



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. Hutt City with a population of 97,701 (Source: Statistics NZ) ranks 9th in size out of the 74 territorial authorities in New Zealand. The city has an area of around 38,000 hectares and over 40 kilometres of coastline. Hutt City has a vitality and uniqueness that is enhanced by its beautiful natural setting – a combination of hills, valleys, rivers and the sea. This setting offers residents the best of both worlds – the facilities and services provided by a major urban centre, as well as a central location for residents to enjoy a variety of outdoor pursuits.

Hutt City – A Summary Profile

Land area	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 2008	\$1,082,464,000
Area of parks and reserves	5,305 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	475 km
Length of footpaths	728 km
Number of street lights	13,747
Length of wastewater pipes	672 km
Length of stormwater pipes	528 km
Length of water pipes	690 km
Rating system	Capital
Rateable properties	38,113
Average rates per residential ratepayer	\$1,642
Capital value of the city (1 September 2007)	\$17,827,067,700

Climate

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

DEFINITIONS

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

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 has two community committees: Central/West and North/East.

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 Council Community Plan (LTCCP or Community Plan)

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

Maintenance Costs

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

Mana Whenua

People with the mana of the land.

Nga Tekau o Poneke – Wellington Tenths Trust

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

Operating Expenditure

Expenditure for the normal services of Council.

Operating Projects

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

Performance Measure

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

Rates

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

Significant Activities

The Community Plan lists 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 Activity 18 – Managing Services.

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.

Te Taurahere o Te Awakairangi

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

User Charges

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

SOURCE OF INFORMATION FOR LEVEL OF ACHIEVEMENT

Our Annual Report indicates the source of information for each performance measure in the 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 +/- 4.4% and the maximum level of significant difference at the 95% level of confidence is +/- 6.2%. These maximums for the margin of error and significant difference will occur when the sample is split 50/50 on an issue. However when the split is less, for instance 80/20, the percentages for the margin of error and significant difference decrease. The level of achievement in terms of measuring satisfaction levels is calculated after excluding the responses of those unable to comment on the specific service being measured.

Management Reports

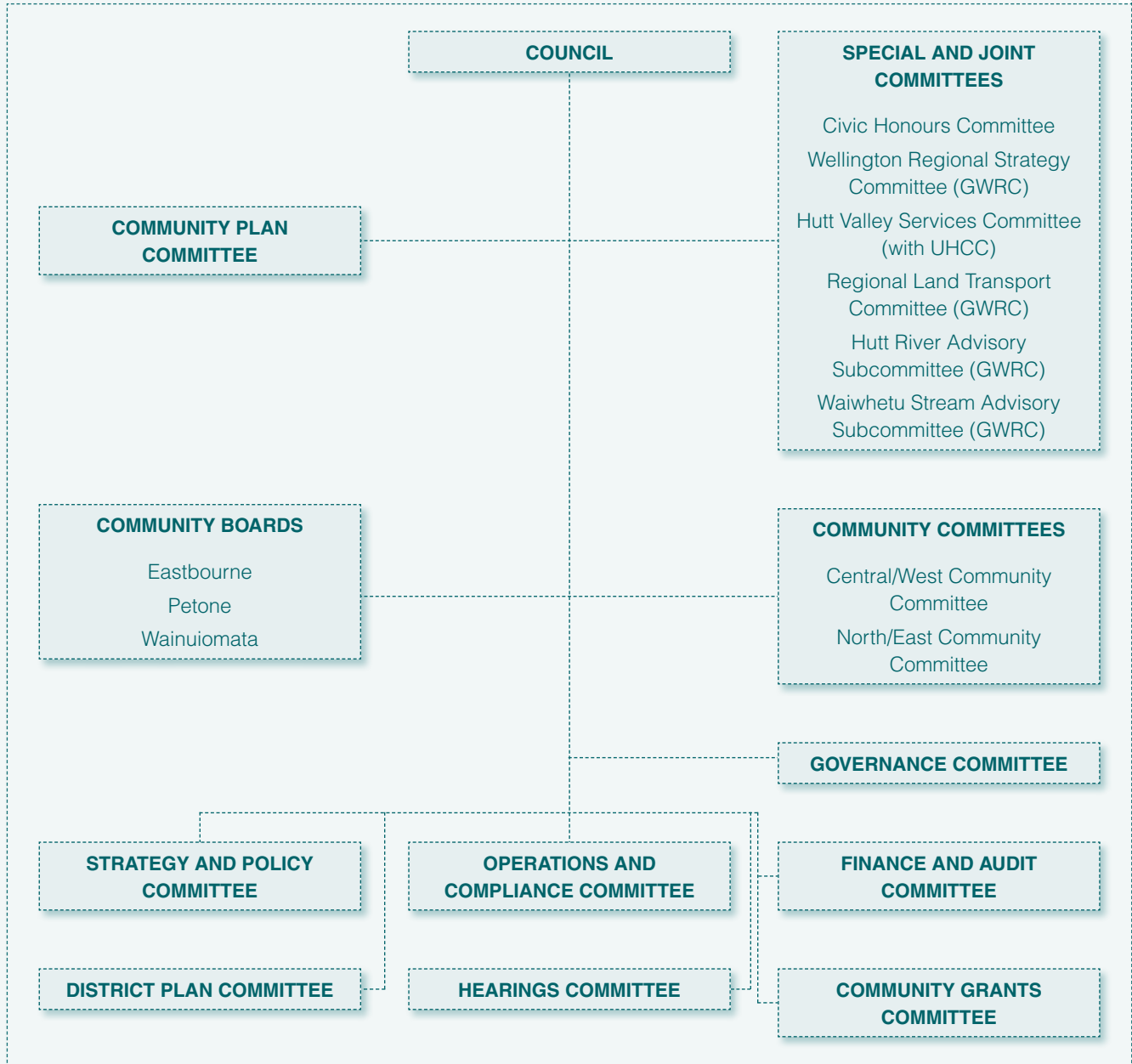
Management Reports encompass a range of documentation and records, such as reports from internal service providers to asset managers and reports from contractors to managers. Quality assurance in the level of performance of Council is very important. For infrastructural renewal and capital programmes,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

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.



COUNCIL'S COMMITTEE STRUCTURE



CONTACT DETAILS

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Website:	www.huttcity.govt.nz

WAR MEMORIAL LIBRARY

Address:	Cnr Queens Drive & Woburn Road Lower Hutt
Telephone:	570 6633

EASTBOURNE COMMUNITY LIBRARY

Address:	Rimu Street Eastbourne
Telephone:	562 8042

MOERA COMMUNITY LIBRARY

Address:	Cnr Randwick Road & Randwick Crescent Moera
Telephone:	568 4720

NAENAE COMMUNITY LIBRARY

Address:	Hillary Court Naenae
Telephone:	567 2859

PETONE COMMUNITY LIBRARY

Address:	Britannia Street Petone
Telephone:	568 6253

STOKES VALLEY COMMUNITY LIBRARY

Address:	Scott Court Stokes Valley
Telephone:	562 9050

TAITA COMMUNITY LIBRARY

Address:	Taine Street Taita
Telephone:	567 2767

WAINUIOMATA COMMUNITY LIBRARY

Address:	Queen Street Wainuiomata
Telephone:	564 5822

MAYOR AND COUNCILLORS



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MAYOR

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KEY:

(I) Independent
(OCOF) Our City Our Future
(TRW) Team Ray Wallace

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Deputy Mayor

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Councillor Barbara Branch
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Central Ward Councillors



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Harbour Ward Councillors



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COMMUNITY BOARD AND COMMUNITY COMMITTEE MEMBERS

Eastbourne Community Board

Ian Young (Chair):	562 8622
Derek Wilshere (Deputy Chair):	562 7920
Sarah Crawford: sarah.crawford@huttcity.govt.nz	
Murray Gibbons:	562 8567
Geoff Rashbrooke:	568 4988

Petone Community Board

Gerald Davidson (Chair):	938 3723
Michael Lulich (Deputy Chair):	977 3166
Kelly Barratt:	021 289 0088
Mason Branch:	569 1270
Richard Cole:	586 1113
Vera Ellen:	938 1946

Wainuiomata Community Board

Margaret Willard (Chair):	973 1378
Terry Stallworth (Deputy Chair):	564 9081
Jim Manu:	564 7366
Marcia Ngarimu:	564 7706
Tracey Pollard:	564 3021
Kevin Small:	564 6841

Central/West Community Committee

Christopher Milne (Chair):	586 3890
Desiree Mulligan (Deputy Chair):	938 9525
Kathryn Fitzpatrick:	586 6075
Sue Lafrentz:	567 0856
Rick Mooney:	586 1895

North/East Community Committee

Leigh Sutton (Chair):	563 5184
Ted Heslin (Deputy Chair):	567 7753
Michael Ellis:	577 3877
Julie Englebretsen:	563 5179
Amanda Woodbridge:	977 6255

STRATEGIC LEADERSHIP TEAM

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Bruce Sherlock, General Manager City Infrastructure

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2009 ANNUAL REPORT

**How we're making
HUTT CITY
A GREAT PLACE TO**

**live
work
play**





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It's with great pleasure that we introduce the 2009 Annual Report and share with you some of the highlights of the past 12 months.

CBD development continues to progress well. High Street was reopened with much fanfare following a multi-million dollar redevelopment that befits its status as one of the city's most popular shopping thoroughfares. Following public consultation, the CBD vision was completed which will guide development in the CBD for the next 20 years. Then the CBD Making Places project identified potential initiatives to improve the CBD, including a new civic centre and promenade along the Hutt River. Reviews of the District Plan and council land held in 'fee simple' also continue to make good progress.

A number of key infrastructure projects have progressed this year. The Dowse to Petone Interchange opened to traffic and it is amazing what a difference it has made to the city, with access into and out of the city much improved. The rest of the project is expected to be completed later this year. The clean-up of the Waiwhetu Stream has finally begun following years of frustrating delays. The project, a joint effort between Hutt City Council, Greater Wellington Regional Council and Ministry for the Environment, will restore the ecological and environmental values of the stream and enable much needed flood protection work to begin.

Our partnership with our neighbour Upper Hutt continues to develop following an agreement to share cemetery facilities at Akatarawa. This arrangement sees Hutt City and Upper Hutt owning the land and Upper Hutt managing the facilities. Already wastewater, emergency management, rural fire, landfill and other services are shared.

As with the rest of New Zealand, Hutt City is feeling the effects of the global recession. Despite this, new businesses continue to locate in the city and our local businesses have been recognised at the annual Gold Awards, with five of the ten main award categories won by local organisations – GNS Science, Womama, Datamail Group, Dulux NZ and Resene. Two special awards were also made locally – the Wellington Icon Award went to Petone born Neville Jordan and the Cornerstone Salute Award went to local company Formway.

We're continuing to develop opportunities for local businesses through our sister city programme. Taizhou in China became Hutt City's newest sister city following a signing ceremony in Nanjing. The relationship offers a significant opportunity for Hutt City to take advantage of the New Zealand-China free trade agreement, with the cities to collaborate on a range of economic, educational and cultural exchanges.

Sports and recreation continues to be an area of strength. In June 2008 we celebrated the grand opening of the Pelorus Trust Sportshouse, the crown jewel of the Hutt Park redevelopment. The Sportshouse is an administrative base for several national, regional and local sports organisations, and is a fantastic example of how Council and a community funder can work in partnership. In October the Council hosted a civic ceremony to welcome home Olympic Games 1500m medallist Nick Willis. His success at Beijing was a source of enormous pride for everyone living in Hutt City and it was wonderful to provide an opportunity for the public to congratulate him and show their support.

Residents' satisfaction with Council continues to be high. The results from the annual National Research Bureau survey of residents' perceptions of Council were pleasing, with the percentage of those satisfied with our performance the highest we've recorded. There is always room for improvement, but the results suggest we are on the right track.

The Long Term Council Community Plan was finalised in June, and once again Hutt City had amongst the lowest rate increases in the country. This has not gone unnoticed, with Local Government Minister Rodney Hide frequently citing Hutt City as an example of a council doing things right. We continue to balance keeping rates down with the need to maintain services and invest in infrastructure.

Thanks to Deputy Mayor Roger Styles, Councillors, community boards and committees, for their hard work and commitment over the past twelve months. Thanks also to all the innovative, dedicated and professional staff across council.

Finally, thank you to the people of Hutt City for making our city the best place in New Zealand to live, work and play.

David Ogden
MAYOR

Tony Stallinger
CHIEF EXECUTIVE



Participating in Bikewise Month 2009



STRATEGIC FRAMEWORK

Our strategic framework shows how we're working as a team, with our communities and partners, to create a better city and stronger community.

It starts with our vision for the city. You can read more about the things we're doing to make this vision a reality in the next few chapters.

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. Our Long Term Council Community Plan 2009-2019 lists the major strategies, policies and plans that focus on the wellbeing of our community. The Groups and Activities from page 52 onwards contribute to the achievement of the identified Hutt City outcomes.

As an organisation we also have a vision of what we want to achieve for our community, and values that reflect how we will go about our work.

Priorities that will assist us to achieve our vision have also been identified.

The contribution that the various Divisions of the Council, and individuals within those Divisions, will make are identified in Business Plans and individual performance agreements.

<p>HUTT CITY'S VISION Where we are going</p>	<p>“A GREAT PLACE TO LIVE, WORK AND PLAY”</p>									
<p>WRS OUTCOMES Wellington Region's Aspirations</p>	COMMUNITY PROSPERITY	CONNECTED	ENTREPRE-NEURIAL, INNOVATIVE CULTURE	HEALTHY ENVIRONMENT	LIFESTYLE	REGIONAL FOUNDATIONS	SENSE OF PLACE	STRONG AND TOLERANT COMMUNITIES	HEALTHY AND EDUCATED COMMUNITY	
<p>HUTT CITY OUTCOMES Working towards making it happen</p>	<p>HUTT CITY OUTCOMES Council Strategies, Policies and Plans Group Activities included in Long Term Council Community Plan and Annual Plan</p>									
<p>ORGANISATION'S VISION Why we are here What we want to achieve</p>	<p>A BETTER CITY. EVERY DAY</p>									
<p>VALUES What we believe in</p>	RESPONSIBILITY			INTEGRITY			TOGETHER			EXCELLENCE
<p>CURRENT PRIORITIES What we are doing to achieve the Vision</p>	CORE SERVICES			STAFF			GROWTH AND DEVELOPMENT			ENVIRONMENT
<p>BUSINESS PLANS What each Division is doing to contribute</p>	<p>BUSINESS (ACTIVITIES) PLANS Projects and Initiatives</p>									
<p>PERFORMANCE MANAGEMENT</p>	<p>STAFF Individual Performance Agreements</p>									



HUTT CITY

Community Outcome:

- + Encouraging community involvement and engagement with civic life

VISION

Our vision for the future is to make Hutt City a great place to live, work and play.

The Community Plan and Annual Plan work towards this by providing direction for Council's plans, policies and strategies. They also give a long term focus to all of our activities.

This Annual Report measures performance against the targets set in the Annual Plan for the 2008-2009 financial 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.

Council meets approximately six weekly throughout the year to monitor management activities and to ensure that our affairs are being conducted in accordance with legal requirements and our organisational objectives.

The diagram on page 160 shows the committee structure we've set up to monitor and help us with our work. We're also represented on joint committees established for specific purposes with Upper Hutt City Council and Greater Wellington Regional Council.

We publicly advertise meetings each month; most are open to the public.

Agendas for the meetings of Council, our committees, community boards and community committees are available at www.huttcity.govt.nz and from the main Council building and city libraries.

You can contribute to the meetings by presenting petitions, being part of deputations and through the public comment section, which is generally held for up to 30 minutes at the beginning of each meeting.

COMMUNITY BOARDS AND COMMUNITY COMMITTEES

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

From now until the 2010 election, we've also appointed two 'community committees' covering the Northern and Eastern wards, and the Central and Western wards. Non-statutory bodies with similar roles to community boards, each committee has five members appointed from the community plus the four 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.

A major project carried out by the community boards and community committees during 2008-2009 was the development of initial 'Local Community Plans' for their areas.

The process enabled communities to identify important local issues for their longer-term planning.



Hutt City Council

OUR MANAGEMENT STRUCTURE

At Hutt City Council, 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 that all functions delegated to any employees 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 six priority areas:

PRIORITY AREA	ORGANISATIONAL OBJECTIVES
Core Services	+ Achieving high standards + Focusing on excellence, innovation and value for money
Staff	+ Improving leadership capability and internal communications + Engaging staff in our Vision and Values
Growth and Development	+ Completing visions for areas of the city to encourage growth, urban design and heritage protection
Environment	+ Identifying and responding to environmental issues + Leading the community in sustainability
Regional Co-operation	+ Developing shared services with other councils + Progressing significant regional projects to benefit Hutt City
Community Engagement	+ Improving community input + Understanding our communities' values

We've identified key performance indicators for these areas (see page 48), which are additional to the performance measures and targets for each of our 18 key activities (see page 51 onwards).

As part of our commitment to achieving and maintaining service excellence, we undergo independent assessments according to the Baldrige Criteria for Performance Excellence. These and other assessments help us to identify areas for improvement, and gauge our performance relative to other local authorities and best practice private sector organisations.

COUNCIL-CONTROLLED ORGANISATIONS

We operate three Council-Controlled Organisations (CCOs): 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
Achieve a rate of return on shareholders funds of 6.5% before taxation	Achieved – The profit for the 2008/2009 financial year was \$276,792, which represents a rate of return of 7.1% for the year
Complete the development of the Marina Service Centre	Hutt City Council (as shareholder) approved this project on 18 March 2008. The Resource Consent process was completed on 21 May 2009 and a preferred tenderer has been selected for the construction. A commencement date for construction is still to be determined.
Investigate the sale of all or some of the berths (whether existing or new)	Not Applicable – The Board has completed its investigations and has resolved not to sell any of the berths at this point in time
Construct a new F pier	Achieved
Continue discussions with CentrePort Wellington concerning marina facilities	Not Applicable – A decision has been made not to proceed with this objective given a lack of interest from CentrePort
Comply with financial, building, technical and regulatory standards	Achieved
Ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice	Achieved
Develop a strategy to encourage the public to use the current beach and monitor and report the usage back to Hutt City Council	Partially Achieved – A landscape plan has been developed by the company and discussions have been held with Council officers as the beach is not the property of the company

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	Not Achieved – This measure relates to the property services that UrbanPlus performs on behalf of Hutt City Council, and links to Activity 6 within the Council financial statements. Actual capital expenditure was below budget by \$553,000 and operating expenditure exceeded budget by \$235,000.
Resident satisfaction with public halls greater than or equal to peer average, subject to Council funding	Achieved 92% Peer average 92%
Resident satisfaction with public toilets greater than or equal to peer average within 5 years, subject to Council funding	Achieved 68% Peer average 68%
Tenant satisfaction with Council-owned community buildings greater than or equal to 90%	Achieved 100%
Council satisfaction with building management 90%	Not Achieved - 83% An improvement plan is being designed to deliver better results next year
Rental Housing	
Net capital and operational expenditure within budget	Achieved – Both capital and operating expenditure were below budget
A return on investment in line with market norms for the nature and condition of the property portfolio	Achieved – Creating cash to cover cash costs
Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90%	Achieved 91%
Percentage of total housing units occupied by the elderly/socially disadvantaged greater than or equal to 85%	Achieved 86%
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
Achieve total overall savings of \$4.175m to shareholding councils after five years (30 June 2009), and \$1.6 million annually thereafter	Not Achieved + Hutt City Council – \$1.342 million (80.4%) savings realised of the \$1.67 million target. This means Capacity has undertaken water services activities for Hutt City at \$1.34 million less than would have been the case if Hutt City's water activities had not been integrated within Capacity and costs had continued at the pre-Capacity level. The 20% we have been unable to realise is because last year's costs were higher than allowed for in the inflation adjusted figures. + Wellington City Council - \$872,000 (35%) over-spent on the savings target of \$2.505 million.
Achieve targets within allocated Capacity budget	Achieved
Comply with financial, technical and regulatory standards	Achieved
Delivery of capital expenditure against budget	Not Achieved – five projects carried forward to 2009/10
Delivery of operating expenditure against budget	Not Achieved – unfavourable variance due to emergency repairs to the main sewer outfall pipeline
Establish Strategic Business Plan by 30 June 2009	Achieved
Develop asset management plans as required	Achieved
Capacity labour recovery to be 80% or more at year end. Labour productivity excludes leave and measures hours billed against available hours.	Not Achieved – 69% + Using labour productivity rate this is achieved at 82.2%. The labour recovery rate did not fully allow for staff leave entitlements. This has been reviewed to take into account for future billing against available labour hours.
Meet performance measures as set in Service Level Agreements	Achieved 29 out of 34 performance measures + Hutt City Council – 3 not achieved due to carry forward work and unplanned work. + Wellington City Council – 2 not achieved due to one infringement notice and one stormwater non-compliance.

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.



Council's Kapa Haka Roopu on Anzac Day

PARTNERSHIPS WITH MAORI

We're committed to the principles of the Treaty of Waitangi – Te Tiriti O Waitangi – and to maintaining and improving opportunities for Maori to contribute to local government decision-making.

We also recognise and provide for the special relationship between Maori and their culture, traditions, land and taonga.

Our commitment to consulting Maori includes recognising those who have mana whenua. Within Hutt City these are represented by:

- Nga Tekau o Poneke – the Wellington Tenth Trust
- Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui.

Both these groups represent Te Atiawa and the Taranaki tribes within the Wellington region. We also consult urban Maori now resident in Hutt City, including (but not limited to) Te Taurahere o Te Awakairangi and the seven marae within the city – Koraunui Marae, Te Mangungu Marae, Wainuiomata Marae, Te Kakano o te Aroha Marae, Waiwhetu Marae, Kokiri Seaview Marae and Te Tatau o te Po Marae.

The key principles of our partnership with Maori are to:

- consider the principles of the Treaty of Waitangi – Te Tiriti O Waitangi
- continue the established contractual agreements with Te Atiawa
- continue to work alongside established, and develop relationships with other, Maori organisations and the seven marae
- pursue our statutory obligations under Part II of the Resource Management Act 1991 and Section 4 of the Local Government Act 2002.

Our goals are to:

- provide opportunities for Maori to contribute to our decision-making
- enable greater information flows on activities of mutual interest to both us and Maori
- foster the city's cultural life in which we and Maori will play our parts in a bicultural partnership
- maintain consultation and involvement with Te Atiawa
- consult Te Taurahere o Te Awakairangi
- consult the seven marae within Hutt City.

Our programme includes:

- ongoing promotion of memoranda of understanding with key Maori stakeholders
- working to maintain longstanding relationships with Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui, Nga Tekau o Poneke – the Wellington Tenth Trust, Te Taurahere o Te Awakairangi and the seven marae within Hutt City
- working to maintain existing and developing relationships with other Maori community organisations
- ensuring that all parties are kept informed of our developments and given the opportunity to take part in our affairs
- providing quality advice and support for capacity and capability strengthening
- providing Council grants to each of the seven city marae.

Examples of joint initiatives include:

- joint management of Te Whiti Park with Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui
- Owhiti Urupa
- Te Puni Street Urupa
- preservation of the prow of a Maori waka discovered at the Opahu Pumping Station construction site in 2006 as a co-operative venture with Nga Tekau o Poneke – the Wellington Tenth Trust and the Ministry for Culture and Heritage.



Celebrating Maori culture and traditions



A GREAT PLACE TO LIVE

It's a priority for us to provide a safe, friendly and vibrant urban environment, with easy access to all the facilities our residents expect to find in a large NZ city. We want our community to feel pride in our city. We provide a wide range of services that contribute to the social, cultural and environmental wellbeing of our community.

SOCIAL AND CULTURAL INITIATIVES

Community Outcomes:

- + Everyone has affordable access to services that improve health
- + There is a seamless integration of health services

We do not have a direct role in the provision of health services. However, we maintain a close relationship with the Hutt Valley District Health Board (DHB) and are involved in several joint initiatives with the DHB, for example, support of a joint Disability Advisory Group.

We also contribute to residents' health and wellbeing through recreation programmes and events that encourage participation in outdoor activities.

Disability Advisory Group

The Disability Advisory Group (DAG) for the Hutt Valley region first met in December 2006, at Orongomai Marae in Upper Hutt. The group was jointly initiated by Hutt City Council, the Hutt Valley District Health Board and Upper Hutt City Council to advise these organisations on issues of concern for disabled people in the region. The DAG representatives are people with their own disability experience, or who have lived or worked with people with disabilities. Projects that the DAG has been involved in during the year include providing advice on signs and information boards, bollards, mobility parking, and advising the DHB on the new additions to the Hutt Hospital Emergency Department. The DAG participated in the Public Mobility Day organised by Upper Hutt City Council and has contributed to many Hutt City consultations by advancing its vision for an accessible and inclusive Hutt Valley. The group also provides a useful 'check' function by ensuring that accessibility initiatives undertaken by the three agencies address the needs of the disability community and keep to schedule.

Community Outcomes:

- + A city that is safe
- + A built environment that is attractive, safe and healthy

The Council, in partnership with Upper Hutt City Council, has started work developing a "Hutt Valley Safe Community Strategy". The purpose of this strategy is to create a World Health Organisation (WHO) framework that will address the existing gaps or issues around community safety and create better interagency cooperation to make the Hutt Valley a safer place. This has been broken down into three priority areas of crime prevention and road safety led by Police, alcohol use and misuse led by Council and injury prevention led by ACC.

The Council endorsed a Safer Streets Action Plan 2007-12 to focus on improving the safety and perception of safety in Lower Hutt. It will focus on core business areas of Closed Circuit Television (CCTV), Community Patrols, Crime Prevention Through Environmental Design (CPTED), reducing alcohol related harm, agency and community collaboration and perception of safety benchmarking. This will be partially funded by the Ministry of Justice.

The programme is currently focused on looking at expanding the CCTV network in the northern suburbs, reviewing the inaugural Perception of Safety survey, promoting the crime-free schools alcohol project, developing a new structure around Neighbourhood Support and Community Patrols, being part of a national pilot on safer carparks and extending the ADT Walkwise for a further two years.

Bylaw Review Programme

A primary focus of Council's Bylaws is the health and safety of the community. A review of the Hutt City Council Water Supply Bylaw 1997 commenced in early 2009 and will be completed later this year.

Community Outcomes:

- + A city that is friendly and welcoming where people experience a sense of belonging
- + Development of the uniqueness of Hutt City including its history and culture
- + More celebrations of tangata whenua and multi-culturalism in the city

Community Development is a Business Unit within the Development Services Group of Hutt City Council. Community Development actively works with a range of groups and organisations to foster a more inclusive society as well as promoting the interests of their various members. Examples include support for the Hutt Ethnic Council, the Hutt Valley New Settlers Centre, the Hutt Valley Youth Workers Network and our own youth council, Youth Infusion.

Ageing Together

We want to develop a good understanding of the issues that affect older people in Lower Hutt and then work in partnership with the community to facilitate and support projects or actions that can address issues raised. With this in mind, a working group was formed in late 2008 and a survey undertaken in early 2009 to establish what the issues and priorities are for older people in the city. Based on this information the working group has established an Ageing Together Strategy which contains specific projects it wishes to undertake during the next year.

**Youth Infusion**

Community Outcome:

- + Everyone has access to a wide range of excellent education services

While we do not have a direct role in providing educational services, we have partnered with other agencies to support initiatives where young people can access education, training and work opportunities. Examples include WelTec, a significant provider of tertiary education in the city, and TradeStart (funded by the Ministry of Social Development). More recently Council successfully applied for funding from the Department of Internal Affairs for a computer clubhouse in Naenae.

We also contribute to life long learning opportunities through our library services, and provide environmental education programmes in schools. TheNewDowse and Petone Settlers Museum delivered education programmes to over 13,000 students in the last year, and 2,000 people learned to swim through the Swim City Learn to Swim Programme.



2,000 people learned to swim through the Swim City Learn to Swim Programme



TheNewDowse and Petone Settlers Museum delivered education programmes to over 13,000 students in the last year

Community Outcome:

- + Everyone has a quality standard of affordable housing

We provide housing for the elderly and socially disadvantaged living in the city. Occupation rates for these properties remained high during the year and these homes are keenly sought after. See page 10 for more information about the role of Urban Plus Limited in providing rental housing in the city.

Healthy Housing Steering Group

In 2005 we became a member of the Healthy Housing Steering Group. This Group was established by the Hutt Valley District Health Board (DHB). Members include Housing New Zealand, Hutt City Council, EnergySmart, Hutt Mana Charitable Trust and the Wellington School of Medicine. During its strategic planning the DHB identified healthy housing as a priority public health issue in the Hutt Valley. Housing is a key determinant of population health, and improving the condition and state of housing enables improvements to health and wellbeing and prevents hospital admissions.

The Healthy Housing Steering Group provides a co-ordinated and collaborative approach to housing projects being undertaken in the Hutt. The Steering Group:

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

The Group completed a pilot project in 2007-2008 retrofitting 95 residential homes and undertook a social needs assessment with the occupants of these homes. Based on the results of this pilot, a three year 'Healthy Homes Healthy People Programme' to retrofit around 740 homes in the Hutt Valley was launched in February 2008. This programme has now been incorporated into a larger joint initiative involving the Housing New Zealand Corporation (HNZC) and the DHB. This joint initiative aims to generally improve housing conditions within HNZC properties in a defined area. Up to 1,700 households in Naenae, Taita and Pomare will be included in the programme over a three year period and a joint assessment covering occupants' housing, health and social needs will be undertaken.

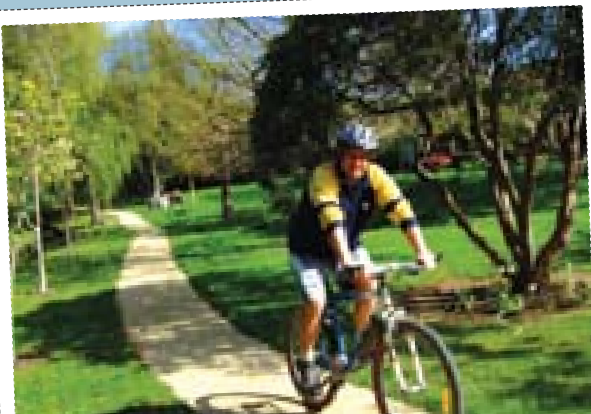
Community Outcome:

- + Migrants are well adapted to New Zealand way of living

We have been contracted by the Department of Labour (DoL) to provide settlement support services since July 2005. The purpose of this initiative is to ensure new settlers have access to relevant information that will help them settle into the Hutt community.

The Council employs a Settlement Support Coordinator and a Settlement Support Officer who are responsible for collating information about new settlers and service providers and encouraging inter-agency action in responding to settlement needs. This is done by:

- Establishing an interagency steering group
- Providing a face to face service delivered through Hutt City Council and Upper Hutt City Council
- Arranging information workshops and other information sharing forums for both new settlers and settlement service providers
- Organising Settlement Support Network meetings
- Organising Local Settlement Network meetings
- Developing a strategic plan addressing long term information needs of new settlers in a coordinated way
- Collating and analysing information from new settlers to determine greatest need and addressing these in annual business plans
- Reporting findings back to DoL so they can address issues at a national level and inform policy if relevant
- Developing and maintaining a Settlement Support web page on Council's website
- Developing information sheets for Hutt Valley new settlers
- Publishing a two-monthly settlement support newsletter.



We continued implementing the cycling strategy

ENVIRONMENTAL SUSTAINABILITY

In September 2008 we adopted our first Environmental Sustainability Strategy.

With a vision of making Hutt City “a more environmentally sustainable city, every day” this strategy sets objectives which provide overall direction to the sustainability programmes and projects we’re already undertaking. The strategy breaks activities down into seven core areas:

- Transport
- Energy
- Waste
- Water
- Urban Development
- Biodiversity
- Council's internal activities in each of these areas

Programmes and projects undertaken during the year in these areas are outlined below.

Transport

Community Outcomes:

- + More investment in sustainable transportation solutions – public transport, car pools, bicycle lanes
- + Effective and efficient public transport that results in increased use of public transport

Walking and Cycling

In 2006 Council adopted walking and cycling strategies for the city which outline Council's direction for walking and cycling projects. Consultants have been commissioned to prioritise infrastructural improvement projects on the basis of need, cost, suitability and sustainability.

In 2009 we continued with the cycling strategy implementation plan. This includes lighting along the Hutt River shared pathway (from Ewen Bridge south) and cycle lane green surfacing.

Pedestrian accessibility has continued to be addressed with ongoing footpath maintenance and improvements.

In 2009 we continued our programme of upgrading and installing cycle racks as required. This is to provide cycle racks of high quality and security and at locations requested by the public.

SH2 Cycleway

We have been working in partnership with the NZ Transport Agency to extend the cycleway from Hutt Road, to divert off the roundabout and allow a safer access to SH2 at the Petone entrance.

Eastbourne Green Bikes Project

We have supported the efforts of the Eastbourne community to get their own green bikes programme up and running. Using modified and donated bikes the community makes the cycles and helmets freely available for people to use to commute between the Eastbourne settlements. Council assisted with signage, installation of additional cycle stands and the provision of cycle helmets.

Bikewise 2009

Bikewise is a national month long programme which promotes cycling as both a recreational activity and commuter mode of transport. This year we continued to hold the Go-By-Bike breakfast – a free breakfast to reward regular commuters and encourage others to give it a go – and we estimate around 300 people attended. We also held two cycling events – the Mayoral Challenge ‘Bike the Trail’ in conjunction with Upper Hutt City Council and the ‘Great Coast’ ride. The Mayoral Challenge had over 1,600 participants.

Walk-to-Work Day

This year we held our first Walk-To-Work day promotion - a free breakfast for those people who chose to walk some or part of their way to work. This event was instigated by Living Streets Aotearoa and was held nationally. We had about 80 attendees.

Walking School Buses

We currently help support five schools with one or more Walking School Buses (WSBs). There are also many other schools who have walking school buses operating without any council input.

WSBs encourage primary aged children to walk to school under the supervision of a ‘bus driver’ who is usually a parent of one of the children. These engage children in their community, promote healthy lifestyles, and the presence of children tends to make motorists drive more cautiously. An increase in children walking also reduces traffic congestion around the school.

School Travel Plans

We currently have four schools engaged in the School Travel Plan. We hope to extend this to two new schools each year. This programme brings together the school community as well as police and engineers to look at the travel modes of school children to promote active transport modes and increase the safety of the journey to and from school.



Go-By-Bike Breakfast



Walking School Bus

Energy

Community Outcomes:

- + Efficient use and conservation of energy resources
- + Everyone has a quality standard of affordable housing

Consent Fee Waiver

Building consent fees have been waived for the installation of domestic solar hot water heating panels. During the year 16 households took advantage of this scheme.

Healthy Homes Healthy People Programme

Information about this programme is included earlier in this section. During the year we provided \$50,000 towards the programme. Insulation of the homes included both ceiling and under floor insulation, as well as energy efficient measures such as energy efficient light bulbs and weather-proofing doors where possible. In addition each householder received an educational energy assessment.



Maranatha Christian School mural



Worm farm at Maranatha Christian School

Waste

Community Outcomes:

- + Having clean air, water and land
- + Continued protection and conservation of our environment
- + Rooding, water and waste (including recycling) services work and are accessible to all
- + A more attractive Hutt City

S.A.M.'s Word on Waste School Tours

We provide school tours of the AllBrites TransPacific Industries recycling sorting facility, Silverstream landfill and WasteSmart, an Earthlink Inc managed refurbish and resale facility. Schools are allowed a maximum of two class tours each year and we try to ensure that all schools have equal access to the opportunity.

Feedback

Zac Mills, Acting Deputy Principal, ICT Facilitator, Eastern Hutt School:

Our school was fortunate enough to go on 2 tours last term, with a total of 70 students. The tours are definitely a super resource that we would like to continue to have access to in the future. Many thanks on supporting the environmental education of the students in our community.

Enviroschools

The Enviroschools programme is a whole school approach to environmental education. Staff and students are supported by our facilitator to create a sustainable school and wider community. The programme is comprehensive and requires lots of commitment from everyone involved.

Feedback

Stephen Eames, Muritai School:

The Hutt City Council has supported Muritai School for the last six years. The support has enabled Muritai to work towards gaining greater environmental sustainability and commit to environmental education.

Liz Horn, Maranatha Christian School:

Maranatha Christian School has been involved with Enviroschools, Lower Hutt, for just over a year. The children are enthused about creating a better world for themselves as well as for the generations to come.

WAIVS - Wearable Arts in Valley Schools

Twelve schools and over 200 models participated in the show, which had 14 sponsors. Twenty-one students participated in organising the event and building support structures for the hall. Fourteen students performed at the intervals, and 50 students helped out on safety and security.

Feedback

Nan Walden, Hutt Valley High School Technology teacher:

W.A.I.V.S was a valuable experience for my students as it enabled them to experience all the facets of Technology as a subject.



12 schools participated in the WAIVS show



Display of the winning garments at TheNewDowse

Waste to Landfill

During the year approximately 133,000 tonnes of waste was disposed to landfill. This slight decrease over the previous year is largely due to a decrease in special waste being accepted into Silverstream landfill. In the previous year approximately 7,000 tonnes of contaminated soil was accepted into the landfill from a contaminated site clean up.

Waste to Landfill Per Annum

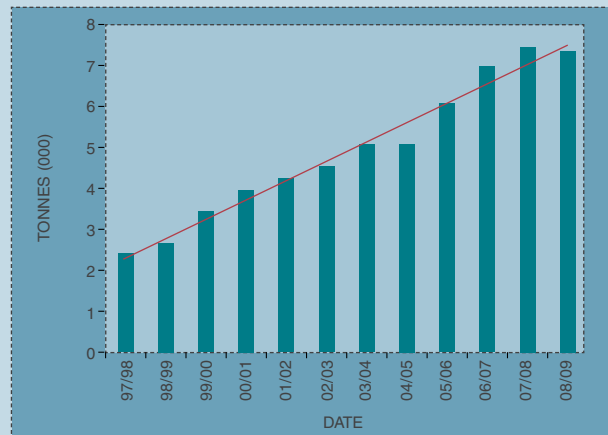


Recycling

All Hutt City residents have access to recycling services, through both the residential kerbside collection and/or the community recycling stations located throughout the city. In the last year 7,349 tonnes of recycling was collected, just slightly less than the previous year.

Our annual recycling survey showed an increase in the number of households using the kerbside recycling service with 93% of households recycling at the kerbside and 52% of households putting their recycling out for collection in any particular week.

Recyclables Collected Annually from the Kerbside and Recycling Stations



Household Hazardous Waste Collection

Last year's annual household hazardous waste collection was held on 24 August 2008.

For the second time households were able to bring electronic waste (E-waste) to the collection. As far as we are aware, we are the first council in New Zealand to add E-waste into this type of collection. The collection of E-waste was carried out by Earthlink Inc, the not for profit community group that also collects items from the Silverstream landfill for repair and resale.

The Hutt City collection saw an increase of 18% in the number of households attending the collection, a total of 801 households.

Excluding E-waste over 10 tonnes of hazardous waste was collected, primarily used paints, used oil and batteries. Approximately 20 tonnes of E-waste was collected.

Earthlink Inc – WasteSmart

Earthlink Inc has an agreement with Council to retrieve reusable and repairable items from the Silverstream landfill for resale through their WasteSmart recycling store. Earthlink Inc is a charity organisation that offers education, training and employment for people with disabilities.

Over the last year Earthlink recycled 98 tonnes of materials from the Silverstream landfill. They also processed, repaired and recycled the electronic waste that was collected at the household hazardous waste collection.

Keep Hutt City Beautiful Clean Up Week 2008

The 2008 Keep Hutt City Beautiful Clean Up Week was held from 6 to 14 September to coincide with the national Clean Up NZ Week. Locally, the event was supported by the Keep Hutt City Beautiful Committee (KHCB) and organised through Council. The aim of the clean up week is to encourage everyone in the community to take action in making our environment a cleaner, healthier place to live.

The total number of registrations for the Clean Up Week was 53, with 29 schools and 24 groups. The estimated number of registered participants was over 5,500. The number of refuse bags distributed was 1,800.

Items of waste collected included car parts, real estate signs, three shopping trolleys from the end of Petone Wharf, fishing tackle, a grappling hook, and a large number of glass and plastic bottles.

In addition to the community clean up, Keep Hutt City Beautiful supported "Message in a Bottle" to raise awareness of the number of plastic bottles that end up on our coastal areas. As part of this promotion 20 previously discarded plastic bottles were collected and re-released on 5 October, during a mild southerly wind. Each contained a form with a message requesting that information about where the bottle was found be returned in exchange for a gift voucher. All bottles were found, the last being found on 11 April 2009. The longest distance travelled was a bottle released at the pedestrian bridge in Stokes Valley which travelled over nine km in two days and was retrieved just north of Melling Bridge.



Household hazardous waste collection

Water

Community Outcomes:

- + Having clean air, water and land
- + Continued protection and conservation of our environment
- + Roading, water and waste (including recycling) services work and are accessible to all
- + Maintenance and continual upgrade of services to allow for security and growth

Water Supply

Capacity has developed a Water Supply Public Health Risk Management Plan for the city to meet the requirements of section 69Z of the Health (Drinking Water) Amendment Act 2007. The plan covers health related risks and sets out how these risks will be managed to acceptable levels. A number of minor issues were identified in the development of the plan and an improvement programme is now underway.

Wastewater

Wastewater projects aim to increase the efficient treatment of wastewater at the sewage treatment plant before it enters into coastal waters.

Capacity is currently implementing the private drain policy in the Waiwhetu catchment area in order to minimise stormwater infiltrating into the wastewater network. Reducing inflow and infiltration in turn reduces overflows to the Waiwhetu Stream, and volumes entering the Wastewater Treatment Plant.

Monitoring reports suggest that the work carried out to date has substantially reduced the volume and frequency of overflows into the Waiwhetu Stream, and it is expected that the drain replacement programme will be completed by the end of 2009.

Stormwater

Capacity has completed a first draft of a Stormwater Strategy that considers the expectations of the community and assesses the impacts on future building developments and requirements.

The Stormwater Strategy also assesses issues such as overloading of the stormwater system, the effects of climate change and the potential contamination of stormwater prior to entering the city's watercourses. The strategy will enable decisions to be made based on sound information and planning, using details collected from previous projects and the expectations of the community and local industry.

Flood mitigation work completed in the region this year included the Gracefield Stormwater Pumping Station construction project, and the Black Creek project in Wainuiomata. The works undertaken in Gracefield will reduce the frequency and consequences of flooding in the area. The widening of Black Creek, including the replacement of culverts and pedestrian bridges, will continue into the next year.

Permeable surfaces have been installed in the city's parks, such as lime sand paths in Riddiford Gardens, the Greenaway and Lucy Cole Rose Gardens.

Trade Waste

Our Trade Waste Officers annually consent and regularly inspect and monitor around 600 Hutt Valley businesses which discharge trade wastes (wastewater other than domestic in nature) to our sewer system. The intent is to ensure that dischargers meet their discharge quality conditions and to improve the quality of their discharges through encouraging better practices and efficiency. This assists the Wastewater Treatment Plant to treat the received wastewater which ensures that the Plant's discharge into the sea contains minimal contaminants. It also improves the quality of the solid waste biosolid created by the Plant, increasing the range of disposal options for that material in the hope that long term it will enable beneficial reuse of the material.

Whilst on site officers also inspect the site for potential stormwater contamination issues and offer advice to businesses on reducing the risk of stormwater contamination.

The Wastewater Treatment Plant now has in place contracts to send biosolids to a North Island forest with shipments starting in late July 2009. Leading up to this considerable effort has gone into improving the quality and consistency of the biosolids.

Waiwhetu Stream

Following a successful trial of a methodology for removal of contaminated sediments from the Waiwhetu Stream, a contract has now been let for the balance of the clean up works, and associated flood mitigation. The contract works will commence in July 2009 and are expected to be complete within 12 months. Total costs are expected to be around \$14 million, being \$6 million for clean up of contaminants and the balance for flood control. Costs of the full project are being shared between Hutt City Council, Greater Wellington Regional Council and Ministry for the Environment.

Pollution Prevention Education

The Drains to Streams and Drains to Sea programmes have been running since 1996 and aim to heighten community awareness that stormwater drains lead directly to watercourses without filtration and treatment. During the past year, the programme continued to focus on the Waiwhetu Stream in the vicinity of the Seaview/ Gracefield industrial area through three key projects:

- Council's youth workers and youth from Nga Ara Kete fixed plaques adjacent to stormwater drains
- A short educational DVD entitled "Dead Fish Don't Lie" is available for use by educators
- During visits by Trade Waste Officers, a folder and brochure, both entitled "Drains and Spills", are being distributed.

These resources and the officers' visits are designed to assist businesses in auditing their own sites, and to prepare and plan to prevent pollution from entering nearby watercourses.

Pollution Incidents

Council officers responded to a wide range of pollution incidents over the past year with many involving collaboration with Greater Wellington Regional Council Environmental Protection Officers. The range of incidents investigated included paint spills, diesel spills, commercial vehicle washing to stormwater, oil spills and concreting waste washouts. There continued to be a significant number of diesel spillages to roads (where they may enter the stormwater system), particularly in the western hills, however recent efforts with the probable discharger should see a significant reduction in these events in the future. Efforts are also underway to find effective means of educating contractors about risks posed by concreting wash water wastes.

A number of Council officers continue to hold Resource Management Act section 15 enforcement warrants as part of the delegation of enforcement powers from Greater Wellington Regional Council, and this has proved extremely useful in gaining remedial or protective actions from sites. Joint enforcement actions have followed as a result of the warrants with a number of abatement notices issued. Officers have also begun audits of all Gracefield properties leading up to the remediation of the Waiwhetu Stream. These visits make use of the Greater Wellington warrants to ensure requested improvements can be enforced if needed.

In an effort to improve local stream water quality, visits are also underway to all Hutt City's rural properties. These visits involve raising maintenance awareness and delivering information to residents operating on-site wastewater systems as, when these systems fail, they can discharge contaminants to local streams.



New stormwater pumping station at Gracefield

Macroinvertebrate Data

The Macroinvertebrate Index (MCI) is widely used to measure water quality. MCI scores are expected to decrease as sampling sites move downstream due to differences in stream habitats (i.e. warmer water, less shading). MCI results are affected by factors such as the quality of the river/stream habitat (i.e. flow and substrate).

Greater Wellington Regional Council has two sampling sites on the Wainuiomata River, one on the Orongorongo River near the river mouth, and three on the Hutt River near Manor Park, Melling and Boulcott. The following results were recorded in 2008.

LOCATION	MCI
Hutt River at Te Marua	130
Hutt River at Manor Park	120
Hutt River at Boulcott	99
Wainuiomata River at Manuka Track	134
Wainuiomata River at White Bridge	80
Orongorongo River	128

QUALITY	MCI
Excellent	> 119
Good	100 – 119
Fair	80 – 99
Poor	< 80

Greater Wellington Regional Council will be reporting on the results of sampling in their 2009 freshwater quality monitoring report.

Baywatch Results

The results from sampling of beaches in the Hutt area during the year have generally been within the limits as described in the Recreational Water Quality Guidelines for Marine and Freshwater Recreational Areas.

Thirty routine sampling runs were carried out this season from July 2008 to June 2009 with 440 routine samples taken.

Six out of 440 routine samples exceeded the 140 enterococci per 100mL level. A further three samples exceeded the 280 enterococci per 100mL level. This corresponds to 2.0% of routine samples exceeding the limits over the past year (which is the lowest number for the past 7 years).

On all dates where the limits were exceeded during the year only one or two sites out of 15 returned results that were over the limits. In most of these cases rainfall events occurred during the 24 hour period prior to each of these dates and this was the most probable cause for sites to exceed enterococci limits. Samples taken on the next fine day returned results that were within acceptable levels for recreational bathing.

Toxic Algae Monitoring

Our Environmental Health Officers continued to carry out regular monitoring of the Hutt and Wainuiomata Rivers during the summer and autumn months for the presence of toxic algae. Low river flows and warm water temperatures resulted in the formation of toxic algae mats in the post Christmas period.

Notices were erected in river recreational areas to warn of the dangers of exercising dogs and swimming in local rivers.

Council received only anecdotal reports of illnesses affecting dogs that had been exercised in the Hutt and Wainuiomata Rivers.

No reports were received of adverse affects on members of the public following recreational use of local rivers.

Urban Development

Community Outcomes:

- + Continual upgrade and provision for growth to make Hutt City interesting and attractive to people
- + Affordable access to community facilities that include arts, cultural and recreational options
- + A more attractive Hutt City

Good urban form is about the relationship between people and their environment, and it impacts on the social, cultural and economic wellbeing of the community as well as the physical environment.

We have completed visioning exercises for Petone (Petone 2030) and the Lower Hutt CBD (Vision CBD 2030) and begun developing provisions in the District Plan directly related to the issues raised through these exercises. In addition the subdivision and residential chapters of the District Plan were reviewed during the year and a proposed plan change drafted dealing with filming and temporary activities.

In order to achieve the vision identified in Vision CBD 2030, we undertook work this year on a high level design and implementation project called CBD Making Places. CBD Making Places looks at the central business district to see what is working, what could be done better, and what things we could be doing with reference to our vision. For example Vision CBD 2030 identified the Hutt River as a priority issue to consider in the future of the CBD. Therefore CBD Making Places will identify projects that connect the CBD with the river to benefit public accessibility, leisure, business, sustainability, environment, cultural aspirations, and identity for Lower Hutt. Besides the river, Vision CBD 2030 has identified a number of other priorities which Council will be working on with the community to design and promote projects that can be built over time in and around the CBD, either by Council, in partnerships, or by private developers. CBD Making Places is about building a better CBD that over time matches with our long term vision.

The High Street upgrade was completed late in 2008 and celebrated in conjunction with city Christmas events. Urban enhancement work will shortly commence in the Naenae and Stokes Valley shopping centres as part of our programme of upgrading suburban shopping centres. A significant investment has also been made in improving subway connections in Naenae. In November 2008 a retail coordinator-initiated community painting day in Naenae resulted in 24 shops being painted and gained national media exposure.

The Environmental Consents team had another busy year with just under 11,000 customer inquiries at their front counter in the customer service centre. They issued 1,209 building consents and 544 resource consents during the year, and also processed 317 applications for Land Information Memoranda, 253 for residential and 64 for commercial properties. During the year the Monitoring and Enforcement team responded to 174 complaints and monitored 754 resource consents to ensure compliance.

Building consent staff have been working hard over the last three years following the introduction of the Building Consent Authority (BCA) accreditation and registration scheme. The scheme is one of a number of reforms to the Building Act designed to improve building design, control and construction.

The BCA scheme requires any council carrying out building consent, inspection and approval work to be accredited by a building consent accreditation body. The accreditation involves an assessment of technical competencies, resources, equipment, procedures, systems and processes. Hutt City Council is one of only 16 councils to receive accreditation from International Accreditation New Zealand for the first two phases of accreditation that fell due in 2008 and 2009. This work will be ongoing, requiring resources and funding to ensure we maintain our accreditation into the future.



Community Painting Day in Naenae



The High Street upgrade celebrations

Biodiversity

Community Outcome:

- + A diverse natural environment that is accessible, enjoyable and safe

Pests/Plants

We provide several methods for individuals and community groups to enhance biodiversity in the Hutt, including:

- Lending equipment to residents or community groups to control possums on private or reserve land
- Paying specialised contractors to destroy selected pest plants on private and reserve land to stop their spread and allow native ecosystems to flourish
- Gifting a native plant to each new citizen to plant at their home
- Providing free native tree species for street berms on request from the adjacent home owner
- Providing native revegetation species to property owners who are willing to plant them into neighbouring reserve edges
- Checking subdivision applications to identify valuable vegetation types
- Supporting coastal, riparian, lowland coastal forest and wetland conservation volunteering projects on public land with guidance and materials.

Pest Control

Systematic possum and rodent control carried out by contractors now covers most of the western and eastern hill reserves. This is the single most important action available to enhance and protect biodiversity. Birds such as tomtit, bellbird, kaka and NZ falcon are spreading from the four local “mainland island” projects into Council’s reserves. Breeding populations of kereru and tui are well established. We intend to commence formal bird monitoring as soon as sufficient expertise is available.

Wasp nests on private property are destroyed by Council free of charge.

Pest Plant Control

A regionally admired pest plant control programme is funded by ratepayers. Species such as Old Mans Beard, Cathedral Bells, Banana Passionfruit, Climbing Alstromeria, Mile-a-minute and Darwins Barberry are controlled annually on reserve and private land at no cost to the landowner. The pest plant programme includes collaborating on educational material such as the “Don’t Dump” and “Bad Berries” pamphlets, plus the “Plant Me Instead” booklet, and “Weedbuster” publicity events run in collaboration with Greater Wellington Regional Council and Department of Conservation. Regular beach weed control prevents gorse and boneseed from turning sandy beaches to scrub. Special reserves such as Hayward Scenic Reserve at Waiwhetu with its highly diverse native land snail populations, or Galbraiths Gully, also receive extra weed control.

Street Planting

The city’s street trees and other plantings contribute to green corridors linking native bush areas and contribute to a more sustainable urban environment. Council pursues an eco-sourcing policy in general revegetation situations and uses native plants extensively in landscape plantings.

This city has an important role in conserving nationally threatened native species through the Percy Scenic Reserve plant collections and propagation facility. Refuge populations of threatened species feature in many roadside gardens.

Community Plantings

Three hundred street trees have been planted during the year, involving 12 community groups, seven schools, private residents, Council officers and corporate volunteers.

Eastbourne – Petone Community Coast Care

The Eastbourne – Petone Community Coast Care project is a community initiative supported by Council and the Ministry for the Environment through its Sustainable Management Fund. Hundreds of hours of volunteer time are being invested in coastal dune planting and care. Rare native plants such as pingao and spinifex are being used to create coastal protection from potential sea level rise. Beach care principles are being discussed and promoted within the two communities.



Hundreds of hours are being invested in coastal dune planting and care

Council Activities

General

Enviro-Mark®NZ

Enviro-Mark®NZ is an environmental management accreditation based on ISO 14001. It is an internationally recognised accreditation that shows that Council day to day business has a minimal impact on the environment. It is broken down into five stages - Bronze, Silver, Gold, Platinum and Diamond. In October 2008 Council achieved Enviro-Mark®NZ Gold.

Environmental Management Plans

Over the past two years we have worked with our own contract managers and a few selected council contractors on developing appropriate environmental requirements in contract documents for works undertaken around Hutt City as well as internally within Council. We have now incorporated these specific requirements into the Council's Contracts Manual.

Environmental Management Planning Course for Council Contractors

WelTec and Council partnered in providing a 2 1/2 hour workshop, initially designed to assist our smaller contractors to write their own pollution prevention environmental management plans. Specifically contractors worked to provide an Environmental Management Plan that identifies the activities of a contract that may result in adverse environmental effects and the mitigation measures that will be undertaken to avoid these. Unsolicited positive feedback was received from five of the 15 attendees including the following:

Feedback

Cathie Simmonds, Quality and Environmental Advisor, Fulton Hogan Ltd:

Michael [Bruce-Smith] and I found the workshop last night to be very informative. We also appreciated the opportunity to meet staff from Hutt City and Greater Wellington Regional Councils.

David Howard, Manager, Construction Contracts Ltd:

Thank you for the time and effort you put in last night. I found it informative.

Mike Orchard, Operations Manager, Downer EDI Works Limited:

Thanks for the workshop. Good to see a good coverage of contractors. Some will need work to come up to speed! We've got plenty to do here yet.

Transport

Workplace Travel Plan

Council has agreed to do a workplace travel plan for staff in conjunction with Greater Wellington Regional Council. The focus of a travel plan is to reduce the number of single occupancy car trips made by staff. Over the year a number of incentives were offered to staff to change their travel behaviours. Surveys conducted by Greater Wellington Regional Council show that over the last year the number of staff who drive alone to work decreased by 11%.

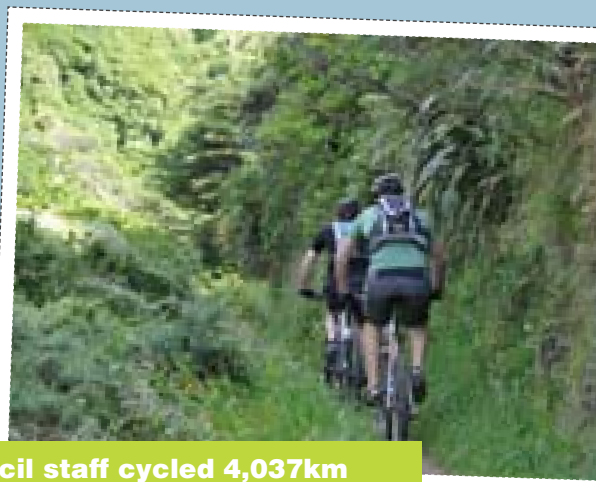
Bikewise 2009

This year we took part in the Bikewise Business Battle with Council staff registering as individuals and as departments to see who could cycle the most during the month of February. Overall 29 members of staff registered and 23 did some cycling during the month (8% of total Council staff). Council staff cycled 4,037 kilometres during the Bikewise Battle.

Energy

Energy Consumption

Projects during the year aimed at reducing energy consumption at Council facilities included upgrading hot water cylinders and cylinder wrapping in Council leased rental housing, and replacing aged or inaccurate water meters and associated piping at industrial properties.



Council staff cycled 4,037km during the Bikewise Battle

Waste

Recycling

Council has a comprehensive internal recycling system. Staff are provided with deskside paper recycling bins which are emptied into central collection bins, and glass, plastics and cans are collected at central points. There is also a collection area for large cardboard boxes and toner cartridges.

Computer Recycling

Any obsolete computers from Council are distributed for use by not for profit groups including schools. In the 2007 calendar year 24 computers were given a second life with new organisations and this service continued in the last year.

Recycled Furniture

Recycled plastic seat benches have been installed into Govind Bhula Park to show the public how their recycling is used. They are colourful, resilient and manageable for graffiti and vandalism.

Tree Chip

Three hundred new street trees planted in the northern areas of the city, with community support, have been mulched with tree chip for increased protection and health of the trees and to use bi-product from Street Tree Maintenance Programmes.



Recycled plastic seat benches

OTHER ENVIRONMENTAL INITIATIVES

Community Outcome:

- + A more attractive Hutt City

Managing Graffiti in Our City

Our Graffiti Strategy is quoted as an example of best practice in the recently printed Ministry of Justice's "How to Stop Graffiti Guide".

Some facts about graffiti in our city:

- Under the main contract 3,588.5 m² of graffiti representing 2,772 tags was removed during the last year
- The most frequently tagged areas are the public toilets
- The areas with the largest tags are bridges.

When a request for graffiti removal from a property is received for the first time, we are required to obtain written permission. It is recommended that property owners "tick" the blanket permission box, allowing removal of graffiti as soon as it is reported rather than staff having to spend extra time and resource seeking written permission.

There are 1,860 blanket permissions logged in our file system, 188 one-off permissions and 209 new requests. There have been 3,576 incidences of graffiti reported on properties that have already given blanket permission during the past year.

Art 4 Change

Art 4 Change, a programme that focuses on street art and encourages understanding of shared community values and wider engagement between young people and their communities, continues to run. This programme has a number of projects, including a partnership with WelTec and working on murals with several primary schools.

Initiatives include Belmont School, with support from Council, running a course to assist their students in understanding the new graffiti laws using the Social Studies component of the new NZ Curriculum.

In conjunction with TheNewDowse's Common Ground street art show, Council ran a workshop creating murals in a back alleyway. The project involved the restoration of an earlier mural "Play Hard, Pray Hard" painted by the late So'otaga. The mural was restored by specialist artist Phil Waddington. Ten boys were involved in this project under the direction of our artist facilitator Daniel Mills.

Community Outcome:

- + Good information on how to be prepared for an emergency

Hutt Valley Emergency Management Office

Since February 2007 both Hutt City Council and Upper Hutt City Council have operated a combined service for the provision of Civil Defence Emergency Management and Rural Fire. The unit, known as the Hutt Valley Emergency Management Office (HVEMO), is based at the Pavilion, Laings Road, Lower Hutt, and has six staff delivering services for the Hutt Valley.

A recent audit of Emergency Operation Centres (EOC) by the Ministry of Civil Defence and Emergency Management on behalf of the Greater Wellington Civil Defence Emergency Management (CDEM) Group, reported that the EOC at Lower Hutt was the only one within the Group to provide a dedicated and fully compliant facility, equipment, resources and training systems. The Upper Hutt EOC is due to have a quality emergency power supply installed and with the same equipment, resources and training, will be an excellent facility.

The satellite communication network has now been expanded to include a fixed site at both EOCs along with two portable units to ensure communication for 'business as usual' tools is available for emergency use in a range of situations.

The Emergency Management Preparedness programme (Readynet) has provided an excellent tool for staff to integrate into community preparedness. The warning capability has been used on four occasions with excellent results. The programme is now backed up daily onto the main server of the Hutt City Council network and is available even when all internet capability is lost. Over 90% of schools in the Valley are connected while all the Age Care facilities have their preparedness and emergency evacuation plans on line. Currently there is a drive to have Early Child Care and community groups canvassed. The Hutt Valley District Health Board is canvassing all community health agencies and medical facilities. Software enhancements with Readynet will provide Geospatial Information in real time for the HVEMO.

The HVEMO has taken the lead in the CDEM Group and Rural Fire Sector in the implementation of a Coordinated Incident Management System (CIMS) by developing training packages for a range of critical component positions. Recent overseas training and deployments have provided the impetus, skills base and knowledge for this project. Training sessions have been provided to Council staff and volunteers who provide key roles in the operation of the EOC.

Community Outcomes:

- + Having clean air, water and land
- + Continued protection and conservation of our environment

Air Quality

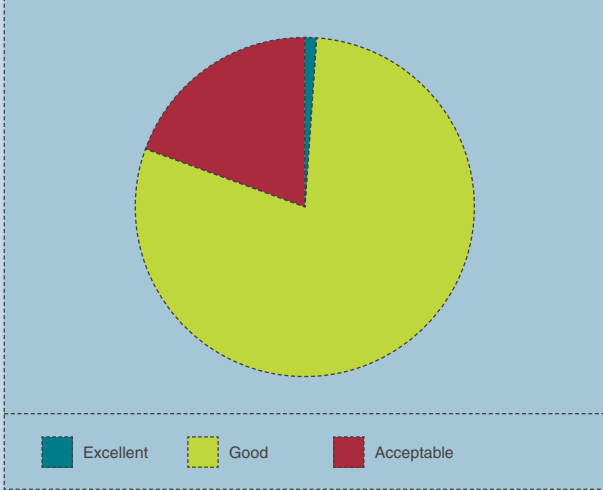
Greater Wellington Regional Council monitors air quality in the city at three sites. One is situated in Birch Lane (referred to as Lower Hutt), another is in Wainuiomata and the third site is at Melling. Results of air quality monitoring for particulate matter (PM10) are printed below, along with carbon monoxide and nitrogen dioxide readings at Melling.

A long monitoring record is needed to determine whether air quality is improving or declining, as there is variation in air quality data from year to year due to differences in meteorological factors. For example, periods of colder, calm weather are less conducive to dispersion of pollutants. Greater Wellington will be publishing a major state of the environment report in 2010 which will contain environmental trends analysis including air quality.

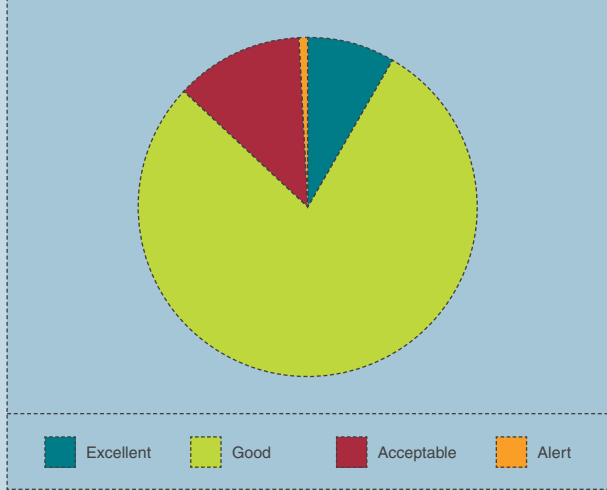
The main source of PM10 in Wainuiomata during winter is domestic wood burners and the amount of particulate emitted was inventoried in 2006. In 2008 a report was commissioned on Wainuiomata's domestic wood burner emissions and this concluded that emissions would decrease over time as older, more polluting wood burners reached the end of their working life and were replaced by modern cleaner burning models allowed by the National Environmental Standards for Air Quality. It is anticipated that the National Standards will be met in Wainuiomata by the required date of August 2013.

Air Quality continued

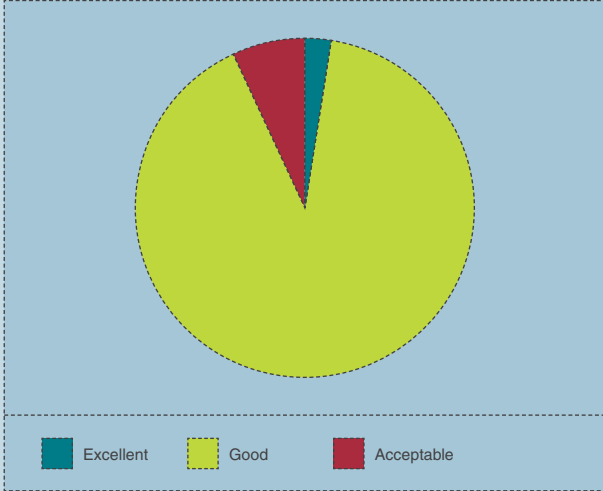
Lower Hutt – PM₁₀



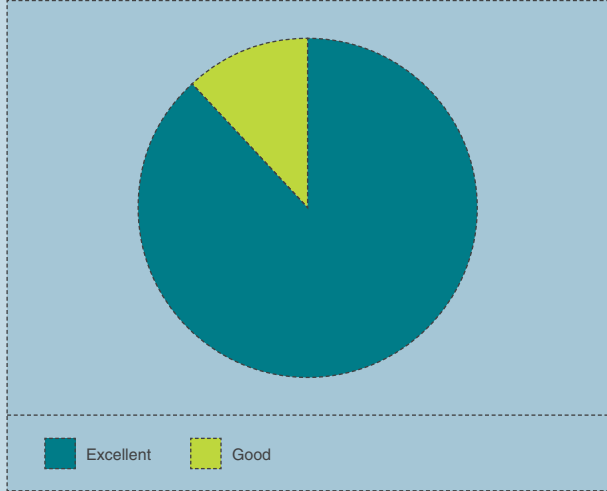
Wainuiomata – PM₁₀



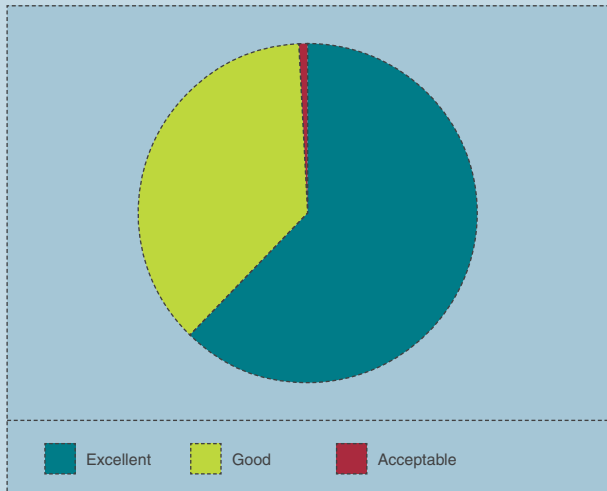
Melling Intersection – PM₁₀



Melling Intersection – carbon monoxide



Melling Intersection – nitrogen dioxide



Fires

During the year Council approved a new Fire Prevention Bylaw to limit the lighting of open fires in any urban areas of the city. The aim of the new bylaw is to restrict the open burning of vegetation and other combustible materials that may cause nuisance or pollution of the environment. The new bylaw was introduced on 1 August 2008 and a phased introduction of the requirements allowed the use of incinerators by householders until 1 July 2009.

Explanatory brochures have been produced on the new bylaw and articles were also provided in the Hutt News during the year to advise the public of the restrictions on open burning.

Noise Control

A 13% rise in the number of reports of excessive noise was recorded during the year. This increase is due to a longer summer period with warmer weather and residents being more aware of the process when excessive noise occurs.

Community Outcomes:

- + Enhanced roading systems particularly State Highway 2, Cross Valley Link, State Highway 1 and Hutt CBD
- + Roothing, water and waste (including recycling) services work and are accessible to all

Roothing

The NZ Transport Agency's contractors have continued to make excellent progress on the SH2 Dowse to Petone project and it is anticipated that the work will be completed ahead of schedule before Christmas 2009. Traffic can now use both the new Dowse Interchange and the Korokoro Overbridge. Clear communications have been maintained throughout the course of the work and very effective measures have been taken to minimise traffic disruption.

We, along with the Wellington City Council and the NZ Transport Agency, are contributing in equal shares to the Ngauranga Triangle Study. This study is to investigate the feasibility of a Cross Valley Link road, a possible Petone to Grenada Link road, and potential improvements to SH2 between Petone and Ngauranga. Consultants have been engaged and the study is currently underway.

Many of the possible initiatives identified through the CBD Making Places project have the potential to impact on traffic flow and parking availability. Consequently our first priority is to develop a computer traffic micro model to assist with the analysis of the various proposals. It is anticipated that this modelling work will be completed by the end of June 2010.

During the year we held regular meetings with our partners in the Road Safety Action Plan, including Police, ACC, the NZ Transport Agency and Greater Wellington Regional Council. These meetings address the engineering, education and enforcement measures available to influence road safety problems or causes and determine the actions required.



SH2 Dowse to Petone project is well advanced



A GREAT PLACE TO WORK

We're working hard to encourage development of a vibrant local economy that offers our residents a range of job and employment opportunities close to home. We're particularly proud of the originality, creativity and innovation that is becoming more and more apparent in our local businesses. We provide a wide range of services that contribute to the economic wellbeing of our community.

Community Outcomes:

- + A local economy that is attractive to both business and residents
- + Residents have a high standard of living
- + 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 business' needs
- + Good telecommunications systems
- + 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
- + Making the most of the CRIs by attracting the kind of people with the entrepreneurial nous to build on these R&D outcomes
- + Attraction of tourists to Hutt City
- + A built environment that is attractive, safe and healthy
- + A more attractive city
- + Developing the uniqueness of Hutt City including its history and culture
- + More and better focus on the harbour, river and recreation opportunities.

INTRODUCTION

This year we began our second five year timeframe 2009-2014 for implementing the Economic Development Strategy ("EDS").

Council, as one of many players in the economic development of Hutt City, is committed to encouraging a strong, enterprising and diverse economic base.

The primary purpose of the EDS is to increase the number of jobs available and the productivity of those jobs within Hutt City. This remains a priority for us in the context of the current economic climate as Council embarks on its strategy for the next period.

CURRENT SITUATION

Although in the six years since the adoption of the EDS Hutt City's economic performance shows an improvement over previous longer term trends, this year's economic performance indicators show that growth in Hutt City's economy was slowing by early-mid 2008. A similar trend occurred nationally in late 2008. Results for the year to March 2008 include:

- Job numbers increased by 2.0%, to 44,920 jobs for the year (2006-2007, 2.0%)
- 60 new businesses created in 2007-2008 (2006-2007, 170)
- A real increase in GDP/Value Added of 0.4% (2006-2007, 3.7%)

A concern from these results is that the city's economy slowed six months before a similar slowdown was observed in the national economy. Despite this, however, growth in job numbers (to March 2008) remained strong. This growth in full time equivalent workers (FTEs) without a corresponding increase in Gross Domestic Product suggests that the economy was nearing capacity in 2007-2008. Overall the first EDS identified a target of 37,716 jobs by 2007. This was achieved and, as at March 2008, there were 44,920 jobs in Hutt City.

We are continuing to work hard to attract industries and businesses to locate and stay in Hutt City to ensure a broad-based economy.



Jackson Street shopping attracts both residents and visitors to Petone



We're working with business groups in Seaview/Gracefield on their vision for the area

KEY PRIORITIES

Our key priorities are based on our role in economic development and the areas of focus that the business community has told us to give attention to. These are:

1. Implementation of the updated EDS
2. Retention, growth and attraction of businesses
3. Increasing the recognition of Hutt City as a place to do business
4. Continued relationship development and relationship management with key partners and other organisations
5. Assistance to businesses to adopt more sustainable and socially oriented practices.

1. Implementation of the Updated EDS

The EDS has a vision to create more jobs in a more productive Hutt City. To achieve this, the focus is on five outcomes:

- More businesses activity happening in Hutt City
- Recognition of Hutt City as a business location and vibrant city
- Continued investment in current and new business activities
- A strongly entrepreneurial, skilled and available workforce
- A more environmentally sustainable Hutt City business community and economy.

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

- a) Taking a primary role in the "more business" and "recognition" outcomes, working in partnership with relevant local, regional and national organisations. These include Grow Wellington (the Regional Economic Development Agency), Business Hutt Valley Ltd and New Zealand Trade & Enterprise.
- b) Taking a primary role in the "entrepreneurial, skilled workforce" outcome with the continued operation of TradeStart in conjunction with Work & Income and support for WelTec's trades training initiatives.
- c) Taking an increasing role in the "continued investment" outcome in conjunction with regional initiatives such as the Wellington Regional Strategy and organisations such as Grow Wellington.
- d) Taking a primary role in the "environmentally sustainable" outcome by leading as an organisation and with the continued sponsorship of business care programmes such as the Sustainable Business Network and E-Mission with the support of WelTec.

2. Retention, Growth and Attraction of Businesses

Growth in jobs and productivity can come about from either the development of more businesses or retention of and growth in current businesses. This is key to the future economic growth of the city.

In the 12 months to March 2008, a net increase of 60 businesses occurred in the city.

During the year there were a number of developments that will assist the city's business and employment growth over the next 12-18 months.

They include the completion of new developments on the IBM Petone site, and on the ex-Colgate Palmolive site, the redevelopment of the Griffins site for Flight Plastics and upgrades to the Hospital.

The closure of the Griffins biscuit factory in late 2008 and downsizing of Tritec and Unilever in 2009 reiterates the importance of developing a broad based vibrant economy for the city. Whilst regionally a number of large scale manufacturing sector setbacks have occurred in the past three years, the number of people working in this sector in Hutt City remains at similar levels and (up until March 2008) the announced job losses appeared to have been readily absorbed within the sector.

It has been the best year so far for the i-SITE with record revenue and visitor numbers through the door. Net revenue (\$352,254) exceeded the previous best year (2006-2007) by \$8,994 (2.6%). Local visitors of 12,321 exceeded last year's high by 1,718 (16.2%). Total visitors of 17,155 were up 739 (4.5%) on last year's high. Marketing continued to concentrate on locals and their visiting friends and relatives but this focus will shift towards those visitors travelling into the Wellington region with advertising designed to draw them to Hutt City. Some major wins for the year were:

- 890 cruise ship passengers getting off their bus at TheNewDowse and 100 in Jackson Street
- one new shopping tour of Jackson Street introduced
- Japanese rugby programme commenced that won a Sister Cities NZ award
- Cafe Scientifique commenced with monthly crowds of 60-80
- some excellent international media wins with Vogue Entertainment & Travel Australia and Time Out Sydney.

Following the successful progressive implementation of landscape upgrade projects alongside businesses in the Wingate industrial area, we continue to assist the Wingate business group in developing other initiatives. Planning has commenced for the final installment of the Wingate Development Plan in 2009 which will concentrate on increased access and parking.

We also continue to work with business groups in Seaview/Gracefield and Petone to identify and work on initiatives in these areas.



i-SITE bike hire proved popular with Australian tourists



Planning has commenced for the final installment of the Wingate Development Plan in 2009

3. Increasing the Recognition of Hutt City as a Place to do Business

Our business newsletter "Thrive" continues to be well received by Hutt City businesses. During the year the look of the newsletter was updated and new sections added. Published quarterly and now into its 29th edition, the newsletter outlines issues of interest to business and highlights businesses in the city.

We are in the process of updating our "Creating Business Success" brochure outlining the benefits of living, playing and operating a business in Hutt City. We use it, as do commercial agents, in attracting new businesses to the city.

Our Business Communication Programme, which includes visits to businesses by the Mayor and senior staff, mayoral functions and presentations by senior staff to business groups, was stepped up as a response to the economic downturn. Over 150 business visits were completed in the first half of 2009 as well as regular updates to the real estate industry and other professional groups being made during the year.

Staff continue to place a high priority on the regular meeting programme with businesses in the city.

Council's support of the Wellington Region Gold Awards to business continued this year with eleven Hutt-based businesses nominated.

Hutt City businesses won an unprecedented five of the 10 categories and auxiliary awards. The Hutt City winners were: Discovering Gold, Real Black and Gold – GNS Science; Emerging Gold – Womama; Supporting Gold – Datamail Group; ACC Workplace Safety – Dulux; Green Gold – Resene; EMA's Cornerstone Salute – Formway; Beca Star Performer – Wellington Tenths Trust. As a major sponsor, Council also supported the Hutt City Business Awards, in their second return year, which were well supported by the city's business community.

4. Continued Relationship Development and Relationship Management with Key Partners and Other Organisations

We cannot achieve all the outcomes and strategies outlined in the EDS by ourselves. We need to build and maintain strong relationships with businesses and business organisations that can assist in the achievement of the EDS outcomes.

WelTec's Centre for Smart Product and through its Director of Innovative Manufacturing is taking a leading role in the development of advanced capability in the manufacturing sector in the region. We continued our operation of TradeStart, a Trades Information Centre, working alongside Industry Training Organisations, Polytechnics, schools and businesses in the region to increase the number of people referred into apprenticeships and trades training. Further funding from Ministry of Social Development – Work & Income has been granted for a year. Over 800 people have been referred on to ITOs and training institutes in the four years of operation with a number commencing trades training and apprenticeships.

During the year Grow Wellington successfully launched its Activate programme in Hutt City which targets entrepreneurs and helps them test their ideas to see if they have a successful business idea. The immigration attraction programme continued to successfully assist a number of Hutt City businesses address skill shortages over the past year.

Business Hutt Valley, a joint venture between the Hutt Valley Chamber of Commerce and CBD Plus, has developed a broader representation of the business community across the city. Its popular Business After 5 programme regularly attracts large numbers of attendees.

We continue to assist the Jackson Street Programme, ensuring it achieves its priorities for funding and operations each year.

Late in the year we took part in the Sir Peter Blake Trust-organised Leadership Week for the first time.

5. Assistance to Businesses to Adopt More Sustainable and Socially Oriented Practices

Contributions made during the year towards our progress with environmental sustainability are outlined below.

E-Mission/EnviroSMART

Hutt City, Wellington City and Greater Wellington Regional Councils jointly obtained top up funding from the Ministry of Economic Development to enable continued support for businesses using the Enviro-Mark® NZ system to work towards ISO 14000 accreditation. To date the following Lower Hutt businesses are working towards achieving Enviro-Mark accreditation:

Bramco Granite and Marble	Working toward accreditation
Dawell Furniture	Working toward accreditation
Dexion Commercial	Working toward accreditation
Dominion Post	Working toward accreditation
Pacific Radiology	Working toward accreditation
Resene	Working toward accreditation
Downer EDI Works	Silver
Booker-Spalding	Gold
Formway Furniture	Gold
Label and Litho	Gold
Remarkit Solutions	Gold
Calvert Plastics	Gold
Spicers Paper	Gold

The E-mission programme also includes waste, energy and transport audits and plans.

We are working closely with WelTec to develop programmes for small businesses and contractors.

Get Sustainable Challenge

For the third year Council sponsored the “Get Sustainable Challenge”, a programme run by the Sustainable Business Network. This programme encourages and acknowledges businesses that are progressing on their sustainability journeys. Last year 13 Lower Hutt businesses entered the challenge and at the Wellington regional award ceremony Resene paints won the Trailblazer award for large corporate. Resene then went on to win the national award for the same category.

Greening Jackson Street

St Patrick’s Day, 17 March 2009, marked the beginning of the Greening Jackson Street programme. Go Bang Café and Trade Aid were selected to be the Jackson Street flagship businesses. Since then, four more cafes and two other businesses have agreed to participate in the initiative which involves both waste and energy audits. This programme will continue well into the next financial year.

WELLINGTON REGIONAL STRATEGY (WRS)

The Wellington Regional Strategy was developed by greater Wellington’s nine local authorities in tandem with the business, education, research and voluntary sectors and central government. As from 1 July 2007 a regional rate was struck to fund the regional Economic Development Agency, Grow Wellington, which was formed to implement the regional economic development initiatives in the WRS. The governance of the strategy is the responsibility of the WRS Committee, whose members include the Mayor of Hutt City.

The WRS has three focus areas:

- (i) leadership and partnerships, ensuring there are the right governance and relationships in place to deliver the WRS outcomes;
- (ii) investment in growing the regional economy, especially exports, also identifying and focusing on the things the region should be doing to ensure it prospers and supports our quality of life; and
- (iii) good regional form including the physical arrangement of the urban and rural communities and how they link together, e.g. transport, roading, urban design, housing choice and density, open spaces etc.



TradeStart is assisting school leavers into apprenticeships



Booker-Spalding’s recycled fabric spill barrier

A GREAT PLACE TO PLAY



We're lucky to have a diverse and vibrant natural and built environment that supports a wide range of recreational and leisure opportunities. We're also extremely proud of our culture and history. We provide a wide range of services that contribute to the social and cultural wellbeing of our community.

Community Outcomes:

- + Affordable access to community facilities that include arts, cultural and recreational options
- + Encouragement of arts, cultural and sports activities including local, national and international events

Council services that contribute to these outcomes include libraries, museums, pools, parks and sportsgrounds. Aside from these, a number of other community facilities and events are supported financially by Council such as community houses, community halls, Youth Forum, Race Unity Day and Multi Ethnic Day. Community houses organise and run a variety of activities and programmes for their local areas and community halls are used extensively across the city by a range of groups and organisations.

In December 2008 computer equipment was installed at all city libraries and the new Connect public computing and internet service was made available to library customers. Connect offers library users high speed, unrestricted internet access, including to sites such as Bebo, Facebook and My Space. Users can also email, create documents and browse the library collections. The service has been well received and has increased the use of internet access and computer use across all libraries. Between December and June well over 85,000 Connect sessions had been logged. The Connect project has been entered into the annual Library and Information Association of New Zealand 3M Awards for Innovation.

The libraries offer a “housebound” service to any members of the Lower Hutt community who are unable to visit the libraries due to illness, age or disability. Large print and ordinary print books, audio books and magazines are selected by the housebound library staff. The service relies on many library volunteers who deliver items every few weeks throughout the city.

Museum highlights for the year included Common Ground, an exhibition of street art presented with assistance from the Goethe Institute. Common Ground explored street art in two countries, Germany and New Zealand, and focused on the work of German art collective Via Grafik and NZ Street art crew Cut Collective. The exhibition opening event drew over 2,000 people and featured an extended programme of performances by local hip hop acts, dj’s from Hutt City’s Secret Level youth centre, a professional skateboard demonstration and the artists creating artworks ‘live’ in the gallery. Also featured as part of the opening evening was New Zealand’s first ever Laser Tag event – whereby visitors were able to have their artworks projected onto the front of TheNewDowse.

The Leisure Active Fitness Suite opened at the Naenae swimming pool complex in July 2008. The facility combines the benefits of an Olympic-size pool with the latest exercise equipment, including state-of-the-art resistance training machines, Life Fitness cardiovascular gear and free weights. Circuit training, Pilates, Swiss ball classes and personal training are all available to members. Fitness Suite staff also work closely with the lively parks programme delivering jog/walk squads and with health agencies such as Drug and Alcohol Rehabilitation, Green Prescription and the Hutt Hospital encouraging more people to get physically active. Memberships for the gym are more than double the initial expectations with 632 members signed up by the end of June 2009.

The popular Swim City Learn to Swim Programme also continues to exceed expectations with 2,000 clients and 60,000 visits to the end of June.

The Petone Winter Carnival was held in July 2008, attracting a good crowd despite inclement weather. Highlights included the Pelorus Trust Fireshow, circus workshops, fire sculptures and the annual Polar Plunge. Later in the year the Hutt City Triathlon, ZM Run Swim event for women and Hutt City Christmas Parade were organised by Leisure Active, and the NZ Under-14 Waterpolo tournament was held at Huia Pool in December. The More FM Women’s Triathlon was held at Wainuiomata Pool in January 2009.



Between December and June well over 85,000 Connect sessions had been logged

The Enchanted Forest exhibition was another highlight, attracting large audiences and media interest.

Petone Settlers Museum hosted the right honourable Governor General and his wife who presented prize money and certificates to the winners of our Talk with Me writing and arts competition.

Museums Aotearoa, the professional organisation representing all New Zealand art galleries and museums, selected TheNewDowse as a finalist for the Excellence in Lighting and Innovation Awards.



Petone Winter Carnival

The summer event season began in January and ran through until the end of March. Events were made possible through the support from partner organisations such as New Zealand Community Trust, Pelorus Trust, Greater Wellington Regional Council, Upper Hutt City Council, Activation, Te Whiti Marae, Atiawa Toa FM, NZ Transport Agency, Bike NZ and Touch NZ. Activities delivered or supported included Kev the Wandering Kiwi walks, Push Play in the Park, Te Ra o te Raukura, Go-By-Bike breakfast, Bike the Trail, Touch NZ Nationals, Lively Parks programme, Jackson Street Fiesta, Big Coast two day mountain bike ride and Walk the Trail.

E Tu Awakairangi Hutt Public Art Trust marked its official launch with its first commissioned public artwork "Cube 4", a major interactive sculpture by acclaimed kinetic sculptor Aiko Groot. "Cube 4" is sited outside the Pelorus Trust Sportshouse, which continues to be an asset for sport in the city offering an expanded portfolio of events this year.

Relocation of the "Smiling Windmills" from the civic fountain to Avalon Park occurred in August 2008 with a big crowd turning out for the opening.

We continued developing the mountain bike park in Wainuiomata and replaced a playground on Petone Foreshore. Landscaping projects have improved the Korohiwa and Maungaraki areas, and we rebuilt the changing rooms at Fraser Park and Days Bay.

Environmental Sustainability

There are over 20,000 ha of land managed as reserve within Hutt City's territory. This makes a major contribution to biodiversity and sustainability regionally as well as locally. We manage a reserve network of over 5,000 ha, with the majority being conservation land under established or regenerating native forest and scrub.

Plans prepared this year for public consultation included an Urban Forest Plan and draft Percy Scenic Reserve and Jubilee Park management plans. Preparation of the Urban Forest Plan involved a survey of all 12,106 street trees in the city.

Council facilities' annual energy consumption was 22,300,000 kWh for the financial year to 30 June 2009. This was approximately 4% below 2007-2008. Huia Pool underwent major changes to reduce its energy consumption and achieved total savings of 811,000 kWh or 28%, saving the Council \$40,000pa.

- A heat pump was installed to capture waste heat and return it back to the pool - this allows the main pool water to maintain the temperature of 28 degrees, without having to use the gas boilers
- A heat exchanger was installed to use the returning exhaust air from the pool halls to heat the incoming air
- A heat pump was installed onto the poolside spa
- A new water filtration system with UV water treatment was installed for the main pool - the UV system works by the water passing by a UV lamp, which kills micro-organisms in the water and means less chlorine is needed in the pool and less town supply water is used.

In addition several smaller energy efficiency projects were carried out this year including:

- Under floor insulation installed at all community houses
- Upgraded lighting at Pomare Community House.



Huia Pool reduced its energy consumption by 28%



FINANCIAL POLICIES

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 new policy came into effect as from 1 July 2006.

Summary of Financial Contributions

Council received \$0.778 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 100% compliance with policy limits during 2008/2009.

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 2009.

RATIO	ACTUAL 30 JUNE 2009	POLICY LIMIT
Net debt to equity	8%	Below 20%
Net debt to income	69%	Below 150%
Net interest to income	5%	Below 10%
Net interest to rates income	7%	Below 15%
Liquidity	111%	Above 100%
Net debt	\$80.749 million	Below \$100 million
Net debt per capita	\$826	Below \$1,000
DEBT REFINANCING RISK SPREAD		
0 to 3 years	51%	10% - 60%
3 to 5 years	27%	20% - 60%
5 years plus	22%	10% - 60%
FIXED RATE DEBT MATURITY PROFILE		
Overall fixed proportion	72%	55% - 95%
1 to 3 years	30%	20% - 50%
3 to 5 years	37%	20% - 50%
5 to 10 years	33%	15% - 50%
Total financial guarantees	\$0.49 million	Not more than \$1.2 million
Largest single guarantee	\$0.3 million	Not more than \$0.3 million

Investment Policy Report

Background

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

Overall Performance

Council is a net borrower, and as such has minimised the amount of investments held to those necessary to meet specific business objectives. No breaches of the Investment Policy were reported during the 2008/2009 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 2009	POLICY LIMIT
NZ Government	A-	Nil	Unlimited
State Owned Enterprises	A-	Nil	\$5.0 million
NZ Registered Banks			
+ Westpac	A-	\$7.63 million	\$15 million
+ ANZ	A-	\$8.52 million	\$15 million
+ Bank of New Zealand	A-	\$5.32 million	\$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	\$2 million

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 2008/2009 year. A summary of remissions allowed is shown in note 2 of the Financial Statements.

Revenue and Financing Policy Report

Background

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

Summary of Cost Allocations

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

The summary compares these policy funding proportions against actual funding sources for 2008/2009, with explanations for variances over 5%.

Revenue and Financing Policy: Summary of Cost Allocations

ACTIVITY	REVENUE AND FINANCING POLICY INDICATIVE ALLOCATION OF COSTS										ACTUAL 2008/2009 PRIVATE FUNDING %		
	PRIVATE FUNDING PERCENTAGE					PUBLIC FUNDING PERCENTAGE					TOTAL PUBLIC FUNDING	PRIVATE	VARIANCE
	USER CHARGES	OPERATING SUBSIDIES	OTHER REVENUE	TARGETED RATE	TOTAL PRIVATE FUNDING	RESIDENTIAL	BUSINESS	UTILITY	RURAL	TOTAL PUBLIC FUNDING			
1. Libraries	7	0	0	0	7	74	15	3	1	93	7	7	
2. Museums	5	0	15	0	20	52	25	2	1	80	25	5	
3. Aquatics and Recreation	30	0	5	0	35	52	10	2	1	65	40	5	
4. Parks and Reserves	10	0	0	0	10	71	16	3	0	90	18	8*	
5. Community Support	1	0	7	0	8	73	15	3	1	92	10	2	
6. Property	61	0	0	0	61	31	6	1	1	39	18	(43)*	
7. Roading and Traffic	15	15	0	0	30	17	44	9	0	70	32	2	
8. Water Supply	18	0	0	82	100	0	0	0	0	0	100	0	
9. Wastewater	4	14	0	82	100	0	0	0	0	0	100	0	
10. Stormwater	0	0	0	0	0	58	40	2	0	100	4	4	
11. Solid Waste	140	0	0	0	140	-32	-6	-1	-1	-40	161	21*	
12. Environmental Management	53	0	0	0	53	7	40	0	0	47	44	(9)*	
13. Emergency Management	0	7	0	0	7	74	15	3	1	93	34	27*	
14. Local Urban Design	0	0	0	0	0	9	90	1	0	100	0	0	
15. Economic Development	0	0	0	0	0	0	92	8	0	100	23	23*	
16. Elected Members	0	0	0	0	0	79	16	3	2	100	0	0	
17. Advice and Support	0	0	0	0	0	79	16	3	2	100	0	0	

*** Explanations of significant variances in private funding percentages**

Parks and Reserves

The private funding target was exceeded due to grants and donations being greater than anticipated and asset sales of land that has been identified as surplus through the land review project.

Property

The private funding target was not achieved. Public funding is greater than the target partly due to losses on asset disposals and sales.

Solid Waste

Private funding has exceeded the target. There has been both a decrease in revenue and expenditure, however the decrease in revenue was greater.

Environmental Management

The private funding target has not been met. Due to the economic downturn there has been a decrease in the number of consent applications and therefore a decrease in revenue.

Emergency Management

The private funding target was exceeded by 27% as a result of including the Upper Hutt City Council contribution into the private funding target.

Economic Development

The private funding target was exceeded by 23% as a result of external funding being obtained to support events, and incorporating the revenue and expenditure of the Visitor Information Centre in this activity.

Funding Impact Statement Report

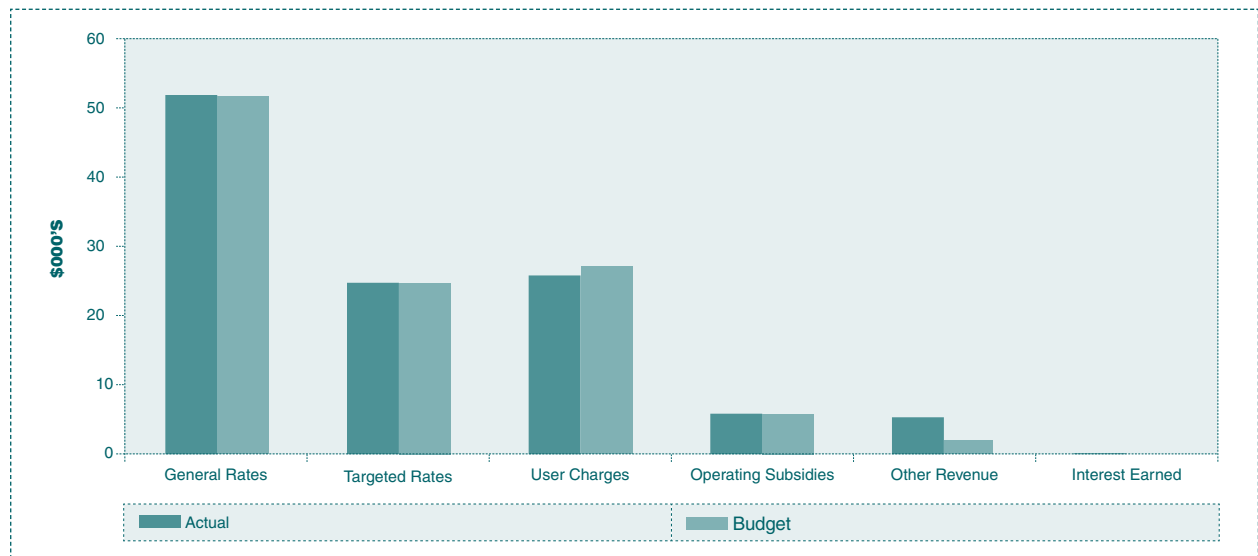
Background

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

Specific Targets

The following graph shows the proportion of funding forecast from each mechanism in the Funding Impact Statement and the actual funding received in 2008/2009.

Comparison of Forecast to Actual 2008/2009 Revenue





MEASURING PERFORMANCE

AUDIT REPORT

To the readers of Hutt City Council and group's financial statements and performance information for the year ended 30 June 2009

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 an audit. The audit covers the City Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the City Council and group for the year ended 30 June 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- ➔ The financial statements of the City Council and group on pages 95 to 150:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the City Council and group's financial position as at 30 June 2009; and
 - the results of operations and cash flows for the year ended on that date.
- ➔ The service provision information of the City Council and group on pages 51 to 93 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- ➔ The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2009, and 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 the Auditor, and explain our independence.

Basis of Opinion

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

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

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

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

Audit procedures generally include:

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

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

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2009. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

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

Independence

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

Other than the audit and in conducting the audit of the Long Term Council Community 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

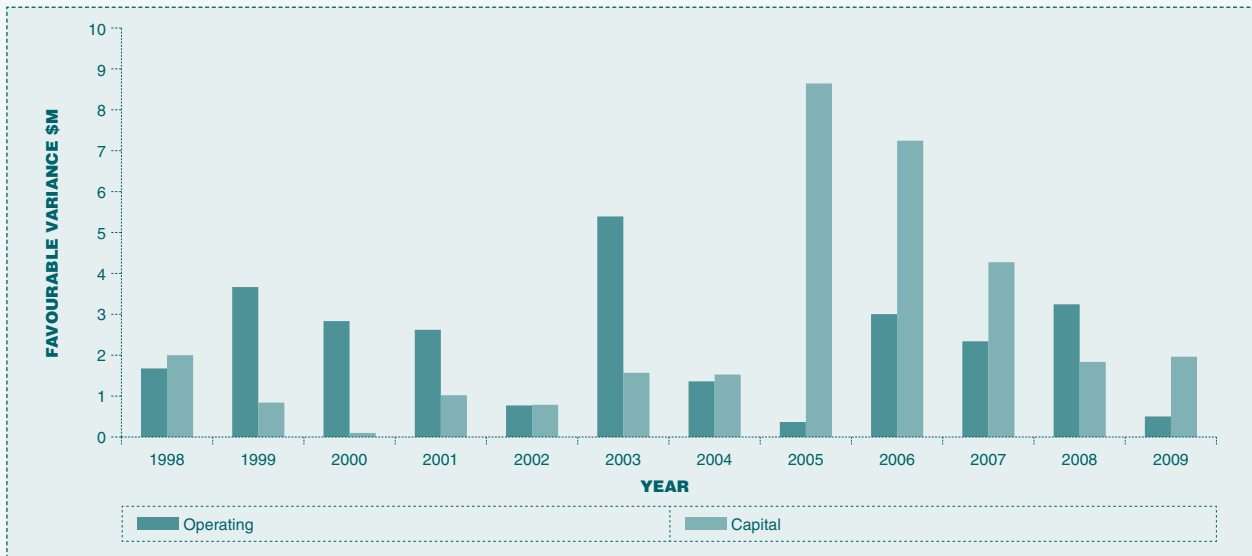
KEY PERFORMANCE INDICATORS

We monitor six key performance indicators to ensure the organisation is being managed effectively.

Budget Management

This key performance indicator compares our results for the year with the budget.

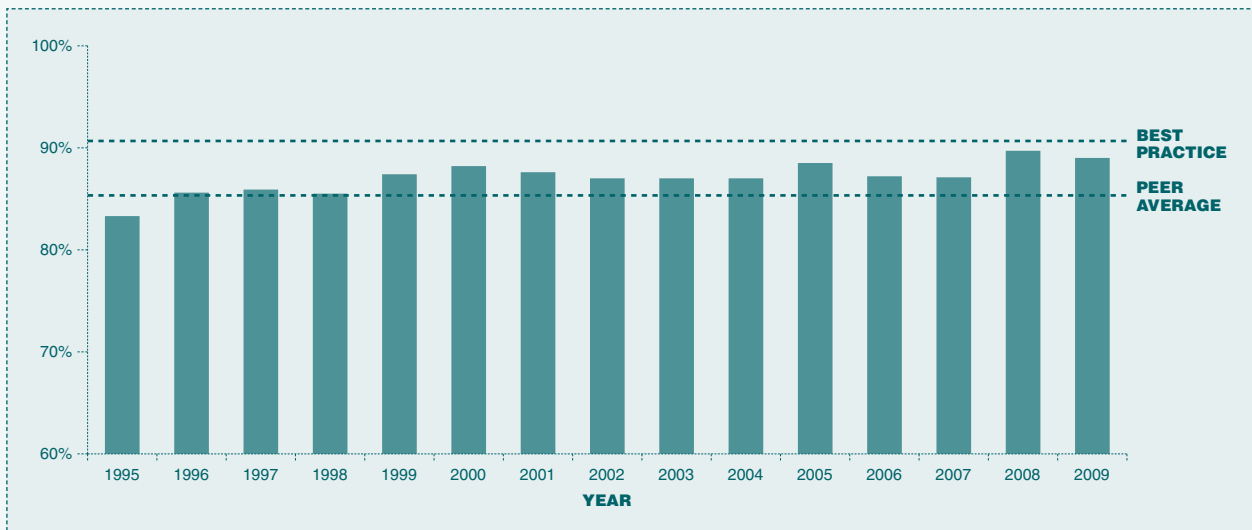
As you can see in the graph, we've delivered operating and capital surpluses compared with budget every year since 1998. However, these favourable results are typically the result of timing differences on project completion.



Customer Satisfaction

We monitor customer satisfaction levels through an independent annual survey.

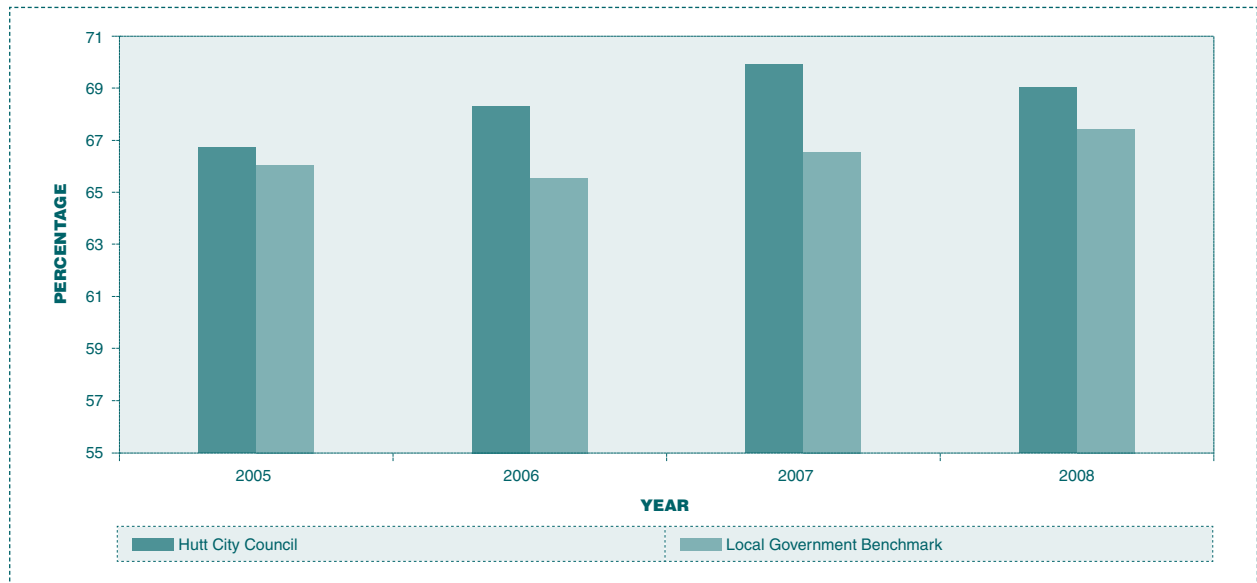
This graph shows that we've achieved steady results that are above the average of our peer councils, and we're committed to continuing to improve.



Staff Perceptions

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

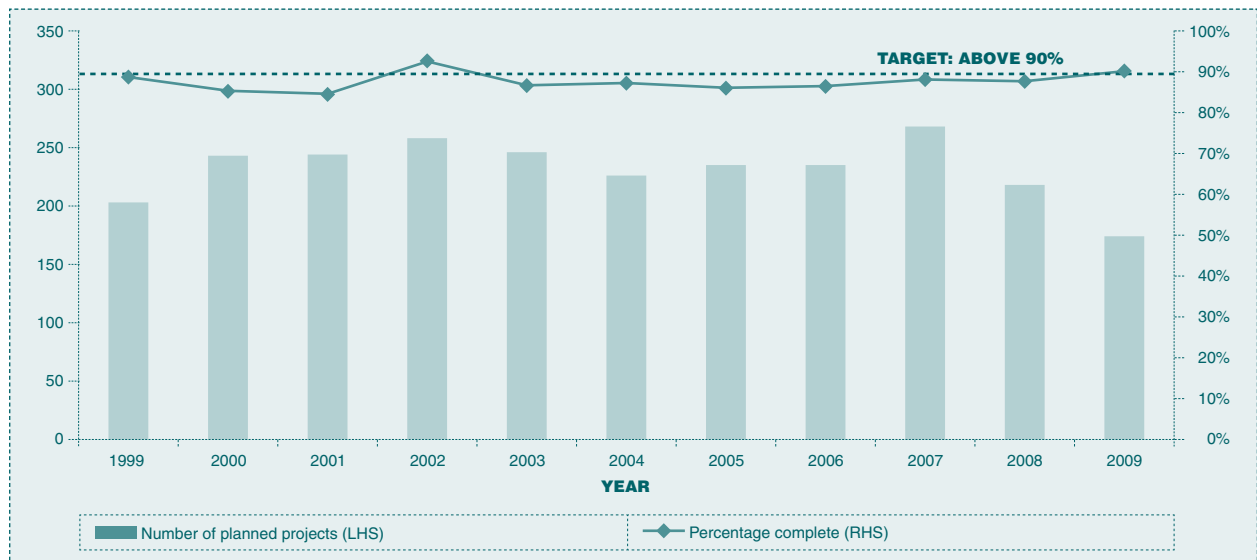
The graph indicates that our staff perceive Hutt City Council to be a better place to work than the average local authority. Emphasis is placed on Organisation Development initiatives that support making Hutt City a great place to work. These initiatives include improving our leadership capability, a strong internal communications strategy, training and development opportunities that support our values and vision, and opportunities for flexible work wherever possible.



Project Completion

Every year we commit to up to 300 projects through our Community Plan or Annual Plan.

Inevitably, some of these projects can't be completed for various reasons such as unseasonable 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.



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, with the several minor breaches identified having 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	–

Business Excellence Assessments

Council submits itself to full independent assessments by experts in organisation performance. These assessments are used to identify areas for improvement, and also to gauge our performance compared to that of other local authorities and best practice private sector organisations internationally.

The table indicates the significant success we've had in recent years.

YEAR	ASSESSOR	RESULT
1999	Business Excellence New Zealand	No recognition
2000	Business Excellence New Zealand	Local government runner up
2001	Business Excellence New Zealand	Local government winner
2002	Business Excellence New Zealand	Local government winner
2003	NZ Business Excellence Foundation	Progress award
2004	NZ Business Excellence Foundation	Commendation award
2005	No application made	–
2006	NZ Business Excellence Foundation	Achievement award
2008	Vero Excellence in Business Support Awards	Local government winner
2009	NZ Business Excellence Foundation	Summary application prepared for internal evaluation

SIGNIFICANT ACTIVITY SUMMARY

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT*	ACHIEVEMENT VS PERFORMANCE MEASURES
	ACTUAL 30 JUNE 2009 \$000	ANNUAL PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000	ACTUAL 30 JUNE 2009 \$	ACTUAL 30 JUNE 2009
Libraries	(6,686)	(6,636)	(6,456)	68.4	✓✓
Museums**	(1,980)	(2,407)	(1,726)	20.3	✓✓✓
Aquatics and Recreation	(4,344)	(4,257)	(3,881)	44.5	✓✓
Parks and Reserves	(6,536)	(8,093)	(7,461)	66.9	✓✓
Community Support	(2,330)	(2,292)	(2,074)	23.8	✓✓✓
Property	(2,820)	(2,152)	(2,126)	28.9	✓✓
Roading and Traffic	(12,913)	(11,931)	(10,642)	132.2	✓✓
Water Supply	(10,458)	(10,270)	(9,867)	107.0	✓✓✓
Wastewater	(15,178)	(14,258)	(13,351)	155.4	✓✓✓
Stormwater	(5,946)	(5,810)	(5,255)	60.9	✓✓✓
Solid Waste	4,077	4,474	4,854	(41.7)	✓✓
Environmental Management	(4,717)	(3,847)	(3,726)	48.3	✓✓
Emergency Management	(702)	(691)	(656)	7.2	✓✓
Local Urban Design	(1,008)	(1,286)	(1,081)	10.3	✓✓
Economic Development	(1,648)	(1,713)	(1,504)	16.9	✓✓✓
Elected Members	(1,638)	(1,657)	(1,505)	16.8	✓✓✓
Advice and Support	(3,751)	(3,786)	(3,597)	38.4	✓✓
Managing Services	(492)	–	1,998	5.0	✓✓

The (deficit)/surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2008/2009 Annual Plan and the previous year.

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

* Based on the NZ Census 2006

** Dowse Collection adjustment has been excluded from activity total

KEY FOR PERFORMANCE MEASURES

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

GROUP PEOPLE

Significant Activities

1. Libraries
2. Museums
3. Aquatics and Recreation
4. Parks and Reserves
5. Community Support
6. Property

Community Outcomes

Group People primarily contributes towards the following outcomes identified by Hutt City residents as being important to the city's future social and cultural wellbeing:

- A city that is safe
- Affordable access to community facilities that include arts, cultural and recreational options
- Encouragement of arts, cultural and sports activities including local, national and international events
- Everyone has a quality standard of affordable housing
- A built environment that is attractive, safe and healthy
- A more attractive Hutt City
- Development of the uniqueness of Hutt City including its history and culture
- More and better focus on the harbour, river and recreation opportunities
- A city that is friendly and welcoming where people experience a sense of belonging
- Encouraging community involvement and engagement with civic life
- More celebrations of tangata whenua and multi-culturalism in the city
- Migrants are well adapted to New Zealand way of living
- 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
- Residents have a high standard of living.

Reporting on Progress Towards the Achievement of Community Outcomes

We produced our first report in 2007 covering the period 2003 to 2006, and the results are available on the Council website or by phoning 570 6805.

For information on the activities carried out over the past year that work towards achieving the community outcomes, refer to A Great Place to Live from page 14 and A Great Place to Play from page 38.

Activity 1: Libraries

What we do

Council provides, maintains and manages eight libraries in the city. These are 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 online information. Library services are used for many purposes including learning, research and entertainment.

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Percentage of residents who have used library services during the year: 80%	81%	78%	N/A	82%	NRB Communitrak Survey
Resident satisfaction with library services: ≥ 97%	97%	98%	96%	98%	NRB Communitrak Survey
Number of physical visits per annum: 1,200,000	1,124,969	1,042,825	N/A	1,102,124	Monthly Management Reports
Number of virtual visits (via the internet) per annum: 700,000	683,320	83,647 online catalogue transactions 426,921 website visits	N/A	314,419	Monthly Management Reports Note: The introduction of the 'Connect' computers throughout the library network in January 09 rendered the 08/09 target and measurement of 'virtual visits per annum' invalid. A new measurement and target has been established for 09/10.
Library stock turnover: Equal to or above the National Mean	5.85	5.69	National Mean 3.54	5.69	NZ Public Library Statistics

LIBRARIES - STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	498	479	438
Total Revenue	498	479	438
EXPENDITURE			
Employee Costs	3,460	3,444	3,375
Support Costs	2,212	2,236	2,109
Operating Costs	732	704	674
Interest	51	51	49
Depreciation	729	681	687
Total Expenditure	7,184	7,115	6,894
DEFICIT BEFORE TAX	(6,686)	(6,636)	(6,456)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(6,686)	(6,636)	(6,456)
Total Rates Funding Requirement	(6,686)	(6,636)	(6,456)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(829)	(825)	(890)
Capital Expenditure – Improving Services	(622)	(490)	(120)
Less Depreciation	729	681	687
Total Loan Funding Requirement	(722)	(634)	(323)
TOTAL FUNDING REQUIREMENT	(7,408)	(7,270)	(6,779)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Community Digital Access Programme	484	350	–

An additional \$160k for licences and for PC's for the Community Digital Access Programme was approved because of a methodology change required to improve the project result.

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

Activity 2: Museums

What we do

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

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Number of museum visits per annum: 120,000 (baseline & increasing)	107,799	271,801	N/A	198,391	Monthly Management Reports
Resident satisfaction with TheNewDowse museum: ≥ 91%	91%	93%	96%	94%	NRB Communitrak Survey
Resident satisfaction with Petone Settlers Museum: ≥ 89%	89%	95%	96%	98%	NRB Communitrak Survey
Education programmes delivered that meet the needs and expectations of school groups: Education programmes delivered to 11,000 students; 90% satisfaction	New measure for 2008/09	New measure for 2008/09	N/A	13,254 students 91% satisfaction	Management Reports and Participant Evaluation Forms

MUSEUMS – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	166	263	464
Other Revenue	477	443	757
Dowse Collection Adjustment	5,303	–	–
Total Revenue	5,946	706	1,221
EXPENDITURE			
Employee Costs	973	1,151	1,046
Support Costs	531	545	472
Operating Costs	840	994	1,014
Interest	78	78	74
Depreciation	201	346	341
Total Expenditure	2,623	3,113	2,947
SURPLUS BEFORE TAX	3,323	(2,407)	(1,726)
RATES FUNDING REQUIREMENT			
Surplus Before Tax	3,323	(2,407)	(1,726)
Total Rates Funding Requirement	3,323	(2,407)	(1,726)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(121)	(116)	(88)
Capital Expenditure – Improving Services	(31)	(58)	(320)
Less Depreciation	201	346	341
Total Loan Funding Requirement	49	172	(67)
TOTAL FUNDING REQUIREMENT	3,372	(2,235)	(1,793)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 3: Aquatics and Recreation

What we do

Council provides and maintains six swimming pools in Hutt City as part of its portfolio of recreational facilities. It provides quality and accessible tuition in essential water safety and life skills. Recreational programmes are community-based and designed to encourage residents to engage in a range of recreational activities.

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with pools: \geq 93%	93%	95%	90%	94%	NRB Communitrak Survey
Resident use of pools: \geq 65%	65%	67%	56%	69%	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, building and operating pools, signage and other standards: Accreditation maintained	Accreditation maintained	Accreditation maintained	N/A	Accreditation maintained	Annual ACC/Water Safety NZ Audit
Cost per visit to the Council of Aquatic Services provided: \$3.96	\$3.70	\$3.84	N/A	\$4.02	Operational expenditure against user numbers – increased costs due to Huia Pool flood and declining attendances produced a negative result

AQUATICS AND RECREATION – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	2,173	1,967	1,708
Capital Contributions	–	–	211
Other Revenue	713	465	352
Total Revenue	2,886	2,432	2,271
EXPENDITURE			
Employee Costs	2,774	2,544	2,141
Support Costs	607	639	638
Operating Costs	3,122	2,769	2,642
Interest	80	80	76
Depreciation	647	658	655
Total Expenditure	7,230	6,689	6,152
DEFICIT BEFORE TAX	(4,344)	(4,257)	(3,881)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(4,344)	(4,257)	(3,881)
Add Capital Contributions	–	–	(211)
Total Rates Funding Requirement	(4,344)	(4,257)	(4,092)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(209)	(206)	(496)
Capital Expenditure – Improving Services	(195)	(175)	(539)
Less Capital Contributions	–	–	211
Less Depreciation	647	658	655
Total Loan Funding Requirement	243	277	(169)
TOTAL FUNDING REQUIREMENT	(4,101)	(3,980)	(4,261)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Grant Funding Received from the Ministry of Social Development

During the financial year the Council received \$46,000 as a contribution towards school holiday programmes. The programmes that received this funding are as follows: Belmont Hall \$16,000, Gracefield School \$16,000 and Maungaraki School \$14,000.

Activity 4: Parks and Reserves

What we do

Council provides and maintains active and passive recreational facilities in Hutt City for the enjoyment and well-being of the public. These are largely free of charge. Recreation areas are both natural and developed with the majority of effort targeted at maintaining developed areas and retaining bush land in its natural state. "Parks and Reserves" also includes Council's cemeteries.

Why we do it

The provision and maintenance of parks, reserves and street gardens creates a pleasant environment in which to live, work and play, which is an important part of the Vision for the City. 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

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with:					NRB Communitrak Survey
+ sports grounds: ≥ 95%	98%	98%	95%	97%	
+ parks, reserves and gardens: ≥ 95%	98%	98%	95%	96%	
+ cemeteries: ≥ 90%	95%	93%	95%	96%	
Sports fields meet the standard agreed with sports codes: ≥ 95%	98%	98%	N/A	97%	Complaints from users during 2008/09 and sportsground audits
Area of parks and reserves per thousand of population: ≥ 24.9 hectares	53 hectares	54 hectares	N/A	54 hectares	Reserves Strategy
Percentage of households that have used or visited parks, reserves or gardens in the last 12 months: ≥ 89%	89%	87%	N/A	88%	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

PARKS AND RESERVES – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	1,240	937	800
Operating Contributions	–	–	7
Capital Contributions	545	604	854
Gain	656	–	–
Other Revenue	412	46	8
Total Revenue	2,853	1,587	1,669
EXPENDITURE			
Employee Costs	688	651	636
Support Costs	497	522	449
Operating Costs	6,855	7,025	6,708
Interest	625	625	596
Depreciation	724	857	741
Total Expenditure	9,389	9,680	9,130
DEFICIT BEFORE TAX	(6,536)	(8,093)	(7,461)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(6,536)	(8,093)	(7,461)
Add Capital Contributions	(545)	(604)	(854)
Total Rates Funding Requirement	(7,081)	(8,697)	(8,315)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(486)	(647)	(627)
Capital Expenditure – Improving Services	(1,286)	(1,020)	(3,535)
Less Capital Contributions	545	604	854
Less Depreciation	724	857	741
Total Loan Funding Requirement	(503)	(206)	(2,567)
TOTAL FUNDING REQUIREMENT	(7,584)	(8,903)	(10,882)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Fraser Park Toilets and Changing Rooms	540	–	19

The Fraser Park toilets and changing rooms were replaced after being partially destroyed by fire. Insurance monies received in prior years met 70% of the cost.

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

Activity 5: Community Support

What we do

Council seeks to support its community through appropriately responding to community needs. This support includes facilitation, advocacy, consultation and service provision, and allocation of grants to community organisations and groups. These services are carried out through Council's Community Development Division or through private contracts. Council has increased focus on working with Government Agencies and utilising funding from externally sourced contracts to provide services to the community.

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Customer satisfaction with Community Development: 90%	Independent survey 78% Customer survey 98%	Independent survey 91%	N/A	Independent survey 92% Customer survey 94.4%	NRB Communitrak Survey Customer Survey
Work with other agencies to provide a service to the community: 3 programmes or plans	3 programmes developed and implemented with key milestones achieved	3 interagency programmes' key milestones achieved	N/A	3 interagency programmes' key milestones achieved	Government Agency Contracts

COMMUNITY SUPPORT – STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	16	20	17
Operating Contributions	–	–	115
Other Revenue	245	158	58
Total Revenue	261	178	190
EXPENDITURE			
Employee Costs	687	614	551
Support Costs	452	460	430
Operating Costs	1,452	1,396	1,283
Total Expenditure	2,591	2,470	2,264
DEFICIT BEFORE TAX	(2,330)	(2,292)	(2,074)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(2,330)	(2,292)	(2,074)
Total Rates Funding Requirement	(2,330)	(2,292)	(2,074)
Total Loan Funding Requirement	–	–	–
TOTAL FUNDING REQUIREMENT	(2,330)	(2,292)	(2,074)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 6: Property

What we do

Council manages a variety of properties for use by the community. The main portfolios are community and civic halls and venues, public toilets, community houses, and Council's administration building.

Progressive reviews of these facilities ensure they remain efficient and meet changing public requirements.

Council also holds a 100% shareholding in Urban Plus Limited, a Council-Controlled Trading Organisation. Urban Plus Limited owns and manages housing units primarily to provide housing for the elderly and socially disadvantaged in accordance with Council's Housing Policy. UrbanPlus' aim is to increase the number of properties available to residents within the next three years. Additionally, UrbanPlus provides a facilities management service for the improvement and maintenance of Council buildings.

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Tenant satisfaction with Council accommodation: 90%	Not measured	93%	N/A	91%	Internal Survey
Resident satisfaction with:					NRB Communitrak Survey
+ public halls: ≥ 94%	94%	95%	92%	92%	Note: The Statement of Intent with UrbanPlus requires resident satisfaction with public halls to be greater than or equal to peer average, subject to Council funding, and this has been achieved
+ public toilets: ≥ 58%	58%	69%	68%	68%	
Occupancy rate of Council rental housing: 90%	94%	97%	N/A	97%	Monthly Management Reports

PROPERTY – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	917	751	894
Capital Contributions	–	350	–
Other Revenue	(285)	–	284
Total Revenue	632	1,101	1,178
EXPENDITURE			
Employee Costs	29	–	34
Support Costs	(1,218)	(1,211)	(1,164)
Operating Costs	2,697	2,732	2,689
Interest	375	375	358
Depreciation	1,569	1,356	1,387
Total Expenditure	3,452	3,253	3,304
DEFICIT BEFORE TAX	(2,820)	(2,152)	(2,126)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(2,820)	(2,152)	(2,126)
Add Capital Contributions	–	(350)	–
Total Rates Funding Requirement	(2,820)	(2,502)	(2,126)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(509)	(599)	(384)
Capital Expenditure – Improving Services	(974)	(1,470)	(395)
Less Capital Contributions	–	350	–
Less Depreciation	1,569	1,356	1,387
Less Asset Sales	902	4,312	827
Total Loan Funding Requirement	988	3,949	1,435
TOTAL FUNDING REQUIREMENT	(1,832)	1,447	(691)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Korohiwa Redevelopment Heritage Subsidy	110	500	–

Delays in the final design and scope of Korohiwa Redevelopment Heritage project has led to delays. This project was initially budgeted for in 2007/2008. This project will now be carried out in 2009/2010.

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

GROUP UTILITY SERVICES

Significant Activities

7. Roothing and Traffic
8. Water Supply
9. Wastewater
10. Stormwater
11. Solid Waste

Community Outcomes

Group Utility Services primarily contributes towards the following outcomes identified by Hutt City residents as being important to Hutt City:

- 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 Hutt CBD
- Continual upgrade and provision for growth to make Hutt City interesting and attractive to people
- More investment in sustainable transportation solutions – public transport, car pools, bicycle lanes
- Affordable access to community facilities that include arts, cultural and recreational options
- A diverse natural environment that is accessible, enjoyable and safe
- Everyone has a quality standard of affordable housing
- Roothing, water and waste (including recycling) services work and are accessible to all
- Maintenance and continual upgrade of services to allow for security and growth.

Reporting on Progress Towards the Achievement of Community Outcomes

We produced our first report in 2007 covering the period 2003 to 2006, and the results are available on the Council website or by phoning 570 6805.

For information on the activities carried out over the past year that work towards achieving the community outcomes, refer to A Great Place to Live from page 14.

Activity 7: Roading and Traffic

What we do

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

Why we do it

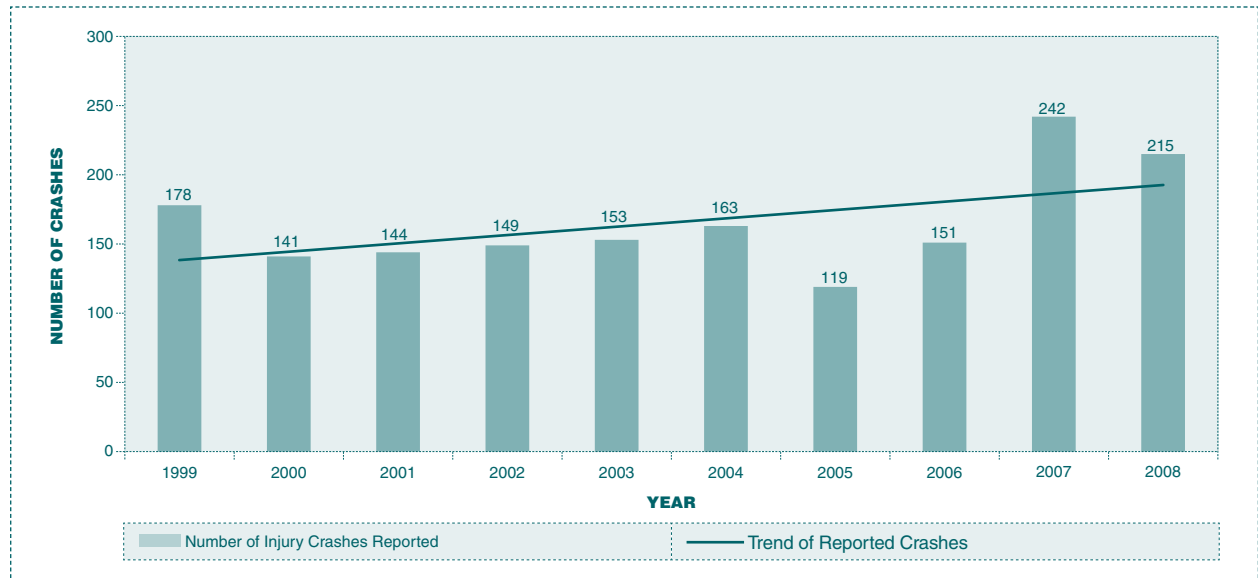
Public ownership of the road corridor ensures appropriate property access and freedom of travel throughout the area for all citizens. Sealed roads, footpaths and street lights are provided for the efficient and safe travel of motor vehicles, bicycles and pedestrians.

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with:					NRB Communitrak Survey
+ street lighting: \geq 87%	87%	90%	85%	88%	
+ road and gutters being free of litter: \geq 86%	86%	89%	79%	91%	
+ traffic control: \geq 82%	82%	87%	N/A	87%	
+ footpaths: \geq 81%	81%	81%	74%	81%	
+ roads: \geq 74%	74%	80%	78%	75%	
+ parking in and around Hutt City: \geq 71%	71%	80%	67%	80%	
+ the safety and convenience of movement around city streets: \geq 82%	82%	87%	N/A	87%	
Road Condition Index measuring the condition of the road surface: Hold or improve rating	2.7	2.7	N/A	1.4	Data from NZTA Note: A lower number indicates an improved rating
Smooth Travel Exposure which is a nationally accepted measure of road roughness: Hold or improve rating	75%	76%	N/A	80%	Data from NZTA Note: A higher percentage indicates an improved rating
Accident trend: Contribute to a reducing trend over 10 years	See table	See table	N/A	See table	Data from NZTA Note: The previous 10 year reducing trend has now been reversed and, based on national increases in crash statistics, this new trend appears set to worsen

All Reported Injury Crashes within Lower Hutt Local Roads excluding State Highways



ROADING AND TRAFFIC – STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	3,155	3,177	2,977
Operating Contributions	3,320	3,127	3,113
Capital Contributions	3,327	3,430	4,356
Other Revenue	1,266	530	541
Total Revenue	11,068	10,264	10,987
EXPENDITURE			
Employee Costs	1,044	1,034	1,005
Support Costs	2,064	2,064	1,873
Operating Costs	10,026	9,818	9,751
Interest	1,985	1,985	1,891
Depreciation	8,862	7,294	7,109
Total Expenditure	23,981	22,195	21,629
DEFICIT BEFORE TAX	(12,913)	(11,931)	(10,642)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(12,913)	(11,931)	(10,642)
Add Capital Contributions	(3,327)	(3,430)	(4,356)
Total Rates Funding Requirement	(16,240)	(15,361)	(14,998)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(6,247)	(6,398)	(5,878)
Capital Expenditure – Improving Services	(1,156)	(1,124)	(2,421)
Less Capital Contributions	3,327	3,430	4,356
Less Depreciation	8,862	7,294	7,109
Total Loan Funding Requirement	4,786	3,202	3,166
TOTAL FUNDING REQUIREMENT	(11,454)	(12,159)	(11,832)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 8: Water Supply

What we do

We provide a sustainable and high quality water supply to the community for domestic and commercial use. Council purchases bulk water from Greater Wellington Regional Council, which it distributes to the community through the city's water supply system. Council monitors water quality and plans for the future water supply needs of the city including maintenance and upgrades to assets to maintain required service levels.

Why we do it

The supply of high quality, affordable water contributes to:

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

How we measure the service provided

Note: Survey percentages quoted exclude those who responded 'Don't Know'. Council works to meet these measures through its Council Controlled Trading Organisation – Capacity.

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with the city water supply: ≥ 95%	97%	96%	92%	95%	NRB Communitrak Survey
Quality of water: Full compliance with NZ Drinking Water Standards Achieve 'b' grading from the Ministry of Health for the Hutt City water supply Note: 'b' grading means satisfactory, low level of risk. Most of Hutt City water supply is un-chlorinated. Chlorination of the water supply would be required to achieve an 'a' grading.	Achieved full compliance with NZ Drinking Water Standards, and achieved a 'b' grading for the Hutt City water supply	Achieved full compliance with NZ Drinking Water Standards, and achieved a 'b' grading for the Hutt City water supply	N/A	Achieved full compliance with 1,587 of the 1,590 tests carried out Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Potable Water Testing Contract Reports Ministry of Health Register of Community Drinking Water Suppliers grading report
Provide a reliable water supply service: Fewer than 4 unplanned supply cuts per 1,000 connections	Achieved fewer than 0.2 unplanned supply cuts per 1,000 connections	Achieved fewer than 1.48 unplanned supply cuts per 1,000 connections	N/A	Achieved 1.99 unplanned supply cuts per 1,000 connections	Operations and Maintenance Contract Monthly Report
Respond promptly to water supply disruptions: 97% of requests responded to within 1 hour of notification	99%	99%	N/A	98%	Operations and Maintenance Contract Monthly Report

WATER SUPPLY – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	2,016	2,295	2,173
Capital Contributions	4	48	288
Other Revenue	147	–	–
Total Revenue	2,167	2,343	2,461
EXPENDITURE			
Employee Costs	–	–	8
Support Costs	326	326	297
Operating Costs	8,663	8,987	8,803
Interest	685	685	653
Depreciation	2,951	2,615	2,567
Total Expenditure	12,625	12,613	12,328
DEFICIT BEFORE TAX	(10,458)	(10,270)	(9,867)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(10,458)	(10,270)	(9,867)
Add Capital Contributions	(4)	(48)	(288)
Total Rates Funding Requirement	(10,462)	(10,318)	(10,155)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(1,428)	(907)	(1,888)
Capital Expenditure – Improving Services	(593)	(665)	(531)
Less Capital Contributions	4	48	288
Less Depreciation	2,951	2,615	2,567
Total Loan Funding Requirement	934	1,091	436
TOTAL FUNDING REQUIREMENT	(9,528)	(9,227)	(9,719)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Minor Works Discrete	392	160	60

The over expenditure in Minor Works Discrete was due to the required upgrade of the Naenae reservoir roof resulting from the October 2008 contamination of the Hutt Valley water supply.

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

Activity 9: Wastewater

What we do

Council provides a piping network which takes household and commercial effluent to the Seaview treatment plant which treats the effluent to meet public health and environmental standards. The Seaview treatment plant has been operating since November 2001 and has resulted in a significant improvement to the environment. Council undertakes maintenance and upgrades to assets to maintain required service levels.

Why we do it

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

How we measure the service provided

Note: Survey percentages quoted exclude those who responded 'Don't Know'. Council works to meet these measures through its Council Controlled Trading Organisation – Capacity.

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with the city wastewater service: $\geq 95\%$	96%	97%	94%	97%	NRB Communitrak Survey
No infringement notice received on resource consent compliance: No infringement notice	100% compliance	100% compliance	N/A	100% compliance	Compliance reports from Greater Wellington Regional Council
Provide a reliable wastewater service: Less than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline	Achieved 0.7 incidents	Achieved 1.01 incidents	N/A	Achieved 0.7975 incidents	Operations and Maintenance Contract Monthly Report
Respond promptly to wastewater disruptions: 97% of requests responded to within 1 hour of notification	99%	99%	N/A	98%	Operations and Maintenance Contract Monthly Report

WASTEWATER – STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	771	742	714
Operating Contributions	–	–	11
UHCC Operating Contribution	2,094	2,154	1,873
Capital Contributions	44	195	328
Other Revenue	795	–	–
Total Revenue	3,704	3,091	2,926
EXPENDITURE			
Employee Costs	–	–	11
Support Costs	582	582	670
Operating Costs	10,745	9,715	8,742
Interest	1,281	1,281	1,221
Depreciation	6,274	5,771	5,633
Total Expenditure	18,882	17,349	16,277
DEFICIT BEFORE TAX	(15,178)	(14,258)	(13,351)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(15,178)	(14,258)	(13,351)
Add Capital Contributions	(44)	(195)	(328)
Total Rates Funding Requirement	(15,222)	(14,453)	(13,679)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(3,103)	(3,314)	(2,397)
Capital Expenditure – Improving Services	(277)	(1,689)	(3,127)
Less Capital Contributions	44	195	328
Less UHCC Capital Contributions	(470)	697	–
Less Depreciation	6,274	5,771	5,633
Total Loan Funding Requirement	2,468	1,660	437
TOTAL FUNDING REQUIREMENT	(12,754)	(12,793)	(13,242)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Leighton Avenue Catchment Local Sewer Renewal	1,433	1,620	815
Malone Road Catchment Capacity Improvement	11	334	–

Only half (three out of six) Leighton Avenue projects budgeted for were completed during the year. The Malone Road project was delayed due to design and tendering issues. Funding for both projects has been carried over to the 2009/2010 year to allow both projects to be completed.

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

Activity 10: Stormwater

What we do

Council provides a stormwater drainage system to manage surface water run-off from urban catchments. Council's objective is to achieve an optimum balance between the level of protection and the cost to the community. In doing this Council undertakes maintenance and upgrade to assets to maintain required service levels.

Why we do it

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

How we measure the service provided

Note: Survey percentages quoted exclude those who responded 'Don't Know'. Council works to meet these measures through its Council Controlled Trading Organisation – Capacity.

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with the city stormwater service: ≥ 80%	80%	86%	85%	81%	NRB Communitrak Survey
Provide a reliable stormwater service: Less than 1 stormwater incident reported per kilometre of stormwater pipeline	Achieved 0.12 incidents	Achieved 0.075 incidents	N/A	Achieved 0.1287 incidents	Operations and Maintenance Contract Monthly Report
Monitor water quality at main recreational beaches: 90% of sampling days when water quality meets Ministry for Environment guidelines	Achieved Recreational Water Quality Standards	Achieved Recreational Water Quality Standards	N/A	Achieved Recreational Water Quality Standards	Environmental Laboratory Services Limited Monitoring Contract Report
Respond promptly to stormwater disruptions: 97% of requests responded to within 1 hour of notification	99%	98%	N/A	99%	Operations and Maintenance Contract Monthly Report

STORMWATER – STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	3	2	3
Operating Contributions	8	7	–
Capital Contributions	20	101	418
Other Revenue	223	–	7
Total Revenue	254	110	428
EXPENDITURE			
Employee Costs	–	–	14
Support Costs	317	317	341
Operating Costs	2,550	2,596	2,451
Interest	767	767	731
Depreciation	2,566	2,240	2,146
Total Expenditure	6,200	5,920	5,683
DEFICIT BEFORE TAX	(5,946)	(5,810)	(5,255)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(5,946)	(5,810)	(5,255)
Add Capital Contributions	(20)	(101)	(418)
Total Rates Funding Requirement	(5,966)	(5,911)	(5,673)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(544)	(488)	(572)
Capital Expenditure – Improving Services	(985)	(998)	(4,268)
Less Capital Contributions	20	101	418
Less Depreciation	2,566	2,240	2,146
Total Loan Funding Requirement	1,057	855	(2,276)
TOTAL FUNDING REQUIREMENT	(4,909)	(5,056)	(7,949)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 11: Solid Waste

What we do

Council manages contracts for the collection of the city's refuse and recycling. It also owns and operates two landfills to provide for the disposal of residual waste. Work being undertaken on Silverstream Stage Two is to provide for maintenance of current service levels when the area currently being used at Silverstream is full.

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with: + rubbish collection: \geq 93%	93%	94%	89%	91%	NRB Communitrak Survey
+ refuse disposal: \geq 87%	87%	92%	88%	90%	
Resource consent requirements: 100% compliance	100% compliance	100% compliance	N/A	100%	Compliance reports from Greater Wellington Regional Council

SOLID WASTE – STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	10,652	11,810	10,917
Other Revenue	77	–	–
Total Revenue	10,729	11,810	10,917
EXPENDITURE			
Employee Costs	–	–	68
Support Costs	116	116	140
Operating Costs	5,639	6,451	5,419
Interest	529	–	–
Depreciation	368	769	436
Total Expenditure	6,652	7,336	6,063
SURPLUS BEFORE TAX	4,077	4,474	4,854
RATES FUNDING REQUIREMENT			
Surplus Before Tax	4,077	4,474	4,854
Total Rates Funding Requirement	4,077	4,474	4,854
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Improving Services	(845)	(620)	(2,701)
Less Depreciation	368	769	436
Total Loan Funding Requirement	(477)	149	(2,265)
TOTAL FUNDING REQUIREMENT	3,600	4,623	2,589

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Silverstream Landfill Stage 2 Design and Construction	845	600	2,700

Some of the stage 2 work originally programmed for 2009/2010 was brought forward into 2008/2009. This will be offset by savings in 2009/2010.

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

GROUP ENVIRONMENT

Significant Activities

- 12. Environmental Management
- 13. Emergency Management

Community Outcomes

Group Environment primarily contributes towards the following outcomes identified by Hutt City residents as being important to the city's future environmental wellbeing:

- Having clean air, water and land
- Continued protection and conservation of our environment
- Efficient use and conservation of energy resources
- A city that is safe
- A diverse natural environment that is accessible, enjoyable and safe
- Good information on how to be prepared for an emergency
- A more attractive Hutt City
- Developing the uniqueness of Hutt City including its history and culture.

Reporting on Progress Towards the Achievement of Community Outcomes

We produced our first report in 2007 covering the period 2003 to 2006, and the results are available on the Council website or by phoning 570 6805.

For information on the activities carried out over the past year that work towards achieving the community outcomes, refer to A Great Place to Live from page 14.

Activity 12: Environmental Management

What we do

Council develops, implements and monitors the District Plan, relevant by-laws and other environmental policies and plans for the sustainable development of Hutt City. Council's statutory resource management and building approval and inspection functions, environmental health and animal control are also included under this activity. Regular inspections are carried out to ensure compliance with legislative requirements, the District Plan, resource consent and building consent conditions as well as by-law requirements.

Inspections of business and food premises, certification, liquor licensing, pollution control, trade waste and monitoring of beaches are also undertaken to promote and protect public health and safety in Hutt City.

Noise and hazardous substances also fall under this activity.

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with:					NRB Communitrak Survey
+ animal control: \geq 82%	82%	87%	81%	88%	
+ inspection services (eg, licences etc): \geq 78%	78%	75%	68%	81%	
+ requests for service: \geq 88%	88%	84%	85%	87%	
LIMs processed to comply with statutory requirements: 90% of LIMs processed within 9 working days	92% processed within 9 working days	96% processed within 9 working days	N/A	97% processed within 9 working days	Monthly Management Reports
Building consent/project information and resource consents processed to comply with the Building Code and District Plan requirements respectively:	87% of building consents processed within 15 working days	88% of building consents processed within 18 working days	N/A	72% of building consents processed within 18 working days	Computer Database Records Note: Mandatory accreditation as a Building Consent Authority, organisational restructuring and process changes due to digitisation of building consents and records contributed to non-achievement of the building consent measure
+ 80% of building consents processed within 18 working days	85% of non-notified land use consents processed within 18 working days	78% of non-notified land use consents processed within 18 working days		88% of non-notified land use consents processed within 18 working days	
+ 80% of non-notified land use consents processed within 18 working days					

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Requests for service referred to RMA Monitoring and Enforcement Team responded to within required timeframes: 80% acknowledged within 48 hours	New measure for 2008/09	New measure for 2008/09	N/A	99% acknowledged within 48 hours	Management and Computer Database Reports
Resource consents granted by Council are monitored in a timely manner: Monthly target of resource consents that require monitoring is set at 60	New measure for 2008/09	New measure for 2008/09	N/A	Achieved 105% – 754 resource consents monitored with the target being 720	Management Reports
Premises (eg. food outlets and liquor outlets) registered or licensed within 30 days of application: 90%	97%	98%	N/A	97%	Computer Database Records
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act, or notice to fix issued: 100%	98%	100%	N/A	84%	Computer Database Records Note: Mandatory accreditation as a Building Consent Authority, organisational restructuring and process changes due to digitisation of building consents and records contributed to non-achievement of this measure
Dog pound open 300 days per year: 100%	100%	100%	N/A	100%	Monthly Management Reports
Dog complaints are responded to within 30 minutes for dog attacks and 24 hours for other complaints: 95%	100%	100%	N/A	99% 98%	Computer Database Records
Noise complaints are responded to within 30 minutes: 85%	100%	85%	N/A	87%	Computer Database Records

ENVIRONMENTAL MANAGEMENT – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	3,549	3,939	3,944
Operating Contributions	–	–	8
Other Revenue	142	137	161
Total Revenue	3,691	4,076	4,113
EXPENDITURE			
Employee Costs	4,667	4,228	4,412
Support Costs	1,447	1,676	1,463
Operating Costs	2,293	2,016	1,960
Depreciation	1	4	4
Total Expenditure	8,408	7,923	7,839
DEFICIT BEFORE TAX	(4,717)	(3,847)	(3,726)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(4,717)	(3,847)	(3,726)
Total Rates Funding Requirement	(4,717)	(3,847)	(3,726)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	–	(32)	–
Less Depreciation	1	4	4
Total Loan Funding Requirement	1	(28)	4
TOTAL FUNDING REQUIREMENT	(4,716)	(3,876)	(3,722)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 13: Emergency Management

What we do

Council develops, implements and monitors emergency management standard operating procedures that support the Wellington Region Civil Defence Emergency Management Group Plan, and promotes community preparedness for emergencies. Under the 2002 Civil Defence Emergency Management Act, Council works co-operatively with other authorities in the region to plan for and respond to hazards, risks and emergencies. In particular Council has an agreement to provide Emergency Management and Rural Fire services to Upper Hutt City Council. Council also has plans in place for dealing with and preventing rural fires. Council maintains the in-house capacity to co-ordinate responses to civil defence and rural fire emergencies.

Why we do it

This activity is legally required under the Forest and Rural Fires Act and the Civil Defence Emergency Management Act, and is fundamental to achieving community preparedness for emergencies in a city which has a major earthquake fault through the valley, a third of its population living on a floodplain, a coastal area that is vulnerable to tsunamis from both local and distant sources, and an urban area surrounded by vegetation that is subject to high fire risk in summer. Hutt City Council works to promote the emergency management philosophy of Reduction, Readiness, Response and Recovery.

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Percentage of households that are prepared for a Civil Defence emergency: 60%	56%	56%	N/A	58%	NRB Communitrak Survey
Emergencies are responded to 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
Rural fires are responded to 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 – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
Operating Contributions	54	52	40
UHCC Operating Contribution	304	304	295
Other Revenue	2	–	11
Total Revenue	360	356	346
EXPENDITURE			
Employee Costs	391	425	359
Support Costs	251	288	269
Operating Costs	395	314	351
Depreciation	25	21	23
Total Expenditure	1,062	1,047	1,002
DEFICIT BEFORE TAX	(702)	(691)	(656)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(702)	(691)	(656)
Total Rates Funding Requirement	(702)	(691)	(656)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Improving Services	–	–	(85)
Less Depreciation	25	21	23
Total Loan Funding Requirement	25	21	(62)
TOTAL FUNDING REQUIREMENT	(677)	(671)	(718)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

GROUP ECONOMY

Significant Activities

- 14. Local Urban Design
- 15. Economic Development

Community Outcomes

Group Economy primarily contributes towards the following outcomes identified by Hutt City residents as being important to the city's future economic wellbeing:

- A local economy that is attractive to both business 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 business' needs
- Good telecommunications systems
- 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
- Making the most of the CRIs by attracting the kind of people with the entrepreneurial nous to build on these R&D outcomes
- Attraction of tourists to Hutt City
- A built environment that is attractive, safe and healthy
- A more attractive city
- Developing the uniqueness of Hutt City including its history and culture.

Reporting on Progress Towards the Achievement of Community Outcomes

We produced our first report in 2007 covering the period 2003 to 2006, and the results are available on the Council website or by phoning 570 6805.

For information on the activities carried out over the past year that work towards achieving the community outcomes, refer to A Great Place to Live from page 14 and A Great Place to Work from page 32.

Activity 14: Local Urban Design

What we do

Council aims to develop an urban environment that will help attract people and investment, as well as enhance the city's image. Council also recognises the role Hutt City's heritage and features play in the city's image. Council implements environmental policies and plans for the sustainable development of Hutt City, including environmental education and promotion. An annual waste minimisation programme is run to promote the concept of "reduce, reuse, recycle" to business and citizens.

Why we do it

The public space of Hutt City is managed and developed by Council on behalf of the community. It is important that urban design and infrastructure support and provide for the changing needs of community and modern business. The whole city benefits from the preservation of buildings of architectural and historic value because these add to and reinforce our sense of place and self identity as a community. Solid waste management is necessary for the health and quality of life of the community. Council promotes recycling and waste reduction.

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Residents feel a sense of pride in the way the city looks and feels: Equal to or above previous results	86%	90%	N/A	91%	NRB Communitrak Survey
Businesses feel a sense of pride in the way the city looks and feels: Equal to or above previous results	76%	67%	N/A	67%	Biennial Business Survey
Resident satisfaction with:					NRB Communitrak Survey
+ litter control: ≥ 86%	86%	89%	79%	91%	
+ recycling: ≥ 86%	86%	91%	90%	87%	
+ levels of graffiti: ≥ 84%	84%	82%	N/A	87%	
Percentage of households that have used the recycling service in the last 12 months: ≥ 79%	79%	86%	N/A	85%	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	7,129 tonnes	7,479 tonnes	N/A	7,349 tonnes	Management Reports

LOCAL URBAN DESIGN – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
Capital Contributions	3	7	–
Total Revenue	3	7	–
EXPENDITURE			
Employee Costs	114	111	212
Support Costs	165	165	167
Operating Costs	644	731	452
Interest	6	6	6
Depreciation	82	280	244
Total Expenditure	1,011	1,293	1,081
DEFICIT BEFORE TAX	(1,008)	(1,286)	(1,081)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(1,008)	(1,286)	(1,081)
Add Capital Contributions	(3)	(7)	–
Total Rates Funding Requirement	(1,011)	(1,293)	(1,081)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(20)	(31)	(23)
Capital Expenditure – Improving Services	(729)	(1,281)	(838)
Less Capital Contributions	3	7	–
Less Depreciation	82	280	244
Total Loan Funding Requirement	(664)	(1,025)	(617)
TOTAL FUNDING REQUIREMENT	(1,675)	(2,318)	(1,698)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Suburban Shopping Centres Improvements	9	396	8

Delays in the start date for the suburban shopping centres improvements project has meant that it will now be undertaken in the 2009/2010 year. Funding for the project has been carried over to the 2009/2010 year.

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

Activity 15: Economic Development

What we do

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

Why we do it

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

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Business satisfaction with economic development programmes: $\geq 85\%$	85%	90%	N/A	90%	Biennial Business Survey
Resident satisfaction with: + the visitor information services: $\geq 91\%$ + special events: $\geq 91\%$	91% 91%	Not Measured	N/A	99% 98%	NRB Communitrak Survey
Economic performance of Hutt City measured in the annual Economic Development Strategy report to Council which includes such measures as: + Number of businesses: Improvement + Number of FTEs: Improvement + GDP: Improvement	Economic ranking relative to peer group of NZ cities: 9th ranked 8th ranked 5th ranked	Economic ranking relative to peer group of NZ cities: 7th ranked 6th ranked 2nd ranked	Economic ranking relative to peer group of NZ cities: 9th ranked 7th ranked 10th ranked	 Up 0.8% Up 2.0% Up 0.5%	Business Economic Research Limited (BERL) Statistics NZ Business Survey

ECONOMIC DEVELOPMENT – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	–	275	305
Operating Contributions	142	155	136
Other Revenue	358	12	21
Total Revenue	500	442	462
EXPENDITURE			
Employee Costs	595	609	521
Support Costs	401	409	413
Operating Costs	1,135	1,120	1,016
Interest	17	17	16
Total Expenditure	2,148	2,155	1,966
DEFICIT BEFORE TAX	(1,648)	(1,713)	(1,504)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(1,648)	(1,713)	(1,504)
Total Rates Funding Requirement	(1,648)	(1,713)	(1,504)
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Improving Services	(2)	–	(110)
Total Loan Funding Requirement	(2)	–	(110)
TOTAL FUNDING REQUIREMENT	(1,650)	(1,713)	(1,614)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

GROUP ORGANISATION

Significant Activities

16. Elected Members
17. Advice and Support
18. Managing Services

Community Outcomes

All the community outcomes are relevant for this group of activities, which provides management support and advice to elected members and Council officers. It also ensures that high levels of service are maintained, and that customers and staff are valued.

The role of the elected members and community representatives as part of this group is of the utmost importance. They represent the views of the community when decisions are being considered by Council.

Reporting on Progress Towards the Achievement of Community Outcomes

We produced our first report in 2007 covering the period 2003 to 2006, and the results are available on the Council website or by phoning 570 6805.

For information on the activities carried out over the past year that work towards achieving the community outcomes, refer to the sections entitled Hutt City, A Great Place to Live, A Great Place to Work and A Great Place to Play from page 14.

Activity 16: Elected members

What we do

Elected members provide a governance role for the City, set the strategic direction of the Council including determining the activities the Council undertakes (within legal parameters) and monitor the Council's performance on behalf of the city residents and ratepayers. Community boards and community committees are part of the Council's governance structure and provide local input into the Council's decision-making process.

Why we do it

To ensure good governance and good decision-making, and to meet legal requirements.

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Resident satisfaction with performance of the Mayor and Councillors: $\geq 88\%$	88%	94%	90%	91%	NRB Communitrak Survey
Resident satisfaction with the way rates are spent: $\geq 81\%$	81%	86%	75%	82%	NRB Communitrak Survey

ELECTED MEMBERS – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	5	–	5
Total Revenue	5	–	5
EXPENDITURE			
Employee Costs	916	943	865
Support Costs	533	533	543
Operating Costs	194	181	102
Total Expenditure	1,643	1,657	1,510
DEFICIT BEFORE TAX	(1,638)	(1,657)	(1,505)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(1,638)	(1,657)	(1,505)
Total Rates Funding Requirement	(1,638)	(1,657)	(1,505)
LOAN FUNDING REQUIREMENT			
Total Loan Funding Requirement	–	–	–
TOTAL FUNDING REQUIREMENT	(1,638)	(1,657)	(1,505)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 17: Advice and Support

What we do

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

Why we do it

Professional advice and support are necessary to assist Council, community boards and community committees to make informed decisions on behalf of the community.

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Councillors are satisfied or more than satisfied with the formal advice received from officers: 80%	100%	100%	N/A	90%	Survey of Elected Members Note: 66% of surveys (8 out of 12) were completed and 90% of respondents were satisfied or more than satisfied
Councillors are satisfied or more than satisfied with responses to requests for assistance from officers: 80%	New measure for 2008/09	New measure for 2008/09	N/A	100%	Survey of Elected Members Note: 66% of surveys (8 out of 12) were completed and 100% of respondents were satisfied or more than satisfied
Community board and community committee members are satisfied or more than satisfied with the formal advice received from officers: 80%	72.5%	75%	N/A	–	Survey of Elected Members Note: Insufficient numbers of survey forms were returned to ensure a statistically robust analysis
Community board and community committee members are satisfied or more than satisfied with responses to requests for assistance from officers: 80%	New measure for 2008/09	New measure for 2008/09	N/A	–	Survey of Elected Members Note: Insufficient numbers of survey forms were returned to ensure a statistically robust analysis

ADVICE AND SUPPORT – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	–	–	(1)
Operating Contributions	–	(6)	–
Other Revenue	–	–	141
Total Revenue	–	(6)	140
EXPENDITURE			
Employee Costs	–	–	27
Support Costs	3,710	3,710	3,410
Operating Costs	41	70	300
Total Expenditure	3,751	3,780	3,737
DEFICIT BEFORE TAX	(3,751)	(3,786)	(3,597)
RATES FUNDING REQUIREMENT			
Deficit Before Tax	(3,751)	(3,786)	(3,597)
Transfer (to)/from operating reserve	–	103	–
Total Rates Funding Requirement	(3,751)	(3,683)	(3,597)
LOAN FUNDING REQUIREMENT			
Total Loan Funding Requirement	–	–	–
TOTAL FUNDING REQUIREMENT	(3,751)	(3,683)	(3,597)

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

Activity 18: Managing Services

What we do

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

- Customer Services
- Corporate Planning
- Financial Services
- General Administration
- Human Resources
- Information Services
- Office of the Chief Executive (including Communications)
- Legal and Secretariat Services
- Strategic Development
- Monitoring and Reporting
- Organisational Excellence

Why we do it

This activity contributes to all Community Outcomes by supporting all of Council's other activities.

How we measure the service provided

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

MEASURE	ACHIEVED 2006/07	ACHIEVED 2007/08	PEER AVERAGE 2008/09	ACHIEVED 2008/09	SOURCE OF INFORMATION
Overall satisfaction ratings of resident surveys: \geq 87%	87%	89.7%	86%	89.9%	NRB Communitrak Survey
Satisfaction ratings in staff survey: \geq 70%	68.4%	70%	67%	69.1%	Best Places to Work Survey
Staff turnover: Less than 15%	12%	13.7%	N/A	10%	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: Less than 6 resulting in time off work	5 work related accidents resulted in time off work	4 work related accidents resulted in time off work	N/A	6 work related accidents resulted in time off work	Monthly Management Reports

MANAGING SERVICES – STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
REVENUE			
User Charges	965	997	1,203
Operating Contributions	–	60	(2,575)
Interest Earned	148	–	185
Gain	–	–	283
Other Revenue	170	84	2,251
Total Revenue	1,283	1,141	1,347
EXPENDITURE			
Employee Costs	7,634	7,282	6,114
Operating Costs	4,192	5,839	3,292
Interest	(149)	–	735
Loss	1,706	–	352
Depreciation	1,385	1,396	1,376
Total Expenditure	14,768	14,517	11,869
DEFICIT BEFORE ALLOCATIONS	(13,485)	(13,376)	(10,522)
Less costs allocated to significant activities	(12,993)	(13,376)	(12,520)
SURPLUS/(DEFICIT) BEFORE TAX	(492)	–	1,998
RATES FUNDING REQUIREMENT			
Surplus/(deficit) before tax	(492)	–	1,998
Transfer from loan funding	–	1,500	–
Total Rates Funding Requirement	(492)	1,500	1,998
LOAN FUNDING REQUIREMENT			
Capital Expenditure – Maintaining Services	(891)	(1,005)	(1,535)
Capital Expenditure – Improving Services	(1,683)	(2,028)	(1,019)
Less Depreciation	1,385	1,396	1,376
Transfer to rate funding	–	(1,500)	–
Total Loan Funding Requirement	(1,189)	(3,137)	(1,178)
TOTAL FUNDING REQUIREMENT	(1,681)	(1,637)	820

Significant Asset Acquisitions or Replacements and Variations from the LTCCP

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000	ACTUAL 30 JUNE 2008 \$000
Digitisation of Council Core Information	1,126	1,038	949

The scope of the digitisation project was changed during the year, and this resulted in additional funding being required to complete the work.

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

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.



David Ogden
Mayor
30 October 2009



Tony Stallinger
Chief Executive
30 October 2009

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009						
	NOTES	COUNCIL			GROUP	
		ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
REVENUE						
Rates revenue	2	77,557	77,370	73,792	77,321	73,607
User charges	3	26,126	27,450	26,561	28,745	29,069
Subsidies received	3	9,865	10,588	9,478	9,865	9,478
Finance revenue	4	148	–	185	146	199
Gain	5	656	–	283	656	283
Other revenue	3	4,742	2,027	4,592	4,927	4,715
Dowse Collection Adjustment	14	5,303	–	–	5,303	–
Total revenue		124,397	117,435	114,891	126,963	117,351
EXPENDITURE						
Employee costs	6	23,972	23,036	21,399	24,671	22,098
Operating costs	7	62,215	60,879	57,649	63,510	58,236
Finance costs	4	6,330	6,102	6,406	6,581	6,756
Loss	5	1,706	–	352	1,706	352
Depreciation and amortisation	14 & 15	26,384	24,286	23,349	27,133	24,049
Total expenditure		120,607	114,303	109,155	123,601	111,491
Surplus/(Deficit) before tax		3,790	3,132	5,736	3,362	5,860
Income tax expense	8	–	–	–	–	–
SURPLUS/(DEFICIT) AFTER TAX		3,790	3,132	5,736	3,362	5,860

Explanation of the Council's surplus after tax

Council made a surplus after tax of \$3.790 million compared with a budgeted surplus after tax of \$3.132 million. The operating result was therefore \$0.658 million better than budget. Explanations of major variances against budget are detailed in note 32.

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.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009						
	NOTES	COUNCIL			GROUP	
		ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
Equity at beginning of the year		972,167	969,759	966,431	973,010	967,150
Surplus/(deficit) for the year		3,790	3,132	5,736	3,362	5,860
Total recognised income and expense		3,790	3,132	5,736	3,362	5,860
Valuation gains/(losses) taken to equity		163,852	–	–	163,852	–
EQUITY AT END OF THE YEAR		1,139,809	972,891	972,167	1,140,224	973,010
Attributable to:						
– Hutt City Council		1,139,809	972,891	972,167	1,139,690	973,160
– Urban Plus Limited		–	–	–	(886)	(433)
– Seaview Marina Limited		–	–	–	1,420	283
BALANCE AT 30 JUNE	24	1,139,809	972,891	972,167	1,140,224	973,010

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009						
		COUNCIL			GROUP	
	NOTES	ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
EQUITY						
Accumulated funds	24	729,970	736,291	730,406	730,385	731,249
Council created reserves	24	21,100	11,401	16,900	21,100	16,900
Restricted reserves	24	83	57	57	83	57
Asset revaluation reserves	24	388,656	225,142	224,804	388,656	224,804
TOTAL EQUITY		1,139,809	972,891	972,167	1,140,224	973,010
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	9	8,958	4,239	7	9,023	280
Debtors and other receivables	10	10,013	8,070	9,171	10,380	9,684
Inventories	12	46	–	14	48	22
Derivative financial instruments	11	1,742	2,714	1,619	1,742	1,619
Prepayments		352	–	858	353	902
Other assets	18	–	167	273	–	273
Non-current assets held for sale	13	392	2,006	308	2,096	308
Total current assets		21,503	17,196	12,250	23,642	13,088
NON-CURRENT ASSETS						
Property, plant and equipment	14	1,199,102	1,044,328	1,028,104	1,217,938	1,047,034
Intangible assets	15	2,123	1,447	1,912	2,137	1,935
Assets under construction		21,167	413	24,754	21,596	24,901
Investment in subsidiaries	16	14,545	14,545	14,545	–	–
Investment in associates	17	224	224	224	104	224
Other financial assets	18	678	836	675	678	675
Total non-current assets		1,237,839	1,061,793	1,070,214	1,242,453	1,074,769
TOTAL ASSETS		1,259,342	1,078,989	1,082,464	1,266,095	1,087,857
CURRENT LIABILITIES						
Cash and cash equivalents	21	–	–	204	–	146
Borrowings – current	21	44,406	53,663	35,900	50,056	39,900
Derivative financial instruments	11	2,596	1,510	767	2,596	767
Creditors and other payables	20	17,954	5,761	19,742	18,086	19,809
Employee entitlements	22	2,214	1,412	1,828	2,276	1,873
Other liabilities	25	2,910	15,411	3,039	3,404	3,523
Total current liabilities		70,080	77,757	61,480	76,418	66,018
NON-CURRENT LIABILITIES						
Borrowings – non current	21	45,194	25,000	45,231	45,194	45,231
Employee entitlements	22	688	–	633	688	645
Provisions – non current	23	3,571	3,341	2,953	3,571	2,953
Other liabilities	25	–	–	–	–	–
Total non-current liabilities		49,453	28,341	48,817	49,453	48,829
TOTAL LIABILITIES		119,533	106,098	110,297	125,871	114,847
NET ASSETS		1,139,809	972,891	972,167	1,140,224	973,010

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

NOTES	COUNCIL			GROUP	
	ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from rates and levies – Council	76,997	77,370	73,732	76,806	73,323
Receipts from rates and levies – GWRC*	16,905	13,000	14,858	16,905	14,858
Receipts from user charges and other income	38,344	39,713	40,171	41,227	41,646
Interest received	148	152	185	146	199
Dividends	29	–	–	29	–
Net GST received from Inland Revenue**	–	–	–	–	–
	132,423	130,235	128,946	135,113	130,026
Cash was applied to:					
Payments to employees	(23,531)	(22,739)	(20,988)	(24,225)	(21,671)
Payments to suppliers	(63,128)	(61,176)	(56,465)	(64,308)	(57,454)
Interest paid	(5,690)	(6,102)	(6,465)	(5,941)	(6,815)
Net GST paid to Inland Revenue	(116)	–	(1,244)	(116)	(1,244)
Rates and levies passed to GWRC*	(16,905)	(13,000)	(14,858)	(16,905)	(14,858)
	(109,370)	(103,017)	(100,020)	(111,495)	(102,042)
NET CASH FLOWS FROM OPERATING ACTIVITIES	26	23,053	27,218	23,618	27,984
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Receipts from sale of property, plant and equipment	1,003	4,312	1,526	1,123	1,788
Other investment receipts	273	–	330,563	273	330,563
	1,276	4,312	332,089	1,396	332,351
Cash was applied to:					
Purchase of property, plant and equipment	(22,612)	(23,567)	(38,357)	(25,212)	(37,097)
– less UHCC capital contribution	–	697	–	–	–
Purchase of intangible assets	(1,031)	–	(1,148)	(1,032)	(1,157)
Investment in subsidiary	–	–	–	–	–
Other payments and investments	–	–	(325,321)	–	(325,321)
	(23,643)	(22,870)	(364,826)	(26,244)	(363,575)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(18,558)	(32,737)	(24,848)	(31,224)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009					
NOTES	COUNCIL			GROUP	
	ACTUAL 2009 \$000	BUDGET 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Proceeds from borrowings	675,769	240,941	826,110	677,419	826,110
Cash was applied to:					
Repayment of borrowings	(667,300)	(249,704)	(827,355)	(667,300)	(827,655)
NET CASH FLOWS FROM FINANCING ACTIVITIES	8,469	(8,763)	(1,245)	10,119	(1,545)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	9,155	(103)	(5,056)	8,889	(4,785)
Cash, cash equivalents and bank overdrafts at the beginning of the year	(197)	4,342	4,859	134	4,919
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	8,958	4,239	(197)	9,023	134
Cash balance at end of the year comprises:					
Cash and on call deposits	8,958	4,239	7	9,023	280
Short term deposits	–	–	–	–	–
Bank overdraft (unsecured)	–	–	(204)	–	(146)
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	8,958	4,239	(197)	9,023	134

* 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 accounting policies and notes form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2009

REPORTING ENTITY

The Hutt City Council (referred to as 'Council') is a territorial local authority governed by the Local Government Act 2002. Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name 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 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 Council are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 30 October 2009.

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, investment property 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 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 Financial Performance.

Changes in accounting policies

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

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 has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required.

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 include:

- NZ IAS 1 *Presentation of Financial Statements* (revised 2007) replaces NZ IAS 1 *Presentation of Financial Statements* (issued 2004) and effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a Statement of Comprehensive Income. The Statement of Comprehensive Income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners.

The revised standard gives the Council the option of presenting items of income and expense and components of other comprehensive income with subtotals, or in two separate statements (a separate Income Statement followed by a Statement of Comprehensive Income). The Council intends to adopt this standard for the year ending 30 June 2010, and a single Statement of Comprehensive Income will be prepared.

- NZ IAS 23 *Borrowing Costs* (revised 2007) replaces NZ IAS 23 *Borrowing Costs* (revised 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. In October 2008, the mandatory adoption of NZ IAS 23 (revised 2007) by public benefit entities was deferred pending the completion of the Financial Reporting Standard Board's research project into the application of NZ IAS 23 (revised 2007) by public benefit entities. The Council has elected to defer the adoption of the revised NZ IAS. Accordingly, all borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset continue to be recognised as an expense.
- NZ IFRS 3 *Business Combinations* (revised 2008) and amended NZ IAS 27 *Consolidated and Separate Financial Statements* are effective for reporting periods beginning on or after 1 July 2009 and must be applied prospectively from that date. The main changes the revised NZ IFRS 3 and amended NZ IAS 27 will make to existing requirements or practice are:
 - Partial acquisitions – Non-controlling interests are measured either as their proportionate interest in the net identifiable assets (which is the original NZ IFRS 3 requirement) or at fair value.
 - Step acquisitions – The requirement to measure at fair value every asset and liability at each step for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill is measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired.
 - Acquisition-related costs - Acquisition-related costs are generally recognised as expenses (rather than included in the cost of acquisition).

- Contingent consideration – Contingent consideration must be recognised and measured at fair value at the acquisition date. Subsequent changes in fair value are recognised in accordance with other NZ IFRSs, usually in profit or loss (rather than by adjusting the cost of acquisition).

The Council will adopt the revised NZ IFRS 3 and amended NZ IAS 27 for the year ended 30 June 2010, which will impact on business combinations that occur on or after 1 July 2009.

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 Financial Performance.

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 Financial Performance. 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 Council's 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 New Zealand Transport Agency, which subsidises part of the Council's costs in 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 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.

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 profit 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 profit.

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 profits 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 profit nor taxable profit.

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 Financial Performance, 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 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 Financial Performance 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 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.

Trade and other receivables

Trade 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.

Financial assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Statement of Financial Performance.

Purchases and sales of investments are recognised on trade-date, the date on which Council 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 profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets fair value through profit or loss

Financial assets fair value through profit or loss 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 (eg interest rate swaps and options) are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values with gains or losses on remeasurement recognised in the Statement of Financial Performance.

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's 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 Statement of Financial Performance.

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 Statement of Financial Performance 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. The Council's held to maturity investments include sinking funds.

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 Statement of Financial Performance.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They include non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

The Council 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 directly in equity except for impairment losses, which are recognised in the Statement of Financial Performance.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Financial Performance.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation

techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of financial assets

At each Statement of Financial Position 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 Financial Performance.

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 Financial Performance. 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 Financial Performance) is removed from equity and recognised in the Statement of Financial Performance. Impairment losses recognised in the Statement of Financial Performance on equity investments are not reversed through the Statement of Financial Performance.

Derivative financial instruments and hedging activities

Council uses derivative financial instruments to hedge 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.

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 Financial Performance.

The Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as financial instruments at fair value through profit or loss.

Inventories

Inventories (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 are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are 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 Statement of Financial Performance 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 Financial Performance. 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 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.

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

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 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 the cost of the item can be measured reliably.

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 Financial Performance. 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.

The expected useful economic lives have been estimated as follows:

ESTIMATED ECONOMIC LIVES	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 fitout	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		
Stormwater, water supply and wastewater 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 stormwater	100	1
Landfill roading	20 – 100	1 – 5

ESTIMATED ECONOMIC LIVES	YEARS	PERCENTAGES
Roothing 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

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.

The Council

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 Financial

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

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

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

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

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 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 Financial Performance.

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 Statement of Financial Performance. For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

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 Financial Performance, a reversal of the impairment loss is also recognised in the Statement of Financial Performance.

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

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 has 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 expects 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 recognises 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 anticipates it will be used by staff to cover those future absences.

Council recognises 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 Financial Performance 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 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 arm's 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 is Silverstream 30 years, and Wainuiomata 28 years.

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

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 as measured by total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the specified uses that Council 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.

Sinking funds

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

During the financial year the funds held within the Sinking Fund were transferred to Council.

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 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 stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- ➔ estimating any obsolescence or surplus capacity of an asset; and
- ➔ estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Financial Performance. 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.

Judgments 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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
General rates	52,501	49,851	52,265	49,666
Targeted rate – water supply	10,025	10,085	10,025	10,085
Targeted rate – wastewater	13,832	13,856	13,832	13,856
Targeted rate – recycling	1,199	–	1,199	–
Uniform annual general charge	–	–	–	–
TOTAL RATES REVENUE	77,557	73,792	77,321	73,607

Rates remissions

Rates revenue is shown net of rates remissions, totalling \$237,000 (2008: \$799,390). 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 profit. 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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Schools	165	165	165	165
Kindergartens/playcentres	10	10	10	10
Sports bodies	2	3	2	3
Churches	28	28	28	28
Hospitals	17	16	17	16
Economic development	–	549	–	549
Other	5	6	5	6
Flooding	–	2	–	2
Penalty remissions	10	20	10	20
TOTAL	237	799	237	799

3. USER CHARGES AND SUBSIDIES RECEIVED				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
USER CHARGES				
Rent	1,130	1,022	3,743	3,530
Water by meter	1,804	1,970	1,804	1,970
Parking fees	1,607	1,764	1,607	1,764
Service and entry fees	3,080	2,762	3,087	2,762
Solid waste collection and disposal	10,935	11,188	10,934	11,188
Other user charges	848	843	848	843
Regulatory revenue	4,424	5,132	4,424	5,132
Penalties	2,298	1,880	2,298	1,880
TOTAL USER CHARGES	26,126	26,561	28,745	29,069
SUBSIDIES RECEIVED				
Operating subsidies	148	119	148	119
New Zealand Transport Agency	6,568	6,546	6,568	6,546
Upper Hutt City Council	2,868	2,169	2,868	2,169
Other government	197	431	197	431
Capital subsidies	84	213	84	213
TOTAL SUBSIDIES RECEIVED	9,865	9,478	9,865	9,478
OTHER REVENUE				
Dividends	29	31	29	31
Vested assets	1,739	1,836	1,770	1,836
Petrol tax	492	504	492	504
Sale of goods	518	602	626	754
Miscellaneous revenue	1,964	1,619	2,010	1,590
TOTAL OTHER REVENUE	4,742	4,592	4,927	4,715

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

4. FINANCE REVENUE AND FINANCE COSTS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
FINANCE REVENUE				
Interest revenue				
+ call and term deposits	142	145	146	180
+ related party deposits	6	21	–	–
+ community loans	–	19	–	19
Total finance revenue	148	185	146	199
FINANCE COSTS				
Interest expense				
+ interest on bank borrowings	5,646	6,089	5,902	6,460
+ related party borrowings	5	21	–	–
+ discount unwind on provisions (note 23)	679	296	679	296
Fair value gains on hedging instruments				
+ fair value hedging instruments	–	–	–	–
+ fair value adjustment to bank borrowings	–	–	–	–
Total finance costs	6,330	6,406	6,581	6,756
NET FINANCE COSTS	6,182	6,221	6,435	6,557
5. GAINS & LOSSES				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
NON-FINANCIAL INSTRUMENTS				
Property, plant and equipment gains on disposal	656	283	656	283
Total non-financial instruments gains	656	283	656	283
FINANCIAL INSTRUMENTS				
Fair value through equity investments gains on disposal	–	–	–	–
Gains/(Losses) on held for trading derivative financial instruments:				
+ interest rate swaps	(1,706)	(352)	(1,706)	(352)
Ineffectiveness on fair value hedges	–	–	–	–
Total financial instruments gains/(losses)	(1,706)	(352)	(1,706)	(352)
TOTAL GAINS/(LOSSES)	(1,050)	(69)	(1,050)	(69)

6. EMPLOYEE COSTS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Salaries and wages	21,914	19,541	22,559	20,168
Redundancy	0	17	0	17
Recruitment costs	120	124	131	134
Training	634	611	653	632
ACC	221	198	228	202
Other employee costs	229	141	240	158
Retiring and Long Service Leave	337	322	337	322
Defined contribution plan employer contributions	76	34	77	38
Increase/(decrease) in employee entitlements/liabilities	441	411	446	427
TOTAL EMPLOYEE COSTS	23,972	21,399	24,671	22,098

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

7. OPERATING COSTS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
AUDITORS' FEES				
+ for auditing the financial statements	133	127	145	143
+ for auditing the Community Plan	95	–	95	–
+ additional fees for auditing 2007/08 financial statements	30	–	30	–
Impairment of receivables	(154)	(115)	(106)	(111)
Directors' fees	–	–	112	108
Entertainment	55	57	58	58
Grants	1,246	1,155	1,246	1,155
Donations	17	9	18	9
Insurance	712	914	801	1,003
Inventories	334	420	336	422
Legal services	350	402	370	413
Other specialist services	2,831	2,510	2,863	2,524
Total remuneration to councillors	684	632	684	632
Minimum lease payments under operating leases	724	802	762	836
Operational contracts	23,634	21,602	23,455	21,467
Maintenance	8,858	8,700	9,215	8,947
GWRC bulk water charges	5,914	5,938	5,914	5,938
Energy costs	2,947	2,955	3,000	2,997
Other expenses	13,805	11,541	14,512	11,695
TOTAL EXPENDITURE	62,215	57,649	63,510	58,236

8. TAXATION				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Net surplus/(deficit) before tax	3,790	5,736	3,362	5,860
Tax at 30% (2008: 33%)	1,137	1,893	1,009	1,934
Non-deductable expenditure and exempt income	(1,090)	(1,893)	(865)	(1,934)
Tax losses not recognised	(47)	–	(144)	–
Tax Expense	–	–	–	–
Tax expense comprises:				
+ Current tax	–	–	–	–
+ Deferred tax	–	–	–	–
DEFERRED TAX LIABILITY				
Balance at beginning of the year	–	–	–	–
Movements during the year	–	–	–	–
BALANCE AT END OF THE YEAR	–	–	–	–

A deferred tax asset has not been recognised in relation to tax losses of \$2,868,063 (2008: \$3,026,514). A deferred tax asset has not been recognised in relation to temporary differences of \$nil. The losses are available for offset against future assessable income.

9. CASH AND CASH EQUIVALENTS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Cash at bank and on hand	8,958	7	9,023	280
Term deposits with maturities less than three months	–	–	–	–
CASH AND CASH EQUIVALENTS	8,958	7	9,023	280

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 \$83,000 (2008: \$57,000), as shown in note 24.

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

	NOTE	COUNCIL		GROUP	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Cash at bank and on hand	9	8,958	7	9,023	280
Term deposits with maturities less than three months		–	–	–	–
Bank overdraft	21	–	(204)	–	(146)
TOTAL		8,958	(197)	9,023	134

10. DEBTORS AND OTHER RECEIVABLES	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Rates receivable	2,548	2,000	2,548	2,000
Other receivables:				
+ Amounts due from related parties (note 29)	163	–	–	–
+ GST receivable	2,369	2,253	2,369	2,253
+ Other receivables	5,238	5,235	5,831	5,766
Total other receivables	7,770	7,488	8,200	8,019
Gross debtors and other receivables	10,318	9,488	10,748	10,019
Less provision for impairment	(305)	(317)	(368)	(335)
TOTAL DEBTORS AND OTHER RECEIVABLES	10,013	9,171	10,380	9,684

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 (2008: \$nil).

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

RATES RECEIVABLES	2009			2008		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
COUNCIL						
Not past due	–	–	–	–	–	–
Past due 1-60 days	1,848	(9)	1,839	1,149	–	1,149
Past due 61-120 days	328	–	328	378	–	378
Past due >120 days	372	–	372	473	–	473
TOTAL	2,548	(9)	2,539	2,000	–	2,000
Group						
Not past due	–	–	–	–	–	–
Past due 1-60 days	1,848	(9)	1,839	1,149	–	1,149
Past due 61-120 days	328	–	328	378	–	378
Past due >120 days	372	–	372	473	–	473
TOTAL	2,548	(9)	2,539	2,000	–	2,000

OTHER RECEIVABLES	2009			2008		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
COUNCIL						
Not past due	7,223	(60)	7,163	7,019	(90)	6,929
Past due 1-30 days	266	–	266	181	–	181
Past due 31-60 days	45	–	45	24	–	24
Past due >60 days	236	(236)	–	264	(227)	37
TOTAL	7,770	(296)	7,474	7,488	(317)	7,171
GROUP						
Not past due	7,546	(60)	7,486	7,550	(90)	7,460
Past due 1-30 days	283	–	283	181	–	181
Past due 31-60 days	98	(48)	50	24	–	24
Past due >60 days	273	(251)	22	264	(245)	19
TOTAL	8,200	(359)	7,841	8,019	(335)	7,684
TOTAL RECEIVABLES – COUNCIL	10,318	(305)	10,013	9,488	(317)	9,171
TOTAL RECEIVABLES – GROUP	10,748	(368)	10,380	10,019	(335)	9,684

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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Individual impairment	206	227	265	227
Collective impairment	99	90	103	108
TOTAL PROVISION FOR IMPAIRMENT	305	317	368	335

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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Past due 1-30 days	–	–	–	–
Past due 31-60 days	–	–	48	–
Past due > 60 days	206	227	217	227
TOTAL INDIVIDUAL IMPAIRMENT	206	227	265	227

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

	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
At 1 July	317	517	335	517
Additional provisions made during the year	50	78	117	96
Provisions reversed during the year	(22)	(224)	(41)	(224)
Receivables written-off during the period	(40)	(54)	(43)	(54)
AT 30 JUNE	305	317	368	335

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

11. DERIVATIVE FINANCIAL INSTRUMENTS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT ASSET PORTION				
Interest rate swaps – fair value hedges	–	–	–	–
Interest rate swaps – cash flow hedges	–	–	–	–
Interest rate swaps – held for trading	1,742	1,619	1,742	1,619
Total current asset portion	1,742	1,619	1,742	1,619
NON-CURRENT ASSET PORTION				
Interest rate swaps – fair value hedges	–	–	–	–
Interest rate swaps – cash flow hedges	–	–	–	–
Interest rate swaps – held for trading	–	–	–	–
Total non-current asset portion	–	–	–	–
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	1,742	1,619	1,742	1,619
CURRENT LIABILITY PORTION				
Interest rate swaps – fair value hedges	–	–	–	–
Interest rate swaps – held for trading	2,596	767	2,596	767
Forward foreign exchange contracts – held for trading	–	–	–	–
Total current liability portion	2,596	767	2,596	767
NON-CURRENT LIABILITY PORTION				
Interest rate swaps – held for trading	–	–	–	–
Total non-current liability portion	–	–	–	–
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	2,596	767	2,596	767
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	(854)	852	(854)	852

Fair value

The fair value of interest rate swaps has 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 \$40 million (2008: \$42 million) and for the Group were \$40 million (2008: \$42 million). At 30 June 2009, the fixed interest rates of cash flow hedges interest rate swaps vary from 3.79% to 7.11% (2008: 5.61% to 7.25%).

12. INVENTORIES				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
COMMERCIAL INVENTORIES HELD FOR SALE:				
Diesel	–	–	2	8
Inventory	46	14	46	14
	46	14	48	22

No inventories are pledged as security for liabilities (2008: \$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				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
NON-CURRENT ASSETS HELD FOR SALE ARE:				
+ land	392	308	2,096	308
+ buildings	–	–	–	–
TOTAL NON-CURRENT ASSETS HELD FOR SALE ARE:	392	308	2,096	308

14. PROPERTY, PLANT AND EQUIPMENT

	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
COUNCIL											
2009											
Operational assets											
Land	-	34,052	132	(264)	-	-	-	9,452	43,372	-	43,372
Buildings	(7,444)	57,697	3,892	(416)	7,394	-	(2,941)	(3,867)	64,750	(2,991)	61,759
Landfill Building Assets	(497)	1,707	-	-	679	-	(182)	3,011	5,215	-	5,215
Library books	(1,220)	2,461	1,013	-	-	-	(643)	-	4,694	(1,863)	2,831
Plant and equipment	(6,032)	3,865	4,613	-	177	-	(974)	-	14,510	(6,829)	7,681
Wharves	(1,671)	611	-	-	-	-	(95)	-	2,282	(1,766)	516
Landfill Plant	(69)	93	-	-	84	-	(15)	601	763	-	763
Breakwaters	(111)	5,128	-	-	111	-	(56)	(111)	5,128	(56)	5,072
Parking Meters	(1)	213	-	-	1	-	(125)	322	536	(125)	411
Collection Assets											
Paintings	-	927	2,748	-	-	-	-	106	3,781	-	3,781
Works on Paper (NZ) & International	-	39	1,128	-	-	-	-	31	1,198	-	1,198
Other Collection Items	(1)	885	1,679	-	-	-	(1)	-	2,565	(2)	2,563
Total collections	(1)	1,851	5,555	-	-	-	(1)	137	7,544	(2)	7,542
TOTAL OPERATIONAL ASSETS	(17,046)	107,678	15,205	(680)	8,446	-	(5,032)	9,545	148,794	(13,632)	135,162

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	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Infrastructural assets												
Wastewater system	223,589	(13,657)	209,932	6,126	-	13,421	-	(7,541)	15,929	245,644	(7,777)	237,867
Less UHCC share in HVS assets	(39,075)	2,492	(36,583)	(818)	-	-	-	1,349	(1,661)	(41,554)	3,841	(37,713)
	184,514	(11,165)	173,349	5,308	-	13,421	-	(6,192)	14,268	204,090	(3,936)	200,154
Land	157,270	-	157,270	198	(128)	-	-	-	5,312	162,652	-	162,652
Landfill Land Asset	2,860	-	2,860	-	-	-	-	-	-	2,860	-	2,860
Stormwater system	134,263	(4,214)	130,049	1,792	-	4,213	-	(2,586)	19,740	155,795	(2,587)	153,208
Stormwater Landfill assets	2,906	(174)	2,732	-	-	261	-	(87)	594	3,500	-	3,500
Water supply system	95,760	(5,055)	90,705	2,205	-	5,055	-	(2,940)	4,861	102,826	(2,940)	99,886
Roading network	287,505	(13,899)	273,606	7,894	-	13,399	-	(8,574)	36,069	331,468	(9,074)	322,394
Roading Landfill Assets	1,602	(166)	1,436	-	-	249	-	(83)	2,258	3,860	-	3,860
Seawalls	3,293	(116)	3,177	-	-	117	-	(61)	57	3,350	(60)	3,290
Total Infrastructural assets	869,973	(34,789)	835,184	17,397	(128)	36,715	-	(20,523)	83,159	970,401	(18,597)	951,804
Restricted assets												
Land	85,146	-	85,146	455	-	-	-	-	26,462	112,063	-	112,063
Total Restricted assets	85,146	-	85,146	455	-	-	-	-	26,462	112,063	-	112,063
Joint venture assets												
Share of PPE	152	(56)	96	-	(37)	36	-	(22)	-	115	(42)	73
Total joint venture assets	152	(56)	96	-	(37)	36	-	(22)	-	115	(42)	73
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,079,995	(51,891)	1,028,104	33,057	(845)	45,197	-	(25,577)	119,166	1,231,373	(32,271)	1,199,102

14. PROPERTY, PLANT AND EQUIPMENT

	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SUPPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
COUNCIL											
2008											
Operational assets											
Land	33,351	33,351	701	-	-	-	-	-	34,052	-	34,052
Buildings	(2,575)	59,381	122	-	-	(2,904)	-	-	62,078	(5,479)	56,599
Library books	(615)	2,328	738	-	-	(605)	-	-	3,681	(1,220)	2,461
Collections	(1)	1,817	34	-	-	-	-	-	1,852	(1)	1,851
Plant and equipment	(8,992)	12,109	2,578	(618)	308	(1,662)	-	-	23,061	(10,346)	12,715
Total operational assets	(12,183)	108,986	4,173	(618)	308	(5,171)	-	-	124,724	(17,046)	107,678
Infrastructural assets											
Wastewater system	(6,791)	213,698	3,100	-	-	(6,866)	-	-	223,589	(13,657)	209,932
Less UHCC share in HVS assets	1,219	(37,145)	(711)	-	-	1,273	-	-	(39,075)	2,492	(36,583)
	(5,572)	176,553	2,389	-	-	(5,593)	-	-	184,514	(11,165)	173,349
Land	-	160,217	498	(585)	-	-	-	-	160,130	-	160,130
Stormwater system	(2,139)	128,451	6,579	-	-	(2,249)	-	-	137,169	(4,388)	132,781
Water supply system	(2,504)	90,649	2,607	-	-	(2,551)	-	-	95,760	(5,055)	90,705
Roading network	(7,036)	273,554	8,517	-	-	(7,029)	-	-	289,107	(14,065)	275,042
Seawalls	(58)	3,235	-	-	-	(58)	-	-	3,293	(116)	3,177
Total Infrastructural assets	(17,309)	832,659	20,590	(585)	-	(17,480)	-	-	869,973	(34,789)	835,184
Restricted assets											
Land	-	85,454	40	(348)	-	-	-	-	85,146	-	85,146
Total Restricted assets	-	85,454	40	(348)	-	-	-	-	85,146	-	85,146

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	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Joint venture assets											
Share of PPE	152	(41)	111	—	—	—	—	(15)	152	(56)	96
Total joint venture assets	152	(41)	111	—	—	—	—	(15)	152	(56)	96
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,056,743	(29,533)	1,027,210	24,803	(1,551)	308	—	(22,666)	1,079,995	(51,891)	1,028,104

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
2009												
Operational assets												
Land	34,052	-	34,052	132	(264)	-	-	-	9,452	43,372	-	43,372
Buildings	65,141	(7,444)	57,697	3,892	(416)	7,394	-	(2,941)	(3,867)	64,750	(2,991)	61,759
Landfill Building Assets	2,204	(497)	1,707	-	-	679	-	(182)	3,011	5,215	-	5,215
Library books	3,681	(1,220)	2,461	1,013	-	-	-	(643)	-	4,694	(1,863)	2,831
Plant and equipment	9,897	(6,032)	3,865	4,613	-	177	-	(974)	-	14,510	(6,829)	7,681
Wharves	2,282	(1,671)	611	-	-	-	-	(95)	-	2,282	(1,766)	516
Landfill Plant	162	(69)	93	-	-	84	-	(15)	601	763	-	763
Breakwaters	5,239	(111)	5,128	-	-	111	-	(56)	(111)	5,128	(56)	5,072
Parking Meters	214	(1)	213	-	-	1	-	(125)	322	536	(125)	411
Seaview Marina	1,926	(289)	1,637	58	-	-	-	(120)	-	1,984	(409)	1,575
Piers and berths	2,090	(385)	1,705	513	-	-	-	(87)	-	2,603	(472)	2,131
Urban Plus Limited	16,208	(620)	15,588	74	-	-	-	(532)	-	16,282	(1,152)	15,130
Collection Assets												
Paintings	927	-	927	2,748	-	-	-	-	106	3,781	-	3,781
Works on Paper (NZ) & International	39	-	39	1,128	-	-	-	-	31	1,198	-	1,198
Other Collection Items	886	(1)	885	1,679	-	-	-	(1)	-	2,565	(2)	2,563
Total collections	1,852	(1)	1,851	5,555	-	-	-	(1)	137	7,544	(2)	7,542
TOTAL OPERATIONAL ASSETS	144,948	(18,340)	126,608	15,850	(680)	8,446	-	(5,771)	9,545	169,663	(15,665)	153,998

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	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Infrastructural assets												
Wastewater system	223,589	(13,657)	209,932	6,126	-	13,421	-	(7,541)	15,929	245,644	(7,777)	237,867
Less UHCC share in HVS assets	(39,075)	2,492	(36,583)	(818)	-	-	-	1,349	(1,661)	(41,554)	3,841	(37,713)
	184,514	(11,165)	173,349	5,308	-	13,421	-	(6,192)	14,268	204,090	(3,936)	200,154
Land	157,270	-	157,270	198	(128)	-	-	-	5,312	162,652	-	162,652
Landfill Land Asset	2,860	-	2,860	-	-	-	-	-	-	2,860	-	2,860
Stormwater system	134,263	(4,214)	130,049	1,792	-	4,213	-	(2,586)	19,740	155,795	(2,587)	153,208
Stormwater Landfill assets	2,906	(174)	2,732	0	-	261	-	(87)	594	3,500	-	3,500
Water supply system	95,760	(5,055)	90,705	2,205	-	5,055	-	(2,940)	4,861	102,826	(2,940)	99,886
Roading network	287,505	(13,899)	273,606	7,894	-	13,399	-	(8,574)	36,069	331,468	(9,074)	322,394
Roading Landfill Assets	1,602	(166)	1,436	-	-	249	-	(83)	2,258	3,860	-	3,860
Seawalls	3,293	(116)	3,177	-	-	117	-	(61)	57	3,350	(60)	3,290
Total Infrastructural assets	869,973	(34,789)	835,184	17,397	(128)	36,715	-	(20,523)	83,159	970,401	(18,597)	951,804
Restricted assets												
Land	85,146	-	85,146	455	-	-	-	-	26,462	112,063	-	112,063
Total Restricted assets	85,146	-	85,146	455	-	-	-	-	26,462	112,063	-	112,063
Joint venture assets												
Share of PPE	152	(56)	96	-	(37)	36	-	(22)	-	115	(42)	73
Total joint venture assets	152	(56)	96	-	(37)	36	-	(22)	-	115	(42)	73
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,100,219	(53,185)	1,047,034	33,702	(845)	45,197	-	(26,316)	119,166	1,252,242	(34,304)	1,217,938

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
2008												
Operational assets												
Land	33,351	-	33,351	701	-	-	-	-	-	34,052	-	34,052
Buildings	61,956	(2,575)	59,381	122	-	-	(2,904)	(2,904)	-	62,078	(5,479)	56,599
Library books	2,943	(615)	2,328	738	-	-	(605)	(605)	-	3,681	(1,220)	2,461
Collections	1,818	(1)	1,817	34	-	-	-	-	-	1,852	(1)	1,851
Plant and equipment	21,101	(8,992)	12,109	2,578	(618)	308	(1,662)	(1,662)	-	23,061	(10,346)	12,715
Seaview Marina	1,778	(217)	1,561	148	-	-	(72)	(72)	-	1,926	(289)	1,637
Piers and berths	2,080	(301)	1,779	10	-	-	(84)	(84)	-	2,090	(385)	1,705
Urban Plus Limited	16,194	(88)	16,106	14	-	-	(532)	(532)	-	16,208	(620)	15,588
Total operational assets	141,221	(12,789)	128,432	4,345	(618)	308	(5,859)	(5,859)	-	144,948	(18,340)	126,608
Infrastructural assets												
Wastewater system	220,489	(6,791)	213,698	3,100	-	-	(6,866)	(6,866)	-	223,589	(13,657)	209,932
Less UHCC share in HVS assets	(38,364)	1,219	(37,145)	(711)	-	-	1,273	1,273	-	(39,075)	2,492	(36,583)
	182,125	(5,572)	176,553	2,389	-	-	(5,593)	(5,593)	-	184,514	(11,165)	173,349
Land	160,217	-	160,217	498	(585)	-	-	-	-	160,130	-	160,130
Stormwater system	130,590	(2,139)	128,451	6,579	-	-	(2,249)	(2,249)	-	137,169	(4,388)	132,781
Water supply system	93,153	(2,504)	90,649	2,607	-	-	(2,551)	(2,551)	-	95,760	(5,055)	90,705
Roading network	280,590	(7,036)	273,554	8,517	-	-	(7,029)	(7,029)	-	289,107	(14,065)	275,042
Seawalls	3,293	(58)	3,235	-	-	-	(58)	(58)	-	3,293	(116)	3,177
Total Infrastructural assets	849,968	(17,309)	832,659	20,590	(585)	-	(17,480)	(17,480)	-	869,973	(34,789)	835,184

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	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR DEPRECIATION \$000	REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
Restricted assets												
Land	85,454	—	85,454	40	(348)	—	—	—	—	85,146	—	85,146
Total Restricted assets	85,454	—	85,454	40	(348)	—	—	—	—	85,146	—	85,146
Joint venture assets												
Share of PPE	152	(41)	111	—	—	—	—	(15)	—	152	(56)	96
Total joint venture assets	152	(41)	111	—	—	—	—	(15)	—	152	(56)	96
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,076,795	(30,139)	1,046,656	24,975	(1,551)	308	—	(23,354)	—	1,100,219	(53,185)	1,047,034

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 were 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

During the year the Council recognised collections items valued at \$5.303 million that had not been previously recognised in the financial statements. 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 and Urban Plus Limited are recorded at deemed cost or actual cost and are not revalued.

15. INTANGIBLE ASSETS

	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR DISPOSALS \$000	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION \$000	CURRENT YEAR IMPAIRMENT CHARGES \$000	CURRENT YEAR REVALUATION SURPLUS \$000	COST/ VALUATION \$000	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES \$000	CARRYING AMOUNT \$000
COUNCIL											
2009											
Intangibles											
Software	4,941	(3,029)	1,912	1,031	(138)	125	-	(807)	5,834	(3,711)	2,123
	4,941	(3,029)	1,912	1,031	(138)	125	-	(807)	5,834	(3,711)	2,123
2008											
Intangibles											
Software	3,793	(2,346)	1,447	1,148	-	-	-	(683)	4,941	(3,029)	1,912
	3,793	(2,346)	1,447	1,148	-	-	-	(683)	4,941	(3,029)	1,912
GROUP											
2009											
Intangibles											
Software	5,011	(3,076)	1,935	1,032	(138)	125	-	(817)	5,905	(3,768)	2,137
	5,011	(3,076)	1,935	1,032	(138)	125	-	(817)	5,905	(3,768)	2,137
2008											
Intangibles											
Software	3,854	(2,380)	1,474	1,157	-	-	-	(696)	5,011	(3,076)	1,935
	3,854	(2,380)	1,474	1,157	-	-	-	(696)	5,011	(3,076)	1,935

16. INVESTMENT IN SUBSIDIARIES				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
CAPACITY				
Balance at beginning of the year	224	224	224	224
New Shares issued	–	–	–	–
Share of operating surplus / (deficit)	–	–	(120)	–
BALANCE AT END OF THE YEAR	224	224	104	224

	TOTAL CAPACITY		COUNCIL SHARE		GROUP SHARE	
	30 JUNE 2009 \$000	30 JUNE 2008 \$000	30 JUNE 2009 \$000	30 JUNE 2008 \$000	30 JUNE 2009 \$000	30 JUNE 2008 \$000
Revenue	6,520	5,423	2,412	2,205	2,412	2,205
Expenditure	6,498	5,508	2,404	2,240	2,404	2,240
Assets	1,358	1,095	502	405	502	405
Liabilities	1,083	808	401	299	401	299
Surplus(Deficit) before taxation	22	(85)	8	(35)	8	(35)
Surplus(Deficit) after taxation	(8)	(89)	(3)	(33)	(3)	(33)

18. OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
OTHER ASSETS – CURRENT PORTION				
Sinking funds	–	273	–	273
Total other assets – current portion	–	273	–	273
OTHER ASSETS – NON-CURRENT PORTION				
NZ Local Government Insurance Company	234	234	234	234
Community and development loans	145	390	145	390
Smartlinx 3 Limited	375	375	375	375
Provision for impairment of community and development loans	(76)	(324)	(76)	(324)
Total other assets – non-current portion	678	675	678	675
TOTAL OTHER ASSETS	678	948	678	948

Community and development loans

The fair value of community and development loans is \$69,000 (2008: \$66,000). Fair value has been determined using a financial risk factor of 100% (2008: between 69% and 100%).

The face value of community and development loans is \$145,000 (2008: \$390,000).

Impairment

There have been impairments provisions made on community and development loans due to the financial risks of the payees.

Unlisted shares

The fair value of unlisted shares of Smartlinx 3 Limited and NZ Local Government Insurance Company have been determined using historical cost.

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. During the financial year Mighty River Power sold their share to Enpower.

The joint venture's unaudited results for the year ended 30 June 2009 are included in these Financial Statements under the classifications shown below:

	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
SHARE OF ASSETS EMPLOYED				
Share of revenue	77	119	77	119
Share of expenses	(78)	(78)	(78)	(78)
SHARE OF NET SURPLUS / (DEFICIT)	(1)	41	(1)	41
Share of property, plant and equipment	73	96	73	96
Share of accounts receivable	15	124	15	124
Share of accounts payable	(2)	(3)	(2)	(3)
TOTAL SHARE OF ASSETS EMPLOYED	86	217	86	217

There were no capital commitments, contingent assets or contingent liabilities owing at balance date (2008: \$nil).

20. CREDITORS AND OTHER PAYABLES				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Trade and other payables	8,066	7,131	8,069	7,131
Deposits and bonds	334	416	337	419
Accrued expenses	7,546	9,989	7,672	10,067
Amounts due to related parties (note 29)	–	14	–	–
Rates in advance	594	594	594	594
Amounts due to customers for contract work	1,414	1,598	1,414	1,598
	17,954	19,742	18,086	19,809

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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT PORTION				
Bank overdraft	–	204	–	146
Secured loans - Current	44,406	35,900	50,056	39,900
Total current portion	44,406	36,104	50,056	40,046
NON-CURRENT PORTION				
Secured loans - Non-current	45,194	45,231	45,194	45,231
Total non-current portion	45,194	45,231	45,194	45,231
TOTAL BORROWING	89,600	81,335	95,250	85,277

Term liability maturity profile

	INTEREST COST		COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
YEARS OF MATURITY						
Under 1 year	2,826	2,181	44,406	35,900	50,056	39,900
1 to 2 years	315	1,349	5,041	15,002	5,041	15,002
2 to 3 years	1,254	3	20,064	46	20,064	46
3 to 4 years	1	887	15	10,072	15	10,072
4 to 5 years	4	2	62	19	62	19
Over 5 years	1,251	1,688	20,012	20,092	20,012	20,092
TOTAL BORROWINGS	5,651	6,110	89,600	81,131	95,250	85,131

Secured loans

The Council's debt of \$89.6 million (2008: \$81.131 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 2.94% to 7.11% (2008: 3.5% to 9.12%).

Security

A debenture trust deed has been established and Perpetual Trust Limited appointed as Trustee. All borrowing, other than \$0.195 million, is secured by a charge over all rating in favour of the Trustee.

Council has a \$25 million (2008: \$25 million) wholesale advance facility with WestpacTrust and a \$25 million (2008: \$25 million) wholesale facility with ANZ Banking Group. As at 30 June 2009 a total of \$nil (2008: \$35.9 million) had been drawn against these facilities. The Facilities are secured under the Debenture Trust Deed.

22. EMPLOYEE ENTITLEMENTS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT PORTION				
Accrued Salaries and Wages	197	93	197	93
Time in lieu	26	20	26	20
Annual leave	1,875	1,601	1,937	1,646
Retirement and Long Service Leave	58	56	58	56
Sick Leave	58	58	58	58
Total Current portion	2,214	1,828	2,276	1,873
NON-CURRENT PORTION				
Long Service Leave	–	–	–	–
Retirement gratuities	688	633	688	645
Total Non-current portion	688	633	688	645
TOTAL EMPLOYEE ENTITLEMENTS	2,902	2,461	2,964	2,518

23. PROVISIONS	COUNCIL		GROUP	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Provision for landfill aftercare	3,571	2,953	3,571	2,953
Financial guarantees	–	–	–	–
	3,571	2,953	3,571	2,953

Movements in provision

	LANDFILL AFTERCARE	
	2009	2008
	\$000	\$000
Balance at beginning of the year	2,953	2,703
Discount unwinding	679	296
Amounts charged to provision during the period	(61)	(46)
BALANCE AT END OF THE PERIOD	3,571	2,953

Landfill aftercare costs

The Council gained 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. For example, the current Silverstream landfill will operate in two stages. A liability for stage two will only be created when the stage is commissioned and when refuse begins to accumulate in this stage (estimated to be December 2009).

Council currently operates two landfills, Silverstream (stage 1) and Wainuiomata. Based on current refuse inflows the landfills have a total remaining capacity of 260,000 cubic metres (2008: 320,000). This takes into account new extensions under construction at Silverstream (stage 1). This equals an estimated life of the Silverstream landfill as 8 months (100,000 cubic metres, 2008: 90,000) and Wainuiomata 4 years and 5 months (160,000 cubic metres, 2008: 230,000). Council is also monitoring gas, leachate, and water for five closed landfills identified as potential risks.

The cash outflows for the landfill post-closure are expected to continue for at least twenty to thirty years, on closed landfills, Silverstream stage 1 and Wainuiomata. 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% (2008: 7.5%). The accounting treatment of this provision is described in detail in the Statement of Accounting Policies.

24. EQUITY					
	NOTE	COUNCIL		GROUP	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
ACCUMULATED FUNDS					
Balance at beginning of the year		730,406	728,298	731,249	729,017
Interest allocated to reserves		(656)	(1,180)	(656)	(1,180)
Other transfers to reserves		(5,133)	(4,042)	(5,133)	(4,042)
Transfers from reserves		1,563	1,594	1,563	1,594
Net surplus/(deficit) after tax		3,790	5,736	3,362	5,860
BALANCE AT END OF THE YEAR		729,970	730,406	730,385	731,249
COUNCIL CREATED RESERVES					
Balance at beginning of the year		16,900	12,934	16,900	12,934
Transfers to accumulated funds		(1,563)	(1,252)	(1,563)	(1,252)
Transfers from accumulated funds		5,109	4,041	5,109	4,041
Interest earned		654	1,177	654	1,177
BALANCE AT END OF THE YEAR		21,100	16,900	21,100	16,900
RESTRICTED RESERVES*					
Balance at beginning of the year		57	57	57	57
Transfers to accumulated funds		–	(4)	–	(4)
Transfers from accumulated funds		24	1	24	1
Interest earned		2	3	2	3
	9	83	57	83	57
ASSET REVALUATION RESERVES					
Balance at beginning of the year		224,804	225,142	224,804	225,142
Changes in asset value		–	(338)	–	(338)
Valuation gains/(losses) taken to equity		163,852	–	163,852	–
BALANCE AT END OF THE YEAR		388,656	224,804	388,656	224,804
ASSET REVALUATION RESERVES CONSIST OF:					
Operational Assets					
Library books		706	706	706	706
Buildings		13,857	6,252	13,857	6,252
Land		22,735	13,283	22,735	13,283
Collections		137	–	137	–
Infrastructure Assets					
Land		65,048	59,736	65,048	59,736
Wastewater		72,823	45,134	72,823	45,134
Stormwater		64,666	39,859	64,666	39,859
Water		29,405	19,489	29,405	19,489
Road		61,512	9,040	61,512	9,040
Restricted Assets					
Land		57,767	31,305	57,767	31,305
Total		388,656	224,804	388,656	224,804
TOTAL EQUITY					
Balance at beginning of the year		972,167	966,431	973,010	967,150
Movements during the year		167,642	5,736	167,214	5,860
BALANCE AT END OF THE YEAR		1,139,809	972,167	1,140,224	973,010

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

25. OTHER LIABILITIES				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
OTHER LIABILITIES – CURRENT PORTION				
Accrued interest expenses	378	356	378	356
Third party funds	182	169	183	169
Miscellaneous current liabilities	684	615	684	615
Income earned in advance	1,379	1,747	1,872	2,231
Development contributions	287	152	287	152
Total other liabilities – current portion	2,910	3,039	3,404	3,523
OTHER LIABILITIES – NON-CURRENT PORTION				
	–	–	–	–
Total other liabilities – non-current portion	–	–	–	–
TOTAL OTHER LIABILITIES	2,910	3,039	3,404	3,523
26. RECONCILIATION OF SURPLUS AFTER TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
SURPLUS AFTER TAX	3,790	5,736	3,362	5,860
ADD/(LESS) NON-CASH ITEMS:				
Depreciation and amortisation	26,384	23,349	27,133	24,049
Interest income accrued to investments and special funds	–	–	–	–
Bad debt expense	(12)	(170)	33	365
Landfill provision	618	250	618	250
Other Assets (Non Current)	(3)	626	(3)	643
Loss	1,706	352	1,706	352
Vested Assets	(7,042)	(1,836)	(7,073)	(1,836)
Assets held for sale	(84)	(308)	(84)	(308)
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL:				
Increase in accounts receivable and other assets	(356)	(1,759)	(206)	(3,935)
Increase/(decrease) in creditors	(1,604)	2,161	(1,539)	526
Increase/(decrease) in provisions and other liabilities	312	839	327	2,332
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING ACTIVITIES:				
Profit on sale of property, plant and equipment and other movements	(656)	(314)	(656)	(314)
NET CASH IN FLOWS FROM OPERATING ACTIVITIES	23,053	28,926	23,618	27,984

27. FINANCIAL INSTRUMENTS RISKS				
	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
FINANCIAL ASSETS				
Fair value through profit and loss – Held for trading				
Derivative financial instrument assets	1,742	1,619	1,742	1,619
	1,742	1,619	1,742	1,619
Loans and receivables				
Cash and cash equivalents	8,958	7	9,023	280
Debtors and other receivables	10,013	9,171	10,380	9,684
Other financial assets:				
+ community and development loans	145	390	145	390
Total loans and receivables	19,116	9,568	19,548	10,354
Held to maturity				
Other financial assets:				
+ Sinking Funds	–	273	–	273
+ NZ Local Government Insurance Company	234	234	234	234
Total held to maturity	234	507	234	507
Fair value through equity				
Other financial assets:				
+ unlisted shares	375	375	375	375
Total fair value through equity	375	375	375	375
Total financial assets	21,467	12,069	21,899	12,855
FINANCIAL LIABILITIES				
Fair value through profit and loss - Held for trading				
Derivative financial instrument liabilities	2,596	767	2,596	767
	2,596	767	2,596	767
Financial liabilities at amortised cost				
Creditors and other payables	17,954	19,742	18,086	19,809
Borrowings:				
+ bank overdraft	–	204	–	146
+ secured loans	89,600	81,131	95,250	85,131
Total financial liabilities at amortised cost	107,554	101,077	113,336	105,086
TOTAL FINANCIAL LIABILITIES	110,150	101,844	115,932	105,853

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.

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 2009 the Council does not have any foreign currency risk (2008: \$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, sinking funds, other assets, financial guarantees and interest rate swaps and options.

The maximum exposure to credit risk:

	NOTE	COUNCIL		GROUP	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Cash, cash equivalents and term deposits	9	8,958	7	9,023	280
Debtors and other receivables	10	10,013	9,171	10,380	9,684
Other assets		609	882	609	882
Community and development loans		69	66	69	66
Financial guarantees		337	495	337	495
Derivative financial instrument assets (interest rate swaps and options)		1,742	1,619	1,742	1,619
TOTAL CREDIT RISK		21,728	12,240	22,160	13,026

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.

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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA	8,958	7	9,023	280
TOTAL CASH AT BANK AND TERM DEPOSITS	8,958	7	9,023	280
Derivative financial instrument assets				
AA	1,742	1,619	1,742	1,619
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	1,742	1,619	1,742	1,619
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	–	12	–	12
Existing counterparty with defaults in the past	145	54	145	54
TOTAL COMMUNITY, DEVELOPMENT AND RELATED PARTY LOANS	145	66	145	66

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 \$50 million (2008: \$14.1 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 is based in the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows. Financial guarantees are included in the time band containing the earliest date they can be called upon.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	BETWEEN 1-3 YEARS \$000	BETWEEN 3-5 YEARS \$000	GREATER THAN 5 YEARS \$000
COUNCIL – 2009						
Creditors and other payables	8,066	8,066	8,066	–	–	–
Net settled derivative liabilities	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–
Secured loans	89,600	99,989	46,461	26,973	91	26,464
Finance leases	–	–	–	–	–	–
Financial guarantees	337	337	337	–	–	–
TOTAL	98,003	108,392	54,864	26,973	91	26,464
GROUP – 2009						
Creditors and other payables	8,069	8,069	8,069	–	–	–
Net settled derivative liabilities	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–
Secured loans	95,250	105,653	52,125	26,973	91	26,464
Finance leases	–	–	–	–	–	–
Financial guarantees	337	337	337	–	–	–
TOTAL	103,656	114,059	60,531	26,973	91	26,464
COUNCIL – 2008						
Creditors and other payables	7,131	7,131	7,131	–	–	–
Net settled derivative liabilities	–	–	–	–	–	–
Bank overdraft	204	204	204	–	–	–
Secured loans	81,131	98,627	39,374	20,658	13,512	25,083
Finance leases	–	–	–	–	–	–
Financial guarantees	495	495	495	–	–	–
TOTAL	88,961	106,457	47,204	20,658	13,512	25,083
GROUP – 2008						
Creditors and other payables	7,131	7,131	7,131	–	–	–
Net settled derivative liabilities	–	–	–	–	–	–
Bank overdraft	204	204	204	–	–	–
Secured loans	85,131	102,657	43,404	20,658	13,512	25,083
Finance leases	–	–	–	–	–	–
Financial guarantees	495	495	495	–	–	–
TOTAL	92,961	110,487	51,234	20,658	13,512	25,083

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 – 2009						
Cash and cash equivalents	8,958	8,958	8,958	–	–	–
Debtors and other receivables	10,013	10,013	10,013	–	–	–
Net settled derivative assets	–	–	–	–	–	–
Other financial assets:						
+ community and development loans	69	69	69	–	–	–
TOTAL	19,040	19,040	19,040	–	–	–
GROUP – 2009						
Cash and cash equivalents	9,023	8,958	9,023	–	–	–
Debtors and other receivables	10,380	10,380	10,380	–	–	–
Net settled derivative assets	–	–	–	–	–	–
Other financial assets:						
+ community and development loans	69	69	69	–	–	–
TOTAL	19,472	19,407	19,472	–	–	–
COUNCIL – 2008						
Cash and cash equivalents	7	7	7	–	–	–
Debtors and other receivables	9,171	9,171	9,171	–	–	–
Net settled derivative assets	–	–	–	–	–	–
Other financial assets:						
+ community and development loans	66	66	66	–	–	–
TOTAL	9,244	9,244	9,244	–	–	–
GROUP – 2008						
Cash and cash equivalents	7	7	7	–	–	–
Debtors and other receivables	9,684	9,684	9,684	–	–	–
Net settled derivative assets	–	–	–	–	–	–
Other financial assets:						
+ community and development loans	66	66	66	–	–	–
TOTAL	9,757	9,757	9,757	–	–	–

Sensitivity analysis

The tables below illustrate the potential profit and loss 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	2009 \$000				2008 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
INTEREST RISKS								
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(1,680)	-	1,564	-	(1,026)	-	1,026	-
Financial liabilities								
Borrowing:								
+ Short term loans	271	-	(271)	-	27	-	(27)	-
+ term loans	1,932	-	(1,932)	-	1,235	-	(1,235)	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	523	-	(639)	-	236	-	(236)	-

Explanation of sensitivity analysis

Derivative net financial assets and held for trading include interest rate swaps with a fair value liability totalling \$853,533 (2008 asset: \$852,158). A movement in interest rates of plus 1% has an effect of \$1,564,000 (2008: \$1,026,000) on the unrealised value of the derivatives and on realised receipts on the derivatives during the period of \$400,000 (2008: \$370,000).

No equity instruments are held.

Short term loans

Council has short term floating rate debt with a principal amount totalling \$44.406 million (2008: \$35.9 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$444,060 (2008: \$359,000).

Term loans

Council has term floating rate debt with a principal amount totalling \$35 million (2008: \$20 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$350,000 (2008: \$200,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

GROUP	2009 \$000				2008 \$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	(1,680)	-	1,564	-	(1,026)	-	1,026	-
Financial liabilities								
Borrowing:								
+ Short term loans	276	-	(276)	-	30	-	(30)	-
+ Term loans	1,932	-	(1,932)	-	1,235	-	(1,235)	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	528	-	(644)	-	239	-	(239)	-

28. REMUNERATION	2009					2008				
	SALARY \$	MOTOR VEHICLE \$	EMPLOYMENT BENEFITS \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERA- TION \$	SALARY \$	MOTOR VEHICLE \$	EMPLOYMENT BENEFITS \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERA- TION \$
Chief Executive	304,562	10,441	8,904	8,904	323,907	236,059	10,488	12,837	12,837	259,384

Remuneration of Elected Representatives

	2009					2008				
	COUNCIL REMUNERATION \$	DIRECTOR FEES \$	GROUP TOTAL REMUNERATION \$	DIRECTOR FEES \$	GROUP TOTAL REMUNERATION \$	COUNCIL REMUNERATION \$	DIRECTOR FEES \$	GROUP TOTAL REMUNERATION \$	DIRECTOR FEES \$	GROUP TOTAL REMUNERATION \$
MAYOR AND COUNCILLORS										
DK Ogden (Mayor)	105,045	—	105,045	—	105,045	99,227	—	99,227	—	99,227
RW Styles (Deputy Mayor)	54,412	15,000	69,412	7,423	69,412	54,658	7,423	62,081	—	62,081
JMK Baird	47,945	15,000	62,945	12,448	62,945	46,866	12,448	59,314	—	59,314
VR Jamieson	61,548	—	61,548	—	61,548	54,244	—	54,244	—	54,244
MJ Cousins	50,792	—	50,792	—	50,792	48,880	—	48,880	—	48,880
A Finlayson	47,973	—	47,973	—	47,973	46,217	—	46,217	—	46,217
WR Wallace	50,716	—	50,716	—	50,716	45,839	—	45,839	—	45,839
D Hislop	47,928	—	47,928	—	47,928	45,171	—	45,171	—	45,171
R Day*	44,176	—	44,176	—	44,176	27,899	—	27,899	—	27,899
MJ Shierlaw*	41,455	—	41,455	—	41,455	27,899	—	27,899	—	27,899
D Bassett*	46,717	—	46,717	—	46,717	27,899	—	27,899	—	27,899
BG Branch*	43,461	—	43,461	—	43,461	27,899	—	27,899	—	27,899
G McDonald*	41,455	—	41,455	—	41,455	27,899	—	27,899	—	27,899
C Milne**	—	—	—	5,025	—	12,715	5,025	17,740	—	17,740
GD Barratt**	—	—	—	—	—	15,084	—	15,084	—	15,084
TE Pollard**	—	—	—	—	—	13,117	—	13,117	—	13,117
J Englebretsen**	—	—	—	—	—	10,969	—	10,969	—	10,969
TOTAL	683,623	30,000	713,623	24,896	713,623	632,482	24,896	657,378		

* from October 2007 ** to October 2007

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

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.

	2009	2008
Severance payments	\$54,950	\$28,681
Number of employees	1	4

There was one severance payment during the financial year.

	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
KEY MANAGEMENT PERSONNEL COSTS				
Salary and other short term benefits	2,006	1,820	2,361	1,961
Post-employment benefits	13	18	14	23
Other long-term benefits	–	–	–	–
Termination benefits	–	–	–	–
	2,019	1,838	2,375	1,984

The table above includes the remuneration of the Chief Executive, members of the Strategic Leadership Team, the Mayor and Councillors.

29. RELATED PARTIES DISCLOSURES

The Council had the following material transactions:

The Council is the ultimate parent of the group and controls two entities, being Urban Plus 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 or joint venture

WITH SEAVIEW MARINA LIMITED

At 30 June Seaview Marina Limited owed \$157,121 to the Council (2008: Council owed \$125,458 to Seaview Marina Limited). Interest has been paid on the outstanding monthly balance through the year at market rates.

For the year ended 30 June 2009, the Council charged Seaview Marina Limited accountancy fees \$4,000 (2008: \$3,995) and legal fees \$4,000 (2008: \$4,000).

WITH URBAN PLUS LIMITED (Formerly Hutt Holdings Limited)

At 30 June Urban Plus Limited owed Council \$5,846. (2008: \$111,574). Interest has been charged on the outstanding monthly balance through the year at market rates.

During the year Urban Plus Limited paid to Council \$151,837 (2008: \$162,899) for rates, \$65 (2008: \$22) for water usage, \$45,000 (2008: \$45,000) management fee for services and purchased land for \$1,637,050 (2008: \$nil).

During the year Council paid \$363,873 (2008: \$336,000) to Urban Plus Limited for property services.

WITH CAPACITY INFRASTRUCTURE SERVICES (Formerly Wellington Water Management Limited)

For the year ended 30 June 2009, Capacity Infrastructure Services paid \$868 (2008: \$6,529) to the Council, for services provided.

For the year ended 30 June 2009, the Council paid \$1,649,899 (2008: \$1,393,365) to Capacity Infrastructure Services, for professional services.

As at 30 June 2009 the Council owed Capacity Infrastructure Services \$134,675 (2008: \$162,800).

As at 30 June 2009 Capacity Infrastructure Services owed Council \$nil (2008: \$nil).

WITH COUNCILLORS, COMMUNITY BOARD AND COMMUNITY COMMITTEE MEMBERS

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 these transactions listed below, and items of trivial nature, no other Councillors or key management personnel entered into any related party transactions with the Group.

The Mayor, David Ogden, was elected in 2007 to the Hutt Valley DHB. The Council made payments of \$6,078 (2008: \$nil) during the year. The Council received \$7,244 (2008: \$87,874) for venue hire.

Deborah Hislop is a Partner and Director of Kevin Hislop Architects Ltd. The Council made payments of \$nil during the year (2008: \$3,270).

Margaret Cousins sits on the Hutt Council of Social Services and Normandale residents association board. The Council made payments of \$1,200 (2008: \$6,000) for annual funding grant on social development and payments of \$520 (2008: \$1,118) and accruals of \$219 (2008: \$nil) for contributions to activities and repairs during the year.

Roger Styles is the chairman of Energy Smart Limited. The Council made payments of \$83,250 as a contribution towards Healthy Homes initiatives (2008: \$nil).

Council has invested, by way of share purchase, \$374,980 (2008: \$374,980) in Smartlinx 3 Limited, a company 30% owned by Hutt Mana Charitable Trust. The Mayor, David Ogden, is the Deputy Chairperson of Hutt Mana Trust and has been appointed to Smartlinx 3 Limited to represent them. During the year Smartlinx 3 Limited paid \$nil (2008: \$24,745) to the Council for the use of storage and the Council paid \$98,204 (2008: \$76,945.30) to Smartlinx 3 Limited for the provision of broadband, security and WIFI services. There is a balance of \$27,872 (2008: \$42,680) outstanding for unpaid invoices at year-end.

Christopher Milne and Roger Styles were previously members and David Ogden is a current member of the Hutt Mana Charitable Trust. During the year the Council made payments of \$nil (2008: \$20,000) to the Trust as a contribution to the Warm Homes project and received \$nil (2008: \$31,299) for the Trust's share of election costs.

There were no outstanding amounts due to or owing from the above related parties.

30. CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Property, plant and equipment	5,895	4,075	5,895	4,075
Intangible assets	–	–	–	–
Investment property	–	–	–	–
TOTAL CAPITAL COMMITMENTS	5,895	4,075	5,895	4,075

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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Not later than one year	407	1,916	495	1,920
Later than one year and not later than five years	321	712	372	717
Later than five years	–	–	–	–
TOTAL NON-CANCELLABLE OPERATING LEASES	728	2,628	867	2,637

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2008: \$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.

31. CONTINGENCIES

Contingent liabilities

	COUNCIL		GROUP	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Financial guarantees	337	495	337	495
Waste water	5,425	4,997	5,425	4,997
Other legal proceedings	–	150	–	150
Insurance – Riskpool	500	–	500	–
	6,262	5,642	6,262	5,642

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 (2008: \$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 11 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% (2008: 7.5%).

Insurance – Riskpool

The Council belongs to Riskpool, a mutual liability fund. During the year a call was made on the prior year funds. Current accounts of the Fund indicate a deficit of \$21 million over all Fund Years. Based on the amount of call in 2008/2009 it is estimated that the Council's extra contribution will be \$500,000.

Joint venture contingent liabilities

There are no contingent liabilities associated with the Silverstream Gas Joint Venture (2008: \$nil).

Associate's contingent liabilities

There are no contingent liabilities associated with the Capacity associate (2008: \$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.

32. MAJOR BUDGET VARIATIONS

Explanations for major variations from Council's budgeted figures in the 2008/2009 Annual Plan are as follows:

The surplus after tax for the year ending 30 June 2009 was \$0.66 million greater than budget.

There has been an increase in revenue from the plan of \$6.96 million, attributable to the following:

- The Council has recognised \$5.3 million of collection items that were not previously recognised within the financial statements.
- An increase in other revenue of \$2.7 million relating mainly to an increase in vested assets of \$1.5 million as Council only budget minimal amounts as vested assets are related to property development.
- These have been off set by a decrease in user charges of \$1.3 million, mainly attributable to the general down turn in the economy.

There has been an offsetting increase in expenditure as follows:

- An increase in depreciation of \$ 2.1 million, largely due to the revaluation of fixed assets as at 1 July 2008.
- Losses relating to the fair value of interest rate swaps of \$1.7 million. The Council does not budget for any gains or losses in this area as movements are from changes in the financial market.
- Employee costs exceed budget by \$0.9 million, due not only to wages increases, but also to the creation of new positions.
- Operating costs exceed budget by \$1.3 million, mainly due to a number of new and renegotiated contracts over the year being settled with larger than expected cost increases.

The following are the significant variances in the Statement of Financial Position:

- The Property, Plant and Equipment has increased by \$154.7 million from budget. The increase is mainly due to the revaluation as at 1 July 2008 which increased the asset values by \$163.8 million.
- Net Debt has increased by \$6.218 million, mainly due to projected asset sales not taking place.

33. 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 largely managed 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.

34. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date.

FINANCIAL SUMMARY OF MAJOR OPERATING AND CAPITAL PROJECTS

Projects with a budget or expenditure of \$100,000 or over.

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000
LIBRARIES		
Capital Projects		
Community Digital Access Programme	\$484	\$350
Library Stock Replacement	\$719	\$715
MUSEUMS		
Capital Projects		
Dowse Building & Plant Maintenance	\$106	\$95
AQUATICS AND RECREATION		
Operating Projects		
Events Funding	\$375	\$243
Capital Projects		
Huia Pool Install UV Water Treatment System	\$153	\$154
Other Pools Projects	\$211	\$206
PARKS AND RESERVES		
Operating Projects		
Problem Tree Removal	\$121	\$370
Capital Projects		
Avalon Park Redevelopment	\$101	\$103
Building Maintenance (Sportsgrounds)	\$87	\$150
Fraser Park Toilets & Changing Rooms	\$540	
Korohiwa Recreation Area	\$150	\$250
Playgrounds	\$113	\$110
Summit Road Soil Shed	\$155	\$120
Wainuiomata Mountain Bike Facility	\$86	\$185
COMMUNITY SUPPORT		
Operating Projects		
Community Grants Contestable Fund	\$176	\$176
Community Houses Funding	\$205	\$208
Marae Funding	\$105	\$130
Safety Initiatives	\$319	\$210
Youth Centre	\$163	\$117

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000
PROPERTY		
Operating Projects		
Admin Building Earthquake Strength Assessment	\$170	\$70
Capital Projects		
Admin Building Fitout	\$128	\$100
Community Halls Improvements	\$95	\$100
Community Halls Maintenance	\$130	\$158
Korohiwa Bus Barn Refurbishment	\$110	\$500
Libraries Building Maintenance	\$69	\$103
Public Toilets Improvements (Days Bay)	\$406	\$200
Toilets Upgrade	\$140	\$346
ROADING AND TRAFFIC		
Operating Projects		
Cross Valley Link Study	\$105	\$100
Capital Projects		
Area Wide Pavement Treatment	\$639	\$475
Cycleway Network Development	\$204	\$151
Eastern Bays Walkway	\$148	\$180
Footpath Resurfacing & Replacement	\$199	\$205
Market Grove Carpark	\$194	\$180
Pavement Surfacing	\$4,284	\$4,531
Road Smoothing	\$488	\$477
State Highway 2 Upgrade	\$48	\$100
Traffic Safety Improvements	\$408	\$350
Traffic Signal Replacement	\$159	\$189
Wainuiomata Hill Road Safety Seal	\$177	\$205
WATER SUPPLY		
Capital Projects		
Benge Crescent - Ridermain and Services	\$151	\$90
Kelson Pump Station Inlet Main	\$180	\$130
Main Road Watermain and Services - Phase 2	\$334	\$270
Minor Works Discrete	\$392	\$60
Minor Works Non Discrete	\$105	\$100
Reservoir Seismic Upgrade (General)	\$202	\$200
Reservoir Seismic Upgrade (Maungaraki)	\$391	\$465

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000
WASTEWATER		
Operating Projects		
DBO Main Outfall Leak Investigation and Repairs	\$308	\$300
Capital Projects		
Leighton Avenue Sewer Replacement	\$1,433	\$1,620
Malone Road Catchment Capacity Improvement	\$11	\$334
Minor Works	\$38	\$170
Pressure Testing of Sewers	\$107	\$300
Trunk DBO Asset Replacement Fund	\$686	\$708
Trunk DBO Pipeline Cyclic Replacement	\$713	\$800
Trunk DBO Type A Network Development	\$137	\$450
Trunk DBO Type B Network Development	\$30	\$315
Vista Grove Sewer Replacement	\$11	\$100
STORMWATER		
Operating Projects		
Gracefield Stormwater Drains	\$129	\$100
Capital Projects		
Cheviot Road (Lowry Bay)	\$162	\$150
Gracefield Stormwater Renewals	\$232	\$252
Hutt River Floodplain	\$270	\$278
Minor Asset Renewals	\$211	\$133
Victoria Street	\$325	\$420
Walter Road (Eastbourne)	\$229	\$150
SOLID WASTE		
Capital Projects		
Silverstream Landfill Stage Two	\$845	\$600
ENVIRONMENTAL MANAGEMENT		
Operating Projects		
District Plan Projects	\$248	\$235
LOCAL URBAN DESIGN		
Operating Projects		
Heritage Sites & Buildings Inventory	\$53	\$130
Heritage Incentives	\$2	\$150
Rapid Response Anti-Graffiti Service	\$155	\$155
Capital Projects		
CBD Masterplan Implementation	\$720	\$885
Suburban Shopping Centre Improvements	\$9	\$396

FOR THE YEAR ENDED 30 JUNE 2009	ACTUAL 30 JUNE 2009 \$000	PLAN 30 JUNE 2009 \$000
ECONOMIC DEVELOPMENT		
Operating Projects		
Business Hutt Valley	\$284	\$284
Economic Development Strategy	\$122	\$150
Jackson Street Programme	\$100	\$100
MANAGING SERVICES		
Capital Projects		
Core Business Applications Enhancements	\$488	\$415
Core Financial & Regulatory System Replacement	\$10	\$110
Corporate Application/Hardware Replacement	\$130	\$460
Digitisation of Council Core Information	\$1,126	\$1,038
Internet Design	\$29	\$145
Internet – Online Services		\$115
Intranet Development	\$133	\$25
Mobile Devices	\$27	\$125
PC Replacement Programme	\$235	\$230
Server Replacement, IT Storage & Disaster Recovery	\$180	\$150
Software Purchases	\$178	\$80