5)
Development Stimulus Package	1,250	2,798	(1,548)
Development Stimulus Marketing	30	1	29
CBD Place Maker	100	99	1
Regional Amenities Fund	200	202	(2)
Urban Growth Strategy	100	39	61
1st Assembly (Start Up Hub)	300	287	13
Technology Valley	260	168	92

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: No significant variances.

Expenditure Variance: The most significant variance relates to the Development Stimulus Package due to the high number of applications received but is offset by a corresponding reduction in capital for the Urban Growth Strategy project (Growth Infrastructure). There were also costs for the Highlight Event which included additional set up costs to deal with the scale of this event. This is offset by savings in City Growth projects with some of these including Technology Valley and Urban Growth Strategy deferred to 2019/20.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Urban Growth Strategy Improvements	2,886	-	2,886

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The full budget from Urban Growth Strategy Capital project has been used to offset the additional operating costs for the Development Stimulus Package.

CONSENTS AND REGULATORY SERVICES

WHAT WE DO

This activity includes:

- providing resource management and building consents and inspections
- regular monitoring to ensure compliance with legislative requirements, the District Plan, resource and building consent conditions and bylaw requirements
- inspections of business and food premises, certifications, and liquor licensing bylaw compliance
- pollution and trade waste control

- monitoring beaches to promote and protect public health and safety
- monitoring and controlling noise and hazardous substances
- animal control services
- parking enforcement.

WHY WE DO IT

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Land Information Memoranda (LIMs) processed within 10 working days to comply with statutory requirements ≥ 95% processed within nine working days	100% processed within nine working days	99% processed within nine working days	92% processed in nine working days	98%	Computer Database Records
Building consent/project information and resource consents processed to comply with the Building Code, Resource Management Act 1991 (RMA) and District Plan requirements ≥ 80% of building and non-notified land use consents processed within 18 working days	91% of building consents processed 90% of non-notified land-use consents	95% of building consents processed 81% of non-notified land-use resource consents	97% of building consents 80% of non-notified land-use resource consents	96% of building consents 55% of non-notified land use resource consents ¹	Computer Database Records
Resource consents are monitored within five working days of being notified that development is commencing or within six months of the consent being granted, whichever is the sooner ≥ 90% of resource consents monitored within these timeframes	100% within five working days 100% within six months of the consent being granted	100% within five working days 90% within six months of the consent being granted	100% within five working days 100% within six months of the consent being granted	100% within five working days 100% within six months of the consent being granted	Computer Database Records
Requests for service referred to RMA monitoring and enforcement team responded to within required timeframes 100% acknowledged within 24 hours	99%	100%	100%	100%	Computer Database Records
Building consents for fireplaces processed in a timely manner (within five working days): 100% processed within five working days	99%	100%	100%	100%	Computer Database Records
Building consents for solar panels processed in a timely manner (within five working days): 100% processed within five working days	100%	100%	100%	100%	Computer Database Records
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act 2004: 80% issued within 18 working days	100% within 20 working days 96% within 18 working days	100% within 20 working days 98% within 18 working days	100% within 20 working days 99% within 18 working days	100% within 20 working days 99% within 18 working days	Computer Database Records
Residents' satisfaction with: • animal services ≥ 80% • enforcement of parking restrictions ≥ 70%	82% 78%	76% 79%	85% 82%	86% 81%	Key Research
Animal services open 300 days per year: 100%	100%	100%	100%	100%	Monthly Management Report

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Dog complaints are responded to:					
• at least 95% within 30 minutes for dog attacks	96%	95%	95%	95%	Monthly Management Report
• at least 95% within 24 hours for other complaints	98%	95%	95%	96%	
Noise complaints responded to within 45 minutes ≥ 85%	91%	91%	85%	86%	Monthly Management Report
New food businesses verified within six weeks of the date of registration under the Food Act 2014: 95%	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	0% ² .	Computer Database Records
Existing food businesses verified within their agreed timeframes (between 3 to 18 months, depending upon the outcome of their previous verification): 95%	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	5.6% ² .	Computer Database Records
High risk premises selling liquor are inspected during their peak trading hours to maintain compliance with the Sale and Supply of Alcohol Act 2012: 95%	New measure for 2018-19	New measure for 2018-19	New measure for 2018-19	98%	Computer Database Records

Notes:

1. Due to complexity and unprecedented number of consents, this was unable to be met. There was a 15% increase in non-notified consents issues in 2018/19 compared to previous year i.e. 352 non-notified land-use resource consents in 2019 compared to 302 in 2018.
2. KPI unable to be achieved because of severe resource shortages in Environmental Health (8.5 FTEs rather than 12.5 FTEs plus 1 fixed term 12 month position) and 4 fold increase in food compliance work.

CONSENTS AND REGULATORY SERVICES: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	4,308	5,601	5,560	6,468	908
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	1,101	1,107	1,132	1,079	(53)
Total Revenue	5,409	6,708	6,692	7,547	855
EXPENDITURE					
Employee Costs	6,167	6,329	6,991	6,621	370
Operating Costs	1,645	1,812	2,036	2,931	(895)
Support Costs	1,680	2,016	1,925	1,938	(13)
Loss On Prop Revals, Sales, Disposals	-	1	-	-	-
Finance Cost	7	17	14	11	3
Depreciation	25	95	94	110	(16)
Total Expenditure	9,524	10,270	11,060	11,611	(551)
DEFICIT BEFORE TAX	(4,115)	(3,562)	(4,368)	(4,064)	304
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(4,115)	(3,562)	(4,368)	(4,064)	304
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(4,115)	(3,562)	(4,368)	(4,064)	304
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	-	(279)	-	(62)	(62)
Capital To Replace Existing Assets	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	25	95	94	110	16
Total Loan Funding Requirement	25	(184)	94	48	(46)
TOTAL FUNDING REQUIREMENT	(4,090)	(3,746)	(4,274)	(4,016)	258

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Unreinforced Masonry Buildings Fund	234	136	98

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: The favourable variance is mainly due to a significant increase in consent applications because of new developments as a result of the Development Stimulus Package.

Expenditure Variance: Operating costs are high mainly due to consultant fees to cover staff vacancies in the Resource Consents Team to process the volume of applications, offset by savings in employee costs.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Vehicle Purchase	-	62	(62)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

Unbudgeted capital spend relates to the purchase of vehicles which will be offset by a reduction in vehicle lease costs.



SUSTAINABILITY

WHAT

The 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. This Strategy guides all future decision-making for Council including:

- taking leadership as an ambassador for environmental best practice
- enhancing community engagement and collaboration
- working in partnership with local businesses and organisations
- managing our own response to environmental issues.

WHY

Our environment is facing some major challenges, and we recognise that there is insufficient emphasis on the environment in our existing plans. We want to shift the focus from trying to fit the environment around us, to fitting within our environment.

ACTIVITIES

Sustainability activities are responsible for developing the environmental wellbeing of the city including environmental education.

The activity City Resilience falls under Sustainability.

City Resilience contributes mainly to the following high level goals for the city's wellbeing, also referred to as 'community outcomes':

- **A safe community** – we live in a safe city; our city is prepared for emergencies
- **An accessible and connected city** – a city that is easy to move about with well-designed roads, cycleways and footpaths; members of our community are connected to the digital world.
- **Healthy people** – we live healthy lives, and our city's services help to protect our health and our environment.
- **A healthy natural environment** – we value and protect the natural environment and promote a sustainable city; resources are used efficiently and there is minimal waste and pollution.

- **Actively engaged in community activities** – members of our community participate in arts, cultural, sports and other recreational and leisure activities; the city provides for and encourages participation in these activities.
- **A healthy and attractive built environment** – our built environment enhances our quality of life; our city is vibrant, attractive, healthy and well-designed; we promote development that is sustainable, and that values and protects our built heritage and the natural environment.

SOME OF THE YEAR'S ACHIEVEMENTS

Zero Carbon Target

In December 2018 Council voted to set itself a goal of reducing its organisational greenhouse gas emissions to net zero by 2050. The zero carbon target reflects Council's commitment to environmental sustainability and resilience, and will apply to the Hutt City Council and its Council-Controlled Organisations. The focus this year has been on working through a range of projects that will enable reductions in carbon emissions, including energy audits of the city's swimming pools and a review of the Council's vehicle fleet.

Waste and Recycling Services

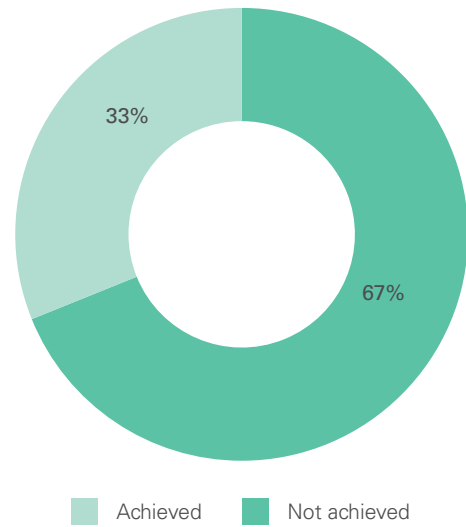
A review of our waste services including kerbside recycling is underway. Decisions on these important areas will be made during the 2019-2020 financial year.

Clean-up Week

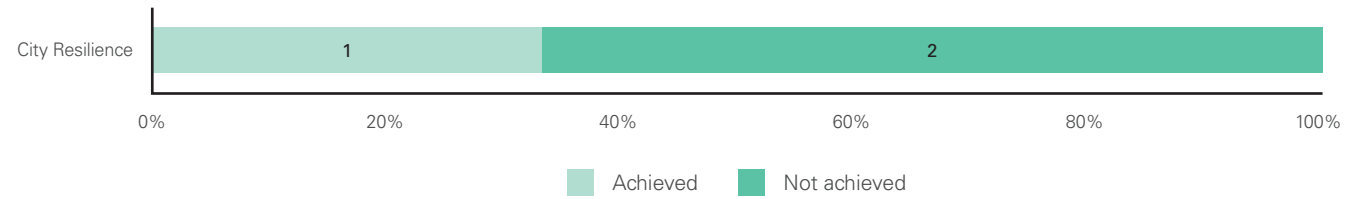
In 2018, 25 schools and groups registered to participate in Clean-Up Week, with over 2450 participants in Lower Hutt.

SUSTAINABILITY PERFORMANCE

SUSTAINABILITY: PERFORMANCE TARGETS SUMMARY



SUSTAINABILITY: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



SUSTAINABILITY: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-28 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	1,145	1,480	1,223	1,201
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	311	261	411	431
Total operating funding (A)	1,456	1,741	1,634	1,632
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,100	1,503	1,478	1,476
Finance costs	4	5	1	1
Internal charges and overheads applied	327	230	152	152
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,431	1,738	1,631	1,629
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	25	3	3	3
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(25)	(2)	(3)	14
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(25)	(2)	(3)	14
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	-	1	-	17
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	-	1	-	17
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(25)	(3)	(3)	(3)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

CITY RESILIENCE

WHAT WE DO

We take a lead role in supporting our city and its residents to be sustainable now and in the future. This activity includes our work with the Civil Defence and Emergency Management (CDEM) Group under the CDEM Act of 2002. From 1 July 2012 all emergency management staff and resources have been pooled together with the expectation of improved effectiveness from increased scale and coordination, as well as efficiencies from the centralised provision of services such as training and public education. We are also working as part of the Wellington Region Climate Change Working Group to address various climate change challenges, such as sea level rising.

This activity includes:

- implementing environmental policies and plans for Hutt City’s sustainable development, including environmental education and promotion
- delivering on the goals within our Environmental Sustainability Strategy
- running an annual waste minimisation programme to promote the concept of ‘reduce, reuse, recycle’ to businesses and residents
- educating people about the risks they face and how to prepare for emergency events

- maintaining the Wellington Region CDEM Group’s Emergency Operation Centres so they can be quickly activated to manage an emergency event
- working with central government, emergency services, welfare groups, lifeline utilities and a wide range of interested and affected organisations on emergency management issues
- improving city resilience in light of sea level rise.

WHY WE DO IT

We live in a beautiful natural environment but our environment is facing some challenges and needs to be valued. Our work in this activity promotes the sustainability of our natural environment through implementation of our Environmental Sustainability Strategy. The strategy recognises that our dependence on the environment is fundamental to many aspects of our lives, and that proper care is essential if the city and our communities are to prosper.

We manage our waste (through promoting recycling and waste reduction) to maintain our community’s health and quality of life. Our approach to emergency management is based on the principles of reduction of risk, readiness, response and recovery.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Percentage of households that are prepared for a civil defence emergency $\geq 30\%$ ¹	81%	22%	27%	20%	Key Research
Time to activate Emergency Operations Centres (EOC): EOC activated within one hour of any incident or notification of a likely threat	Achieved	Achieved	Achieved	Achieved	Monthly Management Reports and Debrief Notes
Community Response Plans are developed, maintained, and agreed: Covering 90% of the geographical area	75%	75%	85%	83%	Wellington Regional Rural Fire Committee

Notes:

1. Supporting residents to be resilient and prepared for a civil defence emergency is a priority for Council. Past measures have not provided a realistic view on the percentage of households prepared for a civil defence emergency as the interpretation of “prepared” was not defined. In 2016-17 a new question was asked – “In the event of a natural disaster that resulted in all services being unavailable, how many days would you be able to survive on emergency food and water provisions in your own home?” to provide a more realistic view. Our definition of “prepared” is based on guidelines issued by Wellington Regional Emergency Management Office and our recent earthquake experience in November 2016. According to these guidelines, all households in the Wellington region should have enough food and water to last them at least seven days in the event of an emergency. According to this definition, nearly a quarter (22%) of households are prepared. However, a higher proportion (70%) indicated they had enough emergency food and water provisions at home to last more than three days. This is consistent with guidelines issued by National Civil Defence who recommend households should have enough food and water to last at least three days.

CASE STUDIES

ZERO CARBON

An increase in the concentration of greenhouse gases (GHG) in the atmosphere, as a consequence of human industrial and other activities, has caused the global climate to begin to change with the primary effect a significant rise in the global temperature. Figure 1 shows GHG emissions in the recent past, and a range of projected emission pathways (RCP 2.6 – 8.5) with their corresponding global temperature increase.

This projected temperature increase is expected to lead to a number of significant flow-on effects, including sea level rise and more extreme weather events.

The key challenge is how the city as a whole will respond to climate change impacts such as rising sea level and flooding caused by higher intensity storm events and how any mitigation approaches can be resourced.

In November 2018, Council agreed to set an organisational target of Hutt City Council reducing its greenhouse gas emissions to net zero by no later than 2050. Council understands that in order to put Hutt City Council onto a low-carbon pathway we will need to make changes to the way we operate including:

- preventing the installation of high-carbon-emitting technology (e.g. natural gas for heating) at any existing facilities at the time of renewal, or new facilities not already under construction, and utilising lower carbon emitting options instead
- increasingly electrifying its vehicle fleet and
- having more regard to climate change objectives in its procurement decisions.

Council also agreed that its organisational target should apply to its wholly-owned or partly-owned Council Controlled Organisations, i.e. Hutt City Community Facilities Trust, Urban Plus Ltd, Seaview Marina Ltd, and Wellington Water Ltd.



TE WĀ HEKE (INVENT THE FUTURE) RESILIENCE

EQR Net

We're trialling a new system that will enable us to electronically monitor ground shaking beneath some of our key buildings during an earthquake. It's a world-first seismic monitoring system called EQRNet which has been developed by Canterbury Seismic Instruments¹ (CSI). It will provide us with information about how ground motion varies across the city and how council structures perform. We've selected 10 buildings for the 6 month trial and the information will be made available to the public through our website.

¹ <http://www.csi.net.nz/index.php/general/csi-eqrnet/>

CITY RESILIENCE: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	-	-	-	-	-
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	311	261	411	431	20
Total Revenue	311	261	411	431	20
EXPENDITURE					
Employee Costs	309	467	267	275	(8)
Operating Costs	791	1,036	1,211	1,201	10
Support Costs	327	230	152	152	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	4	5	1	1	-
Depreciation	25	3	3	3	-
Total Expenditure	1,456	1,741	1,634	1,632	2
DEFICIT BEFORE TAX	(1,145)	(1,480)	(1,223)	(1,201)	22
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(1,145)	(1,480)	(1,223)	(1,201)	22
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(1,145)	(1,480)	(1,223)	(1,201)	22
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	-	(1)	-	(17)	(17)
Capital To Replace Existing Assets	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	25	3	3	3	-
Total Loan Funding Requirement	25	2	3	(14)	(17)
TOTAL FUNDING REQUIREMENT	(1,120)	(1,478)	(1,220)	(1,215)	5

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
School Programmes	5	-	5
Waste Minimisation Projects	301	345	(44)
Environmental Sustainability Projects	120	122	(2)
Resilience Projects	50	23	27
Keep Hutt Beautiful	15	14	1

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: No significant variances.

Expenditure Variance: No significant variances.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Temporary Power Connections	-	17	(17)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The unbudgeted spend relates to the installation of an emergency water tank at the Naenae Bowls Centre.



INFRASTRUCTURE

WHAT

Our long-term approach is to ensure that infrastructure is built and maintained to perform at a high standard, to ensure we are meeting all our legislative requirements and the needs and the expectations of our community, now and into the future. The Infrastructure Strategy enables and informs asset management planning and ensures decisions are made in the most efficient and effective way possible.

WHY

The future presents both challenges and opportunities for our infrastructure. The strategy focusses on where improvements can be made in response to the key challenges and opportunities we face:

- natural hazards and the effects of climate change
- changing demand for services stemming from population growth, an ageing population and shifts in preferences
- technological advancements
- sustainability and public health, and
- management practices.

ACTIVITIES

Infrastructure activities are responsible for managing the community's infrastructural assets in the form of the roading, water supply, wastewater and stormwater networks, and landfill activities.

The following activities fall under Infrastructure:

- Roading and accessways.
- Water Supply.
- Wastewater.
- Stormwater.
- Solid Waste.

Infrastructure activities play a broad role in meeting the current and future needs of our communities for good quality local infrastructure, local public services and performance of regulatory functions.

These activities contribute mainly to the following high level goals for the city's wellbeing, also referred to as 'community outcomes':

- A safe community – we live in a safe city; our city is prepared for emergencies.
- A strong and diverse economy – a city that grows existing businesses and attracts new business activity, with a focus on the research and development sector; all members of our community benefit from a strong economy.
- An accessible and connected city – a city that is easy to move about with well-designed roads, cycleways and footpaths.
- Healthy people – we live healthy lives, and our city's services help to protect our health and our environment.
- A healthy natural environment – we value and protect the natural environment and promote a sustainable city; resources are used efficiently and there is minimal waste and pollution.
- A healthy and attractive built environment – our built environment enhances our quality of life; our city is vibrant, attractive, healthy and well-designed; we promote development that is sustainable, and that values and protects our built heritage and the natural environment.

SOME OF THE YEAR'S ACHIEVEMENTS

Te Hikoi Arawa - Wainuiomata Hill Shared Path

Stage one, Gracefield to Pukeatua Bridge at the top of the Wainuiomata Hill, was completed in December 2018. Work on stage two, Pukeatua Bridge to Wainuiomata, commenced in July 2018 with vegetation removal, earthworks and new retaining walls. This work was completed and opened to the public with a community celebration in June 2019.

Eastern Bays Shared Path

Applications for resource consent have been lodged with both Greater Wellington Regional Council and Hutt City Council. The design has gone through a series of iterations that considered coastal processes and ecologically sensitive areas to achieve an optimum design. The project is in the detailed design and consenting phase, with the resource consent lodged in April 2019. It is expected the consent may take six to 12 months to process.

CASE STUDIES

TE WĀ HEKE (INVENT THE FUTURE) INFRASTRUCTURE

Smart Places

We're exploring what it means to be a smart city – a place that uses technology, data and new approaches that make people's lives better, easier and safer. We're on the lookout for fresh technology and fresh thinking that will make our city an even better place to live, learn, work and play. It could be something that improves our city's sustainability, reduces running costs or energy consumption, or makes life more productive and fun for residents, businesses and visitors.

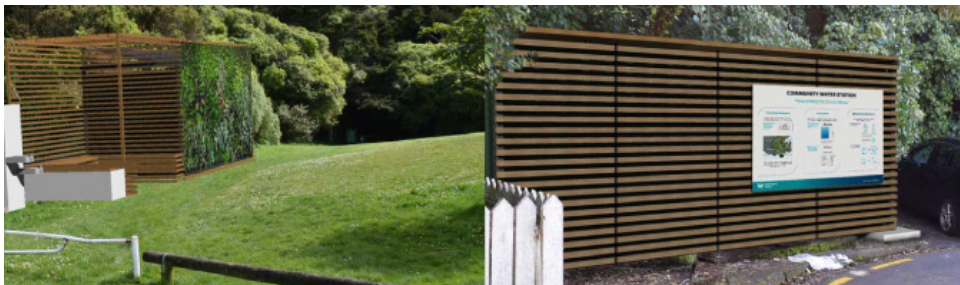
Collecting data to improve journeys

We're using a cool tool called Maptionnaire to help us make future transport decisions. It was developed by the clever team at Opus, and enables us to survey the community to find out how people currently move around the city to see how things can be improved. People were able to plot their information on an interactive map. We've already carried out our first survey and we're now using what we've found out to help make decisions on all sorts of things that make a journey easier or more enjoyable.

Community Water Stations

A major earthquake in Wellington could mean that parts of Lower Hutt would be without tap water for several weeks. To help, Wellington Water has developed an above ground emergency water network to source, treat and distribute water from bores and streams across Lower Hutt until damaged pipes can be repaired. These Community Water Stations - two in Eastbourne, one in Wainuiomata, and one at Korokoro - will be operating from day eight after a large earthquake.

At some sites Wellington Water drilled new wells to source water, and at other sites water is taken from streams. After an emergency event the water stations will be used to source, treat and distribute water to our communities.



The Community Water Station structures are designed to be mobile and they can be relocated to areas that are still without water, boosting both the emergency supply and the amount of water available to test and repair all the leaks in the network. Decisions on the design and location of each new water station were based on availability of water, site accessibility, and landowner preference.

The water stations were located without interfering with existing park or amenity features. Where there is space, a number of enhancements could be installed alongside the water station including:

- Drinking water fountains
- Water resilience information boards
- Water flow demonstrations
- Play equipment
- Canopies or shelters.

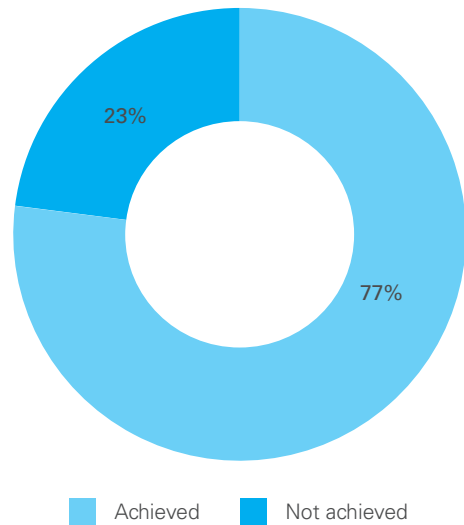
At many sites, water treatment and distribution equipment, such as pumps, hoses, and treatment equipment is stored inside the water stations. At some sites there is insufficient space for the container. So the equipment needs to be stored at a distance away from the water extraction site. The sites that extract stream or river water need a lot more kit – pumps to extract water, and more intensive water treatment processes. The site at Korokoro includes two structures - one to store equipment and one for the water treatment system.



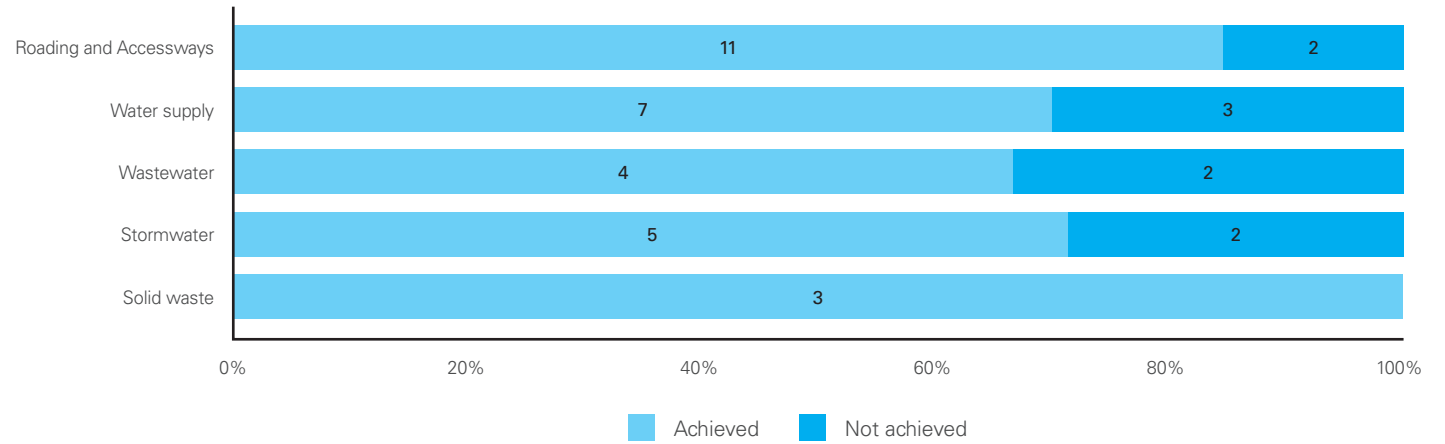
From day 8 onwards
**COMMUNITY
WATER STATIONS**
WILL BE OPERATING

INFRASTRUCTURE PERFORMANCE

INFRASTRUCTURE: PERFORMANCE TARGETS SUMMARY



INFRASTRUCTURE: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



ROADING AND ACCESSWAYS

WHAT WE DO

Our Roading and Accessways activity includes:

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

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

WHY WE DO IT

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with:					
• street lighting ≥ 81%	90%	81%	90%	84%	Key Research
• roads and gutters being free of litter ≥ 72%	88%	72%	87%	81%	
• city free of graffiti ≥ 91%	91%	91%	90%	91%	
• traffic control ≥ 80%	89%	80%	89%	87%	
• footpaths ≥ 82%	80%	82%	84%	83%	
• roads ¹ ≥ 92%	84%	92%	90%	92%	
• parking in and around Hutt City ≥ 65%	84%	65%	77%	75%	
'Road Condition Index', which measures the condition of the road surface: Hold or improve rating	1.7	1.5	1.4	1.6	Data from the Road Assessment and Maintenance Management System (RAMM)
Note:					
1. A lower number indicates an improved rating					
2. Effectively half of the city is surveyed each year, consequently the results from alternate years should be referred to for comparison					
The average quality of ride on a sealed local road network, measured by smooth travel exposure: Hold or improve rating	79%	81%	78%	81%	Data from RAMM
Note:					
1. A higher percentage indicates an improved rating					
2. Effectively half of the city is surveyed each year, consequently the results from alternate years should be referred to for comparison					
The change from previous financial year in number of fatalities and serious injury crashes on the local road network expressed as a number ²	135	139	190	174	Data from NZTA
Note: Data relates to previous calendar year, not financial year					
Response to service requests – percentage of customer service requests relating to roads and footpaths which are responded to within the timeframe specified in the Long Term Plan > 94%	92%	93%	99.57%	97%	Management Report
Percentage of sealed local road network that is resurfaced: 8% is the long-term target, however significant year to year variance is expected	5.3%	5.9%	3.6%	4.7%	Measured as the resurfacing programme achieved annually
Percentage of footpaths that fall within the service standard for footpath condition >98%	98%	98%	97%	99.60%	Data from RAMM

Notes:

1. This measurement relates to urban roads
2. Contribute to reducing trend over ten years

ROADS AND ACCESSWAYS: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	19,865	20,160	20,622	19,724
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	3,812	4,157	3,958	4,240
Fees and charges	5,088	4,728	5,217	4,805
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,021	1,400	968	1,761
Total operating funding (A)	29,786	30,445	30,765	30,530
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	13,518	14,130	14,149	13,820
Finance costs	1,966	1,358	1,715	1,440
Internal charges and overheads applied	2,411	2,555	2,729	2,729
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	17,895	18,043	18,593	17,989
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	11,891	12,402	12,172	12,541
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	5,368	6,858	10,775	8,089
Development and financial contributions	144	15	70	-
Increase (decrease) in debt	(6,145)	(4,697)	865	(3,889)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(633)	2,176	11,710	4,200
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	5,518	8,313	17,445	11,281
- to replace existing assets	5,740	6,265	6,437	5,460
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	11,258	14,578	23,882	16,741
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(11,891)	(12,402)	(12,172)	(12,541)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

ROADS AND ACCESSWAYS: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	5,088	4,728	5,217	4,805	(412)
Operating Subsidies & Grants	3,812	4,157	3,958	4,240	282
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	5,368	6,858	10,775	8,089	(2,686)
Development Contributions	144	15	70	-	(70)
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	518	846	500	1,205	705
Other Revenue	503	554	468	556	88
Total Revenue	15,433	17,158	20,988	18,895	(2,093)
EXPENDITURE					
Employee Costs	1,409	1,719	1,644	1,683	(39)
Operating Costs	12,109	12,411	12,505	12,137	368
Support Costs	2,411	2,555	2,729	2,729	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	1,966	1,358	1,715	1,440	275
Depreciation	11,891	12,402	12,172	12,541	(369)
Total Expenditure	29,786	30,445	30,765	30,530	235
DEFICIT BEFORE TAX	(14,353)	(13,287)	(9,777)	(11,635)	(1,858)
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(14,353)	(13,287)	(9,777)	(11,635)	(1,858)
Add Capital Contributions	(5,512)	(6,873)	(10,845)	(8,089)	2,756
Total Rates Funding Requirement	(19,865)	(20,160)	(20,622)	(19,724)	898
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	(5,518)	(8,313)	(17,445)	(11,281)	6,164
Capital To Replace Existing Assets	(5,740)	(6,265)	(6,437)	(5,460)	977
Less Capital Contributions	5,512	6,873	10,845	8,089	(2,756)
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	11,891	12,402	12,172	12,541	369
Total Loan Funding Requirement	6,145	4,697	(865)	3,889	4,754
TOTAL FUNDING REQUIREMENT	(13,720)	(15,463)	(21,487)	(15,835)	5,652

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Cycleways Continued Development	100	107	(7)
Rapid Response Anti-Graffiti Service	223	211	12
Safety Initiatives	20	22	(2)

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: Capital subsidies are below budget in line with capital expenditure mainly due to delays with the Eastern Bays Cycleway/Shared Path project. Operating subsidies are above budget in line with increased subsidised operating expenditure in particular footpath maintenance that was previously not subsidised. Vested Assets are above budget as more developments have been completed than forecast. Parking revenue is below budget mainly due to lower infringement income and lower Saturday Riverbank Market revenue than budgeted.

Expenditure Variance: Operating expenditure was below budget due to delays and reprioritisation of some works which has resulted in budget being carried over to 2019/20. Subdivision engineering costs are above budget as a result of the increased development activity prompted by the Development Stimulus Package. Streetlight electricity savings are more than offset by the Street Light (LEDs) purchases made to take advantage of the enhanced Funding Assistance Rate (FAR) promised by NZTA but not delivered in 2018/19 but will be applied for retrospectively in 2019/20, otherwise the spend on Street Lights (LEDs) in 2019/20 will be adjusted to balance the 2018/19 overspend.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Broadband Ducting	21	25	(4)
Bridge Seismic Strengthening	-	7	(7)
Civic Precinct Parking & Laings Rd Upgrade	500	261	239
Cross Valley Link - Investigation/Design	900	37	863
Cycleway/Shared Path Beltway	3,090	292	2,798
Cycleway/Shared Path Eastern Bays	4,240	730	3,510
Cycleway/Shared Path Wainuiomata Hill	7,442	9,090	(1,648)
Local Area Traffic Management	100	60	40
Land Purchase For Roads	10	2	8
Port Road Erosion Mitigation	-	290	(290)
Pedestrian Crossings New	53	52	1
Road Reconstruction Jackson Street	-	74	(74)
Road Reconstruction (Queen St)	-	11	(11)
Sub Standard Rds Upgrade	735	104	631
School Speed Zone Programme	60	51	9
Ticketless Parking Meters	104	102	2
Traffic Safety Improvements	140	66	74
Wheelchair Friendly Footpath Routes	50	27	23
Area Wide Pavement Treatment	1,950	1,869	81
Carpark Resurfacing	56	39	17
Corrosion Protection - Port Road And Seaview Road Bridges	700	577	123
Estuary Bridge Corrosion Protection	-	2	(2)
Footpath Resurfacing And Replacement	205	195	10
Pavement Surfacing	2,100	2,188	(88)
Minor Safety Works	51	39	12
Minor Road And Footpath Construction	74	78	(4)
Pedestrian Crossing Maintenance	31	21	10
Road Reconstruction (High St - Petone)	-	2	(2)
Streetlight Lantern Replacement Programme	200	200	-
Streetlight Standard Replacement	250	250	-
Street Name Sign Replacement	20	-	20
Wainuiomata Hill Rd Safety Seal	800	-	800

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

Capital expenditure is below budget mainly due to delays with a number of projects. In particular the Wainuiomata Hill Safety Seal and The Beltway projects are behind programme and have been carried over to 2019/20. The unsubsidised \$1M contribution to NZTA's Ngauranga to Melling Cycleway project has also been carried over to 2019/20 in line with their project timing. The Eastern Bays Shared Path project is in the consenting phase but was underspent and \$3.6M has been carried over to 2019/20. The Wainuiomata Hill Shared Path was forecast to be completed by year end and overspent by \$1.4M based on a risk based estimate. Consequently there was no budget carried over for this project. However, by year end the project was not complete and expenditure was only \$0.2M over budget. The balance of over expenditure will materialise in the new financial year. Note, \$1.5M of The Beltway budget has been designated to the Wainuiomata Hill Shared Path project. The Sub Standard Road Upgrade budget, which is committed to the final stage of the Hill Road upgrade, was delayed by the complexity of design and construction has been reprogrammed for next summer with budget carried over to 2019/20 to undertake this work. The Cross Valley Link Investigation & Design project was delayed awaiting NZTA signoff and has been carried over to 2019/20 but the Programme Business Case is now underway. The Jackson Street Road Reconstruction spend in 2018/19 is balanced by a corresponding underspend in 2017/18. The Port Road Erosion Mitigation project ran over budget. Apart from the NZTA cycleway contribution of \$1m, all other variances and carry-overs have an associated capital subsidy of being 51% of the expenditure.

WATER SUPPLY

WHAT WE DO

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

Water quality issues, and security of the water supply, have been a major focus of Wellington Water Ltd (acting on behalf of all the Territorial Authorities in the Wellington metropolitan area), both in advance of, and in response to, the Havelock North incident and subsequent enquiry.

The major outcome of that focus and associated work has been a recognition that water from the Waiwhetu aquifer, previously untreated, could no longer be deemed to be a secure supply, and as a consequence water from that source is now both chlorinated and UV treated.

WHY WE DO IT

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

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with the city water supply ¹ ≥ 95%	90%	97%	94%	95%	Key Research
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria): Full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	Potable Water Testing Contract Reports
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria): Full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	
Number of complaints for drinking water per 1000 connections: ≤ 140 per 1000 connections <ul style="list-style-type: none"> • clarity • taste • odour • pressure or flow • continuity of supply • responsiveness to issues 	10	12	16	14	Wellington Water SLA Spreadsheet
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> • attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site ≤ 60 minutes • resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption ≤ 4 hours • attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site ≤ 36 hours • resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption ≤ 15 days 	43 minutes	45 minutes	38 minutes	38 minutes	Operations and Maintenance Contract Monthly Report
	2.8 hours	3.4 hours	2.9 hours	3.2 hours	
	24 hours	42 hours	48 hours	77 hours ²	
	1.10 days	1.93 days	2.70 days	4.10 days ³	

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Average drinking water consumption per resident per day: 345 litres per day	355 litres per day	352 l/p/d	378 l/p/d	376 l/p/d ⁴	Wellington Water SLA Spreadsheet
Percentage of real water loss from networked reticulation system ≤ 18% Note: the real water loss measurement is the percentage of water that is lost through leakage on the mains, leakage and overflow at reservoirs and leakage on service connections up to the property boundaries	23%	22%	24%	20% ⁵	Wellington Water SLA Spreadsheet

Notes:

1. This measurement refers to reliability of the city's water supply.
2. Following the November earthquake and storm events, there was a higher than usual number of requests for callouts. There was a focus on high priority, urgent jobs across the region in November and into December which resulted in an increased median response time to lower priority, non-urgent call-outs.
3. Following the November earthquake and storm events, there was a higher than usual number of requests for callouts. There was a focus on high priority, urgent jobs across the region in November and into December which resulted in an increased median response time to lower priority, non-urgent call-outs.
4. Year to date average drinking water consumption is higher than normal, following a trend in the city since April 2017. Information to date indicates that the issue is mainly related to widespread increases in network leakage and commercial consumption. The leak detection/ maintenance contractors are working across the city finding the leaks and fixing them.
5. The water loss estimate is reported as a mean regional water loss percentage with a 95% confidence interval of 13%- 27%. It has been produced using an updated statistical methodology that meets the requirements of the Non-financial Performance Measure Rules 2013 specified by the Department of Internal Affairs. Watering restrictions and summer demand strategies were implemented and ongoing leak detection work is continuing to find and fix network leaks throughout Lower Hutt.

WATER SUPPLY: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	(20)	-	316
Targeted rates	14,162	13,892	14,651	14,655
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	2,421	3,094	3,135	3,142
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	118	220	114	162
Total operating funding (A)	16,701	17,186	17,900	18,275
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	12,062	12,463	12,785	13,255
Finance costs	666	437	582	488
Internal charges and overheads applied	326	395	473	473
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	13,054	13,295	13,840	14,216
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	3,647	3,891	4,060	4,059
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	36	13	35	6
Increase (decrease) in debt	(14)	327	773	1,109
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	22	340	808	1,115
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	639	245
- to improve level of service	1,110	2,862	3,197	3,492
- to replace existing assets	2,559	1,369	1,032	1,437
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	3,669	4,231	4,868	5,174
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(3,647)	(3,891)	(4,060)	(4,059)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

WATER SUPPLY: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	2,421	3,094	3,135	3,142	7
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	36	13	35	6	(29)
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	118	220	114	162	48
Other Revenue	-	-	-	-	-
Total Revenue	2,575	3,327	3,284	3,310	26
EXPENDITURE					
Employee Costs	-	-	-	-	-
Operating Costs	12,062	12,463	12,785	13,255	(470)
Support Costs	326	395	473	473	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	666	437	582	488	94
Depreciation	3,647	3,891	4,060	4,059	1
Total Expenditure	16,701	17,186	17,900	18,275	(375)
DEFICIT BEFORE TAX	(14,126)	(13,859)	(14,616)	(14,965)	(349)
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(14,126)	(13,859)	(14,616)	(14,965)	(349)
Add Capital Contributions	(36)	(13)	(35)	(6)	29
Total Rates Funding Requirement	(14,162)	(13,872)	(14,651)	(14,971)	(320)
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	(639)	(245)	394
Capital To Improve Level Of Service	(1,110)	(2,862)	(3,197)	(3,492)	(295)
Capital To Replace Existing Assets	(2,559)	(1,369)	(1,032)	(1,437)	(405)
Less Capital Contributions	36	13	35	6	(29)
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	3,647	3,891	4,060	4,059	(1)
Total Loan Funding Requirement	14	(327)	(773)	(1,109)	(336)
TOTAL FUNDING REQUIREMENT	(14,148)	(14,199)	(15,424)	(16,080)	(656)

OPERATING PROJECTS

There were no operating projects separately budgeted for the year.

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: No significant variance. Metered (Commercial) water revenue is on budget.

Expenditure Variance: Bulk Water costs are more than budget due to higher percentage share of consumption when compared to other local authorities across the region.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Critical Pipelines Seismic Upgrade	1,400	2,064	(664)
Data Collection Water Supply	40	8	32
Holborn Booster Pump	300	-	300
Reservoir Auto Shut Off Valves	-	4	(4)
Reservoir Upgrades	1,662	129	1,533
Sweetacres Reservoir Upgrade	-	6	(6)
Taita Reservoir Seismic Upgrade	-	863	(863)
Water Resilience	434	187	247
Distribution Pipe Model Development	50	-	50
Reactive Network Renewals	150	-	150
Reactive Pump Station Renewals	50	60	(10)
Reactive Reservoir Renewals	50	27	23
Control Systems Renewals	105	73	32
Seismic Coupling Installations	-	16	(16)
Network Renewals Water Supply	627	1,261	(634)
Community Infrastructure Resilience Projects	-	476	(476)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The overspend in capital was mainly due to an overspend on the Critical Pipelines Seismic Upgrade project due to unfavourable ground conditions which required additional work. The Holborn Booster Pumping Station project was carried over in anticipation of development occurring in the 2019/20 financial year.

WASTEWATER

WHAT WE DO

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

WHY WE DO IT

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with the city wastewater service ¹ ≥ 95%	98%	96%	95%	94%	Key Research
Dry weather wastewater overflows per 1000 connections: 0 per 1000 connections	5	0.05	0.05	0.49 ²	Wellington Water SLA
Number of complaints per 1000 connections: ≤ 30 per 1000 connections					
<ul style="list-style-type: none"> wastewater odour wastewater system faults wastewater system blockages responsiveness to wastewater system issues 	13	25	23	22	Wellington Water SLA
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:					
<ul style="list-style-type: none"> attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site ≤ 60 minutes 	39 minutes	35 minutes	35 minutes	37 minutes	Wellington Water SLA
<ul style="list-style-type: none"> resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault ≤ 6 hours 	1.9 hours	2.5 hours	2.6 hours	2.8 hours	
Compliance with resource consents for discharges from wastewater system:					
No enforcement action					
<ul style="list-style-type: none"> number of abatement notices number of infringement notices number of enforcement orders number of convictions 	Achieved: Nil	Achieved: Nil	Achieved: Nil	Achieved: Nil	Compliance Reports from GWRC

Notes:

- This measurement refers to reliability of the city's sewage system
- There were 19 dry weather overflow events during the year all of which were investigated and fixed. Most were due to pipe blockages in the local wastewater network. This measure now includes non-notifiable contained overflows which were not previously reported.

WASTEWATER: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-28 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	293	-	(168)
Targeted rates	17,591	16,447	17,784	17,782
Subsidies and grants for operating purposes	2,640	2,239	2,518	2,346
Fees and charges	1,107	1,294	1,037	1,084
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	118	267	114	652
Total operating funding (A)	21,456	20,540	21,453	21,696
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	12,116	11,355	12,036	12,273
Finance costs	1,045	755	763	641
Internal charges and overheads applied	798	865	971	971
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	13,959	12,975	13,770	13,885
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	7,497	7,565	7,683	7,811
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	472	556	2,187	1,500
Development and financial contributions	421	991	406	596
Increase (decrease) in debt	(3,126)	(2,953)	(1,535)	(3,008)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(2,233)	(1,406)	1,058	(912)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	4,850	3,507
- to improve level of service	415	693	1,879	1,111
- to replace existing assets	4,849	5,466	2,012	2,281
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	5,264	6,159	8,741	6,899
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(7,497)	(7,565)	(7,683)	(7,811)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

WASTEWATER: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	1,107	1,294	1,037	1,084	47
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	2,640	2,239	2,518	2,346	(172)
Capital Subsidies	-	-	-	-	-
Development Contributions	421	991	406	596	190
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	233	233
Vested Assets	118	267	114	419	305
Other Revenue	-	-	-	-	-
Total Revenue	4,286	4,791	4,075	4,678	603
EXPENDITURE					
Employee Costs	-	-	-	-	-
Operating Costs	12,116	11,355	12,036	12,273	(237)
Support Costs	798	865	971	971	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	1,045	755	763	641	122
Depreciation	7,497	7,565	7,683	7,811	(128)
Total Expenditure	21,456	20,540	21,453	21,696	(243)
DEFICIT BEFORE TAX	(17,170)	(15,749)	(17,378)	(17,018)	360
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(17,170)	(15,749)	(17,378)	(17,018)	360
Add Capital Contributions	(421)	(991)	(406)	(596)	(190)
Total Rates Funding Requirement	(17,591)	(16,740)	(17,784)	(17,614)	170
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	(4,850)	(3,507)	1,343
Capital To Improve Level Of Service	(415)	(693)	(1,879)	(1,111)	768
Capital To Replace Existing Assets	(4,849)	(5,466)	(2,012)	(2,281)	(269)
Less Capital Contributions	421	991	406	596	190
Less UHCC Capital Contributions	472	556	2,187	1,500	(687)
Less Asset Sales	-	-	-	-	-
Less Depreciation	7,497	7,565	7,683	7,811	128
Total Loan Funding Requirement	3,126	2,953	1,535	3,008	1,473
TOTAL FUNDING REQUIREMENT	(14,465)	(13,787)	(16,249)	(14,606)	1,643

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Wastewater Flow Management Wainuiomata	90	80	10
Rising Main Vulnerability Assessment	130	-	130

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: Development Contributions and Vested Assets are higher than budget due to more development work.

Expenditure Variance: Reactive maintenance costs were higher than expected but were offset by higher revenues.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Consenting Waste Water	100	1	99
Trunk DBO Type B Network Development	1,599	1,827	(228)
Trunk Type A Asset Development	4,000	1,874	2,126
Water Resilience	100	-	100
Adelaide Street Wastewater Renewal	-	7	(7)
Mabey Road Sewer Renewal	-	1	(1)
Naenae Sewer Renewal	-	292	(292)
Network Upgrades	-	6	(6)
Control Systems Renewals	63	66	(3)
Trunk DBO Asset Replacement Fund	881	945	(64)
Trunk DBO Network Cyclic Replacement	300	155	145
Trunk Non-DBO Minor Works	10	29	(19)
Trunk Resource Consent Renewals	138	181	(43)
Victoria Street Pumping Station Seismic Strengthening	50	29	21
Wastewater Modelling	800	673	127
Network Renewals	700	774	(74)
Pump Station Upgrades	-	39	(39)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The capital works programme was under budget mainly due to a delay with the seismic strengthening of the Seaview Wastewater Treatment Plant (Trunk Type A Asset Development) which is now due for completion early in 2019/20.



STORMWATER

WHAT WE DO

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

WHY WE DO IT

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with the city's stormwater service ¹ ≥ 73%	83%	73%	86%	83%	Key Research
Achieve water quality at main recreational beaches: 90% of days during the bathing season (1 Dec to 31 Mar) that monitored beaches are suitable for recreational use	91%	100%	100%	100%	Operations and Maintenance Contract Monthly Report
Number of flooding events (where stormwater enters a habitable floor): 0 flooding events	Nil	1	1	1	Wellington Water SLA Spreadsheet
Number of habitable floors flooded (compliant with District Plan): 0 out of 1000 connections per flooding event	Nil	0.05	0.03 ²	0.08 ²	Wellington Water SLA Spreadsheet
Number of complaints about stormwater system performance: ≤ 30 per 1000 connections	1.5	11	11	11	Wellington Water SLA Spreadsheet
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site ≤ 60 minutes	49 minutes	48 minutes	37 minutes	52 minutes	Wellington Water SLA Spreadsheet
Compliance with resource consents for discharges from stormwater system: No enforcement action					
<ul style="list-style-type: none"> • number of abatement notices • number of infringement notices • number of enforcement orders • number of convictions 	Nil	Nil	Nil	Nil	Compliance Reports from GWRC

Notes:

1. This measurement refers to reliability of the city's stormwater system
2. There were three confirmed habitable floors affected in the flooding event on the 7th April 2019 in Eastbourne. It is proposed to develop a stormwater catchment study to identify flooding issues in the Eastbourne catchment and this will be prioritised with the other projects in HCC's stormwater programme.

STORMWATER: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-28 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	7,247	7,704	8,539	8,177
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	9	5	8	5
Fees and charges	5	10	11	19
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	118	287	114	517
Total operating funding (A)	7,379	8,006	8,672	8,718
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,449	3,754	3,705	3,796
Finance costs	415	301	333	280
Internal charges and overheads applied	297	296	356	356
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	4,161	4,351	4,394	4,432
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	3,218	3,655	4,278	4,286
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	52	11	50	63
Increase (decrease) in debt	130	(808)	(948)	(2,997)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	182	(797)	(898)	(2,934)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	269	43
- to improve level of service	2,598	896	2,579	537
- to replace existing assets	802	1,962	532	772
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	3,400	2,858	3,380	1,352
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(3,218)	(3,655)	(4,278)	(4,286)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

STORMWATER: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	5	10	11	19	8
Operating Subsidies & Grants	9	5	8	5	(3)
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	52	11	50	63	13
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	118	287	114	517	403
Other Revenue	-	-	-	-	-
Total Revenue	184	313	183	604	421
EXPENDITURE					
Employee Costs	-	-	-	-	-
Operating Costs	3,449	3,754	3,705	3,796	(91)
Support Costs	297	296	356	356	-
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	415	301	333	280	53
Depreciation	3,218	3,655	4,278	4,286	(8)
Total Expenditure	7,379	8,006	8,672	8,718	(46)
DEFICIT BEFORE TAX	(7,195)	(7,693)	(8,489)	(8,114)	375
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(7,195)	(7,693)	(8,489)	(8,114)	375
Add Capital Contributions	(52)	(11)	(50)	(63)	(13)
Total Rates Funding Requirement	(7,247)	(7,704)	(8,539)	(8,177)	362
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	(269)	(43)	226
Capital To Improve Level Of Service	(2,598)	(896)	(2,579)	(537)	2,042
Capital To Replace Existing Assets	(802)	(1,962)	(532)	(772)	(240)
Less Capital Contributions	52	11	50	63	13
Less UHCC Capital Contributions	-	-	-	-	-
Less Asset Sales	-	-	-	-	-
Less Depreciation	3,218	3,655	4,278	4,286	8
Total Loan Funding Requirement	(130)	808	948	2,997	2,049
TOTAL FUNDING REQUIREMENT	(7,377)	(6,896)	(7,591)	(5,180)	2,411

OPERATING PROJECTS

There were no operating projects separately budgeted for the year.

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: Vested assets are higher than budget due to more development work.

Expenditure Variance: The overspend in operating costs was mainly due to increased insurance costs.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Network Upgrades	2,586	351	2,235
Awamutu Stream	52	1	51
Beach Stormwater Outlets	-	51	(51)
Pump Station Upgrades	100	191	(91)
Stormwater Quality Improvements	100	1	99
Network Renewals	100	80	20
Adelaide Street Stormwater Renewal Stage	-	22	(22)
Heketara Street/Pukatea St (Eastbourne)	-	492	(492)
Control Systems Renewals	42	43	(1)
Stormwater Network Modelling	350	74	276
Pump Station Reactive Renewals	50	68	(18)
Dowse Drive Stormwater Improvement	-	(63)	63
Hutt River Floodplain	-	6	(6)
Hutt River Stormwater Flapgates / Pumping Stations	-	25	(25)
Melling Road Stormwater Construction	-	3	(3)
Rutherford Street Stormwater Construction	-	2	(2)
Stormwater Consenting Project	-	5	(5)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The capital works programme was under budget due to a number of projects mainly Network Upgrades being delayed and deferred to 2019/20.

SOLID WASTE

WHAT WE DO

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

WHY WE DO IT

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with:					
• rubbish collection \geq 93%	94%	95%	95%	94%	Key Research
• refuse disposal \geq 85%	88%	85%	93%	91%	
No resource consent-related infringement notices received from GWRC: 100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	Compliance Reports from GWRC

SOLID WASTE: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-28 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	(6,809)	(6,361)	(6,707)	(7,359)
Targeted rates	1,386	1,347	1,337	1,337
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	13,363	13,714	13,970	16,174
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	15	255	20
Total operating funding (A)	7,945	8,715	8,855	10,172
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	6,649	6,911	7,222	8,345
Finance costs	331	511	337	548
Internal charges and overheads applied	320	408	300	300
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	7,300	7,830	7,859	9,193
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	645	885	996	979
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,526	2,776	2,100	2,186
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	3,526	2,776	2,100	2,186
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	4,171	3,661	3,096	3,165
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	4,171	3,661	3,096	3,165
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(645)	(885)	(996)	(979)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

SOLID WASTE: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	13,363	13,714	13,970	16,174	2,204
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	5	15	255	20	(235)
Total Revenue	13,368	13,729	14,225	16,194	1,969
EXPENDITURE					
Employee Costs	-	17	-	71	(71)
Operating Costs	6,649	6,894	7,222	8,274	(1,052)
Support Costs	320	408	300	300	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	331	511	337	548	(211)
Depreciation	645	885	996	979	17
Total Expenditure	7,945	8,715	8,855	10,172	(1,317)
SURPLUS BEFORE TAX	5,423	5,014	5,370	6,022	652
RATES FUNDING REQUIREMENT					
Surplus Before Tax	5,423	5,014	5,370	6,022	652
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	5,423	5,014	5,370	6,022	652
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	(4,171)	(3,661)	(3,096)	(3,165)	(69)
Capital To Replace Existing Assets	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less Asset Sales	-	-	-	-	-
Less Depreciation	645	885	996	979	(17)
Total Loan Funding Requirement	(3,526)	(2,776)	(2,100)	(2,186)	(86)
TOTAL FUNDING REQUIREMENT	1,897	2,238	3,270	3,836	566

OPERATING PROJECTS

There were no operating projects separately budgeted for the year.

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: The favourable variance is due to an increase in landfill commercial revenues mainly due to substantial volumes as a result of the Queensgate demolition works plus an increase in cleanfill revenues due to the demand for this facility.

Expenditure Variance: Landfill operating contract and specialist services costs are over budget due to higher volumes, additional odour management costs, and additional costs arising from capital development works. Emissions Trading Units (ETU) purchase costs have also been increased substantially. There are also additional costs related to the Cleanfill consent application and unbudgeted repair work needed on the landfill road.

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Silverstream Landfill Building Improvements	250	274	(24)
Cleanfill Site Development	5	7	(2)
Silverstream Landfill Stage 2 Design & Construction	2,841	2,885	(44)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

Work completed in the last two months of the year exceeded estimates. The consequent overspend which included budgets for work that was carried over to 2019/20 will now be offset by a similar underspend in 2019/20.



GOVERNANCE, ENGAGEMENT AND ORGANISATION

The group that delivers organisational support activities works alongside all the other activities of Council, and includes elected members and the associated democratic services, strategy and policy development, communications and marketing, customer services, financial services, risk and audit, information services, legal services and human resources.

Organisational support activities support the social, cultural, environmental and economic wellbeing of the city, and include organisation-wide strategies covering Best Local Government Services.

The following activities fall under organisational support:

- City Governance
- City Leadership

These activities contribute to all the high level goals for the city's wellbeing, also referred to as 'community outcomes':

- **A safe community** – we live in a safe city; our city is prepared for emergencies.
- **A strong and diverse economy** – a city that grows existing businesses and attracts new business activity, with a focus on the research and development sector; all members of our community benefit from a strong economy, and we attract increasing numbers of visitors.
- **An accessible and connected city** – a city that is easy to move about with well-designed roads, cycleways and footpaths; members of our community are connected to the digital world.
- **Healthy people** – we live healthy lives, and our city's services help to protect our health and our environment.
- **A healthy natural environment** – we value and protect the natural environment and promote a sustainable city; resources are used efficiently and there is minimal waste and pollution.
- **Actively engaged in community activities** – members of our community participate in arts, cultural, sports and other recreational and leisure activities; the city provides for and encourages participation in these activities.
- **Strong and inclusive communities** – people feel a sense of belonging and are included in the community; our city is built on strong communities that value diversity and support newcomers.

- **A healthy and attractive built environment** – our built environment enhances our quality of life; our city is vibrant, attractive, healthy and well-designed; we promote development that is sustainable, and that values and protects our built heritage and the natural environment.
- **A well-governed city** – all members of our community are empowered to participate in decision-making and to contribute to society; their values and ideas are reflected in the decisions Council makes.

SOME OF THE YEAR'S ACHIEVEMENTS

A Great Place to Live

The latest Quality of Life survey, undertaken in 2018 across 9 councils around New Zealand, measured the perceptions of residents. Of those surveyed in Lower Hutt, 81% rated the city as a great place to live, compared to 78% in 2016, while 89% said the quality of life in Lower Hutt was good to extremely good, up from 82% in 2016. Thirty-four percent said that Lower Hutt was a better place to live than 12 months earlier, citing improved amenities as the main reason (35%), just ahead of good recreational facilities (26%).

Homelessness

Council research shows that homelessness can happen to anyone. A redundancy, relationship breakdown, family violence or failing physical or mental health can be enough for a family to lose their home. Agencies working with homeless people believe homelessness in Lower Hutt has significantly increased since the 2013 census. In response, Council has developed a Homelessness Strategy in partnership with social service agencies. The strategy includes a range of initiatives that focus on preventing homelessness and improving access to existing housing for homeless families and individuals. Council has allocated funding over the next three financial years to implement the strategy.

Hutt City Youth Awards

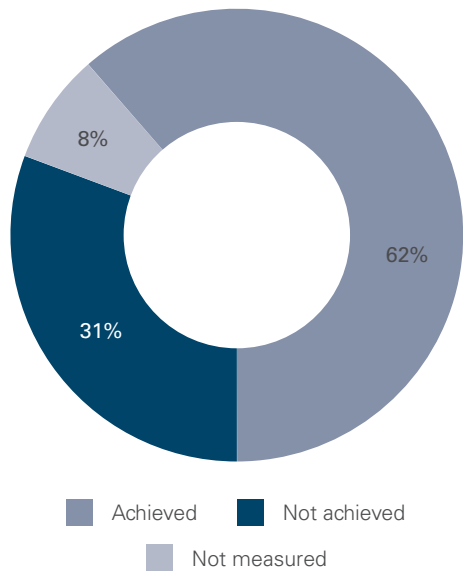
The Taita College team won the Science/Technology Youth Award at the Hutt City Youth Awards. They designed and built some amazing seats that are now in Walter Nash Park.

Annual Plan 2019-20

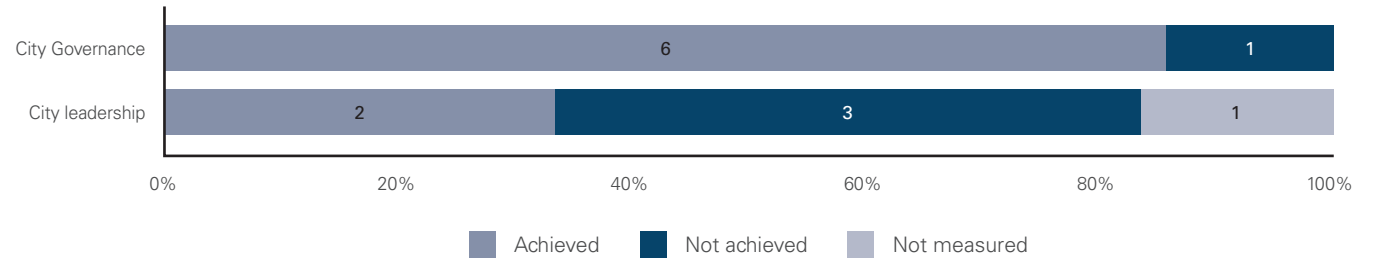
In March 2019 Council provided communities with a new interactive way to share ideas on what makes their city a great place to live, work and play. Council asked residents to share input and contribute to the city's future across the entire year and not wait for the legislative planning cycle.

GOVERNANCE, ENGAGEMENT AND ORGANISATION PERFORMANCE

GOVERNANCE, ENGAGEMENT AND ORGANISATION: PERFORMANCE TARGETS SUMMARY



GOVERNANCE, ENGAGEMENT AND ORGANISATION: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



GOVERNANCE, ENGAGEMENT AND ORGANISATION: FUNDING IMPACT STATEMENT

For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-28 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	1,723	(13,974)	(12,057)	(12,038)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,095	913	944	1,150
Internal charges and overheads recovered	15,465	15,700	16,290	16,303
Local authorities fuel tax, fines, infringement fees, and other receipts	1,084	1,243	1,175	1,617
Total operating funding (A)	19,367	3,882	6,352	7,032
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	13,629	13,247	13,632	15,742
Finance costs	1,057	860	1,148	1,370
Internal charges and overheads applied	4,758	4,328	3,419	3,419
Other operating funding applications	-	2,941	-	11,557
Total applications of operating funding (B)	19,444	21,376	18,199	32,088
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	(77)	(17,494)	(11,847)	(25,056)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,675	18,654	15,152	26,069
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	2,675	18,654	15,152	26,069
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	1,632	440	465	250
- to replace existing assets	966	720	2,840	763
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	2,598	1,160	3,305	1,013
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	77	17,494	11,847	25,056
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

CITY GOVERNANCE

WHAT WE DO

This activity comprises the processes that govern our city and support decision-making. It includes elected members (the Mayor and Councillors), strategic planning, policy development and monitoring and reporting. The elected members have an important role in the community. They:

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

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

WHY WE DO IT

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

- To enable democratic local decision-making and action by, and on behalf of, communities; and
- 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.

The elected members, processes and professional advice support the Council to fulfil its first obligation to sound governance and robust decision-making for the city.

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Residents' satisfaction with the Mayor's and councillors' performance ≥ 78%	96%	78%	82%	80%	Key Research
Residents' satisfaction with the way we spend their rates ≥ 71%	89%	71%	75%	72%	Key Research
Residents' satisfaction with our public consultation ≥ 71%	88%	71%	72%	62% ¹	Key Research
Councillors are satisfied or more than satisfied with the formal advice they receive from officers ≥ 80%	93%	96%	90%	100%	Survey of Elected and Appointed Members
Councillors are satisfied or more than satisfied with responses to requests for help from officers ≥ 80%	86%	98%	90%	100%	Survey of Elected and Appointed Members
Community board and community panel members are satisfied or more than satisfied with the formal advice they receive from officers ≥ 80%	82%	92%	85%	100%	Survey of Elected and Appointed Members
Community board and community panel members are satisfied or more than satisfied with responses to requests for help from officers ≥ 80%	82%	84%	78%	100%	Survey of Elected and Appointed Members

Notes:

1. The 2019 final quarter perceptions survey shows that the situation with Naenae pool has had a major impact on people's perception of Council's public consultation.

CITY GOVERNANCE: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	-	-	-	-	-
User Charges	-	2	-	1	1
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Dividends	-	-	-	-	-
Gain On Prop Revals, Sales, Disposals	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	-	-	-	2	2
Total Revenue	-	2	-	3	3
EXPENDITURE					
Employee Costs	-	1	-	2	(2)
Operating Costs	1,330	1,181	1,303	1,281	22
Support Costs	4,758	4,328	3,419	3,419	-
Loss On Prop Revals, Sales, Disposals	-	-	-	-	-
Finance Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Expenditure	6,088	5,510	4,722	4,702	20
DEFICIT BEFORE TAX	(6,088)	(5,508)	(4,722)	(4,699)	23
RATES FUNDING REQUIREMENT					
Deficit Before Tax	(6,088)	(5,508)	(4,722)	(4,699)	23
Add Capital Contributions	-	-	-	-	-
Total Rates Funding Requirement	(6,088)	(5,508)	(4,722)	(4,699)	23
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	-	-	-	-	-
Capital To Replace Existing Assets	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	-	-	-	-	-
Total Loan Funding Requirement	-	-	-	-	-
TOTAL FUNDING REQUIREMENT	(6,088)	(5,508)	(4,722)	(4,699)	23

OPERATING PROJECTS

There were no operating projects separately budgeted for the year.

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: No significant variances

Expenditure Variance: No significant variances

CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

There were no capital projects budgeted or carried out during the year.

CITY LEADERSHIP

WHAT WE DO

City Leadership incorporates the organisation-wide support functions that help us to provide our other activities efficiently to lead and deliver services for the community.

WHY WE DO IT

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

HOW WE MEASURE THE SUCCESS OF OUR SERVICES

MEASURE	ACHIEVED 2015-16	ACHIEVED 2016-17	ACHIEVED 2017-18	ACHIEVED 2018-19	SOURCE OF INFORMATION
Budget management: All activities are expected to operate within net capital and operating budgets ¹	Operating: \$3.0M favourable variance. Capital: \$28.1M favourable variance.	Operating: \$15.5M favourable variance. Capital: \$42.3M favourable variance.	Operating: \$4.9M unfavourable variance. Capital: \$22.1M favourable variance.	Operating: \$4.3M unfavourable variance. ² Capital: \$28.4M favourable variance.	Management Report
Customer satisfaction – Satisfaction with the overall performance of Hutt City Council: Greater or equal to previous year result ¹	89%	88%	89%	86%	Key Research
Staff perceptions: Greater than Local Government (LG) benchmark ¹	HCC: 68% LG: 62%	HCC: 68% LG: 63%	HCC: 67% LG: 61%	Not measured as IBM withdrew their survey service in 2019 ³	IBM's Best Workplaces Survey
Project completion – the percentage of completed projects: 75% completed ¹	66%	65%	82%	50% ⁴	Management Report
Work-related accidents: No more than four employee injuries resulting in medically approved time off work	Nil	Nil	Four	Four	Management Report

Notes:

1. Prior to 1 July 2018, organisational KPI's were reported as part of the text about Hutt City Council.
2. The operating unfavourable variance of \$4.3M (calculated as being the net deficit for the year of \$17.9M, adjusted for the loss on revaluation of financial instruments of \$11.5M, compared to the budgeted deficit of \$2.1M) is mainly due to lower capital subsidies because of delays in Cycleway/Shared Paths projects, plus costs of \$4M budgeted as capital expenditure and transferred to operating expenditure (including Development Stimulus Package). Capital was favourable by \$28.4M due to delays in a number of key projects including \$10.1M for Cycleways/Shared Paths project and \$13.4M for Three Waters projects. Further details are provided in the relevant activities and Note 33: Major Budget Variations.
3. Council is reviewing its options to enable future surveys to be run.
4. Completion rate for the year impacted by a work programme containing several very significant projects requiring an increased level of project management.

CITY LEADERSHIP: STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | For year ending 30 June 2019

	2015-25 LTP (YEAR 3) 2018 \$000	ACTUAL 2018 \$000	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
REVENUE					
Rates Income	101,878	102,082	105,123	105,316	193
User Charges	1,095	911	944	1,149	205
Operating Subsidies & Grants	-	-	-	-	-
UHCC Operating Subsidy	-	-	-	-	-
Capital Subsidies	-	-	-	-	-
Development Contributions	-	-	-	-	-
Interest Earned	875	969	968	1,300	332
Dividends	-	6	-	5	5
Gain On Prop Revals, Sales, Disposals	-	-	-	(3)	(3)
Gain On Revaluation Of Financial Instruments	-	-	-	-	-
Vested Assets	-	-	-	-	-
Other Revenue	209	268	207	313	106
Total Revenue	104,067	104,236	107,242	108,080	838
EXPENDITURE					
Employee Costs	9,525	9,354	9,579	9,525	54
Operating Costs	2,774	2,711	2,750	4,934	(2,184)
Support Costs	(15,465)	(15,700)	(16,290)	(16,303)	13
Loss On Prop Revals, Sales, Disposals	-	66	-	-	-
Loss On Revaluation Of Financial Instruments	-	2,875	-	11,557	(11,557)
Finance Cost	1,057	860	1,148	1,370	(222)
Depreciation	1,610	1,597	1,568	1,635	(67)
Total Expenditure	(499)	1,763	(1,245)	12,718	(13,963)
SURPLUS BEFORE TAX	104,556	102,473	108,487	95,362	(13,125)
RATES FUNDING REQUIREMENT					
Surplus Before Tax	104,556	102,473	108,487	95,362	(13,125)
Add Capital Contributions	-	-	-	-	-
Rate Funded Debt Repayment	1,687	19,091	13,415	26,691	13,276
Total Rates Funding Requirement	106,243	121,564	121,902	122,053	151
LOAN FUNDING REQUIREMENT					
Capital To Meet Additional Demand	-	-	-	-	-
Capital To Improve Level Of Service	(1,632)	(440)	(465)	(250)	215
Capital To Replace Existing Assets	(966)	(720)	(2,840)	(763)	2,077
Less Capital Contributions	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-
Less asset Sales	-	-	-	-	-
Less Depreciation	1,610	1,597	1,568	1,635	67
Less Rate Funded Debt Repayment	(1,687)	(19,091)	(13,415)	(26,691)	(13,276)
Total Loan Funding Requirement	(2,675)	(18,654)	(15,152)	(26,069)	(10,917)
TOTAL FUNDING REQUIREMENT	103,568	102,910	106,750	95,984	(10,766)

OPERATING PROJECTS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Social Development Projects	100	49	51
Quality Of Life Study	25	-	25
Research - Monitoring & Evaluation Of Outcome	50	45	5
Smokefee Signage	14	3	11
Homelessness Strategy	105	96	9

SIGNIFICANT OPERATING VARIATIONS FROM LONG TERM PLAN

Revenue Variance: Rates are slightly over budget at year end mainly due to higher growth in the rating base than expected for the 2018/19 budget. User charges are higher than budget due to extra rates penalty income. Interest income is also higher than budgeted due to higher levels of cash held throughout the year.

Expenditure Variance: The unfavourable variance in Operating Costs is mainly in Information Services where costs budgeted as capital have been transferred to operating due to the accounting treatment for "software as a service" rather than creating an asset. There is also an unfavourable variance due to contracted IT resources required to cover critical skills due to staff vacancies which are offset by savings in employee costs. Additional unbudgeted Insurance costs include a requirement from participating Councils to fund (now settled) historical claims from when Hutt City Council was part of RiskPool.



CAPITAL PROJECTS ACQUISITIONS AND RENEWALS

	2018-19 LTP (YEAR 1) 2019 \$000	ACTUAL 2019 \$000	ACT v BUD VARIANCE 2019 \$000
Administration Leased Accommodation Fitout	15	6	9
Internal Relocation Desks & Fitout	-	149	(149)
Mobile Devices	80	2	78
Other (IT) Projects	210	(7)	217
Internet Online Services	150	9	141
Pavilion Alteration for Lease Arrangements	-	22	(22)
The Pavilion Improvements	10	15	(5)
Civic Administration Building Maintenance	-	69	(69)
Network storage/Server Hardware and PC Replacement Programme	375	534	(159)
Pavilion Maintenance	10	-	10
System Maintenance	40	-	40
System Upgrades	2,415	159	2,256
T-Rex	-	34	(34)
Water Fountain	-	21	(21)

SIGNIFICANT CAPITAL VARIATIONS FROM LONG TERM PLAN

The underspend was mainly due to about \$2.0M actual costs being transferred to operating due to the move to “software as a service” of which \$1.4M has been transferred to operating in future years. This is slightly offset by unbudgeted costs for internal relocation and associated Admin Building improvements.

HUTT CITY COUNCIL

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

Its purpose is:

- to enable democratic local decision-making and action by, and on behalf of, communities; and
- to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Its role is to have particular regard to the contribution that the following core services make to its communities:
 - network infrastructure
 - public transport services
 - solid waste collection and disposal
 - the avoidance or mitigation of natural hazards
 - libraries, museums, reserves, recreational facilities, and other community infrastructure.

COUNCIL GOVERNANCE

Hutt City Council is governed by a mayor and 12 councillors, with the mayor elected on a city-wide basis and the councillors elected to represent their respective wards, while exercising their powers in the best interests of the city as a whole. There are six wards - Northern, Eastern, Central, Western, Harbour and Wainuiomata – each with two councillors. For the 2019 election, the Mayor and six councillors will be elected on a city-wide basis, with one councillor also elected to represent each of the city's six wards.

COMMUNITY BOARDS AND COMMUNITY PANELS

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

Each community board has six members elected by the community, plus two councillors from that ward appointed by Council (for the 2019 election this reduces to one councillor appointed to each community board). The only exception is Eastbourne Community Board, which has agreed to have only five elected members.

The role of a community board is to:

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

Council has four community panels in the Central, Eastern, Northern and Western ward communities. Each panel consists of up to five community representatives along with two ward councillors.

The role of the panels is to represent and act as an advocate for the interests of their communities. The purpose of the panels is outlined in the general functions outlined below:

- Discuss, debate and provide feedback to Council on all important local issues, city wide matters of significance, Annual Plans and policy setting
- Allocate and manage a Local Community Projects Fund
- Allocate and manage the local Community Engagement Fund for the Central, Eastern, Northern and Western wards to assist and support local community events and initiatives.

COUNCIL'S MANAGEMENT STRUCTURE

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

The Chief Executive is the sole employee of the elected members of Council, and in turn is the employer of all other council staff members. The Chief Executive is responsible to Council for:

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

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

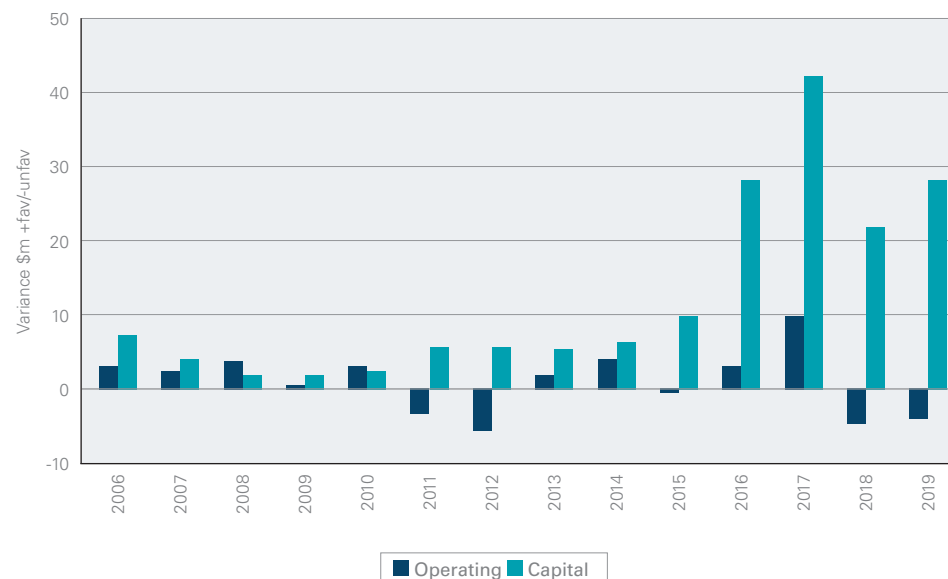
KEY PERFORMANCE INDICATORS

Council management, through its Strategic Leadership Team, has identified three priority areas for the organisation:

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

We have four key performance indicators for these areas, which are additional to the performance measures and targets for each of our 21 key activities. They are budget management, customer satisfaction, project completion and compliance.

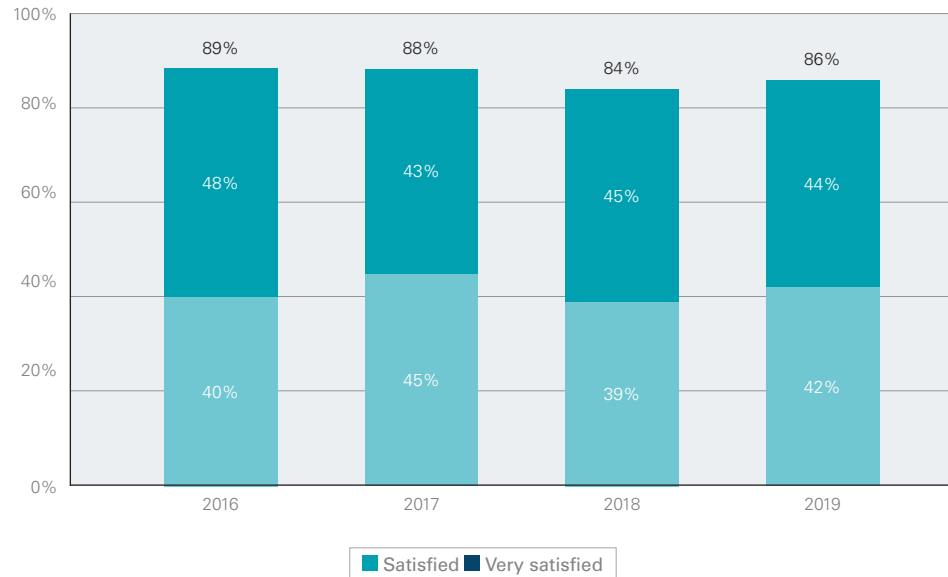
BUDGET MANAGEMENT



This key performance indicator compares results with budget targets. All activities are expected to operate within net operating budgets and capital budgets.

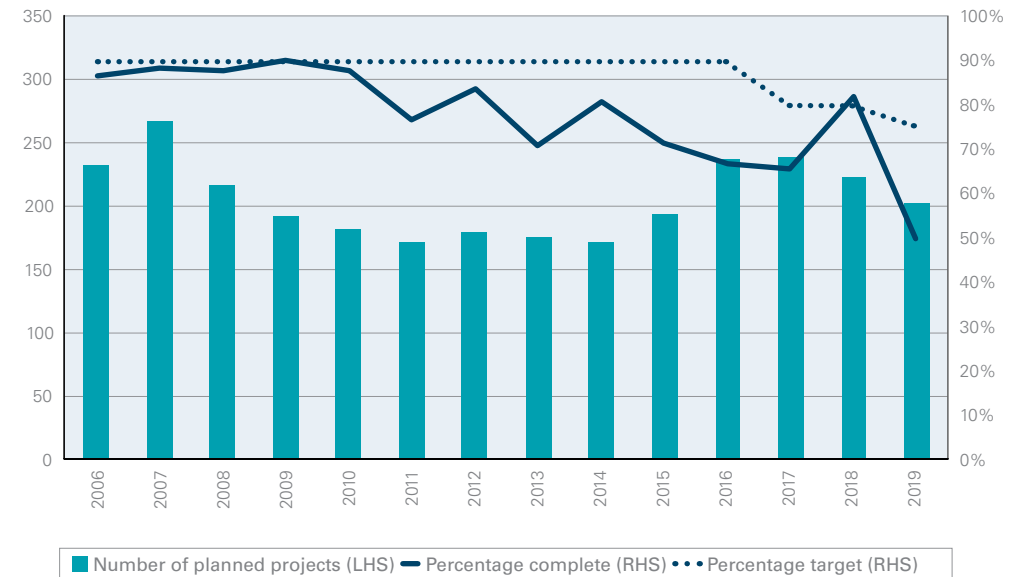
For 2018/2019, excluding the expected gains/losses on revaluation of financial instruments, Council budgeted for an operating deficit of \$2.1M. This included \$4.4M in capital grants to fund community rejuvenation projects planned to be undertaken by the Hutt City Community Facilities Trust (CFT), which is part of the Council Group. The actual deficit, excluding gains/losses on revaluation of financial instruments, was more unfavourable than budgeted by \$4.3M mainly due to reduced capital subsidies due to capital investment delays (\$2.7M), and costs budgeted as capital but transferred to operating (\$4M). Capital expenditure was under spent compared to budget by \$28.4M mainly from delays in completing some projects. Most of these projects are due to be completed in 2019/2020.

CUSTOMER SATISFACTION



Council is committed to delivering a high level of service to the community. We monitor residents' satisfaction through an independent annual survey. Overall our satisfaction levels are high with over four in five (86%) indicating they are satisfied. Overall satisfaction has increased slightly and the proportion of residents who are very satisfied has decreased slightly.

PROJECT COMPLETION



Every year Council commits to between 200–300 projects through the Annual/Long Term Plan. Inevitably some projects cannot be completed in time and are usually carried over to be completed in the next financial year. This key performance indicator compares the number of completed projects as a percentage of the number of projects that were budgeted.

In 2018/2019 a number of projects were delayed or not completed with the completion rate for the year impacted by a work programme containing several very significant projects requiring an increased level of project management. Many of the incomplete projects have been carried over and are due to be completed in 2019/2020. The most significant underspends were: Strategic Property Purchases (\$5.7M), Cycleway/Shared Paths (Beltway, Wainuiomata Hill, Eastern Bays) (\$4.7M), other Rooding Projects (\$2.5M), and Three Waters projects (\$3.5M). There was also about \$4M of costs that were budgeted as capital but have been transferred to operating.



COMPLIANCE

YEAR	NON-COMPLIANCE INSTANCES	
	INSIGNIFICANT	SIGNIFICANT
2004	9	-
2005	6	-
2006	1	-
2007	3	-
2008	1	-
2009	1	-
2010	1	-
2011	2	-
2012	4	-
2013	1	-
2014	1	-
2015	-	1
2016	-	1
2017	-	-
2018	-	-
2019	1	-

It is vital for staff, contractors and other businesses associated with Council to comply with the law, contracts, consents, employment agreements, health and safety requirements and Council policy. Council monitors this compliance on a monthly basis, and has a target of no significant cases of non-compliance. We have achieved this target for the third consecutive year.

STAFF PERCEPTIONS

For some years Council measured staff perceptions using the Kenexa Best Workplaces Survey. However IBM decided to withdraw their survey service in 2019 and Council is reviewing its options to enable future surveys to be run. Current initiatives to support staff include a continued commitment to health and wellbeing, focus on staff engagement and enablement, and strengthening leadership effectiveness.

COUNCIL CONTROLLED ORGANISATIONS AND ASSOCIATES

SEAVIEW MARINA LIMITED (SML)

Extent to which Council's policies and objectives in regard to ownership and control of the organisation have been implemented: Council's objective for this company is for it to own and operate Seaview Marina.

Nature and scope of its activities:

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

KEY PERFORMANCE TARGETS	2019 TARGET	2019 ACTUAL
Financial		
1. Deliver annual budgeted incomes.	Achieve 100% of budgeted incomes or equal to 100% of \$2,359,556	Achieved \$2,438,547
2. Control operational expenses	Operational expenses within budget less than or equal to 100% of \$1,762,852	Not achieved - \$2,009,498
3. Achieve prescribed return on investment	Achieve greater than or equal to 5%	Achieved 5.04%
4. Manage capital expenditure	Complete within budget and on time	Not achieved. Overall capital spend was under budget due to Power pedestal project being brought forward and a small overspend against miscellaneous capital items
Relationship and communication		
5. Client service	85% satisfaction for the exit/entry survey	Achieved 91%
6. Newsletter communications	Complete four newsletters per annum	Not achieved
7. Meet all shareholder reporting deadlines	Draft Statement of Intent by 31 December of the previous year Final Statement of Intent prior to 30 June of the previous year Half-Yearly Report within two months after the end of the first half of the financial year Annual Report within three months after the end of the financial year	Not achieved
Risk management and human resources		
8. Notifiable health and safety incidents	Nil accidents	Achieved
9. Business continuity plan	Run test scenario and review	Achieved
Marketing		
10. Implement marketing strategy to improve occupancy rates	Berth occupancy to 90%	Achieved
11. Media and public relations	10 enquiries per month from website	Achieved

URBAN PLUS LIMITED

Extent to which Council's policies and objectives in regard to ownership and control of the organisation have been implemented: Council's objective for this company is for it to own and operate a portfolio of rental housing, develop property in preparation for sale or lease and manage Council property and building assets.

Nature and scope of its activities:

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

The Urban Plus Group comprises Urban Plus Limited, UPL Developments Limited (formerly Fairfield Waters Limited), and UPL Limited Partnership (formerly Fairfield Limited Partnership).

KEY PERFORMANCE TARGETS	2019 TARGET	2019 ACTUAL
Facilities Management		
1.1. Capital expenditure	Within budget \$nil capital	Achieved nil capital expenditure
1.2. Operational expenditure ¹	Within budget \$410,577	Achieved \$404,709
1.3. Net profit margin	Achieve not less than a 20% profit margin	Not achieved (8%)
1.4. Resident satisfaction with public halls	Greater than or equal to peer average, subject to Council funding. 2016 peer average 94%	Not achieved 81%
1.5. Resident satisfaction with UPL-managed public toilets	Greater than or equal to peer average, subject to Council funding. 2016 peer average 79%	Not achieved 61%
1.6. Tenant satisfaction with Council-owned community buildings	Greater than or equal to 90%	Achieved 100% satisfied. The result for satisfied is calculated using "neutral" and "above" responses
1.7. Council satisfaction with facilities management	Not less than 90%	Achieved 92% satisfied
Rental Housing		
2.1 Capital expenditure	Within budget capital \$9,345,000	Not achieved \$9,202,584
2.2 Operational expenditure ¹	Within budget operating \$922,114	Not achieved \$966,920
2.3 Net surplus before Depreciation and after Finance Expenses as a proportion of the net book value of residential land and buildings at the start of the year ²	Greater than 3.5%	Achieved 4.4%
2.4 Tenant satisfaction with the provision of the company's rental housing ³	Greater than or equal to 90%	Achieved 93%
2.5 Percentage of total housing units occupied by low-income elderly	Greater than or equal to 85%	Not achieved. 72.7% identified primary source of income NZ National Superannuation. The existing tenants at the recently acquired 17 Britannia Street have lowered this percentage ⁴
2.6 Rentals charged	Not less than 85% of 'market' rent	Achieved 87.1%
2.7 Increasing the portfolio size	220 units by 30 June 2020	Not achieved. Number of units increased to 189 units at the end of the 2018-19 financial year
Property Development		
3.1 Capital expenditure	Within budget of \$nil	Achieved \$1,230 ⁵
3.2 Operational expenditure	Within budget of \$442,050	Not achieved \$538,810
3.3 Return on each project	Not less than 10% after interest and tax	Not applicable in current year. No commercial developments were completed in 2018/19
Professional Property Advice		
4.1 Return on additional services provided to the shareholder	Achieve a market return on additional services provided to the share holder	Not applicable. Additional services were not charged to the shareholder during 2018/19
UPL Developments Limited		
5.1 Tender processes	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved. Parkview: Contracts negotiated and executed in 2017/18, continued to be managed during 2018/19. Contracts for other suppliers are being negotiated and executed when required.
5.2 Civil and construction contracts	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved. Central Park and The Lane: The contracts for civil works were tendered and negotiated in 2018/19
5.3 Payment of contract progress claims and payments to other suppliers engaged to provide services or goods to defined development projects	Facilitate payment of contract progress claims for Board approved contracts as well as payments to other suppliers	Achieved. Facilitated the payment of contract progress claims for Parkview, Central Park and The Lane developments, as well as payments to other suppliers engaged to provide services and goods on these property developments

KEY PERFORMANCE TARGETS	2019 TARGET	2019 ACTUAL
5.4 Future developments	If used for future developments, the same performance measures apply as for Property Development (refer above)	N/A. UPL DL was not used for development projects in 2018/19
5.5 Development projects	Act as General Partner when a Limited Partnership structure is utilised for development projects	Achieved
UPL Limited Partnership		
6.1 Land development	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved
6.2 Business undertakings	Perform business undertakings in common with Urban Plus Limited with a view to profit from development projects for the purposes of funding for the elderly housing portfolio	Achieved
6.3 Capital expenditure	Within budget of \$9,648,446	Not achieved \$11,720,294
6.4 Operational expenditure	Within budget of \$23,706	Not achieved \$350,940
6.5 Return on each project	Not less than 10% after interest and tax	Achieved 24.9%

Notes:

1. Operating expenditure before depreciation and tax expense
2. Calculated as net surplus plus depreciation, over the opening value of residential land and buildings
3. This measure is from a survey of tenants, who on a 5 point rating scale, with 3 being 'neutral', rated their satisfaction as neutral or better. There was a response rate of 47.8% from the 153 surveys sent
4. Information on the existing tenants at 17 Britannia St has not yet been fully gathered so a conservative approach has been taken to assume that tenants are not low income elderly unless UPL has received confirmation they are. At the time of writing UPL is still waiting on responses from 12 tenants.
5. There was no capital budget for property development within the parent, however there was a budget for the group of \$9,615,000 against which spend was within budget at \$10,558,274.

COMMUNITY FACILITIES TRUST

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

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

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

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

Nature and scope of its activities:

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

KEY PERFORMANCE TARGETS	2019 TARGET	2019 ACTUAL
Operational Management		
Operational expenditure is within budget	100%	Not achieved
All reporting requirements set by Council and the Board of CFT are met in accordance with the Local Government Act 2002, the CFT Statement of Intent and the CFT Deed of Trust	Draft Statement of Intent by 1/3/2019	Achieved
	Final Statement of Intent by 30/6/2019	Not achieved (due to required changes not made in time)
	Half yearly report by 1/3/2019	Achieved
	Annual Report by 30/9/2018	Achieved
All CFT construction projects have best practice health and safety plans and monitoring in place	100%	Achieved. CFT received regular Health and Safety reports from its main contractor at Fraser Park Sportsville
Facilities Design and Development		
All capital expended on design and other consultants is within approved monthly progress project budgets at financial year end	100%	Not achieved due to late completion. Project management fees more than budget
All capital expenditure on approved projects is at or less than approved progress budget for each project at financial year end	100%	Not achieved. Fraser Park expenditure over budget.
Project Delivery		
Fraser Park Sports Hub complex	Facility reaches practical completion by 21 December 2019	Not achieved. Project completion achieved in January 2019
Contract designs for the proposed Wainuiomata Community and Sporting hub are prepared (subject to funding being approved by Council)	By 30 June 2019	Not applicable. No funding provided by HCC. Project on hold.
Contract documents are prepared for the Gym Sports Building at Fraser Park (subject to funding being approved by Council)	By 30 June 2019	Not applicable. Funding of \$2M from HCC has been approved next financial year.
Hutt Valley Tennis - subject to funding and resource consent the CFT will provide project management assistance to Lower Hutt Tennis to restore and extend their existing clubrooms	By 30 June 2019	Not applicable. Funding of \$850,000 from HCC has been approved for next financial year.
Naenae Community Hub – provide high level governance	By 30 June 2020	Achieved. CFT provided governance through project control group meetings but project now on hold because of Naenae Pool
Facilities Management		
All facilities maintain legal compliance, WOFs and/or certification	100% building safety upheld	Achieved
All facilities have in place an agreement to lease within three months of completion	100% legal partnerships covering leases and maintenance are agreed with the principal tenants	Achieved
All facilities have detailed maintenance plans in place within 12 months of completion	Maintenance programmes instituted to ensure facilities' amenity values are retained and are safe for users	Achieved
Fundraising		
Fraser Park Sports Hub	100% funding in place by 30 June 2019	Not achieved. Total funds raised \$3,170,587 ¹

1. The difference in the amount raised between last financial year and the current year is due to two pledges which did not eventuate.

WELLINGTON WATER LIMITED

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

Council's objective for this company is for it to manage the provision of water services to Hutt City and other shareholding councils.

Nature and scope of its activities:

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

Note: Note that the Key Performance Measures from the 2018-28 Long Term Plan are reported in the relevant activity sections in this Annual Report (Water Supply, Wastewater and Stormwater). The performance results that follow below are key metrics extracted from Wellington Water Limited 2018-19 Annual Report. The full set of results are available at www.wellingtonwater.co.nz.

KEY PERFORMANCE TARGETS	2019 TARGET	2019 ACTUAL
Our customers will not be exposed to any public health risks because we will reduce the number of wastewater overflows that happen in public places	Baseline set	Achieved. Based on the average number of wastewater overflows in 2018-19 we've set the baseline at 43 overflows per month.
Our customers will reduce the amount of water they are using at home because they have the information they need to be able to make informed decisions and change their behaviours	0.5% reduction per year in gross per-capita usage	Not achieved. This year we saw a 1.7% overall increase in gross per-capita usage. Moving ahead we will be focusing on education programmes to help change behaviours, and reducing leaks across the network.
Our customers will be able to enjoy our region's beaches because we'll improve the number of days monitored beaches (between 1 November and 31 March) are not adversely affected by our services and are available for swimming	95%	Achieved. For the period (3 December 2018 - 31 March 2019) the number of days monitored beaches were not adversely affected by our services and were available for swimming was 99.86%. Note: for the 2018-19 water quality monitoring programme, Greater Wellington Regional Council and Regional Public Health agreed this would commence on 3 December 2018 (not 1 November).
Our customers' homes and businesses will be protected from flooding because we will reduce the number of habitable floors impacted adversely by our stormwater service during a 1:100 year flood event	1% reduction in modelled areas	Not achieved. Two projects, Kilbirnie and Porirua (central), were delayed due to project cost increases and re-setting of council budgets. Both projects have been deferred.
Our customers will feel confident the drinking water we provide is safe because we'll maintain 100% compliance with the Drinking-water Standards for New Zealand and we will monitor the treated water to make sure there have been no transgressions	100% compliance and no transgressions	Achieved. We've maintained 100% compliance with the Drinking-water Standards for New Zealand.
Our customers will feel confident our wastewater service is reliable because we will improve the number of days that the wastewater service is available	Baseline set	Achieved. Based on the number of properties reporting loss of wastewater services, a baseline has been set at fewer than 378 properties reporting loss of wastewater service, per quarter.
We will understand future services needs by completing the following three studies (carbon reduction; smart services; and resilient networks) and progressing the following strategic cases and business cases: sustainable water supply; receiving water quality; stormwater – flooding; sludge management; and supporting growth (subject to funding)	One study complete (resilient networks) Three strategic cases complete	Partially achieved. This year we progressed the following three strategic cases: <ul style="list-style-type: none"> Receiving water quality: strategic case completed and expected to be presented to the Water Committee in the new financial year. Sludge management: strategic case completed. Sustainable water supply: strategic case completed. We've initiated a programme of work to focus on the priority strategic response of reducing water consumption and improving network efficiency. Due to other priorities the resilient networks study proceeded more slowly than anticipated and is now expected to be completed in the next financial year
We will understand how our current networks perform and plan for growth by completing our three-waters networks modelling programme	33% complete	Achieved. Our three-waters networks modelling programme is 39% complete.

KEY PERFORMANCE TARGETS	2019 TARGET	2019 ACTUAL
We will safeguard our drinking water by completing our regional Water Safety Plan	Regional Water Safety Plan complete and approved by 1 July 2019. Service delivery improvement plan established	Achieved. We delivered the Water Safety Plan in April 2019 to Regional Public Health. Since this time we have been using the plan to guide the provision of safe drinking water. Not achieved. We are awaiting formal approval of the Plan.
We will minimise the impact of sludge odour and landfill disposal by maintaining minimum water content	Landfill bins have a dry-solids content greater than 15%	Achieved. Landfill bins had an average dry-solids content of 22%, with a minimum dry-solids content of 15.6% for one bin at the end of January 2019.
We will improve our relationship with our Customer Panel by improving its satisfaction with its ability to influence our future services	Satisfied	N/A – baseline data collected. This year we included a new question in our annual stakeholder survey to find out how satisfied key stakeholders are with the level of influence they have on Wellington Water's decisions around future services. 60% of Customer Panel members are satisfied/very satisfied with the level of influence they have on Wellington Water's decisions around future services. These results provide a baseline for us to track future satisfaction.
We will deliver our service delivery strategy by implementing the Alliance, implementing the Contractor Panel and introducing a regional approach across all wastewater treatment plants	Alliance contract and approach agreed 31 December 2018 Contractor Panel established 31 December 2018 Start the procurement process and finalise Wastewater Treatment Plant contract	Achieved. The full Alliance agreement was signed on 15 May 2019 and the Alliance went live on 1 July 2019 as planned. The Contractor Panel was established on 14 December 2018 and went live on 1 July 2019. The Regional Wastewater Treatment Plant contract has been signed with Veolia. Veolia began running the Porirua Wastewater Treatment Plant from 1 July 2019. Veolia already manages the Western and Moa Point treatment plants. It will assume control of Seaview in the 2019-20 year.

OUR COMMUNITY PARTNERSHIPS

We can't fulfil our role in the Lower Hutt community on our own, and our success depends largely on working closely with other people. We've forged a number of close and highly productive working relationships with people and groups in our community, including:

- Local mana whenua and marae
- Contractors, service suppliers, consultants and advisors
- Businesses and their representative organisations
- Local and central government agencies
- Volunteer organisations
- Community groups and individuals

Our community boards and community panels also work closely with people in their local area.

PARTNERSHIPS WITH MĀORI

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

Building relationships with Māori, establishing partnerships to support common aspirations and increasing understanding of Māori and their needs and aspirations are important and will help to demonstrate and realise our commitments to Māori.

The Local Government Act 2002 acknowledges the Crown's responsibilities under the Treaty of Waitangi and the responsibility to maintain and improve opportunities for Māori to contribute to local government decision-making processes. Council has an obligation to take into account the principles of Te Tiriti o Waitangi and to recognise and provide for the special relationships between Māori and their culture, traditions, land and taonga.

The obligation to consult includes recognising those who have mana whenua status. In fulfilling its obligations, Council will also consult other Māori within the city, including the city's marae. Memoranda of understanding reflect the existing partnerships.

SHARED SERVICES

The bulk of our current shared services are in joint operations with Upper Hutt, overseen by the Hutt Valley Services Committee, a joint committee of the two councils. These include Silverstream landfill, Akatarawa cemetery, the Hutt Valley Trunk Wastewater network including the Seaview Treatment Plant, emergency management, rural fire response, environmental inspections, noise control, dog control, trade waste, eco design advice and swimming pool audit services. In addition we work together to achieve administrative and operating efficiencies in the roading area, participate in the SMART library shared services collaboration, and are part of Wellington Water Limited, a Council Controlled Organisation providing water services to the region, owned by Hutt City Council, Upper Hutt City Council, Porirua City Council, Wellington City Council and Greater Wellington Regional Council. Other initiatives underway include joint District Plan changes, exploration of potential Human Resources shared service opportunities, and the Simpli programme aimed at standardising and simplifying the building consents process. Council also works closely with Upper Hutt City Council on community and economic development initiatives.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HUTT CITY COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of Hutt City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to report on the information in the City Council and Group's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 9 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- The financial statements on pages 95 to 143:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2019; and

- the results of the operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- The funding impact statement on page 99, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long term plan.
- The statement of service provision (referred to as how we measure success of our services) on pages 18 to 80:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- The statement about capital expenditure for each group of activities on pages 18 to 80, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long term plan.
- The funding impact statement for each group of activities on pages 18 to 80, presents fairly, in all

material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 144 to 147, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's Long term plan and annual plans.

Basis for our opinion on the audited information

We carried out our audit 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that

the budget information agreed to in the City Council's Long Term Plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as how we measure the success of our services), as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the Annual Report. The other information comprises the information included on pages 3 to 151, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.



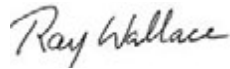
Andrew Clark
Audit New Zealand

*On behalf of the Auditor-General
Wellington, New Zealand*

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

STATEMENT OF COMPLIANCE

The Council of Hutt City Council hereby confirms that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.



Ray Wallace
MAYOR
9 OCTOBER 2019



Jo Miller
CHIEF EXECUTIVE
9 OCTOBER 2019

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For year ended 30 June 2019

	NOTES	COUNCIL			GROUP	
		ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Revenue						
Rates	4.	105,316	105,123	102,082	105,036	102,091
Fees, charges and metered rates for water supply	5.	40,012	38,663	36,965	44,398	41,061
Development and financial contributions		665	561	1,030	667	1,030
Subsidies and grants	5.	14,893	17,573	13,258	14,893	13,258
Finance income	6.	1,300	968	969	730	408
Other revenue	5.	7,206	5,711	6,562	7,817	7,613
Gain on revaluation of financial instruments	7.	-	-	-	-	-
Gain on disposal	7.	3,253	-	18	7,397	10,088
Total revenue	3.	172,645	168,599	160,884	180,938	175,549
Expenses						
Employee costs	8.	35,841	36,319	34,532	37,311	35,866
Other expenses	9.	96,033	87,397	90,914	97,475	91,687
Finance costs	6.	8,042	8,781	7,039	8,042	7,039
Loss on revaluation of financial instruments	7.	11,557	-	2,875	11,557	2,875
Depreciation and amortisation expenses	16 - 18.	39,109	38,181	36,727	40,940	38,326
Total expense		190,582	170,678	172,087	195,325	175,793
Share of associate's surplus/(deficit)	19.	-	-	-	6	(6)
Surplus/(deficit) before tax		(17,937)	(2,079)	(11,203)	(14,381)	(250)
Income tax expense/(benefit)	10.	-	-	-	436	(247)
Surplus/(deficit) after tax		(17,937)	(2,079)	(11,203)	(14,817)	(3)
Surplus/(deficit) attributed to Hutt City Council:		(17,937)	(2,079)	(11,203)	(14,817)	(3)
Other comprehensive revenue and expenses						
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(losses) on property revaluations	26.	-	-	69,781	4,031	74,801
Impairment gain/(losses) on revalued property	26.	(9,358)	-	-	(9,358)	-
Deferred tax on revaluation	10.	-	-	-	369	(310)
Total other comprehensive revenue and expenses		(9,358)	-	69,781	(4,958)	74,491
Total comprehensive revenue and expenses		(27,295)	(2,079)	58,578	(19,774)	74,488
Total comprehensive revenue and expenses attributed to Hutt City Council:		(27,295)	(2,079)	58,578	(19,774)	74,488

Explanations of the major variances against budget are provided in note 33.

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

STATEMENT OF CHANGES IN EQUITY

For year ended 30 June 2019

	NOTES	COUNCIL			GROUP	
		ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Balance at 1 July		1,312,470	1,318,808	1,253,892	1,366,875	1,292,387
Total comprehensive revenue and expenses for the year		(27,295)	(2,079)	58,578	(19,774)	74,488
Balance at 30 June	26.	1,285,175	1,316,729	1,312,470	1,347,101	1,366,875
Total comprehensive revenue and expenses attributed to Hutt City Council:		(27,295)	(2,079)	58,578	(19,774)	74,488
Total comprehensive revenue and expenses		(27,295)	(2,079)	58,578	(19,774)	74,488

Explanations of the major variances against budget are provided in note 33.

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

STATEMENT OF FINANCIAL POSITION

For year ended 30 June 2019

	NOTES	COUNCIL			GROUP	
		ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Assets						
Current assets						
Cash and cash equivalents	11.	7,182	16,511	871	8,375	11,474
Debtors and other receivables	12.	14,606	12,397	14,854	14,262	14,263
Inventories	14.	197	-	1,595	7,718	4,260
Derivative financial instruments	13.	-	-	-	-	-
Prepayments		4,083	-	1,418	4,122	1,652
Accrued interest		213	-	192	216	192
Other assets	20.	3,000	14,039	24,000	3,000	20,000
Non-current assets held for sale	15.	-	510	920	-	920
Total current assets		29,281	43,457	43,850	37,693	52,761
Non-current assets						
Property, plant and equipment	16.	1,471,233	1,472,543	1,434,833	1,557,544	1,499,136
Intangible assets	17.	1,814	5,106	2,104	1,815	2,105
Assets under construction	16.	3,783	25,937	45,534	6,038	53,412
Derivative financial instruments	13.	-	111	-	-	-
Non-current receivable		858	-	858	858	858
Investment in associate	19.	200	200	200	331	325
Other financial assets	20.					
- Investment in CCO's and other similar entities		36,545	21,915	27,777	2,964	2,532
- Investment in other entities		494	494	494	494	494
Total other financial assets		37,039	22,409	28,271	3,458	3,026
Total non-current assets		1,514,927	1,526,306	1,511,800	1,570,044	1,558,862
Total assets		1,544,208	1,569,763	1,555,650	1,607,737	1,611,623

	NOTES	COUNCIL			GROUP	
		ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Liabilities						
Current liabilities						
Borrowings - current	22.	3,000	28,189	29,039	3,000	29,039
Derivative financial instruments	13.	38	995	3	38	3
Creditors and other payables	21.	19,645	23,349	27,345	20,955	28,488
Employee entitlements	23.	2,170	2,067	2,242	2,237	2,318
Provisions - current	24.	158	-	174	158	174
Other liabilities	25.	5,204	5,135	5,012	5,300	5,298
Total current liabilities		30,215	59,735	63,815	31,688	65,320
Non-current liabilities						
Borrowings	22.	201,000	179,563	163,000	201,000	163,000
Employee entitlements	23.	534	638	616	534	616
Derivative financial instruments	13.	21,971	7,658	10,449	21,971	10,449
Provisions - non current	24.	5,313	5,440	5,300	5,313	5,300
Deferred tax liability	10.	-	-	-	130	63
Total non-current liabilities		228,818	193,299	179,365	228,948	179,428
Total liabilities		259,033	253,034	243,180	260,636	244,748
Net assets (assets minus liabilities)		1,285,175	1,316,729	1,312,470	1,347,101	1,366,875
Equity						
Accumulated funds	26.	665,775	703,050	686,316	703,992	721,427
Reserves	26.	619,400	613,679	626,154	643,109	645,448
Total Equity (attributable to Hutt City Council)		1,285,175	1,316,729	1,312,470	1,347,101	1,366,875

Explanations of the major variances against budget are provided in note 33.

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

STATEMENT OF CASH FLOWS

For year ended 30 June 2019

NOTES	COUNCIL			GROUP	
	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Cash flows from operating activities					
Cash was provided from:					
Receipts from rates and levies - Council	105,196	105,123	102,065	104,916	102,074
Receipts from rates and levies - GWRC*	29,947	28,378	28,126	29,947	28,126
Receipts from user charges and other income	60,403	61,666	53,763	64,884	59,489
Receipts from sales of commercial developments	1,450	-	697	285	285
Interest received	1,275	968	970	706	427
Net GST received from Inland Revenue **	200	-	-	281	-
	198,472	196,135	185,620	201,020	190,400
Cash was applied to:					
Payments to employees	(35,998)	(36,319)	(34,379)	(37,474)	(35,721)
Payments to suppliers	(97,751)	(87,397)	(89,735)	(100,657)	(91,097)
Purchase of inventory held for commercial development	-	-	-	(3,861)	1,466
Interest paid	(7,764)	(8,781)	(6,774)	(7,764)	(6,774)
Net GST paid to Inland Revenue **	-	-	(140)	-	(155)
Rates and levies passed to GWRC*	(29,727)	(28,378)	(27,912)	(29,727)	(27,912)
	(171,240)	(160,875)	(158,940)	(179,483)	(160,193)
Net cash flows from operating activities	27,231	35,260	26,681	21,536	30,208

NOTES	COUNCIL			GROUP	
	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Cash flows from investing activities					
Cash was provided from:					
Receipts from sale of property, plant and equipment	5,177	1,250	2,441	12,169	12,698
Other investment receipts	15,664	90	-	20,004	-
	20,841	1,340	2,441	32,173	12,698
Cash was applied to:					
Purchase of property, plant and equipment	(51,479)	(56,163)	(66,211)	(66,526)	(74,745)
- less UHCC capital contribution	1,500	2,187	556	1,500	556
Purchase of intangible assets	(311)	(3,305)	(339)	(312)	(339)
Other payments and investments	(3,432)	(950)	(13,179)	(3,432)	(13,182)
	(53,722)	(58,231)	(79,173)	(68,770)	(87,710)
Net cash flows from investing activities	(32,881)	(56,891)	(76,732)	(36,597)	(75,012)
Cash flows from financing activities					
Cash was provided from:					
Proceeds from borrowings	61,957	37,653	62,984	61,957	62,984
Cash was applied to:					
Repayment of borrowings	(49,996)	(15,932)	(20,782)	(49,996)	(20,782)
Net cash flows from financing activities	11,961	21,721	42,202	11,961	42,202
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	6,311	90	(7,849)	(3,100)	(2,602)
Cash, cash equivalents and bank overdrafts at the beginning of the year	871	16,421	8,720	11,474	14,076
Cash, cash equivalents and bank overdrafts at the end of the year	11. 7,182	16,511	871	8,374	11,474

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

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

Explanations of major variances against budget are provided in note 34.

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

STATEMENT OF CASH FLOWS (CONTINUED)

For year ended 30 June 2019

RECONCILIATION OF SURPLUS AFTER TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Surplus after tax	(17,937)	(11,203)	(14,817)	(3)
Add/(less) non-cash items:				
Depreciation and amortisation	39,109	36,727	40,940	38,326
Share of associates (surplus)/deficit	-	-	(6)	6
Net bad debts/impairment expense	217	194	215	194
Gain/(Loss) on revaluation of financial instruments	11,557	2,875	11,557	2,875
Landfill and weather tight home provision	(3)	(137)	(3)	(137)
Vested Assets	(2,303)	(1,619)	(2,303)	(1,619)
Income tax expense	-	-	437	(247)
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable and other assets	(1,255)	(2,519)	(6,336)	(1,110)
Increase/(decrease) in creditors	(135)	2,180	32	1,814
Increase in provisions and other liabilities	38	201	(160)	197
Add/(less) items classified as investing activities:				
Surplus on sale of property, plant and equipment and other movements	(2,057)	(18)	(8,020)	(10,088)
Net cash inflows from operating activities	27,231	26,681	21,536	30,208

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

FUNDING IMPACT STATEMENT

For year ended 30 June 2019 (Whole of Council)

	COUNCIL			
	ACTUAL 2019 \$000	LTP 2019 \$000	ACTUAL 2018 \$000	BUDGET 2018 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	71,405	71,214	70,263	70,818
Targeted rates	33,911	33,909	31,820	31,741
Subsidies and grants for operating purposes	6,804	6,798	6,517	6,631
Fees and charges	40,012	38,663	36,965	35,241
Interest and dividends from investments	1,305	968	975	875
Local authorities fuel tax, fines, infringement fees, and other receipts	10,454	5,711	6,546	5,473
Total operating funding (A)	163,891	157,263	153,086	150,779
Applications of operating funding				
Payments to staff and suppliers	130,682	123,716	125,446	123,563
Finance costs	8,042	8,781	7,039	7,193
Other operating funding applications	12,749	-	2,964	-
Total applications of operating funding (B)	151,473	132,497	135,449	130,756
Surplus (deficit) of operating funding (A-B)	12,418	24,766	17,637	20,023
Sources of capital funding				
Subsidies and grants for capital expenditure	9,589	12,962	7,414	11,327
Development and financial contributions	665	561	1,030	561
Increase (decrease) in debt	15,479	33,088	39,987	37,345
Gross proceeds from sale of assets	6,075	1,250	103	9,600
Total sources of capital funding (C)	31,808	47,861	48,534	58,833
Application of capital funding				
Capital expenditure				
- to meet additional demand	3,795	8,644	-	-
- to improve level of service	26,414	46,179	47,936	62,574
- to replace existing assets	14,017	17,804	18,235	16,282
Total applications of capital funding (D)	44,226	72,627	66,171	78,856
Surplus (deficit) of capital funding (C-D)	(12,418)	(24,766)	(17,637)	(20,023)
Funding balance ((A-B)+(C-D))	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

I. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Hutt City Council (referred to as 'Council') is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name was changed to the Hutt City Council by a special Act of Parliament on 8 October 1991. The relevant legislation governing the Council's operations included the LGA and the Local Government (Rating) Act 2002.

The Group consists of the ultimate parent, Hutt City Council and its subsidiaries/Council-Controlled Organisations (CCO's), Seaview Marina Limited, Urban Plus Limited Group and 177 High Street Limited (all 100% owned) and its controlled trust Hutt City Community Facilities Trust. The Urban Plus Limited Group consists of Urban Plus limited and its 100 owned subsidiaries UPL Development Limited and UPL Limited Partnership. Council's 21% equity share of its associate Wellington Water Services Limited is equity accounted. The Council's subsidiaries/CCO's are incorporated and domiciled in New Zealand.

The Council and Group provide local infrastructure, local public services and perform regulatory functions to the community. Council does not operate to make a financial return. Accordingly, Council has designated itself and the Group as public benefit entities (PBE's) for financial reporting purposes.

The Financial Statements of Council and Group are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 9 October 2019.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The Financial Statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Financial Statements have been prepared in accordance with Tier 1 PBE accounting standards. These Financial Statements comply with PBE accounting standards.

Measurement base

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

Management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The Financial Statements have therefore been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Presentation currency and rounding

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration and the severance payment disclosed in Note 28 and 29 which are rounded to the nearest dollar.

Early adoptions of standards issued and not yet effective

Impairment of revalued assets

In April 2017, the XRB issued Impairment of Revalued Assets (Amendments to PBE ISAs 21 and 26), which now clearly scopes revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment measured at cost were scoped into the impairment accounting standards. Under the amendment, a revalued asset can be impaired without having to revalue the entire class-of asset to which the asset belongs. This amendment is effective for the 30 June 2020 financial statements, with early adoption permitted. The Group has early adopted this standard for the year ending 30 June 2019. No adjustments have been made to any comparative information. The impact of this change has been disclosed in note 26.

Standards issued and not effective and not early adopted

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for financial years beginning on or after 1 January 2021, with earlier application permitted. The main changes under the standard relevant to Council are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Group has not yet assessed in detail the impact of the new standard. Based on an initial assessment, Council anticipates that the standard will not have a material effect on Council's financial statements.

Other changes in accounting policies

With the exception of PBE IPSAS 21, there have been no other changes in accounting policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The consolidated Financial Statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses, and cash flows of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expenses.

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures presented in these Financial Statements are those approved by Council in its Annual Plan 2017/2018. The budget figures have been prepared in accordance with NZ GAAP using accounting policies adopted by Council for the preparation of these Financial Statements.

These figures are approved by Council at the beginning of the year, after a period of

consultation with the public as part of the Community Planning process.

The budget figures do not include budget information relating to the controlled organisations or associates. These figures do not include any additional expenditure subsequently approved by Council outside the Long Term Plan process.

Critical accounting estimates, judgements and assumptions

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

Infrastructural assets

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

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

Experienced independent valuers perform Council's infrastructural asset revaluations.



Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24. Provisions are measured at the managements' best estimate of the expenditures required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Provision for landfill aftercare costs: In determining the fair value of the provision, assumptions and estimates are made in relation to the discount rate, the expected cost of the post-closure restoration and monitoring of the landfill site and the expected timing of these costs. Expected costs and timing of closure are based on the estimated remaining capacity of the landfill, based on the advice and judgement of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

Provision for weathertight homes: In determining the fair value of the provision, assumptions and estimates are made in relation to the expected value of the settlement based on the level of the original claim compared to historical settlement of similar claims. No evaluation has been undertaken to quantify the level of unreported claims.

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2019:

Classification of property

The Council and Group own a number of properties held to improve housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for a service delivery objective as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

2. SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES

Accounting Policy

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities, Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

	COUNCIL			
	ACTUAL	BUDGET	ACTUAL	BUDGET
	2019 \$000	2019 \$000	2018 \$000	2018 \$000
Revenue				
Integrated community services	7,006	7,850	7,167	7,317
Parks and reserves	5,451	3,055	2,859	1,734
Community facilities	-	-	-	-
City environment	26	162	40	52
City development	420	432	382	866
City resilience	431	411	261	310
Consents and regulatory services	7,547	6,692	6,708	6,056
Roads and accessways	18,895	20,988	17,158	20,730
Water supply	3,310	3,284	3,327	2,710
Wastewater	4,679	4,075	4,791	4,074
Stormwater	604	183	313	184
Solid waste	16,194	14,225	13,729	13,685
City Governance	3	-	2	-
City leadership	36,673	36,028	33,888	40,367
Total activity revenue	101,239	97,385	90,625	98,085
General rates	71,406	71,214	70,259	64,042
Total revenue	172,645	168,599	160,884	162,127

	COUNCIL			
	ACTUAL	BUDGET	ACTUAL	BUDGET
	2019 \$000	2019 \$000	2018 \$000	2018 \$000
Expenditure				
Integrated community services	34,621	33,599	32,984	26,966
Parks and reserves	15,491	13,941	14,578	13,653
Community facilities	6,358	6,387	9,551	10,350
City environment	5,148	5,604	4,750	4,457
City development	8,910	7,331	6,137	7,905
City resilience	1,632	1,634	1,741	1,287
Consents and regulatory services	11,611	11,060	10,270	6,320
Roads and accessways	30,530	30,765	30,445	27,052
Water supply	18,275	17,900	17,186	16,130
Wastewater	21,696	21,453	20,540	19,224
Stormwater	8,718	8,672	8,006	6,878
Solid waste	10,172	8,855	8,715	7,987
City Governance	4,702	4,722	5,510	1,222
City leadership	12,718	(1,245)	1,674	16,149
Total activity expenditure	190,582	170,678	172,087	165,580
Total operating expenditure	190,582	170,678	172,087	165,580
Surplus/(deficit) before tax	(17,937)	(2,079)	(11,203)	(3,453)

Each significant activity is stated net of internal costs and revenues, and includes targeted rates attributable to each activity (refer note 4). In order to fairly reflect the total external operations for Council in the statement of comprehensive income, these transactions are eliminated as shown above.

The 2018 results have been reorganised based on the new activity structure.

3. REVENUE BY EXCHANGE AND NON-EXCHANGE TRANSACTIONS

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Exchange revenue				
Fees, charges and targeted rates for water supply	18,999	16,516	21,078	18,470
Other Revenue	457	495	681	708
Finance income	1,300	969	730	408
Total exchange revenue	20,756	17,980	22,489	19,586
Non-exchange revenue				
Rates, excluding targeted water supply rates	105,316	102,082	105,036	102,091
Fees, charges and targeted rates for water supply	21,013	20,449	22,873	22,182
Subsidies and grants	14,893	13,258	14,893	13,258
Other revenue	6,749	6,067	7,584	7,314
Development and financial contributions	665	1,030	668	1,029
Gain on disposal	3,253	18	7,397	10,088
Total non-exchange revenue	151,890	142,904	158,450	155,962
Total revenue exchange and non-exchange	172,645	160,884	180,938	175,548

4. RATES REVENUE

Accounting Policy

Rates revenue is measured at fair value.

General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis. Refer to note 5.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.

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

Breakdown of rates and further information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
General rates	71,406	70,259	71,126	70,268
Targeted rates attributable to activities:				
- water supply (excluding metered water supply rates)	14,651	13,892	14,651	13,892
- wastewater	17,784	16,446	17,784	16,446
- recycling	1,337	1,347	1,337	1,347
- Jackson street programme	137	134	137	134
- private drains	1	4	1	4
Total rates (excluding metered water supply rates)	105,316	102,082	105,036	102,091

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by Council from other authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income for the Council for the year ended 30 June 2019 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

COUNCIL		
	2019 \$000	2018 \$000
Rates, excluding targeted water supply rates	105,316	102,082
	105,316	102,082

Rates remissions

Rates revenue is shown net of rates remissions, totalling \$335,000 (2018 \$295,000). Council's rate remission policy (set out in detail in the 2015-2025 LTP) allows Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital and land protected for historical or cultural purposes, provided the property is used for community benefit and not for surplus. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

Non-rateable land

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

Rates remissions

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Total gross rates, excluding targeted water supply rates	105,651	102,377	105,371	102,386
Rates remissions:				
- Schools	181	195	181	195
- Kindergartens/playcentres	10	10	10	10
- Sports bodies	48	3	48	3
- Churches	43	30	43	30
- Hospitals	19	18	19	18
- Other	13	11	13	11
- Penalty remissions	21	28	21	28
Total rates remissions	335	295	335	295
Rates (net of remissions), excluding metered water supply rates	105,316	102,082	105,036	102,091

5. USER CHARGES AND SUBSIDIES RECEIVED

Accounting Policy

User charges and subsidies revenue are measured at fair value. Specific accounting policies for significant revenue items are explained below.

Rental revenue

Rental revenue arising from operating leases or rental agreements on properties is accounted for on a straight-line basis over the lease or rental term and is included in revenue in the Statement of Comprehensive Revenue and Expenses.

Infringement fees and fines

The Group recognises revenue from fines (such as traffic and parking infringements) when the notice of infringement or breach is served by the Council or Group. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the history of fines over the preceding two year period.

Building and resource consent revenue (regulatory revenue)

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entry fees

Entry fees are fees charged to users of the Council's local facilities such as pools and gymnasiums. Revenue for entry fees is recognised upon entry to such facilities.

Landfill fees (solid waste collection and disposal)

Fees for disposing of waste at the Council's landfills are recognised as waste is disposed by users.

Government grants, subsidies and funding subsidies

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

The Council and Group receives grants and subsidies from other organisations. All grants and subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

Dividends

Dividends are recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service for which the contribution was levied.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue when control over the asset is obtained. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property development, the fair value is based on construction price information provided by the property developer.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds spent for the nominated purpose).

Breakdown of user charges and subsidies received

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Fees, charges and metered rates for water supply				
Rent	1,404	1,362	5,811	5,459
Water by meter	2,841	2,815	2,820	2,814
Parking fees	1,978	1,790	1,978	1,790
Service and entry fees	4,404	4,255	4,404	4,255
Solid waste collection and disposal	16,158	13,701	16,158	13,701
Other user charges	1,153	1,339	1,153	1,339
Regulatory revenue	8,357	8,188	8,357	8,188
Penalties	3,717	3,515	3,717	3,515
Total fees, charges and metered rates for water supply	40,012	36,965	44,398	41,061
Subsidies and grants				
Operating subsidies	32	20	32	20
New Zealand Transport Agency	12,249	10,947	12,249	10,947
Upper Hutt City Council	2,346	2,239	2,346	2,239
Other government	52	52	52	52
Other grants	214	-	214	-
Total subsidies and grants	14,893	13,258	14,893	13,258
Other revenue				
Dividends	5	6	5	6
Vested assets	2,303	1,619	2,303	1,619
Petrol tax	394	365	394	365
Sale of goods	457	495	681	708
Insurance proceeds	-	-	-	75
Miscellaneous revenue	4,047	4,077	4,434	4,840
Total other revenue	7,206	6,562	7,817	7,613

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

6. FINANCE INCOME AND FINANCE COSTS

Accounting Policy

Interest income is recognised using the effective interest method.

Borrowing/Finance costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Council and Group incurs in connection with the borrowing of funds. The Council and Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

Breakdown of finance income and finance costs

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Finance income				
Interest revenue				
- call and term deposits	632	277	730	408
- related party deposits	668	692	-	-
Total finance income	1,300	969	730	408
Finance costs				
Interest expense				
- interest on bank borrowings	7,777	6,767	7,777	6,767
- discount unwind on provisions (note 24)	265	272	265	272
Total finance costs	8,042	7,039	8,042	7,039
Net finance costs	6,742	6,070	7,312	6,631

7. GAINS AND LOSSES

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Non-financial instruments				
Property, plant and equipment gains/(losses) on disposal	3,253	18	7,397	10,088
Total non-financial instruments gains/(losses)	3,253	18	7,397	10,088
Financial instruments				
Gains/(Losses) on held for trading derivative financial instruments:				
- interest rate swaps	(11,557)	(2,875)	(11,557)	(2,875)
Total financial instruments gains/(losses)	(11,557)	(2,875)	(11,557)	(2,875)
Total gains/(losses)	(8,304)	(2,857)	(4,160)	7,213

8. EMPLOYEE COSTS

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Salaries and wages	33,939	32,423	35,291	33,664
Recruitment costs	242	135	270	139
Training	442	542	449	551
ACC	108	62	114	69
Other employee costs	460	447	547	526
Retiring and long service leave	(67)	(23)	(68)	(21)
Defined contribution plan employer contributions	871	793	871	793
Increase/(decrease) in employee entitlements/liabilities	(154)	153	(163)	145
Total employee costs	35,841	34,532	37,311	35,866

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

9. OPERATING COSTS

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Auditors' fees				
- for auditing the financial statements	181	179	272	263
- for auditing the 2018 - 2028 Long Term Plan	46	94	46	94
Audit fees for the financial statements - other auditors	3	-	3	-
Audit related fees for assurance services	4	4	4	4
Impairment of receivables	237	206	282	210
Directors' fees	-	-	118	118
Entertainment	86	32	90	35
Grants	3,832	1,212	2,350	1,212
Insurance	2,708	2,100	3,122	2,407
Inventories	444	468	445	468
Legal services	420	371	442	396
Other specialist services	5,737	4,373	6,052	4,627
Impairment of property, plant and equipment	1,196	866	1,196	1,018
Total remuneration to councillors	875	845	875	845
Minimum lease payments under operating leases	1,466	1,488	1,524	1,534
Operational contracts	21,615	26,839	21,271	26,492
Maintenance	7,135	11,936	7,682	12,376
GWRC bulk water charges	8,765	8,117	8,765	8,117
Energy costs	3,263	3,168	3,356	3,265
Other expenses	38,020	28,616	39,580	28,206
Total operating costs	96,033	90,914	97,475	91,687

10. TAXATION

Accounting policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustment to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current tax and deferred tax is recognised against the surplus or deficit for the period, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expenses or directly in equity.

Breakdown of taxes and other information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Components of tax expense				
Deferred tax expense	-	-	436	(247)
Tax expense/(benefit)	-	-	436	(247)
Relationship between tax expense and accounting surplus				
Net surplus/(deficit) before tax	(17,937)	(11,203)	(14,381)	(250)
Tax at 28%	(5,022)	(3,137)	(4,027)	(70)
Plus/(less) tax effect of:				
Non-deductible expenditure	4,687	3,137	5,023	3,139
Non-taxable revenue	335	-	(649)	(2,390)
Group loss offset	291	-	-	-
Tax losses not previously recognised	(291)	-	(455)	-
Deferred tax adjustment	-	-	544	(926)
Tax expense/(benefit)	-	-	436	(247)

DEFERRED TAX ASSET/(LIABILITY)	PROPERTY, PLANT AND EQUIPMENT	OTHER PROVISIONS	TAX LOSSES	DEFERRED TAX ASSET/ (LIABILITY)
Council				
Balance at 30 June 2017	-	-	-	-
Balance at 30 June 2018	-	-	-	-
Balance at 30 June 2019	-	-	-	-
Group				
Balance at 30 June 2017	(3,182)	25	3,157	-
Charged to surplus or deficit	448	(4)	(197)	247
Charged to equity	(310)	-	-	(310)
Balance at 30 June 2018	(3,044)	21	2,960	(63)
Charged to surplus or deficit	124	(3)	(557)	(436)
Charged to equity	369	-	-	369
Balance at 30 June 2019	(2,551)	18	2,403	(130)

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

Council has unrecognised tax losses available to carry forward of \$0 (2018: \$1,032,637), with a tax effect of \$0 (2018: \$289,138).

Council is expecting to transfer tax losses of \$1,032,637 to UPL by loss offset to eliminate the tax liability in UPL.

The Group has unrecognised tax losses available to carry forward of \$Nil (2018: \$Nil), with a tax effect of \$Nil (2017: \$Nil).

II. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents (current assets) in the Statement of Financial Position comprise of cash at bank, cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Breakdown of cash and cash equivalents and further information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash at bank and on hand	4,182	871	5,375	11,474
Term deposits with maturities less than three months	3,000	-	3,000	-
Cash and Cash Equivalents	7,182	871	8,375	11,474

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

The total value of cash and cash equivalents within restricted reserves that can only be used for specified purposes, (as outlined in the relevant trust deeds) is \$65,000 (2018: \$85,000), as shown in note 26.

Cash, cash equivalent and bank overdrafts include the following for the purposes of the statement of cash flows.

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash at bank and on hand		4,182	871	5,375	11,474
Term deposits with original maturities less than three months		3,000	-	3,000	-
Total		7,182	871	8,375	11,474

12. DEBTORS AND OTHER RECEIVABLES

Accounting policy

Debtors and other receivables are initially measured at their face value, less any provision for uncollectibility/impairment.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of debtors and other receivables and further information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Rates receivable	3,381	3,106	3,381	3,106
Other receivables:				
- Amounts due from related parties (note 30)	465	1,279	-	-
- GST receivable	1,694	1,894	1,695	1,976
- Other receivables	9,820	9,112	9,943	9,723
Total other receivables	11,979	12,285	11,638	11,699
Gross debtors and other receivables	15,360	15,391	15,019	14,805
Less provision for impairment	(754)	(537)	(757)	(542)
Total debtors and other receivables	14,606	14,854	14,262	14,263
Total receivables comprise of:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and charges that are partly subsidised by rates	13,309	12,904	13,430	13,593
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,297	1,950	832	670
	14,606	14,854	14,262	14,263

Fair value

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

Uncollectibility/Impairment

Council seldom provides for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payments. If payment has not been made within 3 months of the Court's judgement Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2018: \$nil).

The ageing profile of receivables as at 30 June is detailed below:

	2019			2018		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
Rates receivables						
Council						
Not past due	-	-	-	-	-	-
Past due 1-60 days	3,155	-	3,155	2,926	-	2,926
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	226	-	226	180	-	180
Total	3,381	-	3,381	3,106	-	3,106
Group						
Not past due	-	-	-	-	-	-
Past due 1-60 days	3,155	-	3,155	2,926	-	2,926
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	226	-	226	180	-	180
Total	3,381	-	3,381	3,106	-	3,106
Other receivables						
Council						
Not past due	9,685	-	9,685	10,775	-	10,775
Past due 1-30 days	776	-	776	501	-	501
Past due 31-60 days	412	-	412	230	-	230
Past due >60 days	1,106	(754)	352	779	(537)	242
Total	11,979	(754)	11,225	12,285	(537)	11,748
Group						
Not past due	9,319	-	9,319	10,183	-	10,183
Past due 1-30 days	796	-	796	504	-	504
Past due 31-60 days	412	-	412	230	-	230
Past due >60 days	1,109	(757)	352	782	(542)	240
Total	11,638	(757)	10,879	11,699	(542)	11,157
Total receivables - Council	15,360	(754)	14,606	15,391	(537)	14,854
Total receivables - Group	15,019	(757)	14,262	14,805	(542)	14,263

All receivables greater than 30 days in age are considered to be past due.

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Individual impairment	79	65	84	70
Collective impairment	675	472	675	472
Total provision for impairment	754	537	759	542

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Not past due	-	-	-	-
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due > 60 days	79	65	84	70
Total individual impairment	79	65	84	70

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
At 1 July	537	343	542	348
Additional provisions made during the year	217	194	217	194
Provisions reversed during the year	-	-	-	-
Receivables written-off during the period	-	-	-	-
At 30 June	754	537	759	542

Council and group holds no collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

The Group uses derivative financial instruments such as interest rate swaps to manage exposure to interest rate risks arising from the Council's and Group's operational and financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. As the Council and Group do not designate its derivative financial instruments as hedging instruments for accounting purposes, the associated gains or losses on derivatives are recognised within surplus or deficit.

Derivatives are carried as current or non-current assets when their fair value is positive and as current or non-current liabilities when their fair value is negative, depending on the maturity of the instrument.

Breakdown of derivative financial instruments

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current asset portion				
Interest rate swaps - fair value hedges	-	-	-	-
Total non-current asset portion	-	-	-	-
Total derivative financial instrument assets	-	-	-	-
Current liability portion				
Interest rate swaps - held for trading	38	3	38	3
Total current liability portion	38	3	38	3
Non-current liability portion				
Interest rate swaps - held for trading	21,971	10,449	21,971	10,449
Total non-current liability portion	21,971	10,449	21,971	10,449
Total derivative financial instrument liabilities	22,009	10,452	22,009	10,452
Total derivative financial instruments	(22,009)	(10,452)	(22,009)	(10,452)

Fair value

The fair value of interest rate swaps has been determined using a discounted cash flows valuation technique based on quoted market prices as required by PBE IPSAS 29 Financial Instruments - Recognition and Measurement. The interest rates swaps were independently valued at 30 June 2019 by Richard Eaddy of Hedgebook Limited.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Council and Group were \$139 million (2018: \$155 million). At 30 June 2019, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.40% to 5.40% (2018: 2.08% to 5.89%).

14. INVENTORIES

Accounting policy

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential.

Inventories held for distribution or consumption in the provision of services that are supplied on a commercial basis are measured at the lower of cost adjusted and net realisable value.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes that inventories that were purchased first are distributed or used first.

Inventories acquired through a non-exchange transaction are measured at fair value at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for the development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost. Costs directly attributed to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

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

Breakdown of inventory and further information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Commercial inventories held for sale:				
Diesel	2	-	23	15
Emission trading units	13	13	13	13
Inventory	182	132	182	134
Commercial property developments	-	1,450	7,500	4,098
Total inventories	197	1,595	7,718	4,260

No inventories are pledged as security for liabilities (2018: \$nil). However, some inventories are subject to retention of title clauses. Commercial inventories are valued at cost, as there are no impairments of inventories.

15. NON-CURRENT ASSETS HELD FOR SALE

Accounting policy

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

Breakdown on non-current assets held for sale and further information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Non-current assets held for sale are:				
- land and buildings	-	920	-	920
Total non-current assets held for sale are:	-	920	-	920

16. PROPERTY PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment consist of:

Operational assets – these include land, buildings, landfill post-closure, improvements, library books, plant and equipment, collection items and motor vehicles.

Restricted assets – restricted assets are mainly parks and reserves owned by Council and Group that provide a benefit or service to the community and cannot be disposed of.

Infrastructure assets – infrastructure assets are fixed utility systems owned by Council and Group. Each asset class (roading assets, water assets, stormwater assets and wastewater assets) includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted, except land under roads) and art collections are measured at fair value. Buildings and infrastructure assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Measurement subsequent to initial recognition - revaluation

Land (excluding land under roads), buildings, and infrastructural assets are revalued with sufficient regularity to ensure their carrying amount does not differentiate materially from fair value at least every three years.

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

Revaluation of property, plant and equipment is accounted for on a class-by-class basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

The fair value of land and buildings is their market value as determined by a registered valuer. The fair value of the roading, water assets, stormwater assets and wastewater assets is measured using the depreciated replacement cost.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through non-exchange transactions, it is recognised at its fair value as at the date of acquisition.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land, land under roads and art collections), at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	YEARS	PERCENTAGES
Operational assets		
Site Improvements	1 - 45	2.22 - 100.00
Buildings	1 - 80	1.25 - 100.00
Landfill assets (including plant and infrastructure not associated with the network)	3 - 50	2.00 - 33.33
Library books	7	14.28
Plant and equipment	3 - 30	3.33 - 33.33
Vehicles	5	20.00
Wharves	10 - 40	2.50 - 10.00
Breakwaters	68	1.47

	YEARS	PERCENTAGES
Infrastructure assets		
Storm, supply and waste water utility assets:		
- Storm water assets	13 - 56	1.80 - 7.70
- Water supply assets	8 - 10	2.50 - 12.50
- Waste water assets (included treatment plant)	3 - 137	0.73 - 33.33
Roading network	5 - 92	1.09 - 20.00
Seawalls	46	2.17

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end. In respect of revalued assets, the useful life is adjusted to a rate recommended by the independent valuer as at the date of the revaluation.

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

The Hutt Valley and Wainuiomata bulk wastewater system is managed by Council. Upper Hutt City Council pays an annual levy to the Hutt City Council based on an apportionment formula equating to between 26% and 33% of the funding requirements. While Upper Hutt City Council does not have legal ownership of the bulk wastewater system, it is entitled to a share of the proceeds from any sale of the assets.

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

Impairment of property, plant and equipment

Property, plant and equipment assets subsequently measured at cost that have a finite useful life are reviewed for indicators of impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council 2019																
Operational assets																
Land	44,385	-	44,385	82	-	(75)	-	-	-	-	-	-	-	44,392	-	44,392
Site improvements	22,843	(516)	22,328	7,847	-	(21)	-	(287)	2	25	-	-	(1,293)	30,382	(1,782)	28,601
Buildings	87,617	(1,916)	85,701	34,349	-	(1,260)	-	(9,736)	83	641	-	-	(4,510)	110,970	(5,702)	105,268
Landfill assets	38,138	(4,036)	34,102	2,804	-	-	-	-	-	-	-	-	(969)	40,942	(5,005)	35,937
Library books	6,633	(3,237)	3,396	867	-	(677)	-	-	677	-	-	-	(860)	6,823	(3,420)	3,403
Plant and equipment	16,621	(7,838)	8,782	2,997	-	(1,018)	-	-	866	-	-	-	(2,245)	18,600	(9,217)	9,382
Vehicles	665	(407)	258	86	-	(17)	-	-	2	-	-	-	(144)	734	(549)	185
Wharves	2,637	(2,217)	420	4,242	-	-	-	-	-	-	-	-	(68)	6,879	(2,285)	4,594
Breakwaters	5,101	(37)	5,064	-	-	-	-	-	-	-	-	-	(75)	5,101	(112)	4,989
	224,640	(20,204)	204,436	53,274	-	(3,068)	-	(10,023)	1,630	666	-	-	(10,164)	264,823	(28,072)	236,751
Collection Assets																
Paintings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Works on paper (NZ and international)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public art collections	1,663	-	1,663	75	-	-	-	-	-	-	-	-	-	1,738	-	1,738
Other collection items	11,915	-	11,915	64	-	-	-	-	-	-	-	-	-	11,979	-	11,979
Petone Settlers	83	-	83	-	-	-	-	-	-	-	-	-	-	83	-	83
Total collections	13,661	-	13,661	139	-	-	-	-	-	-	-	-	-	13,800	-	13,800
Total operational assets	238,301	(20,204)	218,097	53,413	-	(3,068)	-	(10,023)	1,630	666	-	-	(10,164)	278,623	(28,072)	250,551
Infrastructural assets																
Waste water system	200,662	(3,301)	197,361	4,056	418	-	-	-	-	-	-	-	(6,827)	205,136	(10,128)	195,008
Waste water treatment plant	42,448	(1,079)	41,369	2,843	-	-	-	-	-	-	-	-	(2,300)	45,291	(3,379)	41,912
Less UHCC share in HVS assets	(39,652)	784	(38,868)	(1,500)	-	-	-	-	-	-	-	-	1,627	(41,152)	2,411	(38,741)
	203,458	(3,596)	199,862	5,399	418	-	-	-	-	-	-	-	(7,500)	209,275	(11,096)	198,179
Land	16,546	-	16,546	-	-	(160)	-	-	-	-	-	-	-	16,386	-	16,386
Land under roads	145,252	-	145,252	-	286	-	-	-	-	-	-	-	-	145,538	-	145,538
Storm water system	187,389	(2,091)	185,298	1,352	507	-	-	-	-	-	-	-	(4,286)	189,248	(6,377)	182,871
Water supply system	118,829	(1,954)	116,875	5,174	162	-	-	-	-	-	-	-	(4,059)	124,165	(6,013)	118,152
Roading network	435,102	(5,874)	429,228	18,825	930	-	-	-	-	-	-	-	(12,386)	454,857	(18,260)	436,597
Seawalls	5,185	(56)	5,129	-	-	-	-	-	-	-	-	-	(112)	5,185	(168)	5,017
Total infrastructural assets	1,111,761	(13,572)	1,098,190	30,750	2,303	(160)	-	-	-	-	-	-	(28,342)	1,144,654	(41,915)	1,102,740
Restricted assets																
Land	118,547	-	118,547	-	-	(604)	-	-	-	-	-	-	-	117,943	-	117,943
Total restricted assets	118,547	-	118,547	-	-	(604)	-	-	-	-	-	-	-	117,943	-	117,943
Total property, plant and equipment	1,468,609	(33,776)	1,434,833	84,163	2,303	(3,832)	-	(10,023)	1,630	666	-	-	(38,506)	1,541,220	(69,987)	1,471,233

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council 2018																
Operational assets																
Land	39,584	-	39,584	226	-	-	-	4,575	-	-	-	-	-	44,385	-	44,385
Site improvements	25,138	(2,627)	22,512	1,503	-	-	-	(3,798)	-	3,475	-	-	(1,364)	22,843	(516)	22,328
Buildings	81,013	(7,603)	73,410	11,008	-	-	-	(4,404)	-	9,383	-	-	(3,696)	87,617	(1,916)	85,701
Landfill assets	34,225	(3,160)	31,065	3,913	-	-	-	-	-	-	-	-	(876)	38,138	(4,036)	34,102
Library books	6,469	(3,113)	3,356	872	-	(708)	-	-	708	-	-	-	(832)	6,633	(3,237)	3,396
Plant and equipment	16,140	(7,954)	8,185	2,842	-	(2,361)	-	-	-	2,111	-	-	(1,995)	16,621	(7,838)	8,782
Vehicles	669	(284)	385	35	-	(39)	-	-	11	-	-	-	(134)	665	(407)	258
Wharves	2,637	(2,160)	477	-	-	-	-	-	-	-	-	-	(57)	2,637	(2,217)	420
Breakwaters	5,101	(187)	4,914	-	-	-	-	-	-	225	-	-	(75)	5,101	(37)	5,064
	210,976	(27,088)	183,888	20,399	-	(3,108)	-	(3,627)	719	15,194	-	-	(9,029)	224,640	(20,204)	204,436
Collection Assets																
Paintings	6,132	-	6,132	-	-	-	-	(6,132)	-	-	-	-	-	-	-	-
Works on paper (NZ and international)	1,450	-	1,450	12	-	-	-	(1,462)	-	-	-	-	-	-	-	-
Public art collections	1,627	-	1,627	28	-	-	-	8	-	-	-	-	-	1,663	-	1,663
Other collection items	8,286	-	8,286	43	-	-	-	3,586	-	-	-	-	-	11,915	-	11,915
Petone Settlers	85	-	85	-	-	-	-	(2)	-	-	-	-	-	83	-	83
Total collections	17,580	-	17,580	83	-	-	-	(4,002)	-	-	-	-	-	13,661	-	13,661
Total operational assets	228,556	(27,088)	201,468	20,482	-	(3,108)	-	(7,629)	719	15,194	-	-	(9,029)	238,301	(20,204)	218,097
Infrastructural assets																
Waste water system	197,252	(15,598)	181,654	4,322	266	-	-	(1,178)	-	18,988	-	-	(6,691)	200,662	(3,301)	197,361
Waste water treatment plant	45,465	(5,892)	39,573	1,839	-	-	-	(4,856)	-	7,036	-	-	(2,223)	42,448	(1,079)	41,369
Less UHCC share in HVS assets	(41,379)	4,134	(37,245)	(556)	-	-	-	2,283	-	(5,025)	-	-	1,675	(39,652)	784	(38,868)
	201,338	(17,356)	183,982	5,605	266	-	-	(3,751)	-	20,999	-	-	(7,239)	203,458	(3,596)	199,862
Land	15,558	-	15,558	-	-	-	-	988	-	-	-	-	-	16,546	-	16,546
Land under roads	144,991	-	144,991	-	261	-	-	-	-	-	-	-	-	145,252	-	145,252
Storm water system	179,079	(7,500)	171,579	2,858	287	-	-	5,165	-	9,064	-	-	(3,655)	187,389	(2,091)	185,298
Water supply system	118,947	(8,881)	110,066	4,230	220	-	-	(4,568)	-	10,818	-	-	(3,891)	118,829	(1,954)	116,875
Roading network	447,018	(29,689)	417,329	12,514	585	-	-	(25,015)	-	36,063	-	-	(12,248)	435,102	(5,874)	429,228
Seawalls	5,185	(282)	4,903	-	-	-	-	-	-	339	-	-	(113)	5,185	(56)	5,129
Total Infrastructural assets	1,112,116	(63,709)	1,048,408	25,207	1,619	-	-	(27,181)	-	77,283	-	-	(27,145)	1,111,761	(13,572)	1,098,190
Restricted assets																
Land	104,261	-	104,261	104	-	(18)	-	14,200	-	-	-	-	-	118,547	-	118,547
Total Restricted assets	104,261	-	104,261	104	-	(18)	-	14,200	-	-	-	-	-	118,547	-	118,547
Total Property, plant and equipment	1,444,933	(90,797)	1,354,139	45,793	1,619	(3,126)	-	(20,610)	719	92,477	-	-	(36,174)	1,468,609	(33,776)	1,434,833

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Group 2019																
Operational assets																
Land	44,385	-	44,385	82	-	(75)	-	-	-	-	-	-	-	44,392	-	44,392
Site improvements	22,843	(516)	22,328	7,847	-	(21)	-	(287)	2	25	-	-	(1,293)	30,382	(1,782)	28,601
Buildings	87,617	(1,916)	85,701	34,349	-	(1,260)	-	(9,736)	83	641	-	-	(4,510)	110,970	(5,702)	105,268
Landfill assets	38,138	(4,036)	34,102	2,804	-	-	-	-	-	-	-	-	(969)	40,942	(5,005)	35,937
Library books	6,633	(3,237)	3,396	867	-	(677)	-	-	677	-	-	-	(860)	6,823	(3,420)	3,403
Plant and equipment	16,621	(7,838)	8,782	2,997	-	(1,018)	-	-	866	-	-	-	(2,245)	18,600	(9,217)	9,382
Vehicles	665	(407)	258	86	-	(17)	-	-	2	-	-	-	(144)	734	(549)	185
Wharves	2,637	(2,217)	420	4,242	-	-	-	-	-	-	-	-	(68)	6,879	(2,285)	4,594
Breakwaters	5,101	(37)	5,064	-	-	-	-	-	-	-	-	-	(75)	5,101	(112)	4,989
Seaview Marina	9,374	(1,512)	7,862	445	-	(252)	-	-	251	-	-	-	(247)	9,567	(1,508)	8,059
Marina Service Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Piers and berths	3,950	(1,570)	2,380	476	-	(1)	-	-	1	-	-	-	(149)	4,425	(1,718)	2,707
Urbanplus land	11,395	-	11,395	2,850	-	(1,570)	-	5,350	-	-	-	-	-	18,025	-	18,025
Urbanplus buildings	13,923	(310)	13,613	4,543	-	(436)	-	(2,174)	83	854	-	-	(627)	15,856	-	15,856
Urbanplus other assets	24	(18)	6	-	-	-	-	-	-	-	-	-	(1)	24	(19)	5
Urbanplus Group CCO's assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hutt City Community Facilities Buildings	26,416	(297)	26,119	13,674	-	(357)	-	-	-	-	-	-	(687)	39,733	(984)	38,749
Hutt City Community Facilities Site Improvements	2,893	(53)	2,840	-	-	-	-	-	-	-	-	-	(107)	2,893	(160)	2,733
Hutt City Community Facilities Trust equipment	102	(17)	85	101	-	-	-	-	-	-	-	-	(12)	203	(29)	174
	292,717	(23,981)	268,736	75,363	-	(5,684)	-	(6,847)	1,965	1,520	-	-	(11,994)	355,549	(32,490)	323,059
Collection Assets																
Paintings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Works on Paper (NZ) & International	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public art collection	1,663	-	1,663	75	-	-	-	-	-	-	-	-	-	1,738	-	1,738
Other Collection Items	11,915	-	11,915	64	-	-	-	-	-	-	-	-	-	11,979	-	11,979
Petone Settlers	83	-	83	-	-	-	-	-	-	-	-	-	-	83	-	83
Total collections	13,661	-	13,661	139	-	-	-	-	-	-	-	-	-	13,800	-	13,800
Total operational assets	306,378	(23,981)	282,397	75,502	-	(5,684)	-	(6,847)	1,965	1,520	-	-	(11,994)	369,349	(32,490)	336,859
Infrastructural assets																
Waste water system	200,662	(3,301)	197,361	4,056	418	-	-	-	-	-	-	-	(6,827)	205,136	(10,128)	195,008
Waste water treatment plant	42,448	(1,079)	41,369	2,843	-	-	-	-	-	-	-	-	(2,300)	45,291	(3,379)	41,912
Less UHCC share in HVS assets	(39,652)	784	(38,868)	(1,500)	-	-	-	-	-	-	-	-	1,627	(41,152)	2,411	(38,741)
	203,458	(3,596)	199,862	5,399	418	-	-	-	-	-	-	-	(7,500)	209,275	(11,096)	198,179

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Group 2019																
Land	16,546	-	16,546	-	-	(160)	-	-	-	-	-	-	-	16,386	-	16,386
Land under roads	145,252	-	145,252	-	286	-	-	-	-	-	-	-	-	145,538	-	145,538
Storm water system	187,389	(2,091)	185,298	1,352	507	-	-	-	-	-	-	-	(4,286)	189,248	(6,377)	182,871
Water supply system	118,829	(1,954)	116,875	5,174	162	-	-	-	-	-	-	-	(4,059)	124,165	(6,013)	118,152
Roading network	435,102	(5,874)	429,228	18,825	930	-	-	-	-	-	-	-	(12,386)	454,857	(18,260)	436,597
Seawalls	5,185	(56)	5,129	-	-	-	-	-	-	-	-	-	(112)	5,185	(168)	5,017
Total Infrastructural assets	1,111,761	(13,572)	1,098,190	30,750	2,303	(160)	-	-	-	-	-	-	(28,342)	1,144,654	(41,915)	1,102,740
Restricted assets																
Land	118,547	-	118,547	-	-	(604)	-	-	-	-	-	-	-	117,943	-	117,943
Total Restricted assets	118,547	-	118,547	-	-	(604)	-	-	-	-	-	-	-	117,943	-	117,943
Total Property, plant and equipment	1,536,686	(37,553)	1,499,136	106,252	2,303	(6,448)	-	(6,847)	1,965	1,520	-	-	(40,336)	1,631,946	(74,405)	1,557,544

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Group 2018																
Operational assets																
Land	39,584	-	39,584	226	-	-	-	4,575	-	-	-	-	-	44,385	-	44,385
Site improvements	25,138	(2,627)	22,512	1,503	-	-	-	(3,798)	-	3,475	-	-	(1,364)	22,843	(516)	22,328
Buildings	81,013	(7,603)	73,410	11,008	-	-	-	(4,404)	-	9,383	-	-	(3,696)	87,617	(1,916)	85,701
Landfill assets	34,225	(3,160)	31,065	3,913	-	-	-	-	-	-	-	-	(876)	38,138	(4,036)	34,102
Library books	6,469	(3,113)	3,356	872	-	(708)	-	-	708	-	-	-	(832)	6,633	(3,237)	3,396
Plant and equipment	16,140	(7,954)	8,185	2,842	-	(2,361)	-	-	-	2,111	-	-	(1,995)	16,621	(7,838)	8,782
Vehicles	669	(284)	385	35	-	(39)	-	-	11	-	-	-	(134)	665	(407)	258
Wharves	2,637	(2,160)	477	-	-	-	-	-	-	-	-	-	(57)	2,637	(2,217)	420
Breakwaters	5,101	(187)	4,914	-	-	-	-	-	-	225	-	-	(75)	5,101	(37)	5,064
Seaview Marina	4,135	(1,416)	2,719	89	-	-	2,315	2,835	-	359	-	(244)	(211)	9,374	(1,512)	7,862
Marina Service Centre	3,791	(702)	3,089	-	-	-	(2,315)	(1,476)	-	510	-	244	(52)	-	-	-
Piers and berths	3,886	(1,430)	2,456	64	-	-	-	-	-	-	-	-	(140)	3,950	(1,570)	2,380
Urbanplus land	11,335	-	11,335	-	-	(125)	-	185	-	-	-	-	-	11,395	-	11,395
Urbanplus buildings	13,097	-	13,097	73	-	(65)	-	818	-	288	-	-	(598)	13,923	(310)	13,613
Urbanplus other assets	24	(17)	7	-	-	-	-	-	-	-	-	-	(1)	24	(18)	6
Urbanplus Group CCO's assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hutt City Community Facilities Buildings	14,410	(433)	13,977	11,245	-	-	-	761	-	616	-	-	(480)	26,416	(297)	26,119
Hutt City Community Facilities Site Improvements	3,216	(237)	2,979	-	-	-	-	(323)	-	290	-	-	(106)	2,893	(53)	2,840
Hutt City Community Facilities Trust equipment	87	(9)	78	15	-	-	-	-	-	-	-	-	(8)	102	(17)	85
	264,957	(31,332)	233,625	31,885	-	(3,298)	-	(827)	719	17,257	-	-	(10,625)	292,717	(23,981)	268,736
Collection Assets																
Paintings	6,132	-	6,132	-	-	-	-	(6,132)	-	-	-	-	-	-	-	-
Works on Paper (NZ) & International	1,450	-	1,450	12	-	-	-	(1,462)	-	-	-	-	-	-	-	-
Public art collection	1,627	-	1,627	28	-	-	-	8	-	-	-	-	-	1,663	-	1,663
Other Collection Items	8,286	-	8,286	43	-	-	-	3,586	-	-	-	-	-	11,915	-	11,915
Petone Settlers	85	-	85	-	-	-	-	(2)	-	-	-	-	-	83	-	83
Total collections	17,580	-	17,580	83	-	-	-	(4,002)	-	-	-	-	-	13,661	-	13,661
Total operational assets	282,537	(31,332)	251,205	31,968	-	(3,298)	-	(4,829)	719	17,257	-	-	(10,625)	306,378	(23,981)	282,397
Infrastructural assets																
Waste water system	197,252	(15,598)	181,654	4,322	266	-	-	(1,178)	-	18,988	-	-	(6,691)	200,662	(3,301)	197,361
Waste water treatment plant	45,465	(5,892)	39,573	1,839	-	-	-	(4,856)	-	7,036	-	-	(2,223)	42,448	(1,079)	41,369
Less UHCC share in HVS assets	(41,379)	4,134	(37,245)	(556)	-	-	-	2,283	-	(5,025)	-	-	1,675	(39,652)	784	(38,868)
	201,338	(17,356)	183,982	5,605	266	-	-	(3,751)	-	20,999	-	-	(7,239)	203,458	(3,596)	199,862

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Group 2018																
Land	15,558	-	15,558	-	-	-	-	988	-	-	-	-	-	16,546	-	16,546
Land under roads	144,991	-	144,991	-	261	-	-	-	-	-	-	-	-	145,252	-	145,252
Storm water system	179,079	(7,500)	171,579	2,858	287	-	-	5,165	-	9,064	-	-	(3,655)	187,389	(2,091)	185,298
Water supply system	118,947	(8,881)	110,066	4,230	220	-	-	(4,568)	-	10,818	-	-	(3,891)	118,829	(1,954)	116,875
Roading network	447,018	(29,689)	417,329	12,514	585	-	-	(25,015)	-	36,063	-	-	(12,248)	435,102	(5,874)	429,228
Seawalls	5,185	(282)	4,903	-	-	-	-	-	-	339	-	-	(113)	5,185	(56)	5,129
Total Infrastructural assets	1,112,116	(63,709)	1,048,408	25,207	1,619	-	-	(27,181)	-	77,283	-	-	(27,145)	1,111,761	(13,572)	1,098,190
Restricted assets																
Land	104,261	-	104,261	104	-	(18)	-	14,200	-	-	-	-	-	118,547	-	118,547
Total Restricted assets	104,261	-	104,261	104	-	(18)	-	14,200	-	-	-	-	-	118,547	-	118,547
Total Property, plant and equipment	1,498,914	(95,041)	1,403,874	57,279	1,619	(3,316)	-	(17,810)	719	94,540	-	-	(37,770)	1,536,686	(37,553)	1,499,136

Valuation

Operational and restricted land and buildings

For the purposes of the market value for financial reporting purposes assessment, we have valued each property in its entirety; being the total value of the land and improvements together. This total value has then been apportioned amongst the different components forming the improvements and the land. As many of the improvements, such as reserves, fall over several parcels of land, where applicable, we have treated these parcels as contingent and provided a single value for the amalgamated land component.

The land component of the valuation has been derived from market based evidence based on its highest and best with reference to sales of comparably zoned land in surrounding areas. Adjustments have been made to land values where there is a designation against the land or the use of the land is restricted because of reserve status.

Specialised buildings which are generally used for operational purposes i.e. amenities and hall buildings, are rarely sold separately, with the result that there is little or no comparable sales information available. In this scenario, the best indication of the assets' fair value is the depreciated replacement cost approach which is the current replacement cost of the asset less, where applicable, accumulated depreciation, to reflect the age of the asset.

We have utilised the straight line method of depreciation with assets' ages and remaining lives estimated. Assets' replacement costs are based on the replacement with modern equivalent assets with adjustments for appropriate obsolescence. For Council's earthquake prone buildings, the estimated earthquake strengthening costs have been deducted from the depreciated replacement cost.

The most recent independent valuations for land and buildings was performed by Peter Erceg and Alex Robson (MPINZ), of Aon Risk Solutions, and the valuation is effective as at 31 December 2017.

Infrastructural assets (excluding land under roads)

The market value for financial reporting purposes was calculated using the depreciated optimised replacement cost approach. This is based on the current replacement cost of modern equivalent replacement assets (MERA) that is adjusted for over-design, over-capacity and/or redundant assets, less an allowance for depreciation.

Hutt City Council, through Wellington Water Limited, provided established asset groupings and further to these groupings, asset component classifications levels. Aon have used the Hutt City Council asset groupings and asset component levels to establish a level of valuation. Physical inspections of all asset types were undertaken. During the site inspections, and whilst at the Wellington Water Limited offices, the valuer systematically inspected and documented each asset type, including key technical details, age, life and the assets' remaining useful lives.

Development of replacement costs of the piping services, water infrastructure assets, storage tanks and reservoirs have been valued by using normalised/standardised rates based on modern equivalent asset costs, in particular metre rates per diameter or the like. Using standardised costs allowed a realistic balance between extreme positions of valuing on a "whole of system approach" and requiring precise asset detail.

The ages of the subject assets have, in general, been comprehensively documented and as a result, the ages of a considerable portion of the assets have been accurately recorded. During site visits ages of the assets were determined through Hutt City Council documentation, GIS and staff knowledge.

Once an appropriate unit replacement cost and asset ages and lives were established, a straight-line depreciation was attributed to each asset component to establish the ODRC and value.

The most recent independent valuations for infrastructural assets (excluding land under roads) was performed by Peter Erceg and Roger Khoo (MPINZ), of Aon Risk Solutions, and the valuation is effective as at 31 December 2017.

Councils' most recent estimate of the replacement cost of infrastructural assets is at 31 December 2017:

	\$000
Waste water	506,060
Waste water treatment plant	101,970
Storm water	387,729
Water supply	267,423
Roading (excluding land under roads)	902,803
	2,165,985

Collection items

The collections are valued at fair value, being an amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is considered as representing the best estimate of the intrinsic cultural or heritage value of an asset.

Determination of fair value has been made by reference to observable prices in an active market (be it primary retail or secondary auction market) for the same or similar asset. If there is no active market, fair value is determined by other market based evidence adjudged by the valuer as active and knowledgeable participants in the market.

Painting and works on paper were valued as at 31 December 2017 by Hamish Coney (MPINZ), Art+Object, cultural and forensic specialists contracted as independent valuers.

Assets held by Subsidiaries

Seaview Marina Limited assets consist of non specialised properties valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and

establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuer Peter Erceg and Alex Robson (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 December 2017.

Urban Plus flats and other non specialised properties were valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuer Peter Erceg and Alex Robson (MPINZ) of Aon Risk Solutions and the valuation is effective as at 30 June 2019.

Hutt City Community Facilities Trust assets consist of specialised properties valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuer Peter Erceg and Alex Robson (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 December 2017.

Insurance

ASSET TYPE	POLICY TYPE	TOTAL DECLARED VALUE	MAXIMUM LIMIT OF LIABILITY
Buildings, Plant and Equipment and above ground infrastructure property (land, roading assets and bridges are not insured)	Material Damage	342,483,300	Natural Catastrophe: \$600 million any one loss or series of losses arising out of any one event and in annual aggregate for all four Councils. All other losses: \$600 million any one loss or series of losses arising out of any one event for all four Councils.
Underground Infrastructure assets	Material Damage - Natural Catastrophe only	1,274,571,696	Natural Catastrophe: \$600 million each and every loss or series of losses arising out of any one event for all four Councils and limited to a \$350 million sublimit for HCC.
Residential Property	Material Damage	5,751,200	Natural Catastrophe: First \$100,000 per unit to be recovered from the Earthquake Commission. Any remaining top up required per unit to a maximum of \$5,751,200 for 14 units. All other losses: Replacement value per unit to a maximum of \$5,751,200 for 14 units.
Motor Vehicle	Comprehensive Motor Vehicle	2,810,176	Market value at time of loss. Maximum limit any one vehicle \$400,000, unless agreed by insurer prior to loss. Third party liability - limit any one accident \$20 million.
Fine Arts	Material Damage	25,517,554	Permanent Collection: \$15,836,618 any one loss. Exhibitions and Temporary Loans, incoming and outgoing: Whilst at any unnamed location: \$2,000,000 any one loss. Transit Limit: \$750,000 any one loss.

Assets under construction

Property, plant and equipment in the course of construction by class of asset is detailed below:

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Water systems	-	-	-	-
Road network	37	2,061	37	2,061
Landfills	498	421	498	421
Land and site improvements	2,459	3,156	4,217	3,156
Buildings	283	35,227	283	42,882
Other	506	4,669	1,003	4,892
Total Assets under construction	3,783	45,534	6,038	53,412

17. INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council and Group are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, costs associated with maintaining computer software and costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Resource Consents

Costs associated with registering a resource consent in the wastewater activity are recognised as an intangible asset.

Amortisation

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

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

	Years	Percentages
Computer software	2 - 5	20 - 50
Resource Consents	5 - 35	2.86 - 19

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for indicators of impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	REVALUATION SURPLUS/ IMPAIR CHARGES TO REVALUATION RESERVES \$000	ACCUMULATED DEPRECIATION ON DISPOSALS \$000	ACCUMULATED DEPRECIATION ON REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council 2019																
Software	4,778	(3,670)	1,108	311	-	(1,376)	-	-	1,378	-	-	-	(520)	3,713	(2,812)	901
Resource consents	1,981	(985)	996	-	-	-	-	-	-	-	-	-	(83)	1,981	(1,068)	913
	6,759	(4,655)	2,104	311	-	(1,376)	-	-	1,378	-	-	-	(603)	5,694	(3,880)	1,814
Council 2018																
Software	5,839	(4,583)	1,256	339	-	(1,400)	-	-	1,384	-	-	-	(471)	4,778	(3,670)	1,108
Resource consents	2,131	(1,053)	1,078	-	-	(150)	-	-	150	-	-	-	(82)	1,981	(985)	996
	7,970	(5,636)	2,334	339	-	(1,550)	-	-	1,534	-	-	-	(553)	6,759	(4,655)	2,104
Group 2019																
Software	4,831	(3,719)	1,112	311	-	(1,376)	-	-	1,392	-	-	-	(535)	3,766	(2,862)	904
Resource consents	1,981	(988)	993	1	-	-	-	-	-	-	-	-	(83)	1,982	(1,071)	911
	6,812	(4,707)	2,105	312	-	(1,376)	-	-	1,392	-	-	-	(618)	5,748	(3,933)	1,815
Group 2018																
Software	5,893	(4,636)	1,257	339	-	(1,401)	-	-	1,388	-	-	-	(471)	4,831	(3,719)	1,112
Resource consents	2,131	(1,053)	1,078	-	-	(150)	-	-	150	-	-	-	(85)	1,981	(988)	993
	8,024	(5,689)	2,335	339	-	(1,551)	-	-	1,538	-	-	-	(556)	6,812	(4,707)	2,105

18. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

	COUNCIL	
	ACTUAL 2019 \$000	ACTUAL 2018 \$000
Directly attributable depreciation and amortisation expense by activity (group of activity)		
Integrated community services	5,519	4,424
Parks and reserves	2,148	2,190
Group: Leisure and wellbeing	7,667	6,615
City environment	4	6
City development	14	14
Consents and regulatory services	110	95
Group: Growth	128	115
City resilience	3	3
Group: Sustainability	3	3
Roads and accessways	12,541	12,402
Water supply	4,059	3,891
Wastewater	7,811	7,565
Stormwater	4,285	3,655
Solid waste	979	885
Group: Infrastructure	29,675	28,399
City leadership	1,636	1,595
Group: Organisation	1,636	1,595
Total directly attributable depreciation and amortisation expense by group of activity	39,109	36,726
Depreciation and amortisation not directly attributable by group of activity	-	-
Total depreciation and amortisation expense	39,109	36,726

The 2018 results have been reorganised based on the new activity structure

19. INVESTMENT IN ASSOCIATE

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

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

During October 2013, Upper Hutt and Porirua Councils purchased shares in the company and during 2015 shares were issued to Greater Wellington Regional Council. The company is considered to be jointly controlled because of the equal share of voting rights conferred through the Class A shares and is therefore an associate of all Councils in accordance with IAS 28: Investments in Associates. Each Council will equity account for their respective ownership interest as determined by the proportionate value of Class A and Class B shares held. Hutt City Council's ownership interest in the company is 21% (2018: 21%).

	SHARES ON ISSUE	HUTT CITY COUNCIL	WELLINGTON CITY COUNCIL	UPPER HUTT CITY COUNCIL	PORIRUA CITY COUNCIL	GREATER WELLINGTON REGIONAL COUNCIL
2019						
Class A shares (voting entitlements)	750	150	150	150	150	150
		20%	20%	20%	20%	20%
Class B shares (financial entitlements)	475	100	200	40	60	75
		21%	42%	8%	13%	16%
2018						
Class A shares (voting entitlements)	750	150	150	150	150	150
		20%	20%	20%	20%	20%
Class B shares (financial entitlements)	475	100	200	40	60	75
		21%	42%	8%	13%	16%

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Wellington Water Limited				
Balance at beginning of the year	200	200	325	331
New Shares issued	-	-	-	-
B Shares sold	-	-	-	-
Share of operating surplus / (deficit)	-	-	6	(6)
Balance at end of year	200	200	331	325

	TOTAL WELLINGTON WATER LTD		GROUP SHARE	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Revenue	136,109	154,226	28,583	32,387
Expenditure	136,070	154,255	28,575	32,394
Surplus (Deficit) before taxation	39	(29)	8	(7)
Taxation (Expense)/ benefit	(9)	3	(2)	1
Surplus (Deficit) after taxation	30	(26)	6	(6)
Assets	21,003	21,580	4,411	4,532
Liabilities	19,285	19,892	4,050	4,177
Equity	1,718	1,688	361	354

20. OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion				
Loans to related parties (note 30)	-	4,000	-	-
Short term deposits with original maturities greater than three months	3,000	20,000	3,000	20,000
Total other assets - current portion	3,000	24,000	3,000	20,000
Non-current portion				
Investment in CCO's and other similar entities				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 30)	19,036	10,700	-	-
Unlisted shares in LGFA	100	100	100	100
Borrower notes from LGFA	2,864	2,432	2,864	2,432
Total Investment in CCO's and other similar entities	36,545	27,777	2,964	2,532
Investment in other entities				
NZ Local Government Insurance Company	455	455	455	455
Smartlinx 3 Limited	39	39	39	39
Total investment in other entities	494	494	494	494
Total other assets - non-current portion	37,039	28,271	3,458	3,026
Total other assets	40,039	52,271	6,458	23,026

Urban Plus Limited and Seaview Marina Limited are 100% owned subsidiaries (Council Controlled Organisations).

Unlisted Shares

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

Impairment

There has been no impairment provision made on the investment in NZ Local Government Insurance Company (2018: \$nil).

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
At 1 July	(426)	(426)	(426)	(426)
Additional provisions made during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
At 30 June	(426)	(426)	(426)	(426)

21. CREDITORS AND OTHER PAYABLES

Accounting policy

Short-term creditors and other payables are recorded at face value.

Breakdown of creditors and other payables

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Trade and other payables	5,456	10,431	5,465	10,473
Deposits and bonds	94	123	96	125
Accrued expenses	10,041	12,656	11,043	13,449
Rates in advance	1,194	1,039	1,194	1,039
Amounts due to customers for contract work	2,860	3,096	3,157	3,402
Total creditors and other payables	19,645	27,345	20,955	28,488

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

All creditors and other payables are classified as exchange transactions.

22. BORROWINGS

Accounting policy

Borrowings are initially recognised at their face value plus transaction costs. After initial recognition, all borrowings are measured at amortised costs using the effective interest rate.

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

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

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion					
Bank overdraft	11.	-	-	-	-
Secured loans - Current		3,000	29,039	3,000	29,039
Total current portion		3,000	29,039	3,000	29,039
Non-current portion					
Secured loans		201,000	163,000	201,000	163,000
Total non-current portion		201,000	163,000	201,000	163,000
Total borrowing		204,000	192,039	204,000	192,039

Maturity profile:

MATURITY PROFILE	INTEREST COST		COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Years of Maturity						
Under 1 year	114	1,023	3,000	29,039	3,000	29,039
1 to 2 years	1,754	106	46,000	3,000	46,000	3,000
2 to 3 years	1,144	1,233	30,000	35,000	30,000	35,000
3 to 4 years	1,716	1,057	45,000	30,000	45,000	30,000
4 to 5 years	-	881	-	25,000	-	25,000
Over 5 years	3,049	2,467	80,000	70,000	80,000	70,000
Total borrowing	7,777	6,767	204,000	192,039	204,000	192,039

Secured loans

Council's debt of \$204 million (2018: \$192 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 2.01% to 4.52% (2018: 2.04% to 5.00%). Where the interest rate is floating, the rate is generally reset quarterly based on the 90-day bank bill rate plus a margin for credit.

Security

A debenture trust deed has been established and Covenant Trustee Services Limited (formerly Foundation Corporate Trust Limited) appointed as Trustee. All borrowing is secured by a charge overall rating in favour of the Trustee.

Council has a \$35 million (2018: \$35 million) wholesale advance facility signed on 28 September 2012 and subsequent amendments 12 June 2015 and 30 May 2018. As at 30 June a total of \$nil (2018: \$nil) had been drawn against this facility. The facility is secured under the Debenture Trust Deed.

Internal borrowings

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

Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the secured loans approximate their fair value.

23. EMPLOYEE ENTITLEMENTS

Accounting policy

Short-term benefits

Employee benefits that Council and Group expect to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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

Long-term benefits

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of the balance date are classified as current liabilities. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and defined contribution superannuation schemes are recognised as an expense in the surplus and deficit as incurred.

Defined benefit schemes

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

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

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

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

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from independent actuary. Discount rates range from 1.72% for 2020 to 4.75% for 2065 and beyond (2018: 1.78% for 2019 to 4.75% for 2055 and beyond) and an inflation factor of 2.5% (2018: 2.5%) was used.

Breakdown of employee entitlements and other information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion				
Accrued Salaries and Wages	46	53	46	53
Time in lieu	43	52	43	52
Annual leave	2,026	2,084	2,093	2,160
Long Service Leave	55	53	55	53
Total current portion	2,170	2,242	2,237	2,318
Non-current portion				
Long Service Leave	-	24	-	24
Retirement gratuities	534	592	534	592
Total non-current portion	534	616	534	616
Total employee entitlements	2,704	2,858	2,771	2,934

Long Service Leave and Retirement Gratuities are independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and are effective as at 30 June 2019.

24. PROVISIONS

Accounting policy

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

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

Landfill post closure costs

As operator of the Silverstream landfill site, Council has an obligation to ensure the on-going maintenance and monitoring services at these landfill sites after closure. Council also has an obligation to monitor the closed landfill site at Wainuiomata and other sites previously operated by local authorities subsequently amalgamated to form the Hutt City Council.

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post closure costs when the obligation for post closure arises. The calculated cost is based on estimates of closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care for Silverstream is 28 years and Wainuiomata is 26 years.

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

Amounts provided for closure and post closure costs are capitalised to the landfill asset where they give rise to future economic benefits, or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The provision of landfill post closure costs is valued annually by an independent valuer.

Weathertightness provision

The Group recognises a provision for the Council's estimated liability relating to the settlement of weathertightness claims. The provision related to claims made under the Weathertight Homes Resolution Services Act 2006, as well as civil proceedings directly against the Council.

The provision calculation included the estimated net settlement that the Council is expected to make on:

- All claims that are currently actively managed by Council; and
- All claims that have been lodged with Weathertight Homes Resolution Service but are not yet actively managed by Council.

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

The Council has engaged on independent actuary to value the Council's landfill aftercare provision. The cash outflows for landfill post-closure costs are expected to occur in 37 to 41 years (or between 2055 and 2059). The long term nature of the liability means that

there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements.

Breakdown of provisions and other information

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Provision for landfill aftercare	5,313	5,300	5,313	5,300
Weather tight home	158	174	158	174
Total provisions	5,471	5,474	5,471	5,474

Movements in provision:

	LANDFILL AFTERCARE	
	2019 \$000	2018 \$000
Balance at beginning of the year	5,300	5,440
Discount unwinding	265	272
Amounts charged to provision during the period	(252)	(412)
Balance at end of the year (non-current liability)	5,313	5,300

	WEATHER TIGHT HOME	
	2019 \$000	2018 \$000
Balance at beginning of the year	174	171
Claims settled during the year	(18)	-
Amounts charged to provision during the period	2	3
Balance at end of the year (current liability)	158	174

Landfill aftercare costs

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

Council currently operates one landfill, Silverstream (stage 1 and 2). The stage 2 landfill is consented to be developed progressively with a total estimated airspace of 5.3 million cubic metres. The estimated available airspace in the completed section of the landfill is 85,000 cubic metres (2018: 50,000 cubic metres) with work underway to provide an additional 880,000 cubic meters. Airspace usage is currently approximately 126,000 cubic metres (2018: 126,000 cubic metres) per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for ten years, is projected to be approximately 36-40 years. Council is monitoring gas, leachate, and water for six closed landfills identified as potential risks.

The cash outflows for the closed landfills at Silverstream stage 1 and Wainuiomata are expected to continue for at least twenty to thirty years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 5.0% (2018: 5.0%) and an inflation rate of 2.0% (2018: 2.0%). The accounting treatment of this provision is described in detail in the Statement of Accounting Policies.

The provision is independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2019.

Weather tight home provision

Council is subject to claims in respect to weather tight building defects that were advised to Council by the Weathertight Homes Resolution Service (WHRS). The Council has also received claims directly. The provision is calculated with reference to past history of Weathertight claims submitted and resolved and therefore actual costs to Council may vary significantly from the amount of the provision currently recognised, particularly in relation to unreported claims.

Council has provided for the likely costs to be incurred as a result of these active and reported claims. Active claims are accrued based on the best estimate of what Council expects to pay on a case by case basis. The costs for reported claims are based on an estimate as at 30 June 2019. This provision includes both estimates of the repair costs as well as the estimated legal costs and other professional fee expenses. Due to the level of uncertainty about future unreported claims, Council has not recorded these claims as part of this provision. The provision is comprised of active and reported claims. Active are those which are actively being managed through a resolution process. As these claims are nearing resolution there is considered to be a high level of certainty regarding this provision amount. Reported claims are those which have been notified to the Council or the Weathertight Homes Resolution Service. The material assumptions when deriving the reported claim provision balance are as follows:

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

2. Amount claimed - This assumption is derived from the claims settled to date. The ultimate cost will vary to the extent that the claim amounts vary in the future either through an increase or decrease.
3. Settlement level award - This relates to the settlement award from the resolution process for those claims not assumed to be under the Government Financial Assistance Package. This amount has increased over time and future increases are allowed for in the provision.
4. Council contribution to the settlement amount - This assumption is based on historical data regarding Council contributions and will apply to those claims not assumed to be under the Government Financial Assistance Package. Council's share has increased over time and future increases are allowed for in the provision.

25. OTHER LIABILITIES

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Other liabilities - current portion				
Accrued interest expenses	957	944	957	944
Third party funds	215	182	215	182
Miscellaneous current liabilities	1,113	789	1,113	789
Income earned in advance	2,603	2,796	2,699	3,082
Development contributions	316	301	316	301
Total other liabilities - current portion	5,204	5,012	5,300	5,298
Other liabilities - non-current portion				
Total other liabilities - non-current portion	-	-	-	-
Total other liabilities	5,204	5,012	5,300	5,298

26. EQUITY

Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets less total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated Funds (Comprehensive revenue and expenses);
- Council created reserves;
- Restricted reserves; and
- Asset revaluation reserves.

Accumulated comprehensive revenue and expenses is Council and Group's accumulated surplus or deficit since the formation of the Council, adjusted for transfers to/from specific reserves.

Reserves represent a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council. Council created reserves are established by Council. They may be altered without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

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

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

Breakdown of equity and further information

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Accumulated funds					
Balance at beginning of the year		686,317	712,834	721,427	736,781
Deferred tax on revaluations		-	-	-	-
Interest allocated to reserves		(147)	(110)	(147)	(110)
Other adjustments		254	(16,887)	254	(16,887)
Other transfers to reserves		(4,369)	(7,455)	(4,383)	(7,493)
Transfers from reserves		1,657	9,138	1,657	9,138
Net surplus/(deficit) after tax		(17,937)	(11,203)	(14,817)	(3)
Accumulated funds - balance at end of the year		665,775	686,317	703,992	721,427
Council created reserves					
Balance at beginning of the year		18,942	20,516	20,228	21,763
Transfers to accumulated funds		(1,636)	(9,138)	(1,636)	(9,138)
Transfers from accumulated funds		4,369	7,455	4,383	7,494
Interest earned		146	109	146	109
Council created reserves - balance at end of the year		21,821	18,942	23,121	20,228
Restricted reserves*					
Balance at beginning of the year		85	84	92	90
Transfers to accumulated funds		(21)	-	(21)	-
Interest earned		1	1	1	2
Restricted reserves - balance at end of the year	11.	65	85	72	92
Asset revaluation reserve					
Balance at beginning of the year		607,127	520,459	625,128	533,750
Changes in asset value - revaluation		-	69,781	4,031	74,801
Changes in asset value - impairment		(9,358)	-	(9,358)	-
Other adjustments		(254)	16,887	(254)	16,887
Deferred tax on revaluation		-	-	369	(310)
Asset revaluation reserve - balance at end of the year		597,515	607,127	619,916	625,128

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Asset revaluation reserves consist of:					
Operational Assets					
Buildings		42,777	52,092	48,489	59,705
Land		26,730	27,027	43,420	37,231
Collections		16,164	16,164	16,164	16,164
Infrastructure Assets					
Land		6,963	6,963	6,963	7,148
Wastewater		101,825	101,825	101,825	101,825
Stormwater		82,793	82,793	82,793	82,793
Water		43,916	43,916	43,916	43,916
Road		223,968	223,969	223,968	223,968
Restricted Assets					
Land		52,378	52,378	52,378	52,378
Total asset revaluation reserves		597,514	607,127	619,916	625,128
Total other reserves		619,401	626,154	643,109	645,448
Total equity		1,285,175	1,312,470	1,347,101	1,366,875

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

For more details on the purpose of the reserves, please refer to the "Reserve Funds" statement at the end of this report.

27. FINANCIAL INSTRUMENTS

27A. FINANCIAL INSTRUMENTS CATEGORIES

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Financial assets					
Fair value through surplus or deficit - held for trading					
Derivative financial instrument assets	13.	-	-	-	-
Total fair value through surplus or deficit - held for trading		-	-	-	-
Loans and receivables					
Cash and cash equivalents	11.	7,182	871	8,375	11,474
Short term deposits with original maturities greater than three months	20.	3,000	20,000	3,000	20,000
Debtors and other receivables	12.	14,606	14,854	14,262	14,263
Other financial assets:					
Loans to Related Parties	20.	19,036	14,700	-	-
Total loans and receivables		43,824	50,425	25,637	45,737
Held to maturity					
Other financial assets:					
- NZ Local Government Insurance Company	20.	455	455	455	455
- NZ Local Government Funding Agency	20.	2,964	2,532	2,964	2,532
Total held to maturity		3,419	2,987	3,419	2,987
Fair value through equity					
Other financial assets					
- unlisted shares	20.	39	39	39	39
Total fair value through equity		39	39	39	39
Total financial assets		47,282	53,451	29,095	48,763
Financial liabilities					
Fair value through surplus or deficit - held for trading					
Derivative financial instrument liabilities	13.	22,009	10,452	22,009	10,452
Total fair value through surplus or deficit - held for trading		22,009	10,452	22,009	10,452

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Financial liabilities at amortised cost					
Trade creditors and other payables	21.	19,645	27,345	20,955	28,488
Borrowings:					
- bank overdraft	22.	-	-	-	-
- secured loans	22.	204,000	192,039	204,000	192,039
Total financial liabilities at amortised cost		223,645	219,384	224,955	220,527
Total financial liabilities		245,654	229,836	246,964	230,979

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

27B. FINANCIAL INSTRUMENTS CATEGORIES

For those instruments recognised at fair value on the statement of financial position, fair values are determined according to the following hierarchy:

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

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the statement of financial position.

	2019				2018			
	VALUATION TECHNIQUE			TOTAL	VALUATION TECHNIQUE			TOTAL
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
QUOTED MARKET PRICE \$000	OBSERVABLE INPUTS \$000	SIGNIFICANT NON-OBSERVABLE INPUTS \$000		QUOTED MARKET PRICE \$000	OBSERVABLE INPUTS \$000	SIGNIFICANT NON-OBSERVABLE INPUTS \$000		
Council								
Financial assets								
Derivatives	-	-	-	-	-	-	-	-
Shares	-	-	3,458	3,458	-	-	3,026	3,026
Financial liabilities								
Derivatives	-	22,009	-	22,009	-	10,452	-	10,452
Group								
Financial assets								
Derivatives	-	-	-	-	-	-	-	-
Shares	-	-	3,458	3,458	-	-	3,026	3,026
Financial liabilities								
Derivatives	-	22,009	-	22,009	-	10,452	-	10,452

There were no transfers between the different levels of the fair value hierarchy.

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

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

	2019 \$000	2018 \$000
Balance at 1 July	3,026	2,145
Purchases	432	880
Balance at 30 June	3,458	3,026

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

27C. FINANCIAL INSTRUMENTS RISKS

Council's and Group activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council and Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. Council has established Council-approved Liability Management and Investment policies. These policies do not allow any transaction that are speculative in nature to be entered into.

Market Risk

Price risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June Council does not have any foreign currency risk (2018: \$nil).

Fair value interest rate risk

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

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates expose Council to cash flow interest rate risk. Generally, Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified

intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash flows and outflows, Council at times invests surplus cash into bank and term deposits which gives rise to credit risk. Council Investment Policy limits the amount of credit exposure to any one financial institution or organisation. The group only invest funds with entities that have a Standard and Poor's credit rating of at least A- for short term and A- for long-term investments. Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk. Financial instruments which potentially subject the group to credit risk principally consist of cash and/or cash equivalents, trade and other receivables, other assets, financial guarantees and interest rate swaps and options.

The maximum exposure to credit risk:

	NOTES	COUNCIL		GROUP	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash, cash equivalents and term deposits	11.	7,182	871	8,375	11,474
Debtors and other receivables	12.	14,606	14,854	14,262	14,263
Other assets	20.	494	494	494	494
Community and development loans	20.	-	-	-	-
Short term deposits with original maturities greater than three months	20.	3,000	20,000	3,000	20,000
Loans to related parties	20.	19,036	14,700	-	-
Financial guarantees	32.	59	64	59	64
Derivative financial instrument assets (interest rate swaps and options)	13.	-	-	-	-
Total credit risk		44,377	50,983	26,190	46,295

Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 32.

Credit quality of financial assets

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	10,182	20,871	11,375	31,474
Total cash at bank and term deposits	10,182	20,871	11,375	31,474
Derivative financial instrument assets				
AA+	-	-	-	-
AA	-	-	-	-
Total derivative financial instrument assets	-	-	-	-
Counterparties without credit ratings				
Community and related party loans				
Existing counterparty with no defaults in the past	19,036	14,700	-	-
Existing counterparty with defaults in the past	-	-	-	-
Total community, development and related party loans	19,036	14,700	-	-

Credit quality of cash at bank and terms deposits is AA-.

Loans to related parties in the contractual maturity analysis contractual cash flows do not reflect the current year. \$19,036,000 is non current.

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

Liquidity risk

Management of liquidity risk

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

borrowings in accordance with its funding and financial policies. These policies have been adopted as part of the Council's Long Term Plan. The Council has a policy to maintain the overdraft facility to below \$250,000 at any one time, and has undrawn credit facilities totalling \$35 million (2018: \$35 million).

Contractual maturity analysis of financial liabilities

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

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	BETWEEN 1-3 YEARS \$000	BETWEEN 3-5 YEARS \$000	GREATER THAN 5 YEARS \$000
Council 2019						
Trade creditors and other payables	5,456	5,456	5,456	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	204,000	211,777	3,114	78,898	46,716	83,049
Finance leases	-	-	-	-	-	-
Financial guarantees	59	59	59	-	-	-
Total	209,515	217,292	8,629	78,898	46,716	83,049
Group 2019						
Trade creditors and other payables	5,465	5,465	5,465	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	204,000	211,777	3,114	78,898	46,716	83,049
Finance leases	-	-	-	-	-	-
Financial guarantees	59	59	59	-	-	-
Total	209,524	217,301	8,638	78,898	46,716	83,049

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	BETWEEN 1-3 YEARS \$000	BETWEEN 3-5 YEARS \$000	GREATER THAN 5 YEARS \$000
Council 2018						
Trade Creditors and other payables	10,431	10,431	10,431	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	192,039	198,806	30,062	39,339	56,938	72,467
Finance leases	-	-	-	-	-	-
Financial guarantees	64	64	64	-	-	-
Total	202,534	209,301	40,557	39,339	56,938	72,467
Group 2018						
Trade Creditors and other payables	10,473	10,473	10,473	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	192,039	198,806	30,062	39,339	56,938	72,467
Finance leases	-	-	-	-	-	-
Financial guarantees	64	64	64	-	-	-
Total	202,576	209,343	40,599	39,339	56,938	72,467

Council is exposed to liquidity risk as a guarantor of all of the LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 32.

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	BETWEEN 1-3 YEARS \$000	BETWEEN 3-5 YEARS \$000	GREATER THAN 5 YEARS \$000
Council 2019						
Cash and cash equivalents	7,182	7,182	7,182	-	-	-
Debtors and other receivables	14,606	14,606	14,606	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	-	-	-	-	-	-
- loans to related parties	19,036	19,036	-	19,036	-	-
Total	40,824	40,824	21,788	19,036	-	-
Group 2019						
Cash and cash equivalents	8,375	8,375	8,375	-	-	-
Debtors and other receivables	14,262	14,262	14,262	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	-	-	-	-	-	-
- loans to related parties	-	-	-	-	-	-
Total	22,637	22,637	22,637	-	-	-
Council 2018						
Cash and cash equivalents	871	871	871	-	-	-
Debtors and other receivables	14,854	14,854	14,854	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	-	-	-	-	-	-
- loans to related parties	14,700	14,700	4,000	10,700	-	-
Total	30,425	30,425	19,725	10,700	-	-
Group 2018						
Cash and cash equivalents	11,474	11,474	11,474	-	-	-
Debtors and other receivables	14,263	14,263	14,263	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	-	-	-	-	-	-
- loans to related parties	-	-	-	-	-	-
Total	25,737	25,737	25,737	-	-	-

Sensitivity analysis

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

INTEREST RATE RISK	2019 \$000				2018 \$000			
	- 100BPS		+ 100BPS		- 100BPS		+ 100BPS	
	SURPLUS	OTHER EQUITY	SURPLUS	OTHER EQUITY	SURPLUS	OTHER EQUITY	SURPLUS	OTHER EQUITY
Council								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(10,601)	-	9,603	-	(7,857)	-	7,126	-
Financial liabilities								
Borrowing:								
- short term loans	30	-	(30)	-	143	-	(143)	-
- term loans	1,820	-	(1,820)	-	1,630	-	(1,630)	-
Total sensitivity to interest rate risk	(8,751)	-	7,753	-	(6,084)	-	5,353	-
Group								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(10,601)	-	9,603	-	(7,857)	-	7,126	-
Financial liabilities								
Borrowing:								
- short term loans	30	-	(30)	-	143	-	(143)	-
- term loans	1,820	-	(1,820)	-	1,630	-	(1,630)	-
Total sensitivity to interest rate risk	(8,751)	-	7,753	-	(6,084)	-	5,353	-

Explanation of sensitivity analysis

Derivative net financial assets and derivatives held for trading include interest rate swaps with a fair value liability totalling \$22,009,000 (2018 liability: \$10,452,000). A movement in interest rates of plus 1% has an effect of \$10,601,000 (2018: \$8,920,689) on the unrealised value of the derivatives.

No equity instruments are held. No foreign exchange instruments are held.

Short term loans

Council has short term floating rate debt with a principal amount totalling \$0.0 million (2018: \$0.0 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$0 (2018: \$0).

Term loans

Council has term floating rate debt with a principal amount totalling \$185 million (2018: \$177 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1,850,000 (2018: \$1,770,000). A movement in market interest rates on fixed rate debt \$19 million (2018: \$15 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

28. REMUNERATION

The Chief Executive received the following remuneration:

	2019			2018		
	SALARY \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$	SALARY \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$
Chief Executive	391,161	11,735	402,896	367,202	8,050	375,252

Elected Representatives received the following remuneration:

MAYOR AND COUNCILLORS	COUNCIL			GROUP TOTAL		
	2019			2018		
	REMUNERATION \$	DIRECTOR FEES \$	TOTAL REMUNERATION \$	REMUNERATION \$	DIRECTOR FEES \$	TOTAL REMUNERATION \$
WR Wallace	148,990	-	148,990	145,447	-	145,447
J Andrew	-	2,000	2,000	-	2,000	2,000
G Barratt	62,438	-	62,438	60,841	-	60,841
C Barry	54,295	-	54,295	53,542	-	53,542
D Bassett	81,442	15,648	97,090	79,902	15,337	95,240
L Bridson	54,295	-	54,295	61,521	-	61,521
J Briggs	54,295	-	54,295	52,557	-	52,557
D Butler *	-	2,000	2,000	-	2,000	2,000
M Claridge	-	2,000	2,000	-	2,000	2,000
M Cousins	62,438	2,000	64,438	61,020	2,000	63,020
S Edwards	54,295	-	54,295	53,966	-	53,966
M Flowers *	-	2,000	2,000	-	2,000	2,000
P Gibbons	-	2,000	2,000	-	2,000	2,000
T Lewis	54,295	-	54,295	53,174	-	53,174
M Lulich	58,366	-	58,366	56,499	-	56,499
H MacKenzie	-	15,648	15,648	-	15,337	15,337
G McDonald	58,366	-	58,366	56,899	-	56,899
C Milne	62,438	13,039	75,477	60,841	12,815	73,656
K Patterson * Resigned 10 Dec 18	-	3,500	3,500	-	6,982	6,982
P Steele	-	13,039	13,039	-	12,781	12,781
J Strahl Appointed 25 Mar 19	-	1,750	1,750	-	-	-
L Sutton	54,295	-	54,295	52,557	-	52,557
B Walshe *	-	43,031	43,031	-	41,429	41,429
Total	860,248	117,655	977,903	848,766	116,681	965,447
Total Number of Representatives	13	12	22	13	11	22

Due to the difficulty in determining the full-time equivalent for Councillors this figure is taken as the number of Councillors.

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

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

Meeting attendance of Elected Representatives 2019

MEETING	COUNCIL	POLICY AND REGULATORY	CITY DEVELOPMENT	FINANCE AND PERFORMANCE	COMMUNITY SERVICES	COMMUNITY PLAN	HUTT VALLEY SERVICES	WORKSHOPS
Number of meetings held	15	7	5	6	5	3	4	48
WR Wallace	12	5	3	5	4	3	2	40
G Barratt	15	-	5	6	5	3	-	44
C Barry	14	7	4	5	-	3	-	34
D Bassett	15	6	5	6	-	3	4	30
L Bridson	15	7	-	-	4	3	1	47
J Briggs	14	7	-	6	4	3	-	30
M Cousins	15	7	5	6	-	3	-	35
S Edwards	13	6	3	4	4	3	-	33
T Lewis	15	7	5	-	-	3	-	43
M Lulich	13	7	5	6	5	3	-	42
G McDonald	13	-	4	-	4	3	4	23
C Milne	14	6	5	6	1	3	-	36
L Sutton	13	6	4	5	4	2	1	42

Meeting attendance of Elected Representatives 2018

MEETING	COUNCIL	POLICY AND REGULATORY	CITY DEVELOPMENT	FINANCE AND PERFORMANCE	COMMUNITY SERVICES	COMMUNITY PLAN	HUTT VALLEY SERVICES	WORKSHOPS
Number of meetings held	11	6	5	6	4	4	4	36
WR Wallace	11	4	3	5	3	4	1	30
G Barratt	11	-	-	6	4	3	-	34
C Barry	10	5	4	4	1	4	-	28
D Bassett	11	5	4	5	-	4	2	28
L Bridson	11	6	-	-	4	3	4	32
J Briggs	9	4	-	3	3	4	-	27
M Cousins	11	6	5	6	-	3	-	29
S Edwards	11	6	5	6	4	4	-	34
T Lewis	11	6	5	-	-	4	-	35
M Lulich	11	6	5	6	4	4	-	33
G McDonald	10	-	5	-	3	4	4	27
C Milne	9	5	2	6	2	3	-	25
L Sutton	10	6	5	6	4	4	1	32
C Milne	12	-	-	4	4	4	-	22

Note: Where no number is shown, the councillor named is not a member of that committee. Cr Barry is not an appointed member of the Community Services Committee.

Employee staffing levels and remuneration

	COUNCIL		GROUP	
	2019	2018	2019	2018
Full-time equivalent salaried employees	394.14	390.76	405.49	402.01
Full-time equivalent waged and temporary employees	77.21	97.20	77.21	98.20
Total Full Time Equivalent	471.35	487.96	482.70	500.21
Total number of staff	536.00	548.00	548.00	562.00

Definition: One Full-time equivalent employee is a person in an employment relationship with Hutt City Council or Group employed to work 40 hours per week for the year.

The number of employees earning per annum.

SALARY RANGE	COUNCIL		GROUP	
	2019	2018	2019	2018
\$180,000 - \$379,999	2	4	3	5
\$140,000 - \$179,999	10	10	10	11
\$120,000 - \$139,999	9	5	12	6
\$100,000 - \$119,999	27	29	28	31
\$80,000 - \$99,999	56	53	56	54
\$60,000 - \$79,999	128	114	130	116
Less than \$59,999	304	333	309	339
Total	536	548	548	562

29. SEVERANCE PAYMENTS

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

	COUNCIL		GROUP	
	2019 \$	2018 \$	2019 \$	2018 \$
Severance payments	47,633	-	73,574	-
Number of employees	2	-	3	-

30. RELATED PARTY TRANSACTIONS

Council is the ultimate parent of the group and controls the following entities, being Urbanplus Limited (and their group), Seaview Marina Limited, Hutt City Community Facilities Trust, and has significant influence over Wellington Water Limited as an associate.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council and group would have adopted in dealing with the party at arms length in the same circumstances.

Related party disclosures have not been made for transactions with entities within the Council group (such as funding and financing flows) where the transactions are consistent with the normal operating relationship between the entities and normal terms and conditions for such group transactions.

Transactions with key management personnel

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Key management personnel costs				
Salary and other short term benefits	1,236	1,454	1,719	1,800
Post-employment benefits	37	37	48	44
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Total key management personnel costs	1,273	1,491	1,767	1,844
Total Full Time Equivalent	5	5	8	8

31. CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Property, plant and equipment				
- Water systems	-	-	-	-
- Roading network	12,668	7,451	12,668	7,451
- Buildings	494	-	494	4,633
Other	3,078	1,193	3,078	1,193
Intangible assets	-	-	-	-
Total capital commitments	16,240	8,644	16,240	13,277

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Operating leases as lessee

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Not later than one year	985	545	604	581
Later than one year and not later than five years	2,125	779	960	802
Later than five years	1,600	-	23	7
Total non-cancellable operating leases	4,710	1,324	1,587	1,390

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2018: \$nil).

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

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

Operating leases as lessor

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

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Not later than one year	-	-	640	637
Later than one year and not later than five years	-	-	2,061	1,933
Later than five years	-	-	1,241	819
Total operating leases as lessor	-	-	3,943	3,389

No contingent rents have been recognised in the statement of comprehensive revenue and expenses during the period.

32. CONTINGENCIES

Contingent liabilities

	COUNCIL		GROUP	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Financial guarantees	59	64	59	64
Waste water	724	1,376	724	1,376
Other legal proceedings	-	-	-	-
Total contingent liabilities	783	1,440	783	1,440

Financial Guarantees

The value of financial guarantees disclosed as contingent liabilities reflects Council's assessment of the undiscounted portion of financial guarantees owing by the other party to the guarantee as disclosed in their annual reports, that are not recognised in the Statement of Financial Position, to local community groups. Council has recognised \$nil (2018: \$nil) financial guarantees in the Statement of Financial Position.

Waste water

Council has entered into a cancellable contract for the operation of the wastewater treatment plant and associated facilities. The remaining term of the contract is 1 year and

payments are calculated based on volume. As this is the final year of the contract, no discount factor has been used to calculate the payment (2018: 6%).

Other legal proceedings

No information has been disclosed as any disclosure may seriously prejudice the outcome.

Unquantified claims

RiskPool provides public liability and professional indemnity insurance for its members. Council was a member of RiskPool until 30 June 2016. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contribution of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Superannuation schemes

Council is a participating employer in the Defined Benefit Plan contributors Scheme (the scheme), which is a multi-employer defined benefit scheme. If the participating employers cease to participate in the scheme, Council could be responsible for any deficit of the scheme. Similarly, if a number of employers cease to participate in the scheme, Council could be responsible for an increased share of any deficit.

Associate's contingent liabilities

There are no material contingent liabilities associated with the Wellington Water Limited (associate) (2018: \$nil).

Local Government Funding Agency

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

Council is one of 30 local authority shareholders (with the NZ Government being the other major shareholder) and 22 local authority guarantors of LGFA. LGFA has uncalled capital of \$20m of which Council's share is \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2019, LGFA had borrowings totalling \$9.84 billion (2018: \$8.27 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for

the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Ministry of Education claim against CHH and Council

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Hutt City Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claim. The judgement in January 2018 accepted that the 10 year long stop applies (this is likely to be appealed) but the claim was not struck out. The MOE's claim against CHH is for 833 school buildings, 11 of which are located within Lower Hutt. There is insufficient information to conclude on potential liability and claim quantum, if any.

Contingent assets

Council operates a system whereby community services and sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The community services and clubs control the use of these facilities and Council will only gain control of the asset if the community service/club vacates the facility, no other organisation is willing to purchase the facility and it is not removed (per the lease agreement). Until these events occur these assets are not recognised as assets in the Statement of Financial Position.

33. MAJOR BUDGET VARIATIONS

Explanations for major variations from Council's budgeted figures in the 2018/2019 Long Term Plan are as follows:

The statement of comprehensive revenue and expenses discloses the financial performance of Council and Group for the financial year ended 30 June 2019. The statement shows the operating revenue and expenditure as well as other transactions that have impacted on the Council's and Group's wealth. The following are the significant variances:

- Rates, excluding metered water supply rates is \$0.2M above budget. This variance from previous year is a result of increase in rates revenue based on CPI, growth and an additional 1% for rejuvenation projects.
- Fees, charges and metered rates for water supply is \$1.3M above budget. This is due to higher fees received at the landfill site.

- Subsidies and grants \$2.7M below budget. This is due to delays in capital projects impacting on funding from NZ Transport Authority.
- Other revenue is \$1.5M above budget. This is mainly a result of increased revenue from vested assets (\$1.5M).
- Gain on disposal is \$3.3M above budget. Gain on disposal are not budgeted for.
- Other expenses is \$7.4M above budget. This is a result of large capital project funding projects (e.g.: Fraser Park Sportsville \$2.8M), increased insurance premiums (\$0.5M), increased funding for the Development Stimulus Package (\$1.5M) and for other specialist services (\$2.2M) relating to IT and Riverlink projects which were initial budgeted for as capital projects but transferred to operational expenditure.
- Loss on revaluation of financial instruments is \$11.6M above budget. The variance is a result of moving interest rates. Loss on revaluation are not budgeted for.
- The above have contributed to net deficit after tax result of \$14.7M above budget.
- Impairment Losses on revalued property is \$10.6M above budget. This figure represents the impairment of 3 earthquake prone building assets which have been removed from their intended purpose.
- The above has contributed to total comprehensive revenue and expenses of \$25.2M below budget.

The statement of financial position (that is, what council own and owe) is as at 30 June 2018. The following are significant variances in the statement of financial position:

- Cash and cash equivalents is \$9.3M below budget. This is partly due to surplus cash of \$3M being held on term deposits in excess of 90 days (refer other assets) and lower level of borrowings achieved resulting in expenditure being funded from cash holdings. Also refer to cash flow explanations.
- Debtors and other Receivables is \$2.2M higher than budget. This is mainly due to the timing of invoices pertaining to Dog Registration Renewal as at 1 July 19, but raised in May 19.
- Prepayments is \$4.1M higher than budget. This is due to Council entering into an 18 month insurance contract and the balance represents 8 months left to run (\$1.3M). Council entered into an arrangement with our software provider whereby \$1M of software licence fees was partly prepaid for a period of 7 years. Prepayments are not budgeted for.
- Other assets is \$11.0M below budget. This is due to budget reflecting borrowings to its CCO as current assets, when in fact the term of the borrowings are terms longer than one year (\$19M). This is offset by cash being held on term deposits greater than 90 days (\$3M).

- Intangible assets is \$3.3M below budget. This is mainly due to Cloud software expenditure intended to be capitalised was transferred to licence fees prepayments as the arrangement does not carry any ownership rights.
- Assets under construction is \$22.2M below budget. This is due to the delay in the timing various projects.
- Investments in CCO is \$14.6M above budget. This is due to part of the intercompany borrowing moving from the current timeband.
- Current and Non current derivative financial instruments is \$13.4M above budget. This is due to the revaluation of Council's interest rate swap portfolio.
- Creditors and other payables are \$3.7M above budget. This is due to timing of payments to suppliers for operational and capital expenditure.
- The accumulation of the above results in Net Assets and Equity being \$31.5M below budget.

The following are significant variances in the statement of cash flows:

- Cash flow from operations is \$9.8M below budget is largely due to delays in capital project impacting on NZ Transport Authority and increase payments to suppliers as noted above.
- Cash flow from Investing \$24.0mil below budget relates to the maturity of \$20M term investment from last year, off set by lower level of capital projects.
- Cash flow from financing \$9.8M below budget relates to lower level of borrowings required to fund capital projects.

Explanations for further budget variations are shown at the end of the financial performance statement for each activity.

34. CAPITAL MANAGEMENT

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are managed largely as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future

generations. Additionally Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Hutt City Council has the following Council created reserves:

- reserves for different areas of benefit
- trust and bequest reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to Trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

35. EVENTS AFTER THE BALANCE DATE

On the 26 September 2019, South Wairarapa District Council (SWDC) became a shareholder of Wellington Water Limited. Wellington Water Limited issued 150 Class A Shares and 25 Class B Shares to SWDC for a total consideration of \$50,000.00. For Hutt City Council, that will result in its shareholding, as disclosed in Note 19, being reduced to 17% Class A Shares and 20% Class B Shares.

During the 2018/19 financial year Hutt City Council, through Wellington Water Limited, entered into an 'operate and maintain' contract with Veolia, effective from 1 June 2020 for a 10 year period ending on 30 June 2030. The Hutt City Council has not yet determined the impact of the contract on the annual report for the year ending 30 June 2020 and beyond.

Subsequent to balance date the Reserve Bank reduced the Official Cash Rate (OCR) on 7 August to 1.0% and market interest rates have reduced. This will reduce interest costs on floating rate borrowings and increase the liability values for the existing floating to fixed interest rate swaps.

There have been no other significant events occurring after balance date.

RESERVE FUNDS

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surplus held in reserves are credited with interest. Council holds 12 reserves, with 5 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial balances for the 2018/2019 year:

	OPENING BALANCE JULY 2018 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2019 \$000
Council Created Reserves – Purpose of the Fund				
Reserve Purchase & Development (Parks and Reserves Activity)				
To provide for the purchase of land for reserves purposes or the development of existing reserves. The Fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the Fund is to provide open space and recreational opportunity to offset the effects of land use intensification.	5,935	4,502	(1,628)	8,809
Election Fund (Managing Services Activity)				
To annually provide for the cost of Council elections and by-elections.	150	-	-	150
Landfills Reserve (Solid Waste Activity)				
To set funds aside for the longer term replacement of the landfill. This figure has been capped at \$12million.	12,000	-	-	12,000
Waste Minimisation Reserve				
To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.	508	8	(9)	507
Wingate Landfill Reserve (Parks and Reserves Activity)				
To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	174	3	-	177

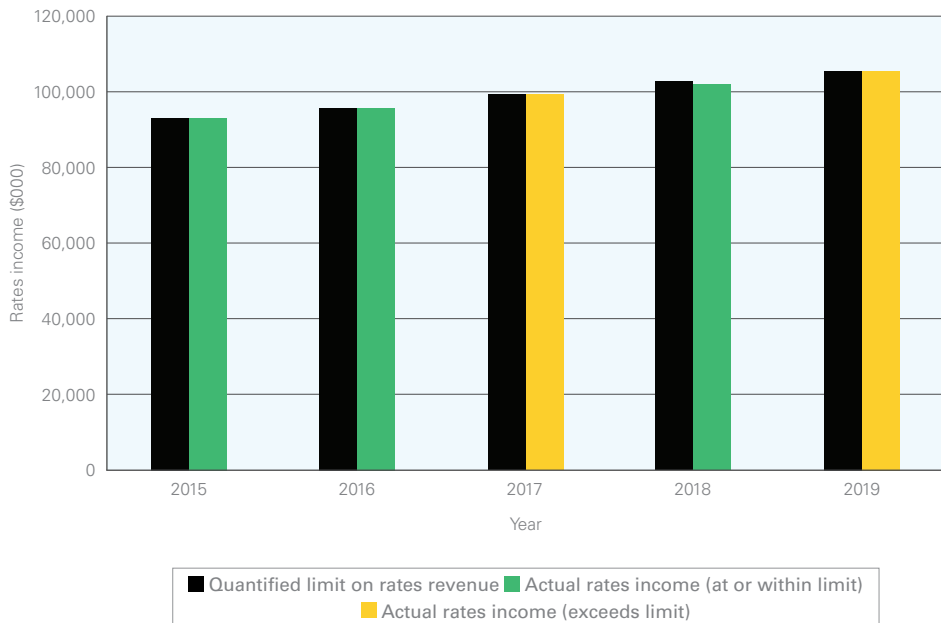
	OPENING BALANCE JULY 2018 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2019 \$000
Wingate Park (Parks and Reserves Activity)				
To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	169	2	-	171
Ex Hillary Commission Funds (Aquatics and Recreation)				
To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	6	1	-	7
Totals	18,942	4,516	(1,637)	21,821

	OPENING BALANCE JULY 2018 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2019 \$000
Restricted Reserves – Purpose of the Fund				
Taita Cemetery - JV Bently (Parks and Reserves Activity)				
The Council is contracted to maintain Plot 32/33 block 7, St James section in perpetuity. The plots contain Issac Young, Eliza Young and AG Talbut.	3	-	-	3
Lavelle Tree Bequest (Parks and Reserves Activity)				
To provide for the planting of trees in and around Hutt City on major thoroughfares.	32	1	-	33
JWT Adams Bequest (Museums Activity)				
To be utilised to establish and service a photographic collection for the Dowse.				
There is no specific expenditure plan for the coming ten years on the purchase of photographic items for the collection.	21	-	(21)	-
ML Talbut Bequest (Parks and Reserves Activity)				
To provide for the planting and maintenance of reserves.	14	-	-	14
Eastbourne Arts Trust (Museums Activity)				
To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.	15	-	-	15
Totals	85	1	(21)	65

PRUDENCE BENCHMARKS

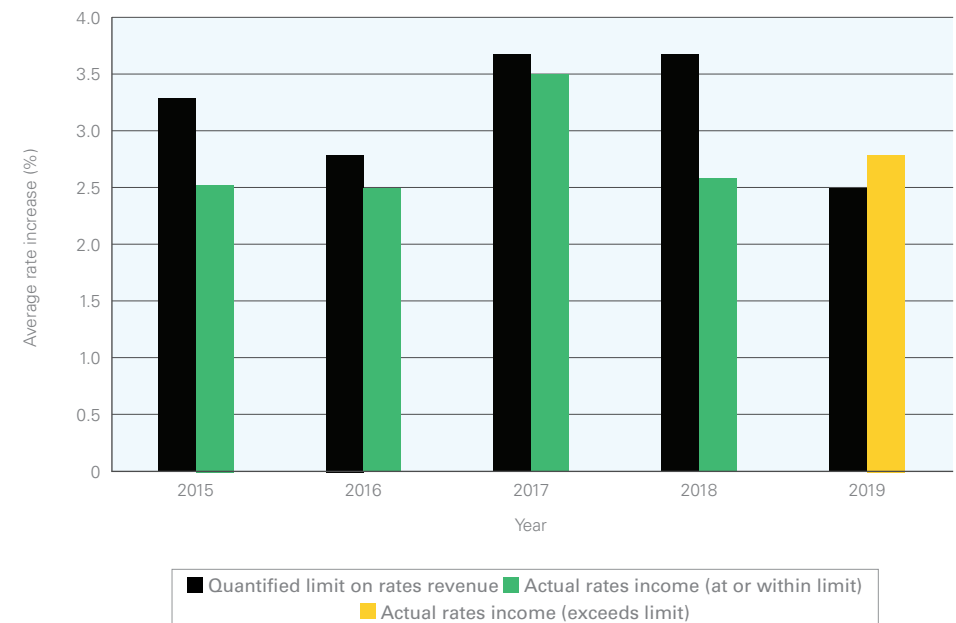
RATES (INCOME) AFFORDABILITY BENCHMARK

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in council's long term plan. The quantified limit is to increase rates by no more than inflation and an allowance for growth.



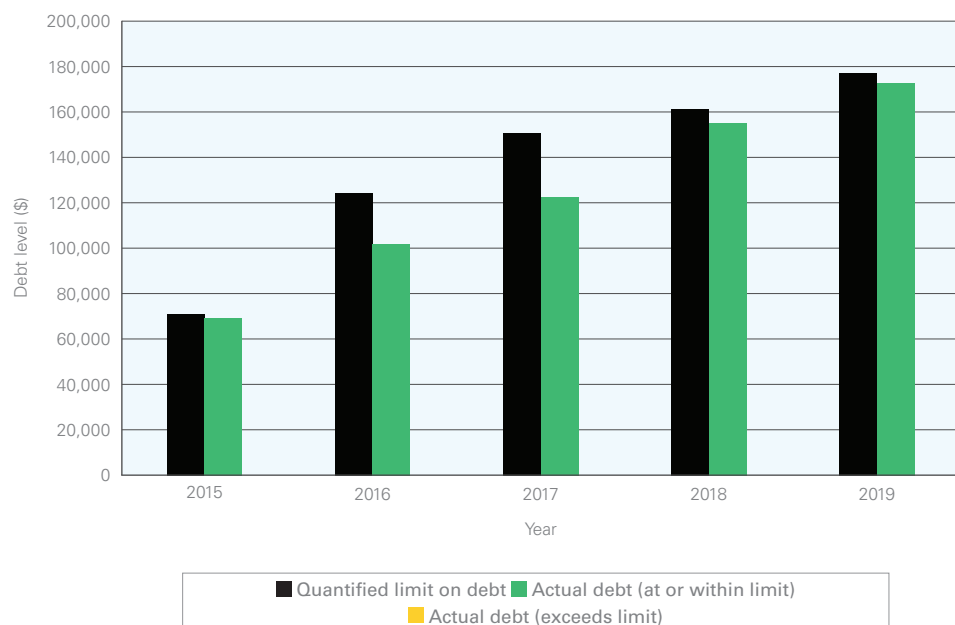
RATES (INCREASE) AFFORDABILITY BENCHMARK

The following graph compares Council's actual rates increase with a quantified limit on rates increases included in the financial strategy included in council's long term plan. The quantified limit is to increase rates by no more than inflation plus an allowance for growth.



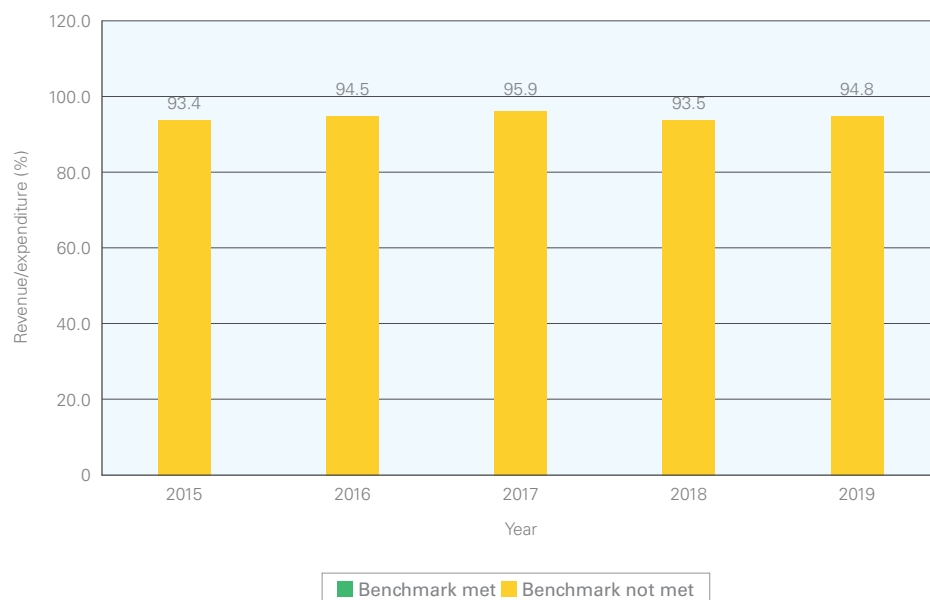
DEBT AFFORDABILITY BENCHMARK

The following graph compares council's actual borrowing as a percentage of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant or equipment) with a quantified limit on borrowing stated in the financial strategy included in council's long term plan. The quantified limit is to achieve debt levels below our annual target (as outlined in the long term plan).



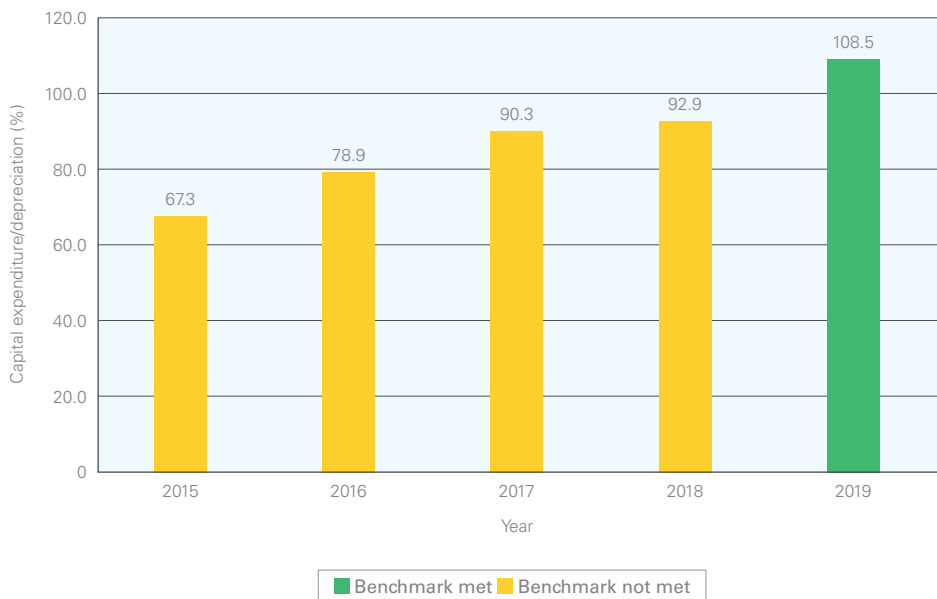
BALANCED BUDGET BENCHMARK

The following graph displays council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). Council meets this benchmark if its revenue equals or is greater than its operating expenses. In most cases, where the benchmark is not met is due to grants paid to the Community Facilities Trust which are being treated as an operating expenses but are being used to create community assets that would normally be treated as a capital expense.



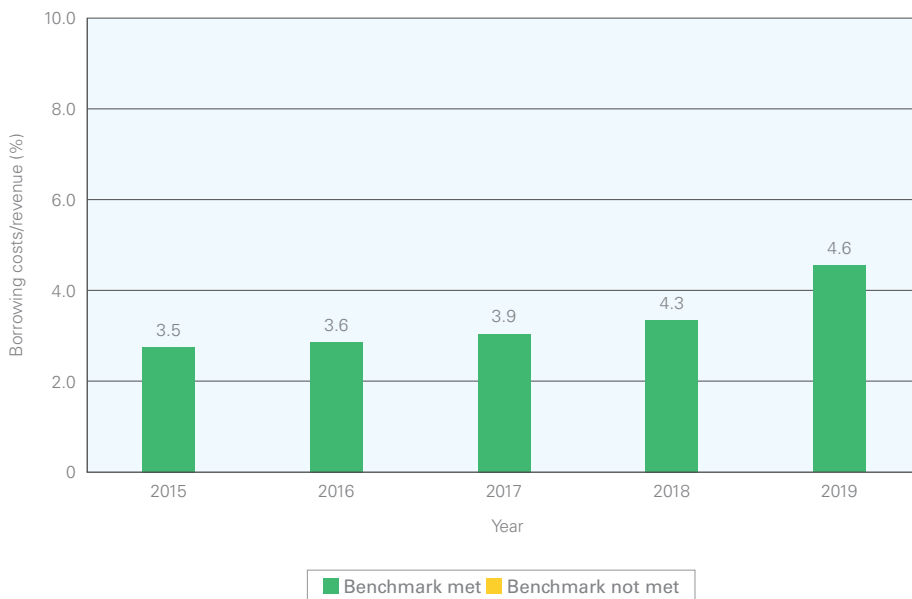
ESSENTIAL SERVICES BENCHMARK

The following graph displays council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



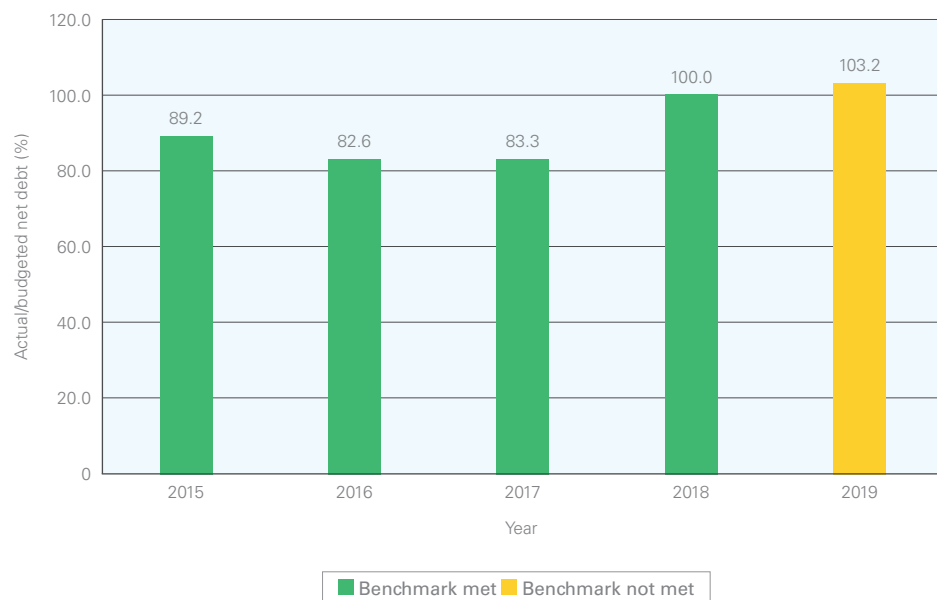
DEBT SERVICING BENCHMARK

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment). Because Statistics New Zealand projects Lower Hutt's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equals or is less than 10% of its revenue.



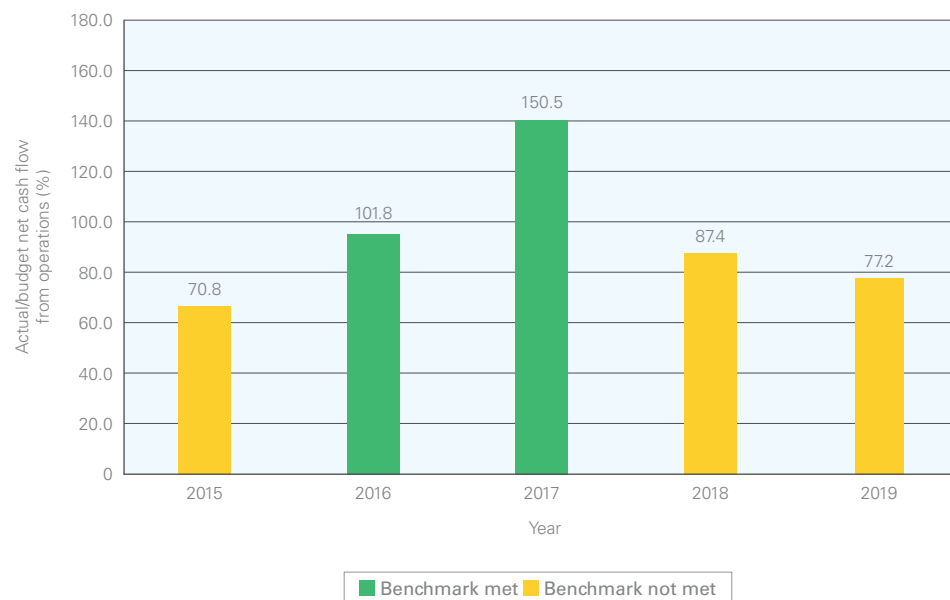
DEBT CONTROL BENCHMARK

The following graph displays council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONAL CONTROL BENCHMARK

The following graph displays council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operational control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



APPENDICES

OUR PROFILE

Lower Hutt is located at the southern end of the North Island of New Zealand. It is the second largest city in the Wellington region and borders onto the capital city, Wellington. The city has an area of approximately 38,000 hectares and over 40 kilometres of coastline. Lower Hutt has a vitality and uniqueness that is enhanced by its beautiful natural setting – a combination of hills, valleys, rivers and the sea. This setting offers residents the best of both worlds – the facilities and services provided by a major urban centre, as well as a central location for residents to enjoy a variety of outdoor pursuits.

SUMMARY

Land area	37,998 hectares
Population¹	
Northern Ward	16,250
Eastern Ward	17,800
Western Ward	16,750
Central Ward	17,150
Wainuiomata Ward	18,700
Harbour Ward	19,200
Total population	105,900
Number of households²	
Northern Ward	5,241
Eastern Ward	6,072
Western Ward	5,376
Central Ward	6,435
Wainuiomata Ward	5,982
Harbour Ward	6,888
Total households	35,988
Age¹	
0 to 14 years	20%
15 to 39 years	33%
40 to 64 years	32%
65 years and over	14%
Ethnicity²	
European	71%
Maori	17%
Pacific Peoples	11%
Asian	12%

¹ Sourced from subnational population data estimates from Statistics NZ to 30 June 2017

² Sourced from Statistics NZ Census Data 2013

HUTT CITY ASSETS

Total Councils assets as at 30 June 2019	\$1,544,208,000
Area of parks and reserves	3,760 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	485 km
Length of footpaths	683 km
Number of street lights	14,119
Length of wastewater pipes	678 km
Length of stormwater pipes	534 km
Length of water pipes	686 km
Rating system	Capital
Rateable units	39,489
Average rates per residential ratepayer	\$2,507
Capital value of rating units	\$26,631,839,500
Total land value of rating units (30 June 2019)	\$10,420,247,900
Capital value of the city (30 June 2019)	\$22,683,992,050

DEFINITIONS

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

ANNUAL PLAN

A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.

APPROPRIATION/APPROPRIATED

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

ASSET

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

ASSET MANAGEMENT PLAN

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

CAPITAL EXPENDITURE

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

CAPITAL VALUE

Value of land including any improvements.

COMMUNITY BOARDS

Local elected bodies set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.

COMMUNITY OUTCOME

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

COMMUNITY PANELS

Community Panels replace the previous community committee structure. Their role is to represent and act as an advocate for the interests of their communities. Hutt City Council has four community panels in the Central, Eastern, Northern and Western ward communities.

COUNCIL-CONTROLLED ORGANISATIONS (CCOS)

Companies in which Council is at least 50% shareholder that independently manage facilities and deliver services and undertake developments on behalf of the Lower Hutt community. Where necessary, Council funds these organisations.

COUNCIL-CONTROLLED TRADING ORGANISATIONS (CCTOS)

CCOs that operate a trading undertaking for the purpose of making a profit.

EMPLOYEE COSTS

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

FINANCIAL YEAR

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

FORECAST FINANCIAL STATEMENT

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

LAND VALUE

Value of land, excluding any improvements.

LOCAL GOVERNMENT ACT 2002

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

LONG TERM PLAN

A plan that describes the activities of the local authority, the community outcomes and long term focus for the decisions and activities of the local authority.

MAINTENANCE COSTS

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

MANA WHENUA

People with the mana of the land.

N/A

Not applicable.

OPERATING EXPENDITURE

Expenditure for the normal services of Council.

OPERATING PROJECTS

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



PERFORMANCE MEASURE

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

RATES

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

SUPPLIER COSTS

Expenditure for the purchase of general goods and services.

SUPPORT COSTS

The internal allocation of expenditure incorporated in the City Leadership activity.

TAONGA

A highly prized resource.

TARGETED RATES

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

TE ATIAWA

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

TE RUNANGANUI O TARANAKI WHANUI KI TE UPOKO O TE IKA A MAUI

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

USER CHARGES

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

SOURCE OF INFORMATION FOR LEVEL OF ACHIEVEMENT

Our Annual Report indicates the source of information for each performance measure in the interest of improving accountability and transparency. A more detailed discussion of the main sources of information is provided below.

KEY RESEARCH SURVEY

Key Research is a Tauranga based, full service, independent market research agency. The company belongs to the Key Research Group and provides consultancy and market research for many high profile clients both in New Zealand and overseas. These clients include numerous city, district and regional councils and territorial authorities in New Zealand and Australia.

Key Research has conducted resident satisfaction surveys for Hutt City Council since 2016. The telephone based survey is conducted quarterly with 100 residents interviewed every quarter to provide an annual total of 400 interviews. Randomised sampling methods are used to access residents over the age of 18 with quotas applied for ward, age, gender and ethnicity to ensure a representative sample. Post data collection the sample is weighted to ensure it resembles known population distributions.

A sample of 400 provides a maximum margin of error of +/- 4.8% (at the 95% confidence interval). The margin of error increases as the sample size decreases, as with sub-groups, meaning the associated results are less precise.

Satisfaction/performance is rated on a 10-point scale where 1 equals very dissatisfied/poor and 10 equals very satisfied/excellent. To make the results easier to interpret, 'satisfied' and 'good' scores have been calculated. This is the percentage of residents who provided a rating of 6 or more out of 10. Those who were unable to comment on the specific service being measured were excluded from the calculation.

SURVEY OF ELECTED AND APPOINTED MEMBERS

As part of its commitment to continuous improvement, Hutt City Council commissions an annual survey of

Councillors' and community board/panel members. The survey explores the organisation's performance in providing advice to members. The survey for 2018-19 was conducted by Peter Glen Research.

MANAGEMENT REPORTS

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

BEST WORKPLACES SURVEY

Each year until 2018 we completed IBMs Best Workplaces Survey, formerly known as the Kenexa Best Places to Work Survey. This survey provided Council with important information on how staff view Council, and how this compared with other organisations. IBM decided to withdraw their survey service in 2019, and Council is reviewing its options to enable future surveys to be run.



CONTACT DETAILS

Contact the Mayor or any Councillor:

Address: Administration Building, 30 Laings Road,
Lower Hutt 5010

Postal Address: Private Bag 31 912, Lower Hutt 5010

Telephone: 04 570 6666

Facsimile: 04 569 4290

After Hours Emergencies: 04 570 6666 | 0800 Hutt City

Website: huttcity.govt.nz

Email: contact@huttcity.govt.nz

Facebook: [facebook.com/HuttCityCouncil](https://www.facebook.com/HuttCityCouncil)

Twitter: twitter.com/HuttCityCouncil

Strategic Leadership Team:

Jo Miller CEO

Telephone: 04 570 6773

Email: jo.miller@huttcity.govt.nz

Brent Kibblewhite GM Corporate Services

Telephone: 04 570 6939

Email: brent.kibblewhite@huttcity.govt.nz

Helen Oram Acting GM City Transformation

Telephone: 04 570 6915

Email: helen.oram@huttcity.govt.nz

Matt Reid GM City and Community Services

Telephone: 04 570 6761

Email: matt.reid@huttcity.govt.nz

Lyndon Allott, Chief Information Officer

Telephone: 04 570 6739

Email: lyndon.allott@huttcity.govt.nz

Visit the city's libraries:

WAR MEMORIAL LIBRARY

Address: 2 Queens Drive, Lower Hutt

Telephone: 04 570 6633

EASTBOURNE COMMUNITY LIBRARY

Address: 38 Rimu Street, Eastbourne

Telephone: 04 562 8042

MOERA COMMUNITY LIBRARY

Address: 175 Randwick Road, Moera

Telephone: 04 568 4720

NAENAE COMMUNITY LIBRARY

Address: Hillary Court, Naenae

Telephone: 04 567 2859

PETONE COMMUNITY LIBRARY

Address: 7 Britannia Street, Petone

Telephone: 04 568 6253

STOKES VALLEY COMMUNITY LIBRARY

Address: Koraunui Stokes Valley Community Hub,
186 Stokes Valley Road, Stokes Valley

Telephone: 04 562 9050

TAITA LIBRARY

Address: Walter Nash Centre, Taine Street, Taita

Telephone: 04 560 1094

WAINUIOMATA LIBRARY

Address: Queen Street, Wainuiomata

Telephone: 04 564 5822





HUTT CITY
TE AWA KAIRANGI