

Matters relating to the electronic presentation of the audited financial statements, non-financial performance information and the other requirements

This audit report relates to the financial statements, non-financial performance information and the other requirements of Hutt City Council and group for the year ended 30 June 2011 included on Hutt City Council's website. The Council is responsible for the maintenance and integrity of Hutt City Council's website. We have not been engaged to report on the integrity of Hutt City Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, non-financial performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, non-financial performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, non-financial performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, non-financial performance information and the other requirements as well as the related audit report dated 28 October 2011 to confirm the information included in the audited financial statements, non-financial performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



HUTT CITY COUNCIL
ANNUAL REPORT
TO 30 JUNE 2011



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Water, water everywhere
- our rivers and beaches
provide our families with
hours of fun and recreation.

INTRODUCTION





Our 2011 Annual Report showcases the highlights of the year and records progress in our continuing drive to make Hutt City a great place to live, work and play.

The joy of living in Hutt City's outdoors is not just for the thrill seekers but for the recreational walkers and cyclists too.

Relationships with councils in the Wellington region have continued to strengthen during the year with joint purchasing contracts assisting in the reduction of costs incurred by all. There have been numerous other benefits with the regional library partnership generating a new service for our residents in the form of a regional library card and catalogue. This will provide a one card access to libraries across the region in what is a significant development.

During this past year, we developed our first joint waste management and minimisation plan which will benefit the city in the long term by extending the life of our landfills. Environmental projects have been a focus for council and, during the year, we were the first in New Zealand to obtain the international environmental management ISO 14001 accreditation for all areas of our business. This is a major acknowledgement of the progress being made by council in pursuing a path of environmental sustainability.

Work on core infrastructure included resealing roads and extension of the cycleway network. Reservoir strengthening and renewal of aging water mains ensured priority issues were addressed with our water supply. Progressive replacement of the stormwater pipeline continued while areas prone to flooding were also addressed during the year. This included a continuation of work on the Black Creek upgrade in Wainuiomata.

The new Silverstream landfill was officially opened during the period. This is one of the most modern landfills in New Zealand and was recognised as an outstanding project by the Association of Consulting Engineers New Zealand.

The Hutt Valley safe city programme within Lower Hutt continued during the year. We have progressively installed CCTV cameras throughout the CBD, Stokes Valley and, in cooperation with the Jackson Street Programme, Petone's Jackson Street. These initiatives, together with volunteer community patrols, have seen the rate of crime within Hutt City reduce in the year. Other community activities include revival of neighbourhood support groups and a start-up junior neighbourhood support programme pilot. A concentrated effort was made to eradicate and control graffiti across the city. A new graffiti officer was appointed and moves made to introduce a local bill to allow access to private property for the purpose of removing graffiti.

Steady progress has been made on the first stage of the council Making Places programme designed to enliven the Central Business District. The City Square project adjacent to the Dowse Gallery in Laings Road was started. Initial design work has begun on the Riverside Promenade, and plans put in place for a night market within the CBD. Vision Seaview Gracefield 2030 has also progressed with development of a work plan for the area.

Our libraries, museums, pools, parks, recreation programmes and events continue to be popular with residents. Walter Nash Stadium had another busy year. The stadium is part of a larger Taita centre development project that aims to bring the library, hall, fitness centre, cafe and an expanded stadium into one space.

The council is also considering planned replacements and upgrades of various city recreation facilities over the next 20 years. Public-private partnerships are being investigated and opportunities explored through Sportville partnerships at Fraser Park, Petone and Wainuiomata. Following consultation through this year's annual plan process, the scheduled replacement of McKenzie Pool was deferred for a year while these investigations continue.

The impact of the world-wide financial constraints and the Christchurch earthquake have placed additional pressures on the council during the year as it managed the delivery of existing services while introducing new services and upgraded facilities within a tight financial environment.

We would like to thank all the people of Lower Hutt – including councillors, community board members, committees, and council staff – for your continuing efforts to make our city a great place to live, work and play.

Ray Wallace
MAYOR

28 October 2011

Tony Stallinger
CHIEF EXECUTIVE

28 October 2011

STRATEGIC FRAMEWORK





Circus performers at the Petone Winter Carnival help transform the foreshore into a carousel of vibrant energy.

Our strategic framework shows how we're working with our communities and partners to make Hutt City a great place to live, work and play.

We prepare a ten year plan every three years in consultation with our community. This outlines the Council's vision for the city as a great place to live, work and play.

The Wellington Regional Strategy outcomes and Hutt City outcomes are the goals that we've set for the future in consultation with our residents, businesses and other organisations. We've identified strategies to deliver the vision, addressing environmental, economic, social and cultural aspects of community wellbeing.

We also publish an Annual Plan each year listing the activities and projects planned to support the strategies over the ten year timeframe.

The council organisation is divided into five groups – People, Utility Services, Environment, Economy and Organisation. Each group is divided into the significant activities that make up that group. We set overall organisational key performance indicators addressing budget management, customer satisfaction, staff perceptions, project completion and compliance. We also set performance targets for each of our 18 significant activities. The next few chapters outline the contribution these groups and activities are making to the achievement of Hutt City outcomes, and to making the city a great place to live, work and play.

As an organisation we also have a vision of what we want to achieve for our community – a better city, every day – and values that reflect how we will go about our work. Priorities and targets that will assist us to achieve our vision have been identified in our Strategic Leadership Team business plan. The contribution to be made by the various groups and divisions of council, and the individuals within those groups and divisions, is set out in business plans and individual performance agreements. These reflect our continuing journey to improve the lives of people living and working in Hutt City.



VISION FOR HUTT CITY





Surrounded by the beauty of nature, Hutt City offers residents a rich variety of places they can call home.

Our vision is to make Hutt City a great place to live, work and play. The Annual Plan outlines how we're working towards achieving this vision. This Annual Report measures performance against the targets set in the Annual Plan for the 2010/11 year.

HUTT CITY COUNCIL

Hutt City Council was established in 1989 after the amalgamation of the former Lower Hutt City, Eastbourne Borough, Petone Borough and Wainuiomata District Councils, and the Hutt Valley Drainage Board. The council area covers the city of Lower Hutt.

Our purpose is to enable democratic local decision-making in order to promote the social, economic, environmental and cultural wellbeing of the city and its residents in the present and for the future.

Our roles include:

- Providing leadership for the city.
- Advocating with other agencies on behalf of the local community.
- Administering and enforcing various pieces of legislation.
- Ensuring the sustainable development of local resources.
- Managing our local infrastructure sustainably.
- Environmental management.
- Planning for the future needs of the city and its people by developing a strategic vision.
- Taking responsibility and accountability for the direction and control of our activities while pursuing the outcomes the community has identified as priorities.

COUNCIL GOVERNANCE

Hutt City Council is governed by a Mayor and 12 councillors, with the Mayor elected on a city-wide basis. The city is divided into six wards: Northern, Eastern, Central, Western, Harbour and Wainuiomata – and each has two councillors. The councillors elected to represent those wards are required to exercise their powers in the best interests of the city as a whole.

COMMUNITY BOARDS AND COMMUNITY COMMITTEES

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

Each community board has six members elected by the community, plus two councillors from that ward appointed by Council. The only exception is the 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 or concern.
- Make an annual submission to Council on projects and expenditure in the community.
- Maintain an overview of services provided by Council within the local community.
- Be a channel of communication between the community and Council.
- Undertake any other responsibilities delegated by Council.

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

OUR MANAGEMENT STRUCTURE

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

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

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

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

In the last year council management, through its Strategic Leadership Team, focused on four priority areas:

PRIORITY AREA	ORGANISATIONAL OBJECTIVES
Services	Delivering excellent and innovative services that provide value for money
Staff	Providing staff with the environment, skills, information and tools they need to do their jobs
Growth	Leading the city's growth and development to ensure a vibrant and thriving Hutt City
Environment	Taking action in response to the communities' changing economic, environmental, social and cultural needs

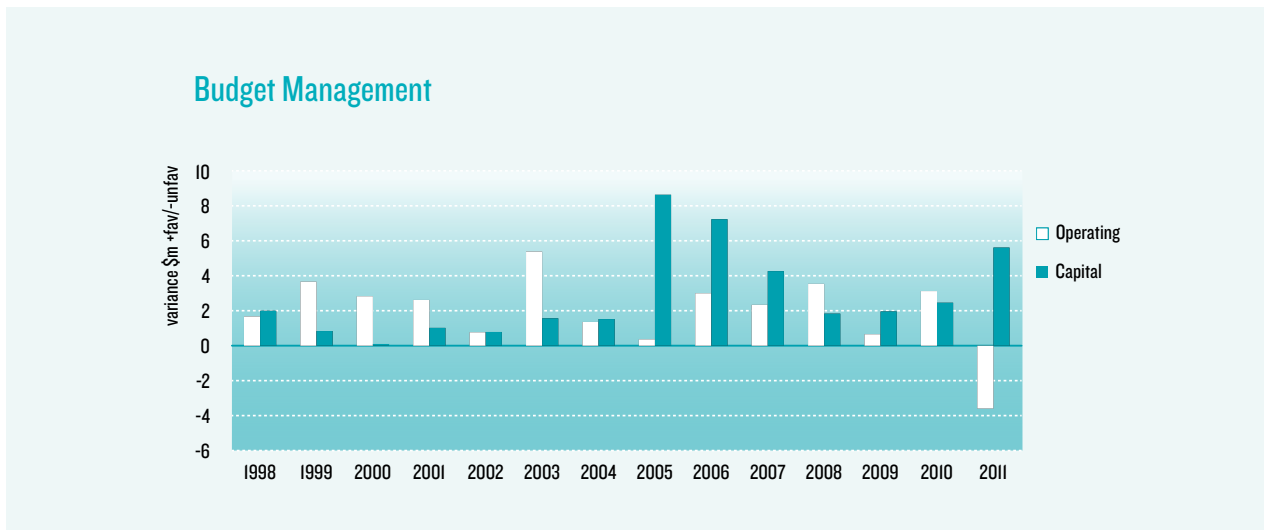
We've identified the following key performance indicators for these areas, which are additional to the performance measures and targets for each of our 18 significant activities

KEY PERFORMANCE INDICATORS

Budget management

This key performance indicator compares our results with the budget.

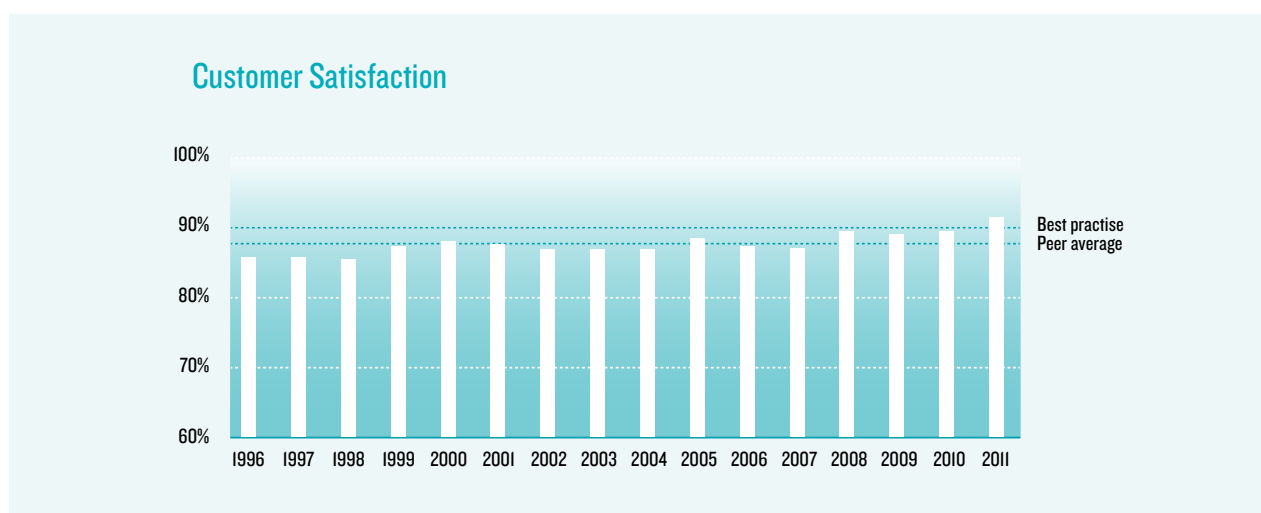
This year is the first year Council has had a negative result compared to budget. Capital projects were deferred to keep debt levels down due to delays in planned asset sales. Operational surpluses were not achieved with higher levels of operating expenses than budgeted. Operating and capital surpluses compared with budget were achieved in every other year since 1998. We also operate within Council's financial strategy and have met the target of keeping the increase in rates income to no more than 0.5% above the rate of inflation.



Customer satisfaction

We monitor customer satisfaction levels through an independent annual survey. We've achieved steady results that are above the average of our peer councils, and we're committed to continuing to improve.

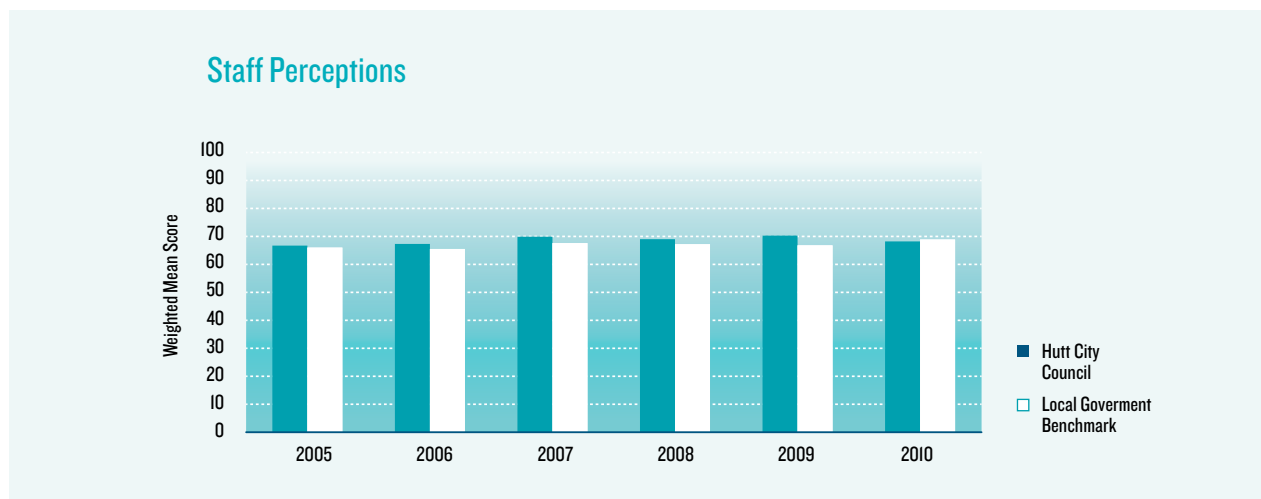
See the reports on each activity for a breakdown of customer satisfaction results.



Staff perceptions

We measure staff perceptions using the John Robertson & Associates' 'Best Places to Work' survey.

The graph below depicts the overall HCC performance index score (68.3%) compared to the overall local government performance index score (69%). A weighted mean score is used for calculating the performance index. These scores range between 0% and 100% and capture the distribution of responses across the entire response scale rather than just the agree/strongly agree responses. Current initiatives to support our people include enhancing our leadership and management capability, a strong internal communications strategy, learning and development opportunities, and health and wellbeing initiatives.

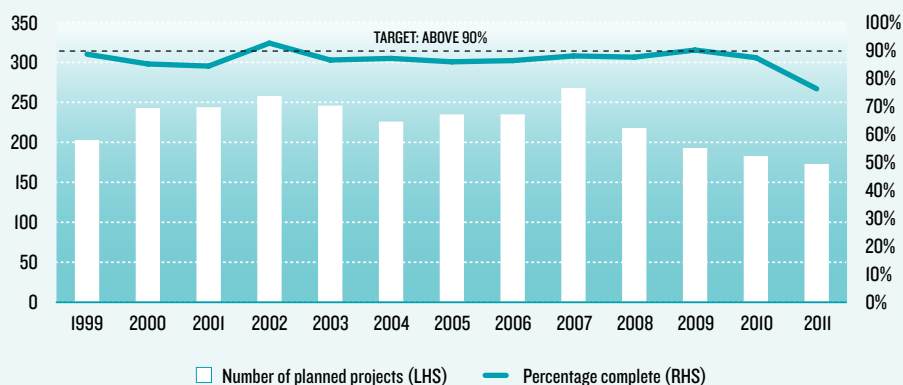


Project completion

Every year we commit to up to 300 projects through our Annual Plan. Inevitably, some of these projects can't be completed during the year for various reasons such as unseasonal weather, so we usually carry them into the next financial year and complete them then. For this reason we have a target of completing at least 90% of projects scheduled for the financial year.

However in 2010/11 we were also faced with potential higher debt due to delays in some of the planned asset sales, and Council agreed to delay a number of capital projects in order to keep debt levels down. While the level achieved is below the target of 90%, this would have been achieved if the delayed projects were excluded from the following graph.

Project Completion



The major projects completed during 2010/11 included: Libraries Stock Replacement, Stokes Valley Pool Energy Efficiency Projects, Hutt Park Development, Wharves Maintenance, Korohiwa Bus Barn Redevelopment, Cycleways Continued Development, the Normandale Road below Poto Road section of the Sub Standard Roads Upgrade, Silverstream Landfill Stage 2 Design and Construction, phase one of the Dowse Square (as part of CBD Making Places), Digitisation of Council Core Information, and Core Financial and Regulatory System Replacement.

A number of projects scheduled for 2010/11 weren't completed and have been carried forward to 2011/12. Projects involving the carryover of sums in excess of \$100,000 include:

McKenzie Pool Replacement – Detailed design work has been deferred until 2011/12 to allow further investigation of possible options.

Connolly Street Stopbank – This has been deferred to 2011/12 due to delays with the project which is being managed by Greater Wellington Regional Council.

DBO Main Outfall Leak Investigations & Repairs – This project has been deferred due to the lack of suitable contractors to do this work as a result of the Christchurch recovery.

Trunk DBO Type A Network Development – Delays with this project have resulted in most of the physical work being deferred to 2011/12.

Trunk DBO Pipeline Cyclic Replacement - Delays with this project have resulted in most of the physical work being deferred to 2011/12.

Black Creek Stage 3 – While progress was made on this project during the year, delays have resulted in much of the physical work being deferred to 2011/12.

Boulcott Stopbank Contribution - This work was to have been done in conjunction with Greater Wellington Regional Council stopbank construction but has been deferred to 2011/12 due to delays with the project.

Wainuiomata Bush Fire Force Headquarters – This project has been deferred to 2011/12 due to a change from constructing to purchasing a building that will require a fit out only and associated design and consents.

CBD Making Places – This project has progressed with work completed on phase one of the Dowse Square and the final phase of the project deferred to 2011/12.

Suburban Shopping Centres Improvements Including Stokes Valley – These projects have been delayed with part of the projects deferred to 2011/12 to complete work started in Naenae and Stokes Valley.

Wainuiomata Catchment Sewer Renewals – This was a two part project with the first part completed and the second part deferred to 2011/12 as part of the approved measures to reduce the year end debt.

Other projects deferred to 2011/12 as part of the approved measures to reduce the year end debt included: Community Halls Improvements, Little Theatre Improvements, Toilets Upgrade, Vista Grove Sewer Replacement, Stormwater Renewal Jackson Street, Core Business Application Enhancement, Desktop Operating System Upgrade and Mobile Devices.

Compliance

As we're a significant and complex business operating in a wide variety of areas, it's vital that our staff, contractors and other business associates comply with the law, contracts, consents, employment agreements, health and safety requirements and Council policy.

We monitor this compliance on a monthly basis, with a target of having no significant non-compliance instances. We've achieved this every year since 2004. While there have been some minor breaches, these have been remedied with no significant impact on our operations.

YEAR	NON-COMPLIANCE INSTANCES	
	INSIGNIFICANT	SIGNIFICANT
2004	9	–
2005	6	–
2006	1	–
2007	3	–
2008	1	–
2009	1	–
2010	1	–
2011	2	–

SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

Group People – primarily focused on making Hutt City a great place to play

Group Utility Services and Group Environment – contributing to making the city a great place to live

Group Economy – making Hutt City a great place to work

Group Organisation – reporting on council's internal activities that contribute to all community outcomes.

Each group is divided into the significant activities that make up that group.

GROUP ORGANISATION PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Elected Members	Two out of three performance measures achieved
Advice and Support	All performance measures achieved
Managing Services	All performance measures achieved

Under Elected Members, Council has a target of improving residents' satisfaction with our public consultation. In 2009/10 90% of residents were satisfied with our public consultation and this figure remained at 90% for 2010/11.

GROUP ORGANISATION FINANCIAL SUMMARY

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-11 \$000	ANNUAL PLAN 30-JUN-11 \$000	ACTUAL 30-JUN-10 \$000	ACTUAL 30-JUN-11 \$
Elected Members	(1,911)	(1,904)	(1,680)	19.56
Advice & Support	(4,020)	(4,314)	(3,911)	41.15
Managing Services*	2,103	2,253	1,897	(21.52)
* The rate requirement figures are shown excluding total rate income.	Note: The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2010/11 Annual Plan and the previous year.		Note: The rate requirement per resident shows the average cost to each individual in the city for the listed Council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.	

ELECTED MEMBERS

What we do

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

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

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

Why we do it

This structure ensures sound governance and robust decision-making within Hutt City.

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with the Mayor's and councillors' performance: \geq 90%	91% (peer average 90%)	95% (peer average 91%)	87%	96% of residents who expressed an opinion were satisfied. 14% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with the way we spend their rates: \geq 83%	82% (peer average 75%)	86% (peer average 76%)	80%	88% of residents who expressed an opinion were satisfied. 7% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with our public consultation: Improvement	New measure for 2009/10	90% (no peer average)	N/A	90% of residents who expressed an opinion were satisfied. 4% of residents did not express an opinion.	NRB Communitrak Survey

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Elected Members - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	9	4	5	6
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	-	-	-	-
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	9	4	5	6
EXPENDITURE				
Employee Costs	266	1,015	749	215
Support Costs	766	727	(39)	704
Operating Costs	884	166	(718)	767
Finance Cost	-	-	-	-
Depreciation and Amortisation	4	-	(4)	-
Total Expenditure	1,920	1,908	(12)	1,686
DEFICIT BEFORE TAX	(1,911)	(1,904)	(7)	(1,680)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(1,911)	(1,904)	(7)	(1,680)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(1,911)	(1,904)	(7)	(1,680)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	4	-	4	-
Total Loan Funding Requirement	4	-	4	-
TOTAL FUNDING REQUIREMENT	(1,907)	(1,904)	(3)	(1,680)

Significant Operating Variations from LTCCP

Councillors' remuneration which had been budgeted as an employee cost was charged as an operating cost as these are treated in the same way as directors' fees rather than the payment of salaries or wages.

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

There were no significant asset acquisitions or replacements or variations from the LTCCP.

ADVICE AND SUPPORT

What we do

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

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Councillors are satisfied or more than satisfied with the formal advice they receive from staff: 80%	90%	88%	N/A	88%	Survey of Elected Members
Councillors are satisfied or more than satisfied with responses to requests for help from staff: 80%	100%	88%	N/A	95%	Survey of Elected Members
Community board and community committee members are satisfied or more than satisfied with the formal advice they receive from staff: 80%	Insufficient numbers of survey forms were returned to ensure a statistically robust analysis	88%	N/A	88%	Survey of Elected and Appointed Members
Community board and community committee members are satisfied or more than satisfied with responses to requests for help from staff: 80%	Insufficient numbers of survey forms were returned to ensure a statistically robust analysis	88%	N/A	95%	Survey of Elected and Appointed Members

Advice and Support - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	-	-	-	-
Operating Contributions	-	6	(6)	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	164	140	24	5
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	164	146	18	5
EXPENDITURE				
Employee Costs	23	30	7	1
Support Costs	3,824	4,128	304	3,868
Operating Costs	337	302	(35)	47
Finance Cost	-	-	-	-
Depreciation and Amortisation	-	-	-	-
Total Expenditure	4,184	4,460	276	3,916
DEFICIT BEFORE TAX	(4,020)	(4,314)	294	(3,911)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(4,020)	(4,314)	294	(3,911)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(4,020)	(4,314)	294	(3,911)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	-	-	-
Total Loan Funding Requirement	-	-	-	-
TOTAL FUNDING REQUIREMENT	(4,020)	(4,314)	294	(3,911)

Significant Operating Variations from LTCCP

There were no significant operating variations from the LTCCP.

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

There were no significant asset acquisitions or replacements or variations from the LTCCP.

MANAGING SERVICES

What we do

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

Why we do it

The Managing Services activity supports all our other activities.

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Staff turnover: Less than 12%	10%	3.5%	N/A	11.37%	Monthly Management Reports
Legal and policy requirements: No significant instances of non-compliance	No significant instances of non-compliance	No significant instances of non-compliance	N/A	No significant instances of non-compliance	Monthly Compliance Reports
Work-related accidents: Fewer than six resulting in time off work	Six work-related accidents resulted in time off work	Seven work-related accidents resulted in time off work	N/A	Four work-related accidents resulted in time off work	Monthly Management Reports

Managing Services - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	82,649	82,712	(63)	80,570
User Charges	1,066	884	182	1,033
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	335	150	185	305
Other Revenue	204	124	80	227
Vested Assets	-	-	-	-
Gain/(Loss)	2	-	2	139
Total Revenue	84,256	83,870	386	82,274
EXPENDITURE				
Employee Costs	8,459	9,056	597	8,497
Support Costs	(13,969)	(13,878)	91	(13,744)
Operating Costs	2,697	2,624	(73)	2,965
Finance Cost	166	(25)	(191)	565
Depreciation and Amortisation	2,151	1,128	(1,023)	1,524
Total Expenditure	(496)	(1,095)	(599)	(193)
SURPLUS BEFORE TAX	84,752	84,965	(213)	82,467
RATES FUNDING REQUIREMENT				
Surplus Before Tax	84,752	85,965	(213)	82,467
Add Capital Contributions	-	-	-	-
Rates Funded Debt Repayment	-	(247)	-	-
Total Rates Funding Requirement	84,752	84,718	(213)	82,467

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(1,097)	(1,235)	138	(959)
Capital Expenditure - Improving Services	(1,200)	(1,513)	313	(1,572)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	2,151	1,128	1,023	1,511
Rates Funded Debt Repayment	-	247	-	-
Total Loan Funding Requirement	(146)	(1,373)	1,474	(1,020)
TOTAL FUNDING REQUIREMENT	84,606	83,345	1,261	81,447

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Quality Of Life Study	26	25	(1)
Research - Monitoring & Evaluation Of Outcomes	77	20	(57)
Internet Design	20	20	-

Significant Operating Variations from LTCCP

Revenue was slightly over budget mainly due to extra rates penalty and interest income (Finance Revenue) offset by slightly less rates income. Expenditure was over budget mainly due to extra depreciation costs due to the capitalisation of the digitisation work and other IT projects, plus higher than expected interest costs from higher debt levels, offset by savings in employee costs mainly due to unfilled vacancies.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Additional Network Requirements	9	10	1
Corporate Application/Hardware Replacement	142	282	140
Core Business Application Enhancement	319	580	261
Digitisation of Council Core Information	678	561	(117)
Desktop Operating System Upgrade	-	150	150
Core Financial & Regulatory System Replacement	256	290	34
General Office Equipment	8	30	22
LIS aerial photos	59	30	(29)
Mobile Devices	-	170	170
Network Replacement	21	30	9
Internet Online Services	194	130	(64)
On Line Service Delivery to Staff	-	25	25
PC Replacement Programme	245	240	(5)
Printer Replacement Programme	29	-	(29)
Server Replacement, IT Storage & Disaster Recovery	257	140	(117)
Software Purchases	60	60	-
Telecommunications	20	20	-

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The digitisation of Council's core information continues with an overspend relating to extra work being required. Funds have been carried over to complete further work next year. Due to changed priorities costs were contained on Core Application Hardware Replacement, Core Business Application Enhancement, Desktop Operating System Upgrade and Mobile Devices and the unspent funds have been carried over to 2011/12 to continue these projects. Significant progress was made in upgrading Council's Core Financial & Regulatory Systems in 2010/11.

COUNCIL-CONTROLLED ORGANISATIONS

We operate three Council-Controlled Organisations: Seaview Marina Limited, Urban Plus Limited (formerly named Hutt Holdings Limited and trading as urbanplus) and Capacity Infrastructure Services Limited (trading as Capacity).

These organisations help in achieving our community outcomes by independently managing facilities, delivering services and undertaking developments on behalf of the Lower Hutt community.

SEAVIEW MARINA 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 Seaview Marina. The company has operated successfully in this capacity during the year.

Nature and scope of its activities:

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

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Complete an approved asset management plan within the agreed timeframe	In progress - A programme has been developed to provide the marina with an asset management system, which will provide Seaview Marina Limited with the ability to monitor maintenance as well as determine maintenance and capital expenditure. Over the first quarter of the 2011/12 financial year Seaview Marina Limited data will be transferred into this programme and it should be fully operational by 1 October 2011.
Deliver budgeted capital projects for the 2010/11 financial year within agreed timeframes and budget	Achieved - The Sea Centre development, which was the only major capital expenditure project for 2010/11, received a Certificate of Completion two weeks after the scheduled date and was within budget. It is now fully operational, with 92% of the building leased.
Deliver budgeted operating and maintenance activities for Seaview Marina Limited as detailed in the 2010/11 operational plan	Achieved - All operational and maintenance activities programmed for completion in the 2010/11 financial year were completed.
Manage and operate Seaview Marina Limited within its 2010/11 budget as approved by the Board	Not Achieved - The final profit for the 2010/11 financial year was \$102,858. The downturn in the economy impacted significantly on occupancy rates, as did the higher than expected allocation of Sea Centre depreciation and the inability to capitalise the legal fees for preparation of leases.
Provide an agreed Return On Investment to the Hutt City Council of 6.5% in the 2010/11 year	Not Achieved - Because Year End profit after tax, as explained above, was significantly lower than budget, the final Return On Investment for the year was 2.5%.
Achieve targeted marina berth, trailer park, hardstand and Sea Centre occupancy rates and targeted boat hoist lifts	Not Achieved - With the downturn in the economy over the last six months, occupancy rates have decreased. Trailer park occupancy averaged 95% for the year compared to a target of 100%, while marina berth occupancy rates averaged 92% against a target of 93%. The hardstand occupancy has had little or no effect as a result of economic conditions, with leases of cradles on hardstand totalling 6806 cradle days against a target of 5500. Occupancy of the Sea Centre was 92% at year end against a target of 80%. Boat hoist lifts were 595 for the year against a target of 600 lifts. Seaview Marina Limited is targeting its advertising on increasing the demand for marina berths and trailer parks.

URBAN PLUS LIMITED

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

This company was re-established in 2007 as a Council-Controlled Trading Organisation.

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

Nature and scope of its activities:

Until May 2007, the company was essentially non-trading. In December 2006 Council resolved to transfer its social housing assets and property management functions to the company and to re-establish the company for this purpose. The transfer of the assets was completed in May 2007.

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Property management	
Net capital and operational expenditure within budget	Achieved
Resident satisfaction with public halls greater than or equal to peer average, subject to Council funding	Achieved 97% Peer average 94% Note: 97% of residents who expressed an opinion were satisfied. 33% of residents did not express an opinion.
Resident satisfaction with public toilets greater than or equal to peer average within 5 years, subject to Council funding	Achieved 79% Peer average 74% Note: 79% of residents who expressed an opinion were satisfied. 30% of residents did not express an opinion.
Tenant satisfaction with Council-owned community buildings greater than or equal to 90%	Achieved 92%
Council satisfaction with building management 90%	Achieved 92%
Rental housing	
Net capital and operational expenditure within budget	Not Achieved - The housing maintenance budget was over expended due to much higher levels of routine and reactive expenditure arising from tenants vacating, water cylinder failures and damage from break-ins.
A Return On Investment in line with market norms for the nature and condition of the property portfolio	Not Achieved - A positive return on investment was not achieved due to the reasons stated in the row above.
Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90%	Achieved 95%
Percentage of total housing units occupied by the elderly/ socially disadvantaged greater than or equal to 85%	Achieved 94% Note: As at August 2011 of the 216 units in total, which includes Council-owned properties, 12 units are rented to public tenants
Retain at least 180 housing units with the objective of growing this number to a minimum of 210 by 2013	Achieved 186

CAPACITY INFRASTRUCTURE SERVICES 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 Council and Wellington City Council. The company has operated successfully in this capacity during the year.

Nature and scope of its activities:

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

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Measures included in water supply, wastewater and stormwater activities (see pages 35-41)	Achieved
Completion of approved asset management plan within agreed timeframe	Achieved
Trend of the operating cost of delivering water supply, wastewater and stormwater services relative to a national average	Achieved
Deliver operating projects within budget and timeframes	Achieved
Deliver capital projects within budget and timeframes	Achieved
Manage Capacity within budget	Achieved
Full compliance with relevant standards, resource consents and legislation	Achieved

OUR COMMUNITY PARTNERSHIPS

We've forged a number of close and highly productive working relationships with people and groups in our community, including:

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

PARTNERSHIPS WITH MAORI

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

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

The Local Government Act 2002 acknowledges the Crown's responsibilities under the Treaty of Waitangi and the responsibility to maintain and improve opportunities for Maori to contribute to local government decision-making processes.

The obligation to consult includes recognising those who have mana whenua status. Within Hutt City, this rests with Taranaki Whanui, represented by the Port Nicholson Block Settlement Trust.

Council will also consult the Wellington Tenth Trust as a Mana Whenua Trust and with Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui as a mana whenua organisation.

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

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

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

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

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

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

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

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

Council planning and policy processes – The Trust will have input into the various planning processes of Council, in particular the Annual Plan and Long Term Plan.

The Trust will make significant contributions to reviewing the District Plan of Council. This will include commentary on all matters relating to mana whenua representation, sites of significance and rules, protocols, objectives and measures that are required.

Resource Management Act 1991 and other legislation – The parties will work together to achieve the purpose of legislation in relation to local government decision-making.

The Council will ensure matters are presented to the Trust in a timely and informative manner, which in turn will assist the Trust in the exercise of its Kaitiakitanga for Hutt City.

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

The Trust, as the mana whenua representative, will provide cultural support to the Mayor, councillors, Chief Executive and other staff as mutually agreed.

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

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

The foundation of these relationships will be built on:

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

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

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



COUNCIL'S VISION: HUTT CITY WILL BE A GREAT PLACE TO LIVE...





Petone's pure aquifer, Te Puni Waiora, is both a place for collecting water and for the community to connect with each other.

THIS MEANS PEOPLE ARE PROUD TO LIVE HERE.

Hutt City is compact, vibrant and diverse, offering the best of city living while being safe, friendly and easy to get around. There is quality education and healthcare, with a choice of housing options from apartments to family homes on the hillsides, in the valleys or near the coast.

Residents have identified these community outcomes that contribute to making the city a great place to live:

- Continual upgrade and provision for growth to make Hutt City interesting and attractive.
- Maintenance and continual upgrade of services to allow for security and growth.
- Developing the uniqueness of Hutt City including its history and culture.
- A city that is friendly and welcoming where people experience a sense of belonging.
- Encouraging community involvement and engagement with civic life.
- More celebration of tangata whenua and multiculturalism in the city.
- Migrants are well adapted to New Zealand way of living.
- Residents have a high standard of living.
- Good telecommunications systems.
- A more attractive Hutt City.
- Having clean air, water and land.
- Continued protection and conservation of our natural environment.
- Efficient use and conservation of energy resources.
- A city that is safe.
- Good information on how to be prepared for an emergency.
- A built environment that is attractive, safe and healthy.
- Roading, water and waste (including recycling) services are accessible to all.
- Effective and efficient public transport that results in increased use of public transport.
- Enhanced roading systems, particularly State Highway 2, Cross Valley Link, State Highway 1 and the Hutt CBD.
- More investment in sustainable transport solutions – public transport, car pools, bicycle lanes.
- Everyone has access to a wide range of excellent education services.
- Everyone has affordable access to services that improve health.
- There is a seamless integration of health services.
- Everyone has a quality standard of affordable housing.

All council groups contribute to these outcomes and are working towards making Hutt City a more vibrant and exciting place.

Here's some of our work that contributed towards achieving these community outcomes in 2010/11.

Shared services

The bulk of Council's 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, environmental inspections, noise control and dog control.

In addition, and reflecting Council's growing focus on this area, the following regional initiatives have progressed during the year:

- A joint Waste Management and Minimisation Plan has been completed for the region.
- The concept of a single regional entity to provide improved emergency management outcomes is currently being progressed.
- The libraries of Hutt City, Porirua City, Kapiti District, Masterton District, WelTec and Whitireia Community Polytechnic have been operating New Zealand's only tertiary and public library collaboration for 18 months. Called SMART, the libraries have migrated to the same server platform, implemented standardised cataloguing, loan, renewal and borrower policies, shared training and technical expertise, implemented a region-wide technical troubleshooting protocol and negotiated a number of consortia agreements for products and services. The 2011/12 year will see introduction of a regional public catalogue and library card, including the removal of reserve charges across the region.
- A number of joint procurement contracts have been entered into which have generated considerable savings for the Wellington councils. These include contracts for stationery, printing, photocopiers, insurance, property valuations and geospatial information tools.
- Council staff throughout the region have been working together to look at options for a common online building consent process. Any development of this will take into account the fact that the Department of Building and Housing is also looking at introducing a national online building consent process some time in the future. Councils are currently at the stage of hearing from those shortlisted during a Request for Proposal stage. More work on this will take place during 2011/12.

Smarter Cities programme

E-commerce has been the major focus of the Smarter Cities programme this year, focussing on putting the business Council does with customers online. This has included payment of parking tickets, payment of other infringements such as dogs, noise, litter and Resource Management Act fines, and renewals of dog licences, health licences and trade waste licences. Work underway in 2011/12 includes cemeteries online, booking of swimming lessons online, and investigation of other bookings online such as halls and appointments for building inspectors, as well as electronic property searches and receiving plans electronically. Text

reminders have been trialled along with the use of mobile devices in the field. These will be rolled out across council over the next 12 – 24 months.

Thirty-seven percent of residents use the online payment or information services available on our website – www.huttcity.govt.nz - mainly to access council and community information and pay rates or parking fines.

Council website

Council's website, which was revamped in the last year, continues to be a priority with continued effort made to keep content up to date and relevant to the issues of the day. Council has launched a Facebook page with a link on the front page of the website, which is another online communication tool used to share council news and information.

Requests for service

Our Customer Call Centre provides a friendly 'one stop shop' style of service to the public, council staff and visitors. Service requests are logged and forwarded to our contractors or staff to be actioned. Below is a breakdown of the requests for service received in the year to 30 June 2011:

After hours	21
Animal control	6571
Building/Plumbing and Drainage inspections	54
Bulk wastewater	20
Civil defence/emergency	11
Customer complaint	10
Customer compliment	10
Environmental inspections	4839
Hazardous substances	121
Health	486
Internet enquiry	212
Landfill/solid waste	4
Noise complaint	8335
Parking control	761
Parks services	2552
Planning and resource management	290
Property maintenance	2930
Road condition	7551
Stormwater	1098
Street lighting and street calming	1919
Wastewater	1729
Water supply	6873
Other	9
Total	46406

Support to migrants and refugees

Council is contracted by the Department of Labour to provide settlement support services in the Hutt Valley. These services included providing information and a referral service to Hutt Valley migrants and refugees who are new to the country. Workshops and seminars have been provided covering different aspects of life in New Zealand such as the health system, education system, renting, job search and interview skills. Information sheets also covered aspects of life in New Zealand and provided contact information for people to connect with other support agencies.

Environmental management

Hutt City Council is the first local council in New Zealand to obtain the international environmental management ISO 14001 accreditation for all areas of its business. Hearing regularly from residents and businesses that environmental sustainability is important, Council signed off its five year Environmental Sustainability Strategy in 2009. ISO 14001 was one of the projects in the strategy, reflecting Council's commitment to environmental sustainability.

Council uses the ISO 14001 system to provide a framework for its approach to environmental policy and plans. It enables the council to consider the impact of what we do on the environment and ensure we're always looking to reduce any adverse effects. The accreditation recognises Council's proactive approach towards environmental sustainability and compliance with environmental laws and regulations.

Some of the council's projects that demonstrate this leadership include reducing energy by 50% at the Stokes Valley swimming pool, maintaining a minimum fuel efficiency rating for vehicles, museums reusing timber for exhibition displays, and formation of a staff 'Green Team' to champion sustainable thinking across the organisation. Over the last couple of years this group has:

- Developed Green Procurement Guidelines setting out the principles for considering the environment when making purchasing decisions.
- Organised a fruit tree giveaway where 1800 fruit trees were given away in six Lower Hutt communities to encourage local residents to be more active in the garden and grow their own food. Locations where the trees were to be planted were recorded and their growth will be monitored.
- Supported the Wainuiomata Community Garden.
- Provided eco design giveaways for the Eco Design Advisor to take with her on her home site visits.

Enviro Core – “Community Grown, Growing Community”

The Enviro Core was established in February 2011 by our Environmental Sustainability Team. Council supports many environmental sustainability groups and projects in Lower Hutt communities and wanted to make sure these services and support were reaching all areas of the community. The aim of the Enviro Core is to encourage greater collaboration between environmental groups in the community and raise awareness of environmental sustainability.

Environmental community groups, community social support organisations, environmental businesses, schools and education institutions, local stakeholders and council staff make up the Enviro Core, meeting once a month to share ideas and information, and coordinate activities. Current activities include:

- Enviro Core meetings providing a space for groups to discuss their activities and share their ideas, as well as ensure the delivery of services and provision of opportunities in the community.
- Developing an environmental harvest online map that will provide information about all the environmental assets in the local communities including wild food, community gardens, enviro schools, recycling stations, local grocers and cycleways.
- Establishing green zones in the community which will provide information, gardening equipment, advisory support, educational workshops and real-life demonstrations of environmental projects.
- Supporting and facilitating community enviro forums for local residents to participate and share their views on local environmental matters.

Eco Design Advisor

Our Eco Design Advisor can provide up to two hours free and independent advice on energy, waste, water, materials and building-related health issues. She is available to conduct free home visits to provide tailored advice to homeowners, or can be contacted by interested building professionals for a free appointment to discuss sustainable building approaches.

This new service is available in five other councils within New Zealand, and over 100 free consultations have been provided to Hutt City residents to date. The service aims to help residents create warmer and healthier homes by providing advice and suggestions on a range of retrofit options, eg. insulation, draught stops, power saving measures, heating options etc.

Technical and legislative improvements

Council's Performance Assurance Manager has been working with New Zealand Standards and Department of Building and Housing over the last two years on a review of the Standard for timber-framed buildings. NZS 3604:2011 Timber-framed buildings has now been published, providing guidance to builders, architects, engineers, designers and students for the design and construction of timber-framed structures not requiring specific engineering design. The Standard is a core resource for building consent authorities determining compliance with the New Zealand Building Code. This work resulted in our Performance Assurance Manager being awarded the inaugural Building Officials Institute of New Zealand Excellence Award 2011 for his contribution to technical and legislative improvements. The Committee working on this project was also awarded Committee of the Year by New Zealand Standards in recognition of its work.

Safety priorities

Efforts to reduce crime and increase crime resolution were priorities over the last year. This was done with the increased use of Closed Circuit Television (CCTV) cameras and security patrols. Research also indicated that drinking to intoxication played an important role in causing violence, particularly domestic violence, so the council also focused on minimising alcohol related harm. A higher standard of compliance with alcohol laws by licensed premises is expected to reduce alcohol related violence.

The Council was also involved in a Crime Prevention Through Environmental Design (CPTED) project, based on the rationale that well planned and designed public spaces can lead to less criminal activity and lessens the need for other interventions such as CCTV. An excellent example of this was the Moera library external seating area where a wall was lowered to increase visibility. Also, issues of burglary and damage to the library vanished once parts of the library were opened to natural surveillance.

Other activities included the revival of neighbourhood support groups, and the implementation of a pilot Junior Neighbourhood Support programme which included working with primary aged children teaching them about social responsibility. Supporting existing community patrols in Wainuiomata, Taita, Naenae and Stokes Valley, and the creation of new patrols in Petone and Eastbourne, were also priorities for the year, along with providing support to CCTV volunteers.

Safer Hutt Valley representatives continued working together to increase the effectiveness of separate and joint safety-related activities. The agencies involved are Accident Compensation Corporation, District Health Board, Police, Regional Public Health, and the Upper Hutt and Hutt City Councils.

Graffiti eradication

A renewed focus on graffiti eradication by Council has led to the creation of a new staff position - that of Graffiti Eradication Co-ordinator. The purpose of this role is to rationalise council's systems and adopt new approaches to the removal of graffiti. The role also includes educating and engaging members of the public on how they can be part of the battle against graffiti, and co-ordinating the work with other stakeholders, in terms of both enforcement and removal.

Emergency management

On 4 September 2010 an earthquake struck Canterbury early in the morning and the city of Christchurch and surrounding areas were badly damaged. In answer to a request for assistance by the Ministry of Civil Defence and Emergency Management, the Hutt Valley Emergency Management Office (HVEMO) provided resources to the National Crisis Management Centre at the Beehive where they gained valuable experience during the first 10 days of the operation.

The HVEMO also provided staff to various teams in Christchurch, including the Rural Fire National Incident Management Team, the Canterbury Group Office and the Addington Welfare Centre.

Eight Council building inspectors also assisted a huge team who worked tirelessly evaluating the safety of Christchurch buildings.

Following the Christchurch earthquake on 22 February 2011, HVEMO again responded, sending two response teams from the Hutt Valley the next day, 23 February, and continued to provide support through to the end of March.

A mid-April visit by the HVEMO Controller showed first hand the structure that had been implemented to accommodate the huge, varied team in Christchurch and provided graphic examples of what could happen from such an event in the Wellington region.

Many aspects of the observations taken from these two disaster events have resulted in enhancements being made to the structure and facilities at the HVEMO Emergency Operation Centre.

Asset management plans

Council has asset management plans in place for all activities which have a significant asset base - roading and traffic, pools, property (including Urban Plus' social housing), water, wastewater, stormwater, and parks and gardens. These plans focus on managing assets to ensure sustainability both environmentally and financially. The plans are formally reviewed and updated every 3-5 years, and form the basis of the annual maintenance and renewal work programmes.

Road maintenance

The total capital maintenance expenditure on all elements of the road network including bridges, streetlights and footpaths was approximately \$6.9m. The bulk of this expenditure (\$6.2m) relates to the resealing and strengthening of the road carriageways. Annual condition rating surveys and independent audits by the NZ Transport Agency show that this is the correct level of expenditure required to maintain the network.

Substandard roads

In 1997 an investigation was carried out in order to develop a programme for upgrading sub-standard roads. Following the development of the initial programme, community consultation was carried out and a long term programme approved by Council. The ongoing programme along with the associated budget provision is reviewed annually through the Annual Plan process. There remain approximately 14 kilometres of roads throughout the city that are below the standard specified in the District Plan. These roads have a variety of deficiencies including lack of width, footpaths and turning room, and can be too steep with poor visibility. The 2010/11 sub-standard road upgrading budget was committed to the completion of work on Normandale Road below Poto Road.



Cycleway development

Work continued on the extension of the cycleway network focusing on the provision of off road cycleways with a view to improving cyclist safety. Projects included the Eastern Bays walkway/cycleway in York Bay, the River Trail from Ewen Bridge to Melling Bridge on the western side of the Hutt River, and a contribution to the upgrading of an off road trail from Maungaraki to Korokoro.

The widening of a 270m section of road shoulder and construction of a cantilevered seawall to stop sea spray at the south end of York Bay are the latest additions to the Eastern Bays walkway/cycleway project. This project has been running for 13 years and aims to create a continuous safe walkway/cycleway around the harbour from Seaview to Eastbourne. This addition trials the use of concrete “nibs” or sleepers, designed to create a safe separated area for walkers and cyclists by mimicking a road kerbside.

Water

A reservoir seismic strengthening programme, to help improve the city’s preparedness in the event of an earthquake or other extreme event, has been a focus for Capacity over the year. Work included strengthening wall and roof attachments and additional bracing for walls where needed.

Leak detection is an ongoing activity. All water networks suffer some leakage, both public (council owned) and private. Contractors respond to reports of leaks, and also operate a proactive programme of leak detection and assistance for homeowners. Reducing the amount of water lost reduces overall bulk water consumption, holding down these supply costs.

Major water supply projects for the year included renewing aging water mains in Stokes Valley and Wainuiomata. Water mains can do a lot of damage if they burst, but they are also expensive to replace as they are usually laid beneath roads. The new materials, high density polyethylene and ductile iron, should last for at least another 40 or 50 years. These water main upgrades have significantly reduced the risk of leakage and unplanned supply interruptions for residents.

Capacity also started upgrading the Pharasyn Street pump station with new, more efficient pumps that improve security of supply to most of the western hills suburbs.

In all 1.8km of renewals and upgrades of water mains were completed during the year.

Water conservation

Water conservation activities for Lower Hutt are planned and managed by Capacity in conjunction with their contractors. The activities include:

- Water wastage patrols.
- Advertising the city’s garden watering restrictions in local papers.
- Active leak detection surveys, with any leaks then scheduled for repair.
- Monitoring and analysis of data collected by area meters providing early indications of leaks and increased consumption by residents or businesses.

The efficient use of water plays a considerable role in the long-term management of the city’s water consumption. Planning includes:

- Investigations into possible leakages.
- Investigating options for reduced consumption without detrimentally affecting customers.
- Preparation of education/information programmes.
- Targeting high users to assist them with water conservation and efficiency.

Wastewater

Network renewals have focused on reducing leaks and illegal cross-connections with the stormwater network. This has had a major impact on improving the quality of Waiwhetu Stream, particularly after rain events. Closed Circuit Television inspections and pressure testing programmes are driving similar renewal programmes, with funding earmarked to continue this work in the coming year.

Stormwater

With much of the Hutt Valley surrounded by steep hills, stormwater management is a key priority for Council. As public expectations of standards have increased, so have the risks and impacts of extreme climate events. To ensure we spend money effectively, Capacity has prepared a risk assessment and strategy guide.

The majority of the city's stormwater drains and minor culverts were laid using either reinforced concrete or ceramic pipes. These have an estimated average design life of 100 years. The major culverts are generally constructed of reinforced concrete with an estimated design life of 80 years.

Hutt City has a stormwater system replacement programme which provides for the progressive replacement of every stormwater pipeline as it reaches the end of its useful life. New drains are designed to accommodate rainfall with a return period between 10 and 50 years, depending on the risk in individual situations. In addition, secondary stormwater flow paths are now required in green field developments to convey stormwater safely when the capacity of the pipe drains is exceeded.

In addition to the replacement programme, there's also a stormwater system upgrading programme, to address high flood risks or flooding hotspots.

Black Creek upgrade

Surface flooding has been an issue for Wainuiomata since the 1800s. Improving the flow paths of streams is key to dealing with the issue, and in 2006 the Black Creek Upgrade project was initiated.

Channel widening work has led to the replacement of three pedestrian bridges, as well as realigning water supply and wastewater pipes crossing the stream. This year a new footbridge was installed at Rata Street, the streambed widened, and the confluences of Konini and Parkway Streams realigned.

The work also involved realigning the water main supplying Konini Reservoir. From its attachment to the old footbridge, the pipe has now been buried beneath the streambed.

With three schools in the vicinity, the footbridge was well used. Wainuiomata has a much better amenity now with sealed access and a bridge that's stronger, safer and won't restrict stream flow.

In the coming year, the culvert over Black Creek at Fitzherbert Road will be widened as well.

Silverstream landfill

Silverstream landfill has been operating since 1972. The original landfill was officially closed in February 2011. Prior to that happening, however, consent was sought for a new landfill just down-valley of the existing one, and this consent was granted late in 2004. Since that time design and construction work on the new landfill was ongoing, and it was officially opened in late 2010.

The year has been difficult, with effectively two landfills open for a period of a few months, and because the old landfill was used to take over 50,000 tonnes of material excavated from the Waiwhetu Stream as part of that environmental remediation project.

As from February 2011 all refuse is now being directed to the new landfill (known affectionately as "Stage 2"), which is a fully lined Class A landfill providing the highest standards of environmental protection. An important part of landfill operations remains the on-site gas-electricity joint venture plant, which captures methane gas from the landfill and burns it to produce electricity which is fed back into the national grid. The majority shareholding in that business has recently been purchased by EFI Ltd – a subsidiary of Meridian Energy.

In 2011 the Association of Consulting Engineers New Zealand presented the Council with an Award of Merit in recognition of the Silverstream landfill development which they considered to be an outstanding project.



You can also see the report on our key performance indicators from page 8 and the reports that follow on our significant activities that primarily contribute to making Hutt City a great place to live.

SIGNIFICANT ACTIVITIES

The council organisation is divided into five groups –

Group People – primarily focused on making Hutt City a great place to play.

Group Utility Services and Group Environment – contributing to making the city a great place to live.

Group Economy – making Hutt City a great place to work.

Group Organisation – reporting on council’s internal activities that contribute to all community outcomes.

Each group is divided into the significant activities that make up that group.

GROUP UTILITY SERVICES PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Roading and Traffic	Seven out of nine performance measures achieved
Water Supply	All performance measures achieved
Wastewater	All performance measures achieved
Stormwater	All performance measures achieved
Solid Waste	Two out of three performance measures achieved

Under Roothing and Traffic, there has been a slight worsening in the Road Condition Index, from 1.4 for the survey of the same portion of the road network in July 2009 to 1.7 in the latest survey. The index is made up of seven different defects weighted to varying degrees. A breakdown of the index shows that most of the defects have improved and the single measure that has deteriorated significantly is the loss of chip off chip seals, which is a very subjective measure and prone to variation from survey to survey. Other key measures of the condition of the network include Average Network Roughness counts and Pavement Integrity Index, measuring the underlying strength as opposed to the appearance of the road surface, and these have both improved relative to the previous survey.

There has been a 10% increase in injury crashes on the city’s roads (excluding SH2) compared to the previous year. This contrasts with a steady, significant reduction of 25% over the previous three years. Disappointingly, the 10 year trend that we measure against continues to show a rising trend.

Under Solid Waste residents’ satisfaction with refuse disposal is 2% below the target of 87%. The main reason residents say they are not very satisfied with refuse disposal is because of the cost.

GROUP UTILITY SERVICES FINANCIAL SUMMARY

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-11 \$000	ANNUAL PLAN 30-JUN-11 \$000	ACTUAL 30-JUN-10 \$000	ACTUAL 30-JUN-11 \$
Roothing and Traffic	(13,485)	(12,140)	(3,546)	138.02
Water Supply	(10,988)	(11,062)	(10,559)	112.47
Wastewater	(14,739)	(14,867)	(14,403)	150.86
Stormwater	(5,398)	(5,317)	(12,872)	55.25
Solid Waste	4,417	5,289	9,476	(45.21)
	Note: The (Deficit)/Surplus before tax shows the net cost of the Council’s activities for the year in comparison to the 2010/11 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed Council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

ROADING AND TRAFFIC

What we do

Our Roading and Traffic activity includes:

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

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

Why we do it

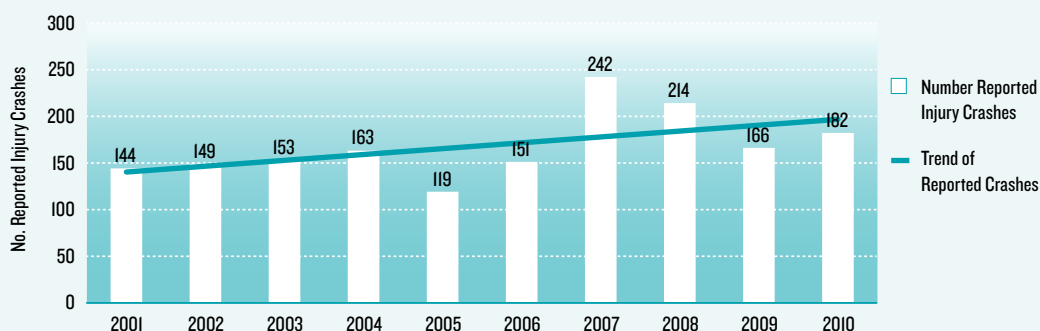
Having the road corridor in public ownership ensures that all our residents have appropriate access to property and freedom of travel throughout Hutt City. We provide sealed roads, footpaths and street lights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with street lighting: $\geq 87\%$	88%	88%	90%	91% of residents who expressed an opinion were satisfied. 0% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with roads and gutters being free of litter: $\geq 86\%$	91%	87%	82%	87% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with traffic control, and with the safety and convenience of movement around city streets: $\geq 82\%$	87%	88%	N/A	88% of residents who expressed an opinion were satisfied. 3% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with footpaths: $\geq 81\%$	81%	80%	81%	84% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with roads: $\geq 74\%$	75%	80%	80%	86% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with parking in and around Hutt City: $\geq 78\%$	80%	79%	64%	81% of residents who expressed an opinion were satisfied. 4% of residents did not express an opinion.	NRB Communitrak Survey
'Road Condition Index', which measures the condition of the road surface: Hold or improve rating Note: A lower number indicates an improved rating.	1.4	2.0	N/A	1.7 Note: As half the city is surveyed in alternate years, the 2010/11 figure needs to be compared with 2008/09.	Data from NZTA Note: The slight deterioration since 2008/09 relates to loss of chip from chip seal.
'Smooth Travel Exposure', which is a nationally accepted measure of road roughness, measuring the percentage of vehicle kilometres travelled in a year that occur on smooth sealed roads, and indicating the ride quality experienced by motorists: Hold or improve rating Note: A higher percentage indicates an improved rating.	80%	82%	N/A	74% Note: As half the city is surveyed in alternate years, the 2010/11 figure needs to be compared with 2008/09.	Data from NZTA Note: The 2010/11 figure is based on updated traffic count data compared to previous results. Recalculating the 2008/09 results using the latest traffic counts yields a figure of 72%, indicating an improved rating in 2010/11. This is consistent with the National Association of Australian State Roading Authorities counts used in NZ to measure road roughness without taking vehicle numbers into account, which also show an improving trend.
Accident trend: Contribute to a reducing trend over 10 years	See graph	See graph	N/A	See graph	Data from NZTA Note: There was a 10% increase in injury crashes compared to the previous year and disappointingly the trend over 10 years continues to rise.

Note: Survey percentages quoted exclude those who responded 'Don't Know'

Injury Crashes within Lower Hutt excluding State Highways



Roading and Traffic - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	3,208	3,430	(222)	3,108
Operating Contributions	3,409	3,288	121	3,296
UHCC Operating Contribution	-	-	-	-
Capital Contributions	3,853	4,168	(315)	3,811
Finance Revenue	-	-	-	-
Other Revenue	516	542	(26)	466
Vested Assets	433	200	233	9,937
Gain/(Loss)	-	-	-	-
Total Revenue	11,419	11,628	(209)	20,618
EXPENDITURE				
Employee Costs	1,174	1,138	(36)	1,091
Support Costs	2,142	2,128	(14)	2,214
Operating Costs	10,352	9,936	(416)	10,027
Finance Cost	1,509	1,509	-	1,490
Depreciation and Amortisation	9,727	9,057	(670)	9,342
Total Expenditure	24,904	23,768	(1,136)	24,164
DEFICIT BEFORE TAX	(13,485)	(12,140)	(1,345)	(3,546)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(13,485)	(12,140)	(1,345)	(3,546)
Add Capital Contributions	(3,853)	(4,168)	315	(3,812)
Total Rates Funding Requirement	(17,338)	(16,308)	(1,030)	(7,358)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(6,911)	(6,885)	(26)	(6,931)
Capital Expenditure - Improving Services	(1,324)	(1,853)	529	(1,618)
Less Capital Contributions	3,853	4,168	(315)	3,812
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	9,727	9,056	671	9,342
Total Loan Funding Requirement	5,345	4,486	859	4,605
TOTAL FUNDING REQUIREMENT	(11,993)	(11,822)	(171)	(2,753)

Significant Operating Variations from LTCCP

Revenue is under budget, mainly due to less user charges from Parking Revenue and less Capital Subsidies, mainly due to the deferral of the Connolly Street Stop Bank project. There was also less subsidy for Stage 1 of the York Bay project due to staging of the work over a 2 year period. No Development Contributions have been received and Petrol Tax receipts are also below budget. These are offset by increased operating subsidies, mainly from unbudgeted storm damage costs and a general increase in operating subsidy levels in some areas. Roading vested assets were above budget, mainly from the Summit Road subdivision. Operating costs were over budget, mainly due to storm damage events and an over expenditure from cost adjustments on some contracts, plus a number of minor variances in Streetlighting/Road Maintenance/Traffic Management/Parking and Road Safety areas. Depreciation was over budget due to extra costs following completion of the Dowse Interchange project.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Area Wide Pavement Treatment	1,961	1,981	20
Pavement Surfacing	3,703	3,420	(283)
Road Smoothing	262	263	1
Wainuiomata Hill Road Safety Seal	308	570	262
Roads Broad Band Ducting	20	21	1
Carpark Resurfacing	44	51	7
Connolly Street Stopbank	-	250	250
Cycleways Continued Development	363	351	(12)
Eastern Bays Walkway carryover	173	250	77
Footpath Resurfacing and Replacement	205	205	-
Local Area Traffic Management	53	51	(2)
Land Purchase for Roads	-	10	10
Minor Safety Works	51	51	-
Minor Road and Footpath Construction	93	72	(21)
Additional Parking Capital Expenditure	54	54	-
Pedestrian Crossing Maintenance	31	31	-
Pedestrian Crossings New	51	51	-
Streetlight Lantern Replacement Programme	53	51	(2)
Streetlight Standard Replacement	20	20	-
Street Name Sign Replacement	21	20	(1)
Substandard Road Upgrading	275	415	140
Traffic Safety Improvements	335	400	65
Traffic Signal Replacement	158	150	(8)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Approximately \$6.2m was spent on Area Wide Pavement Smoothing, Pavement Surfacing, Road Smoothing and Wainuiomata Hill Road Safety Seal projects in upgrading and maintaining the road surfaces. Work continued on the extension of the cycleway network focusing on the provision of off road cycleways with a view to improving cyclist safety. Projects included the Eastern Bays Cycleway in York Bay, the River Trail from Ewen Bridge to Melling Bridge on the western side of the Hutt River, and a contribution to the upgrading of an off road trail from Maungaraki to Korokoro. The Substandard Road Upgrading project involved completion of improvements to Normandale Road and the Traffic Safety Improvements related mainly to the new roundabout at the Bell/Gracefield intersection. The Connolly Street Stopbank project has been deferred to 2011/12 to meet Greater Wellington Regional Council's timing for this project.

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, and then distribute it to the community through our water supply system. We regularly monitor the water quality and plan for the city's future water supply, including any maintenance and upgrades needed to maintain the required service.

Why we do it

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

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with the city water supply: ≥95%	95% (peer average 92%)	97% (peer average 92%)	97%	98% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Compliance with New Zealand Drinking Water Standards: Full compliance Note: These standards apply to water intended to be used for human consumption, food preparation, utensil washing, oral hygiene or personal hygiene, and specify the maximum concentrations of microbial, chemical and radiological determinands in drinking water that are acceptable for public health.	Achieved full compliance with 1587 of the 1590 tests carried out	Achieved full compliance	N/A	Achieved full compliance	Potable Water Testing Contract Reports
Quality of water: Achieve 'b' grading from the Ministry of Health for the Hutt City water supply distribution Note: Emphasis in this part of the grading system is on the quality of water and the systems in place to minimise the risk of unsafe water to the consumer. A 'b' grading means a satisfactory, very low level of risk.	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	N/A	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Ministry of Health Register of Community Drinking Water Suppliers grading report
Provide a reliable water supply service: Fewer than four unplanned supply cuts per 1000 connections	Achieved 1.99 unplanned supply cuts per 1000 connections	Achieved 2.415 unplanned supply cuts per 1000 connections	N/A	Achieved 2.61 unplanned supply cuts per 1000 connections	Operations and Maintenance Contract Monthly Report
Respond promptly to water supply disruptions: 97% of requests responded to within one hour of notification	98%	99%	N/A	99.53%	Operations and Maintenance Contract Monthly Report
Maintain the average un-metered water consumption in Hutt City: Less than 350 litres per head per day	Not measured	Achieved 304 litres per head per day	N/A	Achieved 308 litres per head per day	Management Report - sourced from the Metered Water Consumption Data Report and Greater Wellington Regional Council Consumption Report

Note: Survey percentages quoted exclude those who responded 'Don't Know'. We work to meet these measures through Capacity.

Water Supply - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	2,049	2,110	(61)	1,977
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	3	15	(12)	2
Finance Revenue	-	-	-	-
Other Revenue	-	-	-	-
Vested Assets	74	100	(26)	148
Gain/(Loss)	-	-	-	-
Total Revenue	2,126	2,225	(99)	2,127
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	306	320	14	306
Operating Costs	9,259	9,458	199	8,875
Finance Cost	521	521	-	515
Depreciation and Amortisation	3,028	2,988	(40)	2,990
Total Expenditure	13,114	13,287	173	12,686
DEFICIT BEFORE TAX	(10,988)	(11,062)	74	(10,559)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(10,988)	(11,062)	74	(10,559)
Add Capital Contributions	(3)	(15)	12	(2)
Total Rates Funding Requirement	(10,991)	(11,077)	86	(10,561)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(1,494)	(1,396)	(98)	(1,314)
Capital Expenditure - Improving Services	(207)	(200)	(7)	-
Less Capital Contributions	3	15	(12)	2
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	3,028	2,989	39	2,990
Total Loan Funding Requirement	1,330	1,408	(78)	1,678
TOTAL FUNDING REQUIREMENT	(9,661)	(9,669)	8	(8,883)

Significant Operating Variations from LTCCP

Income was under budget due to reduced revenue from metered water, development contributions and vested assets. This was more than offset by reduced expenditure due to reduced bulk water charges.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Korokoro Pumping Station Switchboard Renewal	17	60	43
Main Road - Main/Services - Phase 4	777	380	(397)
Main Road Watermain and Services - Phase 2/3	207	200	(7)
Moores Valley Road	265	206	(59)
Minor Works (Water Supply)	65	150	85
Pharazyn Street Pumping Station Renewal - Stage 2	143	150	7
Pumping Station Minor Works	26	50	24
Reservoir Hatch Security	12	25	13
Reservoir Minor Works	15	50	35
Scada Renewals Water Supply	19	25	6
Thirlmere Street - Rider/Services	71	140	69
Walker Grove - Main/Rider/Services	84	160	76

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Approximately \$1,600,000 was spent on upgrading and maintaining the watermain network in the city, including completion of the Wainuiomata Moores Valley Road and Main Road Watermains upgrades. The over expenditure on Main Road - Main/Services - Phase 4 project was due to the need to meet seismic upgrade requirements. Renewal of the pumping station in Pharazyn Street was completed within budget while other projects were completed under budget in order to offset over spends in other projects.

WASTEWATER

What we do

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

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with the city wastewater service: $\geq 95\%$	97% (peer average 94%)	95% (peer average 94%)	95%	97% of residents who expressed an opinion were satisfied. 2% of residents did not express an opinion.	NRB Communitrak Survey
No resource consent-related infringement notices received from Regional Council: 100% compliance	100% compliance	100% compliance	N/A	100% compliance	Compliance reports from Greater Wellington Regional Council
Provide a reliable wastewater service: Fewer than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline	Achieved 0.7975 incidents	Achieved 0.8750 incidents	N/A	Achieved 1.01 incidents	Operations and Maintenance Contract Monthly Report
Respond promptly to wastewater disruptions: 97% of requests responded to within one hour of notification	98%	96%	N/A	99.93%	Operations and Maintenance Contract Monthly Report

Note: Survey percentages quoted exclude those who responded 'Don't Know'. We work to meet these measures through Capacity.

Wastewater - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	805	800	5	852
Operating Contributions	-	-	-	-
UHCC Operating Contribution	2,102	2,197	(95)	2,062
Capital Contributions	46	160	(114)	22
Finance Revenue	-	-	-	-
Other Revenue	-	-	-	-
Vested Assets	236	100	136	384
Gain/(Loss)	-	-	-	-
Total Revenue	3,189	3,257	(68)	3,320
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	544	562	18	517
Operating Costs	9,923	10,212	289	9,797
Finance Cost	975	975	-	962
Depreciation and Amortisation	6,486	6,375	(111)	6,447
Total Expenditure	17,928	18,124	196	17,723
DEFICIT BEFORE TAX	(14,739)	(14,867)	128	(14,403)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(14,739)	(14,867)	128	(14,403)
Add Capital Contributions	(46)	(160)	114	(22)
Total Rates Funding Requirement	(14,785)	(15,027)	242	(14,425)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(1,750)	(2,969)	1,219	(3,237)
Capital Expenditure - Improving Services	(378)	(560)	182	(1,756)
Less Capital Contributions	46	160	(114)	22
Less UHCC Capital Contributions	-	511	(511)	-
Less Depreciation	6,486	6,376	110	6,447
Total Loan Funding Requirement	4,404	3,518	886	1,476
TOTAL FUNDING REQUIREMENT	(10,381)	(11,509)	1,128	(12,949)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
DBO Main Outfall Leak Investigation & Repairs	12	150	138
Wastewater Flow Management Wainuiomata	70	120	50

Significant Operating Variations from LTCCP

The revenue variance is due to less operating subsidies because of less costs offset by more vested assets than had been budgeted. Expenditure variance relates mainly to the deferral until 2011/12 of the DBO Main Outfall Leak Investigations and Repairs project and the final part of the Wastewater Flow Management Wainuiomata project, plus favourable DBO Contract escalations resulting in lower payments to Hutt Valley Water Services. These are offset by increased depreciation costs from revalued assets and new vested assets.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Leighton Avenue Sewer Replacement	190	180	(10)
Local Pumping Station Wastewater	62	80	18
Minor Asset Renewals	96	170	74
Pumping Station Mahina Bay Flowmeter	2	18	16
Pressure Testing of Sewers	130	300	170
Scada Renewals Wastewater	26	26	-
Trunk DBO Type A Network Development	184	350	166
Trunk DBO Asset Replacement Fund	1,105	1,163	58
Trunk Non-DBO Te Marua Flow Meter	2	18	16
Trunk Non-DBO Minor Works	9	10	1
Trunk DBO Pipeline Cyclic Replacement	33	300	267
Vista Grove Sewer Replacement	5	300	295
Wainuiomata Catchment Sewer Renewals	284	620	336

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The Leighton Avenue Sewer Replacement project, which involved a major upgrade to the sewer network in the Waiwhetu area, was completed. \$1,300,000 was also spent on upgrading and maintenance to the Trunk Sewer Network. The Pressure Testing of Sewers project was under spent due to a favourable contract price and less work required than anticipated. Other favourable variances are mainly the result of work having to be deferred until 2011/12.

STORMWATER

What we do

We provide a stormwater drainage system to manage the surface water run-off from urban catchments. 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 service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with the city stormwater service: $\geq 80\%$	81% (peer average 85%)	83% (peer average 85%)	90%	87% of residents who expressed an opinion were satisfied. 3% of residents did not express an opinion.	NRB Communitrak Survey
Provide a reliable stormwater service: Fewer than 0.5 stormwater incident reported per kilometre of stormwater pipeline	Achieved 0.1287 incidents	Achieved 0.169 incidents	N/A	Achieved 0.13 incidents	Operations and Maintenance Contract Monthly Report
Achieve water quality at main recreational beaches: 90% of sampling days when water quality meets Ministry for the Environment guidelines Note: The guidelines combine a risk grading with measurement of indicator bacteria counts to assess whether or not the water is suitable for recreational use from a public health perspective.	Achieved Recreational Water Quality Standards	Achieved Recreational Water Quality Standards on 95% of sampling days	N/A	Achieved Recreational Water Quality Standards on 94% of sampling days	Environmental Laboratory Services Limited Monitoring Contract Report
Respond promptly to stormwater disruptions: 97% of requests responded to within one hour of notification	99%	98%	N/A	99.75%	Operations and Maintenance Contract Monthly Report

Note: Survey percentages quoted exclude those who responded 'Don't Know'. We work to meet these measures through Capacity.

Stormwater - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	2	2	-	4
Operating Contributions	8	7	1	17
UHCC Operating Contribution	-	-	-	-
Capital Contributions	14	66	(52)	7
Finance Revenue	-	-	-	-
Other Revenue	9	-	9	9
Vested Assets	84	100	(16)	1,467
Gain/(Loss)	-	-	-	-
Total Revenue	117	175	(58)	1,504
EXPENDITURE				
Employee Costs	-	-	-	-
Support Costs	306	313	7	296
Operating Costs	2,003	2,007	4	10,903
Finance Cost	584	584	-	576
Depreciation and Amortisation	2,622	2,588	(34)	2,601
Total Expenditure	5,515	5,492	(23)	14,376
DEFICIT BEFORE TAX	(5,398)	(5,317)	(81)	(12,872)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(5,398)	(5,317)	(81)	(12,872)
Add Capital Contributions	(14)	(66)	52	(7)
Total Rates Funding Requirement	(5,412)	(5,383)	(29)	(12,879)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(213)	(575)	362	(561)
Capital Expenditure - Improving Services	(929)	(1,340)	411	(775)
Less Capital Contributions	14	66	(52)	7
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	2,622	2,588	34	2,601
Total Loan Funding Requirement	1,494	739	755	1,272
TOTAL FUNDING REQUIREMENT	(3,918)	(4,644)	726	(11,607)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Waiwhetu Stream Flood Management Plan	45	50	5

Significant Operating Variations from LTCCP

Net operating costs are slightly over budget mainly due to no development contributions and less than expected vested assets being received.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Awamutu Stream Stormwater Upgrade	100	100	-
Black Creek Stage 3 Upgrade	529	860	331
Boulcott Stopbank HCC Contribution	86	250	164
Hutt River Floodplain Stormwater Outlets Upgrade	129	130	1
Network Minor Works	143	120	(23)
Scada Renewals	36	35	(1)
Jackson Street (William Street to Jessie Street)	34	345	311
Pumping Stations Minor Works	85	75	(10)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The Black Creek Stage 3 is an ongoing project to provide improved stormwater capabilities in Wainuiomata. Due to delays with this project, \$300,000 has been carried over to 2011/12 to complete the project. There have also been delays on the Stormwater Renewal Jackson Street project and \$300,000 has been carried over to 2011/12 to complete this project. Boulcott Stopbank Contribution relates to the Hutt River flood protection project involving stormwater outlets upgrading, which is being managed by Greater Wellington Regional Council, and has not progressed as expected, therefore \$200,000 has been carried over to be paid in 2011/12.

SOLID WASTE

What we do

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

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with rubbish collection: $\geq 93\%$	91%	89%	90%	93% of residents who expressed an opinion were satisfied. 11% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with refuse disposal: $\geq 87\%$	90%	82%	82%	85% of residents who expressed an opinion were satisfied. 20% of residents did not express an opinion.	NRB Communitrak Survey
No resource consent-related infringement notices received from Regional Council: 100% compliance	100% compliance	100% compliance	N/A	100% compliance	Compliance reports from Greater Wellington Regional Council

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Solid Waste - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	10,564	11,985	(1,421)	17,697
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	10	-	10	12
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	10,574	11,985	(1,411)	17,709
EXPENDITURE				
Employee Costs	2	-	(2)	-
Support Costs	152	157	5	125
Operating Costs	5,670	6,322	652	6,474
Finance Cost	(51)	-	51	1,383
Depreciation and Amortisation	384	217	(167)	251
Total Expenditure	6,157	6,696	539	8,233
SURPLUS BEFORE TAX	4,417	5,289	(872)	9,476
RATES FUNDING REQUIREMENT				
Surplus Before Tax	4,417	5,289	(872)	9,476
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	4,417	5,289	(872)	9,476
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	(834)	(1,275)	441	(643)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	384	218	166	251
Total Loan Funding Requirement	(450)	(1,057)	607	(392)
TOTAL FUNDING REQUIREMENT	3,967	4,232	(265)	9,084

Significant Operating Variations from LTCCP

Revenues from the landfills were about \$950,000 below budget. The balance of the reduction in revenue was due to delays in opening the new cleanfill site and less refuse bag sales. The landfills revenue shortfall is predominantly due to the economic recession and more focus on waste minimisation. There were, however, offsetting savings in operating costs of \$270,000 at the landfills, \$205,000 for the cleanfill and \$155,000 for collection contracts. The favourable "Finance Cost" variance relates to unbudgeted landfills aftercare provision. The depreciation variance relates to the additional costs for previously non capitalised Stage 2 work.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Cleanfill Site Development	49	20	(29)
Silverstream Landfill Stage 2 Design & Construction	785	1,255	470

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Work on the development of the cleanfill site was completed. The development of the Silverstream Landfill is an ongoing project to provide for future solid waste disposal in the Hutt Valley. The variance was due to a combination of favourable contracting rates, review of works necessary, and some weather delays.

GROUP ENVIRONMENT PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Environmental Management	All performance measures achieved
Emergency Management	All performance measures achieved

GROUP ENVIRONMENT FINANCIAL SUMMARY

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-11 \$000	ANNUAL PLAN 30-JUN-11 \$000	ACTUAL 30-JUN-10 \$000	ACTUAL 30-JUN-11 \$
Environmental Management	(5,652)	(4,800)	(5,012)	57.85
Emergency Management	(741)	(694)	(687)	7.58
	Note: The (Deficit)/Surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2010/11 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed Council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

ENVIRONMENTAL MANAGEMENT

What we do

This activity includes:

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

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with animal services: ≥82%	88%	80%	84%	87% of residents who expressed an opinion were satisfied. 3% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with inspection services (eg. licences): ≥78%	81%	81%	72%	83% of residents who expressed an opinion were satisfied. 45% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with requests for service: ≥88%	87%	83%	N/A	88.2% of respondents were satisfied.	Monthly Management Reports
Land Information Memoranda (LIMs) processed to comply with statutory requirements: 90% processed within nine working days	97% processed within nine working days	96% processed within nine working days	N/A	97% processed within nine working days	Monthly Management Reports
Building consent/ project information and resource consents processed to comply with the Building Code, Resource Management Act and District Plan requirements: 80% of building and non-notified land use consents processed within 18 working days	72% of building consents and 88% of non-notified land use consents processed within 18 working days	99% of building consents and 91% of non-notified land use consents processed within 18 working days	N/A	100% of building consents and 91% of non-notified land use consents processed within 18 working days	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	New measure for 2010/11	New measure for 2010/11	N/A	99% of resource consents monitored within these timeframes	Computer Database Records
Requests for service referred to RMA Monitoring and Enforcement team responded to within required timeframes: 100% acknowledged within 24 hours	99% acknowledged within 48 hours (Prior to 2010/11 measure was 80% acknowledged within 48 hours)	100% acknowledged within 48 hours (Prior to 2010/11 measure was 80% acknowledged within 48 hours)	N/A	100% acknowledged within 24 hours	Management and Computer Database Reports
Building consents for fireplaces are processed in a timely manner: 100% processed within five working days	New measure for 2009/10	100% processed within five working days	N/A	100% processed within five working days	Computer Database Reports

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Building consents for solar panels are processed in a timely manner: 100% processed within five working days	New measure for 2009/10	100% processed within five working days	N/A	100% processed within five working days	Computer Database Records
Premises (eg, food outlets and liquor outlets) registered or licensed within 30 days of application: 90%	97%	98%	N/A	98%	Computer Database Records
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act: 100% issued within 20 working days; 80% issued within 18 working days	84%	100% issued within 20 working days; 97% issued within 18 working days	N/A	100% issued within 20 working days; 100% issued within 18 working days	Computer Database Records
Dog pound open 300 days per year: 100%	100%	100%	N/A	100%	Monthly Management Reports
Dog complaints are responded to: <ul style="list-style-type: none"> • within 30 minutes for dog attacks: 95% • within 24 hours for other complaints: 95% 	99% 98%	98% 97%	N/A N/A	98% 97%	Computer Database Records
Noise complaints are responded to within 30 minutes: 85% Note: The contracted response time was amended from 30 to 45 minutes from 2010/11	87%	72% responded to within 30 minutes 93% responded to within 45 minutes	N/A	96% responded to within 45 minutes	Computer Database Records

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Environmental Management - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	2,866	3,880	(1,014)	3,431
Operating Contributions	1	-	1	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	204	184	20	180
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	3,071	4,064	(993)	3,611
EXPENDITURE				
Employee Costs	5,023	5,176	153	4,974
Support Costs	1,846	1,670	(176)	1,724
Operating Costs	1,854	2,018	164	1,925
Finance Cost	-	-	-	-
Depreciation and Amortisation	-	-	-	-
Total Expenditure	8,723	8,864	141	8,623
DEFICIT BEFORE TAX	(5,652)	(4,800)	(852)	(5,012)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(5,652)	(4,800)	(852)	(5,012)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(5,652)	(4,800)	(852)	(5,012)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	-	-	-
Total Loan Funding Requirement	-	-	-	-
TOTAL FUNDING REQUIREMENT	(5,652)	(4,800)	(852)	(5,012)

Significant Operating Variations from LTCCP

The revenue variance is due mainly to less than budgeted building consents income. This is offset by savings in operating costs due to less demand for specialist services, legal fees and commission. Support costs are over budget mainly due to higher IT costs. All of these are the result of reduced activity due to the economic recession.

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

There were no significant asset acquisitions or replacements or variations from the LTCCP.

EMERGENCY MANAGEMENT

What we do

This activity includes:

- Developing, implementing and monitoring city-wide emergency management plans.
- Promoting community preparedness for emergencies.
- Working with other authorities in the region to plan for and respond to hazards, risks and emergencies.

We also have plans for dealing with and preventing rural fires, and maintain an in-house capacity to co-ordinate responses to civil defence and rural fire emergencies.

Why we do it

This activity is fundamental to making sure our city is prepared for emergencies. We work according to the principles of 'reduction, readiness, response and recovery'.

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Percentage of households that are prepared for a civil defence emergency: 60%	58%	63%	N/A	79%	NRB Communitrak Survey
We respond to emergencies in accordance with the Wellington Region Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002: 100%	100%	100%	N/A	100%	Management Reports and Debrief Notes
We respond to rural fires in accordance with the Hutt City Rural Fire Plan and the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005: 100%	100%	100%	N/A	100%	Wellington Regional Rural Fire Committee Records

Emergency Management - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	-	-	-	-
Operating Contributions	17	52	(35)	40
UHCC Operating Contribution	298	298	-	308
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	77	-	77	-
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	392	350	42	348
EXPENDITURE				
Employee Costs	409	417	8	414
Support Costs	237	226	(11)	226
Operating Costs	463	377	(86)	371
Finance Cost	-	-	-	-
Depreciation and Amortisation	24	24	-	24
Total Expenditure	1,133	1,044	(89)	1,035
DEFICIT BEFORE TAX	(741)	(694)	(47)	(687)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(741)	(694)	(47)	(687)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(741)	(694)	(47)	(687)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	(29)	(250)	221	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	24	24	-	24
Total Loan Funding Requirement	(5)	(226)	221	24
TOTAL FUNDING REQUIREMENT	(746)	(920)	174	(663)

Significant Operating Variations from LTCCP

The increase in revenue is due to additional income from the sale of emergency supplies (torches, water containers) offset by reduced Government Subsidy. Operating expenditure is above budget due to the cost of purchase of emergency supplies for re-sale.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Wainuiomata Bush Fire Force Headquarters	29	250	221

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The original proposal to construct a new headquarters building changed with the Bush Fire Force now to purchase their own building that will require a fit out only and, combined with delays in consents and building engineering work, has resulted in the necessity to carry over \$178,000 to complete the project.

COUNCIL'S VISION: HUTT CITY WILL BE A GREAT PLACE TO WORK...



10-6 Tue-Fri
10-4 Sat
cultured.
Delicious today:
ORGANIC ICE CREAM (scooped)
GOAT BLUE / CAM. ♡
SHEEP - HAVARTI
- MAN
- PEC
TION



THIS MEANS WORKING OR INVESTING HERE IS A SMART CHOICE .

Our vibrant economy offers a range of job opportunities close to home. We've built on our traditional industries, created export opportunities, and cemented our reputation as a science centre. This is a place of new ideas, creativity and innovation, bringing together the best of the arts, industry and science.

Whether business is being done over a cup of coffee or with one of our dynamic science and technology companies, service is always delivered with a smile.

Residents have identified these community outcomes that contribute to making the city a great place to work:

- A local economy that is attractive to both businesses and residents.
- Retention of business achievers and people critical for business.
- Attraction and nurturing of high quality businesses.
- Local businesses being supported and promoted.
- A skilled workforce that meets local businesses' needs.
- A growing number of entrepreneurial companies located in Hutt City.
- Creation of an exciting, dynamic city so entrepreneurs want to live and work here.
- Encouragement of enterprise and innovation including incentives to attract research, development and application industries.
- Make the most of the Crown Research Institutes by attracting the kind of people with the entrepreneurial nous to build on these Research and Development outcomes.

Our local urban environment and economic development activities primarily contribute to these outcomes, although all areas of council are working towards making Hutt City a more vibrant and exciting place. This work has been hampered in the last year as the effects of the economic recession have made themselves felt in the city. Economic indicators from Statistics New Zealand and BERL Economics show a decline in the city's economic performance over the year to March 2010, attributing much of this decline to the financial crisis and the resulting recession. In the year to March 2009 Hutt City had maintained economic activity at similar levels while other centres declined. In the year to March 2010 Hutt City has declined significantly more than other centres in what appears to be a delayed reaction. On balance over the two year period Hutt City has suffered a larger economic activity decrease from the recession than other centres.

See more information under the heading Group Economy Performance Summary.

Here's some of our work that did, however, contribute towards achieving these community outcomes in 2010/11.

Making Places

The CBD Making Places programme aims to transform the Lower Hutt CBD by 2030. Great progress has been made during 2010/11 including:

- Approval of the design and tendering of the Square project, with completion scheduled for mid-2012.
- A traffic computer model set up and ready to analyse the impacts of possible development and changes to the built form of the central city.
- Riverside Promenade initial design work carried out to align with Greater Wellington Regional Council's stopbank works.
- Steering Group discussions focused on retaining the civic precinct in Laings Road rather than relocating the council building elsewhere in the CBD.
- Appointment of a CBD Night Market operator.
- District Plan Change 14, allowing a wider variety of activities to locate in the central city area and encouraging residential developments in the CBD, made operative in early 2011.
- The allocation of \$150,000 to Making Places and \$150,000 to Stepping Stones projects in the 2011/12 financial year.

District Plan

As well as allowing a wider variety of activities to locate in the central city area and encouraging residential developments in the CBD, District Plan Change 14 ensures that any development in the commercial centre of the city is of a high quality and design standard, in keeping with the outcomes of the Making Places programme.

A plan change was also introduced to encourage film makers to come to the city. Filming is now permitted without the need to apply for planning consent, provided certain conditions are met such as duration and noise.

Vision Seaview Gracefield 2030

Following an extended period of consultation and engagement with businesses and the surrounding community, the Vision Seaview Gracefield 2030 was developed and adopted in July 2010. The Vision identified four themes:

- Providing stability and efficiency to support existing businesses.
- Creating a suitable environment for the growth of new/emerging businesses.
- Making better use of recreational opportunities.
- Contributing towards a better environment.

During the development of the Vision, there was widespread enthusiasm and participation from businesses and other stakeholders in Seaview Gracefield. A number of these have since formed the Seaview Working Group to become more involved in improving the area. This group, along with the Council, is integral to achieving the Vision for Seaview Gracefield.

A work plan for Seaview Gracefield has been developed and funding approved. This plan identifies projects to achieve the Vision and bring about the change that will strengthen business viability and enhance the environment. It has also been compiled with a view to recognising the opportunities for new and expanding businesses, notably in the area of research, technology and innovation.

Green Team

The Council's 'Green Team' is a group of staff who meet regularly to discuss and facilitate environmental sustainability activity in council operations and encourage it in the wider community. Over the last couple of years the group has initiated and facilitated a number of projects. Activities included:

- 'Swap days' where people could drop off clothes, CDs, DVDs and books at a central location and swap them.
- Arbor Day walks to educate council staff about their workplace backyard and the life, health and history of the trees as well as the care and maintenance they require.
- Implementing and maintaining the internal Reuse, Reduce, Recycle council recycling system.
- Worm Farm where food scraps and organic waste are also recycled.

Council computer systems

The Property and Rating system used by many council staff, called Proclaim Ci, was fully upgraded and replaced with the latest version.

Our Electronic Document Record Management System has been deployed council-wide. This ensures that we meet the requirements of the Public Records Act and maintain easily searchable documents and access audit trails for all records.

Digitisation of planning files was completed during the year. This is the first step towards providing electronic access to planning information at the front counter. The digitisation project started in 2007 with the scanning of 35,000 property cards, and the digitisation of resource consent applications was a huge task involving 18,000 files.

You can also see the report on our key performance indicators from page 8 and the reports that follow on our significant activities that primarily contribute to making Hutt City a great place to work.



SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

Group People – primarily focused on making Hutt City a great place to play.

Group Utility Services and Group Environment – contributing to making the city a great place to live.

Group Economy – making Hutt City a great place to work.

Group Organisation – reporting on council’s internal activities that contribute to all community outcomes.

Each group is divided into the significant activities that make up that group.

GROUP ECONOMY PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Local Urban Environment	Five out of eight performance measures achieved
Economic Development	One out of five performance measures achieved and three new measures added

Resident satisfaction with the overall look and feel of the city has dropped 1% from last year’s results to 89%. The reasons given by residents in describing why they are not very satisfied with the overall look and feel of the city relate primarily to the city’s appearance, architecture, layout, lack of character, and the number of empty shops.

The current economic downturn has resulted in a number of empty shops in the CBD and around the city. This together with a lack of both public and private discretionary funding at present to improve the look and feel of the city are considered likely to have caused the reduction in business satisfaction.

Resident satisfaction with graffiti levels has dropped 11% since last year and is 16% below our target of 84% satisfaction. This follows a drop in satisfaction levels last year, which resulted in the allocation of additional funding to our rapid response graffiti eradication programme. Council has now endorsed a change in approach to graffiti management to address the decreasing satisfaction levels. Council staff will also work with our contractor, third party agencies and community groups to work smarter with the funding we currently have. In the event that this does not achieve the desired increase in satisfaction, and not enable us to target all areas agreed as publicly visible, officers will report back to Council with recommendations and a possible budget variance during the 2011/12 financial year.

Under Economic Development, businesses satisfaction with the economic development programmes spearheaded by Council decreased markedly over the year. This disappointing result is mirrored in (and could possibly be attributed to) economic indicators from Statistics New Zealand and BERL Economics showing a decline in the city’s economic performance over the year to March 2010.

The BERL report concluded that much of this decline can be attributed to the financial crisis and the resulting recession. In the year to March 2009 Hutt City had maintained economic activity at similar levels while other centres declined. In the year to March 2010 Hutt City has declined significantly more than other centres in what appears to be a delayed reaction. On balance over the two year period Hutt City has suffered a larger economic activity decrease from the recession than other centres.

Of most concern from these most recent results is the decline of export and high value sectors in the economy. The report estimates that in the year to March 2010 there was a marked decrease in the number of exporting businesses (-5.4%) and high value sector jobs (-5.6%) and businesses (-2.7%) in Hutt City. These sectors in the economy generate a greater proportion of value to the economy and ultimately result in higher income per employee than other sectors. This means that growth in these sectors will spinoff into business activity in other sectors leading to a more prosperous city. Recognising this, the Council has undertaken a number of actions including reallocating more economic development resources and having a tighter focus on improving business activity in these sectors.

GROUP ECONOMY FINANCIAL SUMMARY

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-11 \$000	ANNUAL PLAN 30-JUN-11 \$000	ACTUAL 30-JUN-10 \$000	ACTUAL 30-JUN-11 \$
Local Urban Environment	(1,300)	(1,189)	(1,207)	13.31
Economic Development	(1,623)	(1,671)	(1,678)	16.61
	Note: The (Deficit)/Surplus before tax shows the net cost of the Council’s activities for the year in comparison to the 2010/11 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed Council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

LOCAL URBAN ENVIRONMENT

What we do

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

We:

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

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents feel a sense of pride in the way the city looks and feels: \geq previous results	91%	90%	N/A	89% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Businesses feel a sense of pride in the way the city looks and feels: \geq previous results	67%	61%	N/A	44%	Biennial Business Survey
Residents' satisfaction with litter control: \geq 86%	91%	87%	82%	87% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with recycling: \geq 86%	87%	90%	88%	93% of residents who expressed an opinion were satisfied. 4% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with graffiti levels: \geq 84%	87%	79%	N/A	68% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Percentage of households that have used the recycling service in the previous 12 months: \geq 86%	85%	86%	N/A	87%	NRB Communitrak Survey
All residents have access to community recycling facilities: 100%	100%	100%	N/A	100%	Management Reports
Tonnes of recycling per annum: Increasing	7349 tonnes	6910 tonnes	N/A	7253 tonnes	Management Reports

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Local Urban Environment - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	(1)	-	(1)	-
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	3	16	(13)	1
Finance Revenue	-	-	-	-
Other Revenue	301	360	(59)	301
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	303	376	(73)	302
EXPENDITURE				
Employee Costs	438	465	27	432
Support Costs	297	285	(12)	178
Operating Costs	664	706	42	777
Finance Cost	5	5	-	4
Depreciation and Amortisation	199	104	(95)	118
Total Expenditure	1,603	1,565	(38)	1,509
DEFICIT BEFORE TAX	(1,300)	(1,189)	(111)	(1,207)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(1,300)	(1,189)	(111)	(1,207)
Add Capital Contributions	(3)	(16)	13	(1)
Total Rates Funding Requirement	(1,303)	(1,205)	(98)	(1,208)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(31)	(32)	1	(12)
Capital Expenditure - Improving Services	(988)	(1,739)	751	(558)
Less Capital Contributions	3	16	(13)	1
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	199	104	95	118
Total Loan Funding Requirement	(817)	(1,651)	834	(451)
TOTAL FUNDING REQUIREMENT	(2,120)	(2,856)	736	(1,659)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Rapid Response Anti-Graffiti Service	214	210	(4)
Heritage Incentives	16	130	114
School Programmes	29	38	9
Business Programmes	32	36	4
Waste Minimisation Projects	79	59	(20)
Environmental Sustainability Projects	92	98	6
Urban Form	11	10	(1)

Significant Operating Variations from LTCCP

Income was slightly under budget due to reduced waste minimisation levy revenue. Expenditure was over budget mainly due to higher depreciation costs from the previously uncapitalised CBD improvements. This was partly offset by savings from the Heritage Incentives project due to a low response to this scheme.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
CCTV Mast	-	25	25
CCTV Upgrades Central Area & Installation Wainuiomata	27	52	25
CBD Making Places	545	1,055	510
Seaview/Gracefield Banners	31	32	1
Suburban Shopping Centres Improvements	289	400	111
Suburban Shopping Centre Stokes Valley Improvements	-	60	60
Wingate Development Plan	127	147	20

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The CBD Making Places project has progressed with work completed on phase one of the Dowse Square. \$450,000 has been carried over to complete the final phase of the project in 2011/12. Suburban Shopping Centre improvements were carried out in Naenae and \$160,000 has been carried over to 2011/12 to complete this work and also work in Stokes Valley. The Wingate Development Plan was almost completed with \$20,000 carried over to finish the project in 2011/12.

ECONOMIC DEVELOPMENT

What we do

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

- Creating a business-friendly environment.
- Facilitating the expansion and creation of local businesses and employment.
- Increasing tourism and events in Hutt City.
- Contributing to regional growth through regional economic development.

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Businesses' satisfaction with economic development programmes: \geq 85%	90%	89%	N/A	50.6%	Biennial Business Survey
Residents' satisfaction with the Visitor Information Centre: \geq 91%	99%	97%	N/A	99% of residents who expressed an opinion were satisfied. 54% of residents did not express an opinion.	NRB Communitrak Survey
Hutt City's economic performance according to the annual Economic Development Strategy report to Council, which includes measures such as:					
• number of businesses: Improvement	+ 0.8%	+ 0.9%	- 1.4%	- 1.6%	Statistics NZ Businesses Survey
• number of full-time equivalents (FTEs) in the workforce: Improvement	+ 2.0%	+ 2.3%	- 1.0%	- 3.5%	Statistics NZ Businesses Survey
• Gross Domestic Product (GDP): Improvement	+ 0.5%	+ 0.5%	- 1.1%	- 3.9%	Business Economic Research Limited (BERL)
• GDP per capita: Improvement	New measure for 2010/11	New measure for 2010/11	+ 0.9%	- 4.5%	Business Economic Research Limited (BERL)
• export sector as proportion of GDP: Improvement	New measure for 2010/11	New measure for 2010/11	- 2.5%	- 5.4%	Business Economic Research Limited (BERL)
• high value sector as percentage of all sectors (by GDP): Improvement	New measure for 2010/11	New measure for 2010/11	- 1.4%	- 5.6%	Business Economic Research Limited (BERL)

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Economic Development - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	1	-	1	-
Operating Contributions	79	97	(18)	133
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	496	414	82	399
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	576	511	65	532
EXPENDITURE				
Employee Costs	523	548	25	559
Support Costs	402	394	(8)	408
Operating Costs	1,251	1,218	(33)	1,220
Finance Cost	13	13	-	13
Depreciation and Amortisation	10	9	(1)	10
Total Expenditure	2,199	2,182	(17)	2,210
DEFICIT BEFORE TAX	(1,623)	(1,671)	48	(1,678)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(1,623)	(1,671)	48	(1,678)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(1,623)	(1,671)	48	(1,678)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	10	10	-	10
Total Loan Funding Requirement	10	10	-	10
TOTAL FUNDING REQUIREMENT	(1,613)	(1,661)	48	(1,668)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Business Hutt Valley	263	284	21
Jackson Street Programme	132	130	(2)
International Cooperating Cities	9	30	21
Economic Development Strategy	141	140	(1)
Huttcity.com Web Hosting	-	15	15
CBD Coordinator	40	40	-
Retail Coordinator	55	55	-

Significant Operating Variations from LTCCP

Council provides funding to promote economic development in the city. Revenue is over budget mainly due to extra income from the Visitor Information Centre offset by extra operating costs.

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

There were no significant asset acquisitions or replacements or variations from the LTCCP.

COUNCIL'S VISION: HUTT CITY WILL BE A GREAT PLACE TO PLAY...





THIS MEANS THERE'S ALWAYS SOMETHING FOR THE FAMILY TO EXPLORE.

Experience our culture and heritage, visit our museums and libraries, or enjoy our cafes, restaurants and boutique stores. Head outdoors to a park or beach, walk along the river, take the boat out, hit the hills or a mountain bike trail, or enjoy a game of golf.

Taking time out from our busy lives is easy in Hutt City because of the many recreational and cultural facilities available, all of which helps make Hutt City a vibrant and festive place to live.

Residents have identified these community outcomes that contribute to making the city a great place to play:

- Affordable access to community facilities that include arts, cultural and recreational options.
- A diverse natural environment that is accessible, enjoyable and safe.
- Encouragement of arts, cultural and sports activities including local, national and international events.
- Attraction of tourists to Hutt City.
- More and better focus on the harbour, river and recreation opportunities.

Our libraries, museums, pools, recreation programmes and events, parks and reserves, community support and property activities primarily contribute to these outcomes, although all areas of council are working towards making Hutt City a more vibrant and exciting place.

Here's some of our work that contributed towards achieving these community outcomes in 2010/11.

Libraries

Hutt City libraries have adopted a revolutionary interactive service that can recommend books, music and DVDs based on people's borrowing patterns. Called Sorcer, this allows borrowers to create their own personalised social network within the library system.

All of our libraries offer a book club experience each month, where people interested in sharing their reading and listening to others' recommendations can get together. Some book clubs read around a theme at each meeting, while others just share their reading. Library staff use these opportunities to share their knowledge of the libraries collections. War Memorial and Naenae Libraries also offer Book Talk, a monthly session introducing new non-fiction books to readers.

The Friends of Hutt City Libraries organised 'meet the author' events during the year including Joe Bennett, Vanda Symon and Kevin Milne. The Friends also organised four author events during New Zealand Book Month involving Kate De Goldi, Garth McVicar, Kate Spencer and Maggie Rainey Smith.

From January 2011 Justice of the Peace clinics were set up to run once a month at each of the libraries. This followed a successful pilot scheme to test the popularity of the clinics.

Hutt City libraries continue to be a valuable resource in the community and new products and services, such as the fast internet service in all libraries called Connect, have attracted new visitors to the libraries. With this in mind, a campaign called the Code of Respect was created and rolled out to ensure that the libraries remain a place for everyone to enjoy and feel safe. Banners and posters were created, using local people, to reflect each local community and provide involvement and a sense of ownership within their library.

Access to digitised copies of important books and photographs relating to Lower Hutt is provided from the libraries website. These have attracted an average of 422 visits per month, indicating that Hutt residents are keen to know more about their heritage and family histories.

Over the last year 85% of residents have visited a Hutt City library.

Museums

It's 40 years since the Dowse Art Gallery was opened by the Governor General, Sir Arthur Porritt, and quickly found its way into the hearts of New Zealanders. To commemorate this milestone, the major exhibition, *Ruby: A 40 Year Love Affair* with The Dowse showcased a selection of much loved highlights from the collection. It also acknowledged the individual vision of each of the six Dowse directors. The gallery was named after Mayor Percy Dowse and his wife, Mary. The Dowse was part of their grand plan for 'a progressive and contemporary city'.

Other exhibitions staged at the Dowse during the year included *White Cloud Worlds* (showcasing fantasy and science fiction art we normally see in video games or movie screens), *Bruce and Denny* by notable pop artist Billy Apple, *Lightstones* featuring work from the extensive Dowse glass collection, *Bugs Beatles and Butterflies* and *Who am I?* aimed at family groups and younger audiences, and *Après les baleines* (After the whales), an exhibition of contemporary ceramics by artist Richard Stratton, generously supported by the Gillian and Roderick Deane Endowment Trust.

The Dowse also staged touring shows in Auckland, Hamilton, Rotorua and Invercargill, and these were seen by around 140,000 visitors.

As part of the exhibitions programme the Dowse has always run an accompanying programme of complementary events and programmes. Highlights from the last year include a very successful *White Cloud World Weekend*, which attracted a large number of participants. The *Late Lounge* programme of musical events continues to attract excellent support on the first Thursday of each month, and the hugely popular *Craft 2.0* markets continue to be successful.

The school education programme also continues to flourish and is an important part of the local education landscape.

The Petone Settlers Museum reopened during the year after a comprehensive make over of the permanent history exhibition. The new show chronicles the pre-European occupation of the area as well as the arrival of the New Zealand Company.

During the year the Dowse Art Museum and Petone Settlers Museum received over 201,000 visitors.

Aquatics and Recreation

Hutt City residents are high users of pools, with Hutt City having the highest number of swims per person per year in the region. In 2010/11 attendance at pools reached 845,852 visits.

Swim City services offered a range of educational and recreational programmes during the year. These included *Learn to Swim* (from baby to adult classes), *stroke correction and development swimming*, *Kiwiswim*, *Aquarobics & Nifty 50's*, vocational programmes such as *kayaking*, *snorkelling*, *waterpolo* etc, and a *National Lifeguard Award*.

In 2008 the Leisure Active Fitness Suite was launched at Naenae Pool. A subsequent smaller fitness suite was added at Stokes Valley Pool in 2009. The fitness suite concept was seen as an opportunity to provide local neighbourhood gyms at low entry cost and with short term contracts. The original year one target of 350 members was exceeded in the first month of operation with memberships reaching 1000 in October 2010. The ability to co-locate with other recreational

services and share resources and costs make the fitness suites financially viable.

The Walter Nash Stadium, formerly owned by Hutt Valley Basketball and subsequently by the Walter Nash Stadium Trust, was transferred to council ownership in 2008. Leisure Active manages the facility. The Stadium caters for Hutt Valley wide indoor sports leagues and practices. Major users are basketball, netball and volleyball, with other activities such as judo, karate, marching, gymnastics, wheelchair rugby and handball using the venue for tournaments and representative training. School programmes, Kiwisport, health programmes and school holiday courses are also delivered from the stadium. The stadium is part of a larger Taita centre development project that aims to bring the library, hall, fitness centre, cafe and expanded stadium into one space.

Recreation programmes, designed to encourage and engage residents in a range of recreational pastimes and to showcase Hutt City's recreational spaces, are offered. They include school holiday programmes, a Hutt City seniors programme, and community recreation programmes including *Bike the Trail*, *Bike Pencarrow*, *Kev the Kiwi Wandering Walks*, *Push/Play in the Park*, *Lively Places*, the *Hutt City Triathlon* and *Go By Bike Day*.

Events

Major events funding has been provided by Council since 2005 with the purpose of supporting economic development in the city. The *Petone Winter Carnival* was one of the major events held during the year. The summer months of January and February were particularly busy with a range of events delivered or supported including *Move'm'Prove in the Park*, *Mountain Bike Workshops*, *Weetbix Triathlon*, *Aotearoa Maori Bowls Tournament*, *Wellington Regional BMX Champs*, *TriWoman Triathlon*, *Te Ra O Te Raukura* and *Rockin the Hutt*.

AmeriCarna was a new four day event brought to the city that attracted more than 300 entries and over 20,000 spectators.

In the last year 61% of residents attended a special event organised by council, with 34% attending Leisure Active programmes and events.

A District Plan change was introduced to provide for short term events to take place throughout the city without the need for lengthy planning consent processes. The plan change covers temporary activities such as festivals, parades and markets. These events can now take place provided that they comply with a few basic rules such as maximum duration, noise and hours of operation. This will make it easier for organisers of events to operate in the city.



Frocks on Bikes

Frocks on Bikes began in Wellington in 2008. The group's aim is to 'make sustainability stylish', and their enthusiasm has spread. There are now eight 'flocks' in various parts of New Zealand, and one in Melbourne. Events such as themed rides and picnics appeal to cyclists of all shapes, sizes, ages and abilities.

Hutt City's first official Frocks on Bikes event was held in March 2011. Around 60 stylishly dressed frockers, including a councillor and five staff members, rode from Days Bay to the Dowse.

Sportsville

The Hutt City Sportsville project is focussed on sports partnerships that provide sustainable outcomes and increased participation in sport. The project has enabled Council to take an active role in the future development of sport in our city. It has also provided leverage for future funding opportunities. An example of this has been the development of the Kiwisport Project that injected \$403,000 worth of services into our primary schools, supporting 12,000 children annually, with no additional financial investment from Council. This is an example of a partnership with local sports, national sporting organisations, community funders and central government that will benefit every primary aged child in Hutt City.

The greatest issue facing recreation services for council is the need to replace or upgrade most of our facilities over the next 20 years. There is also a growing desire within the community to develop different types of recreational experiences and facilities than are currently provided. This provides an opportunity to co-locate services and create public-private partnerships. These opportunities are being explored through Sportsville partnerships at Fraser Park, Petone and Wainuiomata.

Parks and Reserves

In the last year 93% of residents have used our parks, reserves or gardens, and 77% have used sportsgrounds.

The entrance to Percy Scenic Reserve has been spruced up with the installation of display panels. These provide a history of the reserve and some background on the special plant collections held there.

The former custodian house at the Petone Recreation Ground was renovated during the year for use by Plunket. Plunket has moved into the house and the former Plunket rooms in Kensington Avenue have been demolished.

As part of the ongoing development of Hutt Park, Council constructed a new car park at the eastern end of the Sports House building. The parking area has provision for 140 cars for users of the playing fields, the Sports House and the soon to be completed indoor sports facility. A further parking area in front of the new indoor sports facility is planned for the 2011/12 financial year.

Last year we completed the capital works done in preparation for hosting Rugby World Cup teams at Hutt Rec. This year we focused on nurturing and maintaining the new turf so that it would be in top condition for the Rugby World Cup.



Programmed maintenance was undertaken to the Days Bay and Petone wharves during the year. Repairs were made to a number of piles, braces and other structural elements identified by engineers during the five yearly wharves survey.

In June 2011 the Council agreed to purchase 22 hectares of land at 17 Horoeke Street in Stokes Valley, as the site has recreational and ecological qualities that will benefit the city. The property is also known as Te Oranga Whenua or the Waddington Covenant, and has been transferred into Council's ownership to be managed as part of our network of bush reserves.

i-SITE

Over 13,500 people visited the i-SITE during the year, with 66.8% of these from Hutt City. International visitors accounted for 17.1% of all visitors. The i-SITE had a record year for revenue, turning over \$491,000 excluding GST. A rugby programme through Rugby & Beyond is entering its fourth year and has seen continuous growth in the number of rugby players and coaches visiting from Japan. A programme for teachers has also proven popular with teachers visiting a series of schools in the Wellington region.

Korohiwa bus barn restoration

One of the larger building projects undertaken in the last few years was the restoration of the former Eastbourne Bus Garage for Cityline, the current bus service operator. The bus barn, a registered Category Two status building under the Historic Places Act, was restored in accordance with a conservation plan agreed between the Council and the Historic Places Trust. The building was completed on time and within budget, despite some considerable restraints around the design and the building fabric. The project was managed by Council's property company, urbanplus, which also managed to negotiate a long term lease of all of the ground floor to Cityline as well as renting out the three restored apartments on the first floor.

You can also see the report on our key performance indicators from page 8 and the reports that follow on our significant activities that primarily contribute to making Hutt City a great place to play.

SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

Group People – primarily focused on making Hutt City a great place to play.

Group Utility Services and Group Environment – contributing to making the city a great place to live.

Group Economy – making Hutt City a great place to work.

Group Organisation – reporting on council’s internal activities that contribute to all community outcomes.

Each group is divided into the significant activities that make up that group.

GROUP PEOPLE PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Libraries	All performance measures achieved
Museums	All performance measures achieved
Aquatics and Recreation	All performance measures achieved
Parks and Reserves	All performance measures achieved
Community Support	All performance measures achieved
Property	All performance measures achieved

GROUP PEOPLE FINANCIAL SUMMARY

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-11 \$000	ANNUAL PLAN 30-JUN-11 \$000	ACTUAL 30-JUN-10 \$000	ACTUAL 30-JUN-11 \$
Libraries	(7,192)	(6,745)	(7,125)	73.61
Museums	(2,575)	(2,536)	(2,568)	26.36
Aquatics and Recreation	(4,335)	(4,220)	(4,503)	44.37
Parks and Reserves	(9,642)	(9,196)	(9,689)	98.69
Community Support	(2,393)	(2,369)	(2,210)	24.49
Property	(661)	(2,529)	(1,846)	6.77
	Note: The (Deficit)/Surplus before tax shows the net cost of the Council’s activities for the year in comparison to the 2010/11 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed Council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

LIBRARIES

What we do

We provide, maintain and manage eight libraries across the city. Run as a single city-wide service, their primary role is to provide written and recorded material such as books, audiovisual resources and access to electronic information.

Why we do it

People use library services for many purposes, including learning, research and entertainment. By providing libraries, we enable all citizens to access information, knowledge and learning opportunities. The services and facilities are a collective resource that is greater than any individual or family could afford or accommodate. They support community learning, literacy and recreation.

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Percentage of residents who have used library services during the year: $\geq 80\%$	82%	82%	N/A	85%	NRB Communitrak Survey
Residents' satisfaction with library services: $\geq 97\%$	98%	100%	98%	99% of residents who expressed an opinion were satisfied. 10% of residents did not express an opinion.	NRB Communitrak Survey
Number of physical visits per year: 1,200,000	1,102,124	1,263,663	N/A	1,248,512	Monthly Management Reports
Number of visits via the Internet per year: 200,000 Libraries Online visits 85,000 pay sessions on Connect	314,419	202,619 Libraries Online visits	N/A	267,376 Libraries Online visits 99,839 pay sessions on Connect	Monthly Management Reports
Library stock turnover: \geq national mean 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	5.69 (national mean 4.3 average annual circulation per item)	6.94 (national mean 3.47 average annual circulation per item)	national mean 3.78 average annual circulation per item	6.47 average annual circulation per item	New Zealand Public Library Statistics

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Libraries - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	470	641	(171)	525
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	90	35	55	39
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	560	676	(116)	564
EXPENDITURE				
Employee Costs	3,890	3,796	(94)	3,843
Support Costs	2,166	2,044	(122)	2,075
Operating Costs	931	929	(2)	996
Finance Cost	39	39	-	38
Depreciation and Amortisation	726	613	(113)	737
Total Expenditure	7,752	7,421	(331)	7,689
DEFICIT BEFORE TAX	(7,192)	(6,745)	(447)	(7,125)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(7,192)	(6,745)	(447)	(7,125)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(7,192)	(6,745)	(447)	(7,125)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(752)	(883)	131	(722)
Capital Expenditure - Improving Services	(210)	(178)	(32)	(38)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	726	613	113	737
Total Loan Funding Requirement	(236)	(448)	212	(23)
TOTAL FUNDING REQUIREMENT	(7,428)	(7,193)	(235)	(7,148)

Significant Operating Variations from LTCCP

Income was less than budget mainly due to less income from book rental fees, and less income from overdue fees due to the introduction of reminder notices. Expenditure was over budget due to salary adjustments being higher than expected, with overtime payments also higher than expected in order to cover for annual and sick leave, and higher depreciation costs due to previously uncapitalised book purchases.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Digitisation	10	11	1
Eastbourne Library Refurbishment	21	70	49
Libraries Replace Furniture & Equipment	34	42	8
Replace Library Shelving	20	20	-
Upgrade Buildings Security Systems	-	102	102
Libraries Stock Replacement	677	760	83
Merge Bibliographic Data Managed Services	-	55	55
Libraries Radio Frequency Identification	200	-	(200)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Library Book Stock Replacement is an ongoing programme to update and replace books held in the Libraries. Eastbourne Library Refurbishment was completed which included replacement of furniture and fittings and shelving. Underspends on a number of projects including the Libraries Buildings Security Systems were used to commence work on the Libraries Radio Frequency Identification which will continue next year.

MUSEUMS

What we do

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

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

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Number of museum visits per year: 200,000	198,391	245,119	N/A	201,678	Monthly Management Reports
Residents' satisfaction with The Dowse Art Museum: \geq 93%	94%	95%	95%	96% of residents who expressed an opinion were satisfied. 25% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with Petone Settlers Museum: \geq 93%	98%	97%	95%	98% of residents who expressed an opinion were satisfied. 41% of residents did not express an opinion.	NRB Communitrak Survey
Education programmes delivered that meet the needs and expectations of school groups: Education programmes delivered to 11,000 students; 90% satisfaction	13,254 students 91% satisfaction	11,847 students 94% satisfaction	N/A	16,026 students 97% satisfaction	Management Reports and Participant Evaluation Forms

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Museums - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	290	167	123	203
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	147	250	(103)	253
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	437	417	20	456
EXPENDITURE				
Employee Costs	1,070	1,164	94	1,042
Support Costs	630	587	(43)	635
Operating Costs	1,002	914	(88)	1,048
Finance Cost	59	59	-	58
Depreciation and Amortisation	251	229	(22)	241
Total Expenditure	3,012	2,953	(59)	3,024
DEFICIT BEFORE TAX	(2,575)	(2,536)	(39)	(2,568)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(2,575)	(2,536)	(39)	(2,568)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(2,575)	(2,536)	(39)	(2,568)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(184)	(259)	75	(80)
Capital Expenditure - Improving Services	(40)	(40)	-	(13)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	251	229	22	241
Total Loan Funding Requirement	27	(70)	97	148
TOTAL FUNDING REQUIREMENT	(2,548)	(2,606)	58	(2,420)

Significant Operating Variations from LTCCP

Revenue from user charges was higher mainly from venue hire offset by less other revenue from sponsorship. The expenditure favourable variance is the result of savings in employee costs due to vacant positions remaining unfilled, offset by unbudgeted maintenance costs to the Dowse air conditioning and Petone Settlers Museum plant and higher depreciation costs.

Note: Grant Funding Received from the Lottery Grants Board

During the financial year the Council was granted \$75,000 as a contribution to the Petone Settlers Museum upgrade.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Dowse Museum Chiller Replacement	115	180	65
Dowse Office Furniture & Equipment	9	3	(6)
Dowse Gallery Lighting	21	10	(11)
Dowse Building & Plant Maintenance	39	20	(19)
Dowse New Artworks	40	40	-
Petone Settlers Museum Exhibition Furniture & Fittings	-	15	15
Petone Settlers Museum Building & Plant Maintenance	-	31	31

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Work was carried out on replacement of the Dowse Chiller which is used to maintain an ideal environment for the museum's artworks. A carryover of \$65,000 will be used to complete this work in 2011/12.

AQUATICS AND RECREATION

What we do

We provide and maintain six swimming pools in Hutt City, and provide quality and accessible tuition in essential water safety and life skills. Our recreational programmes are community based and designed to encourage residents to engage in a range of recreational activities.

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with pools: \geq 93%	94%	95%	92%	94% of residents who expressed an opinion were satisfied. 19% of residents did not express an opinion.	NRB Communitrak Survey
Residents' use of pools: \geq 65%	69%	70%	N/A	68%	NRB Communitrak Survey
Out of School Care and Recreation (OSCAR) accreditation of quality standards for holiday programmes: Accreditation maintained	Accreditation maintained	Accreditation maintained	N/A	Accreditation maintained	Annual MSD Audit
POOLS SAFE accreditation for swimming pool operation, including quality standards for health and safety, water quality, supervision, pool building and operation, signage and other standards: Accreditation maintained	Accreditation maintained	Accreditation maintained	N/A	Accreditation maintained	Annual ACC/NZRA Audit
Cost per visit to Council of aquatic services provided: \$4.18	\$4.02	\$3.95	N/A	\$3.66	Operational expenditure against user numbers
User satisfaction with Leisure Active programmes and events: \geq 92%	99%	99%	N/A	95% of users who expressed an opinion were satisfied. 13% of users did not express an opinion.	NRB Communitrak Survey
Residents' use of Leisure Active programmes and events: \geq 30%	33%	35%	N/A	34%	NRB Communitrak Survey

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Aquatics and Recreation - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	2,806	2,482	324	2,441
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	1,076	671	405	843
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	3,882	3,153	729	3,284
EXPENDITURE				
Employee Costs	3,365	3,079	(286)	3,184
Support Costs	573	569	(4)	644
Operating Costs	3,409	2,898	(511)	3,113
Finance Cost	60	60	-	60
Depreciation and Amortisation	810	767	(43)	786
Total Expenditure	8,217	7,373	(844)	7,787
DEFICIT BEFORE TAX	(4,335)	(4,220)	(115)	(4,503)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(4,335)	(4,220)	(115)	(4,503)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(4,335)	(4,220)	(115)	(4,503)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(695)	(818)	123	(378)
Capital Expenditure - Improving Services	(243)	(450)	207	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	810	766	44	786
Total Loan Funding Requirement	(128)	(502)	374	408
TOTAL FUNDING REQUIREMENT	(4,463)	(4,722)	259	(4,095)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Events Funding	306	299	(7)

Significant Operating Variations from LTCCP

Revenue was higher than budget due to unbudgeted revenue from Kiwi Sport, offset by higher operating costs also mainly due to unbudgeted costs from Kiwi Sport. Kiwi Sport is a Government funded initiative to deliver sports programmes to school aged children. Other additional operating costs were mainly due to extra consultancy services associated with planning for future leisure services and facilities.

Note: Grant Funding Received from the Ministry of Social Development

During the financial year the Council received \$34,110 as a contribution towards school holiday programmes. The programmes that received this funding are as follows:

Belmont Superstars - \$11,870, Gracefield Gurus - \$11,870, and Maungaraki Musketeers - \$10,370.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Huia Pool Replace Boiler	41	50	9
McKenzie Pool Replacement	51	250	199
Other Projects	332	407	75
Stokes Valley Pool Energy Efficiency Projects	220	220	-
Stokes Valley Pool Replace Heat Coil, Ducting & Fan	44	47	3
Walter Nash Stadium Resurface Floor & Seating	44	60	16
Walter Nash Stadium Maintenance	14	34	20
Walter Nash Stadium Upgrade	192	200	8

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Detailed design work for the McKenzie Pool replacement has been deferred until 2011/12 to allow for further investigation of possible options. A major project to provide energy efficiencies was carried out at the Stokes Valley Pool and cost saving benefits are already being achieved as a result of this. Detailed design work was carried out on a proposed upgrade of the Walter Nash Stadium and the adjacent Council Hall and Library to develop a fully integrated sports and community facility for the benefit of Taita and the wider Hutt City. A number of "Other Projects" were also completed including the boiler replacements at Huia and Eastbourne Pools and pump replacements at Wainuiomata and Naenae Pools.

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 and street gardens, 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 service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Residents' satisfaction with sportsgrounds: $\geq 95\%$	97%	95%	95%	96% of residents who expressed an opinion were satisfied. 15% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with parks, reserves and gardens: $\geq 95\%$	96%	97%	97%	98% of residents who expressed an opinion were satisfied. 4% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with cemeteries: $\geq 90\%$	96%	97%	97%	96% of residents who expressed an opinion were satisfied. 43% of residents did not express an opinion.	NRB Communitrak Survey
Sports fields meet the standard agreed with sports codes: $\geq 95\%$	97%	97%	N/A	97%	Complaints from users during 2010/11 and sportsground audits
Area of parks and reserves per 1000 of population: ≥ 24.9 hectares	54 hectares	54 hectares	N/A	54 hectares	Reserves Strategy
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months: $\geq 89\%$	88%	90%	N/A	93%	NRB Communitrak Survey
Maintain a high standard of maintenance and development of playgrounds, parks, reserves, gardens and cemeteries: 95% of contract and asset management plan requirements met	95%	95%	N/A	95%	Playground and Parks Audits

Note: Survey percentages quoted exclude those who responded 'Don't Know'.

Parks and Reserves - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	1,371	1,578	(207)	1,245
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	(1)
Finance Revenue	-	-	-	-
Other Revenue	30	9	21	99
Vested Assets	-	100	(100)	942
Gain/(Loss)	(8)	-	(8)	-
Total Revenue	1,393	1,687	(294)	2,285
EXPENDITURE				
Employee Costs	922	916	(6)	943
Support Costs	555	550	(5)	545
Operating Costs	8,187	8,216	29	9,255
Finance Cost	475	475	-	469
Depreciation and Amortisation	896	726	(170)	762
Total Expenditure	11,035	10,883	(152)	11,974
DEFICIT BEFORE TAX	(9,642)	(9,196)	(446)	(9,689)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(9,642)	(9,196)	(446)	(9,689)
Add Capital Contributions	-	-	-	1
Total Rates Funding Requirement	(9,642)	(9,196)	(446)	(9,688)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(662)	(951)	289	(421)
Capital Expenditure - Improving Services	(698)	(555)	(143)	(1,165)
Less Capital Contributions	-	-	-	(1)
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	896	726	170	762
Total Loan Funding Requirement	(464)	(780)	316	(825)
TOTAL FUNDING REQUIREMENT	(10,106)	(9,976)	(130)	(10,513)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Hutt River Trail	13	13	-
Canopy Weed Control	39	38	(1)
North Island Brown Kiwi	5	5	-
Problem Tree Removal	116	135	19

Significant Operating Variations from LTCCP

Revenue was under budget mainly due to less income from cemeteries, sportsground fees and reserve contributions. Operating costs were also higher due to the transfer of some budgeted capital costs to operating, and additional unbudgeted depreciation costs relating to Percy's Reserve improvements. These costs were partly offset by savings in the land review project. Work continued on the removal of problem trees, mainly in Sunny Grove, and some money has been carried over to 2011/12 to complete this work.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Bollards to Prevent Vehicle Access to Reserves	-	5	5
Hutt Park Development	292	290	(2)
Parks Seats & Bins	26	26	-
Parks Hard Surfaces Maintenance	15	50	35
Parks Signage & Interpretation	20	22	2
Playground Equipment Replacement	99	110	11
Petone Recreation Ground House Improvements	170	150	(20)
Sportsground Buildings Maintenance	156	150	(6)
Street Tree Planting	-	63	63
Street Tree Replacements	-	30	30
Parks Street Tree/Infrastructure Safety	-	35	35
Taita Courts	-	85	85
Track Maintenance	22	30	8
Tutukiwi House Landscaping	1	50	49
Waddington Covenant	200	-	(200)
Wharves Maintenance	324	380	56
Wainuiomata Mountain Bike Facility	35	30	(5)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Improvements to the house at the Petone Recreation Ground were completed to relocate Plunket. Wharves maintenance work including replacement of structural parts was carried out at Days Bay and Petone Wharves. In Wainuiomata further work was carried out on the mountain bike facility including extending tracks and developing a car park. In addition, significant maintenance work was carried out on a number of sportsground buildings and parks property and equipment, as well as upgrading and replacement of playground equipment. The Hutt Park Development involved creating a new car park. Some of the budgeted works for street trees, while carried out, were treated as an operating expense.

COMMUNITY SUPPORT

What we do

We support our community through services such as facilitation, advocacy and consultation and through providing grants to community organisations and groups. These services are provided through our Community Development and Youth Development teams or private contracts. We've also increased our focus on working with government agencies and using funding from externally sourced contracts to provide services to our community.

Why we do it

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

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Community satisfaction with support programmes delivered by Community and Youth Development team: ≥ 90%	New measure for 2009/10	84%	N/A	90%	Independent Survey
Community organisations' satisfaction with the availability and quality of our support, advice and funding: ≥ 90%	New measure for 2009/10	84%	N/A	90%	Independent Survey
Residents' perceptions of Hutt City in terms of:					
<ul style="list-style-type: none"> their sense of community in their local neighbourhood: ≥ 60% 	54.4%	N/A Quality of Life Survey results due 2011	N/A	64%	Quality of Life Survey 2010 Hutt City
<ul style="list-style-type: none"> their sense of safety at home, in their neighbourhood and in the city centre: ≥ 79% 	80.3%	N/A Quality of Life Survey results due 2011	N/A	85% overall (Home Day 98% Home Night 95% Neighbourhood 68% CBD Day 96% CBD Night 66%)	Quality of Life Survey 2010 Hutt City
<ul style="list-style-type: none"> their sense of the positive impacts of our population's diversity: ≥ 59% 	54.8%	N/A Quality of Life Survey results due 2011	N/A	62%	Quality of Life Survey 2010 Hutt City
	(Source: Quality of Life Survey 2008 Hutt City)				

Community Support - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	19	18	1	28
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	-	-	-	-
Other Revenue	275	243	32	618
Vested Assets	-	-	-	-
Gain/(Loss)	-	-	-	-
Total Revenue	294	261	33	646
EXPENDITURE				
Employee Costs	796	737	(59)	843
Support Costs	502	481	(21)	586
Operating Costs	1,347	1,412	65	1,417
Finance Cost	-	-	-	-
Depreciation and Amortisation	42	-	(42)	10
Total Expenditure	2,687	2,630	(57)	2,856
DEFICIT BEFORE TAX	(2,393)	(2,369)	(24)	(2,210)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(2,393)	(2,369)	(24)	(2,210)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(2,393)	(2,369)	(24)	(2,210)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	(36)	-	(36)	(266)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	42	-	42	10
Total Loan Funding Requirement	6	-	6	(256)
TOTAL FUNDING REQUIREMENT	(2,387)	(2,369)	(18)	(2,466)

Operating Projects

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Community Grants Contestable Fund	179	176	(3)
Heritage Project Fund	11	25	14
Community Houses Funding	232	255	23
Marae Funding	155	155	-
Arts & Culture Funding	86	89	3
Citizens Advice Bureau Funding	64	64	-
Scholarships	10	10	-
Youth Infusion	12	10	(2)
Youth Centre	162	158	(4)
Safety Initiatives	216	197	(19)
Social Development Projects	34	50	16

Significant Operating Variations from LTCCP

The operating variance relates mainly to additional employee costs as a result of the appointment of a Community Grants Officer and Graffiti Coordinator, plus extra depreciation from the Naenae Computer Clubhouse offset by extra government funding, and savings in operating costs mainly from less grants allocated.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Naenae Computer Clubhouse	36	-	(36)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

There were some unbudgeted final costs required to complete the Naenae Computer Clubhouse.

PROPERTY

What we do

We have a 100% shareholding in Urban Plus Limited (trading as urbanplus), a Council-controlled trading organisation that owns and manages housing units on our behalf, mainly for the elderly and socially disadvantaged.

urbanplus aims over time to increase the number of rental properties available to residents, and is also involved in developing and selling land within the city, both on its own account and on our behalf, to meet the city's growing and changing needs.

urbanplus also manages a variety of properties for our community's use – mainly community and civic halls and venues, public toilets, community houses and the Council Administration Building. We review these facilities regularly for their efficiency and ability to meet changing public requirements.

Why we do it

We provide community and civic halls and venues because they offer an environment for a diverse range of social, cultural and community-based activities, including clubs, indoor sports, band practices, arts and theatre. We provide public toilets to safeguard public health, and ensure they are physically accessible, appropriately located, designed and built, and cleaned and maintained to appropriate standards.

Regular assessments of the property we own and occupy can result in property upgrades and sales of surplus assets.

How we measure the service provided

MEASURE	ACHIEVED 2008/09	ACHIEVED 2009/10	PEER AVERAGE 2010/11	ACHIEVED 2010/11	SOURCE OF INFORMATION
Tenants' satisfaction with Council accommodation: 90%	91%	96%	N/A	95%	Internal Survey
Residents' satisfaction with public halls: ≥ 94%	92%	97%	94%	97% of residents who expressed an opinion were satisfied. 33% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with public toilets: ≥ 70%	68%	69%	74%	79% of residents who expressed an opinion were satisfied. 30% of residents did not express an opinion.	NRB Communitrak Survey
Occupancy rate of Council rental housing: 90%	97%	93%	N/A	95.8%	Monthly Management Reports

Note: Survey percentages quoted exclude those who responded 'Don't Know'. We work to meet these measures through urbanplus.

Property - Income Statement

For the year ended 30 June 2011

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000	ACTUAL 30 JUNE 2010 \$000
REVENUE				
Rates Income	-	-	-	-
User Charges	1,091	1,009	82	993
Operating Contributions	-	-	-	-
UHCC Operating Contribution	-	-	-	-
Capital Contributions	-	-	-	-
Finance Revenue	3	-	3	-
Other Revenue	-	-	-	225
Vested Assets	-	-	-	-
Gain/(Loss)	1,927	-	1,927	608
Total Revenue	3,021	1,009	2,012	1,826
EXPENDITURE				
Employee Costs	-	6	6	-
Support Costs	(1,279)	(1,262)	17	(1,307)
Operating Costs	2,802	2,743	(59)	2,897
Finance Cost	285	285	-	282
Depreciation and Amortisation	1,874	1,766	(108)	1,800
Total Expenditure	3,682	3,538	(144)	3,672
DEFICIT BEFORE TAX	(661)	(2,529)	1,868	(1,846)
RATES FUNDING REQUIREMENT				
Deficit Before Tax	(661)	(2,529)	1,868	(1,846)
Add Capital Contributions	-	-	-	-
Total Rates Funding Requirement	(661)	(2,529)	1,868	(1,846)
LOAN FUNDING REQUIREMENT				
Capital Expenditure - Maintaining Services	(523)	(455)	(68)	(304)
Capital Expenditure - Improving Services	(578)	(1,214)	636	(1,285)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	1,874	1,766	108	1,800
Less Asset Sales	5,142	7,816	(2,674)	-
Total Loan Funding Requirement	5,915	7,913	(1,998)	211
TOTAL FUNDING REQUIREMENT	5,254	5,384	(130)	(1,635)

Significant Operating Variations from LTCCP

The main variance relates to the profit on asset sales of \$2.2m. Revenue is above budget due to increased income from hall hire offset by an increase in various property maintenance costs and depreciation costs mainly related to Korohiwa.

Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2011 \$000	PLAN 30 JUNE 2011 \$000	VARIANCE 30 JUNE 2011 \$000
Administration Building Maintenance	32	30	(2)
Avalon Park Pavilion Maintenance	47	50	3
CBD Community Resource Centre	13	24	11
Community Halls Improvements	18	280	262
Community Houses Building Maintenance	12	15	3
Community Halls Exterior & Interior Maintenance	220	175	(45)
Horticultural Hall Maintenance	132	105	(27)
Single Houses (Reserves) Interior & Exterior Maintenance	5	20	15
Korohiwa Bus Barn Redevelopment	521	300	(221)
Libraries Exterior & Interior Maintenance	40	40	-
Libraries Improvements	-	40	40
Little Theatre Interior & Exterior Maintenance	25	30	5
Little Theatre Improvements	19	120	101
Minoh Friendship House Maintenance	10	10	-
Halls Upgrade Men's Shed	-	10	10
Miscellaneous Rentals Interior & Exterior Maintenance	-	20	20
Toilets Upgrade	7	400	393

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

A number of projects were not completed or carried out in 2010/11 due to a decision to reduce capital expenditure, and have instead been carried over to 2011/12. These include Community Halls Improvements, Libraries Improvements, Little Theatre Improvements, and Toilets Upgrade. There is a variance for the Korohiwa Bus Barn Redevelopment which relates to costs budgeted in 2009/10 but not charged until 2010/11. The project which began in 2009 was completed and opened on 4 September 2010.



OUR FINANCES



REPORT ON FINANCIAL POLICIES

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

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY REPORT

Background

The Development and Financial Contributions Policy describes what financial contributions Council will require from developers when their property developments impose increased demand on Council services. Council has previously chosen to rely on the financial contributions specified in chapter 12 of the District Plan. The policy came into effect from 1 July 2006.

Summary of Financial Contributions

Council received \$0.200 million (2010 \$0.483 million) in reserve and development contributions from developers during the year.

LIABILITY MANAGEMENT POLICY REPORT

Background

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

Overall Performance

Council monitors compliance with the liability management policy on a monthly basis. There was compliance with most policy limits during 2010/11.

Full details of the Council's debt, its maturity dates and interest costs are disclosed in note 21 of the Financial Statements. Further information in relation to interest rate risk and fair values of the Council's debt are disclosed in note 27 of the Financial Statements.

Borrowing Limits

The table below shows the limits on borrowing contained in the Council's Liability Management Policy and the actual position at 30 June 2011.

RATIO	ACTUAL 30 JUNE 2011	POLICY LIMIT
Net debt to equity	6%	Below 20%
Net debt to income	55%	Below 150%
Net interest to income	4%	Below 10%
Net interest to rates income	6%	Below 15%
Liquidity	101%	Average of 100%
Net debt*	\$68.593 million	Below \$100 million
Net debt per capita	\$702	Below \$1,000
Debt Refinancing Risk Spread		
0 to 3 years	54%	10% - 60%
3 to 5 years	31%	20% - 60%
5 years plus	15%	10% - 60%
Fixed Rate Debt Maturity Profile		
Overall fixed proportion	67%	55% - 95%
1 to 3 years	19%	15% - 60%
3 to 5 years	25%	15% - 60%
5 to 10 years	56%	15% - 60%
Total financial guarantees	\$0.297 million	Not more than \$1.2 million
Largest single guarantee	\$0.254 million	Not more than \$0.3 million

* Net debt includes borrowings and investments and excludes daily operating cash.

INVESTMENT POLICY REPORT

Background

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

Overall Performance

Council is a net borrower, and as such has minimised the amount of investments held to those necessary to meet specific business objectives. No breaches of the Investment Policy were reported during the 2010/11 financial year.

Investment Limits

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

COUNTERPARTY	MINIMUM CREDIT RATING	ACTUAL 30 JUNE 2011	POLICY LIMIT
NZ Government	A-	Nil	Unlimited
State Owned Enterprises	A-	Nil	\$5.0 million
NZ Registered Banks			
Westpac	A-	\$3.0 million	\$15 million
ANZ	A-	\$2.9 million	\$15 million
Bank of New Zealand	A-	Nil	\$15 million
Corporate Bonds*	A-	Nil	\$2 million
Local Authority Bond Trust	A-	Nil	\$2 million
Local Govt Finance Corporation		Nil	\$2 million
Local Govt Stock – rated**	A-	Nil	\$2 million
Local Govt Stock – unrated**		Nil	\$0.5 million

* Subject to a maximum of \$5.0m investment in corporate/secured bonds at any one point in time.

** Subject to a maximum of \$15.0m investment in Local Government stock at any one point in time, including Local Government Finance Corporation.

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

Credit Risk = notional value x years to maturity x 4.0%

RATES REMISSION AND POSTPONEMENT POLICIES REPORT

Background

Council has adopted policies in relation to the remission and postponement of rates. There are a number of circumstances in which applications are considered.

Circumstances include where the ratepayer is a sporting or community organisation, a church, a school, a kindergarten or playcentre, or a hospital, provided the property is used for the benefit of the community and not for profit. Remissions are also granted on privately owned land protected for conservation purposes, or to businesses for economic development reasons, i.e. to encourage new businesses, increase the investment of existing businesses and to promote employment.

No postponements were allowed in the 2010/11 year. A summary of remissions allowed is shown in note 2 of the Financial Statements.

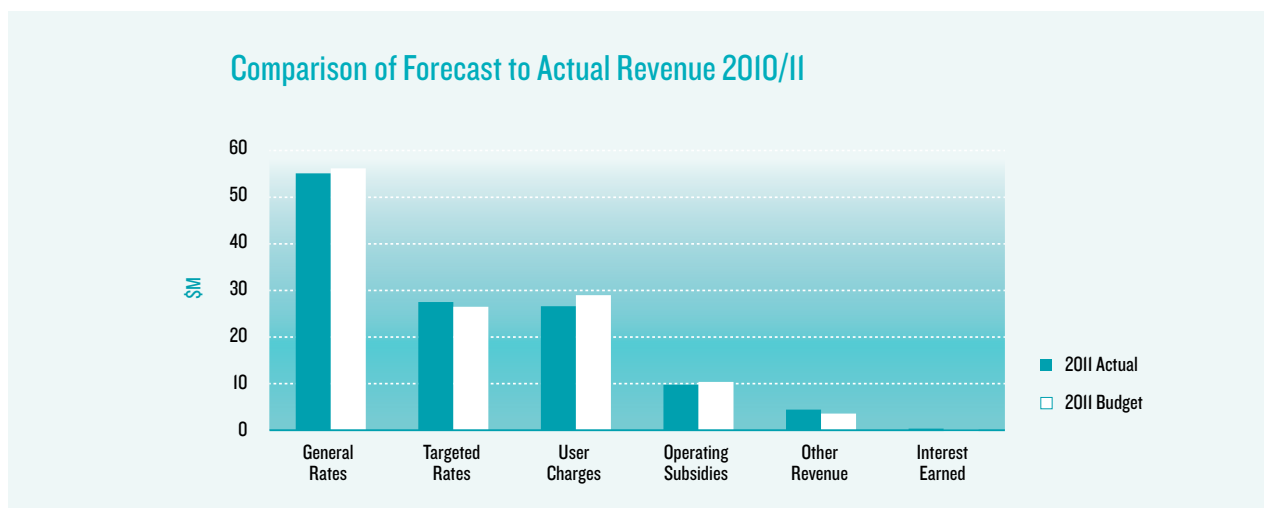
FUNDING IMPACT STATEMENT REPORT

Background

The Funding Impact Statement describes the funding mechanisms the Council intends using each year. Among other things, this Statement explains in detail how rates are to be calculated.

Specific Targets

The following graph shows the proportion of funding forecast from each mechanism in the Funding Impact Statement and the actual funding received in 2010/11.



TO THE READERS OF HUTT CITY COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Auditor-General is the auditor of Hutt City Council (the City Council) and group. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, non-financial performance information and compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report of the City Council and group on her behalf.

We have audited:

- the financial statements of the City Council and group on pages 92 to 141, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the non-financial performance information of the City Council and group on pages 7 to 84; and
- the City Council's compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report (other schedule 10 information).

Opinion on the financial statements, non-financial performance information and other schedule 10 information

In our opinion:

- The financial statements of the City Council and group on pages 92 to 141:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the City Council and group's financial position as at 30 June 2011; and
 - the financial performance and cash flows for the year ended on that date.
- The non-financial performance information of the City Council and group on pages 7 to 84:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the City Council and group's levels of service for the year ended 30 June 2011, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The City Council has complied with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report.

Our audit was completed on 28 October 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, non-financial performance information and other schedule 10 information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, non-financial performance information and other schedule 10 information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, non-financial performance information and other schedule 10 information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, non-financial performance information and other schedule 10 information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the City Council and group's financial statements, non-financial performance information and other schedule 10 information that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and non-financial performance information;
- determining the appropriateness of the reported non-financial performance information within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, non-financial performance information and other schedule 10 information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, non-financial performance information and other schedule 10 information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the City Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to its forecast; and
- other information required by schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non-financial performance information and other schedule 10 information that are free from material misstatement, whether due to fraud or error.

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

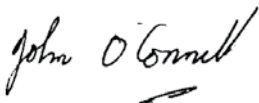
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, non-financial performance information and compliance with the other schedule 10 information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

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

Other than the audit and the audit of the 2012-22 Long Term Plan, we have no relationship with or interests in the City Council or any of its subsidiaries.



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF COMPLIANCE

Statement of Compliance and Responsibility

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



Mayor
Ray Wallace
28 October 2011



Chief Executive
Tony Stallinger
28 October 2011

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	NOTES	COUNCIL			GROUP	
		ACTUAL 2011 \$000	BUDGET 2011 \$000	ACTUAL 2010 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000
REVENUE						
Rates revenue	2.	82,649	82,712	80,570	82,412	80,333
User charges	3.	26,616	28,990	33,543	29,649	36,273
Subsidies received	3.	9,833	10,370	9,698	9,833	9,698
Finance revenue	4.	338	150	305	161	266
Other revenue	3.	4,426	3,572	16,554	4,591	16,666
Gain	5.	1,921	-	747	543	190
Total revenue		125,783	125,794	141,417	127,189	143,426
EXPENDITURE						
Employee costs	6.	26,360	27,543	26,034	27,092	26,903
Operating costs	7.	63,035	62,458	72,878	63,940	73,784
Finance costs	4.	4,640	4,500	6,415	4,951	6,603
Depreciation and amortisation	14. & 15.	29,234	26,591	27,643	30,155	28,416
Total operating expenditure		123,269	121,092	132,970	126,138	135,706
Share of associate's surplus/(deficit)	17.	-	-	-	(14)	14
Surplus/(deficit) before tax		2,514	4,702	8,447	1,037	7,734
Income tax expense/(benefit)	8.	-	-	-	(620)	-
SURPLUS/(DEFICIT) AFTER TAX		2,514	4,702	8,447	1,657	7,734
Other comprehensive income						
Gain/(Loss) on revaluation of financial instruments	5.	(607)	800	(1,058)	(607)	(1,058)
Gain on property revaluations		-	-	-	4,579	-
Deferred tax on revaluation		-	-	-	(620)	-
Total other comprehensive income		(607)	800	(1,058)	3,352	(1,058)
TOTAL COMPREHENSIVE INCOME		1,907	5,502	7,389	5,009	6,676

The accompanying notes form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	NOTES	COUNCIL			GROUP	
		ACTUAL 2011 \$000	BUDGET 2011 \$000	ACTUAL 2010 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000
Balance at 1 July		1,147,198	1,148,889	1,139,809	1,146,900	1,140,224
Total comprehensive income		1,907	5,502	7,389	5,009	6,676
Balance at 30 June		1,149,105	1,154,391	1,147,198	1,151,909	1,146,900
Total comprehensive income attributable to:						
- Hutt City Council		1,149,105	1,154,391	1,147,198	1,147,727	1,147,092
- Urban Plus Limited		-	-	-	2,240	(1,780)
- Seaview Marina Limited		-	-	-	1,942	1,588
Balance at 30 June	25.	1,149,105	1,154,391	1,147,198	1,151,909	1,146,900

The accompanying notes form an integral part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	NOTES	COUNCIL			GROUP	
		ACTUAL 2011 \$000	BUDGET 2011 \$000	ACTUAL 2010 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	9.	6,095	12,388	2,894	6,119	2,999
Debtors and other receivables	10.	11,507	7,613	13,750	11,987	14,243
Inventories	12.	42	-	56	4,470	2,179
Derivative financial instruments	11.	1,104	3,342	1,196	1,104	1,196
Prepayments		164	-	95	180	96
Other assets	18.	-	398	-	-	-
Non-current assets held for sale	13.	-	2,433	-	-	40
Total current assets		18,912	26,174	17,991	23,860	20,753
NON-CURRENT ASSETS						
Property, plant and equipment	14.	1,212,720	1,193,933	1,222,813	1,242,199	1,241,622
Intangible assets	15.	6,302	2,123	5,474	6,309	5,483
Assets under construction		1,990	21,167	2,307	2,003	6,449
Investment in subsidiaries	16.	14,545	14,545	14,545	-	-
Investment in associates	17.	224	224	224	104	118
Other financial assets	18.	3,691	678	3,289	191	438
Total non-current assets		1,239,472	1,232,670	1,248,652	1,250,806	1,254,110
TOTAL ASSETS		1,258,384	1,258,844	1,266,643	1,274,666	1,274,863
CURRENT LIABILITIES						
Borrowings - current	21.	37,958	41,520	23,897	50,558	31,097
Derivative financial instruments	11.	3,623	2,596	3,108	3,623	3,108
Creditors and other payables	20.	16,333	20,954	21,244	16,442	21,903
Employee entitlements	22.	2,426	2,214	2,318	2,480	2,398
Other liabilities	24.	3,242	2,910	3,117	3,939	3,696
Total current liabilities		63,582	70,194	53,684	77,042	62,202
NON-CURRENT LIABILITIES						
Borrowings - non current	21.	40,035	30,000	60,128	40,035	60,128
Employee entitlements	22.	842	688	740	860	740
Provisions - non current	23.	4,820	3,571	4,893	4,820	4,893
Deferred tax liability	8.	-	-	-	-	-
Other liabilities	24.	-	-	-	-	-
Total non-current liabilities		45,697	34,259	65,761	45,715	65,761
TOTAL LIABILITIES		109,279	104,453	119,445	122,757	127,963
NET ASSETS		1,149,105	1,154,391	1,147,198	1,151,909	1,146,900
EQUITY						
Accumulated funds	25.	743,039	744,552	748,152	741,884	747,854
Other Reserves	25.	406,066	409,839	399,046	410,025	399,046
TOTAL EQUITY		1,149,105	1,154,391	1,147,198	1,151,909	1,146,900

The accompanying notes form an integral part of these financial statements.

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

CASH FLOW STATEMENT

For the year ended 30 June 2011

	NOTES	COUNCIL			GROUP	
		ACTUAL 2011 \$000	BUDGET 2011 \$000	ACTUAL 2010 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Receipts from rates and levies - Council		82,466	82,712	79,384	82,229	79,147
Receipts from rates and levies - GWRC*		17,585	13,000	17,596	17,585	17,596
Receipts from user charges and other income		41,484	44,732	44,659	44,688	47,679
Interest received		338	150	305	161	266
Dividends		-	-	18	-	18
Net GST received from Inland Revenue **		1,790	-	-	1,790	-
		143,663	140,594	141,962	146,453	144,706
<i>Cash was applied to:</i>						
Payments to employees		(26,150)	(27,543)	(25,878)	(26,890)	(26,729)
Payments to suppliers		(68,440)	(59,458)	(68,339)	(70,213)	(68,939)
Interest paid		(4,752)	(4,500)	(5,050)	(5,063)	(5,238)
Net GST paid to Inland Revenue		-	-	(495)	-	(495)
Rates and levies passed to GWRC*		(17,540)	(13,000)	(17,347)	(17,540)	(17,347)
		(116,882)	(104,501)	(117,109)	(119,706)	(118,748)
Net cash flows from operating activities	26.	26,781	36,093	24,853	26,747	25,958
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash was provided from:</i>						
Receipts from sale of property, plant and equipment		5,142	7,816	1,215	2,358	1,215
Other investment receipts		5	-	13	5	13
		5,147	7,816	1,228	2,363	1,228
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		(18,903)	(24,967)	(17,232)	(20,651)	(19,109)
- less UHCC capital contribution		-	511	-	-	-
Purchase of assets under construction		(1,233)	-	(2,124)	(1,563)	(5,710)
Purchase of intangible assets		(1,910)	-	(4,273)	(1,913)	(4,276)
Investment in subsidiary		-	-	-	-	-
Purchase of inventory held for commercial development		-	-	-	(1,231)	-
Other payments and investments		(649)	-	(2,941)	-	(90)
		(22,695)	(24,456)	(26,570)	(25,358)	(29,185)
Net cash flows from investing activities		(17,548)	(16,640)	(25,342)	(22,995)	(27,957)
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash was provided from:</i>						
Proceeds from borrowings		96,289	154,154	86,861	101,689	88,411
<i>Cash was applied to:</i>						
Repayment of borrowings		(102,321)	(170,178)	(92,436)	(102,321)	(92,436)
Net cash flows from financing activities		(6,032)	(16,024)	(5,575)	(632)	(4,025)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		3,201	3,429	(6,064)	3,120	(6,024)
Cash, cash equivalents and bank overdrafts at the beginning of the year		2,894	8,959	8,958	2,999	9,023
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	9.	6,095	12,388	2,894	6,119	2,999

* 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.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

The group consists of Council, its subsidiaries, Seaview Marina Limited and Urban Plus Limited (both 100% owned), Hutt Valley Youth Health Trust (an in substance subsidiary), the Silverstream Gas Joint Venture (7% owned) and associate Capacity Infrastructure Services.

The primary objective of Council is to provide goods and/or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Council and group are for the year ended 30 June 2011. The financial statements were authorised for issue by Council on 28 October 2011.

Basis of Preparation

Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

Measurement base

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council and group is New Zealand dollars.

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

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Council and group have adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IFRS 7 Financial Instruments: Disclosures – The effect of early adopting these amendments is the following information is no longer disclosed:
 - The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
 - The maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.
- NZ IAS 24 Related Party Disclosures (Revised 2009) – The early adoption of NZ IAS 24 has had no effect on related party disclosures.

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

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

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2014. The Council has not yet assessed the effect of the new standard and expects it will not be early adopted.
- FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – These were issued in May 2011 with the purpose of harmonising Australia and New Zealand's accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The amendments must first be adopted for the year ended 30 June 2012. The Council has not yet assessed the effects of FRS-44 and the Harmonisation Amendments.

As the External Reporting Board is to decide on a new accounting standards framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2012 will not be applicable to public benefit entities. This means that the financial reporting requirements for public benefit entities are expected to be effectively frozen in the short-term. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Comparatives

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

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

Significant Accounting Policies

Basis of consolidation

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

Subsidiaries

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

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

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

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

These group financial statements include Council and its subsidiaries, except for Hutt Valley Youth Health Trust, which has not been consolidated. The effect of not consolidating Hutt Valley Youth Health Trust is immaterial.

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

Associates

Council accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or

decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Council's share of the surplus or deficit of the associate is recognised in Council's Statement of Comprehensive Income. Distributions received from an associate reduce the carrying amount of the investment.

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

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

Council's investments in associates are carried at cost in Council's own "parent entity" financial statements.

Council has one associate, Capacity, which has a balance date of 30 June. Audited financial statements of Capacity have been used in preparing the group financial statements.

Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Council has a 7% interest in the Silverstream Gas Joint Venture, which has a balance date of 30 June. Unaudited financial statements of the Silverstream Gas Joint Venture have been used in preparing Council's group financial statements.

Revenue

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

Rates revenue

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

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

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

Government grants

Council receives government grants from the New Zealand Transport Agency, 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.

Provision of services

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

Vested assets

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

Sale of goods

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

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Interest and dividends

Interest income is recognised using the effective interest method.

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

Development contributions

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

Construction contracts

Contract costs are recognised as expenses by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

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

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

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

Borrowing costs

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

Grant expenditure

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

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

Foreign currency transactions

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

Income tax

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

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

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

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

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

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

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

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

Leases**Finance leases**

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

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

Derivative financial instruments

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

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

The Council and group designates certain derivatives as either:

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

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

Financial assets

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

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

Council classifies its financial assets into the following categories:

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

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

Financial assets at fair value through surplus or deficit

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

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

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

Loans and receivables

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

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

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

Held to maturity investments

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

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

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The Council and group includes in this category:

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

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

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

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

Impairment of financial assets

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

Loans, receivables and term deposits

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

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits impairment losses are recognised directly against the instruments carrying amount.

Quoted and unquoted equity investments

For each equity investment classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in the Statement of Comprehensive Income) is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity investments are not reversed through the Statement of Comprehensive Income.

Inventory

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

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

Non-current assets held for sale

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

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

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

Property, plant and equipment

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

Property, plant and equipment consist of:

Infrastructure assets

The fixed utility systems owned by Council and include resource consents. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

Operational assets

These include land, buildings, landfill post closure, improvements, library books, plant and equipment and collection items.

Restricted assets

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Assets under construction are included at cost. The total cost of a project is transferred to the relevant capital class on its completion and then depreciated. Borrowing costs are not capitalised.

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

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

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

Disposal

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives, except that art, museum collections and land are not depreciated.

Estimated economic lives

The expected useful economic lives have been estimated as follows:

	YEARS	PERCENTAGES
Operational assets		
Buildings:		
- Structure	30 - 100	1 - 3.33
- Roof	40 - 55	1.82 - 2.5
- Services	35 - 55	1.82 - 2.86
- Internal fit-out	15 - 45	2.22 - 6.67
- Plant	30 - 35	2.86 - 3.33
Landfill building assets	50 - 100	1 - 2
Library books	2 - 14	7.14 - 50
Plant and equipment:		
- Office furniture	5 - 20	5 - 20
- Plant	3 - 25	4 - 33.33
- Computer equipment	3 - 5	20 - 33.33
- Playground equipment	5 - 30	3.33 - 20
- Recycling depots	10	10
Wharves	15 - 40	2.5 - 6.67
Landfill plant	20 - 35	2.86 - 5
Breakwaters	100	1
Parking meters	10 - 25	4 - 10
Other collection items	10	10
Infrastructure assets		
Storm, supply and waste water utility assets:		
- Pumping stations	12 - 80	1.25 - 8.33
- Pencarrow outfall tunnels	500	0.2
- Pencarrow outfall other assets	25 - 62	1.61 - 4
- Resource consents	Life of the consent	
- Silverstream river crossing structure	60	1.67
- Storage tanks	15 - 50	2 - 6.67
- Treatment plant	5 - 100	1 - 20
Landfill storm water	100	1
Landfill roading	20 - 100	1 - 5
Roading network:		
- Berms	20	5
- Bridges	80 - 100	1 - 1.25
- Bus shelters	30 - 50	2 - 3.33
- Car parking	8 - 80	1.25 - 12.5
- Culvert and subways	100	1
- Debris fences	25	4
- Footpath walkway	15 - 50	2 - 6.67
- Kerbs and channel	15 - 80	1.25 - 6.67
- Pedestrian crossings	40 - 50	2 - 2.5
- Retaining walls	15 - 100	1 - 6.67
- Roothing carriageway	7 - 120	0.83 - 14.29
- Seawalls	60 - 90	1.11 - 1.67
- Speed humps	12 - 50	2 - 8.33
- Street light support	50	2
- Street lights	25	4
- Sumps and leads	80	1.25
- Traffic barriers	10 - 30	3.33 - 10
- Traffic islands	60	1.67
- Traffic signals and signs	5 - 30	3.33 - 20
- Vehicle crossings	80	1.25

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

Revaluation

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

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years, on the basis described below. All other asset classes are carried at depreciated historical cost.

- Land and buildings have been valued at either optimised depreciated replacement cost or fair value.
- Infrastructure assets have been valued at optimised depreciated replacement cost. The exceptions are:
 - wharves, which are valued at indemnity value, reflecting their minimum residual value
 - traffic signs, which are stated at cost
 - land under roads, which is valued at 45% of the average market value of adjacent land.
- Landfill assets are valued at depreciated replacement cost.
- Library literary assets are valued at depreciated replacement cost in accordance with draft guidelines released by the New Zealand Library Association and the National Library of New Zealand.
- Collections items are classified into relevant asset classes and are revalued on a cyclical basis.

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

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

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

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

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

Intangible assets

Software acquisition and development

Acquired computer software 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.

Staff training costs are recognised as an expense when incurred.

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

Easements

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

Amortisation

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

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

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

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

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

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

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

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

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

Creditors and other payables

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

Borrowings

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

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

Employee entitlements

Short-term benefits

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

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

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

Long-term benefits

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

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

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

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 6.

Provisions

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

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

Financial guarantee contracts

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

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

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

Landfill post closure costs

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

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

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

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

Equity

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

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

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

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

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council, as a separate entity, in the Annual Plan at the beginning of the year after a period of consultation with the public as part of the Community Planning process. The Annual Plan figures do not include budget information relating to the subsidiaries, associates or joint ventures. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by Council for the preparation of these financial statements.

Operating statements included in the Statement of Service Performance

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

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

Critical accounting estimates, judgements and assumptions

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

Infrastructural assets

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

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

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

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

2. RATES REVENUE

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
General rates	55,134	53,974	54,897	53,737
Targeted rate - water supply	11,192	10,823	11,192	10,823
Targeted rate - wastewater	15,135	14,575	15,135	14,575
Targeted rate - recycling	1,188	1,198	1,188	1,198
Uniform annual general charge	-	-	-	-
Total rates revenue	82,649	80,570	82,412	80,333

Rates remissions

Rates revenue is shown net of rates remissions, totalling \$258,000 (2010: \$245,000). The Council's rate remission policy (set out in detail in the LTCCP) allows the Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital, and land protected for historical or cultural purposes, provided the property is used for community benefit and not 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 the Council's rates remission policy.

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Schools	175	168	175	168
Kindergartens/playcentres	10	7	10	7
Sports bodies	3	3	3	3
Churches	29	28	29	28
Hospitals	17	17	17	17
Economic Development	-	-	-	-
Other	6	8	6	8
Flooding	-	-	-	-
Penalty remissions	18	14	18	14
Total	258	245	258	245

3. USER CHARGES AND SUBSIDIES RECEIVED

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
USER CHARGES				
Rent	1,279	1,166	4,323	3,859
Water by meter	1,831	1,761	1,818	1,761
Parking fees	1,733	1,626	1,733	1,626
Service and entry fees	3,807	3,561	3,809	3,595
Solid waste collection and disposal	10,695	11,205	10,695	11,205
Other user charges	1,099	859	1,099	862
Landfill revenue from Waiwhetu stream clean-up	-	6,752	-	6,752
Regulatory revenue	3,809	4,268	3,809	4,268
Penalties	2,363	2,345	2,363	2,345
Total user charges	26,616	33,543	29,649	36,273
SUBSIDIES RECEIVED				
Operating subsidies	140	132	140	132
New Zealand Transport Agency	7,119	6,924	7,119	6,924
Upper Hutt City Council	2,400	2,370	2,400	2,370
Other government	97	233	97	233
Capital subsidies	77	39	77	39
Total subsidies received	9,833	9,698	9,833	9,698
OTHER REVENUE				
Dividends	-	18	-	18
Vested assets	827	12,877	827	12,877
Petrol tax	448	399	448	399
Sale of goods	788	594	944	723
Miscellaneous revenue	2,363	2,666	2,372	2,649
Total other revenue	4,426	16,554	4,591	16,666

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

4. FINANCE INCOME AND FINANCE COSTS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
FINANCE REVENUE				
Interest revenue				
- call and term deposits	159	257	161	266
- related party deposits	179	48	-	-
- community loans	-	-	-	-
Total finance revenue	338	305	161	266
FINANCE COSTS				
Interest expense				
- interest on bank borrowings	4,691	5,033	5,002	5,221
- related party borrowings	-	-	-	-
- discount unwind on provisions (note 23)	(51)	1,382	(51)	1,382
Fair value gains on hedging instruments				
- fair value hedging instruments	-	-	-	-
- fair value adjustment to bank borrowings	-	-	-	-
Total finance costs	4,640	6,415	4,951	6,603
Net finance costs	4,302	6,110	4,790	6,337

5. GAINS & LOSSES

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Non-financial instruments				
Property, plant and equipment gains on disposal	1,921	747	543	190
Total non-financial instruments gains	1,921	747	543	190
Financial instruments				
Fair value through equity investments gains on disposal	-	-	-	-
Gains/(Losses) on held for trading derivative financial instruments:				
- interest rate swaps	(607)	(1,058)	(607)	(1,058)
Ineffectiveness on fair value hedges	-	-	-	-
Total financial instruments gains/(losses)	(607)	(1,058)	(607)	(1,058)
Total gains/(losses)	1,314	(311)	(64)	(868)

6. EMPLOYEE COSTS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Salaries and wages	24,358	24,358	25,060	25,132
Redundancy	108	-	108	-
Recruitment costs	109	70	109	72
Training	633	585	641	632
ACC	244	239	262	250
Other employee costs	292	302	302	317
Retiring and Long Service Leave	125	59	127	59
Defined contribution plan employer contributions	281	265	281	267
Increase/(decrease) in employee entitlements/liabilities	210	156	202	174
Total employee costs	26,360	26,034	27,092	26,903

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

7. OPERATING COSTS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Auditors' fees				
- for auditing the financial statements	145	139	176	168
- for auditing the Community Plan	-	18	-	18
- additional fees for auditing prior year financial statements	-	19	-	19
Audit fees for the financial statements - other auditors	-	-	-	-
Impairment of receivables	230	391	240	428
Directors' fees	-	-	115	111
Entertainment	79	74	80	76
Grants	1,351	1,329	1,352	1,330
Donations	18	12	18	12
Insurance	454	628	544	711
Inventories	420	305	422	307
Legal services	339	320	373	336
Other specialist services	3,278	3,332	3,400	3,459
Impairment of property, plant and equipment	-	-	-	-
Total remuneration to councillors	683	655	683	655
Minimum lease payments under operating leases	827	753	895	796
Operational contracts	24,527	24,287	24,163	24,052
Maintenance	10,251	9,879	10,568	10,133
GWRC bulk water charges	5,959	5,935	5,959	5,935
Waiwhetu stream flood management plan*	(555)	8,476	(555)	8,476
Energy costs	3,146	2,975	3,167	3,037
Other expenses	11,883	13,351	12,340	13,725
TOTAL EXPENDITURE	63,035	72,878	63,940	73,784

*As at 30 June 2010 the Council was in dispute with Greater Wellington Regional Council over some of the costs associated with the Waiwhetu stream clean up. At that time the extent of any recovery could not be quantified. The Council entered into mediation during the year with respect to these costs. As a result of the mediation the Council was provided with a credit of \$600,000 from Greater Wellington Regional Council. Council incurred \$45,000 of costs during the year relating to the Waiwhetu stream.

8. TAXATION

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Components of tax expense				
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax expense	-	-	(620)	-
Tax expense/(benefit)	-	-	(620)	-
Relationship between tax expense and accounting profit				
Net surplus/(deficit) before tax	2,514	8,447	1,037	7,734
Tax at 30%	754	2,534	311	2,320
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	187	126
Non-taxable income	(754)	(2,577)	(754)	(2,353)
Prior year adjustment	(6)	-	76	5
Tax losses not recognised	6	-	6	(98)
Tax losses recognised	-	(17)	(747)	(2,343)
Tax rate change	-	-	1	-
Deferred tax adjustment	-	-	300	2,343
TAX EXPENSE / (BENEFIT)	-	-	(620)	-
DEFERRED TAX ASSET/(LIABILITY)	PROPERTY, PLANT AND EQUIPMENT	OTHER PROVISIONS	TAX LOSSES	DEFERRED TAX ASSET/(LIABILITY)
Council				
Balance at 30 June 2009	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
Balance at 30 June 2010	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
Change in tax rate	-	-	-	-
Balance at 30 June 2011	-	-	-	-
Group				
Balance at 30 June 2009	-	-	-	-
Charged to income	(2,372)	29	2,343	-
Charged to equity	-	-	-	-
Balance at 30 June 2010	(2,372)	29	2,343	-
Charged to income	(114)	(13)	747	620
Charged to equity	(620)	-	-	(620)
Change in tax rate	-	-	-	-
Balance at 30 June 2011	(3,106)	16	3,090	-

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.

The 2010 deferred tax adjustment arose due to the legislation that removed the ability to recover depreciation on residential properties for tax purposes. This affected Council's urbanplus subsidiary.

Council has unrecognised tax losses available to carry forward of \$3,009,000 (2010: \$2,989,000), with a tax effect of \$842,520 (2010: \$837,000). The losses are available for offset against future assessable income.

The group has unrecognised tax losses available to carry forward of \$7,817,000 (2010: \$12,748,000), with a tax effect of \$2,189,000 (2010: \$3,824,000). The losses are available for offset against future assessable income.

9. CASH AND CASH EQUIVALENTS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Cash at bank and on hand	6,095	2,894	6,119	2,999
Term deposits with maturities less than three months	-	-	-	-
Cash and Cash Equivalents	6,095	2,894	6,119	2,999

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 \$77,000 (2010: \$76,000), as shown in note 25.

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

	NOTE	COUNCIL		GROUP	
		2011 \$000	2010 \$000	2011 \$000	2010 \$000
Cash at bank and on hand		6,095	2,894	6,119	2,999
Term deposits with maturities less than three months		-	-	-	-
Bank overdraft	21.	-	-	-	-
Total		6,095	2,894	6,119	2,999

10. DEBTORS AND OTHER RECEIVABLES

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Rates receivable	4,533	3,758	4,533	3,757
Other receivables:				
- Amounts due from related parties (note 30)	163	104	-	-
- GST receivable	1,074	2,864	1,074	2,864
- Other receivables	6,029	7,342	6,690	7,954
Total other receivables	7,266	10,310	7,764	10,818
Gross debtors and other receivables	11,799	14,068	12,297	14,575
Less provision for impairment	(292)	(318)	(310)	(332)
Total Debtors and Other Receivables	11,507	13,750	11,987	14,243

Fair value

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

Impairment

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2010: \$nil).

10. DEBTORS AND OTHER RECEIVABLES (CONTINUED)

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

RATES RECEIVABLES	2011			2010		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
Council						
Not past due	-	-	-	-	-	-
Past due 1-60 days	2,661	(12)	2,649	1,693	(14)	1,679
Past due 61-120 days	775	-	775	779	-	779
Past due >120 days	1,097	-	1,097	1,286	-	1,286
Total	4,533	(12)	4,521	3,758	(14)	3,744
Group						
Not past due	-	-	-	-	-	-
Past due 1-60 days	2,661	(12)	2,649	1,693	(14)	1,679
Past due 61-120 days	775	-	775	779	-	779
Past due >120 days	1,097	-	1,097	1,286	-	1,286
Total	4,533	(12)	4,521	3,758	(14)	3,744
OTHER RECEIVABLES						
Council						
Not past due	7,046	(152)	6,894	9,879	(90)	9,789
Past due 1-30 days	51	-	51	76	-	76
Past due 31-60 days	31	(1)	30	27	-	27
Past due >60 days	138	(127)	11	328	(214)	114
Total	7,266	(280)	6,986	10,310	(304)	10,006
Group						
Not past due	7,443	(152)	7,291	10,309	(90)	10,219
Past due 1-30 days	78	(2)	76	97	(1)	96
Past due 31-60 days	39	(4)	35	33	(2)	31
Past due >60 days	204	(140)	64	379	(239)	140
Total	7,764	(298)	7,466	10,818	(332)	10,486
Total Receivables - Council	11,799	(292)	11,507	14,068	(318)	13,750
Total Receivables - Group	12,297	(310)	11,987	14,576	(332)	14,230

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Individual impairment	128	228	146	238
Collective impairment	164	90	164	94
Total provision for impairment	292	318	310	332

IO. DEBTORS AND OTHER RECEIVABLES (CONTINUED)

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	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Past due 1-30 days	-	-	2	1
Past due 31-60 days	1	-	4	2
Past due > 60 days	127	228	140	235
Total individual impairment	128	228	146	238

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
At 1 July	318	305	332	368
Additional provisions made during the year	76	265	99	280
Provisions reversed during the year	(88)	(92)	(102)	(116)
Receivables written-off during the period	(14)	(160)	(19)	(200)
At 30 June	292	318	310	332

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

II. DERIVATIVE FINANCIAL INSTRUMENTS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Current asset portion				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - cash flow hedges	-	-	-	-
Interest rate swaps - held for trading	1,104	1,196	1,104	1,196
<i>Total current asset portion</i>	1,104	1,196	1,104	1,196
Non-current asset portion				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - cash flow hedges	-	-	-	-
Interest rate swaps - held for trading	-	-	-	-
<i>Total non-current asset portion</i>	-	-	-	-
Total derivative financial instrument assets	1,104	1,196	1,104	1,196
Current liability portion				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - held for trading	3,623	3,108	3,623	3,108
Forward foreign exchange contracts - held for trading	-	-	-	-
<i>Total current liability portion</i>	3,623	3,108	3,623	3,108
Non-current liability portion				
Interest rate swaps - held for trading	-	-	-	-
<i>Total non-current liability portion</i>	-	-	-	-
Total derivative financial instrument liabilities	3,623	3,108	3,623	3,108
Total derivative financial instruments	(2,519)	(1,912)	(2,519)	(1,912)

II. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

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

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$62 million (2010: \$60 million) and for the group were \$62 million (2010: \$60 million). At 30 June 2011, the fixed interest rates of cash flow hedges interest rate swaps vary from 3.67% to 7.11% (2010: 3.79% to 7.11%).

12. INVENTORIES

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<i>Commercial inventories held for sale:</i>				
Diesel	-	-	4	4
Inventory	42	56	42	56
Commercial property developments	-	-	4,424	2,119
	42	56	4,470	2,179

No inventories are pledged as security for liabilities (2010: \$nil). However, some inventories are subject to retention of title clause.

Commercial inventories are valued at cost, as there are no impairments of the inventories.

13. NON-CURRENT ASSETS HELD FOR SALE

The Council owned land listed below has been presented as held for sale following the approval by Council to sell the premises. The Council has approved the sale of the premises, as it will provide no future use to the Council.

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<i>Non-current assets held for sale are:</i>				
- land	-	-	-	-
- buildings	-	-	-	-
- plant	-	-	-	40
Total non-current assets held for sale are:	-	-	-	40

14. PROPERTY, PLANT AND EQUIPMENT

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council 2011														
Operational assets														
Land	43,165	-	43,165	-	(1,473)	-	-	-	-	-	-	41,692	-	41,692
Buildings	66,106	(6,175)	59,931	2,652	(539)	-	193	-	-	(3,305)	-	68,219	(9,287)	58,932
Landfill Building Assets	5,215	(70)	5,145	-	-	-	-	-	-	(70)	-	5,215	(140)	5,075
Library books	5,402	(2,567)	2,835	698	-	-	-	-	-	(686)	-	6,100	(3,253)	2,847
Plant and equipment	17,892	(8,237)	9,655	2,063	(35)	(547)	-	-	120	(1,554)	-	19,373	(9,671)	9,702
Landfill Plant	11,535	(82)	11,453	610	-	-	-	-	-	(179)	-	12,145	(261)	11,884
Wharves	2,282	(1,789)	493	324	-	-	-	-	-	(33)	-	2,606	(1,822)	784
Breakwaters	5,128	(112)	5,016	-	-	(1)	-	-	-	(56)	-	5,127	(168)	4,959
	156,725	(19,032)	137,693	6,347	(2,047)	(548)	193	-	120	(5,883)	-	160,477	(24,602)	135,875
Collection assets														
Paintings	3,781	-	3,781	11	-	-	-	-	-	-	-	3,792	-	3,792
Works on Paper (NZ) & International	1,198	-	1,198	-	-	(2)	-	-	-	-	-	1,196	-	1,196
Other Collection Items	2,578	(4)	2,574	29	-	2	-	-	-	(1)	-	2,609	(5)	2,604
	7,557	(4)	7,553	40	-	-	-	-	-	(1)	-	7,597	(5)	7,592
Total operational assets	164,282	(19,036)	145,246	6,387	(2,047)	(548)	193	-	120	(5,884)	-	168,074	(24,607)	143,467
Infrastructural assets														
Waste water system	251,598	(15,429)	236,169	2,041	-	(12)	-	-	-	(7,722)	-	253,627	(23,219)	230,408
Less UHCC share in HVS assets	(42,216)	5,135	(37,081)	(344)	-	-	-	-	-	1,356	-	(42,560)	6,491	(36,069)
	209,382	(10,294)	199,088	1,697	-	(12)	-	-	(68)	(6,366)	-	211,067	(16,728)	194,339
Land	162,702	-	162,702	176	(339)	-	-	-	-	-	-	162,539	-	162,539
Landfill Land Asset	2,860	-	2,860	-	-	-	-	-	-	-	-	2,860	-	2,860
Storm water system	158,126	(5,211)	152,915	1,517	-	-	-	-	-	(2,642)	-	159,643	(7,853)	151,790
Storm water Landfill assets	7,383	(43)	7,340	-	-	-	-	-	-	(74)	-	7,383	(117)	7,266
Water supply system	104,030	(5,920)	98,110	1,568	-	(11)	-	-	20	(3,013)	-	105,587	(8,913)	96,674
Roading network	353,338	(18,155)	335,183	9,162	-	(8)	-	-	30	(9,575)	-	362,492	(27,700)	334,792
Roading Landfill Assets	4,034	(55)	3,979	231	-	-	-	-	-	(61)	-	4,265	(116)	4,149
Seawalls	3,350	(122)	3,228	173	-	1	-	-	(1)	(61)	-	3,524	(184)	3,340
	1,005,205	(39,800)	965,405	14,524	(339)	(30)	-	-	(19)	(21,792)	-	1,019,360	(61,611)	957,749
Restricted assets														
Land	112,103	-	112,103	-	(642)	-	-	-	-	-	-	111,461	-	111,461
	112,103	-	112,103	-	(642)	-	-	-	-	-	-	111,461	-	111,461
Joint venture assets														
Share of PPE	156	(97)	59	2	-	-	-	-	-	(18)	-	158	(115)	43
	156	(97)	59	2	-	-	-	-	-	(18)	-	158	(115)	43
Total property, plant and equipment	1,281,746	(58,933)	1,222,813	20,913	(3,028)	(578)	193	-	101	(27,694)	-	1,299,053	(86,333)	1,212,720

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION AND ON DISPOSALS REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council 2010														
Operational assets														
Land	43,372	-	43,372	-	(207)	-	-	-	-	-	-	43,165	-	43,165
Buildings	64,750	(2,991)	61,759	1,498	(142)	-	-	-	-	(3,184)	-	66,106	(6,175)	59,931
Landfill Building Assets	5,215	-	5,215	-	-	-	-	-	-	(70)	-	5,215	(70)	5,145
Library books	4,694	(1,863)	2,831	708	-	-	-	-	-	(704)	-	5,402	(2,567)	2,835
Plant and equipment	15,046	(6,954)	8,092	2,942	(96)	-	96	-	-	(1,379)	-	17,892	(8,237)	9,655
Landfill Plant	763	-	763	10,772	-	-	-	-	-	(82)	-	11,535	(82)	11,453
Wharves	2,282	(1,766)	516	-	-	-	-	-	-	(23)	-	2,282	(1,789)	493
Breakwaters	5,128	(56)	5,072	-	-	-	-	-	-	(56)	-	5,128	(112)	5,016
	141,250	(13,630)	127,620	15,920	(445)	-	96	-	-	(5,498)	-	156,725	(19,032)	137,693
Collection assets														
Paintings	3,781	-	3,781	-	-	-	-	-	-	-	-	3,781	-	3,781
Works on Paper (NZ) & International	1,198	-	1,198	-	-	-	-	-	-	-	-	1,198	-	1,198
Other Collection Items	2,565	(2)	2,563	13	-	-	-	-	(2)	-	-	2,578	(4)	2,574
	7,544	(2)	7,542	13	-	-	-	-	(2)	-	-	7,557	(4)	7,553
Total operational assets	148,794	(13,632)	135,162	15,933	(445)	-	96	-	-	(5,500)	-	164,282	(19,036)	145,246
Infrastructural assets														
Waste water system	245,644	(7,777)	237,867	5,954	-	-	-	-	-	(7,652)	-	251,598	(15,429)	236,169
Less UHCC share in HVS assets	(41,554)	3,841	(37,713)	(662)	-	-	-	-	-	1,294	-	(42,216)	5,135	(37,081)
	204,090	(3,936)	200,154	5,292	-	-	-	-	-	(6,358)	-	209,382	(10,294)	199,088
Land	162,652	-	162,652	169	(119)	-	-	-	-	-	-	162,702	-	162,702
Landfill Land Asset	2,860	-	2,860	-	-	-	-	-	-	-	-	2,860	-	2,860
Storm water system	155,795	(2,587)	153,208	2,331	-	-	-	-	-	(2,624)	-	158,126	(5,211)	152,915
Storm water Landfill assets	3,500	-	3,500	3,883	-	-	-	-	-	(43)	-	7,383	(43)	7,340
Water supply system	102,826	(2,940)	99,886	1,204	-	-	-	-	-	(2,980)	-	104,030	(5,920)	98,110
Roading network	331,468	(9,074)	322,394	21,870	-	-	-	-	-	(9,081)	-	353,338	(18,155)	335,183
Roading Landfill Assets	3,860	-	3,860	174	-	-	-	-	-	(55)	-	4,034	(55)	3,979
Seawalls	3,350	(60)	3,290	-	-	-	-	-	-	(62)	-	3,350	(122)	3,228
	970,401	(18,597)	951,804	34,923	(119)	-	-	-	-	(21,203)	-	1,005,205	(39,800)	965,405
Restricted assets														
Land	112,063	-	112,063	40	-	-	-	-	-	-	-	112,103	-	112,103
	112,063	-	112,063	40	-	-	-	-	-	-	-	112,103	-	112,103
Joint venture assets														
Share of PPE	115	(42)	73	41	-	-	-	(37)	-	(18)	-	156	(97)	59
	115	(42)	73	41	-	-	-	(37)	-	(18)	-	156	(97)	59
Total property, plant and equipment	1,231,373	(32,271)	1,199,102	50,937	(564)	-	96	(37)	-	(26,721)	-	1,281,746	(58,933)	1,222,813

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP 2011	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	CATEGORY ADJUSTMENTS TO COST \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Operational assets														
Land	43,165	-	43,165	-	(1,473)	-	-	-	-	-	-	41,692	-	41,692
Buildings	66,106	(6,175)	59,931	2,652	(539)	-	193	-	-	(3,305)	-	68,219	(9,287)	58,932
Landfill Building Assets	5,215	(70)	5,145	-	-	-	-	-	-	(70)	-	5,215	(140)	5,075
Library books	5,402	(2,567)	2,835	698	-	-	-	-	-	(686)	-	6,100	(3,253)	2,847
Plant and equipment	17,892	(8,237)	9,655	2,063	(35)	(547)	-	-	120	(1,554)	-	19,373	(9,671)	9,702
Landfill Plant	11,535	(82)	11,453	610	-	-	-	-	-	(179)	-	12,145	(261)	11,884
Wharves	2,282	(1,789)	493	324	-	-	-	-	-	(33)	-	2,606	(1,822)	784
Breakwaters	5,128	(112)	5,016	-	-	(1)	-	-	-	(56)	-	5,127	(168)	4,959
Seaview Marina	2,323	(492)	1,831	345	(29)	(7)	18	-	19	(131)	-	2,632	(586)	2,046
Marina Service Centre	-	-	-	3,623	-	-	-	-	-	(89)	-	3,623	(89)	3,534
Piers and berths	2,823	(559)	2,264	26	(5)	7	2	-	(19)	(118)	-	2,851	(694)	2,157
Urbanplus land	6,901	-	6,901	141	-	-	-	-	-	-	2,364	9,406	-	9,406
Urbanplus buildings	9,505	(1,695)	7,810	2,886	-	(6)	-	-	4	(577)	2,215	12,332	-	12,332
Urbanplus other assets	4	(1)	3	-	-	6	-	-	(4)	(1)	-	10	(6)	4
	178,281	(21,779)	156,502	13,368	(2,081)	(548)	213	-	120	(6,799)	4,579	191,331	(25,977)	165,354
Collection assets														
Paintings	3,781	-	3,781	11	-	-	-	-	-	-	-	3,792	-	3,792
Works on Paper (NZ) & International	1,198	-	1,198	-	-	(2)	-	-	-	-	-	1,196	-	1,196
Other Collection Items	2,578	(4)	2,574	29	-	2	-	-	-	(1)	-	2,609	(5)	2,604
	7,557	(4)	7,553	40	-	-	-	-	-	(1)	-	7,597	(5)	7,592
Total operational assets	185,838	(21,783)	164,055	13,408	(2,081)	(548)	213	-	120	(6,800)	4,579	198,928	(25,982)	172,946
Infrastructural assets														
Waste water system	251,598	(15,429)	236,169	2,041	-	(12)	-	-	(68)	(7,722)	-	253,627	(23,219)	230,408
Less UHCC share in HVS assets	(42,216)	5,135	(37,081)	(344)	-	-	-	-	-	1,356	-	(42,560)	6,491	(36,069)
	209,382	(10,294)	199,088	1,697	-	(12)	-	-	(68)	(6,366)	-	211,067	(16,728)	194,339
Land	162,702	-	162,702	176	(339)	-	-	-	-	-	-	162,539	-	162,539
Landfill Land Asset	2,860	-	2,860	-	-	-	-	-	-	-	-	2,860	-	2,860
Storm water system	158,126	(5,211)	152,915	1,517	-	-	-	-	-	(2,642)	-	159,643	(7,853)	151,790
Storm water Landfill assets	7,383	(43)	7,340	-	-	-	-	-	-	(74)	-	7,383	(117)	7,266
Water supply system	104,030	(5,920)	98,110	1,568	-	(11)	-	-	20	(3,013)	-	105,687	(8,913)	96,674
Roading network	353,338	(18,155)	335,183	9,162	-	(8)	-	-	30	(9,575)	-	362,492	(27,700)	334,792
Roading Landfill Assets	4,034	(55)	3,979	231	-	-	-	-	-	(61)	-	4,265	(116)	4,149
Seawalls	3,350	(122)	3,228	173	-	1	-	-	(1)	(61)	-	3,524	(184)	3,340
	1,005,205	(39,800)	965,405	14,524	(339)	(30)	-	-	(19)	(21,792)	-	1,019,360	(61,611)	957,749
Restricted assets														
Land	112,103	-	112,103	-	(642)	-	-	-	-	-	-	111,461	-	111,461
	112,103	-	112,103	-	(642)	-	-	-	-	-	-	111,461	-	111,461
Joint venture assets														
Share of PPE	156	(97)	59	2	-	-	-	-	-	(18)	-	158	(115)	43
	156	(97)	59	2	-	-	-	-	-	(18)	-	158	(115)	43
Total joint venture assets	156	(97)	59	2	-	-	-	-	-	(18)	-	158	(115)	43
Total property, plant and equipment	1,303,302	(61,680)	1,241,622	27,934	(3,062)	(578)	213	-	101	(28,610)	4,579	1,329,907	(87,708)	1,242,199

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP 2010	COST/ VALUATION \$'000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$'000	CARRYING AMOUNT \$'000	CURRENT YEAR ADDITIONS \$'000	CURRENT YEAR DISPOSALS \$'000	CATEGORY ADJUSTMENTS TO COST \$'000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$'000	CURRENT YEAR IMPAIRMENT CHARGES \$'000	CATEGORY ADJUSTMENTS TO DEPRECIATION \$'000	CURRENT YEAR DEPRECIATION \$'000	REVALUATION SURPLUS \$'000	COST/ VALUATION \$'000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$'000	CARRYING AMOUNT \$'000
Operational assets														
Land	43,372	-	43,372	-	(207)	-	-	-	-	-	-	43,165	-	43,165
Buildings	64,750	(2,991)	61,759	1,498	(142)	-	-	-	-	(3,184)	-	66,106	(6,175)	59,931
Landfill Building Assets	5,215	-	5,215	-	-	-	-	-	-	(70)	-	5,215	(70)	5,145
Library books	4,694	(1,863)	2,831	708	-	-	-	-	-	(704)	-	5,402	(2,567)	2,835
Plant and equipment	15,046	(6,954)	8,092	2,942	(96)	-	96	-	-	(1,379)	-	17,892	(8,237)	9,655
Landfill Plant	763	-	763	10,772	-	-	-	-	-	(82)	-	11,535	(82)	11,453
Wharves	2,282	(1,766)	516	-	-	-	-	-	-	(23)	-	2,282	(1,789)	493
Breakwaters	5,128	(56)	5,072	-	-	-	-	-	-	(56)	-	5,128	(112)	5,016
Seaview Marina	1,984	(409)	1,575	449	(110)	-	51	-	-	(134)	-	2,323	(492)	1,831
Piers and berths	2,603	(472)	2,131	220	-	-	-	-	-	(87)	-	2,823	(559)	2,264
Urbanplus land	6,901	-	6,901	-	-	-	-	-	-	-	-	6,901	-	6,901
Urbanplus buildings	9,377	(1,151)	8,226	128	-	-	-	-	-	(544)	-	9,505	(1,695)	7,810
Urbanplus other assets	4	(1)	3	-	-	-	-	-	-	-	-	4	(1)	3
	162,119	(15,663)	146,456	16,717	(555)	-	147	-	-	(6,263)	-	178,281	(21,779)	156,502
Collection assets														
Paintings	3,781	-	3,781	-	-	-	-	-	-	-	-	3,781	-	3,781
Works on Paper (NZ) & International	1,198	-	1,198	-	-	-	-	-	-	-	-	1,198	-	1,198
Other Collection Items	2,565	(2)	2,563	13	-	-	-	-	-	(2)	-	2,578	(4)	2,574
	7,544	(2)	7,542	13	-	-	-	-	-	(2)	-	7,557	(4)	7,553
Total collections														
	169,663	(15,665)	153,998	16,730	(555)	-	147	-	-	(6,265)	-	185,838	(21,783)	164,055
Infrastructural assets														
Waste water system	245,644	(7,777)	237,867	5,954	-	-	-	-	-	(7,652)	-	251,598	(15,429)	236,169
Less UHCC share in HVS assets	(41,554)	3,841	(37,713)	(662)	-	-	-	-	-	1,294	-	(42,216)	5,135	(37,081)
	204,090	(3,936)	200,154	5,292	-	-	-	-	-	(6,358)	-	209,382	(10,294)	199,088
Land	162,652	-	162,652	169	(119)	-	-	-	-	-	-	162,702	-	162,702
Landfill Land Asset	2,860	-	2,860	-	-	-	-	-	-	-	-	2,860	-	2,860
Storm water system	155,795	(2,587)	153,208	2,331	-	-	-	-	-	(2,624)	-	158,126	(5,211)	152,915
Storm water Landfill assets	3,500	-	3,500	3,883	-	-	-	-	-	(43)	-	7,383	(43)	7,340
Water supply system	102,826	(2,940)	99,886	1,204	-	-	-	-	-	(2,980)	-	104,030	(5,920)	98,110
Roading network	331,468	(9,074)	322,394	21,870	-	-	-	-	-	(9,081)	-	353,338	(18,155)	335,183
Roading Landfill Assets	3,860	-	3,860	174	-	-	-	-	-	(55)	-	4,034	(65)	3,979
Seawalls	3,350	(60)	3,290	-	-	-	-	-	-	(62)	-	3,350	(122)	3,228
	970,401	(18,597)	951,804	34,923	(119)	-	-	-	-	(21,203)	-	1,005,205	(39,800)	965,405
Restricted assets														
Land	112,063	-	112,063	40	-	-	-	-	-	-	-	112,103	-	112,103
	112,063	-	112,063	40	-	-	-	-	-	-	-	112,103	-	112,103
Total restricted assets														
Joint venture assets														
Share of PPE	115	(42)	73	41	-	-	-	(37)	-	(18)	-	156	(97)	59
	115	(42)	73	41	-	-	-	(37)	-	(18)	-	156	(97)	59
Total joint venture assets														
	1,252,242	(34,304)	1,217,938	51,734	(674)	-	147	(37)	-	(27,486)	-	1,303,302	(61,660)	1,241,622

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation

Operational and restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuations are as follows:

Land and buildings, was performed by Angela Croad BBS(VPM), MPINZ, of Darroch, and the valuation is effective as at 1 July 2008. Wharves valuation was performed by Ian Macallan & Co Limited as at 30 June 1990.

Landfills

At fair value as determined from market-based evidence by an independent valuer. Wainuiomata and Silverstream landfills were valued by AECOM Limited as at 30 June 2009. The valuer was Graeme Hughson BE (Civil) DipMgmt CPEng MIPENZ.

Infrastructural assets

At fair value as determined from market-based evidence by an independent valuer. Infrastructure land under roads was valued by Quotable Value New Zealand as at 30 June 2006. The valuer was Kerry Stewart Val Prof Urb MBA. PG Dip Env Auditing, Registered Valuer, ANZIV, SPINZ. Other infrastructure assets were valued by Capacity and independently reviewed by AECOM Limited as at 1 July 2008. The valuer was Graeme Hughson BE (Civil) DipMgmt CPEng MIPENZ.

Library literary assets

Library literary assets were valued at fair value as determined from market-based evidence by library staff who are specialised in this area as at 30 June 2006.

Collection items

Painting and works on paper were valued as at 30 June 2009 by Dr Robin Watt, Robin Watt & Associates, cultural and forensic specialists contracted as independent valuers.

Assets held by Subsidiaries

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

Land and buildings assets held by Urban Plus Limited were revalued during the year. Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage. Buildings comprising residential dwellings have been valued in relation to market-based evidence. Market rents and capitalisation rates were applied to reflect market value while considering the highest and best use alternatives. The most recent valuation was performed by an independent valuer Kerry Buckeridge B.Agr.Sc, MBA, ANZIV, SPINZ, of QV, and the valuation is effective as at 30 June 2011. The Total valuation was for \$21,737,510.

15. INTANGIBLE ASSETS

	COST/VALUATION \$000	ACCUMULATED AMORTISATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	ASSET RECLASSIFICATION \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	ASSET RECLASSIFICATION \$000	CURRENT YEAR AMORTISATION \$000	REVALUATION SURPLUS \$000	COST/VALUATION \$000	ACCUMULATED AMORTISATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Council														
2011														
Software	10,107	(4,633)	5,474	1,910	-	578	-	-	(120)	(1,540)	-	12,595	(6,293)	6,302
	10,107	(4,633)	5,474	1,910	-	578	-	-	(120)	(1,540)	-	12,595	(6,293)	6,302
2010														
Software	5,834	(3,711)	2,123	4,273	-	-	-	-	-	(922)	-	10,107	(4,633)	5,474
	5,834	(3,711)	2,123	4,273	-	-	-	-	-	(922)	-	10,107	(4,633)	5,474
Group														
2011														
Software	10,181	(4,698)	5,483	1,913	-	578	-	-	(120)	(1,545)	-	12,672	(6,363)	6,309
	10,181	(4,698)	5,483	1,913	-	578	-	-	(120)	(1,545)	-	12,672	(6,363)	6,309
2010														
Software	5,905	(3,768)	2,137	4,276	-	-	-	-	-	(930)	-	10,181	(4,698)	5,483
	5,905	(3,768)	2,137	4,276	-	-	-	-	-	(930)	-	10,181	(4,698)	5,483

16. INVESTMENT IN SUBSIDIARIES

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
SEAVIEW MARINA LIMITED				
Balance at beginning of the year	2,495	2,495	-	-
New Shares issued	-	-	-	-
BALANCE AT END OF THE YEAR	2,495	2,495	-	-
URBAN PLUS LIMITED				
Balance at beginning of the year	12,050	12,050	-	-
New Shares issued	-	-	-	-
BALANCE AT END OF THE YEAR	12,050	12,050	-	-
Total investment in subsidiaries	14,545	14,545	-	-

Urban Plus Limited and Seaview Marina Limited are 100% owned subsidiaries.

17. INVESTMENT IN ASSOCIATES

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

The Class A shares represent voting rights and are split evenly between the two Councils. The Class B shares confer the level of contributions and ownership between each council. Hutt City Council holds 112 Class B shares, and Wellington City Council holds 188. 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 both Hutt City Council and Wellington City Council 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 37%.

	SHARES ON ISSUE	HUTT CITY COUNCIL	WELLINGTON CITY COUNCIL
Class A shares (voting entitlements)	300	150	150
Class B shares (financial entitlements)	300	112	188

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Capacity				
Balance at beginning of the year	224	224	118	104
New Shares issued	-	-	-	-
Share of operating surplus / (deficit)	-	-	(14)	14
BALANCE AT END OF THE YEAR	224	224	104	118

	TOTAL CAPACITY		GROUP SHARE	
	30 JUNE 2011 \$000	30 JUNE 2010 \$000	30 JUNE 2011 \$000	30 JUNE 2010 \$000
Revenue	7,340	7,196	2,716	2,662
Expenditure	7,378	7,149	2,730	2,645
Assets	1,293	1,359	478	503
Liabilities	1,017	1,045	376	387
Surplus (Deficit) before taxation	(38)	47	(14)	17
Taxation (Expense)/ benefit	1	(9)	-	(3)
Surplus (Deficit) after taxation	(37)	38	(14)	14

18. OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
OTHER ASSETS - CURRENT PORTION	-	-	-	-
OTHER ASSETS - NON-CURRENT PORTION				
NZ Local Government Insurance Company	234	234	234	234
Provision for impairment of investment in NZ Local Govt Insurance Co.	(114)	-	(114)	-
Smartlinx 3 Limited	465	465	465	465
Provision for impairment of investment in Smartlinx 3 Limited	(426)	(271)	(426)	(271)
Community and development loans	35	40	35	40
Provision for impairment of community and development loans	(3)	(30)	(3)	(30)
Loan to Seaview Marina (related party note 30)	3,500	2,851	-	-
Total other assets - non-current portion	3,691	3,289	191	438
TOTAL OTHER ASSETS	3,691	3,289	191	438

Unlisted shares

The fair value of the unlisted shares held in NZ Local Government Insurance Company has been determined using historical cost.

The fair value of the unlisted shares held in Smartlinx 3 Limited has been determined using the last share issue price.

Impairment

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
At 1 July	-	-	-	-
Additional provisions made during the year	(114)	-	(114)	-
Provisions reversed during the year	-	-	-	-
At 30 June	(114)	-	(114)	-

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 are as follows:

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
At 1 July	(271)	-	(271)	-
Additional provisions made during the year	(155)	(271)	(155)	(271)
Provisions reversed during the year	-	-	-	-
At 30 June	(426)	(271)	(426)	(271)

Community and development loans

The fair value of community and development loans is \$8,750 (2010: \$10,000). Fair value has been determined using a financial risk factor of 25% (2010: 25%).

The face value of community and development loans is \$35,000 (2010: \$40,000).

18. OTHER FINANCIAL ASSETS (CONTINUED)

Impairment

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
At 1 July	(30)	(76)	(30)	(76)
Additional provisions made during the year	-	(46)	-	(46)
Provisions reversed during the year	27	-	27	-
Loans written-off during the period	-	92	-	92
At 30 June	(3)	(30)	(3)	(30)

19. JOINT VENTURE

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

The joint venture's unaudited results for the year ended 30 June 2011 are included in these financial statements under the classifications shown below:

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
SHARE OF ASSETS EMPLOYED				
Share of revenue	66	52	66	52
Share of expenses	(61)	(74)	(61)	(74)
SHARE OF NET SURPLUS / (DEFICIT)	5	(22)	5	(22)
Share of property, plant and equipment	42	58	42	58
Share of accounts receivable	12	12	12	12
Share of accounts payable	(3)	(5)	(3)	(5)
TOTAL SHARE OF ASSETS EMPLOYED	51	65	51	65

There were no capital commitments, contingent assets or contingent liabilities owing at balance date (2010: \$nil).

20. CREDITORS AND OTHER PAYABLES

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Trade and other payables	7,630	10,652	7,630	10,652
Deposits and bonds	288	285	290	287
Accrued expenses	6,198	8,530	6,305	9,187
Amounts due to related parties (note 30)	-	-	-	-
Rates in advance	1,210	618	1,210	618
Amounts due to customers for contract work	1,007	1,159	1,007	1,159
	16,333	21,244	16,442	21,903

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.

21. BORROWINGS

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Current portion				
Bank overdraft	-	-	-	-
Secured loans	37,958	23,897	50,558	31,097
<i>Total current portion</i>	37,958	23,897	50,558	31,097
Non-current portion				
Secured loans	40,035	60,128	40,035	60,128
<i>Total non-current portion</i>	40,035	60,128	40,035	60,128
TOTAL BORROWING	77,993	84,025	90,593	91,225

Term Liability Maturity Profile

	INTEREST COST		COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Years of Maturity						
Under 1 year	1,903	1,765	37,958	23,897	50,558	31,097
1 to 2 years	48	806	17	20,057	17	20,057
2 to 3 years	448	55	10,015	11	10,015	11
3 to 4 years	936	893	20,001	10,050	20,001	10,050
4 to 5 years	33	581	1	20,005	1	20,005
Over 5 years	1,323	933	10,001	10,005	10,001	10,005
TOTAL BORROWINGS	4,691	5,033	77,993	84,025	90,593	91,225

Secured loans

The Council's debt of \$78.0 million (2010: \$84.0 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 2.63% to 7.05% (2010: 2.82% to 7.11%).

Security

A debenture trust deed has been established and Perpetual Trust Limited appointed as Trustee. All borrowing, other than \$102,000, (2010: \$164,000) is secured by a charge overall rating in favour of the Trustee.

Council has a \$25 million (2010: \$25 million) wholesale advance facility. As at 30 June 2011 a total of \$nil (2010: \$nil) had been drawn against this facility. The facility is secured under the Debenture Trust Deed.

22. EMPLOYEE ENTITLEMENTS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
CURRENT PORTION				
Accrued Salaries and Wages	387	293	387	293
Time in lieu	40	31	40	31
Annual leave	1,844	1,862	1,895	1,939
Long Service Leave	90	67	93	70
Sick Leave	65	65	65	65
Total Current Portion	2,426	2,318	2,480	2,398
NON-CURRENT PORTION				
Long Service Leave	28	43	28	43
Retirement gratuities	814	697	832	697
Total Non-Current Portion	842	740	860	740
TOTAL EMPLOYEE ENTITLEMENTS	3,268	3,058	3,340	3,138

23. PROVISIONS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Provision for landfill aftercare	4,820	4,893	4,820	4,893
Financial guarantees	-	-	-	-
	4,820	4,893	4,820	4,893

Movements in provision

	LANDFILL AFTERCARE	
	2011 \$000	2010 \$000
Balance at beginning of the year	4,893	3,571
Discount unwinding	(51)	1,382
Amounts charged to provision during the period	(22)	(60)
BALANCE AT END OF THE PERIOD	4,820	4,893

Landfill aftercare costs

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

Council currently operates two landfills, Silverstream (stage 1 and 2) and Wainuiomata. The first phase of stage 2 of the Silverstream landfill began receiving refuse in April 2010, stage 1 closed during the year. The stage 2 landfill is consented to be developed progressively with a total estimated airspace of 5 million cubic metres. The estimated available airspace in the completed section of the landfill is 109,000 cubic metres (2010: 158,000). The estimated remaining life of the Wainuiomata landfill is 2 years and 8 months (110,000 cubic metres, 2010: 120,000). Council is currently reviewing this date to bring the closure forward to 31 December 2012 to avoid the landfill being subject to the Emissions Trading Scheme. Council is also monitoring gas, leachate and water for five 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 6% (2010: 6%). The accounting treatment of this provision is described in detail in the Statement of Accounting Policies.

24. OTHER LIABILITIES

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
OTHER LIABILITIES - CURRENT PORTION				
Accrued interest expenses	300	361	300	361
Third party funds	202	207	202	207
Miscellaneous current liabilities	758	763	761	763
Income earned in advance	1,441	1,369	2,135	1,948
Development contributions	541	417	541	417
Total other liabilities - current portion	3,242	3,117	3,939	3,696
OTHER LIABILITIES - NON-CURRENT PORTION				
Total other liabilities - non-current portion	-	-	-	-
TOTAL OTHER LIABILITIES	3,242	3,117	3,939	3,696

25. EQUITY

	NOTE	COUNCIL		GROUP	
		2011 \$000	2010 \$000	2011 \$000	2010 \$000
ACCUMULATED FUNDS					
Balance at beginning of the year		748,152	729,970	747,854	730,385
Interest allocated to reserves		(401)	(546)	(401)	(546)
Transfers from property revaluation reserves on disposal		351	-	351	-
Other transfers to reserves		(8,748)	(989)	(8,748)	(989)
Transfers from reserves		1,778	12,328	1,778	12,328
Net surplus/(deficit) after tax		2,514	8,447	1,657	7,734
Items from other comprehensive income		(607)	(1,058)	(607)	(1,058)
BALANCE AT END OF THE YEAR		743,039	748,152	741,884	747,854
COUNCIL CREATED RESERVES					
Balance at beginning of the year		10,314	21,100	10,314	21,100
Transfers to accumulated funds		(1,778)	(12,318)	(1,778)	(12,318)
Transfers from accumulated funds		8,749	989	8,749	989
Interest earned		399	543	399	543
BALANCE AT END OF THE YEAR		17,684	10,314	17,684	10,314
RESTRICTED RESERVES*					
Balance at beginning of the year		76	83	76	83
Transfers to accumulated funds		-	(10)	-	(10)
Transfers from accumulated funds		(1)	-	(1)	-
Interest earned		2	3	2	3
BALANCE AT END OF THE YEAR	9.	77	76	77	76
ASSET REVALUATION RESERVES					
Balance at beginning of the year		388,656	388,656	388,656	388,656
Changes in asset value		-	-	4,579	-
Valuation gains/(losses) taken to equity		(351)	-	(351)	-
Deferred tax on revaluation		-	-	(620)	-
BALANCE AT END OF THE YEAR		388,305	388,656	392,264	388,656
Asset revaluation reserves consist of:					
Operational Assets					
Library books		706	706	706	706
Buildings		13,717	13,857	15,931	13,857
Land		22,735	22,735	24,480	22,735
Collections		137	137	137	137
Infrastructure Assets					
Land		65,017	65,048	65,017	65,048
Wastewater		72,823	72,823	72,823	72,823
Stormwater		64,666	64,666	64,666	64,666
Water		29,405	29,405	29,405	29,405
Road		61,512	61,512	61,512	61,512
Restricted Assets					
Land		57,587	57,767	57,587	57,767
Total		388,305	388,656	392,264	388,656
TOTAL OTHER RESERVES		406,066	399,046	410,025	399,046
TOTAL EQUITY		1,149,105	1,147,198	1,151,909	1,146,900

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

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
SURPLUS AFTER TAX	2,514	8,447	1,657	7,734
<i>Add/(less) non-cash items:</i>				
Depreciation and amortisation	29,234	27,643	30,155	28,416
Share of associates (surplus)/deficit	-	-	14	(14)
Net bad debts/impairment expense	230	404	220	392
Landfill provision	(73)	1,322	(73)	1,322
Vested Assets	(827)	(12,877)	(827)	(12,877)
Transfer from assets under construction to expenses	-	585	-	585
Income tax expense	-	-	(620)	-
<i>Add/(less) movements in working capital:</i>				
(Increase)/decrease in accounts receivable and other assets	2,200	(3,577)	2,248	(3,693)
Increase/(decrease) in creditors	(4,911)	3,290	(5,929)	3,817
Increase in provisions and other liabilities	335	363	445	466
<i>Add/(less) items classified as investing activities:</i>				
Profit on sale of property, plant and equipment and other movements	(1,921)	(747)	(543)	(190)
NET CASH IN FLOWS FROM OPERATING ACTIVITIES	26,781	24,853	26,747	25,958

27. FINANCIAL INSTRUMENTS RISKS

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
FINANCIAL ASSETS				
Fair value through profit and loss - Held for trading				
Derivative financial instrument assets	1,104	1,196	1,104	1,196
	1,104	1,196	1,104	1,196
Loans and receivables				
Cash and cash equivalents	6,095	2,894	6,119	2,999
Debtors and other receivables	11,507	13,750	11,987	14,243
Other financial assets:				
Community and development loans	35	40	35	40
Loans to Related Parties	3,500	2,851	-	-
Total loans and receivables	21,137	19,535	18,141	17,282
Held to maturity				
Other financial assets:				
- NZ Local Government Insurance Company	120	234	120	234
- local authority stock	-	-	-	-
Total held to maturity	120	234	120	234
Fair value through equity				
Other financial assets				
- local authority stock	-	-	-	-
- unlisted shares	39	194	39	194
- listed shares	-	-	-	-
Total fair value through equity	39	194	39	194
Total financial assets	22,400	21,159	19,404	18,906
FINANCIAL LIABILITIES				
Fair value through profit and loss - Held for trading				
Derivative financial instrument liabilities	3,623	3,108	3,623	3,108
	3,623	3,108	3,623	3,108
Financial liabilities at amortised cost				
Trade Creditors and other payables	16,333	21,244	16,442	21,903
Borrowings:				
- bank overdraft	-	-	-	-
- secured loans	77,993	84,025	90,593	91,225
Total financial liabilities at amortised cost	94,326	105,269	107,035	113,128
Total financial liabilities	97,949	108,377	110,658	116,236

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

27. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

Market Risk

Price risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June 2011 the Council does not have any foreign currency risk (2010: \$nil).

Fair value interest rate risk

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

Cash flow interest rate risk

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

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

Credit Risk

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

The 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.

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

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

The maximum exposure to credit risk:

	NOTE	COUNCIL		GROUP	
		2011 \$000	2010 \$000	2011 \$000	2010 \$000
Cash, cash equivalents and term deposits	9.	6,095	2,894	6,119	2,999
Debtors and other receivables	10.	11,507	13,750	11,987	14,243
Other assets	18.	159	428	159	428
Community and development loans	18.	32	10	32	10
Loans to related parties	18.	3,500	2,851	-	-
Financial guarantees	32.	297	278	297	278
Derivative financial instrument assets (interest rate swaps and options)	11.	1,104	1,196	1,104	1,196
Total credit risk		22,694	21,407	19,698	19,154

The maximum exposures shown above are net of any recognised provisions for losses on these financial instruments. Council and the group hold security for certain amounts included in trade and other receivables and other assets.

27. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

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	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA	6,095	2,894	6,119	2,999
Total cash at bank and term deposits	6,095	2,894	6,119	2,999
Derivative financial instrument assets				
AA	1,104	1,196	1,104	1,196
Total derivative financial instrument assets	1,104	1,196	1,104	1,196
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	3,500	2,851	-	-
Existing counterparty with defaults in the past	35	40	35	-
Total community, development and related party loans	3,535	2,891	35	-

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

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that the 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. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

The 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 Council Community 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 \$25 million (2010: \$25 million).

Contractual maturity analysis of financial liabilities

The table below analyses the 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.

27. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

	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 2011						
Trade Creditors and other payables	7,630	7,630	7,630	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	77,993	85,211	40,233	13,519	21,407	10,052
Finance leases	-	-	-	-	-	-
Financial guarantees	297	297	297	-	-	-
Total	85,920	93,138	48,160	13,519	21,407	10,052
Group 2011						
Trade Creditors and other payables	7,630	7,630	7,630	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	90,593	97,922	52,944	13,519	21,407	10,052
Finance leases	-	-	-	-	-	-
Financial guarantees	297	297	297	-	-	-
Total	98,520	105,849	60,871	13,519	21,407	10,052
Council 2010						
Trade Creditors and other payables	10,652	10,652	10,652	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	84,025	93,768	26,867	24,162	32,668	10,071
Finance leases	-	-	-	-	-	-
Financial guarantees	278	278	278	-	-	-
Total	94,955	104,698	37,797	24,162	32,668	10,071
Group 2010						
Trade Creditors and other payables	10,652	10,652	10,652	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	91,225	101,040	34,139	24,162	32,668	10,071
Finance leases	-	-	-	-	-	-
Financial guarantees	278	278	278	-	-	-
Total	102,155	111,970	45,069	24,162	32,668	10,071

27. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	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 2011						
Cash and cash equivalents	6,095	6,095	6,095	-	-	-
Debtors and other receivables	11,507	11,507	11,507	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	32	35	15	20	-	-
- loans to related parties	3,500	3,500	-	3,500	-	-
Total	21,134	21,137	17,617	3,520	-	-
Group 2011						
Cash and cash equivalents	6,119	6,119	6,119	-	-	-
Debtors and other receivables	11,987	11,987	11,987	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	32	35	15	20	-	-
- loans to related parties	-	-	-	-	-	-
Total	18,138	18,141	18,121	20	-	-
Council 2010						
Cash and cash equivalents	2,894	2,894	2,894	-	-	-
Debtors and other receivables	13,750	13,750	13,750	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	10	10	10	-	-	-
- loans to related parties	2,851	2,851	-	2,851	-	-
Total	19,505	19,505	16,654	2,851	-	-
Group 2010						
Cash and cash equivalents	2,999	2,999	2,999	-	-	-
Debtors and other receivables	14,243	14,243	14,243	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	10	10	10	-	-	-
- loans to related parties	-	-	-	-	-	-
Total	17,252	17,252	17,252	-	-	-

27. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

Sensitivity analysis

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

COUNCIL	2011 \$000				2010 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
INTEREST RATE RISK								
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(1,945)	-	1,818	-	(1,877)	-	1,765	-
Financial liabilities								
Borrowing:								
- short term loans	380	-	(380)	-	190	-	(190)	-
- term loans	300	-	(300)	-	652	-	(652)	-
Total sensitivity to interest rate risk	(1,265)	-	1,138	-	(1,035)	-	923	-

GROUP	2011 \$000				2010 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
INTEREST RATE RISK								
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(1,945)	-	1,818	-	(1,877)	-	1,765	-
Financial liabilities								
Borrowing:								
- short term loans	506	-	(506)	-	-	-	-	-
- term loans	300	-	(300)	-	652	-	(652)	-
Total sensitivity to interest rate risk	(1,139)	-	1,012	-	(1,225)	-	1,113	-

Explanation of sensitivity analysis

Derivative net financial assets and derivatives held for trading include interest rate swaps with a fair value liability totalling \$2,519,000 (2010 liability: \$1,912,000). A movement in interest rates of plus 1% has an effect of \$1,818,000 (2010: \$1,765,000) on the unrealised value of the derivatives and on realised receipts on the derivatives during the period of \$670,000 (2010: \$750,000).

No equity instruments are held.

Short term loans

Council has short term floating rate debt with a principal amount totalling \$38 million (2010: \$19 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$380,000 (2010: \$190,000).

Term loans

Council has term floating rate debt with a principal amount totalling \$30 million (2010: \$55 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$300,000 (2010: \$550,000). A movement in market interest rates on fixed rate debt of \$10.1 million (2010: \$10.2 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

27. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

Fair value hierarchy disclosures

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

- Quoted market price (level 1) - Financial instruments with quoted prices for identified instruments in active markets
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models 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.

	30 JUNE 2011				30 JUNE 2010			
	VALUATION TECHNIQUE			TOTAL	VALUATION TECHNIQUE			TOTAL
	LEVEL 1 QUOTED MARKET PRICE \$000	LEVEL 2 OBSERVABLE INPUTS \$000	LEVEL 3 SIGNIFICANT NON- OBSERVABLE INPUTS \$000		LEVEL 1 QUOTED MARKET PRICE \$000	LEVEL 2 OBSERVABLE INPUTS \$000	LEVEL 3 SIGNIFICANT NON- OBSERVABLE INPUTS \$000	
COUNCIL								
Financial Assets								
Derivatives		1,104		1,104		1,196		1,196
Shares			159	159			428	428
Financial Liabilities								
Derivatives		3,623		3,623		3,108		3,108
GROUP								
Financial Assets								
Derivatives		1,104		1,104		1,196		1,196
Shares			159	159			428	428
Financial Liabilities								
Derivatives		3,623		3,623		3,108		3,108

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

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

	2011	2010
Balance at 1 July	428	609
Gain and losses recognised in the surplus or deficit	(269)	(271)
Gain and losses recognised in other comprehensive income	-	-
Purchases	-	90
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance at 30 June	159	428

28. REMUNERATION

The Chief Executive received the following remuneration:

	2011				2010			
	SALARY \$	MOTOR VEHICLE \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$	SALARY \$	MOTOR VEHICLE \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$
Chief Executive	312,856	10,457	6,257	329,570	314,113	10,442	6,282	330,837

Elected representatives received the following remuneration:

	COUNCIL	GROUP TOTAL		COUNCIL	GROUP TOTAL							
	2011						2010					
	REMUNERATION \$	DIRECTOR FEES \$	TOTAL REMUNERATION \$	REMUNERATION \$	DIRECTOR FEES \$	TOTAL REMUNERATION \$						
Mayor and Councillors												
WR Wallace* (Mayor from Oct 10)	91,510	-	91,510	47,937	-	47,937						
D Bassett* (Deputy Mayor from Oct 10)	50,972	-	50,972	41,804	-	41,804						
L Bridson**	29,395	-	29,395	-	-	-						
MJ Cousins	46,476	-	46,476	48,579	-	48,579						
A Finlayson	48,107	7,192	55,299	43,640	-	43,640						
VR Jamieson	54,462	5,994	60,456	48,554	-	48,554						
K Laban**	29,395	-	29,395	-	-	-						
M Lulich**	33,891	-	33,891	-	-	-						
G McDonald	42,254	-	42,254	41,685	-	41,685						
C Milne**	35,432	5,994	41,426	-	-	-						
MJ Shierlaw	46,271	-	46,271	41,685	-	41,685						
RW Styles (Deputy Mayor to Oct 10)	50,256	14,961	65,217	54,474	15,000	69,474						
M Willard**	35,432	-	35,432	-	-	-						
DK Ogden (Mayor to Oct 10)*	31,536	-	31,536	107,211	-	107,211						
JMK Baird*	14,751	7,768	22,519	47,937	15,000	62,937						
BG Branch*	12,827	-	12,827	41,685	-	41,685						
R Day*	15,547	-	15,547	42,178	-	42,178						
D Hislop*	14,751	-	14,751	47,937	-	47,937						
Total	683,265	41,909	725,174	655,306	30,000	685,306						

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

An election was held during the year. A number of Councillors did not stand or were not re-elected as denoted by * (to 18 October 2010) and new elected representatives are denoted with ** (from 18 October 2010).

28. REMUNERATION (CONTINUED)

Employee remuneration

The number of employees earning over \$100,000 per annum.

	COUNCIL		GROUP	
	2011	2010	2011	2010
Salary range				
\$310,000 - \$319,999	1	1	1	1
\$260,000 - \$269,999	-	-	-	1
\$210,000 - \$219,999	-	1	1	1
\$180,000 - \$189,999	2	2	2	2
\$160,000 - \$169,999	1	1	1	1
\$150,000 - \$159,999	-	1	-	1
\$140,000 - \$149,999	4	5	4	5
\$130,000 - \$139,999	1	1	1	1
\$120,000 - \$129,999	5	6	5	6
\$110,000 - \$119,999	6	7	6	7
\$100,000 - \$109,999	7	7	8	8
	27	32	29	34

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

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. The value of each of these payments was \$104,000, \$10,000 and \$4,000.

	2011	2010
Severance payments	\$118,000	\$2,000
Number of employees	3	1

30. RELATED PARTIES TRANSACTIONS

The Council is the ultimate parent of the group and controls two entities, being Urban Plus Limited (Formerly Hutt Holdings Limited) and Seaview Marina Limited, and has significant influence over Capacity Infrastructure Services (formerly Wellington Water Management Limited) as an associate.

Related Party Transactions with Subsidiaries, Associates, and Joint Venture:

With Seaview Marina Limited (the Marina)

For the year ended 30 June 2011, the Council charged Seaview Marina Limited accountancy fees \$4,000 (2010: \$4,000), legal fees \$4,000 (2010: \$4,000), building and resource consents \$4,705 (2010: \$17,020), interest expense \$175,749 (2010: \$39,040) and rates and water \$89,433 (2010: \$84,300).

The total loan from the Council to the Marina outstanding at 30 June 2011 amounted to \$3,500,000 (2010: \$2,850,774) and total advances from the Council to the Marina outstanding at 30 June 2011 amounted to \$76,634 (2010: \$nil). Borrowings from Hutt City Council are issued at the 3 month BKBM FRA Rate plus a margin of 200 basis points. The maximum amount to be advanced at any time during the term of loan shall not exceed \$3,500,000.

With Urban Plus Limited (urbanplus)

At 30 June urbanplus owed Council \$89,260 (2010: \$103,830). Interest is charged on outstanding advances at market rates, the net interest paid to Hutt City Council from urbanplus was \$2,398 (2010: \$9,180).

During the year urbanplus paid to the Council \$169,112 (2010: \$162,324) for rates and water, \$45,000 (2010: \$45,000) management fee for services, \$nil (2010: \$260,993) for reimbursement of property costs, \$166,579 (2010: \$48,969) for building and resource consents and \$4,062,500 (2010: \$295,581) for the purchase of land. The Council paid to urbanplus \$471,155 (2010: \$444,078) for property services and project management.

As at 30 June urbanplus has no commitments to Hutt City Council (2010: \$nil).

30. RELATED PARTIES TRANSACTIONS (CONTINUED)

With Capacity Infrastructure Services (Capacity)

As at 30 June 2011 Council owed Capacity \$261,000 (2010: \$154,000).

As at 30 June 2011 Capacity owed Council \$nil (2010: \$nil).

During the year Capacity paid \$48,000 (2010: \$nil) to the Council, for services provided.

During the year the Council paid \$1,475,000 (2010: \$1,422,000) to Capacity, for professional services, and \$2,615,000 for City Care Services (2010: \$2,236,000).

During the year Capacity paid directors fees to Councillor Ray Wallace of \$7,500 (2010: \$15,000) and David Bassett \$7,500 (2010: \$nil).

With Silverstream Gas Joint Venture

No related party transactions were entered into during the year.

Transactions with Key Management Personnel

Key management personnel include the Chief Executive, members of the strategic leadership team, the Mayor and Councillors.

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
KEY MANAGEMENT PERSONNEL COSTS				
Salary and other short term benefits	2,083	1,948	2,457	2,480
Post-employment benefits	17	15	21	17
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
	2,100	1,963	2,478	2,497

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

Chief Executive, Tony Stallinger, is Treasurer of the Mitchell Park Squash Club, which is associated with Hutt Valley Tennis. In the 2010 financial year a payment of \$225,000 was made to Hutt Valley Tennis, this funding was approved by Council in the 2009 financial year. There have been \$nil payments or funding approved in 2011.

The Mayor, Ray Wallace is an owner and director of Your Local Business Directory Limited. The Council made payments of \$895 (2010: \$500) during the year. In 2010 the Mayor was the chairman of the Hutt Safer City Group Inc. The Council made payments of \$nil (2010: \$35,000 for the merging of Hutt Neighbourhood Support and Community Patrols of Hutt City).

The Mayor, Ray Wallace, Councillor Margaret Willard and community board member David Elliot are directors of Development Wainuiomata Incorporated. The Council made payments of \$13,481 (2010: \$16,330) for cleaning services in Wainuiomata.

The former Mayor, David Ogden, and Councillors David Bassett and Ken Laben, are elected members of the Hutt Valley District Health Board. The Council made payments of \$nil (2010: \$4,500) during the year. The Council received \$105,372 for the DHB's share of election costs, building consent fees and water charges (2010: \$3,410 for venue hire).

The former Mayor, David Ogden (to October 2010), and Councillor Ken Laben (from October 2010) was/is an elected member of the Hutt Mana Charitable Trust. The Council received \$46,007 for the Trust's share of election costs.

Councillor Margaret Cousins is a Trustee of the Hutt Council of Social Services. The Council made payments of \$80 for membership (2010: \$11,000 during the year for annual community development funding grants), and received \$110 (2010: \$120) for venue hire. There are no amounts outstanding for unpaid invoices at year-end (2010: \$6,000). She sits on the Normandale residents' association board. Council made payments of \$3,000 that related to an outstanding amount as at 30 June 2010.

Councillors Roger Styles and Christopher Milne (community committee member until October 2010) were directors (resigned February 2011 and September 2010 respectively) of Energy Smart Limited. The Council made no payments during the year (2010: \$13,500 as a contribution towards Healthy Homes initiatives).

Councillor David Bassett is a director and shareholder of Tour New Zealand Limited. During the year Council received \$33 (2010: \$nil) for displaying brochures.

30. RELATED PARTIES TRANSACTIONS (CONTINUED)

Councillor Max Shierlaw and community board member (from October 2010) Peter-Clinton Foese are trustees of Hutt Valley Youth Health Trust. The Council made payments of \$9,750 (2010: \$nil) to Hutt Valley Youth Health Trust as a contribution to programmes.

Community board member (from October 2010) Peter-Clinton Foese is a trustee of the Moera Community House. The Council made payments of \$23,512 to the Moera Community House as a contribution to running the community house.

Community board members Peter-Clinton Foese and Terry Stallworth are both staff members of Hutt City Council.

Community board member (from October 2010) Karl Dickson is the deputy chairman of the Wainuiomata Community Centre and a board member of the Hutt City Kindergarten Association. The Council made payments of \$70,582 to the Wainuiomata Community Centre as a contribution to running the community house and \$1,645 to the Hutt City Kindergarten Association for an environmental sustainability grant.

Community committee member Leigh Sutton is the owner of River Side Media publishers. The Council made payments of \$7,887 (2010: \$13,000) for document publishing and advertising/column space various local publications.

Community committee member (from October 2010) Fred Allen is the managing director of Kiwi Plants Limited. The Council made payments of \$6,472 for plants. There is a balance owed by Council to Kiwi Plants of \$31,053 outstanding for unpaid invoices at year-end.

Community committee member (from October 2010) Dina Awarau is the chairperson of the Taita Community Trust and Port Nicholson Settlement Block. The Council made payments of \$38,200 for services under a service level agreement. There was \$20,000 outstanding to the Port Nicholson Settlement Block for contracted services provided.

Community committee member Barbara Branch is employed by the Hutt Valley Chamber of Commerce as the CBD retail co-ordinator. During the year the Council made payments of \$301,404 (2010: \$162,418) for service delivery, retail co-ordinator and attendance at Chamber events and workshops.

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

During the 2010/11 financial year, Council made no further investment in Smartlinx 3 Limited (2010: share purchase of \$465,000), a company 30% owned by Hutt Mana Charitable Trust. During the year Smartlinx 3 Limited paid \$nil (2010: \$nil) to the Council for the use of storage and the Council paid \$43,000 (2010: \$49,000) to Smartlinx 3 Limited for the provision of broadband, security and WIFI services. There is a balance of \$26,000 (2010: \$7,000) outstanding for unpaid invoices at year-end.

31. CAPITAL COMMITMENTS AND OPERATING LEASES

Capital Commitments

Commitments for capital expenditure contracted, but not provided for:

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Property, plant and equipment	7,725	5,890	7,790	5,890
Intangible assets	-	-	-	-
Investment property	-	-	-	-
TOTAL CAPITAL COMMITMENTS	7,725	5,890	7,790	5,890

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

Operating Leases as Lessee

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

	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Not later than one year	568	542	601	562
Later than one year and not later than five years	760	308	790	310
Later than five years	-	-	-	-
TOTAL NON-CANCELLABLE OPERATING LEASES	1,328	850	1,391	872

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2010: \$nil).

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

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

Operating Leases as Lessor

The 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	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Not later than one year	-	-	209	-
Later than one year and not later than five years	-	-	471	-
Later than five years	-	-	10	-
TOTAL OPERATING LEASES AS LEASOR	-	-	690	-

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

32. CONTINGENCIES

CONTINGENT LIABILITIES	COUNCIL		GROUP	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Financial guarantees	297	278	297	278
Waste water	5,276	5,336	5,276	5,336
Other legal proceedings	250	-	250	-
	5,823	5,614	5,823	5,614

Guarantees

The value of financial guarantees disclosed as contingent liabilities reflects the Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the Statement of Financial Position. The Council has recognised \$nil (2010: \$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 9 years and payments are calculated based on volume. The contingent liability is calculated based on the minimum payments due under the contract in the event of cancellation, using a discount factor of 6% (2010: 6.5%).

Other legal proceedings

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

Unquantified claims

The 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, the Council could be responsible for any deficit of the scheme. Similarly, if a number of employers cease to participate in the scheme, the Council could be responsible for an increased share of any deficit.

Joint venture contingent liabilities

There are no contingent liabilities associated with the Silverstream Gas Joint Venture (2010: \$nil).

Associate's contingent liabilities

There are no contingent liabilities associated with the Capacity associate (2010: \$nil).

Contingent assets

The 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 the 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.

The Council at 30 June 2011 does not have a contingent asset from urbanplus (2010: \$194,444 relating to the future sales of Summit Road and Wainui Road).

33. MAJOR BUDGET VARIATIONS

Explanations for major variations from Council's budgeted figures in the 2010/11 Annual Plan are as follows:

Council made a surplus after tax of \$1.907 million compared with a budgeted surplus after tax of \$5.502 million. The operating result was therefore \$3.595 million worse than budget. Explanations of major variances against budget are detailed below.

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

Actual revenue of \$125.783 million is comparable to the budget of \$125.794 million attributable to the following:

- Subsidies received were \$0.537 million lower than budget as works were delayed during the year.
- A gain on sale of assets of \$1.921 million was achieved.

33. MAJOR BUDGET VARIATIONS (CONTINUED)

Council expenditure of \$123.269 million was \$2.177 million higher than budget attributable to the following:

- Depreciation was \$2.6 million higher than budget due to a lower estimate of depreciation budgeted. This resulted from the vesting of a significant asset in 2010 and capitalisation of assets under construction.

Other comprehensive gains and losses:

- A loss of \$0.607 million was incurred in the fair value of interest rate swaps. The Council had budgeted for a gain of \$0.800 million in the expectation of a rise in interest rates over the year.

The following are the significant variances in the Statement of Financial Position:

- Net borrowing is \$6.473 million higher than budgeted at the end of the year, mainly due to projected asset sales not taking place.
- Cash and cash equivalents is \$6.293 million lower than budget due to less asset sales \$2.67m taking place and higher levels of debtors and other receivables than budgeted.
- Property, plant and equipment is higher than budgeted and offset by lower levels of asset under construction or for sale than budgeted.
- Intangible assets are higher than budgeted as projects are completed and comparable to prior year.
- Creditors and payables is down on budget with delays in new capital works at year end.

The following are the significant variances in the Statement of Cash Flows:

- Net cash from operating activities is lower than budgeted with higher payments to suppliers.
- Net cash from investing activities is comparable to budget as purchase of new assets is delayed with offset by less asset sales.
- Net cash from financing activities is lower than budgeted with less debt being repaid due to higher operating expenditure and lower asset sales.

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

34. CAPITAL MANAGEMENT

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

The Local Government Act 2002 (the Act) requires the 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 the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally the 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 Council Community Plan (LTCCP) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the 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 the Council's LTCCP.

Hutt City Council has the following Council created reserves:

- reserves for different areas of benefit;
- self insurance reserves;
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

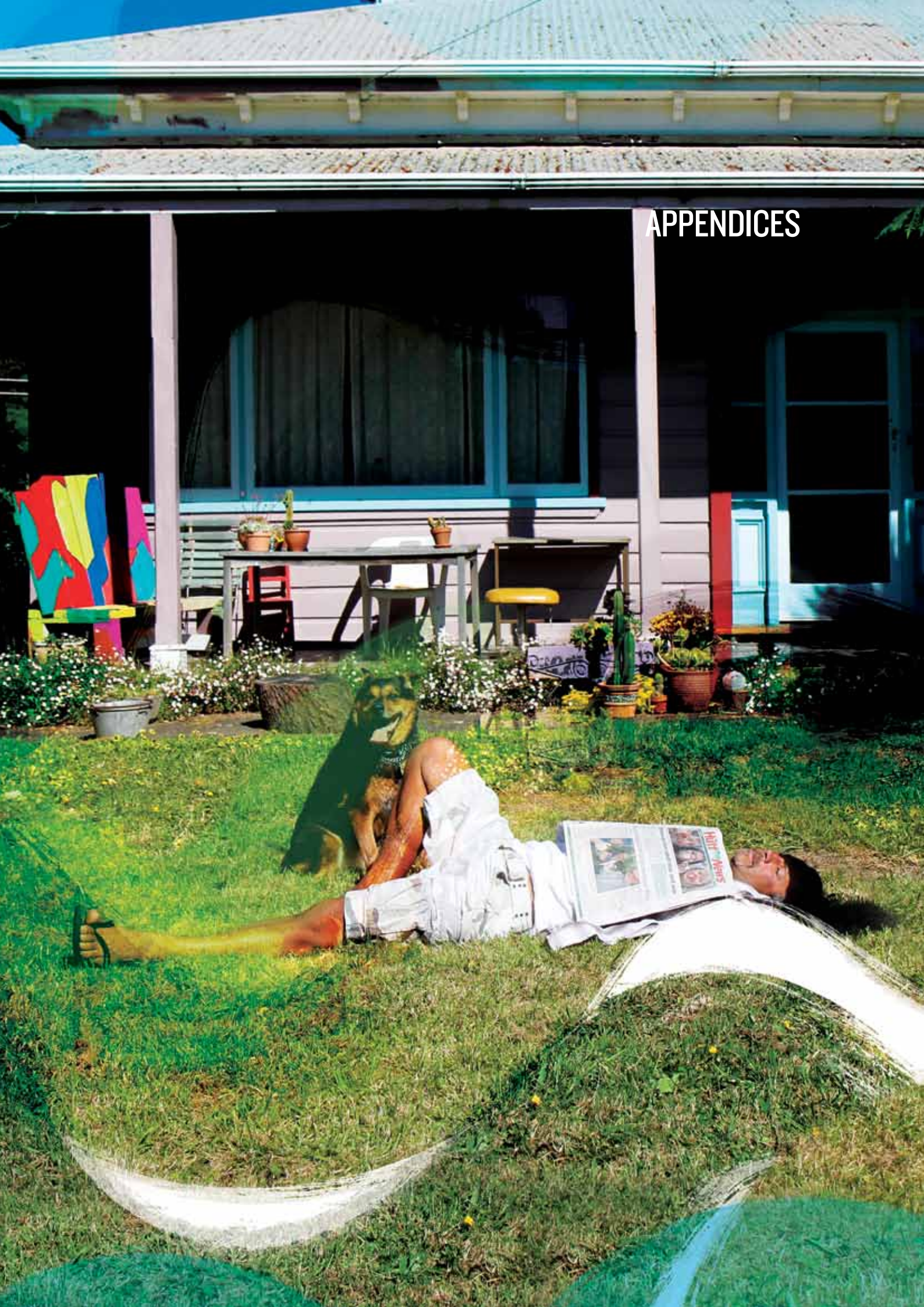
Self insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to Trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

35. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date.

APPENDICES



HUTT CITY PROFILE

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

HUTT CITY – A SUMMARY PROFILE

Land area	37,998 hectares
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Population Statistics from NZ Census 2006:

Population	
Northern Ward	15,288
Eastern Ward	16,920
Western Ward	12,402
Central Ward	18,642
Wainuiomata Ward	17,214
Harbour Ward	17,235
Total population	97,701

Number of Households	
Northern Ward	5,259
Eastern Ward	6,180
Western Ward	4,437
Central Ward	7,209
Wainuiomata Ward	5,802
Harbour Ward	6,837
Total households	35,724

Age	
Under 15	22.9%
15 to 24	13.7%
25 to 44	29.1%
45 to 64	23.4%
65 and over	10.9%

Ethnicity	
European	65.0%
Maori	17.0%
Pacific Peoples	11.0%
Asian	9.0%
Middle Eastern, Latin American and African	1.0%
Other	10.0%

HUTT CITY ASSETS

Total council assets as at 1 July 2010	\$1,313,491,000
Area of parks and reserves	5,305 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	479 km
Length of footpaths	728 km
Number of street lights	13,563
Length of wastewater pipes	678 km
Length of stormwater pipes	546 km
Length of water pipes	683 km
Rating system	Capital
Rateable properties	38,776
Average rates per residential ratepayer	\$1,815
Rateable capital value of the city (1 September 2010)	\$16,867,063,700

CLIMATE

- Temperature: mean daily maximum. Temperature of 22°C in January and 12°C in July.
- Sunshine hours: around 2,000 hours of sunshine per year.
- Rainfall: 1,300 - 1,350 mm of rainfall per year.
- Wind: predominant wind 50% of the time is from between the north and west, and 30% of the time from between the southeast and southwest.

DEFINITIONS

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

Annual Plan

A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.

Appropriation/Appropriated

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

Asset

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

Asset Management Plan

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

Capital Expenditure

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

Capital Value

Value of land including any improvements.

Community Boards

Local elected bodies set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.

Community Committees

Local committees set up by Council. Community committees are consulted by Council and can represent community concerns to Council. Hutt City Council had two community committees until October 2010: Central/West and North/East. Following the October 2010 election the incoming Council established four community committees covering the Central, Western, Northern and Eastern wards.

Community Outcome

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

Council-Controlled Organisations (CCOs)

Companies in which Council is at least 50% shareholder that independently manage facilities and deliver services and undertake developments on behalf of the Hutt City community. Where necessary, Council funds these organisations.

Council-Controlled Trading Organisations (CCTOs)

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 or Long Term Council Community Plan (LTP or LTCCP, often referred to as the Community Plan)

A plan that describes the activities of the local authority, the community outcomes and long term focus for the decisions and activities of the local authority.

Maintenance Costs

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

Mana Whenua

People with the mana of the land.

Operating Expenditure

Expenditure for the normal services of Council.

Operating Projects

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

Performance Measure

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

Port Nicholson Block Settlement Trust

A Trust established in August 2008 to receive and manage the settlement package for Taranaki Whanui ki Te Upoko o Te Ika who can whakapapa to Wellington at 1840.

Rates

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

Significance

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

Significant Activities

The Community Plan and Annual Plan list 18 separate significant activities that fall within five groups of activities.

Supplier Costs

Expenditure for the purchase of general goods and services.

Support Costs

The internal allocation of expenditure incorporated in the Managing Services activity.

Taonga

A highly prized resource.

Targeted Rates

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

Te Atiawa

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

Te 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.

Wellington Tenths Trust

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



SOURCE OF INFORMATION FOR LEVEL OF ACHIEVEMENT

Our Annual Report indicates the source of information for each performance measure in the interests of improving accountability and transparency. A more detailed discussion of the main sources of information is provided below.

NRB Communitrak Survey

The National Research Bureau Limited undertakes these annual surveys for participating local authorities. The results also include national and peer group comparisons. Hutt City Council has commissioned these surveys since 1994. Our Communitrak survey utilises 500 telephone interviews, 100 more than the standard Communitrak survey, to ensure adequate representation from each ward. Randomised sampling methods are used to access residents over the age of 18 and weightings are applied to reflect the ward, gender and age proportions of the area. The maximum margin of error at the 95% level of confidence for Hutt City Council's survey is +/- 4% and the maximum level of significant difference at the 95% level of confidence is 6%. These maximums for the margin of error and significant difference will occur when the sample is split 50/50 on an issue. The level of achievement in terms of measuring satisfaction levels is calculated after excluding the responses of those unable to comment on the specific service being measured.

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 Places to Work Survey

We participate in the annual Best Places to Work Survey by John Robertson & Associates. This survey provides Council with important information on how staff view Council, and how this compares with other organisations.

CONTACT DETAILS

MAYOR AND COUNCILLORS

	TELEPHONE	MOBILE	EMAIL
Mayor			
Ray Wallace, JP	570 6846	-	ray.wallace@huttcity.govt.nz
Deputy Mayor			
David Bassett, JP	566 4929	021 135 9391	david.bassett@huttcity.govt.nz
Councillors			
Chris Milne	586 3890	0274 422 708	chris.milne@huttcity.govt.nz
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Margaret Cousins, JP	586 2135	-	margaret.cousins@huttcity.govt.nz
Max Shierlaw	589 3669	0272 606 852	max.shierlaw@huttcity.govt.nz

COMMUNITY BOARD MEMBERS

	TELEPHONE	MOBILE	EMAIL
Eastbourne Community Board			
Derek Wilshere CHAIR	562 7920	027 430 3596	derek.wilshere@huttcity.govt.nz
Murray Gibbons DEPUTY CHAIR	562 8567	021 236 1099	murray.gibbons@huttcity.govt.nz
Sarah Crawford	-	-	sarah.crawford@huttcity.govt.nz
Virginia Horrocks	562 8381	021 230 8210	virginia.horrocks@huttcity.govt.nz
Geoff Rashbrooke	568 4988	-	geoff.rashbrooke@huttcity.govt.nz
Petone Community Board			
Gerald Davidson CHAIR	938 3723	-	gerald.davidson@huttcity.govt.nz
Mason Branch DEPUTY CHAIR	569 1270	027 480 0365	mason.branch@huttcity.govt.nz
Richard Cole	586 1113	-	richard.cole@huttcity.govt.nz
Mike Fisher	976 7322	021 252 1773	mike.fisher@huttcity.govt.nz
Peter Foese	586 2945	0274 610 376	peter.foese@huttcity.govt.nz
Tui Lewis	970 5159	021 271 6249	tui.lewis@huttcity.govt.nz
Wainuiomata Community Board			
Terry Stallworth CHAIR	-	0272 749 511	terry.stallworth@huttcity.govt.nz
Karl Dickson DEPUTY CHAIR	564 9001	0274 341 682	karl.dickson@huttcity.govt.nz
Campbell Barry	564 5590	0272 160 364	campbell.barry@huttcity.govt.nz
David Elliott	973 2239	021 284 1494	david.elliott@huttcity.govt.nz
Reg Moore, MNZM	971 6872	0272 985 590	reg.moore@huttcity.govt.nz
Heather Robb	564 8577	-	heather.robb@huttcity.govt.nz

COMMUNITY COMMITTEE MEMBERS

	TELEPHONE	MOBILE	EMAIL
Central Community Committee			
Sue Lafrentz CHAIR	567 0856	021 058 1088	sue.lafrentz@huttcity.govt.nz
Alison McKone DEPUTY CHAIR	973 0977	027 693 4028	alison.mckone@huttcity.govt.nz
Glenda Barratt	976 8500	021 128 9377	glenda.barratt@huttcity.govt.nz
Matt Renata	938 0300	027 323 4683	matt.renata@huttcity.govt.nz
Eastern Community Committee			
Ted Heslin CHAIR	567 7753	-	ted.heslin@huttcity.govt.nz
Michael Ellis DEPUTY CHAIR	577 3877	-	michael.ellis@huttcity.govt.nz
Barbara Branch	565 3303	027 485 9101	barbara.branch@huttcity.govt.nz
Ephraim Gazo	970 4473	021 053 5628	ephraim.gazo@huttcity.govt.nz
Northern Community Committee			
Leigh Sutton CHAIR	563 5184	027 306 8362	leigh.sutton@huttcity.govt.nz
Dina Awarau DEPUTY CHAIR	567 6414	027 224 5824	dina.awarau@huttcity.govt.nz
Fred Allen	934 0559	027 222 2100	fred.allen@huttcity.govt.nz
Leole Malama	567 5073	027 368 6587	leole.malama@huttcity.govt.nz
Western Community Committee			
Rick Mooney CHAIR	586 1895	021 742 596	rick.mooney@huttcity.govt.nz
Pete Matcham DEPUTY CHAIR	565 1083	021 525 849	pete.matcham@huttcity.govt.nz
Jill Berridge, JP	566 8781	021 488 682	jill.berridge@huttcity.govt.nz
Linda Brewer	565 0248	021 246 8334	linda.brewer@huttcity.govt.nz

STRATEGIC LEADERSHIP TEAM

	POSITION	TELEPHONE	EMAIL
Tony Stallinger	Chief Executive	570 6773	tony.stallinger@huttcity.govt.nz
Joycelyn Foo	General Counsel (until 31 August 2011) General Manager Governance and Regulatory (from 1 September 2011)	570 6736	joycelyn.foo@huttcity.govt.nz
Marty Grenfell	General Manager Community Services (until 16 September 2011)		
Matt Reid	General Manager Community Services (from 14 November 2011)	570 6878	matt.reid@huttcity.govt.nz
Claire Johnstone	General Manager Business Services (until 12 August 2011)		
Kim Kelly	General Manager Development Services (until 31 August 2011) General Manager Strategic Services (from 1 September 2011)	570 6949	kim.kelly@huttcity.govt.nz
Bruce Sherlock	General Manager City Infrastructure	570 6833	bruce.sherlock@huttcity.govt.nz

HUTT CITY COUNCIL

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After Hours Emergencies:	570 6666
Facsimile:	569 4290
Email:	contact@huttcity.govt.nz
Website:	www.huttcity.govt.nz
WAR MEMORIAL LIBRARY	
Address:	Cnr Queens Drive & Woburn Road Lower Hutt
Telephone:	570 6633
PETONE COMMUNITY LIBRARY	
Address:	Britannia Street Petone
Telephone:	568 6253
EASTBOURNE COMMUNITY LIBRARY	
Address:	Rimu Street Eastbourne
Telephone:	562 8042
STOKES VALLEY COMMUNITY LIBRARY	
Address:	Scott Court Stokes Valley
Telephone:	562 9050
MOERA COMMUNITY LIBRARY	
Address:	Cnr Randwick Road & Randwick Crescent Moera
Telephone:	568 4720
TAITA COMMUNITY LIBRARY	
Address:	Taine Street Taita
Telephone:	567 2767
NAENAE COMMUNITY LIBRARY	
Address:	Hillary Court Naenae
Telephone:	567 2859
WAINUIOMATA COMMUNITY LIBRARY	
Address:	Queen Street Wainuiomata
Telephone:	564 5822

Hutt City has a vitality and uniqueness that is enhanced by its beautiful natural setting which includes walking tracks along the banks of the meandering Hutt River, Te Awa Kairangi, and the river itself.

