



**HUTT CITY COUNCIL  
ANNUAL REPORT  
TO 30 JUNE 2010**

# CONTENTS



ISSN: 1171-9990 (Print)  
ISSN: 1178-1459 (Online)

Front cover: Children at Percy Scenic Reserve

<b>INTRODUCTION</b>	<b>2</b>	<b>A GREAT PLACE TO WORK</b>	<b>56</b>
<b>STRATEGIC FRAMEWORK</b>	<b>4</b>	Vision	56
<b>VISION FOR HUTT CITY</b>	<b>6</b>	Community outcomes	56
Hutt City Council	7	Work that contributed towards community outcomes	58
Council governance	7	Significant activities	61
Community boards and community committees	7	Group Economy performance summary	61
Our management structure	8	• Local Urban Environment	62
Key performance indicators	8	• Economic Development	65
Significant activities	11	<b>A GREAT PLACE TO PLAY</b>	<b>68</b>
Group Organisation performance summary	11	Vision	68
• Elected Members	12	Community outcomes	68
• Advice and Support	14	Work that contributed towards community outcomes	70
• Managing Services	16	Significant activities	73
Council-Controlled Organisations	18	Group People performance summary	73
Our community partnerships	21	• Libraries	74
Partnerships with Māori	21	• Museums	76
<b>A GREAT PLACE TO LIVE</b>	<b>22</b>	• Aquatics and Recreation	78
Vision	22	• Parks and Reserves	80
Community outcomes	22	• Community Support	83
Work that contributed towards community outcomes	24	• Property	85
Significant activities	34	<b>REPORTING ON PROGRESS TOWARDS THE ACHIEVEMENT OF COMMUNITY OUTCOMES</b>	<b>89</b>
Group Utility Services performance summary	34	<b>OUR FINANCES</b>	<b>III</b>
• Roading and Traffic	36	Report on Financial Policies	112
• Water Supply	39	Audit Report	114
• Wastewater	41	Statement of Compliance	116
• Stormwater	44	Financial Statements	117
• Solid Waste	47	Notes to the Financial Statements	121
Group Environment performance summary	49	<b>APPENDICES</b>	<b>164</b>
• Environmental Management	50	Hutt City profile	164
• Emergency Management	53	Definitions	165
		Source of information for level of achievement	166
		Contact details	167
		• Mayor and councillors	167
		• Community board members	168
		• Community committee members until 8 October 2010	168
		• Strategic Leadership Team	168
		• Hutt City Council	Inside back cover

# INTRODUCTION



## We are proud of our work during the past 12 months to make Hutt City a great place to live, work and play. Our 2010 Annual Report showcases just some of the highlights.

A major milestone was the completion of the Waiwhetu Stream clean up and associated work to protect the area from future flooding. In partnership with Greater Wellington Regional Council and the Ministry for the Environment we revived what used to be New Zealand's most polluted waterway and built up the area to avoid a repeat of the damage caused by the devastating 2004/05 floods. We've had positive feedback from the community about the project and planting alongside the stream is set to make it a great public walkway.

With 120,000m<sup>3</sup> of soil excavated and 30,000m<sup>2</sup> of liner laid the new Silverstream Landfill was also open for business. It's the region's only designated Class A landfill which means it can cope with the widest range of waste material and will meet the needs of Hutt City and Upper Hutt residents for the next 50 years. After 10 years of preparation, design and construction the landfill is a great achievement for our city.

Financially it was a difficult year and growth in Hutt City's economy slowed. Despite this, there were still plenty of positives for Hutt City businesses. Naenae and Stokes Valley shopping centres were upgraded and we started working with businesses in Wingate to improve customer access to the area. In April our upgrade of Hutt City's CBD won silver in the urban landscape design category at the NZILA 2010 Resene Pride of Place Landscape Awards. This is a great coup as we continue with our Making Places project to make the CBD an attractive and vibrant place for people to live, work and shop, and for businesses to invest.

We also worked with local businesses and organisations to improve their environmental performance. We've worked hard to promote 'greener' ways to do business across the city; from running waste audits and a composting trial with Jackson Street businesses, to promoting networking opportunities for environmentally-minded business owners.


There's no shortage of things to do in Hutt City and during the past 12 months we've improved the line-up. During summer we had New Zealand music fans on their feet with a series of concerts in local parks. Our new Marine Service Centre opened in Seaview and the historic Korohiwa Bus Barn in Eastbourne was restored. Both are significant assets and bring to fruition years of planning, consultation and development. The renovation of the Petone Settlers Museum was also a standout. Next time you're in Petone check out the refurbished permanent exhibition of early Petone history – it's impressive.

Capping off the year we welcomed Standard and Poor's affirmation of Hutt City Council's AA/A-1+ credit rating and its decision to revise our outlook from stable to positive. We signed off our Annual Plan and again successfully struck a balance between keeping rates down and providing the services, facilities and infrastructure you expect from us.

We also welcomed police figures which show recorded crime in Hutt City fell 3.3 percent in 2009 and followed this up by signing a Memorandum of Understanding to make the Hutt Valley a safer place to live, work and play. We made this commitment together with Upper Hutt City Council, Accident Compensation Corporation, Hutt Valley District Health Board, Regional Public Health, Lower Hutt Police, Upper Hutt Police, and Awakairangi Maori Regional Board.

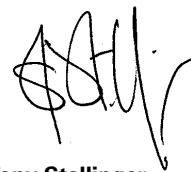
It certainly was a busy year! Our thanks go to councillors, community boards and committees, and staff across council for their hard work, dedication and drive to make Hutt City a better city, every day.

Thank you also to the people of Hutt City for helping make these achievements happen. We're looking forward to working with you again in the year ahead and together making Hutt City a great place to live, work and play.



**David Ogden**  
MAYOR

4 October 2010



**Tony Stallinger**  
CHIEF EXECUTIVE

4 October 2010

# STRATEGIC FRAMEWORK



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

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

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

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

The Council organisation is divided into five groups – People, Utility Services, Environment, Economy and Organisation. Each group is divided into the significant activities that make up that group. We set overall organisational key performance indicators addressing

budget management, customer satisfaction, staff perceptions, project completion and compliance. We also set performance targets for each of our 18 significant activities. The next few chapters outline the contribution these groups and activities are making to the achievement of Hutt City outcomes, and to making the vision of "a great place to live, work and play" a reality.

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

Residents,  
Businesses,  
Other  
Organisations



## Hutt City Community Outcomes



Wellington  
Regional  
Strategy



## VISION FOR THE CITY: A GREAT PLACE TO LIVE, WORK AND PLAY



### Council strategies to deliver the Vision



Council Strategic  
Plan (external)

### Long Term Council Community Plan (LTCCP)

(10 year plan, reviewed 3 yearly, Annual Plan produced yearly)

People	Utility Services	Environment	Economy	Organisation
Libraries, Museums, Aquatics & Recreation, Parks & Reserves, Community Support, Property	Roading & Traffic, Water Supply, Wastewater, Stormwater, Solid Waste	Environmental Management, Emergency Management	Local Urban Environment, Economic Development	Elected Members, Advice & Support, Managing Services



Corporate Strategic Plan  
(internal)

### Strategic Leadership Team Business Plan

(3 year plan, revised yearly) (Purpose, Vision & Values, key priorities, initiatives, performance measurement)

Core Services	Growth & Development	Environment, Economy, Social & Cultural	Staff
Customer, community, excellence, innovation, technology, value, engagement	Vision statements, urban design, regional infrastructure, district plan review	Communities, regional cooperation, relationships, sustainability	Culture, engagement, leadership, development, knowledge, communication



### Divisional Business Plans

(3 year plan, revised yearly) (work programme, projects & initiatives, performance measures)



### Staff Performance & Development Plan

(yearly, reviewed 6 monthly) (individual agreements, objectives, training & development)

# VISION FOR HUTT CITY

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

The Long Term Council 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 our activities.

This Annual Report measures performance against the targets set in the Long Term Council Community Plan for the 2009/10 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.

## 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.

The two community committees appointed by Council until the October 2010 election are 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.

# 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 all functions delegated to staff are carried out.

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

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

PRIORITY AREA	ORGANISATIONAL OBJECTIVES
Core services and community engagement	<ul style="list-style-type: none"> <li>• Delivering excellent and innovative services that provide value for money</li> <li>• Engaging with residents to ensure our key projects and decisions reflect our communities' values</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Staff will have the skills, information and tools they need to do their jobs</li> </ul>
Growth and development	<ul style="list-style-type: none"> <li>• Leading the city's growth and development to ensure a vibrant and thriving Hutt City</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Being an environmental sustainability leader and responding to the changing social and economic climate</li> </ul>
Regional co-operation	<ul style="list-style-type: none"> <li>• Working in partnership with others to deliver shared services and contribute to regional initiatives</li> </ul>

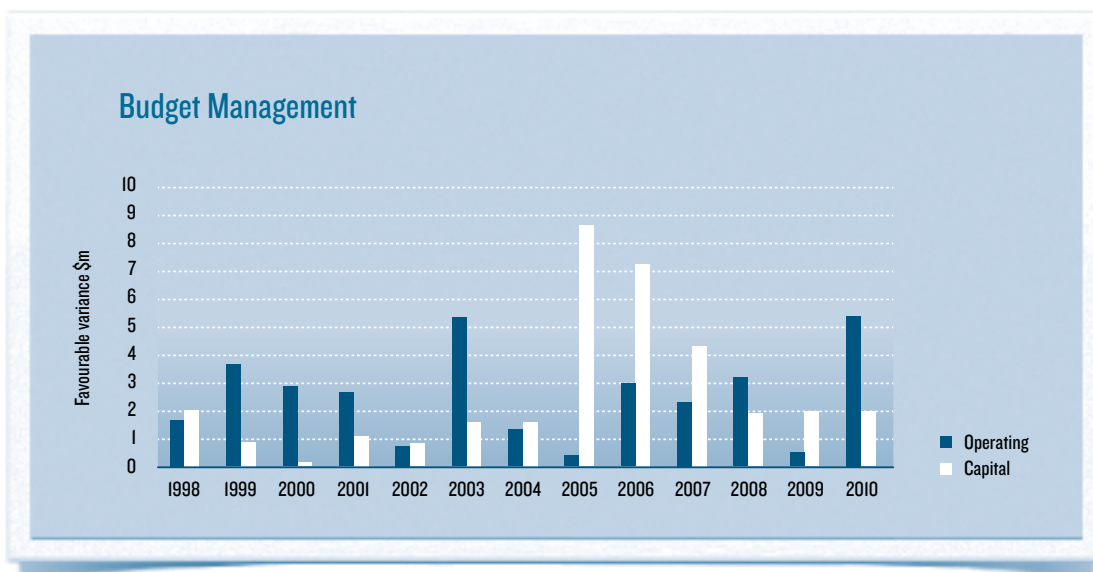
We have identified the following key performance indicators for these areas, which are additional to the performance measures and targets for each of our 18 significant activities.

## KEY PERFORMANCE INDICATORS

### Budget management

This key performance indicator compares our results with the budget.

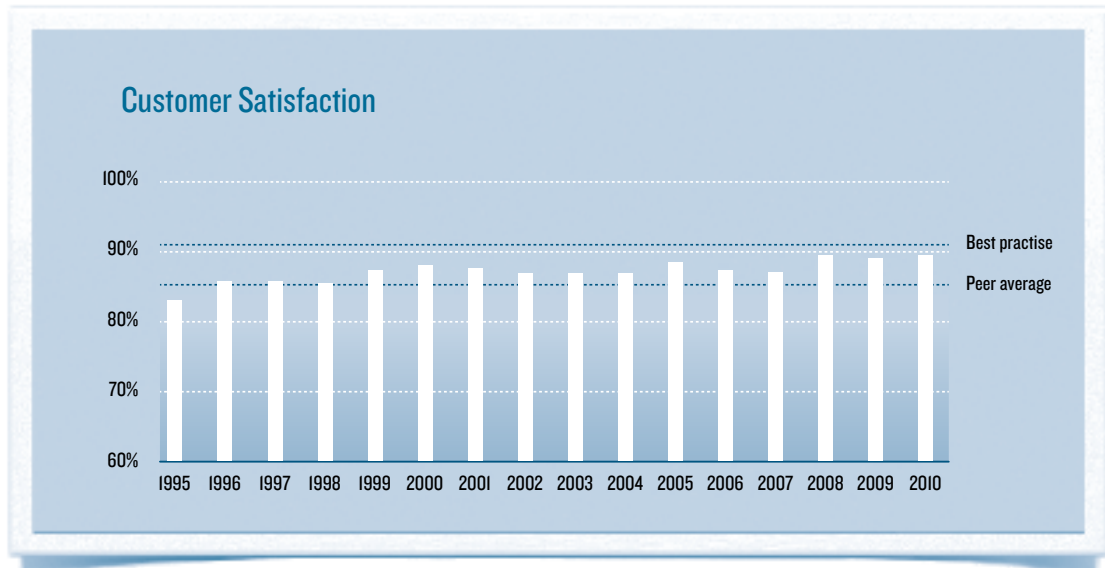
We have delivered operating and capital surpluses compared with budget every year since 1998. However, these favourable results are typically the result of timing differences on project completion. We also operate within Council's financial strategy and have met the target of keeping the increase in rates income to no more than 0.5% above the rate of inflation.



## Customer satisfaction

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

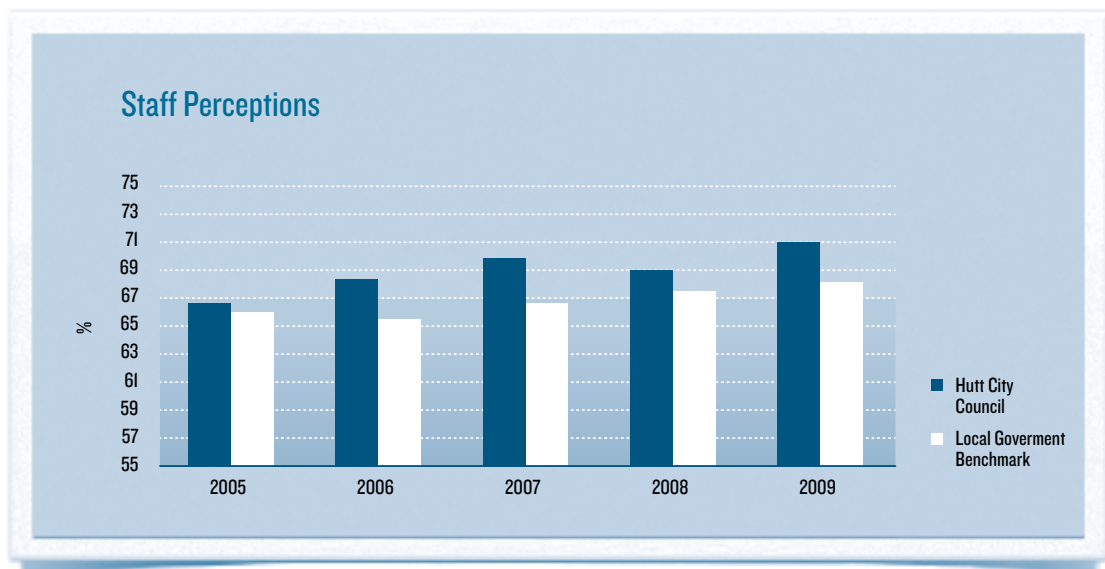
See the reports on each activity for a breakdown of customer satisfaction results.



## Staff perceptions

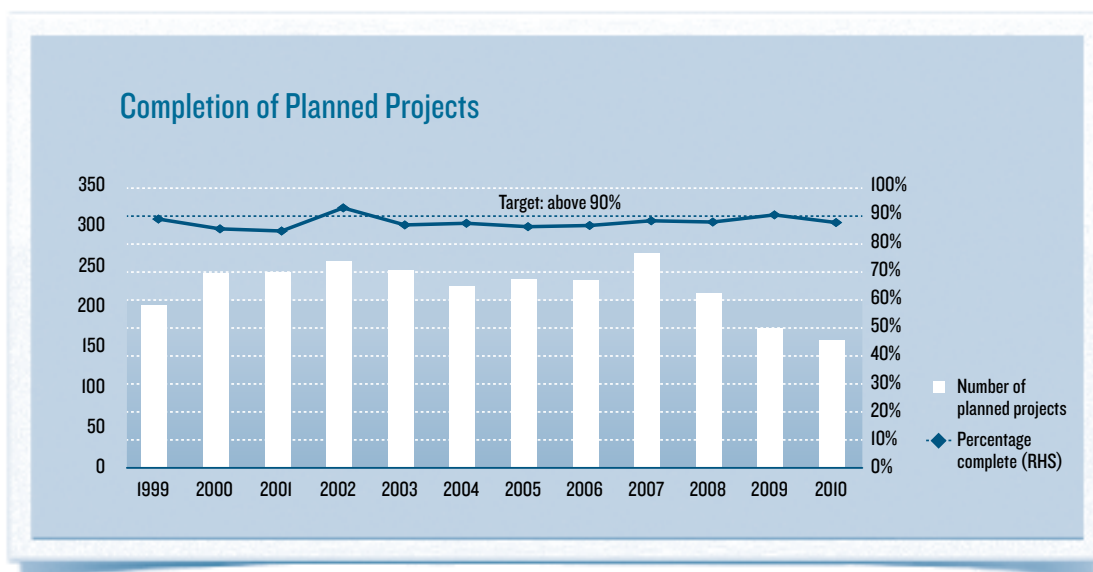
We measure staff perceptions using the John Robertson & Associates' 'Best Places to Work' survey.

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 and management capability, a strong internal communications strategy, training and development opportunities that support our values and vision, and opportunities for flexible working hours wherever possible.



## Project completion

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



The major projects completed during 2009/10 included the Waiwhetu Stream clean up, the new Silverstream landfill, the SH2 Dowse to Petone project, construction of the Marine Service Centre at Seaview Marina, and the makeover of the Petone Settlers Museum.

A number of small projects scheduled for 2009/10 weren't completed and have been carried forward to 2010/11 for reasons related to contractor availability, technological and staffing issues, resource consent delays and inclement weather. Projects involving the carry over of sums in excess of \$100,000 to 2010/11 include:

- the final stage of Hutt Park development, which was delayed pending discussions on an indoor sports facility proposal;
- Korohiwa bus barn development, which was delayed by engineering issues;
- Wainuiomata Main Road Watermain and Services Renewal Stage 3, which was delayed due to changes in the materials used, resource consent delays and staging of the work with a Greater Wellington Regional Council project;
- Leighton Avenue sewer renewal, which was delayed to allow property owners to respond on the works required as part of the private drains upgrade;
- Hutt River floodplain stormwater outlets upgrade, which will be undertaken in conjunction with Greater Wellington Regional Council stopbank construction;
- suburban shopping centre works, which were delayed while Council reconsidered the spending priorities;
- Wingate Development Plan, which is running behind schedule;
- core information technology enhancement which requires more time to complete;
- desktop operating system upgrade, which was delayed due to other priorities and software/business readiness;
- digitisation of Council core information, where savings have been carried over to complete the next phase in 2010/11; and
- internet online service development, which is being phased over two years.

## Compliance

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

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

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

# SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

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

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

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

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

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

## GROUP ORGANISATION PERFORMANCE SUMMARY

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

Under Managing Services the target of fewer than six work-related accidents resulting in time off work was exceeded by one. Although the number of accidents resulting in time off work has increased, the total number of work-related accidents this year is less than last year. A lot of work has been undertaken this year including achievement of ACC accreditation to primary level in January 2010, and we’ll continue to build on this to provide a safe workplace.

## Future challenges

Working in partnership with other councils in the region to deliver shared services presents a range of challenges including compatibility of technology and staffing issues. Nevertheless this remains a priority for Council.

## Group Organisation Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-10 \$000	ANNUAL PLAN 30-JUN-10 \$000	ACTUAL 30-JUN-09 \$000	ACTUAL 30-JUN-10 \$
Elected Members	(1,680)	(1,811)	(1,638)	17.10
Advice & Support	(3,911)	(3,897)	(3,751)	40.10
Managing Services*	2,274	2,251	(492)	(23.10)
* The rate requirement figures are shown excluding total rate income.	Note: The (deficit)/surplus before tax shows the net cost of the Council’s activities for the year in comparison to the 2009/2010 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

# Elected Members

## What we do

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

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

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with the Mayor's and councillors' performance: $\geq 90\%$	94% (peer average 89%)	91% (peer average 90%)	91%	95% of residents who expressed an opinion were satisfied. 8% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with the way we spend their rates: $\geq 83\%$	86% (peer average 79%)	82% (peer average 75%)	76%	86% of residents who expressed an opinion were satisfied. 7% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with our public consultation: Improvement	New measure for 2009/10	New measure for 2009/10	N/A	90% of residents who expressed an opinion were satisfied. 3% of residents did not express an opinion.	NRB Communitrak Survey

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

## Elected Members - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	6	4	2	5
<b>Total Revenue</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>5</b>
<b>EXPENDITURE</b>				
Employee Costs	215	914	699	916
Support Costs	704	704	-	533
Operating Costs	767	197	(570)	194
<b>Total Expenditure</b>	<b>1,686</b>	<b>1,815</b>	<b>129</b>	<b>1,643</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,680)</b>	<b>(1,811)</b>	<b>131</b>	<b>(1,638)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(1,680)	(1,811)	131	(1,638)
<b>Total Rates Funding Requirement</b>	<b>(1,680)</b>	<b>(1,811)</b>	<b>131</b>	<b>(1,638)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,680)</b>	<b>(1,811)</b>	<b>131</b>	<b>(1,638)</b>

### Significant Operating Variations from LTCCP

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

### Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

# Advice and Support

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Councillors are satisfied or more than satisfied with the formal advice they receive from officers: 80%	100%	90%	N/A	88%	Survey of Elected Members
Councillors are satisfied or more than satisfied with responses to requests for help from officers: 80%	New measure for 2008/09	100%	N/A	88%	Survey of Elected Members
Community board and community committee members are satisfied or more than satisfied with the formal advice they receive from officers: 80%	75%	Insufficient numbers of survey forms were returned to ensure a statistically robust analysis	N/A	88%	Survey of Elected and Appointed Members
Community board and community committee members are satisfied or more than satisfied with responses to requests for help from officers: 80%	New measure for 2008/09	Insufficient numbers of survey forms were returned to ensure a statistically robust analysis	N/A	88%	Survey of Elected and Appointed Members



## Advice and Support - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
Operating Contributions	-	6	(6)	-
Other Revenue	5	-	5	-
<b>Total Revenue</b>	<b>5</b>	<b>6</b>	<b>(1)</b>	<b>-</b>
<b>EXPENDITURE</b>				
Employee Costs	1	-	(1)	-
Support Costs	3,868	3,868	-	3,710
Operating Costs	47	35	(12)	41
<b>Total Expenditure</b>	<b>3,916</b>	<b>3,903</b>	<b>(13)</b>	<b>3,751</b>
<b>DEFICIT BEFORE TAX</b>	<b>(3,911)</b>	<b>(3,897)</b>	<b>(14)</b>	<b>(3,751)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(3,911)	(3,897)	(14)	(3,751)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(3,911)</b>	<b>(3,897)</b>	<b>(14)</b>	<b>(3,751)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,911)</b>	<b>(3,897)</b>	<b>(14)</b>	<b>(3,751)</b>

### Significant Operating Variations from LTCCP

There were no significant operating variations from the LTCCP.

### Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

# Managing Services

## What we do

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

## Why we do it

The Managing Services Activity supports all our other activities.

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Staff turnover: Less than 14%	13.7%	10%	N/A	3.5%	Monthly Management Reports
Legal and policy requirements: No significant instances of non-compliance	No significant instances of non-compliance	No significant instances of non-compliance	N/A	No significant instances of non-compliance	Monthly Compliance Reports
Work-related accidents: Fewer than six resulting in time off work	Four work-related accidents resulted in time off work	Six work-related accidents resulted in time off work	N/A	Seven work-related accidents resulted in time off work	Monthly Management Reports

## Managing Services - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
Rates Income	80,570	80,087	483	77,557
User Charges	1,033	858	175	965
Finance Revenue	305	150	155	148
Other Revenue	227	128	99	170
Gain	139	-	139	-
<b>Total Revenue</b>	<b>82,274</b>	<b>81,223</b>	<b>1,051</b>	<b>78,840</b>
<b>EXPENDITURE</b>				
Employee Costs	8,497	7,882	(615)	7,634
Support Costs	(13,744)	(13,744)	-	(12,993)
Operating Costs	2,965	3,330	365	4,192
Finance Cost	565	(49)	(614)	(149)
Depreciation	1,524	1,466	(58)	1,385
Loss	-	-	-	1,706
<b>Total Expenditure</b>	<b>(193)</b>	<b>(1,115)</b>	<b>(922)</b>	<b>1,775</b>
<b>SURPLUS BEFORE TAX</b>	<b>82,467</b>	<b>82,338</b>	<b>129</b>	<b>77,065</b>
<b>RATES FUNDING REQUIREMENT</b>				
Surplus Before Tax	82,467	82,338	129	77,065
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>82,467</b>	<b>82,338</b>	<b>129</b>	<b>77,065</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(959)	(1,193)	234	(891)
Capital Expenditure - Improving Services	(1,572)	(2,158)	586	(1,683)
Less Depreciation	1,511	1,465	46	1,385
<b>Total Loan Funding Requirement</b>	<b>(1,020)</b>	<b>(1,886)</b>	<b>866</b>	<b>(1,189)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>81,447</b>	<b>80,452</b>	<b>995</b>	<b>75,876</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Scholarships	5	-	(5)
Events Funding	1	6	5
International Co-operating Cities	1	-	(1)
Quality Of Life Study	15	15	-
Community Engagement Research	8	-	(8)
Research - Monitoring & Evaluation Of Outcomes	47	70	23
Internet Design	22	40	18

## Significant Operating Variations from LTCCP

Income was over budget due to additional rates revenue and finance cost income. Employee costs were over budget due to the transfer of about \$600k of budgeted training costs from operating costs where there is a corresponding saving.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Additional Network Requirements	-	10	10
Corporate Application/Hardware Replacement	165	210	45
Core Business Application Enhancement	710	795	85
Digitisation Of Council Core Information	727	1,093	366
Desktop Operating System Upgrade	-	150	150
Enterprise/Technical Architecture	1	40	39
Core Financial & Regulatory System Replacement	243	200	(43)
General Office Equipment	49	30	(19)
Mobile Devices	39	50	11
Network Replacement	36	30	(6)
Internet Online Service Development	66	210	144
Online Service Delivery To Staff	-	40	40
PC Replacement Programme	205	225	20
Server Replacement Programme	127	115	(12)
Software Purchases	124	103	(21)
Telecommunications Upgrade	39	50	11

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The digitisation of Council's core information continues. Funds have been carried over to complete further work next year. Due to changed priorities, Core Business Application Enhancement, Desktop Operating System Upgrade and Internet Online Service Development were deferred and funds have been carried over to 2010/2011 to continue these projects. Significant progress was made in upgrading Council's Core Financial & Regulatory Systems which continues into 2010/2011.

# Council-controlled organisations

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

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

## Seaview Marina Limited

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

Council's objective for this company is for it to own and operate Seaview Marina. The company has operated successfully in this capacity during the year.

### ***Nature and scope of its activities***

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

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

KEY PERFORMANCE TARGETS	LEVEL OF ACHIEVEMENT
Achieve a rate of return on shareholders' funds of 6.5% before taxation	Not achieved - Berth occupancy rate was lower than expected although demand is now increasing towards pre-recession levels. There has also been a temporary loss of hardstand rental space with the new development.
Complete the development of the Marine Service Centre before 30 June 2010	Achieved - Construction completed at the end of July 2010
Investigate the replacement of the marina boat hoist before 30 June 2010	Achieved – Replacement of the marina boat hoist has been completed
Review the business plan for the next five years (1 July 2009 – 1 July 2014) before 30 June 2010	Achieved – Review completed
Comply with financial, building, technical and regulatory standards	Achieved – Ongoing
Ensure property and asset maintenance is carried out in accordance with asset management plans and to the best applicable trade standards and practice	Achieved – Ongoing
Develop a strategy that will encourage the public to use the current beach and monitor and report that use back to Hutt City Council	Partially achieved – Seaview Marina Limited (SML) has developed a landscape plan for the beach. However, the beach is council property and SML is unable to develop facilities to encourage the public to use the beach without external assistance. Approaches have been made to other organisations for support.

## 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
<b>Property management</b>	
Net capital and operational expenditure within budget	Achieved
Resident satisfaction with public halls greater than or equal to peer average, subject to Council funding	Achieved 97% Peer average 92% Note: 97% of residents who expressed an opinion were satisfied. 32% of residents did not express an opinion.
Resident satisfaction with public toilets greater than or equal to peer average within 5 years, subject to Council funding	Achieved 69% Peer average 68% Note: 69% of residents who expressed an opinion were satisfied. 26% of residents did not express an opinion.
Tenant satisfaction with Council-owned community buildings greater than or equal to 90%	Achieved 96%
Council satisfaction with building management 90%	Not achieved - 86% Building maintenance demand has been higher than expected which put pressure on the available funding. Council buildings and facilities are also ageing, which is another factor to be taken into account. Revision of the target percentage for satisfaction may be required.
<b>Rental housing</b>	
Net capital and operational expenditure within budget	Achieved
A return on investment in line with market norms for the nature and condition of the property portfolio	Achieved
Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90%	Achieved 96%
Percentage of total housing units occupied by the elderly/ socially disadvantaged greater than or equal to 85%	Achieved 94%
Retain at least 180 housing units with the objective of growing this number to a minimum of 210 by 2013	Achieved 191

## 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
Develop and complete asset management plans annually	Achieved
Deliver budgeted capital expenditure projects	Achieved – Capital expenditure was \$2m under budget
Deliver budgeted operating and maintenance activities	Achieved – While operating expenditure was \$6.6m over budget this was due to additional costs related to the Waiwhetu Stream clean up project and additional work that was brought forward, as agreed with Hutt City Council
Manage and operate Capacity within its 2009/10 budget	Achieved
Manage Capacity labour productivity rate to be 80% or more at year end	Achieved 83.4% at 30 June 2010
Achieve annual increases in operating cost per property benchmarks for Hutt City Council's water, stormwater and wastewater networks at or below Auckland Water Industry averages	Not applicable – Since the government's 2009 announcement of the establishment of a new Auckland council, the AWI benchmark is no longer available
Meet key performance measures as set out in service level agreements	Achieved
Comply with financial, technical and regulatory standards	Achieved – No incidences of non-compliance reported
Complete a business plan by 30 June	Achieved

## Our community partnerships

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

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

## Partnerships with Māori

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

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

Our commitment to consulting Māori 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 Māori now resident in Hutt City, including (but not limited to) Te Taurahere o Te Awakairangi and the seven marae within the city – Koranui 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 Māori 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, Māori 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 Māori to contribute to our decision-making.
- Enable greater information flows on activities of mutual interest to both council and Māori.
- Foster the city's cultural life in which council and Māori 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 Māori 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, Māori community organisations.
- Ensuring that all parties are kept informed of our developments and given the opportunity to take part in council affairs.
- Providing quality advice and support for capacity and capability strengthening.
- Providing council grants to each of the seven city marae.

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

## THIS MEANS PEOPLE ARE PROUD TO LIVE HERE.

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

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

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

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





## Here's just some of our work that contributed towards achieving these community outcomes in 2009/10.

### ***Waiwhetu Stream***

The Waiwhetu Stream flood mitigation and environmental remediation project was largely completed within this financial year, with the finishing touches of planting 20,000 shrubs and trees and creating a walkway completed in July.

It was a joint venture between council, Greater Wellington Regional Council and the Ministry for the Environment largely in response to serious flooding in the area in 2004 and 2005. The floods caused many people to be evacuated from their homes and much damage to property.

The aim was to widen and deepen the stream to improve its flood carrying capacity. However in doing this the project had to deal with significant levels of contaminants in the stream, a legacy of the 1960s and 70s when the stream was used as a trade waste outlet for many of the industries in the area.

The stream was dammed and pumped dry in sections, with the natural stream flow then bypass pumped around each dried out 'cell'. Contaminants were removed and taken to landfill, where they were buried in purpose built trenches under the careful supervision of environmental engineering consultants. The stream bed and banks were then further excavated to provide the correct profile. The result is a clean and attractive stream that's now capable of withstanding a one in 50 year flood. The project has also been very well received by people working in the area, with the GNS Science Sustainability Group describing it as "awesome" and "very exciting".

We're now looking to develop a flood management plan for the upper reaches of the stream. Some of the future projects from the Vision Seaview Gracefield 2030 will also include support for the volunteer Friends of the Waiwhetu Stream group, a 'sponsor a spot' programme by the business community to beautify the stream banks, and historical, cultural and restoration promotion of the stream.

### ***Shared services***

We're committed to working with other local authorities where there are benefits to the city. Examples of our work with other local authorities include regional initiatives such as:

- Working to build an internationally competitive Wellington region while enhancing our quality of life through the Wellington Regional Strategy.
- Jointly funding 'Grow Wellington', the regional economic development agency, through Greater Wellington Regional Council, to facilitate, promote and foster the development of a dynamic economy in the Wellington region.
- The joint 'triangle' roading study with Greater Wellington Regional Council, Wellington City Council and the NZ Transport Agency.
- The Wellington and Wairarapa International Marketing Alliance with Positively Wellington Tourism, Porirua City Council, Upper Hutt City Council, Enterprise Coast and Destination Wairarapa.
- An Intersectoral Group with Greater Wellington Regional Council, Upper Hutt City Council and Hutt Valley District Health Board.

Examples of our work with Wellington City Council include:

- Operating Capacity.
- Providing an after hours telephone answering service.
- Previous joint roading tenders.

Our work with Upper Hutt City Council includes:

- A combined 'whole of valley' shared wastewater treatment and disposal system.
- Combined 'whole of valley' access to the Silverstream Landfill, operated by Hutt City Council.
- A combined Waste Management Plan for the Hutt Valley.
- A combined cemetery service for the Hutt Valley at Akatarawa.
- Combined emergency management services for the Hutt Valley.
- Combined community-related advisory and governance groups, including the Hutt Valley Governance Group, the Alcohol Advisory Group, the Youth Workers Network, the Settlement Support Steering Group and the Healthy Housing Project.
- Joint tourism marketing, including [www.huttvalleynz.com](http://www.huttvalleynz.com).
- Working together to provide services for environmental health, animal control, trade waste, liquor licensing and public safety issues.
- Youth Transition Services (funded by the Ministry of Social Development)
- Previous joint roading tenders.

Our libraries together with Porirua, Kapiti Coast, Wellington Institute of Technology (WelTec) and Masterton District (including UCOL) libraries have also entered a shared services arrangement. The consortium is one of the largest library groupings in New Zealand and believed to be among the first public - tertiary library partnerships. Under the five year agreement, the libraries will host their library management systems on an Auckland based server managed by library system vendor Civica. The arrangement ensures the libraries are always on the latest version of the product and the system's maintenance and development is optimised for best results. In the 2010-14 years the libraries will work towards a regional library card, seamless access to picking up and dropping off library items anywhere within the region, efficiencies in purchasing and processes, and greater sharing of skills and knowledge across the group. Great news for library fans across the region.

During the 2010/11 financial year we'll be continuing to work in partnership with other councils in the region to deliver shared services, including procurement of goods and services, and investigating other possibilities for shared services such as waste management, rates billing and building control.

### ***Silverstream Landfill***

A major milestone in April 2010 was the opening of the new Silverstream Landfill. The first loads of refuse were deposited in May after 10 years of planning, obtaining resource consents, design and construction. The new landfill meets New Zealand's highest environmental standards, being one of only a few Class A landfills in the country. It is fully lined, and has gas capture systems designed to maximise production of electricity via the on-site gas-electricity plant. The landfill is expected to provide for the safe and efficient disposal of residual refuse from the Hutt Valley for the next 50 years.

**Silverstream Landfill contract manager James Blair.**



## Starting New

It's just over a year since Clement Sudhakar left his home country India to set up a new life for his family in New Zealand.

He's still adjusting to our icy winters but hasn't had any problem getting used to a kiwi lifestyle in Hutt City.

"Things seemed to fall in place when we arrived in Hutt City. Within a week we were able to find a good school for my daughter. We quickly made friends and started to take part in Settlement Support workshops run by council. The workshops were free and very useful – they helped us enrich our knowledge about this society and they fitted with our personal needs and interests. Meeting and mixing with people was much easier after we attended these workshops."

Clement signed up for a driving skills workshop just a month out from sitting his New Zealand driving licence. With the practise tests and tips he picked up at the workshop he aced his licence, scoring 35/35 in the theory section.

With his daughter off to intermediate next year he also found a workshop about the New Zealand education system very helpful.

**"Life in Hutt City has been far more enjoyable and smooth than we expected. The place that looked new to us has now started looking familiar and friendly."**



Clement Sudhakar with his wife Bindhu and daughter Bernice at Waiwhetu Marae where they attended a workshop to learn about the Treaty of Waitangi, local history and te reo Māori.



### ***Environmental sustainability***

Throughout the year we've worked with the community to make it easier for residents to dispose of their rubbish responsibly and encourage people to think about steps they can take to reduce their environmental impact. Our annual Hazardous Waste Collection was popular and in March 2010 we held our first e-recycling where people could drop off all their unwanted electrical items.

We offered a series of sustainable living workshops where people came to learn how to live smarter and save money. To complement the workshops we arranged for Lyn Webster, a budgeting guru who teaches people to make their own environmentally friendly products, to speak at a free public workshop. About 600 people turned up at the Town Hall to hear how she cut her family's grocery bill to \$75 a week – an impressive turnout.

We also granted \$20,000 to a range of community led environmental projects.

Our work with schools on a wide range of sustainability projects during the year included:

- SAM's Word On Waste tours – 23 one day field trips including tours of Transpacific AllBrites, the Silverstream Landfill and Earthlink Inc's WasteSmart store and facilities.
- Enviroschools programme – 15 schools and one pre-school currently participate.
- Environmental grants – six schools and three pre-schools were awarded sustainability grants.
- School recycling – 23 schools are doing paper recycling with council support.
- School murals – five schools created school murals.
- Wearable Arts in Valley Schools – Almost 100 garments and 230 students participated in the 2009 show which was run by young people for children and young people.

### ***Property enquiries***

A great new property enquiry system was developed during the year which is accessible for free via our website [www.huttcity.govt.nz](http://www.huttcity.govt.nz). People can now scan and zoom in and out across a map of Hutt City, which makes it easier to locate the detailed land and property information available on all Hutt City properties. This is a great tool for prospective home buyers or those who want to know more about the properties in their neighbourhood.

### ***Public access to building records***

We've set up a new system for the public to access council's building records. The microfiche readers at the front counter have been replaced with computers and people can now search and look at records free of charge. The records currently available are building consent applications, plans, elevations, some plumbing and drainage records, code compliance certificates and historic building permit information. The new system also allows people to print the electronic records they select. As more environmental consents records become digitised, the public will have access to an increasing number of plans and applications.

### ***'Connect' library system***

During this financial year the public computer system at our libraries, 'Connect', was enhanced to provide even more functionality to customers. Additional programs were made available such as Microsoft Office and Google Earth. Customers also now have a choice of browsing the internet using Internet Explorer or Firefox. Printing on the Connect system is very popular, and to ensure we cover all costs of printing and to gain revenue from this public service, we now have a print management solution in place. This records all printing by the public, and library staff have to collect payment for the number of pages printed before the print job is released, ensuring the costs of printing are managed.

### ***Flood database***

Our flood database was developed as a central location for all historical, current and modelled flooding information we hold, including photographs, remedial measures and engineers' comments.

The database is available to Hutt City Council officers responsible for processing regulatory consents (including Project Information Memoranda and Land Information Memoranda), as well as engineers responsible for road improvement works and subdivision assessments, policy officers working on District Plan and strategic policy, trade waste officers, and Capacity staff for use in project planning. The information is also available to the public at council's front counter.

This database has:

- Improved the speed at which regulatory consents can be investigated and processed.
- Increased the speed that information is available to the public when purchasing a property or developing a property.
- Improved the quality of the information that can be used by council staff and the public.
- Provided Capacity with accurate information to assist their capital expenditure projects.
- Ensured that any information was qualified by the mitigation measures installed by council's water services provider.
- Decreased the level of statutory risk that existed in the way records were held, and the difficulty officers had in accessing all information quickly from a variety of different sources.

### ***Cemetery online database***

We're working towards adding the burial information of Taita Cemetery and Wainuiomata Garden of Remembrance to an online database so that family, friends and genealogists can more easily locate their loved ones. To do this the current burial information we hold in an internal database is being verified physically onsite and a photograph of each headstone and plaque captured. The information for the new section of the Taita Cemetery and the Wainuiomata Garden of Remembrance is expected to be captured and verified for input into the database later this year.

### ***Urban Forest Plan***

Our Urban Forest Plan was developed during this financial year and featured two rounds of public consultation and contributions from industry experts. The plan concentrates on vegetation we manage in natural areas, urban reserves and street trees. In natural areas we want to achieve connectivity between existing areas of quality habitat while improving the biodiversity values of unforested or regenerating areas.

In urban reserves the focus is on providing large, quality tree specimens which is already occurring on many sites. Over time this focus is likely to become more important as section sizes decrease and become less able to host large specimen trees.

Part of the plan included a comprehensive survey of council's street tree assets and 12,000 trees were individually assessed. We're now in a position to gradually improve the quality of the street tree asset over the next 20 years. We will also be able to forecast expenditure more accurately and determine street tree management priorities. The plan also encourages developing street tree master plans for wards, which feed into long term plans for entire streets. A simple, new strategy like reducing the amount of pruning required to clear overhead lines will help to contain tree maintenance contract costs. It will also reduce our commitment to maintaining trees that are unlikely to develop into quality specimens.

## Our eyes and ears

The Hutt Safe City Group is helping make Hutt City a safe place to live.

Formed last October, the group incorporates Hutt City neighbourhood support and community patrols and works alongside council, police, schools and other community organisations.

Coordinator Ross McKinnon says the group is the “eyes and ears” of police and council too.

“We have community patrols in Eastbourne, Naenae, Wainuiomata, Stokes Valley, Taita and another about to be formed in Petone. Our volunteer patrollers are a visible presence on our streets and work closely with police to deal with situations, managing traffic, they even take on a civil defence role. We also keep in close contact with council and keep an eye out for things like street lights or pot holes that need fixing. Working together is how you get things done!” he says.

Ross loves working in the community and is passionate about his work.

“It’s my life.”

He says every week is different and is enthusiastic about the group’s latest initiative, Junior Neighbourhood Support.

The programme aims to promote a sense of pride in children and schools across the city by rewarding students who do something that demonstrates community spirit and supports community safety.

**“It’s great to be working with schools and see children realise their actions can make a difference.”**

**Hutt Safe City Group coordinator Ross McKinnon loves working in the community.**



## A perfect match

When Rachel Ireland decided to get a dog for her family she knew what she was looking for.

"I have three young children so I didn't want to have to train a puppy or go through the 'chewing stage' which would invariably include my expensive shoes and the children's toys! I love animals and I wanted to give an older dog a new home and a better life", she says.

After first contacting the SPCA she was referred to our animal services centre where she was introduced to a Labrador-cross named Harry.

"Harry definitely ticked all the boxes but we took him home on a trial basis just to make sure. Jane from the animal service centre was fantastic and gave us such a personalised service. She took time to find us the 'right' dog and thoroughly checked to make sure we were going to be the 'right' kind of owners."

Two weeks into the trial Harry was already part of the family.

**"He is absolutely wonderful with the kids and there was no way we wanted to give him back. Adopting Harry was definitely a great decision for our family."**

Harry has become a much-loved play mate for Rachel's children Jasmine, Leah and David





### ***Community safety***

We've been working hard with Upper Hutt City Council, Regional Public Health, Hutt Valley District Health Board, ACC and police from both the Hutt City and Upper Hutt police districts to achieve World Health Organisation accreditation as a member of the International Safe Community Network. The six criteria to achieve this are:

1. An infrastructure based on partnership and collaborations, governed by a cross-sectional group that is responsible for safety promotion in their community.
2. Long-term, sustainable programmes covering both genders and all ages, environments and situations.
3. Programmes that target high-risk groups and environments, and programmes that promote safety for vulnerable groups.
4. Programmes that document the frequency and causes of injuries.
5. Evaluation measures to assess programmes, processes and effects of changes.
6. Ongoing participation in national and international Safe Communities networks.

Our application for accreditation was lodged in July 2010 with the Safe Communities Foundation of New Zealand, and an audit inspection undertaken in early August confirmed that our application was successful. Accreditation was granted in September.

### ***Youth development***

During the year our youth development team was involved in a range of activities including a very successful Youth Week and the Community Max programme which helps young people gain work experience. Our youth council, Youth Infusion, has been revamped and a three year strategic plan for its activities is being created. We've also conducted a youth survey across the Hutt Valley for 12-24 year olds and this will drive the direction of our work with youth in the upcoming year. We also received a Youth and Local Government Award.

### ***Rehoming of dogs***

We successfully found new homes for 90 dogs that ended up at our animal service centre in Seaview. These dogs were given a fresh start with new owners who welcomed them into their families.

### ***Computer Clubhouse***

The Naenae Computer Clubhouse is an after-school centre where local youth aged 10 to 18 can work with volunteer mentors to explore their own ideas, develop skills, and build their self-confidence through the use of technology. We opened the clubhouse with Community Partnership funding from the Department of Internal Affairs to deliver technology and opportunities to those who would not otherwise have access to them. The centre features the very latest computer, video and sound studio equipment and young people (who make up 68.5 percent of Naenae's population) can have a go at graphic design, robotics, 3D modelling, animation, photography, website development, computer simulations, multimedia creations, electronic music, and computer game design. Naenae Computer Clubhouse is part of a global village of 100 clubhouses in 20 countries and the third to open in New Zealand.



### ***CBD traffic modelling***

A detailed traffic flow analysis model has been developed focusing on the CBD and the surrounding area. The model will be used to test the impact of the various ideas put forward during the Making Places project on the local road network. Possible changes such as improved access to the CBD from SH2 and additional parking provision to stimulate High Street activity will be assessed and, if required, presented in graphical 'micro-simulations'.

### ***State Highway 2 - Dowse to Petone project***

The NZ Transport Agency (NZTA) upgrade of the Dowse to Petone section of SH2 was completed. This has improved traffic flows on SH2 south of Melling and the new Dowse Interchange provides direct access to the city south of the CBD. Access to Percy Scenic Reserve from both directions of SH2 has also been made safer and easier as a result of works carried out in conjunction with the SH2 Dowse to Petone project.

Hutt City has gained roading infrastructure of approximately \$10 million fully funded by NZTA.

### ***Crisis management***

We have significantly improved how we respond to disruptions to our business through careful planning and organisation. In March 2010 we ran a simulated crisis, and an evacuation of our building on Laings Road to assess how prepared we are for the 'real thing'. Our mock crisis involved a fire breaking out in our main switchboard and our crisis management team sprung into action while everyone else was evacuated to the Little Theatre. It was an opportunity for us to test our emergency procedures and raise awareness of the importance of being prepared for the unexpected. As well as testing our plans, we also took the opportunity to test power using a back up generator. Customers were looked after, and essential services were not disrupted. The lessons learned from this exercise have been built into our plans to enhance our response to any foreseeable emergency situation.

### ***Emergency management***

The Hutt Valley Emergency Management Office (HVEMO) looks after emergency management and rural fire management in the Hutt Valley and uses a range of initiatives to help the community become better prepared for emergencies.

They were the first emergency management office in New Zealand to use the emergency preparedness network 'Readynet'. Using Readynet people can record information about themselves, a group, or business via the internet on the Hutt Valley emergency preparedness network. This information is shared with emergency 111 call centres and the HVEMO Operations Centre to send information and alerts via text message and/or email. Readynet users can print out an emergency action guide by completing a hazard analysis and entering key details. It's also being used to identify and enhance the evacuation plans for a range of users in tsunami evacuation zones.

As Hutt City has significant coastal areas the HVEMO is consulting the public on a tsunami evacuation plan. This plan, in draft form, has been prepared together with police and the New Zealand Fire Service during the past 12 months. GNS Science, Greater Wellington Regional Council and the Ministry of Civil Defence Emergency Management (CDEM) have also been involved. By early 2011 a public education programme about the threat of tsunami in the Hutt Valley will be introduced. During a tsunami threat our siren warning system would be a vital tool to alert coastal areas to the potential danger.

The HVEMO also had a busy year working with the Wellington Region Civil Defence Emergency Management Group to produce an emergency preparedness guide. The booklet helps people understand some of the risks faced in the region and has easy steps to prepare them for an emergency.

Other initiatives the HVEMO has been involved in during the year include:

- Working with schools, age care and early child care centres in tsunami evacuation zones in Petone, Alicetown, Moera, Gracefield, Seaview and Eastbourne on evacuation plans and hazard risk analysis.
- Coordinating the Riverside Car Park group. In a flooding emergency when the car park needs to be cleared the HVEMO can give the more than 200 group members an early warning via text message or email.
- Organising 12 local secondary schools to participate in an annual training programme for general rescue. The course is run by members of the Hutt City emergency response team - one of four regional teams registered with the Ministry of CDEM.
- Joining with local police, the New Zealand Fire Service and the two local bushfire forces in the annual National Disaster Awareness Week. They worked on a range of displays and demonstrations, community talks, and preparedness publicity initiatives. During this week the siren warning system for the lower valley floor was also sounded.
- Installing 5,500 litre water storage tanks for emergency use at the Hutt Valley's civil defence centres, which are predominantly primary schools.

**You can also see the report on our key performance indicators from page 8 and the reports that follow on our significant activities that primarily contribute to making Hutt City a great place to live. See also the indicators of progress made between 2006 and 2009 in achieving our community outcomes, from page 89.**

## Protecting our children

Improving pedestrian safety in our city is an important part of our roading programme and during the year we made walking to school a lot safer for Maranatha Christian School students.

Previously the road leading up to the school left little room for foot traffic and walkers would have to step on the road into oncoming traffic.

Principal Debbie Middleton says the situation was an accident waiting to happen.

“It was dangerous. We wanted to start a walking school bus but parents didn’t want their children to walk to school because they were concerned about the safety of the journey. Parents dropping their children off at the school entrance also had difficulty with visibility as the bush-covered bank out the front made it difficult to see traffic coming the other way,” she says.

We listened to the school’s concerns and created footpaths, a footbridge and shaved away some of the bank to make it easier for parents to see both ways when coming in and out of the school.

Mrs Middleton was delighted with the results and the school now has its own walking school bus.

**“The work really exceeded our expectation and council delivered more than we thought possible. The area is now much safer for our students and it’s great to see the walking school bus in action.”**



Maranatha Christian School students Caitlin Fletcher, Natalie Fletcher, Kate McDonald, Dominic Fransen and Ethan Fransen take the walking school bus to and from school every day.

# SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

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

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

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

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

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

## GROUP UTILITY SERVICES PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Roading and Traffic	Eight out of ten performance measures achieved
Water Supply	All performance measures achieved
Wastewater	Three out of four performance measures achieved
Stormwater	All performance measures achieved
Solid Waste	One out of three performance measures achieved

Under Roothing and Traffic, resident satisfaction with street lighting is the same as last year's result but 1% below the target of 89%. Council's target has been set well above our peer average of 85%. The main reasons residents say they are not very satisfied are that there are not enough lights, or no lights in some areas, or the lights are not working.

Council's road safety projects have contributed to a significant reduction (24%) in injury crashes on the city's roads (excluding SH2) in 2009/10 compared to the previous year. However, in spite of the sharply reducing trend over the last three years, the 10 year trend that we measure against continues to show a rising trend, albeit at a reducing rate.

Under Wastewater the target of no resource consent-related infringement notices was met by Council although the contractor, Hutt Valley Water Services, received one infringement notice for an offensive and objectionable odour beyond the boundary of the Hutt Valley Wastewater Treatment Plant, as reported in Council's June compliance reporting.

The response to wastewater disruptions was 1% below the target of 97%. Because of bedding in issues with City Care Limited's real-time reporting this result reflects only the results from the last six months of the year, as agreed with Council.

Resident satisfaction with rubbish collection is the same as the average of our peer councils but 4% below the target of 93%. Residents surveyed commented on their dissatisfaction with the amount of rubbish blowing around the streets, particularly on rubbish collection days.

Resident satisfaction with refuse disposal at landfills has dropped in the last year and is 5% below the target of 87%. The main reason residents say they are not very satisfied with refuse disposal is because of the cost.

## Future challenges

The economy, uncertainty around climate change, the community's growing environmental expectations, central government's increased focus on local government transparency and efficiency, and legislative and regional planning changes in land and water use, will all be matters for the incoming Council to consider in the first few months after the election.

**Group Utility Services Financial Summary**

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-10 \$000	ANNUAL PLAN 30-JUN-10 \$000	ACTUAL 30-JUN-09 \$000	ACTUAL 30-JUN-10 \$
Roading and Traffic	(3,546)	(12,434)	(12,913)	36.10
Water Supply	(10,559)	(10,776)	(10,458)	108.10
Wastewater	(14,403)	(14,407)	(15,178)	147.10
Stormwater	(12,872)	(5,791)	(5,946)	132.10
Solid Waste	9,476	7,041	4,077	(97.10)
	<p>Note: The (deficit)/surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2009/2010 Annual Plan and the previous year.</p>		<p>Note: The rate requirement per resident shows the average cost to each individual in the city for the listed council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.</p>	

# Roading and Traffic

## What we do

Our 'Roading and Traffic' Activity includes:

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

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

## Why we do it

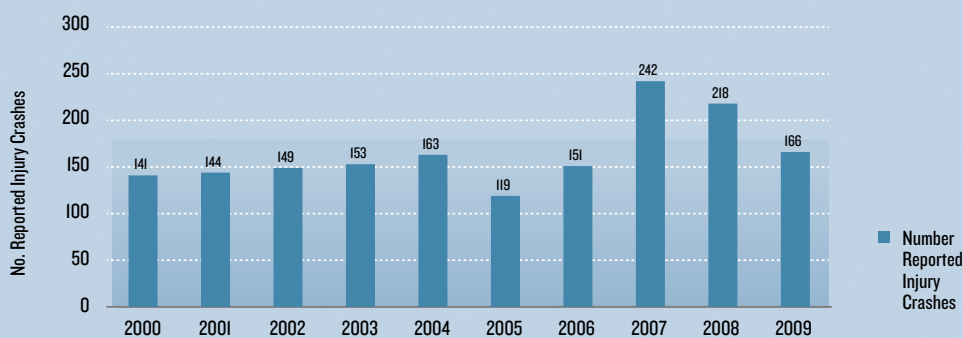
Having the road corridor in public ownership ensures that all our residents have appropriate access to property and freedom of travel throughout Hutt City. We provide sealed roads, footpaths and street lights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with street lighting: ≥89%	90%	88%	85%	88% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with roads and gutters being free of litter: ≥86%	89%	91%	79%	87% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with traffic control, and with the safety and convenience of movement around city streets: ≥82%	87%	87%	N/A	88% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with footpaths: ≥79%	81%	81%	74%	80% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with roads: ≥80%	80%	75%	78%	80% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with parking in and around Hutt City: ≥72%	80%	80%	67%	79% of residents who expressed an opinion were satisfied. 2% of residents did not express an opinion.	NRB Communitrak Survey
'Road Condition Index', which measures the condition of the road surface: Hold or improve rating Note: A lower number indicates an improved rating.	2.7	1.4	N/A	2.0	Data from NZTA Note: As half the city is surveyed in alternate years, the 2009/10 figure needs to be compared with 2007/08 and reflects an improving trend.
'Smooth Travel Exposure', which is a nationally accepted measure of road roughness: Hold or improve rating Note: A higher percentage indicates an improved rating.	76%	80%	N/A	82%	Data from NZTA Note: As half the city is surveyed in alternate years, the 2009/10 figure needs to be compared with 2007/08 and reflects an improving trend.
Accident trend: Contribute to a reducing trend over 10 years	See graph	See graph	N/A	See graph	Data from NZTA Note: In spite of the sharply reducing trend over the last three years, the 10 year trend continues to show a rising trend, albeit at a reducing rate.

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

### Injury Crashes within Lower Hutt excluding State Highways



Source: NZTA Hutt City Annual Road Safety Report

## Roading and Traffic - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	3,108	3,193	(85)	3,155
Operating Contributions	3,296	3,351	(55)	3,320
Capital Contributions	3,811	4,012	(201)	3,327
Other Revenue	466	520	(54)	1,266
Vested Assets	9,937	-	9,937	-
<b>Total Revenue</b>	<b>20,618</b>	<b>11,076</b>	<b>9,542</b>	<b>11,068</b>
<b>EXPENDITURE</b>				
Employee Costs	1,091	1,089	(2)	1,044
Support Costs	2,214	2,214	-	2,064
Operating Costs	10,027	10,029	2	10,026
Finance Cost	1,490	1,490	-	1,985
Depreciation	9,342	8,688	(654)	8,862
<b>Total Expenditure</b>	<b>24,164</b>	<b>23,510</b>	<b>(654)</b>	<b>23,981</b>
<b>DEFICIT BEFORE TAX</b>	<b>(3,546)</b>	<b>(12,434)</b>	<b>8,888</b>	<b>(12,913)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(3,546)	(12,434)	8,888	(12,913)
Add Capital Contributions	(3,812)	(4,012)	200	(3,327)
<b>Total Rates Funding Requirement</b>	<b>(7,358)</b>	<b>(16,446)</b>	<b>9,088</b>	<b>(16,240)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(6,931)	(7,116)	185	(6,247)
Capital Expenditure - Improving Services	(1,618)	(1,409)	(209)	(1,156)
Less Capital Contributions	3,812	4,012	(200)	3,327
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	9,342	8,688	654	8,862
<b>Total Loan Funding Requirement</b>	<b>4,605</b>	<b>4,175</b>	<b>430</b>	<b>4,786</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,753)</b>	<b>(12,271)</b>	<b>9,518</b>	<b>(11,454)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Cross Valley Link Study	37	150	113
CBD Traffic Improvements Study	198	-	(198)

## Significant Operating Variations from LTCCP

Income from user charges and subsidies was under budget, however the most significant variance is due to the unbudgeted receipt of vested assets of about \$9.4m from the SH2 Dowse Interchange project. Expenditure was above budget due to additional depreciation costs arising from the revalued and vested assets.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Area Wide Pavement Treatment	1,922	1,255	(667)
Roads Broadband Ducting	19	21	2
Carpark Resurfacing	31	51	20
Cycleways Continued Development	351	351	-
Footpath Resurfacing And Replacement	189	205	16
High Street Parking Bays	44	-	(44)
Local Area Traffic Management	46	51	5
Land Purchase For Roads	72	85	13
Pavement Surfacing	3,593	4,640	1,047
Minor Safety Works	52	51	(1)
Minor Road And Footpath Construction	87	72	(15)
Pedestrian Crossing Maintenance	32	31	(1)
Pedestrian Crossings New	46	51	5
Road Smoothing	263	-	(263)
SH2 Upgrade	27	50	23
Streetlight Lantern Replacement Programme	49	51	2
Streetlight Standard Replacement	20	20	-
Street Name Sign Replacement	20	20	-
Substandard Roads Upgrade	604	450	(154)
Traffic Safety Improvements	410	350	(60)
Traffic Signal Replacement	102	150	48
Wainuiomata Hill Road Safety Seal	570	570	-

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Approximately \$6.5m was spent on upgrading and maintaining the road surfaces. Additional unbudgeted road smoothing was carried out but was contained within the overall budget. Cycleway development continued including sealing of the river trail from the Ewen Bridge to the Kennedy-Good Bridge. The Substandard Road Upgrading project mainly involved improvements to Normandale Road and the Traffic Safety Improvements related mainly to the new roundabout at the Bell/Parkside intersection.



# Water Supply

## What we do

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

## Why we do it

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

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with the city water supply: ≥95%	96% (peer average 94%)	95% (peer average 92%)	92%	97% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Compliance with New Zealand Drinking Water Standards: Full compliance	Achieved full compliance with New Zealand Drinking Water Standards	Achieved full compliance with 1,587 of the 1,590 tests carried out	N/A	Full compliance	Potable Water Testing Contract Reports
Quality of water: Achieve 'b' grading from the Ministry of Health for the Hutt City water supply Note: 'b' grading means a satisfactory, low level of risk	Achieved a 'b' grading for the Hutt City water supply	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	N/A	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Ministry of Health Register of Community Drinking Water Suppliers grading report
Provide a reliable water supply service: Fewer than four unplanned supply cuts per 1,000 connections	Achieved fewer than 1.48 unplanned supply cuts per 1,000 connections	Achieved 1.99 unplanned supply cuts per 1,000 connections	N/A	Achieved 2.415 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 one hour of notification	99%	98%	N/A	99%	Operations and Maintenance Contract Monthly Report Note: Because of bedding in issues with City Care Ltd's real time reporting this result reflects only the results from the last six months of the year, as agreed with Council.
Maintain the average un-metered water consumption in Hutt City: Less than 350 litres per head per day	Achieved less than 336 litres	Not measured	N/A	Achieved 304 litres per head per day	Management Report - sourced from the Metered Water Consumption Data Report and Greater Wellington Regional Council Consumption Report

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

## Water Supply - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	1,977	2,260	(283)	2,016
Capital Contributions	2	115	(113)	4
Other Revenue	-	-	-	-
Vested Assets	148	-	148	147
<b>Total Revenue</b>	<b>2,127</b>	<b>2,375</b>	<b>(248)</b>	<b>2,167</b>
<b>EXPENDITURE</b>				
Support Costs	306	306	-	326
Operating Costs	8,875	9,407	532	8,663
Finance Cost	515	515	-	685
Depreciation	2,990	2,923	(67)	2,951
<b>Total Expenditure</b>	<b>12,686</b>	<b>13,151</b>	<b>465</b>	<b>12,625</b>
<b>DEFICIT BEFORE TAX</b>	<b>(10,559)</b>	<b>(10,776)</b>	<b>217</b>	<b>(10,458)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(10,559)	(10,776)	217	(10,458)
Add Capital Contributions	(2)	(115)	113	(4)
<b>Total Rates Funding Requirement</b>	<b>(10,561)</b>	<b>(10,891)</b>	<b>330</b>	<b>(10,462)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(1,314)	(1,515)	201	(1,428)
Capital Expenditure - Improving Services	-	-	-	(593)
Less Capital Contributions	2	115	(113)	4
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	2,990	2,923	67	2,951
<b>Total Loan Funding Requirement</b>	<b>1,678</b>	<b>1,523</b>	<b>155</b>	<b>934</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(8,883)</b>	<b>(9,368)</b>	<b>485</b>	<b>(9,528)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Economic Development Strategy	1	-	(1)

## Significant Operating Variations from LTCCP

Income was under budget due to reduced revenue from metered water. This was more than offset by reduced expenditure due to reduced bulk water charges and maintenance costs.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Bledisloe Cres Watermain/Rider/Services-Wainuiomata	222	255	33
Buller Wilkie Watermain - Naenae	72	72	-
Konini Reservoir Roof Upgrade	178	260	82
Main Road Watermain and Services - Phase 2/3	147	347	200
Minor Works (Water Supply)	246	150	(96)
Pharazyn Street Pumping Station Renewal - Stage 1	159	150	(9)
Pumping Station Minor Works	72	43	(29)
Reservoir Hatch Security	25	25	-
Reservoir Minor Work	53	67	14
Scada Renewals Water Supply	27	26	(1)
Woodvale Gr-Watermain/Rider/Svces- Eastern Hutt	113	120	7

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Approximately \$800k was spent on upgrading and maintaining the watermain network in the City with \$200k carried over to 2010/2011 to complete the Main Road Watermain and Services portion of this work. The Konini Street Reservoir roof was upgraded and Stage 1 of the Pharazyn Street pumping station renewal was completed.

# Wastewater

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with the city wastewater service: $\geq 95\%$	97% (peer average 94%)	97% (peer average 94%)	94%	95% of residents who expressed an opinion were satisfied. 2% of residents did not express an opinion.	NRB Communitrak Survey
No resource consent-related infringement notices received from Regional Council: No infringement notices	100% compliance	100% compliance	N/A	No infringement notices	Compliance reports from Greater Wellington Regional Council
Provide a reliable wastewater service: Fewer than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline	Achieved 1.01 incidents	Achieved 0.7975 incidents	N/A	Achieved 0.875 incidents	Operations and Maintenance Contract Monthly Report
Respond promptly to wastewater disruptions: 97% of requests responded to within one hour of notification	99%	98%	N/A	96%	Operations and Maintenance Contract Monthly Report Note: Because of bedding in issues with City Care Limited's real-time reporting this result reflects only the results from the last six months of the year, as agreed with Council.

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

## Wastewater - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	852	788	64	771
UHCC Operating Contribution	2,062	2,165	(103)	2,094
Capital Contributions	22	260	(238)	44
Vested Assets	384	-	384	-
Other Revenue	-	-	-	795
<b>Total Revenue</b>	<b>3,320</b>	<b>3,213</b>	<b>107</b>	<b>3,704</b>
<b>EXPENDITURE</b>				
Support Costs	517	520	3	582
Operating Costs	9,797	9,964	167	10,745
Finance Cost	962	962	-	1,281
Depreciation	6,447	6,174	(273)	6,274
<b>Total Expenditure</b>	<b>17,723</b>	<b>17,620</b>	<b>(103)</b>	<b>18,882</b>
<b>DEFICIT BEFORE TAX</b>	<b>(14,403)</b>	<b>(14,407)</b>	<b>4</b>	<b>(15,178)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(14,403)	(14,407)	4	(15,178)
Add Capital Contributions	(22)	(260)	238	(44)
<b>Total Rates Funding Requirement</b>	<b>(14,425)</b>	<b>(14,667)</b>	<b>242</b>	<b>(15,222)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(3,237)	(3,583)	346	(3,103)
Capital Expenditure - Improving Services	(1,756)	(1,591)	(165)	(277)
Less Capital Contributions	22	260	(238)	44
Less UHCC Capital Contributions	-	-	-	(470)
Less Depreciation	6,447	6,174	273	6,274
<b>Total Loan Funding Requirement</b>	<b>1,476</b>	<b>1,260</b>	<b>216</b>	<b>2,468</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(12,949)</b>	<b>(13,407)</b>	<b>458</b>	<b>(12,754)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
DBO Main Outfall Leak Investigation & Repairs	235	300	65

## Significant Operating Variations from LTCCP

The income variance relates to the receipt of vested assets from the SH2 Dowse Interchange project. Expenditure variance relates mainly to savings in maintenance costs offset by increased depreciation costs from revalued assets and new vested assets.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Cambridge Terrace Sewer Renewal	52	94	42
Leighton Avenue Sewer Replacement	1,775	1,980	205
Local Pumping Station Wastewater	84	82	(2)
Minor Asset Renewals	149	170	21
Malone Road Catchment Capacity Improvement	349	300	(49)
Pressure Testing Of Sewers	184	300	116
Resource Consent - Malone Road & Hinemoa Street	99	41	(58)
Scada Renewals Wastewater	30	27	(3)
Trunk DBO Type A Network Development	697	650	(47)
Trunk DBO Asset Replacement Fund	776	740	(36)
Trunk DBO Type B Network Development	611	600	(11)
Trunk Non-DBO Minor Works	11	10	(1)
Trunk DBO Pipeline Cyclic Replacement	86	90	4
Waiwhetu Stream Syphon Crossing Sewer Renewal	90	90	-

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The Leighton Avenue Sewer Replacement project costs of \$1,775k involved a major upgrade to the sewer network in the Waiwhetu area. \$180k has been carried over to 2010/2011 to complete this project. There were also associated improvements to the Malone Road Catchment Capacity costing \$349k. \$2,170k was also spent on upgrading and maintenance to the Trunk Sewer Network.

# Stormwater

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with the city stormwater service: ≥80%	86% (peer average 89%)	81% (peer average 85%)	85%	83% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Provide a reliable stormwater service: Fewer than 0.5 stormwater incident reported per kilometre of stormwater pipeline	Achieved 0.075 incidents	Achieved 0.1287 incidents	N/A	Achieved 0.169 incidents	Operations and Maintenance Contract Monthly Report
Achieve water quality at main recreational beaches: 90% of sampling days when water quality meets Ministry for the Environment guidelines	Achieved Recreational Water Quality Standards	Achieved Recreational Water Quality Standards	N/A	Achieved Recreational Water Quality Standards on 95% of sampling days	Environmental Laboratory Services Limited Monitoring Contract Report
Respond promptly to stormwater disruptions: 97% of requests responded to within one hour of notification	98%	99%	N/A	98%	Operations and Maintenance Contract Monthly Report Note: Because of bedding in issues with City Care Limited's real-time reporting this result reflects only the results from the last six months of the year, as agreed with Council.

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

## Stormwater - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	4	2	2	3
Operating Contributions	17	7	10	8
Capital Contributions	7	166	(159)	20
Other Revenue	9	-	9	223
Vested Assets	1,467	-	1,467	-
<b>Total Revenue</b>	<b>1,504</b>	<b>175</b>	<b>1,329</b>	<b>254</b>
<b>EXPENDITURE</b>				
Support Costs	296	296	-	317
Operating Costs	10,903	2,560	(8,343)	2,550
Finance Cost	576	576	-	767
Depreciation	2,601	2,534	(67)	2,566
<b>Total Expenditure</b>	<b>14,376</b>	<b>5,966</b>	<b>(8,410)</b>	<b>6,200</b>
<b>DEFICIT BEFORE TAX</b>	<b>(12,872)</b>	<b>(5,791)</b>	<b>(7,081)</b>	<b>(5,946)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(12,872)	(5,791)	(7,081)	(5,946)
Add Capital Contributions	(7)	(166)	159	(20)
<b>Total Rates Funding Requirement</b>	<b>(12,879)</b>	<b>(5,957)</b>	<b>(6,922)</b>	<b>(5,966)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(561)	(566)	5	(544)
Capital Expenditure - Improving Services	(775)	(2,426)	1,651	(985)
Less Capital Contributions	7	166	(159)	20
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	2,601	2,534	67	2,566
<b>Total Loan Funding Requirement</b>	<b>1,272</b>	<b>(292)</b>	<b>1,564</b>	<b>1,057</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(11,607)</b>	<b>(6,249)</b>	<b>(5,358)</b>	<b>(4,909)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Waiwhetu Stream Flood Management Plan	7,454	-	(7,454)

## Significant Operating Variations from LTCCP

The income variance relates to the receipt of vested assets from the SH2 Dowse Interchange project. Expenditure variance relates entirely to the cost of the Waiwhetu Stream clean up. The clean up was originally budgeted as a capital project to take place over two years, and no operating budget was allowed. The project costs were however operating in nature and the work was completed within the one financial year. Part of the clean up costs are offset by additional landfill revenue, as noted in activity 11 – Solid Waste.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Awamutu Stream	430	431	1
Black Creek Stage 3	146	206	60
Hutt River Floodplain	158	289	131
Minor Works Stormwater	124	120	(4)
Pine Tree Lane/Korokoro	89	110	21
Scada Renewals Stormwater	28	26	(2)
Total Renewals Utilities Stormwater	69	77	8
Udy Street (Richmond Street to Britannia Street)	183	165	(18)
Waiwhetu Stream Contribution To Remediation	41	1,500	1,459
Waiwhetu Stream Stormwater Outlets	68	68	-

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The Awamutu Stream project was an upgrade to the stormwater network in the Central Hutt. The Black Creek Stage 3 is an ongoing project to provide improved stormwater capabilities in Wainuiomata. \$60k has been carried over to 2010/2011 to continue this project. Stormwater network improvements were also carried out in Udy Street, Petone. The Hutt River Floodplain project is being carried out in conjunction with Greater Wellington Regional Council. \$130k has been carried over to 2010/2011 to complete this Council's share of this work. The \$1,500k capital budget for the Waiwhetu Stream Contribution To Remediation project was not spent as a result of the decision to treat this work as an operating expense.



# Solid Waste

## What we do

We manage contracts for the collection of the city's refuse and recycling, and own and operate two landfills where people and businesses can dispose of residual waste. We're working on 'Silverstream Stage Two', which will enable us to maintain 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.

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with rubbish collection: $\geq 93\%$	94%	91%	89%	89% of residents who expressed an opinion were satisfied. 8% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with refuse disposal: $\geq 87\%$	92%	90%	88%	82% of residents who expressed an opinion were satisfied. 13% of residents did not express an opinion.	NRB Communitrak Survey
No resource consent-related infringement notices received from Regional Council: 100% compliance	100% compliance	100% compliance	N/A	100% compliance	Compliance reports from Greater Wellington Regional Council

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

## Solid Waste - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	17,697	13,900	3,797	10,652
Other Revenue	12	-	12	77
<b>Total Revenue</b>	<b>17,709</b>	<b>13,900</b>	<b>3,809</b>	<b>10,729</b>
<b>EXPENDITURE</b>				
Support Costs	125	125	-	116
Operating Costs	6,474	6,341	(133)	5,639
Finance Cost	1,383	-	(1,383)	529
Depreciation	251	393	142	368
<b>Total Expenditure</b>	<b>8,233</b>	<b>6,859</b>	<b>(1,374)</b>	<b>6,652</b>
<b>SURPLUS BEFORE TAX</b>	<b>9,476</b>	<b>7,041</b>	<b>2,435</b>	<b>4,077</b>
<b>RATES FUNDING REQUIREMENT</b>				
Surplus Before Tax	9,476	7,041	2,435	4,077
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>9,476</b>	<b>7,041</b>	<b>2,435</b>	<b>4,077</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	(643)	(620)	(23)	(845)
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	251	393	(142)	368
<b>Total Loan Funding Requirement</b>	<b>(392)</b>	<b>(227)</b>	<b>(165)</b>	<b>(477)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>9,084</b>	<b>6,814</b>	<b>2,270</b>	<b>3,600</b>

## Significant Operating Variations from LTCCP

The income favourable variance is mainly due to unbudgeted revenue from the Waiwhetu Stream clean up. The unfavourable expenditure variance is also partly due to cost associated with the Waiwhetu Stream clean up partly offset by savings in refuse and recycling collection contracts, cleanfill and decommissioned landfill costs. There is also a finance charge relating to the interest allocated to the landfills aftercare fund.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Cleanfill Site Development	8	20	12
Silverstream Landfill Stage 2 Design & Construction	635	600	(35)

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The development of the Silverstream Landfill is an ongoing project to provide for future solid waste disposal in the Hutt Valley.

## GROUP ENVIRONMENT PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Environmental Management	Twelve out of 15 performance measures achieved
Emergency Management	All performance measures achieved

Resident satisfaction with animal services has dropped to 1% below the average of our peer councils and 7% below our target of 87%. The sustained negative publicity about aggressive dogs through the national media is considered to be a factor in this rating. The main reason Hutt City residents say they are not very satisfied with the Council's dog control efforts relates to the number of roaming or uncontrolled dogs. The need for more enforcement, the number of irresponsible dog owners, fouling by dogs and danger to people and other animals are also identified as reasons for dissatisfaction.

Resident satisfaction with requests for service was 83% which is 1% below our target. This figure was obtained by combining responses about the various ways that residents contact the Council offices including (in descending order of satisfaction) through the library, Council website, in writing, in person, by email, by phone and by fix-a-gram.

Under Environmental Management the target of responding to 85% of noise complaints within 30 minutes was not met, with 72% of complaints responded to within this timeframe. However 93% of noise complaints were responded to within 45 minutes and this more realistic response timeframe, given the travel distances around the city, has been included in the new contract effective from 1 April 2010.

### Future challenges

The provision of online services in many service areas creates technological and staffing challenges. The digitisation of environmental records has also required new processes to be introduced that impact on many staff members. Changes in food safety legislation and hazardous substance response requirements reflect further challenges for Council staff. Training and up-skilling of staff is ongoing to address these issues. Use of consultants in order to progress necessary updates of the District Plan within a reasonable timeframe has the potential to create budgetary challenges in the current economic environment.

### Group Environment Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-10 \$000	ANNUAL PLAN 30-JUN-10 \$000	ACTUAL 30-JUN-09 \$000	ACTUAL 30-JUN-10 \$
Environmental Management	(4,932)	(4,916)	(4,717)	51.10
Emergency Management	(687)	(658)	(702)	7.10
	Note: The (deficit)/surplus before tax shows the net cost of the Council's activities for the year in comparison to the 2009/2010 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

# Environmental Management

## What we do

This activity includes:

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with animal services: $\geq 87\%$	87%	88%	81%	80% of residents who expressed an opinion were satisfied. 5% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with inspection services (eg. licences): $\geq 75\%$	75%	81%	68%	81% of residents who expressed an opinion were satisfied. 43% of residents did not express an opinion.	NRB Communitrak Survey Note: 18% of households have used Council's building and inspection services in the last 12 months
Residents' satisfaction with requests for service: $\geq 84\%$	84%	87%	N/A	83% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Land Information Memoranda (LIMs) processed to comply with statutory requirements: 90% processed within nine working days	96% processed within nine working days	97% processed within nine working days	N/A	96% processed within nine working days	Monthly Management Reports
Building consent/project information and resource consents processed to comply with the Building Code, Resource Management Act and District Plan requirements: 80% of building and non-notified land use consents processed within 18 working days	88% of building consents and 78% of non-notified land use consents processed within 18 working days	72% of building consents and 88% of non-notified land use consents processed within 18 working days	N/A	99% of building consents and 91% of non-notified land use consents processed within 18 working days	Computer Database Records

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	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	99% acknowledged within 48 hours	N/A	100% 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 65	New measure for 2008/09	Achieved 105% - 754 resource consents monitored with the target being 720	N/A	Achieved 103% - 806 resource consents monitored with the target being 780	Management Reports
Building consents for fireplaces are processed in a timely manner: 100% processed within five working days	New measure for 2009/10	New measure for 2009/10	N/A	100% processed within five working days	Computer Database Reports
Building consents for solar panels are processed in a timely manner: 100% processed within five working days	New measure for 2009/10	New measure for 2009/10	N/A	100% processed within five working days	Computer Database Records
Premises (eg, food outlets and liquor outlets) registered or licensed within 30 days of application: 90%	98%	97%	N/A	98%	Computer Database Records
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act, or notices to fix issued: 100% issued within 20 working days; 80% issued within 18 working days	100%	84%	N/A	100% issued within 20 working days; 97% issued within 18 working days	Computer Database Records verified by manual testing and counting
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: 95% within 24 hours for other complaints: 95%	100% 100%	99% 98%	N/A N/A	98% 97%	Computer Database Records
Noise complaints are responded to within 30 minutes: 85%	85%	87%	N/A	72% responded to within 30 minutes 93% responded to within 45 minutes	Computer Database Records

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

## Environmental Management - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	3,431	3,704	(273)	3,549
Other Revenue	180	176	4	142
<b>Total Revenue</b>	<b>3,611</b>	<b>3,880</b>	<b>(269)</b>	<b>3,691</b>
<b>EXPENDITURE</b>				
Employee Costs	4,974	4,993	19	4,667
Support Costs	1,724	1,724	-	1,447
Operating Costs	1,925	2,077	152	2,293
Depreciation	-	2	2	1
<b>Total Expenditure</b>	<b>8,623</b>	<b>8,796</b>	<b>173</b>	<b>8,408</b>
<b>DEFICIT BEFORE TAX</b>	<b>(5,012)</b>	<b>(4,916)</b>	<b>(96)</b>	<b>(4,717)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(5,012)	(4,916)	(96)	(4,717)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(5,012)</b>	<b>(4,916)</b>	<b>(96)</b>	<b>(4,717)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	-	2	(2)	1
<b>Total Loan Funding Requirement</b>	<b>-</b>	<b>2</b>	<b>(2)</b>	<b>1</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(5,012)</b>	<b>(4,914)</b>	<b>(98)</b>	<b>(4,716)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
District Plan Projects	25	25	-

## Significant Operating Variations from LTCCP

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

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

# Emergency Management

## What we do

This activity includes:

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

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Percentage of households that are prepared for a civil defence emergency: 60%	56%	58%	N/A	63%	NRB Communitrak Survey
We respond to emergencies in accordance with the Wellington Region Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002: 100%	100%	100%	N/A	100%	Management Reports and Debrief Notes
We respond to rural fires in accordance with the Hutt City Rural Fire Plan and the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005: 100%	100%	100%	N/A	100%	Wellington Regional Rural Fire Committee Records

## Emergency Management - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
Operating Contributions	40	52	(12)	54
UHCC Operating Contribution	308	316	(8)	304
Other Revenue	-	-	-	2
<b>Total Revenue</b>	<b>348</b>	<b>368</b>	<b>(20)</b>	<b>360</b>
<b>EXPENDITURE</b>				
Employee Costs	414	422	8	391
Support Costs	226	226	-	251
Operating Costs	371	352	(19)	395
Depreciation	24	26	2	25
<b>Total Expenditure</b>	<b>1,035</b>	<b>1,026</b>	<b>(9)</b>	<b>1,062</b>
<b>DEFICIT BEFORE TAX</b>	<b>(687)</b>	<b>(658)</b>	<b>(29)</b>	<b>(702)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(687)	(658)	(29)	(702)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(687)</b>	<b>(658)</b>	<b>(29)</b>	<b>(702)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	-	-	-	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	24	26	(2)	25
<b>Total Loan Funding Requirement</b>	<b>24</b>	<b>26</b>	<b>(2)</b>	<b>25</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(663)</b>	<b>(632)</b>	<b>(31)</b>	<b>(677)</b>

### Significant Operating Variations from LTCCP

There were no significant operating variations from the LTCCP.

### Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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



## Making emergency preparedness fun

Peter Walker in the Hutt Valley Emergency Management Office (HVEMO) says helping students learn the importance of being prepared for an emergency is one of the best parts of his job.

"We want to make it easy for schools to get the message across and make sure they have everything they need to look after their students and staff during an emergency," he says.

During the past year Peter's worked closely with Wainuiomata Primary School to also make emergency preparedness fun.

With Peter's help the school held a 'Funky Friday' event where children and teachers dressed in wacky costumes and brought along a can of food to add to the school's emergency supplies.

Deputy principal Allison Burdon says the idea was a hit.

"It was so simple but it really worked. The children had a great time and learnt about being prepared for the unexpected, a message we hope they'll take home to their families, without it being too serious."

**"Working with Peter has been fantastic. He's great with the students, enthusiastic, and has given us innovative answers to problems like suggesting wheelie bins to store our cans."**

The school is also a Civil Defence Centre and one of 12 chosen by the HVEMO to have a 5,500 litre water storage tank installed during the past 12 months. Twelve more tanks will be installed at different spots across the Hutt Valley in the year ahead.

"Storing enough water for everyone at our school was a problem so the tank is a great solution," says Allison.

The tanks will be a safe water supply for the school and local community during the early stages of an emergency and over the next five years at least 12 tanks will be installed at primary schools across the region.



Wainuiomata Primary School students Shannon Collier and Oliver Mason with just some of the cans of food the school has stored in preparation for an emergency.

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

**THIS MEANS WORKING OR INVESTING HERE IS A SMART CHOICE .**

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

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

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

Our urban design and economic development activities primarily contribute to these outcomes, although all areas of council are working towards making Hutt City a more vibrant and exciting place.



Based in Seaview for over 50 years, Macaulay Metals are New Zealand's largest privately owned scrap metal recycling business.

Here's just some of our work that contributed towards achieving these community outcomes in 2009/10.

### ***Economic Development Strategy implementation***

It was a tough year financially for many and our economic performance indicators show growth in Hutt City's economy continued to slow. However in the seven years since the adoption of our Economic Development Strategy (EDS) Hutt City's economic performance shows improvement over previous longer term trends and by March 2009 the local economy had not followed the national economy into recession.

Results for the year to March 2009 show:

- Very slight growth in estimated GDP (0.5 percent) compared to decreases estimated for New Zealand (-1.1 percent) and other peer councils (-1.0 percent) over the same period.
- An increase in the number of businesses (79) in Hutt City and a good increase (981) in the number of full time equivalents in the workforce.
- Increased five year versus 10 year growth results across almost all measures in Hutt City (GDP growth over five years was 2.3 percent and over ten years was 1.1 percent). The five year growth trends are comparable to levels achieved by peer councils and New Zealand as a whole but are still below Wellington region growth over the same period.
- The continued decline in Hutt City's share of regional GDP and the smaller estimated GDP per capita of Hutt City when compared to peer councils and New Zealand as a whole.
- The decline in exporting businesses, a slight decline in the high value end sector and high value jobs and GDP earned as a proportion of the Hutt City economy.

This is an average result but has been achieved in difficult economic conditions. Hutt City appears to have fared better than New Zealand and most peer councils. Because these results include data only up until March 2009, it's expected that many of these trends of flattish growth will extend into the next year.

### ***Partnerships with business***

After a successful landscape upgrade project in the Wingate area we continued to work with the Wingate Business Group to develop other initiatives. In May we started work on the final instalment of the Wingate Development Plan which focuses on increasing access and parking to benefit businesses and their customers.

Together with business groups in Seaview, Gracefield and Petone we identified initiatives to enhance these areas. We developed the Seaview Gracefield Vision 2030 which will lead to further growth and economic development actions over the coming years. This was put out for community consultation and results helped shape the document.

We continue to assist the Jackson Street Programme, ensuring it achieves its priorities for funding and operations each year. From July 2010 the programme's funding will increase to \$110,000 after a survey of members showed strong support for an increase in their targeted rate.

### ***Retail coordinators***

Our retail coordinator who works in Taita, Naenae and Stokes Valley had a busy year and was involved in the upgrade of Naenae and Stokes Valley shopping centres which has freshened up these areas and made them more pedestrian-friendly. Community paint-a-thons and murals were also organised and the coordinator worked to help coordinate other retailer activity and promotions.

The establishment of a CBD retail coordinator position by Business Hutt Valley was also a highlight for the year.

### ***Sustainable business***

During the year we worked with local businesses and organisations to improve their environmental performance. 'Silver Lining' is a joint project we were involved in with WelTec to assist local organisations to reduce, reuse and recycle their waste. We teamed up with Greater Wellington Regional Council on another project called 'e-Mission' which helps local organisations to reduce their environmental footprint. Six local groups were involved in this project. The Rata Certification Programme also attracted five local organisations committed to becoming sustainable, responsible organisations.

Our work with businesses on Jackson Street in Petone involved doing waste audits. After the results came in we signed up 10 pubs, cafes and restaurants to take part in a composting trial aimed at reducing the amount of rubbish they send to landfill.

We also recognise it can help to talk to others keen to make a positive difference so in partnership with the Sustainable Business Network we set up networking opportunities and workshops for local organisations interested in reducing their environmental impact.

### ***Council's progress to become a sustainability leader***

We're committed to being an environmentally responsible organisation and we've worked hard throughout the year to reduce our environmental impact. One of the highlights was implementing an environmental management system, ISO 14001, and successfully passing an audit. We were able to achieve a 3 percent energy saving across council after putting in place energy saving projects and raising awareness of our energy consumption.

A lot of work went into reducing the amount of waste we generate by reducing the number of rubbish bins in offices, introducing a worm farm and looking at more sustainable ways of purchasing. Staff were encouraged to use public transport for work related business and some were inspired to be 'greener' after attending sustainability workshops during their lunchtime. We were also able to reduce water consumption at council facilities.

### ***Council intranet***

Our new intranet 'Ourspace' won the Association of Local Government Information Management award for best intranet redevelopment. Our new internal communications programme also contributed to a 6.1 percent improvement in council staff feeling informed about the organisation which is a great achievement.

**You can also see the report on our key performance indicators from page 8 and the reports that follow on our significant activities that primarily contribute to making Hutt City a great place to work. See also the indicators of progress made between 2006 and 2009 in achieving our community outcomes, from page 89.**

## Hutt all the way

Local woman Sonja Fry reckons we're on to a winner with our Seaview Gracefield Vision 2030.

"Encouraging locals to have their say about what they'd like to see happen in the area is a great idea. It's the people who live and work in the area who have the best insight into what will work and what won't," she says.

Sonja returned to Hutt City where she grew up after a stint in London and now works at GNS Science in Avalon.

**"I have the best of both worlds in the Hutt. I'm working in a place I love where I'm close to friends and family, and in my spare time I have access to great opportunities for sport and recreation."**

Sonja's planning to stay in the Hutt and is keen to get involved in the community.

"I'm for the 'Hutt' all the way."

Sonja Fry lives, works and plays in the Hutt and thinks more people should come and experience all the Hutt has to offer.



# SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

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

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

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

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

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

## GROUP ECONOMY PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Local Urban Environment	Two out of eight performance measures achieved
Economic Development	All performance measures achieved

Resident satisfaction with the overall look and feel of the city has dropped 1% from last year’s results to 90%. The words mainly used by residents in describing why they are not very satisfied with the overall look and feel of the city are “rundown, outdated, needs improving, boring, bland, dull, lacks character”.

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

Resident satisfaction with litter control is 8% above the average for our peer councils but 2% below our target of 89%. The main reasons residents say they are not very satisfied with litter control relate to rubbish blowing around the streets, particularly on rubbish collection days, and the need for more rubbish bins or more frequent emptying of bins.

Resident satisfaction with the recycling service is running the same as the average of our peer councils at 90% satisfaction, and 1% below our target. The main reasons residents are not very satisfied with the service relate to the size of the bins or the need for bins to be covered, the calibre of the collectors, recycling blowing around or the need for more items to be recycled.

Resident satisfaction with graffiti levels has dropped 8% since last year and is 3% below our target of 82% satisfaction. This is a matter of concern to Council and has resulted in the allocation of additional funding to our rapid response graffiti eradication programme. Council officers are also investigating options for regional and agency coordination in an effort to address the burgeoning graffiti problem.

The current down turn in the economy is considered to be largely responsible for the decrease in the volume of materials recycled, with people not buying as much as they were previously.

## Future challenges

The current economic climate and funding shortages are making it increasingly difficult to deliver services and projects in the community in the timeframes and to the levels expected by ratepayers. In addition central government funding for a number of community services is either ending or under threat. This creates a tension between the level of resourcing provided and the expectations of the community and the Council. This will be a matter for the incoming Council to consider in the first few months after the election.

## Group Economy Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT
	ACTUAL 30-JUN-10 \$000	ANNUAL PLAN 30-JUN-10 \$000	ACTUAL 30-JUN-09 \$000	ACTUAL 30-JUN-10 \$
Local Urban Environment	(1,207)	(1,223)	(1,008)	12.10
Economic Development	(1,678)	(1,605)	(1,648)	17.10
	Note: The (deficit)/surplus before tax shows the net cost of the Council’s activities for the year in comparison to the 2009/2010 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.

# Local Urban Environment

## What we do

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

We:

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents feel a sense of pride in the way the city looks and feels: ≥ previous results	90%	91%	N/A	90% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Businesses feel a sense of pride in the way the city looks and feels: ≥ previous results	67%	67%	N/A	61%	Biennial Business Survey
Residents' satisfaction with litter control: ≥89%	89%	91%	79%	87% of residents who expressed an opinion were satisfied. 1% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with recycling: ≥91%	91%	87%	90%	90% of residents who expressed an opinion were satisfied. 2% of residents did not express an opinion.	NRB Communitrak Survey
Residents' satisfaction with graffiti levels: ≥82%	82%	87%	N/A	79% of residents who expressed an opinion were satisfied. 2% of residents did not express an opinion.	NRB Communitrak Survey
Percentage of households that have used the recycling service in the previous 12 months: ≥86%	86%	85%	N/A	86%	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	7,479 tonnes	7,349 tonnes	N/A	6,910 tonnes	Management Reports

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



## Local Urban Environment - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
Capital Contributions	1	7	(6)	3
Other Revenue	301	360	(59)	-
<b>Total Revenue</b>	<b>302</b>	<b>367</b>	<b>(65)</b>	<b>3</b>
<b>EXPENDITURE</b>				
Employee Costs	432	450	18	114
Support Costs	178	178	-	165
Operating Costs	777	648	(129)	644
Finance Cost	4	4	-	6
Depreciation	118	310	192	82
<b>Total Expenditure</b>	<b>1,509</b>	<b>1,590</b>	<b>81</b>	<b>1,011</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,207)</b>	<b>(1,223)</b>	<b>16</b>	<b>(1,008)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(1,207)	(1,223)	16	(1,008)
Add Capital Contributions	(1)	(7)	6	(3)
<b>Total Rates Funding Requirement</b>	<b>(1,208)</b>	<b>(1,230)</b>	<b>22</b>	<b>(1,011)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(12)	(31)	19	(20)
Capital Expenditure - Improving Services	(558)	(1,160)	602	(729)
Less Capital Contributions	1	7	(6)	3
Less Depreciation	118	310	(192)	82
<b>Total Loan Funding Requirement</b>	<b>(451)</b>	<b>(874)</b>	<b>423</b>	<b>(664)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,659)</b>	<b>(2,104)</b>	<b>445</b>	<b>(1,675)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Rapid Response Anti-Graffiti Service	163	150	(13)
Heritage Incentives	34	130	96
School Programmes	26	38	12
Business Programmes	41	36	(5)
Waste Minimisation Projects	6	59	53
Environmental Sustainability Projects	66	98	32

## Significant Operating Variations from LTCCP

Income was slightly under budget due to reduced waste minimisation levy revenue. Expenditure was close to budget despite the need to expense some unbudgeted capital costs which were offset by savings in depreciation costs. The heritage incentives project was underspent due to a low response to this scheme.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
CCTV Upgrades Central Area & Installation Wainuiomata	50	50	-
CBD Making Places	28	130	102
Seaview/Gracefield Banners	12	31	19
Suburban Shopping Centres Improvements	227	586	359
Suburban Shopping Centre Stokes Valley Improvements	106	100	(6)
Wingate Development Plan	147	294	147

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Although some progress was made, the CBD Making Places project was delayed due to more work being required on design and scope. Suburban Shopping Centre improvements were carried out in Stokes Valley while planned work in other areas was delayed and is to be carried out in 2010/2011. The Wingate Development Plan was also delayed mainly due to poor weather during the planned construction period. Amounts of \$35k for Making Places, \$400k for Suburban Shopping Centre Improvements and \$147k for Wingate Development Plan have been carried over to 2010/2011 to continue these projects.

# Economic Development

## What we do

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

- creating a business-friendly environment
- facilitating the expansion and creation of local businesses and employment
- increasing tourism and events in Hutt City
- contributing to regional growth through regional economic development.

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Businesses' satisfaction with economic development programmes: ≥ 85%	90%	90%	N/A	89%	Biennial Business Survey
Residents' satisfaction with the Visitor Information Centre: ≥91%	Not measured	99%	N/A	97% of residents who expressed an opinion were satisfied. 46% of residents did not express an opinion.	NRB Communitrak Survey Note: 24% of households used the Visitor Information Centre in the last 12 months. The two main reasons given for seldom or never using the Visitor Information Centre are "no need" and "local resident/good knowledge of area/more for visitors".
Hutt City's economic performance according to the annual Economic Development Strategy report to Council, which includes measures such as: • number of businesses: Improvement • number of full-time equivalents (FTEs) in the workforce: Improvement • Gross Domestic Product (GDP): Improvement	Economic ranking relative to peer group of NZ cities:  7th ranked 6th ranked 2nd ranked	  Up 0.8% Up 2.0% Up 0.5%	  Up 0.4% Up 0.5% Down 1.0%	  Up 0.9% Up 2.3% Up 0.5%	Business Economic Research Limited (BERL)  Statistics NZ Businesses Survey

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

## Economic Development - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	-	303	(303)	-
Operating Contributions	133	139	(6)	142
Other Revenue	399	13	386	358
<b>Total Revenue</b>	<b>532</b>	<b>455</b>	<b>77</b>	<b>500</b>
<b>EXPENDITURE</b>				
Employee Costs	559	572	13	595
Support Costs	408	408	-	401
Operating Costs	1,220	1,067	(153)	1,135
Finance Cost	13	13	-	17
Depreciation	10	-	(10)	-
<b>Total Expenditure</b>	<b>2,210</b>	<b>2,060</b>	<b>(150)</b>	<b>2,148</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,678)</b>	<b>(1,605)</b>	<b>(73)</b>	<b>(1,648)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(1,678)	(1,605)	(73)	(1,648)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(1,678)</b>	<b>(1,605)</b>	<b>(73)</b>	<b>(1,648)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Improving Services	-	-	-	(2)
Less Depreciation	10	-	10	-
<b>Total Loan Funding Requirement</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>(2)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,668)</b>	<b>(1,605)</b>	<b>(63)</b>	<b>(1,650)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Business Hutt Valley	284	254	(30)
Jackson Street Programme	100	100	-
International Co-operating Cities	37	30	(7)
Economic Development Strategy	133	140	7
Huttcity.com Web Hosting	18	15	(3)
Positively Wellington Tourism	20	20	-
CBD Coordinator	30	30	-
Retail Coordinator	75	55	(20)

## Significant Operating Variations from LTCCP

Council provides funding to promote economic development in the City. The unfavourable expenditure variance was mainly due to an additional \$30k paid to Business Hutt Valley and \$20k for the Retail Coordinator salaries.

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

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

## Leaders in their field

The Heavy Metal Company has been in business in Hutt City for 12 years and has built a reputation for world-class craftsmanship.

They specialise in traditional sand and lost wax casting in bronze and aluminium, and their works include projects such as the Tomb of the Unknown Warrior and The New Zealand War Memorial in Hyde Park, London.

Director Jennie Waterson says specialisation is the key to their success.

"We're simply really good at what we do, and we have the experience and infrastructure to produce large scale production manufacturing," she says.

The company is currently producing a four metre long bronze casting of Burt Munroe's Fastest Indian for Invercargill City.

Jennie is also proud to be part of the Hutt business community.

"This is a really creative city and we're lucky to have such ready access to leaders in the design, industry and production fields. I see really positive things happening around us with quality developments like the Pelorus Trust complex in Seaview and former Wellington businesses moving to the area."

Three years ago Jennie opened the Foundry Café to offer an alternative food and coffee option for workers in Seaview/Gracefield.

Jennie says businesses in the area are very supportive of the café and catering service and it's earned a reputation as the "go to" place in the area for good food and coffee.

**"Local business people are a loyal bunch, we all support each other, and there is a great sense of community."**



Workers at The Heavy Metal Company in Seaview pouring bronze.

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

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

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

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

- ✓ Affordable access to community facilities that include arts, cultural and recreational options.
  - ✓ A diverse natural environment that is accessible, enjoyable and safe.
  - ✓ Encouragement of arts, cultural and sports activities including local, national and international events.
  - ✓ Attraction of tourists to Hutt City.
  - ✓ More and better focus on the harbour, river and recreation opportunities.
- Our libraries, museums, pools, recreation programmes and events, parks and reserves, community support and property activities primarily contribute to these outcomes, although all areas of council are working towards making Hutt City a more vibrant and exciting place.



Here's just some of our work that contributed towards achieving these community outcomes in 2009/10.

### ***Swimming pools***

A dip in one of our swimming pools was a popular choice. We had 808,983 visits which is up 6 percent on the year before.

In November we opened the Stokes Valley Fitness Suite - a community gym facility at Stokes Valley Pool. The fitness suite offers locals access to high quality equipment, facilities and fitness advice that previously wasn't available in the community. With 160 members to date we're ahead of our target which is a great result for council and the community.

### ***Sportsville Hutt City***

The Sportsville project kicked off as a joint collaboration between council, Sport and Recreation New Zealand and Sport Wellington. The idea behind the initiative is to bring sports clubs together in different locations across the city and encourage them to share ideas, resources, knowledge and skills. Our role is to drive the project and help establish four sports hubs across the city. The Fraser Park hub, which is made up of eight clubs and associations, has been established and is progressing well. Additional hubs are planned for Petone and potentially Wainuiomata and Eastbourne. Sportsville is supported by Pelorus Trust and New Zealand Community Trust.

### ***Upgrades to sporting facilities***

We granted \$200,000 towards the upgrading of Mitchell Park tennis courts. This was part of a larger project undertaken by Hutt Valley Tennis to renovate the Mitchell Park Tennis and Squash Complex which hosts 80,000 visitors each year. We also granted \$100,000 for replacement hockey turf at Fraser Park.

### ***Seaview Marina***

After several years of planning and construction our new Marine Service Centre opened. It's an impressive building which has helped our marina become one of the top facilities of its kind in the region and a fantastic asset for the city.

### ***Eastbourne bus garage refurbishment at Korohiwa***

The historic Korohiwa Bus Barn in Eastbourne was restored to its former glory – on time and within budget. We resolved to refurbish and restore the building after it received a category 2 listing from the New Zealand Historic Places Trust as a place of "historical or cultural heritage significance or value". It was subsequently listed in the District Plan by a plan change. The building was restored to as near to its original state as modern construction and refurbishment techniques would allow and provided a bus terminal and three modernised flats upstairs.

We also undertook negotiations with New Zealand Bus Ltd to secure a lease agreement for CityLine (a subsidiary firm) as tenant for the ground floor offices and yard space. The building is believed to be the only Historic Places Trust classified bus garage in New Zealand that is still used for its original purpose and is again a place residents can be proud of.

### ***Wainuiomata mountain bike trail***

We worked in partnership with the Wainuiomata Trail Project (WTP) to construct 9.6 kilometres of bike track in Wainuiomata. The majority of the tracks were built by volunteers and we helped with surfacing. We also built a loop track with a car park and entrance area that has been popular with families. The park has been developed to provide opportunities for riders looking for something more challenging than the Hutt River Trail, but not as technical as some of the other tracks available in the Wellington region.

This project is a great example of community spirit and an example of how we can work in partnership with local organisations to achieve positive results. We continue to meet with the WTP every month to help plan and develop the park with a view to creating a park suitable for all levels of cycling ability and all ages. Future development of tracks will be entirely by volunteer groups and we'll assist where required with mechanical excavations and final surfacing. Further funding from corporate partners and charitable trusts will be investigated to fund other possible capital improvements such as a toilet and visitor shelter.



### ***Petone Settlers Museum and TheNewDowse***

Our museums delivered excellent programmes for the community within existing operational budgets. This included 20 exhibitions as well as educational and other programmes throughout the year. A highlight at TheNewDowse was the staging of work by internationally renowned artist Bill Viola. The exhibition attracted visitors from across New Zealand.

It was an important year for Petone Settlers Museum which underwent a significant makeover. The museum's permanent exhibition of early Petone history was refurbished and the interior of the historic building upgraded and refreshed.

### ***Marketing campaigns***

We delivered two key marketing campaigns, Summer Scene and Hutt Scene, which highlighted all the great events and activities in the Hutt. Each campaign had a dedicated website which was updated regularly with new events, activities and attractions, and people were encouraged to sign up for an e-newsletter to stay up to date with the latest each fortnight. We also ran print and radio ads, used outdoor advertising including billboards and adshells, had material in our facilities, and used social networking sites Facebook and Twitter to promote activities and events.

For the first time, we produced a dedicated Hutt Valley Summer of Cycling brochure as part of Summer Scene. The brochure promoted the Hutt Valley as a cycling destination and 5,000 copies were distributed to bike shops and clubs around the Wellington region.

### ***i-SITE***

This was a mixed year for our i-SITE with record revenue but a drop in visitors through the door. Net revenue (\$393,509) exceeded the previous best year (2008/09) by \$41,254 (11.7 percent). Local visitors (12,321) exceeded last year's high by 1,718 (16.2 percent). Total visitor numbers of 14,347 were down 2,535 (20.6 percent) on last year's record high. Marketing continued to concentrate on locals and their visiting friends and relatives, but also started to include visitors travelling into the Wellington region with advertising designed to tell them all about Hutt City. Some of the highlights for the year were 1,206 cruise ship passengers getting off their buses to check out TheNewDowse, Jackson Street and Wainuiomata gardens. Hutt City also caught the eye of international media with mentions in notquitenigella.com.

**You can also see the report on our key performance indicators from page 8 and the reports that follow on our significant activities that primarily contribute to making Hutt City a great place to play. See also the indicators of progress made between 2006 and 2009 in achieving our community outcomes, from page 89.**

## A great place to lose it

When Stokes Valley woman Keri Manuel noticed she was out of breath walking to the top of her driveway she knew she had to take action.

Weighing just over 110kg Keri was overweight and worried about her health.

"At first it shocked me and then depressed me, and to be honest it took quite a few weeks to get my head around it. I was on the fast track towards diabetes, heart disease and heaven knows what else and I realised I had to move the extra weight I'd been carrying for so long", she says.

When the Stokes Valley fitness suite opened Keri jumped at the chance to sign up and regular workouts soon became part of her plan to get fit, lose weight and improve her health.

"It certainly hasn't been easy, more like blood, sweat and tears ... well not so much blood, but a lot of sweat and the odd pulled muscle!"

For Keri the decision to become a Fitness Suite member was easy.

"I had a lot of weight to lose so I wanted to exercise somewhere I felt comfortable. The Fitness Suite is great because it's not 'poncey' but it's still got all the equipment you need to get results. The price is great, the location is right and the staff are always friendly and ready to help with programmes designed to keep you motivated."

Since starting on her weight loss journey in November last year Keri has lost 28kgs and plans to reach her ultimate goal of 40kgs by early next year.

**"The Fitness Suite has definitely been a big part of my success and I would recommend it to anyone who wants to lose weight and create a healthier life."**



Keri Manuel is determined to reach her weight loss goal.

# SIGNIFICANT ACTIVITIES

The Council organisation is divided into five groups –

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

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

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

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

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

## GROUP PEOPLE PERFORMANCE SUMMARY

ACTIVITY	ACHIEVEMENT OF PERFORMANCE MEASURES
Libraries	Four out of five performance measures achieved
Museums	All performance measures achieved
Aquatics and Recreation	All performance measures achieved
Parks and Reserves	All performance measures achieved
Community Support	Some performance measures achieved
Property	All performance measures achieved

In September 2009 the Libraries catalogue and websites were merged into one product. The change also prompted the use of different software to measure visits. During the changeovers between September and November visits were not measured. Libraries Online total visits for the 2009/10 financial year were 202,619.

Satisfaction with community support services has failed to meet the stretched targets of 90% set for the first time in 2009/10. Eighty-four percent of survey respondents were either satisfied or very satisfied with the services they had received while the remaining 16% were neutral having indicated they were neither satisfied nor dissatisfied.

## Future challenges

The current economic climate and funding shortages are making it increasingly difficult to deliver facilities and services in the community to the levels expected by ratepayers. In addition central government funding for a number of community services is either ending or under threat. This creates a tension between the level of resourcing provided and the expectations of the community and the Council. This will be a matter for the incoming Council to consider in the first few months after the election.

## Group People Financial Summary

	(DEFICIT)/SURPLUS BEFORE TAX			RATE REQUIREMENT PER RESIDENT	
	ACTUAL 30-JUN-10 \$000	ANNUAL PLAN 30-JUN-10 \$000	ACTUAL 30-JUN-09 \$000	ACTUAL 30-JUN-10 \$	
Libraries	(7,125)	(6,776)	(6,686)	73.10	
Museums	(2,568)	(2,757)	(1,980)*	26.10	
Aquatics and Recreation	(4,503)	(4,325)	(4,344)	46.10	
Parks and Reserves	(9,689)	(9,867)	(6,536)	99.10	
Community Support	(2,210)	(2,452)	(2,330)	23.10	
Property	(1,846)	(2,224)	(2,820)	19.10	
* Dowse Collection adjustment has been excluded from activity total for 2009.	Note: The (deficit)/surplus before tax shows the net cost of the Council’s activities for the year in comparison to the 2009/2010 Annual Plan and the previous year.			Note: The rate requirement per resident shows the average cost to each individual in the city for the listed council activities. A negative value in this column indicates that the activity produced a net financial benefit to each individual.	

# Libraries

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Percentage of residents who have used library services during the year: $\geq 80\%$	78%	82%	N/A	82%	NRB Communitrak Survey Note: The three main reasons given for seldom or never using a public library are "no need/use internet", "not interested/not a reader" and "own material/buy books/access to other books".
Residents' satisfaction with library services: $\geq 97\%$	98%	98%	96%	100% of residents who expressed an opinion were satisfied. 12% of residents did not express an opinion.	NRB Communitrak Survey
Number of physical visits per year: 1,200,000	1,042,825	1,102,124	N/A	1,263,663	Monthly Management Reports
Number of visits via the Internet per year: 120,000 online catalogue transactions 230,000 website visits	83,647 online catalogue transactions 426,921 website visits	314,419	N/A	202,619 Libraries Online visits	Monthly Management Reports In September 2009 the Libraries catalogue and websites were merged into one product and different software used to measure visits. Visits were not measured during the changeovers between September and November.
Library stock turnover: $\geq$ national mean Note: a number greater than or equal to the national mean shows that our library stock turnover is at least equal to or better than is achieved nationally	5.69 (national mean 4.3) (average annual circulation per item)	5.69 (national mean 3.54) (average annual circulation per item)	national mean 3.47 (average annual circulation per item)	6.94	New Zealand Public Library Statistics

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

## Libraries - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	525	676	(151)	452
Other Revenue	39	-	39	46
<b>Total Revenue</b>	<b>564</b>	<b>676</b>	<b>(112)</b>	<b>498</b>
<b>EXPENDITURE</b>				
Employee Costs	3,843	3,669	(174)	3,460
Support Costs	2,075	2,075	-	2,212
Operating Costs	996	907	(89)	732
Finance Cost	38	38	-	51
Depreciation	737	763	26	729
<b>Total Expenditure</b>	<b>7,689</b>	<b>7,452</b>	<b>(237)</b>	<b>7,184</b>
<b>DEFICIT BEFORE TAX</b>	<b>(7,125)</b>	<b>(6,776)</b>	<b>(349)</b>	<b>(6,686)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(7,125)	(6,776)	(349)	(6,686)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(7,125)</b>	<b>(6,776)</b>	<b>(349)</b>	<b>(6,686)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(722)	(868)	146	(829)
Capital Expenditure - Improving Services	(38)	(95)	57	(622)
Less Depreciation	737	763	(26)	729
<b>Total Loan Funding Requirement</b>	<b>(23)</b>	<b>(200)</b>	<b>177</b>	<b>(722)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(7,148)</b>	<b>(6,976)</b>	<b>(172)</b>	<b>(7,408)</b>

## Significant Operating Variations from LTCCP

Income was less than budget due to internet and photocopying usage being less than expected. Expenditure was over budget due to a higher than expected salaries market movement plus extra ACC and Kiwisaver costs.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Digitisation Project	10	20	10
Eastbourne Library Refurbishment	-	60	60
Libraries Replace Furniture & Equipment	14	75	61
Upgrade Buildings Security Systems	28	75	47
Libraries Stock Replacement	708	733	25

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Library Book Stock Replacement is an ongoing programme to update and replace books held in the Libraries. Eastbourne Library Refurbishment \$50k and Libraries Buildings Security Systems Upgrade \$60k projects have been carried over to 2010/2011.

# Museums

## What we do

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

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Number of museum visits per year: 200,000	271,801	198,391	N/A	245,119	Monthly Management Reports
Residents' satisfaction with TheNewDowse museum: ≥ 93%	93%	94%	95%	95% of residents who expressed an opinion were satisfied. 24% of residents did not express an opinion.	NRB Communitrak Survey Note: 63% of households have visited TheNewDowse in the last 12 months. The three main reasons given for seldom or never visiting TheNewDowse are "not interested/not into art", "lack of time/too busy", and "haven't got around to it/been yet".
Residents' satisfaction with Petone Settlers Museum: ≥ 93%	95%	98%	96%	97% of residents who expressed an opinion were satisfied. 39% of residents did not express an opinion.	NRB Communitrak Survey
Education programmes delivered that meet the needs and expectations of school groups: Education programmes delivered to 11,000 students; 90% satisfaction	New measure for 2008/09	Education programmes delivered to 13,254 students 91% satisfaction	N/A	11,847 students; 94% satisfaction	Management Reports and Participant Evaluation Forms

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

## Museums - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	203	189	14	166
Other Revenue	253	215	38	5,780
Vested Assets	-	-	-	-
<b>Total Revenue</b>	<b>456</b>	<b>404</b>	<b>52</b>	<b>5,946</b>
<b>EXPENDITURE</b>				
Employee Costs	1,042	1,154	112	973
Support Costs	635	628	(7)	531
Operating Costs	1,048	937	(111)	840
Finance Cost	58	58	-	78
Depreciation	241	384	143	201
<b>Total Expenditure</b>	<b>3,024</b>	<b>3,161</b>	<b>137</b>	<b>2,623</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,568)</b>	<b>(2,757)</b>	<b>189</b>	<b>3,323</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(2,568)	(2,757)	189	3,323
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(2,568)</b>	<b>(2,757)</b>	<b>189</b>	<b>3,323</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(80)	(2)	(78)	(121)
Capital Expenditure - Improving Services	(13)	(53)	40	(31)
Less Depreciation	241	384	(143)	201
<b>Total Loan Funding Requirement</b>	<b>148</b>	<b>329</b>	<b>(181)</b>	<b>49</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,420)</b>	<b>(2,428)</b>	<b>8</b>	<b>3,372</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Settlers Museum Feasibility Study	39	39	-

## Significant Operating Variations from LTCCP

The expenditure favourable variance is the result of savings in employee costs due to vacant positions remaining unfilled and depreciation costs offset by unbudgeted maintenance costs to the Dowse air conditioning and Settlers Museum plant.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Dowse Museum Deck Barrier	-	35	35
Dowse Office Furniture & Equipment	-	2	2
Dowse Building & Plant Maintenance	80	-	(80)
Dowse New Artworks	13	15	2
Settlers Museum Collection Development	-	3	3

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The Dowse Museum Deck Barrier did not proceed as this was not required. Dowse Building & Plant Maintenance work was a cost relating to an incomplete project from last year.

# Aquatics and Recreation

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with pools: $\geq 93\%$	95%	94%	90%	95% of residents who expressed an opinion were satisfied. 18% of residents did not express an opinion.	NRB Communitrak Survey
Residents' use of pools: $\geq 65\%$	67%	69%	N/A	70%	NRB Communitrak Survey Note: The three main reasons given for seldom or never using/visiting a public swimming pool are "not interested/don't swim", "too old" and "lack of time/too busy".
Out of School Care and Recreation (OSCAR) accreditation of quality standards for holiday programmes: Accreditation maintained	Accreditation maintained	Accreditation maintained	N/A	Accreditation maintained	Annual MSD Audit
POOLS SAFE accreditation for swimming pool operation, including quality standards for health and safety, water quality, supervision, pool building and operation, signage and other standards: Accreditation maintained	Accreditation maintained	Accreditation maintained	N/A	Accreditation maintained	Annual ACC/Water Safety NZ Audit
Cost per visit to Council of aquatic services provided: \$4.07	\$3.84	\$4.02	N/A	\$3.95	Operational expenditure against user numbers
User satisfaction with 'Leisure Active' programmes and events: $\geq 92\%$	91%	99%	N/A	99% of users who expressed an opinion were satisfied. 9% of users did not express an opinion.	NRB Communitrak Survey
Residents' use of 'Leisure Active' programmes and events: $\geq 30\%$	25%	33%	N/A	35%	NRB Communitrak Survey Note: The three main reasons given for seldom or never taking part in or making use of a Leisure Active programme or event are "lack of time/too busy", "not interested" and "have other/own interests/activities".

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



## Aquatics and Recreation - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	2,441	2,273	168	2,173
Other Revenue	843	673	170	713
<b>Total Revenue</b>	<b>3,284</b>	<b>2,946</b>	<b>338</b>	<b>2,886</b>
<b>EXPENDITURE</b>				
Employee Costs	3,184	2,916	(268)	2,774
Support Costs	644	644	-	607
Operating Costs	3,113	2,808	(305)	3,122
Finance Cost	60	60	-	80
Depreciation	786	843	57	647
<b>Total Expenditure</b>	<b>7,787</b>	<b>7,271</b>	<b>(516)</b>	<b>7,230</b>
<b>DEFICIT BEFORE TAX</b>	<b>(4,503)</b>	<b>(4,325)</b>	<b>(178)</b>	<b>(4,344)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(4,503)	(4,325)	(178)	(4,344)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(4,503)</b>	<b>(4,325)</b>	<b>(178)</b>	<b>(4,344)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(378)	(444)	66	(209)
Capital Expenditure - Improving Services	-	-	-	(195)
Less Depreciation	786	843	(57)	647
<b>Total Loan Funding Requirement</b>	<b>408</b>	<b>399</b>	<b>9</b>	<b>243</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(4,095)</b>	<b>(3,926)</b>	<b>(169)</b>	<b>(4,101)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Events Funding	332	293	(39)
Walter Nash Feasibility	44	44	-

## Significant Operating Variations from LTCCP

Income is above budget due to additional revenue from "Learn to Swim", the new Stokes Valley fitness suite and events funding grants. These are offset by additional staff costs associated with "Learn to Swim" and the new fitness suite, and unbudgeted maintenance costs.

### Note: Grant funding received from the Ministry of Social Development

During the financial year the Council received \$36,000 as a contribution towards school holiday programmes. The programmes that received this funding are as follows:

Belmont Superstars – \$12,000, Gracefield Gurus – \$12,000, Maungaraki Musketeers – \$12,000

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Other Projects	350	354	4
Walter Nash Stadium Resurface Floor & Seating	-	60	60
Walter Nash Stadium Other Projects	28	30	2

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Other projects relates to the provision for capital maintenance on the swimming pools plant and equipment which was completed as programmed. The Walter Nash Stadium Resurface Floor & Seating project is to be carried out in 2010/2011.

# Parks and Reserves

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Residents' satisfaction with sportsgrounds: $\geq 95\%$	98%	97%	95%	95% of residents who expressed an opinion were satisfied. 14% of residents did not express an opinion.	NRB Communitrak Survey Note: 77% of households have used or visited a sportsground in the last 12 months
Residents' satisfaction with parks, reserves and gardens: $\geq 95\%$	98%	96%	96%	97% of residents who expressed an opinion were satisfied. 5% of residents did not express an opinion.	NRB Communitrak Survey Note: 90% of households have used or visited parks, reserves or gardens in the last 12 months
Residents' satisfaction with cemeteries: $\geq 90\%$	93%	96%	96%	97% of residents who expressed an opinion were satisfied. 38% of residents did not express an opinion.	NRB Communitrak Survey Note: 43% of households have visited a Hutt City cemetery in the last 12 months
Sports fields meet the standard agreed with sports codes: $\geq 95\%$	98%	97%	N/A	97%	Complaints from users during 2009/10 and sportsground audits
Area of parks and reserves per 1000 of population: $\geq 24.9$ hectares	54 hectares	54 hectares	N/A	54 hectares	Reserves Strategy
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months: $\geq 89\%$	87%	88%	N/A	90%	NRB Communitrak Survey Note: The three main reasons given for seldom or never using/visiting public parks, reserves or gardens are "don't go to parks/not interested", "lack of time/too busy" and "too old".
Maintain a high standard of maintenance and development of playgrounds, parks, reserves, gardens and cemeteries: 95% of contract and asset management plan requirements met	95%	95%	N/A	95%	Playground and Parks Audits

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

## Parks and Reserves - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	1,245	971	274	1,240
Capital Contributions	(1)	550	(551)	545
Other Revenue	99	19	80	412
Vested Assets	942	-	942	-
Gain	-	-	-	656
<b>Total Revenue</b>	<b>2,285</b>	<b>1,540</b>	<b>745</b>	<b>2,853</b>
<b>EXPENDITURE</b>				
Employee Costs	943	940	(3)	688
Support Costs	545	545	-	497
Operating Costs	9,255	8,378	(877)	6,855
Finance Cost	469	469	-	625
Depreciation	762	1,075	313	724
<b>Total Expenditure</b>	<b>11,974</b>	<b>11,407</b>	<b>(567)</b>	<b>9,389</b>
<b>DEFICIT BEFORE TAX</b>	<b>(9,689)</b>	<b>(9,867)</b>	<b>178</b>	<b>(6,536)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(9,689)	(9,867)	178	(6,536)
Add Capital Contributions	1	(550)	551	(545)
<b>Total Rates Funding Requirement</b>	<b>(9,688)</b>	<b>(10,417)</b>	<b>729</b>	<b>(7,081)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	(421)	(639)	218	(486)
Capital Expenditure - Improving Services	(1,165)	(1,470)	305	(1,286)
Less Capital Contributions	(1)	550	(551)	545
Less Depreciation	762	1,075	(313)	724
<b>Total Loan Funding Requirement</b>	<b>(825)</b>	<b>(484)</b>	<b>(341)</b>	<b>(503)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(10,513)</b>	<b>(10,901)</b>	<b>388</b>	<b>(7,584)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Hutt River Trail	12	12	-
Canopy Weed Control	33	38	5
North Island Brown Kiwi	5	5	-
Problem Tree Removal	270	265	(5)
Waiwhetu Stream Working Group	28	32	4
Fraser Park Hockey Turf Grant	100	100	-
Mitchell Park Tennis Courts Grant	200	200	-
Baring Head Contribution	200	-	(200)

## Significant Operating Variations from LTCCP

The income variance relates to unbudgeted receipt of vested assets from the SH2 Dowse Interchange project and the associated improvements to Percy Reserve offset by less than budgeted reserves contribution. Expenditure variance relates to a contribution to Greater Wellington Regional Council for the Baring Head property purchase, capital costs transferred to operating and extra costs associated with the land review.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Parks & Gardens Protection Bollards	6	5	(1)
Hutt Park Development	14	300	286
Hutt Recreation Ground Rugby World Cup Improvements	347	350	3
Hugh Sinclair Park BMX Track	101	75	(26)
Korohiwa Recreation Area	120	100	(20)
Memorial Park Synthetic Surface	-	10	10
Parks Seats & Bins	25	26	1
Parks Hard Surfaces Maintenance	48	60	12
Parks Signage & Interpretation	8	20	12
Playground Equipment Replacement	109	110	1
Percy Scenic Reserve Buildings	82	70	(12)
Percy Reserve SH2 Development carryover	191	185	(6)
Sportsground Buildings Maintenance	84	150	66
Street Tree Planting	-	30	30
Street Tree Replacements	-	63	63
Parks Street Tree/Infrastructure Safety	-	35	35
Trafalgar Park Bollards	17	20	3
Track Maintenance	130	130	-
Tutukiwi Orchid House Improvements	164	185	21
Wharves Survey & Maintenance	-	45	45
Wainuiomata Mountain Bike Facility	140	140	-

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

An area of the Hutt Recreation Ground surface was improved to provide a training area for teams competing in the 2011 Rugby World Cup. In Wainuiomata a new BMX track was constructed at Hugh Sinclair Park and work was completed on the mountain bike facility. Significant upgrade work was carried out to the Tutukiwi Orchid House. Landscaping was completed along the shoreline as part of the Korohiwa development. Improvements were made to the entrance to the Percy Scenic Reserve following completion of the SH2 upgrade project. The Hutt Park development project was delayed and is scheduled to be carried out in 2010/2011.

# Community Support

## What we do

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

## Why we do it

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Community satisfaction with support programmes delivered by Community and Youth Development team: $\geq 90\%$	New measure for 2009/10	New measure for 2009/10	N/A	84%	Independent survey
Community organisations' satisfaction with the availability and quality of our support, advice and funding: $\geq 90\%$	New measure for 2009/10	New measure for 2009/10	N/A	84%	Independent survey
Residents' perceptions of Hutt City in terms of:					
<ul style="list-style-type: none"> <li>their sense of community in their local neighbourhood: <math>\geq 60\%</math></li> </ul>	60%	54.4%	N/A	N/A	Quality of Life Survey results due 2011
<ul style="list-style-type: none"> <li>their sense of safety at home, in their neighbourhood and in the city centre: <math>\geq 79\%</math></li> </ul>	79%	80.3%	N/A	N/A	Quality of Life Survey results due 2011
<ul style="list-style-type: none"> <li>their sense of the positive impacts of our population's diversity: <math>\geq 59\%</math></li> </ul>	59%	54.8%	N/A	N/A	Quality of Life Survey results due 2011
	(Source: Quality of Life 2007 Survey of New Zealand's 12 largest cities)	(Source: Quality of Life Survey 2008 Hutt City, being the latest survey results currently available)			

## Community Support - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	28	20	8	16
Other Revenue	618	243	375	245
<b>Total Revenue</b>	<b>646</b>	<b>263</b>	<b>383</b>	<b>261</b>
<b>EXPENDITURE</b>				
Employee Costs	843	709	(134)	687
Support Costs	586	586	-	452
Operating Costs	1,417	1,420	3	1,452
Depreciation	10	-	(10)	-
<b>Total Expenditure</b>	<b>2,856</b>	<b>2,715</b>	<b>(141)</b>	<b>2,591</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,210)</b>	<b>(2,452)</b>	<b>242</b>	<b>(2,330)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(2,210)	(2,452)	242	(2,330)
Add Capital Contributions	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(2,210)</b>	<b>(2,452)</b>	<b>242</b>	<b>(2,330)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure - Maintaining Services	-	-	-	-
Capital Expenditure - Improving Services	(266)	-	(266)	-
Less Capital Contributions	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-
Less Depreciation	10	-	10	-
<b>Total Loan Funding Requirement</b>	<b>(256)</b>	<b>-</b>	<b>(256)</b>	<b>-</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,466)</b>	<b>(2,452)</b>	<b>(14)</b>	<b>(2,330)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Community Grants Contestable Fund	163	176	13
Heritage Project Fund	25	25	-
Community Houses Funding	255	255	-
Marae Funding	137	120	(17)
Arts & Culture Funding	85	89	4
Citizens Advice Bureau Funding	64	64	-
Scholarships	12	10	(2)
Youth Infusion	9	10	1
Youth Centre	134	158	24
International Year Of The Volunteer	-	2	2
Safety Initiatives	198	197	(1)
Social Development Projects	17	50	33
Cadet Unit Support	15	15	-
Men's Shed Grant	20	20	-

## Significant Operating Variations from LTCCP

An unbudgeted Government grant of \$375k was received to offset wages of \$134k for the Community Max workers and for the Naenae Clubhouse capital project.

## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Naenae Computer Clubhouse	266	-	(266)

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

The Naenae Computer Clubhouse project which was Government funded was completed.

# Property

## What we do

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

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

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

## Why we do it

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

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

## How we measure the service provided

MEASURE	ACHIEVED 2007/08	ACHIEVED 2008/09	PEER AVERAGE 2009/10	ACHIEVED 2009/10	SOURCE OF INFORMATION
Tenants' satisfaction with Council accommodation: 90%	93%	91%	N/A	97%	Internal Survey
Residents' satisfaction with public halls: ≥ 94%	95%	92%	92%	97% of residents who expressed an opinion were satisfied. 32% of residents did not express an opinion.	NRB Communitrak Survey Note: 36% of households used a public hall in the last 12 months
Residents' satisfaction with public toilets: ≥ 58%	69%	68%	68%	69% of residents who expressed an opinion were satisfied. 26% of residents did not express an opinion.	NRB Communitrak Survey Note: 60% of households have used a public toilet in the last 12 months
Occupancy rate of Council rental housing: 90%	97%	97%	N/A	93%	Monthly Management Reports

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

## Property - Income Statement

For the period ended 30 June 2010

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000	ACTUAL 30 JUNE 2009 \$000
<b>REVENUE</b>				
User Charges	993	959	34	917
Capital Contributions	-	350	(350)	-
Other Revenue	225	-	225	(285)
Gain	608	-	608	-
<b>Total Revenue</b>	<b>1,826</b>	<b>1,309</b>	<b>517</b>	<b>632</b>
<b>EXPENDITURE</b>				
Employee Costs	-	-	-	29
Support Costs	(1,307)	(1,303)	4	(1,218)
Operating Costs	2,897	2,676	(221)	2,697
Finance Cost	282	282	-	375
Depreciation	1,800	1,878	78	1,569
<b>Total Expenditure</b>	<b>3,672</b>	<b>3,533</b>	<b>(139)</b>	<b>3,452</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,846)</b>	<b>(2,224)</b>	<b>378</b>	<b>(2,820)</b>
<b>RATES FUNDING REQUIREMENT</b>				
Deficit Before Tax	(1,846)	(2,224)	378	(2,820)
Add Capital Contributions	-	(350)	350	-
<b>Total Rates Funding Requirement</b>	<b>(1,846)</b>	<b>(2,574)</b>	<b>728</b>	<b>(2,820)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital Expenditure – Maintaining Services	(304)	(437)	133	(509)
Capital Expenditure – Improving Services	(1,285)	(2,453)	1,168	(974)
Less Capital Contributions	-	350	(350)	-
Less Asset Sales	-	-	-	902
Less Depreciation	1,800	1,878	(78)	1,569
<b>Total Loan Funding Requirement</b>	<b>211</b>	<b>(662)</b>	<b>873</b>	<b>988</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,635)</b>	<b>(3,236)</b>	<b>1,601</b>	<b>(1,832)</b>

## Operating Projects

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Review Of Community Halls	11	60	49

## Significant Operating Variations from LTCCP

Income was above budget due to the profit from asset sales. This was partly offset by extra building maintenance costs.



## Capital Projects Acquisitions and Renewals

	ACTUAL 30 JUNE 2010 \$000	PLAN 30 JUNE 2010 \$000	VARIANCE 30 JUNE 2010 \$000
Administration Building Maintenance	61	65	4
Avalon Park Pavilion Maintenance	16	20	4
CBD Community Resource Centre	1	28	27
Community Halls Improvements	131	114	(17)
Community Halls Exterior & Interior Maintenance	139	195	56
Single Houses (Reserves) Interior & Exterior Mtce	27	44	17
Korohiwa Bus Barn Redevelopment	1,094	2,200	1,106
Libraries Exterior & Interior Maintenance	27	30	3
Libraries Improvements	8	9	1
Little Theatre Interior & Exterior Maintenance	4	15	11
Little Theatre Sound & Lighting Improvements	45	50	5
Minoh Friendship House Maintenance	8	20	12
Halls Upgrade Men's Shed	-	10	10
Miscellaneous Rentals Interior & Exterior Mtce	21	20	(1)
Taita Hall	-	20	20
Toilets Upgrade	7	50	43

## Significant Asset Acquisitions or Replacements and Variations from the LTCCP

Improvements of about \$300k to community halls were carried out. The main Korohiwa Bus Barn building project was completed within budget. A portion of the unspent budget has been carried over to 2010/2011 to complete the ground works part of the project. It is expected that the total project cost will come in well under budget.

## Libraries service gets rave reviews

Hutt City resident Patricia Quartley loves books and she's been a regular at Wainuiomata library since it opened.


Now that she's retired she's got a bit more time for reading and ploughs through four to five books borrowed from the library every week.

"There really is nothing like sitting in the library with the sun streaming in and a good book to read. My taste is pretty cosmopolitan. I like a little bit of everything, especially historical books. All my friends use the library too and the library staff are always so obliging – nothing is ever too much trouble", she says.

Patricia is also a big fan of the libraries interloan service.

If she can't find the book she's looking for on the Hutt City libraries catalogue she places a request for an inter-library loan from another academic or public library.

"It's such a terrific service. I've had books sent from Napier, Whangarei, and all over New Zealand. It never costs too much and the library staff are always so quick to let me know if the books I want are available and when I can come in to pick them up. **It's like having all New Zealand's libraries just around the corner – absolutely magnificent.**"



**Tania Snoep and Jennifer Hutchinson from Wainuiomata Library enjoy helping people use our library services.**

# REPORTING ON PROGRESS TOWARDS THE ACHIEVEMENT OF COMMUNITY OUTCOMES

This section outlines the indicators of progress made between 2006 and 2009 in achieving our community outcomes.

While this report covers the period 2006–2009, the data is not always available for all these years. In some cases the only data available is from the 2006 census; or only from a single year within the period. The report contains data from a wide variety of sources, including:

- Quality of Life Report (2007)
- Quality of Life Surveys (2006, 2008)
- Hutt City Council Communitrak surveys (2006–2009)
- Greater Wellington Regional Council
- Hutt Valley District Health Board
- Statistics New Zealand
- Ministry of Social Development
- Ministry of Education
- Department of Internal Affairs
- Housing New Zealand Corporation
- New Zealand Transport Agency

Much of this data is available on the Internet. For ease of reference, footnotes contain web links to the information as well as referencing the source. Hutt City Council will not be liable for the accuracy of any third party data presented in this report or for any loss suffered through the use, directly or indirectly, of any information, product or service.

# A GREAT PLACE TO LIVE

## Family income

Figure 1 shows the respective proportions of Hutt City families in each income bracket for the 2001 and 2006 censuses. The table shows that the proportions of families on lower and middle incomes (up to \$70,000) decreased over the period while the percentage of families on higher incomes (over \$70,000) increased. Income data for Hutt City families is not available for the period 2007–2009.

Figure 1: Hutt City family income statistics by income bracket

INCOME BRACKET	2001	2006
Loss	0.2%	0.1%
Zero income	0.3%	0.3%
\$1 - \$5,000	1.0%	0.8%
\$5,001 - \$10,000	1.0%	0.8%
\$10,001 - \$15,000	3.4%	1.7%
\$15,001 - \$20,000	5.5%	3.4%
\$20,001 - \$25,000	3.3%	5.8%
\$25,001 - \$30,000	6.7%	3.0%
\$30,001 - \$40,000	8.1%	8.0%
\$40,001 - \$50,000	9.3%	7.0%
\$50,001 - \$70,000	18.0%	15.3%
\$70,001 - \$100,000	13.6%	17.9%
\$100,001 or More	13.6%	21.9%
Not stated	16.2%	14.1%
Total no. families	25,113	26,313

Source: Statistics New Zealand, Census 2001 and 2006 data, total family income by family type by child dependency status for families in private occupied dwellings

Despite the recession of 2008–2009, data for the Wellington region as a whole suggests that the growth in incomes has continued to increase over the past year with the median weekly income for the Wellington region in 2009 (\$806) slightly higher than for 2008 (\$800) – see Figure 2. It is not clear whether the median income within Hutt City has increased.

Figure 2: Median weekly earnings for those in paid employment (June quarters)

	2005	2006	2007	2008	2009
Wellington	\$650 R	\$740 R	\$767 R	\$800 R	\$806

R = revised, due to minor changes in population estimates

Source: Statistics New Zealand, New Zealand Income Survey

## Perception of air pollution

In the 2008 Quality of Life survey<sup>1</sup>, about one seventh (15.4 percent) of Hutt City residents felt air pollution had been a problem within their city or local area in the preceding 12 months. This was an increase from the 2006 survey where 12 percent of residents felt air pollution was a problem.

## Perception of water pollution

In terms of water pollution, nearly half (45.1 percent) of residents felt water pollution (in streams, rivers, lakes and the sea) had been a problem in Hutt City in the preceding 12 months.<sup>1</sup> This was a similar proportion to the 2006 survey where 46 percent of residents felt water pollution was a problem.

<sup>1</sup> Quality of Life Survey 2008, Hutt City.

## Air quality measures

Greater Wellington Regional Council monitors air quality in Hutt City at two sites - one in Birch Lane (referred to as Lower Hutt) and the other in Wainuiomata. The Lower Hutt monitoring station collects data on three variables: particulate matter (PM<sub>10</sub>), carbon monoxide (CO), and nitrogen oxide (NO<sub>2</sub>). The Wainuiomata monitoring station collects PM<sub>10</sub> data only.

Air quality is reported by five categories, as shown in Figure 3.

**Figure 3: Air quality categories for reporting monitoring results**

CATEGORY	COMMENT
Action	Completely unacceptable by national and international standards
Alert	A warning level which can lead to guidelines being exceeded if trends are not curbed
Acceptable	A broad category, where maximum values might be of concern in some sensitive locations, but are generally at a level that does not warrant dramatic action
Good	Peak measurements in this range are unlikely to affect air quality
Excellent	Of little concern

The results of air quality monitoring for 2006, 2007 and 2008 are shown in the figures below. Figures 4 and 5, for particulate matter, show that the percentage of days categorised as 'excellent' or 'good' for PM<sub>10</sub> has increased over the three year period for both Lower Hutt and Wainuiomata. However for Wainuiomata, there has also been an increase in the percentage of days categorised as 'alert' or 'action' (in 2008, seven days were categorised as 'alert').

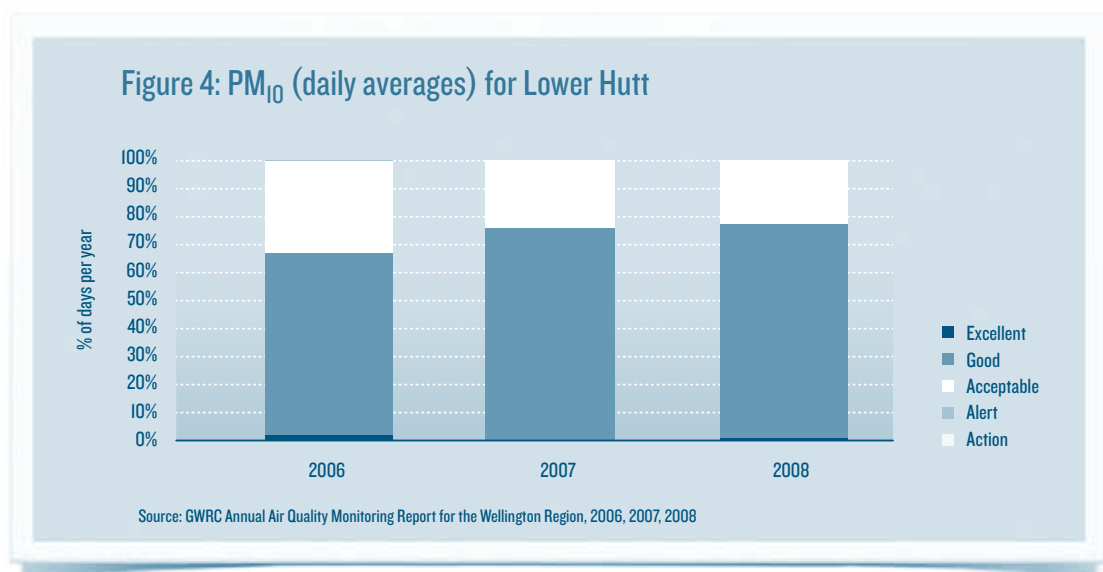
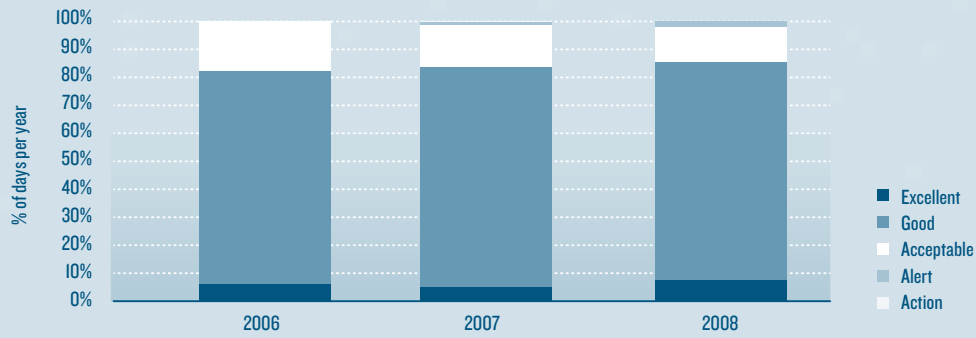


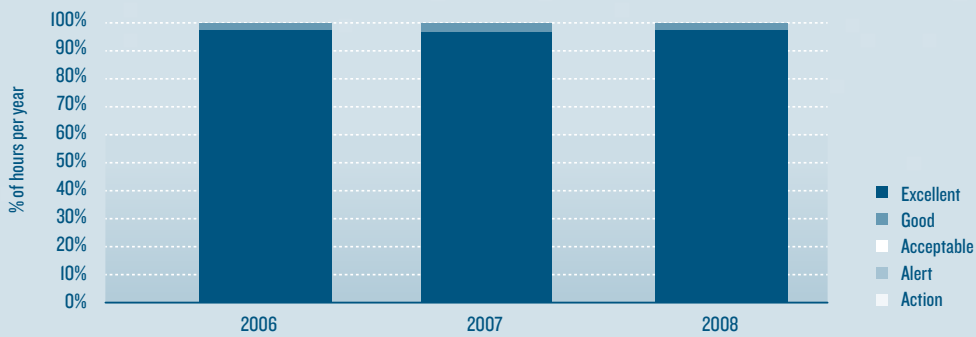
Figure 5: PM<sub>10</sub> (daily averages) for Wainuiomata



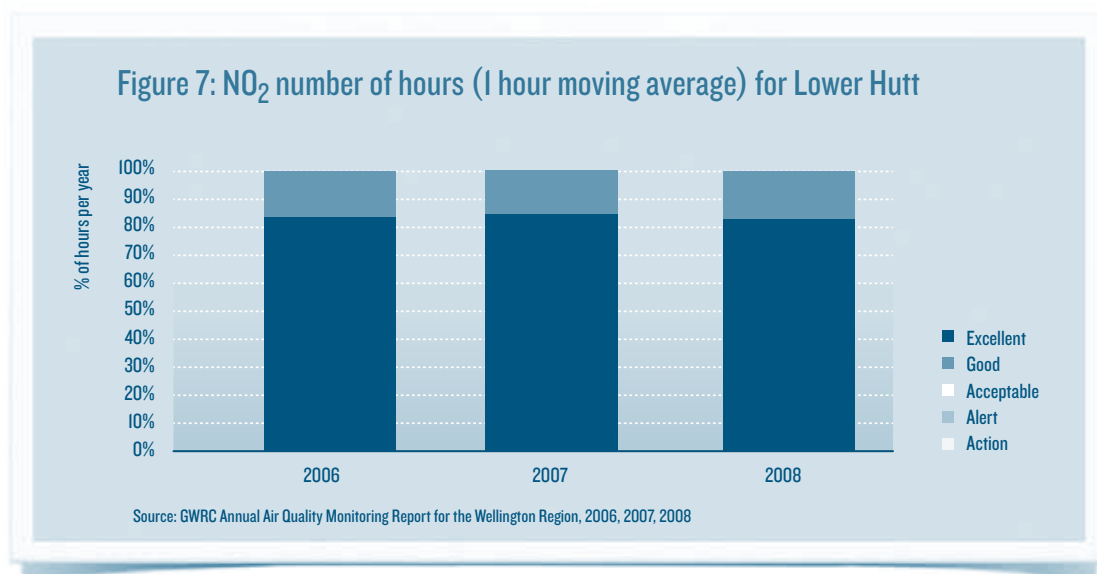
Source: GWRC Annual Air Quality Monitoring Report for the Wellington Region, 2006, 2007, 2008

Figures 6 and 7, for CO and NO<sub>2</sub> respectively, show there has been little change over the three year period with around 97 percent of hours being categorised as 'excellent' for CO, and 84 percent as 'excellent' for NO<sub>2</sub>.

Figure 6: CO number of hours (8 hour moving average) for Lower Hutt



Source: GWRC Annual Air Quality Monitoring Report for the Wellington Region, 2006, 2007, 2008



## Coastal and freshwater quality

Figure 8 shows the results of water quality monitoring at beaches throughout the Wellington region for two years (2007–2008 and 2008–2009). Testing on coastal and freshwater beaches was carried out once a week over summer in most locations. In the first period (2007–2008), 60% of the beaches exceeded the minimum bacteria count required for action at least once, while the comparable figure for the second period (2008–2009) was 30%.

**Figure 8: Water quality at coastal and freshwater beaches**

	NO. OF BEACHES MONITORED	% OF SAMPLES EXCEEDING GUIDELINES <sup>2</sup>	NO. OF BEACHES THAT EXCEEDED GUIDELINES AT LEAST ONCE	NO. OF BEACHES THAT EXCEEDED GUIDELINES MORE THAN ONCE
Coastal beaches				
2007–2008	77	4.2	43	17
2008–2009	77	2	18	8
Freshwater beaches				
2007–2008	21	5.1	16	6
2008–2009	21	5.2	11	7

Source: GWRC annual monitoring reports

## Macroinvertebrate data

Another measure of freshwater quality is the Macroinvertebrate Index (MCI). Higher MCI values reflect more invertebrate life in waterways, indicating higher 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). A lower MCI value in one year compared with the year before may not reflect a significant change in water quality but rather a physical habitat change such as alteration of the flow regime due to gravel extraction or channel re-alignment, etc.

Figure 9 shows the results of testing for macroinvertebrates in the Hutt City area for 2007, 2008 and 2009. Results for the Hutt River at Manor Park and the Boulcott measuring sites, and for the Wainuiomata River at Manuka Track, have generally showed a steady improvement over the years. The results at White Bridge and for the Orongorongo River fluctuated over the period.

<sup>2</sup> The Ministry of Health/Ministry for the Environment guidelines (2003) set minimum levels of bacteria that require action by the council (eg, closing a beach). Exceeding levels for coastal waters is a single water sample greater than 280 enterococci per 100ml; exceeding levels for freshwater is a single water sample greater than 550 E.coli per 100ml.

Figure 9: Freshwater quality measured by Macroinvertebrate Index

	2006/2007		2007/2008		2008/2009	
	MCI	RATING	MCI	RATING	MCI	RATING
Hutt River at Manor Park	104.11	Good	120.3	Excellent	124.1	Excellent
Hutt River at Boulcott	98.93	Fair	98.7	Fair	123.5	Excellent
Wainuiomata River at Manuka Track	131.62	Excellent	133.8	Excellent	139.0	Excellent
Wainuiomata River at White Bridge	96.74	Fair	79.6	Poor	103.3	Good
Orongorongo River	97.15	Fair	127.6	Excellent	100.2	Good

Source: GWRC freshwater quality reports for 2006/2007, 2007/2008 and 2008/2009.

## Drinking water quality

The following table shows different gradings for the drinking water zones in Hutt City as at November 2009. Overall, the drinking water quality for Lower Hutt as a whole was good, with all zones and plants having either a completely satisfactory or satisfactory grading. Water quality is assessed both at water plants and distribution zones.

Figure 10: Drinking water grading

DISTRIBUTION ZONE	SOURCE/ PLANT GRADING	DISTRIBUTION ZONE GRADING
Eastbourne	B	b
Haywards	A1	a
Lower Hutt	B	b
Petone	B	b
Stokes Valley	A1	b
Wainuiomata	U	b

Source: Water Information New Zealand, water supplies data

Water source / water plant grading:

A1 = Completely satisfactory, negligible level of risk, demonstrably high quality

A = Completely satisfactory, extremely low level of risk

B = Satisfactory, very low level of risk when the water leaves the treatment plant

C = Marginally satisfactory, low level of microbiological risk when the water leaves the treatment plant, but may not be satisfactory chemically

D = Unsatisfactory level of risk

E = Unacceptable level of risk

U = Ungraded

Distribution zone grading:

a1 = Completely satisfactory, negligible level of risk, demonstrably high quality

a = Completely satisfactory, extremely low level of risk

b = Satisfactory, very low level of risk

c = Marginally satisfactory, moderately low level of risk

d = Unsatisfactory

e = Unacceptable level of risk

u = Not yet graded



## Pollution incidents

Greater Wellington Regional Council monitors pollution within Hutt City. In the 2006/07 financial year there were 223 incidents, breaking the rising trend over previous years (see Figure 11).

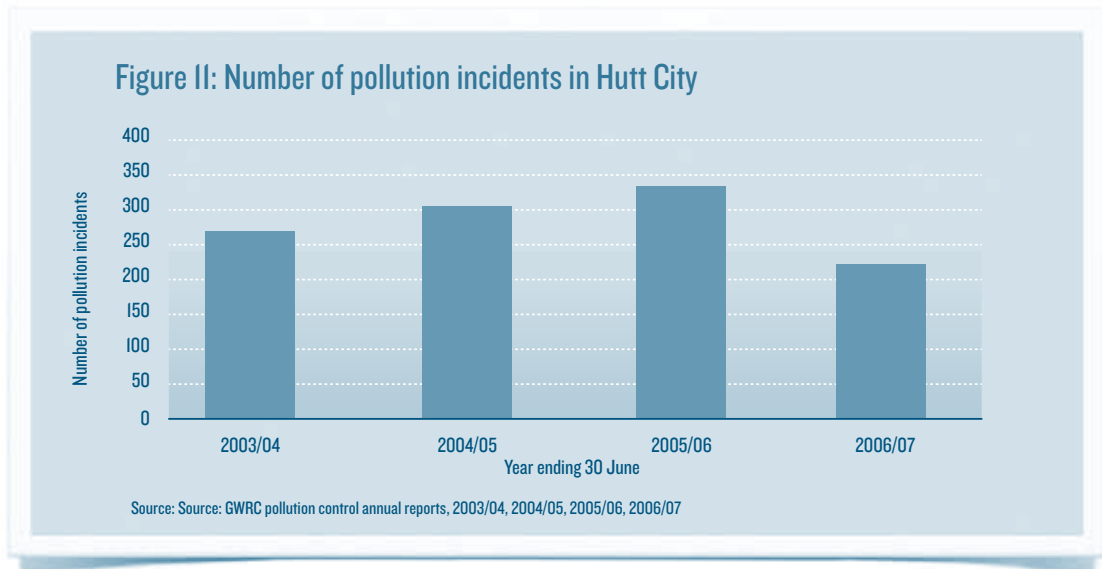
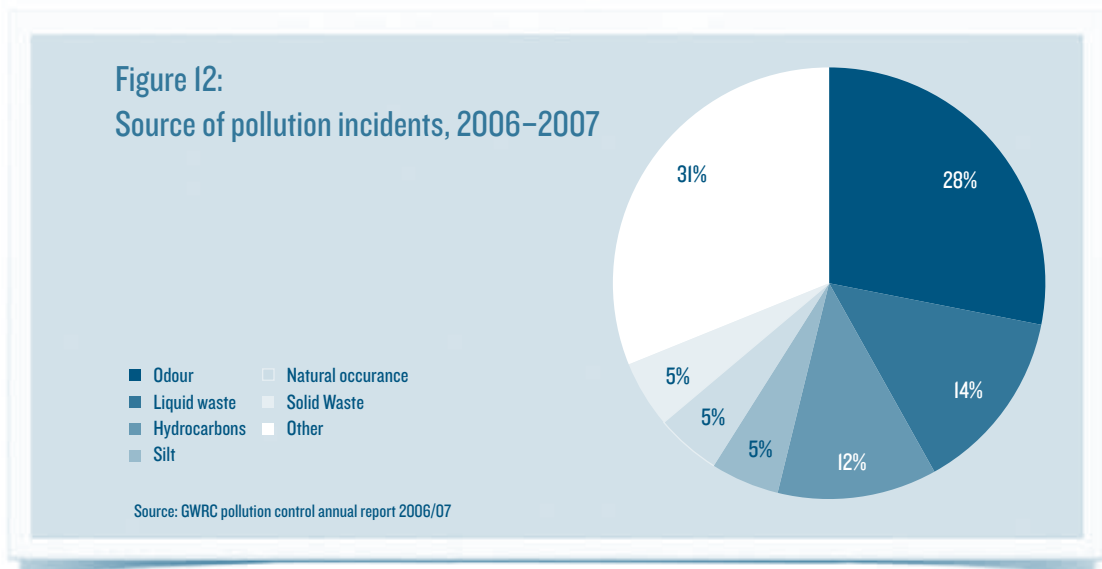


Figure 12 shows the source of pollution incidents in the 2006/07 year. As in previous years, incidents relating to odour continue to be the most common incident type.



## Waste management and recycling

The amount of waste disposed of in landfills is shown in Figure 13. Over the past five years the amount has remained fairly steady (fluctuating just 1.7 percent), at between 130,768 and 133,000 tonnes.

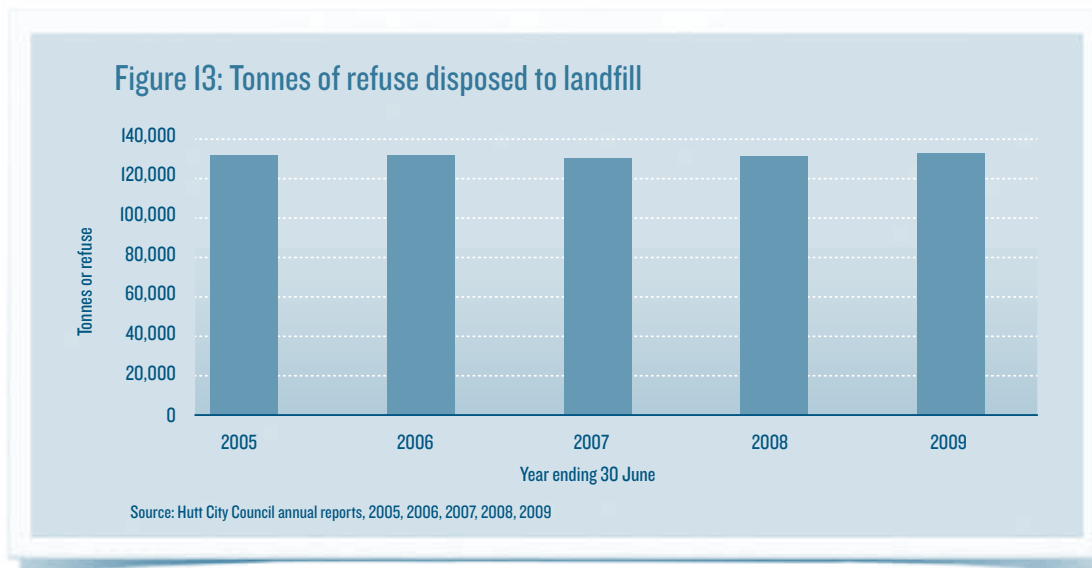
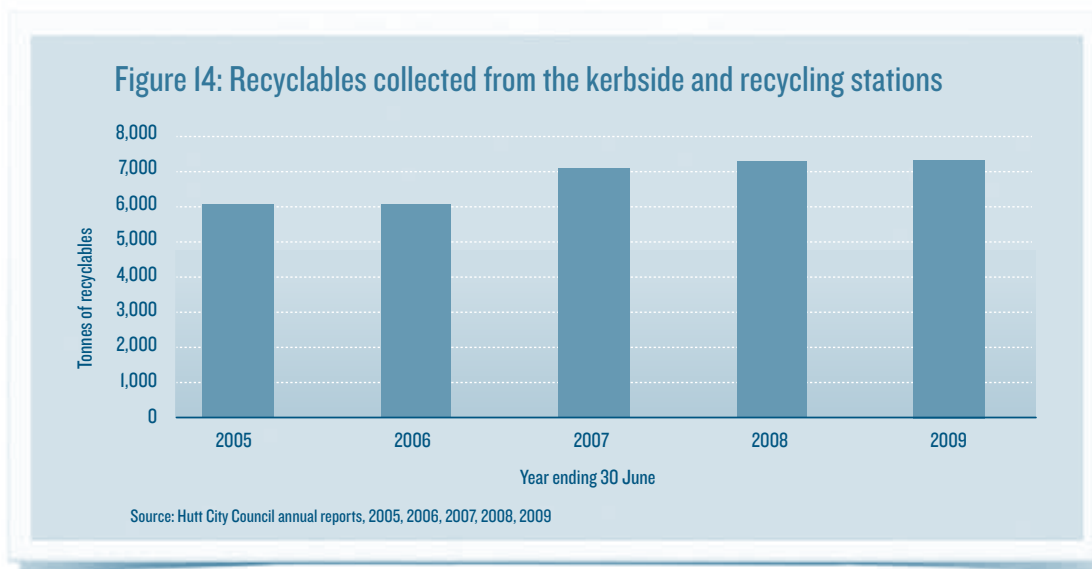
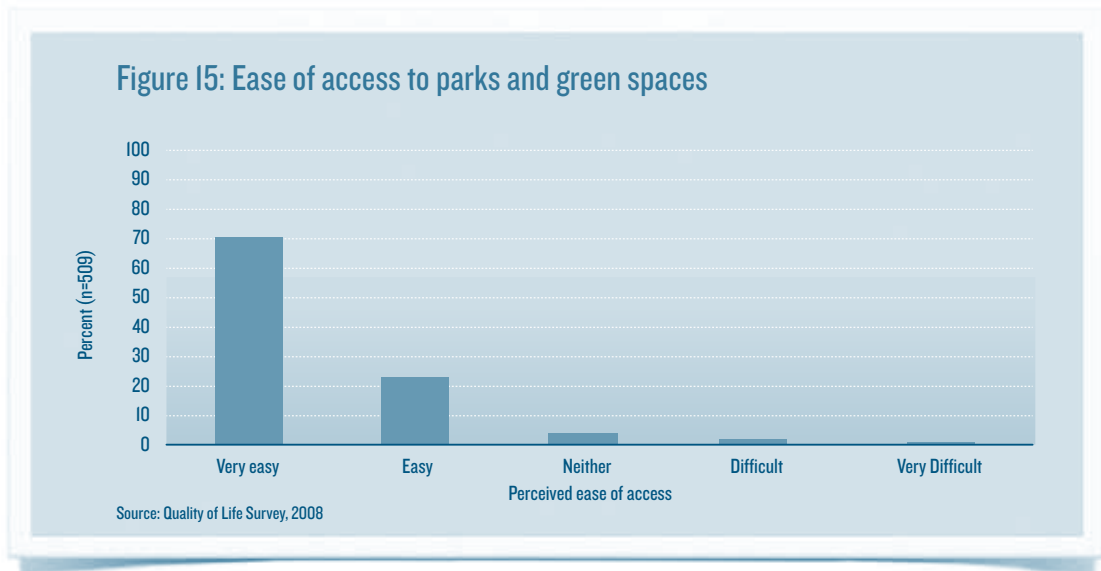


Figure 14 shows the amount of recyclable material collected at the kerbside or at recycling stations over the past five years. The amount of material has increased 21.2 percent over the period from 6,066 to 7,349 tonnes.



## Ease of access to a local park or other green space

In the Quality of Life Survey 2008, most Hutt City residents (92.2 percent) believed it was easy to access a local park or other green space, responding either 'very easy' (69.8 percent) or 'easy' (22.4 percent). A similar proportion of respondents to the 2006 survey found access to parks and green spaces easy (89 percent).



## QEII Trust covenants

The QEII Trust is a non-government organisation that enables landowners to protect special natural and cultural features on their land through open space covenants. The covenants are legally binding and the protection is registered on the title of the land for perpetuity.

Figure 16 compares the numbers of covenants in the Wellington region in 2006 and 2009. The number of registered covenants in the Wellington region has increased since 2006 and, correspondingly, the total area of registered and approved covenants has increased by over 150 hectares.

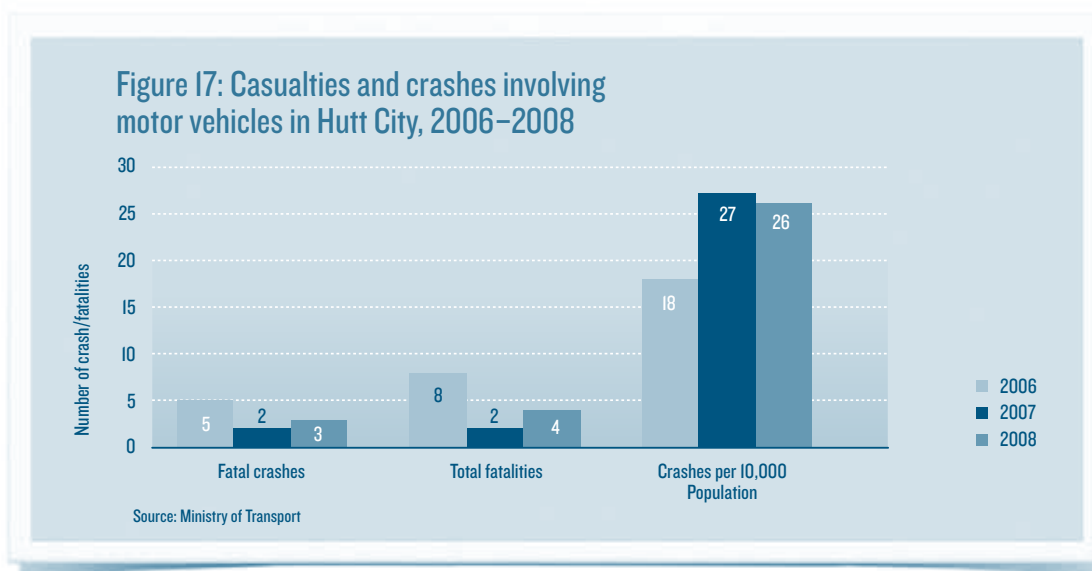
**Figure 16: QEII Trust covenants in Wellington region**

YEAR	TOTAL LAND AREA IN THE REGION (HA)	NO. OF REGISTERED COVENANTS	NO. OF APPROVED COVENANTS	TOTAL AREA REGISTERED AND APPROVED (HA)	LARGEST REGISTERED COVENANT IN REGION (HA)	AVERAGE COVENANT SIZE (HA)
2006	813,000	217	52	5,770	824	21.4
2009	813,000	255	40	5,927	824	20.1

Source: QEII National Trust

## Road safety/trauma

Figure 17 shows that over the period 2006–2008, the number of fatal crashes and total fatalities fell while the number of crashes rose. The fatality figures are similar to those for 2003–2005, but the number of crashes is considerably higher than in that period.



## Crime levels

Figure 18 shows recorded and resolved crime levels for Hutt City over the period 2006–2008. The levels of most types of offences have remained relatively static over this period and it is difficult to discern definite trends over such a short period of time. Total recorded crimes did increase by 10.4 percent over this period. The greatest increase was for property damage (up 31.2 percent) while the greatest decrease was for sexual offences (down 17.3 percent).

In 2008, 57.5 percent of all recorded crime was for offences relating to dishonesty.

The resolution rate for all offences recorded in 2008 was 38.9 percent. The greatest resolution was for offences relating to drugs and anti-social behaviour (85.8 percent) and violence (83.0 percent). The lowest resolution was for dishonesty (22.3 percent) and property damage (24.3 percent).

**Figure 18: Hutt City annual recorded/resolved offences for 2006–2008**

OFFENCE	2006		2007		2008	
	RECORDED	RESOLVED	RECORDED	RESOLVED	RECORDED	RESOLVED
Violence	1,379	1,137	1,578	1,307	1,403	1,165
Sexual	75	40	85	47	62	41
Drugs and anti-social	881	779	909	805	999	857
Dishonesty	5,831	1,240	5,702	1,302	6,338	1,416
Property damage	1,130	349	1,297	350	1,483	361
Property abuse	336	201	403	244	420	239
Administrative	353	288	341	271	321	213
<b>Total offences</b>	<b>9,985</b>	<b>4,034</b>	<b>10,315</b>	<b>4,326</b>	<b>11,026</b>	<b>4,292</b>

Source: Statistics New Zealand

## Perceptions of safety

Perceptions of personal safety differ markedly depending on location and time of day. Figure 19 shows that in 2008, over 94 percent of residents reported feeling safe in their homes during the day and after dark, and in the city centre during the day. However, nearly half of residents did not feel safe in their neighbourhoods or city centre after dark.

Overall perceptions changed little between 2006 and 2008, but there was a notable decrease in a sense of safety in the neighbourhood after dark (decreasing from 76 percent to 59.5 percent) and a smaller decrease in the sense of safety in the city centre after dark (decreasing from 61 percent to 54.5 percent).

Figure 19: Perceptions of safety during the day/night

	VERY SAFE (%)		FAIRLY SAFE (%)		TOTAL WHO FEEL SAFE (%)	
	2006	2008	2006	2008	2006	2008
Sense of safety in home during day	82	75.9	15	21.5	97	97.4
Sense of safety in home after dark	61	59.9	32	34.6	93	94.5
Sense of safety in neighbourhood after dark	38	18.8	38	40.7	76	59.5
Sense of safety in city centre during day	74	63.6	22	32.1	96	95.7
Sense of safety in city centre after dark	15	10.6	46	43.9	61	54.5

Source: Quality of Life Survey, 2006 and 2008

## Safety of children

Figure 20 shows the percentage of Hutt City residents that felt unsupervised children were safe in their neighbourhood in 2006 and 2008. The results are similar for both years, except the proportion of residents who felt unsupervised children were very unsafe in their neighbourhood, which decreased by 38.8 percent.

Figure 20: Safety of children in Hutt City

	2006	2008
Very safe	23	22.8
Fairly safe	44	45.6
A bit unsafe	21	22.5
Very unsafe	8	4.9

Source: Quality of Life Survey, 2006 and 2008

## Dwellings

The total number of dwellings in Hutt City increased between 1996 and 2006, and at a faster rate between 2001 and 2006 than between 1996 and 2001 (see Figure 21). The number of unoccupied dwellings increased between 1996 and 2001, but decreased between 2001 and 2006. The number of dwellings under construction decreased between 1996 and 2001, but increased between 2001 and 2006.

Figure 21: Dwellings in Lower Hutt

DWELLING STATUS	1996	2001	2006
Occupied	34,140	34,668	35,724
Unoccupied	1,737	2,094	1,797
Under construction	129	102	168
<b>Total</b>	<b>36,009</b>	<b>36,861</b>	<b>37,692</b>

Source: Statistics New Zealand

## Social housing

Hutt City Council provides housing for the elderly and socially disadvantaged through UrbanPlus. As at December 2009, UrbanPlus owned 194 housing units, up from 186 in 2006.

Housing New Zealand Corporation (HNZC) also provides housing for low income groups. High demand for its housing means there are waiting lists. The waiting lists for HNZC housing in Hutt City as of October 2009 totalled 66 applicants and consisted of:<sup>3</sup>

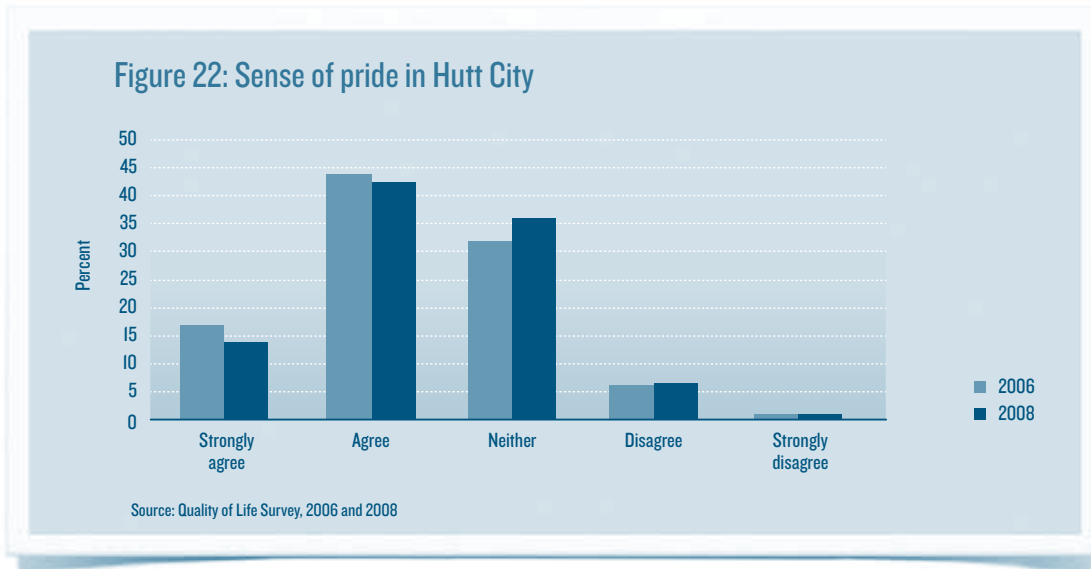
- 31 applicants with a significant and persistent housing need (B priority);
- 27 applicants with a moderate housing need (C priority); and
- Eight applicants with a low level housing need (D priority).

This compares with 286 applicants on HNZC waiting lists in July 2007.

3 Housing New Zealand Corporation, waiting list by neighbourhood unit, <http://www.hnzc.co.nz/hnzc/web/rent-buy-or-own/rent-from-housing-new-zealand/waiting-list-by-nu.htm#wellington>

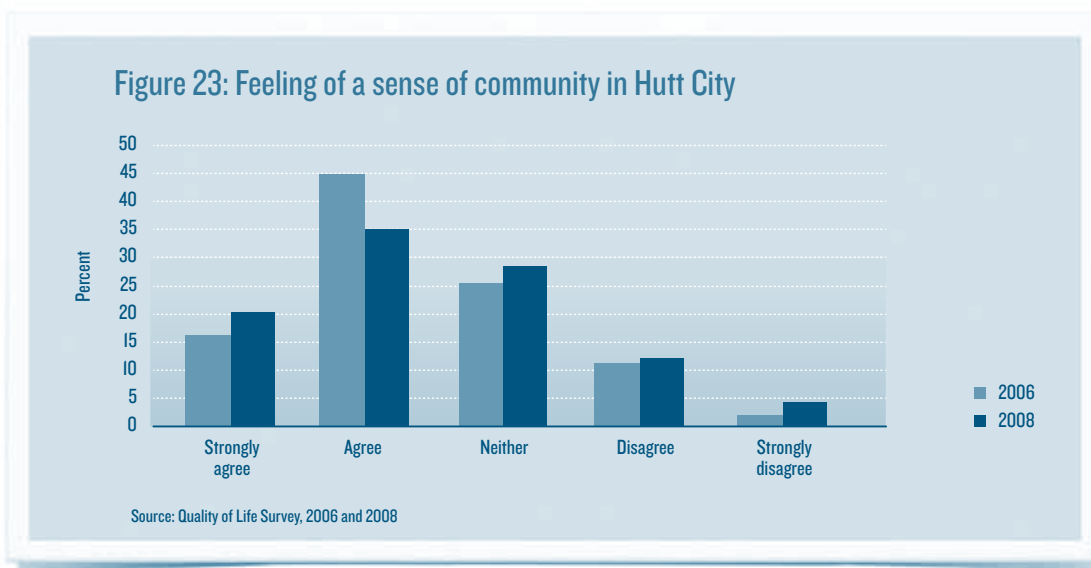
## Pride in city's look and feel

In 2008, just over half (56.4 percent) of Hutt City residents agreed or strongly agreed that they have a sense of pride in the way the city looks and feels. This is a slightly lower proportion than in 2006 when 60.0 percent agreed or strongly agreed (see Figure 22).



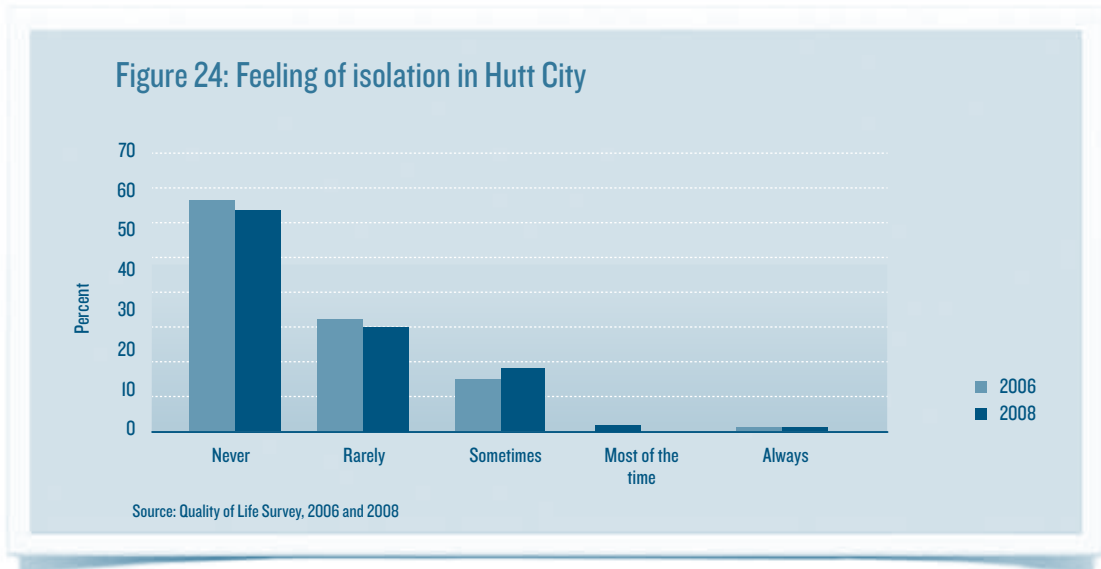
## Sense of community

In 2008, just over half (54.4 percent) of Hutt City residents agreed or strongly agreed they felt a sense of community in their local neighbourhood. This is a slightly lower proportion than in 2006 when 60.0 percent agreed or strongly agreed (see Figure 23).



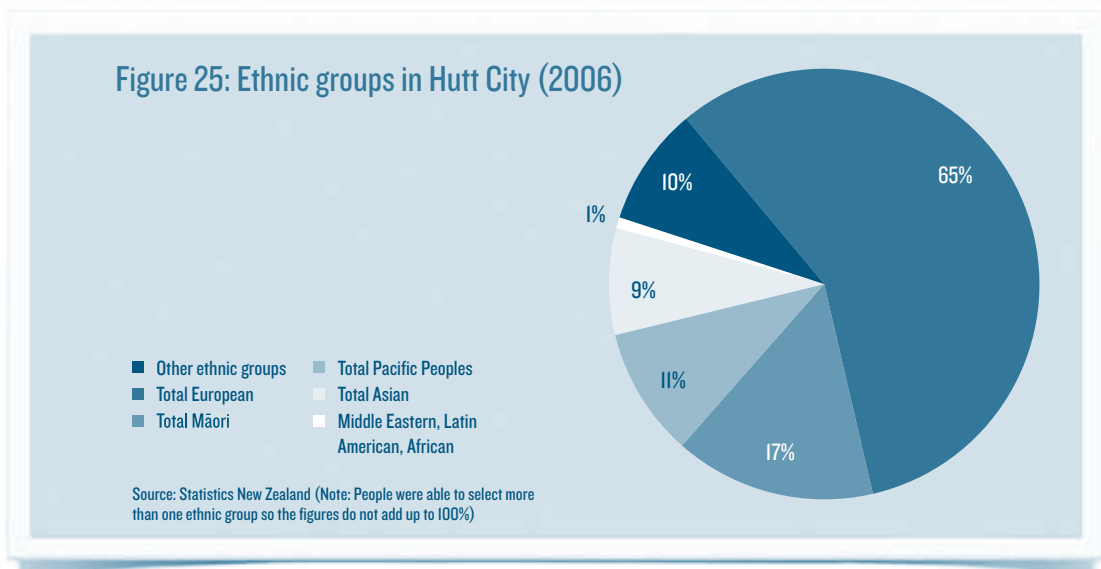
## Neighbourhood contact

Figure 24 shows how frequently Hutt City residents feel isolated or lonely. In 2008, 81.8 percent of residents never or rarely felt isolated or lonely. This compares with 85.0 percent in 2006. In 2008, 2.4 percent of residents felt isolated or lonely always or most of the time, compared to 1.0 percent in 2006.



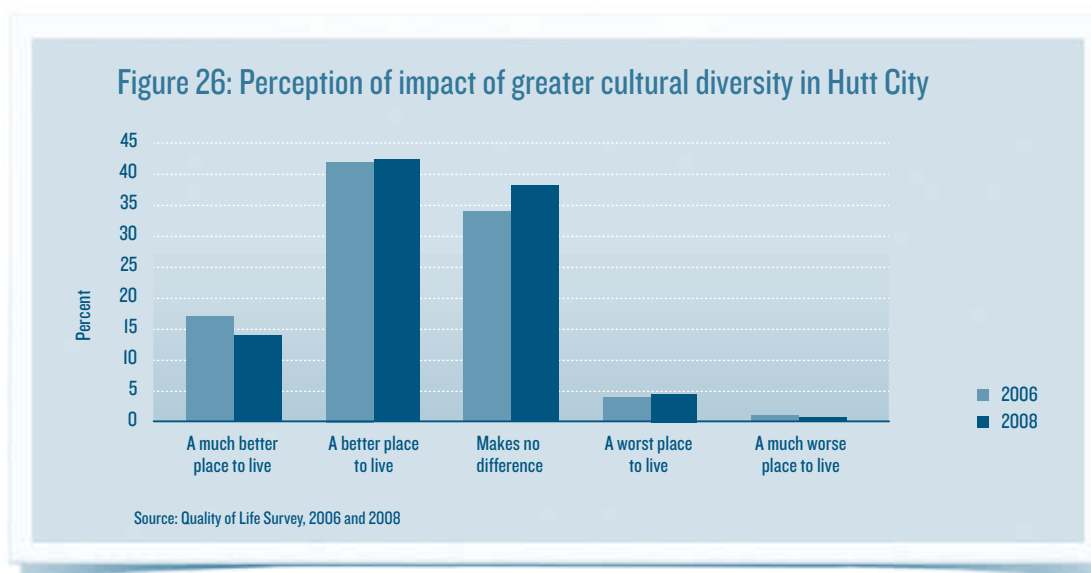
## Cultural diversity

Figure 25 shows the ethnic composition of the Lower Hutt population from the 2006 Census. This compares with the following data for New Zealand as a whole: European 67.6 percent, Māori 14.6 percent, Asian 9.2 percent, Pacific Peoples 6.9 percent, Middle Eastern/Latin American/African 0.9 percent.



## Perceptions of the impact of greater cultural diversity

Figure 26 shows that in 2008, around half (54.8 percent) of Hutt City residents felt positively towards greater cultural diversity, stating the impact of cultural diversity made Hutt City either 'a much better place' or 'a better place' to live. This compares with 59.0 percent in 2006. In 2008, 37.2 percent felt it made no difference, while 4.7 percent felt negatively about greater cultural diversity.



## Local elections

Figures 27 and 28 show key facts about the mayoral and council elections at the last three local body elections (2001, 2004 and 2007). Notably, the proportion of electors has not risen above 50 percent in any of the elections of the last decade, and while the percentage increased in the 2007 elections, it is still lower than it was in 2001.

**Figure 27: Mayoral election results 2001–2007**

ELECTION YEAR	2001	2004	2007
Number of mayoral candidates	2	4	5
Sitting mayor	Re-elected	Defeated	Re-elected
Gender of the elected mayor	Male	Male	Male
Number of enrolled electors	65,071	66,850	68,376
Number of actual voters	29,772	26,018	28,080
Voter turnout for the election	46%	39%	41%

Source: Department of Internal Affairs

**Figure 28: Council election results 2001–2007**

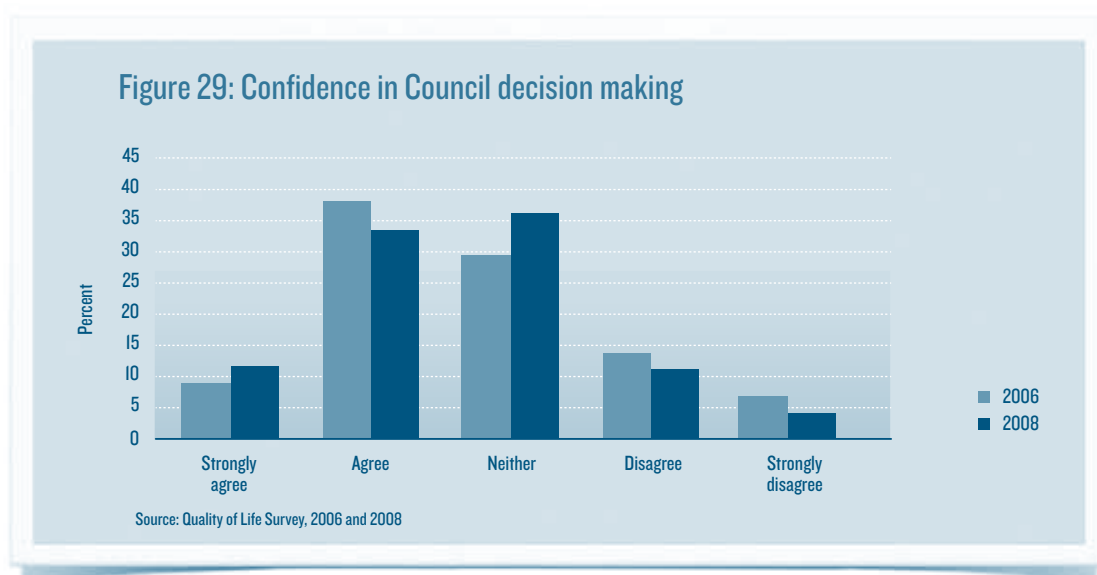
ELECTION YEAR	2001	2004	2007
Number of council positions	11	11	12
Average number of electors per council position	5,916	6,077	5,698
Number of candidates in the election	27	28	37
Percentage of council members re-elected	83%	66%	66%
Gender of elected councillors	Male: 55% Female: 45%	Male: 55% Female: 45%	Male: 58% Female: 42%
Number of enrolled electors	65,071	66,850	68,376
Number of actual voters	29,772	26,018	28,080
Percentage of turnout for the election	46%	39%	41%

Source: Department of Internal Affairs, Hutt City Council annual reports, 2001, 2003, 2005, 2008



## Confidence in Council decision-making

Figure 29 shows that in 2008, almost half (46 percent) of residents agreed or strongly agreed that the Council makes decisions in the best interests of the city. This compares with 48 percent in 2006. The proportion of residents who disagreed or strongly disagreed that the Council made decisions in the best interest of the city decreased from 21 percent in 2006 to 15.8 percent in 2008.



## Number of submissions lodged on Draft LTCCP/Annual Plan each year

2001	811	2006	985
2002	1,760	2007	1,152
2003	1,068	2008	1,262
2004	1,295	2009	938
2005	1,021	2010	756

Source: Council reports 2001 to 2010.

While the number of submissions has decreased in the last two years, Hutt City residents have consistently had a high level of participation in Council's budget decision making processes compared to residents of other cities.

## Access to medical services

Figure 30 shows that the number of GPs, full-time equivalent (FTE) GPs and total number of doctors in Lower Hutt has increased over the period 2005–2008. Despite the estimated population growth over the period, the population per FTE GP has steadily declined from one GP for every 1,827 people in 2005 to one FTE GP for every 1,473 people in 2008.

**Figure 30: Numbers of GPs and doctors**

YEAR	NO. OF GPs	FTEs GPs	AVERAGE HOURS GPs	NO. OF ALL DOCTORS	POPULATION	POPULATION PER FTE GP
2005	57	55	39	190	100,500	1,827.3
2006	58	55	38	201	100,400	1,825.5
2007	66	59	36	213	101,500	1,720.3
2008	75	69	37	230	101,600	1,472.5

Source: Medical Council of New Zealand

In the 2008 Quality of Life survey, 6.9 percent of respondents from Hutt City had an occasion in the last twelve months when they wanted to see a GP or doctor about their own health, but did not get to see a doctor at all. This compares to 17.0 percent of respondents from Hutt City to the 2006 Quality of Life survey.

## Hospital services

Figure 31 shows hospital service indicators over the period 2006/07–2009/10. While some indicators reflected little change over the period, the following changes occurred:

- All discharges (inpatient and outpatient) increased (by 8.7 percent overall).
- Available bed days increased at a greater rate than occupied bed days, and average occupancy decreased to 85.0 percent.
- Acute operations decreased, but all other operations increased (especially day patient operations which increased by 49.3 percent and elective operations which increased by 41.0 percent).
- Medical and paediatric outpatient attendances increased significantly (by 47.6 percent and 88.6 percent respectively).
- Community contacts for district nursing increased by 15.2 percent.
- The number of births increased by 10.5 percent.
- The number of radiology examinations increased by 29.2 percent.
- The number of laboratory tests performed increased by 11.8 percent.

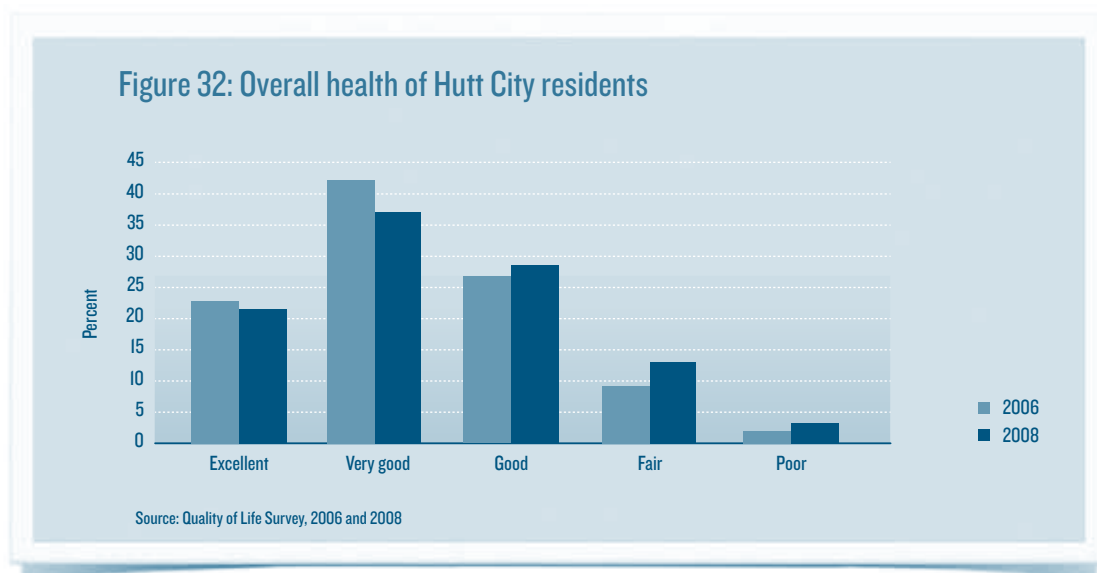
Figure 31: Hospital service indicators

	2006/07	2007/08	2008/09	2009/10
<b>Discharges</b>				
Inpatient discharges	17,272	17,835	17,687	17,678
Day case discharges	9,079	9,365	10,114	10,960
Total discharges (incl newborns)	26,351	27,200	27,801	28,638
Discharges per day	72.2	74.3	76	78.2
<b>Occupancy</b>				
Available bed days	93,075	95,526	96,624	96,624
Occupied bed days	80,076	85,183	86,236	82,115
Average occupancy	86.0%	89.2%	89.2%	85.0%
<b>Operations</b>				
Inpatient operations	5,369	5,535	5,637	5,621
Day patient operations	2,274	2,549	2,642	3,396
Elective operations	3,615	4,136	4,337	5,096
Acute operations	4,028	3,948	3,942	3,921
Total operations (theatre cases)	7,643	8,084	8,279	9,017
<b>Outpatient attendances</b>				
Surgical	43,245	43,687	47,461	44,895
Medical	22,123	22,455	30,779	32,663
Paediatric	5,706	5,718	9,226	10,763
<b>Emergency attendances</b>				
First attendances	37,039	39,099	39,744	39,191
Total attendances	37,440	39,360	40,356	40,331
<b>Community contacts</b>				
District nursing	37,489	42,616	45,406	43,179
<b>Other</b>				
Births – Hutt Hospital	2,035	2,182	2,208	2,248
Radiology examinations	47,375	52,833	61,156	61,229
Laboratory tests performed	864,759	901,154	934,346	967,112

Source: Hutt Valley District Health Board, annual report 2009, annual report 2010

## Self-reported health rating

Figure 32 shows that in 2008, the majority (84.3 percent) of Hutt City residents rated their overall health positively. This compares with 89 percent in 2006. The proportion of people rating their health as either 'fair' or 'poor' increased from 11 percent in 2006 to 15.7 percent in 2008.



## Qualification levels

Figure 33 shows academic qualification levels in Lower Hutt and other territorial authorities in the Wellington region. The data, from the 2006 Census, shows that the distribution of highest qualifications achieved for Hutt City residents is very similar to the figures for New Zealand as a whole.

## School leavers

Figure 34 shows the proportion of school leavers qualified to attend university, for Hutt City and New Zealand as a whole, in 2006 and 2008. The total figure for Hutt City for 2008 (43.6 percent) is very similar to the figure for New Zealand as a whole (43.4 percent). The greatest proportional increases between 2006 and 2008 were for males, Māori and Pasifika school leavers.

**Figure 33: Qualification levels in the Wellington region in 2006**

	NO QUAL.	LEVEL 1 CERTIFICATE GAINED AT SCHOOL	LEVEL 2 CERTIFICATE GAINED AT SCHOOL	LEVEL 3 OR 4 CERTIFICATE GAINED AT SCHOOL	OVERSEAS SECONDARY SCHOOL QUAL	LEVEL 1, 2 OR 3 CERTIFICATE GAINED POST-SCHOOL	LEVEL 4 CERTIFICATE GAINED POST-SCHOOL	LEVEL 5 DIPLOMA	LEVEL 6 DIPLOMA	BACHELOR DEGREE AND LEVEL 7 QUAL	HIGHER DEGREE	NOT ELSEWHERE INCLUDED
Lower Hutt	22.7%	12.5%	9.1%	5.1%	5%	5%	9.3%	3.6%	4.7%	10.2%	4.6%	8.5%
Kapiti Coast	22.2%	12.9%	8.9%	3.7%	5.3%	4.5%	10.5%	3.7%	6.3%	8.7%	4.1%	9.2%
Porirua	22.8%	12.4%	9.3%	4.9%	4.5%	4.9%	8.0%	3.5%	5.0%	9.1%	3.8%	12.0%
Upper Hutt	23.1%	13.8%	10.0%	4.6%	4.6%	4.7%	10.8%	3.9%	4.7%	7.8%	3.3%	8.8%
Wellington	10.5%	7.6%	8.2%	9.5%	5.7%	3.5%	6.4%	3.7%	5.1%	21.5%	11.3%	6.9%
New Zealand	22.4%	12.2%	8.3%	5.4%	5.5%	4%	9.1%	3.5%	5%	10%	4.2%	10.4%

Source: Statistics New Zealand

**Figure 34: Percentage of school leavers qualified to attend university**

	TOTAL	GENDER		ETHNIC GROUP					
		FEMALE	MALE	MĀORI	PASIFIKA	ASIAN	MELAA <sup>4</sup>	OTHER	EUROPEAN
Hutt City 2006	33.6	44.0	21.9	9.9	14.0	63.0	N/A	23.3	43.7
New Zealand 2006	36.3	41.1	31.4	14.8	16.8	63.0	N/A	40.7	41.3
Hutt City 2008	43.6	52.9	31.8	20.6	22.8	72.6	20.0	x <sup>5</sup>	51.7
New Zealand 2008	43.4	50.3	36.6	20.8	23.0	66.5	40.9	47.2	48.8

Source: Ministry of Education

The proportion of school leavers from Hutt City that attained no formal qualification decreased between 2006 and 2008, closely following a decrease in the national proportions (see Figure 35).

**Figure 35: Percentage of leavers with little or no formal attainment**

	PERCENTAGE OF LEAVERS WITH LITTLE OR NO FORMAL ATTAINMENT
Hutt City 2006	10.8
New Zealand 2006	11.1
Hutt City 2008	5.7
New Zealand 2008	5.3

Source: Ministry of Education, Education Counts

## Industry training

Figure 36 shows the number of industry trainees in the Wellington region in 2008. The figures include trainees under both Industry Training Organisation (ITO) and Modern Apprenticeship schemes. Hutt City has the second highest number of industry trainees in the region, with nearly a quarter of trainees.

**Figure 36: Industry training statistics in the Wellington region**

	NUMBER OF INDUSTRY TRAINEES	% OF NZ TRAINEES	% OF WELLINGTON REGION TRAINEES
Hutt City	3,881	2.0	24.5
Wellington City	8,857	4.5	55.9
Porirua City	1,203	0.6	7.6
Upper Hutt City	994	0.5	6.3
Kapiti District	903	0.5	5.7

Source: Tertiary Education Commission

4 MELAA = Middle Eastern, Latin American, African. This group was counted within 'other' in 2006

5 x = less than 5 school leavers qualified to attend university

# A GREAT PLACE TO WORK

## Number of businesses and employees

Figure 37 shows changes in the numbers of businesses (measured in geographical work sites) and employees between 2006 and 2009. While in the 2003–2006 report there was a marked increase in businesses and employees within the review period, in the 2006–2009 period the overall number of businesses and employees increased only slightly and there were decreases in a number of key areas. Notable areas where numbers of employees decreased included: manufacturing, transport, postal and warehousing, and information media and communications. However while the number of business sites generally decreased in tandem with the number of employees, in the case of information media and communications, the number of businesses slightly increased. Areas of significant growth in employment included: electricity, gas, water and waste services, and administrative and support services. Areas of modest growth included: construction, health care and social assistance, and arts and recreation services.

Figure 37: Detailed industry in Hutt City for each ANZSIC code 2006–2009

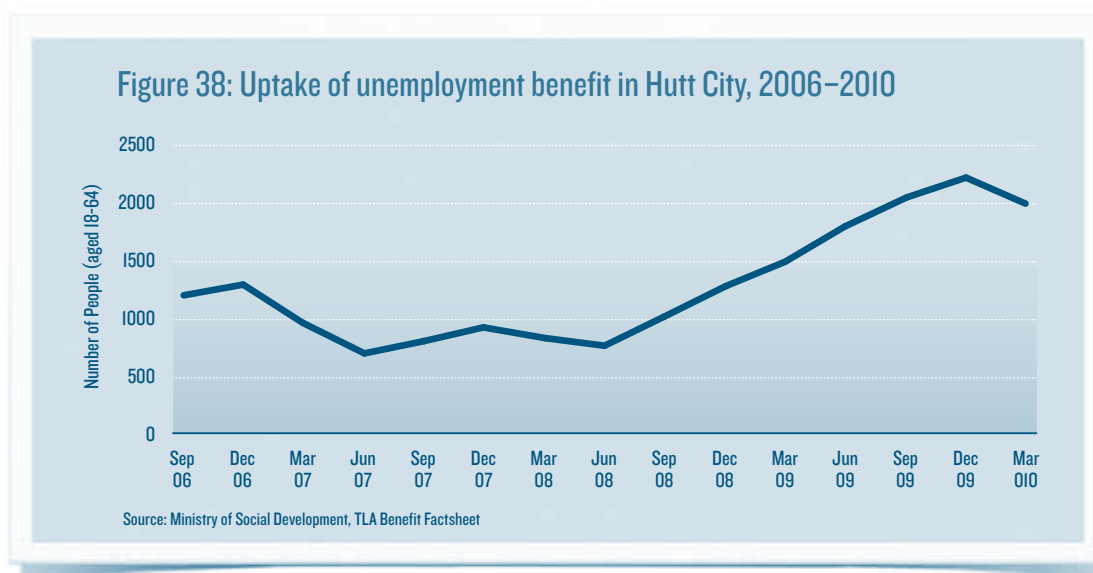
INDUSTRY	NUMBER OF EMPLOYEES (2009)	% CHANGE FROM 2006	NUMBER OF GEOGRAPHIC UNITS (2009)	% CHANGE FROM 2006
Agriculture, forestry and fishing	40	0	58	-28.4
Mining	25	-16.7	12	0
Manufacturing	5550	-22	530	-6.4
Electricity, gas, water and waste services	610	117.9	42	16.7
Construction	4400	10.6	1321	2.3
Wholesale trade	3340	3.1	577	-3.8
Retail trade	4660	-4.3	766	-0.8
Accommodation and food services	2170	2.8	324	0.3
Transport, postal and warehousing	2460	-11.2	475	-4
Information media and telecommunications	540	-42.6	112	4.7
Financial and insurance services	610	-4.7	508	18.4
Rental, hiring and real estate services	580	3.6	1710	8.6
Professional, scientific and technical services	3110	4.7	1360	10.6
Administrative and support services	3400	37.1	332	3.8
Public administration and safety	1820	-1.6	73	0
Education and training	3800	8.6	212	0.5
Health care and social assistance	5260	16.4	372	1.4
Arts and recreation services	960	15.7	207	9
Other services	1590	4	557	6.9
<b>Total industry</b>	<b>44,910</b>	<b>1.4</b>	<b>9548</b>	<b>3.8</b>

Source: Statistics New Zealand, Detailed industry in Hutt City for each ANZSIC code 2006-2009

## Unemployment

The number of people unemployed in Hutt City has increased since 2006. This is in contrast to the period 2003–2006 in which the number of unemployed declined. While the number of unemployed continued to decline into 2007, it has risen steadily since mid-2008.

Figure 38 shows the number of people receiving the unemployment benefit in Hutt City over the period September 2006 to March 2010.



## Commuting patterns

Hutt City provides employment to approximately 60 percent of its residents, a higher level than for Porirua and Upper Hutt cities, but well below Wellington City's rate. The data in Figure 39 is from the 2006 census, and patterns may have changed since then.

**Figure 39: Percentage of residents who work in same territorial authority**

	WORK AND LIVE IN SAME TA
Wellington Region	98.1%
Wellington City	88.2%
Kapiti Coast District	62.1%
<b>Lower Hutt City</b>	<b>59.7%</b>
Upper Hutt City	45.3%
Porirua City	44.7%

Source: Department of Labour, Annual In-depth Regional Labour Market Report – Wellington region, (based on Census 2006 data)

# A GREAT PLACE TO PLAY

## Swimming pool use and satisfaction

Satisfaction levels with Hutt City's swimming pools have remained steady at 76–80 percent over the past four years. Usage has fluctuated with between two-thirds and three quarters of residents using Hutt City swimming pools at least once per year, and slightly less than a half using pools at least monthly (see Figure 40).

Figure 40: Swimming pool use and satisfaction

YEAR	2006	2007	2008	2009
Very/fairly satisfied (%)	76	80	76	76
Not very satisfied (%)	7	6	4	5
Usage (at least once yearly) (%)	68	65	77	69
Usage (at least monthly) (%)	45	42	44	47

Source: Communitrak Survey, 2006, 2007, 2008, 2009

## Sportsground use and satisfaction

Figure 41 shows that satisfaction with sportsgrounds in Hutt City remained steady at 81–83 percent over the period 2006–2009. Use of sportsgrounds is similar to swimming pools with between two-thirds and three-quarters of residents using sportsgrounds at least once per year, and around half using sportsgrounds at least monthly.

Figure 41: Sportsground use and satisfaction

YEAR	2006	2007	2008	2009
Very/fairly satisfied (%)	81	82	82	83
Not satisfied (%)	4	2	2	3
Usage (at least once yearly) (%)	73	69	68	72
Usage (at least once monthly) (%)	51	46	46	47

Source: Communitrak Survey, 2006, 2007, 2008, 2009

## Parks, reserves and gardens use and satisfaction

Figure 42 shows that residents' satisfaction with Hutt City public parks, reserves and gardens has declined over the period 2006–2009, but remains at over 90 percent. Around nine out of every 10 residents reported using parks, reserves and gardens at least once a year while the number of residents that reported using these at least once a month increased over the period to slightly over two-thirds of residents.

Figure 42: Parks, reserves or garden use and satisfaction

YEAR	2006	2007	2008	2009
Very/fairly satisfied (%)	96	94	93	91
Not satisfied (%)	2	2	2	4
Usage (at least once yearly) (%)	91	89	87	88
Usage (at least once monthly) (%)	64	65	66	68

Source: Communitrak Survey, 2006, 2007, 2008, 2009

## Recreation programmes use and satisfaction

Satisfaction with council recreation/leisure programmes increased from 63 percent to 73 percent over the period 2006–2009 (see Figure 43). Use of these programmes has also increased over the period, with 33 percent of residents using programmes at least once a year and 12 percent at least once a month.

Figure 43: Recreation programmes use and satisfaction

YEAR	2006	2007	2008	2009
Very/fairly satisfied (%)	63	70	67	73
Not satisfied (%)	4	4	4	1
Usage (at least once yearly) (%)	28	28	25	33
Usage (at least once monthly) (%)	7	8	9	12

Source: Communitrak Survey, 2006, 2007, 2008, 2009

## Museum use and satisfaction

Data on use and satisfaction is available for two museums: the Petone Settlers Museum and TheNewDowse (see Figure 44).

For the Petone Settlers Museum satisfaction levels over the period 2006–2009 increased from 59 percent to 66 percent. Around a third of residents visit the museum at least once a year and a very small percentage (1-2 percent) visit it at least once a month.

For TheNewDowse satisfaction levels fluctuated between 40–71 percent over the period. The closure of the museum between September 2005 and February 2007 is likely to have had some impact on these satisfaction levels. Levels of use also reflect the museum’s closure but the trend over the last two years (2008 and 2009) is encouraging.

Figure 44: Museum use and satisfaction

YEAR	2006	2007	2008	2009
<b>Petone Settlers Museum</b>				
Very/fairly satisfied (%)	59	55	58	66
Not satisfied (%)	3	7	3	1
Usage (at least once yearly) (%)	33	33	31	Not given
Usage (at least once monthly) (%)	2	2	1	Not given
<b>TheNewDowse (Dowse Art Museum before February 2007)<sup>1</sup></b>				
Very/fairly satisfied (%)	59	40	65	71
Not satisfied (%)	6	4	5	4
Usage (at least once yearly) (%)	46	23	55	62
Usage (at least once monthly) (%)	5	6	7	12

Source: Communitrak Survey, 2006, 2007, 2008, 2009

Notes: 1 The New Dowse was closed between September 2005 and February 2007

## Library use and satisfaction

Satisfaction with public libraries in Hutt City has remained at 88–90 percent over the last four years (see Figure 45). Around eight out of every 10 residents use Hutt City public libraries at least once a year, while the proportion of residents that use libraries at least once a month has increased from 59 percent in 2006 to 64 percent in 2009.

Figure 45: Library use and satisfaction

YEAR	2006	2007	2008	2009
Very/fairly satisfied (%)	88	89	88	90
Not satisfied (%)	2	3	2	2
Usage (at least once yearly) (%)	81	81	78	82
Usage (at least once monthly) (%)	59	59	62	64

Source: Communitrak Survey, 2006, 2007, 2008, 2009



# OUR FINANCES

# REPORT ON FINANCIAL POLICIES

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

## Development and Financial Contributions Policy Report

### Background

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

### Summary of Financial Contributions

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

## Liability Management Policy Report

### Background

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

### Overall Performance

Council monitors compliance with the Liability Management Policy on a monthly basis. There was 100% compliance with policy limits during 2009/2010.

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 2010.

RATIO	ACTUAL 30 JUNE 2010	POLICY LIMIT
Net debt to equity	7%	Below 20%
Net debt to income	63%	Below 150%
Net interest to income	4%	Below 10%
Net interest to rates income	6%	Below 15%
Liquidity	99%	Average of 100%
Net debt	\$78.374 million	Below \$100 million
Net debt per capita	\$802	Below \$1,000
Debt Refinancing Risk Spread		
0 to 3 years	52%	10% - 60%
3 to 5 years	36%	20% - 60%
5 years plus	12%	10% - 60%
Fixed Rate Debt Maturity Profile		
Overall fixed proportion	67%	55% - 95%
1 to 3 years	18%	15% - 60%
3 to 5 years	39%	15% - 60%
5 to 10 years	44%	15% - 60%
Total financial guarantees	\$0.276 million	Not more than \$1.2 million
Largest single guarantee	\$0.276 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 2009/2010 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 2010	POLICY LIMIT
NZ Government	A-	Nil	Unlimited
State Owned Enterprises	A-	Nil	\$5.0 million
NZ Registered Banks			
Westpac	A-	\$5.04 million	\$15 million
ANZ	A-	\$4.69 million	\$15 million
Bank of New Zealand	A-	\$5.89 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 2009/2010 year. A summary of remissions allowed is shown in note 2 of the Financial Statements.

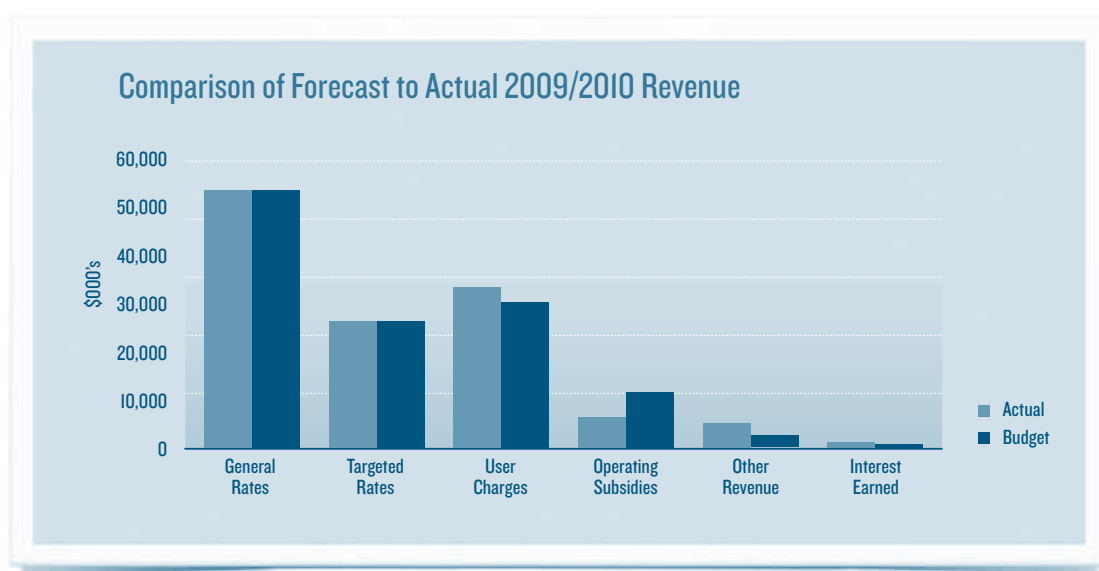
### Funding Impact Statement Report

#### Background

The Funding Impact Statement describes the funding mechanisms the Council intends using each year 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 2009/2010.



## To the readers of Hutt City Council and group's financial statements and performance information for the year ended 30 June 2010

The Auditor-General is the auditor of Hutt City Council (the City Council) and group. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the performance information and the City Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the City Council and group for the year ended 30 June 2010.

### Unqualified opinion

In our opinion:

- The financial statements of the City Council and group on pages 117 to 163:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the City Council and group's financial position as at 30 June 2010; and
    - the results of operations and cash flows for the year ended on that date.
- The service provision information of the City Council on pages 11 to 88:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the City Council's levels of service provision for the year ended 30 June 2010, including:
    - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
    - the reasons for any significant variances between the actual service provision and the expected service provision.
- The City Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the City Council and group's financial statements and service provision information.

The audit was completed on 4 October 2010, 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, the 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, the 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, the performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported performance information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements, the 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 and performance information 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 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The performance information must fairly reflect the City Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 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, the 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 New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out the audit of amendments to 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

# STATEMENT OF COMPLIANCE

## Statement of Compliance and Responsibility

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



Mayor  
David Ogden  
4 October 2010



Chief Executive  
Tony Stallinger  
4 October 2010

# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	NOTES	COUNCIL			GROUP	
		ACTUAL 2010 \$000	BUDGET 2010 \$000	ACTUAL 2009 \$000	ACTUAL 2010 \$000	ACTUAL 2009 \$000
<b>INCOME</b>						
Rates revenue	2.	80,570	80,087	77,557	80,333	77,321
User charges	3.	33,543	30,100	26,126	36,273	28,745
Subsidies received	3.	9,698	11,496	9,865	9,698	9,865
Finance income	4.	305	-	148	266	146
Other revenue	3.	16,554	2,497	4,742	16,666	4,927
Gain	5.	747	-	656	190	656
Dowse Collection Adjustment	14.	-	-	5,303	-	5,303
<b>Total income</b>		<b>141,417</b>	<b>124,180</b>	<b>124,397</b>	<b>143,426</b>	<b>126,963</b>
<b>EXPENDITURE</b>						
Employee costs	6.	26,034	25,710	23,972	26,903	24,671
Operating costs	7.	72,878	63,133	62,215	73,784	63,510
Finance costs	4.	6,415	4,418	6,330	6,603	6,581
Depreciation and amortisation	14. & 15.	27,643	27,459	26,384	28,416	27,133
<b>Total operating expenditure</b>		<b>132,970</b>	<b>120,720</b>	<b>118,901</b>	<b>135,706</b>	<b>121,895</b>
<b>Share of associate's surplus/(deficit)</b>	<b>17.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>
<b>Surplus/(deficit) before tax</b>		<b>8,447</b>	<b>3,460</b>	<b>5,496</b>	<b>7,734</b>	<b>5,068</b>
Income tax expense	8.	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>8,447</b>	<b>3,460</b>	<b>5,496</b>	<b>7,734</b>	<b>5,068</b>
<b>Other comprehensive income</b>						
Gain/(Loss) on revaluation of financial instruments	5.	(1,058)	800	(1,706)	(1,058)	(1,706)
Gain on property revaluations		-	-	163,852	-	163,852
<b>Total other comprehensive income</b>		<b>(1,058)</b>	<b>800</b>	<b>162,146</b>	<b>(1,058)</b>	<b>162,146</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,389</b>	<b>4,260</b>	<b>167,642</b>	<b>6,676</b>	<b>167,214</b>

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

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	NOTES	COUNCIL			GROUP	
		ACTUAL 2010 \$000	BUDGET 2010 \$000	ACTUAL 2009 \$000	ACTUAL 2010 \$000	ACTUAL 2009 \$000
<b>Balance at 1 July</b>		<b>1,139,809</b>	<b>1,081,827</b>	<b>972,167</b>	<b>1,140,224</b>	<b>973,010</b>
Total comprehensive income previously reported		7,389	4,260	167,642	6,676	167,214
<b>Balance at 30 June</b>		<b>1,147,198</b>	<b>1,086,087</b>	<b>1,139,809</b>	<b>1,146,900</b>	<b>1,140,224</b>
<b>Total comprehensive income attributable to:</b>						
- Hutt City Council		1,147,198	1,086,087	1,139,809	1,147,092	1,139,690
- Urban Plus Limited		-	-	-	(1,780)	(886)
- Seaview Marina Limited		-	-	-	1,588	1,420
<b>Balance at 30 June</b>	<b>25.</b>	<b>1,147,198</b>	<b>1,086,087</b>	<b>1,139,809</b>	<b>1,146,900</b>	<b>1,140,224</b>

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



# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	NOTES	COUNCIL			GROUP	
		ACTUAL 2010 \$000	BUDGET 2010 \$000	ACTUAL 2009 \$000	ACTUAL 2010 \$000	ACTUAL 2009 \$000
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	9.	2,894	-	8,958	2,999	9,023
Debtors and other receivables	10.	13,750	14,171	10,013	14,243	10,380
Inventories	12.	56	-	46	2,179	48
Derivative financial instruments (A)	11.	1,196	1,319	1,742	1,196	1,742
Prepayments		95	-	352	96	353
Other financial assets	18.	-	1,145	-	-	-
Non-current assets held for sale	13.	-	12,403	392	40	2,096
<b>Total current assets</b>		<b>17,991</b>	<b>29,038</b>	<b>21,503</b>	<b>20,753</b>	<b>23,642</b>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	14.	1,222,813	1,117,387	1,199,102	1,241,622	1,217,938
Intangible assets	15.	5,474	1,200	2,123	5,483	2,137
Assets under construction		2,307	26,064	21,167	6,449	21,596
Investment in subsidiaries	16.	14,545	14,545	14,545	-	-
Investment in associates	17.	224	224	224	118	104
Other financial assets	18.	3,289	675	678	438	678
<b>Total non-current assets</b>		<b>1,248,652</b>	<b>1,160,095</b>	<b>1,237,839</b>	<b>1,254,110</b>	<b>1,242,453</b>
<b>TOTAL ASSETS</b>		<b>1,266,643</b>	<b>1,189,133</b>	<b>1,259,342</b>	<b>1,274,863</b>	<b>1,266,095</b>
<b>CURRENT LIABILITIES</b>						
Cash equivalents	21.	-	6,912	-	-	-
Borrowings - current	21.	23,897	35,932	44,406	31,097	50,056
Derivative financial instruments (L)	11.	3,108	3,667	2,596	3,108	2,596
Creditors and other payables	20.	21,244	16,742	17,954	21,903	18,086
Employee entitlements	22.	2,318	-	2,214	2,398	2,276
Other liabilities	24.	3,117	6,207	2,910	3,696	3,404
<b>Total current liabilities</b>		<b>53,684</b>	<b>69,460</b>	<b>70,080</b>	<b>62,202</b>	<b>76,418</b>
<b>NON-CURRENT LIABILITIES</b>						
Borrowings - non current	21.	60,128	30,000	45,194	60,128	45,194
Employee entitlements	22.	740	-	688	740	688
Provisions	23.	4,893	2,953	3,571	4,893	3,571
Deferred tax liability	8.	-	-	-	-	-
Other liabilities	24.	-	633	-	-	-
<b>Total non-current liabilities</b>		<b>65,761</b>	<b>33,586</b>	<b>49,453</b>	<b>65,761</b>	<b>49,453</b>
<b>TOTAL LIABILITIES</b>		<b>119,445</b>	<b>103,046</b>	<b>119,533</b>	<b>127,963</b>	<b>125,871</b>
<b>NET ASSETS</b>		<b>1,147,198</b>	<b>1,086,087</b>	<b>1,139,809</b>	<b>1,146,900</b>	<b>1,140,224</b>
<b>EQUITY</b>						
Accumulated funds	25.	748,152	734,735	729,970	747,854	730,385
Other reserves	25.	399,046	351,352	409,839	399,046	409,839
<b>TOTAL EQUITY</b>		<b>1,147,198</b>	<b>1,086,087</b>	<b>1,139,809</b>	<b>1,146,900</b>	<b>1,140,224</b>

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

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	NOTES	COUNCIL			GROUP	
		ACTUAL 2010 \$000	BUDGET 2010 \$000	ACTUAL 2009 \$000	ACTUAL 2010 \$000	ACTUAL 2009 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<i>Cash was provided from:</i>						
Receipts from rates and levies - Council		79,384	79,087	76,997	79,147	76,806
Receipts from rates and levies - GWRC*		17,596	13,260	16,905	17,596	16,905
Receipts from user charges and other income		44,659	43,209	38,344	47,679	41,227
Interest received		305	150	148	266	146
Dividends		18	-	29	18	29
Net GST received from Inland Revenue **		-	-	-	-	-
		141,962	135,706	132,423	144,706	135,113
<i>Cash was applied to:</i>						
Payments to employees		(25,878)	(88,843)	(23,531)	(26,729)	(24,225)
Payments to suppliers		(68,339)	-	(63,128)	(68,939)	(64,308)
Interest paid		(5,050)	(4,418)	(5,690)	(5,238)	(5,941)
Net GST paid to Inland Revenue **		(495)	-	(116)	(495)	(116)
Rates and levies passed to GWRC*		(17,347)	(13,260)	(16,905)	(17,347)	(16,905)
		(117,109)	(106,521)	(109,370)	(118,748)	(111,495)
<b>Net cash flows from operating activities</b>	<b>26.</b>	<b>24,853</b>	<b>29,185</b>	<b>23,053</b>	<b>25,958</b>	<b>23,618</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<i>Cash was provided from:</i>						
Receipts from sale of property, plant and equipment		1,215	6,870	1,003	1,215	1,123
Other investment receipts		13	-	273	13	273
		1,228	6,870	1,276	1,228	1,396
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		(17,232)	(26,946)	(22,612)	(19,109)	(25,212)
- less UHCC capital contribution		-	629	-	-	-
Purchase of assets under construction		(2,124)	-	-	(5,710)	-
Purchase of intangible assets		(4,273)	-	(1,031)	(4,276)	(1,032)
Investment in subsidiary		-	-	-	-	-
Other payments and investments		(2,941)	-	-	(90)	-
		(26,570)	(26,317)	(23,643)	(29,185)	(26,244)
<b>Net cash flows from investing activities</b>		<b>(25,342)</b>	<b>(19,447)</b>	<b>(22,367)</b>	<b>(27,957)</b>	<b>(24,848)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<i>Cash was provided from:</i>						
Proceeds from borrowings		86,861	114,411	675,769	88,411	677,419
<i>Cash was applied to:</i>						
Repayment of borrowings		(92,436)	(125,254)	(667,300)	(92,436)	(667,300)
<b>Net cash flows from financing activities</b>		<b>(5,575)</b>	<b>(10,843)</b>	<b>8,469</b>	<b>(4,025)</b>	<b>10,119</b>
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>		<b>(6,064)</b>	<b>(1,105)</b>	<b>9,155</b>	<b>(6,024)</b>	<b>8,889</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		8,958	(5,807)	(197)	9,023	134
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR</b>	<b>9.</b>	<b>2,894</b>	<b>(6,912)</b>	<b>8,958</b>	<b>2,999</b>	<b>9,023</b>

\* 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

## I. STATEMENT OF ACCOUNTING POLICIES

### Reporting Entity

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

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

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

The financial statements of the Council and group are for the year ended 30 June 2010. The financial statements were authorised for issue by Council on 4 October 2010.

### Basis of Preparation

#### *Statement of compliance*

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

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

#### *Measurement base*

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

#### *Functional and presentation currency*

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

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

### *Changes in accounting policies*

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

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

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004). 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 Council and group have decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (revised 2004). 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. The Council and group have decided to apply the public benefit entity exemptions allowed within the standard and have not capitalised any borrowing costs for the year ended 30 June 2010.
- Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of the financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and the extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council and group have elected not to disclose comparative information.
- NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council and group have elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

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

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of the financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The Council and group have not yet assessed the effect of the new standard and expect it will not be early adopted.

### **Comparatives**

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

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

## **Significant Accounting Policies**

### **Basis of consolidation**

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

### **Subsidiaries**

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

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

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

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

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

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

### **Associates**

Council accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Council's share of the surplus or deficit of the associate is recognised in Council's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

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

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

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

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

### ***Joint venture***

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

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

### ***Revenue***

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

#### **Rates revenue**

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

Rates collected on behalf of the 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 yearend, is accrued on an average usage basis.

#### **Government grants**

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

#### **Provision of services**

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

#### **Vested assets**

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

#### **Sale of goods**

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

#### **Traffic and parking infringements**

Traffic and parking infringements are recognised when tickets are issued.

### **Interest and dividends**

Interest income is recognised using the effective interest method.

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

### **Development contributions**

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

### **Construction contracts**

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

Contract costs include all costs directly related to specific contracts and 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 surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

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

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

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

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

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

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

## **Leases**

### **Finance leases**

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

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

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

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

### **Operating leases**

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

## **Cash and cash equivalents**

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

Bank overdrafts are shown in current liabilities in the statement of financial position.

## **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 surplus or deficit in which case the transaction costs are recognised in the statement of comprehensive income.

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

Council classifies its financial assets into the following categories:

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

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

### **Financial assets fair value through surplus or deficit**

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

### **Loans and receivables**

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

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

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 comprehensive income as a grant.

#### **Held to maturity investments**

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

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

#### **Financial assets at fair value through other comprehensive income**

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

The Council and group includes in this category:

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

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

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

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

#### ***Impairment of financial assets***

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

#### **Loans, receivables and term deposits**

Impairment of a loan, receivable or term deposit is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the statement of comprehensive income. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits impairment losses are recognised directly against the instrument's carrying amount.

#### **Quoted and unquoted equity investments**

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

## ***Inventory***

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

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

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

## ***Non-current assets held for sale***

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

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

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

## ***Property, plant and equipment***

Property, plant and equipment 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 group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

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

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

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

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

## ***Disposal***

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

## ***Depreciation***

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

## ***Estimated economic lives***

The expected useful economic lives have been estimated as follows:



OPERATIONAL ASSETS	YEARS	PERCENTAGES
Buildings:		
- Structure	30 - 100	1 - 3.33
- Roof	40 - 55	1.82 - 2.5
- Services	35 - 55	1.82 - 2.86
- Internal fit-out	15 - 45	2.22 - 6.67
- Plant	30 - 35	2.86 - 3.33
Landfill building assets	50 - 100	1 - 2
Library books	2 - 14	7.14 - 50
Plant and equipment:		
- Office furniture	5 - 20	5 - 20
- Plant	3 - 25	4 - 33.33
- Computer equipment	3 - 5	20 - 33.33
- Playground equipment	5 - 30	3.33 - 20
- Recycling depots	10	10
Wharves	15 - 40	2.5 - 6.67
Landfill plant	20 - 35	2.86 - 5
Breakwaters	100	1
Parking meters	10 - 25	4 - 10
Other collection items	10	10
<b>Infrastructure assets</b>		
Storm, supply and waste water utility assets:		
- Pumping stations	12 - 80	1.25 - 8.33
- Pencarrow outfall tunnels	500	0.2
- Pencarrow outfall other assets	25 - 62	1.61 - 4
- Resource consents	Life of the consent	
- Silverstream river crossing structure	60	1.67
- Storage tanks	15 - 50	2 - 6.67
- Treatment plant	5 - 100	1 - 20
Landfill storm water	100	1
Landfill roading	20 - 100	1 - 5
Road 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 supports	50	2
- Street lights	25	4
- Sumps and leads	80	1.25
- Traffic barriers	10 - 30	3.33 - 10
- Traffic islands	60	1.67
- Traffic signals and signs	5 - 30	3.33 - 20
- Vehicle crossings	80	1.25

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

### Revaluation

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

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

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

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

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

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

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

Upper Hutt City Council's interest in the bulk wastewater system assets is deducted from the value of property plant and equipment recognised in the statement of financial position. Funding contributions from Upper Hutt City Council are recognised as revenue in the statement of comprehensive income if the contributions are for the operation of the bulk wastewater system. Funding contributions for capital work are recognised as an increase in Upper Hutt City Council's interest in the bulk wastewater system assets.

## Intangible assets

### *Software acquisition and development*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by Council and group are recognised as an intangible asset.

Staff training costs are recognised as an expense when incurred.

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

### *Easements*

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

### *Amortisation*

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

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

Computer software	3 - 5 years	33.33% – 20%
-------------------	-------------	--------------

## 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 comprehensive income. For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

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

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of comprehensive income.

### *Creditors and other payables*

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

### *Borrowings*

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

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

## Employee entitlements

### *Short-term benefits*

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

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

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

### ***Long-term benefits***

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

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

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

## **Superannuation schemes**

### ***Defined contribution schemes***

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive income as incurred.

### ***Defined benefit schemes***

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

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

## **Provisions**

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

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

### ***Financial guarantee contracts***

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the

holder for a loss it incurs because a specified debtor fails to make payment when due.

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

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

### ***Landfill post closure costs***

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

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

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

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

## **Equity**

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

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

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

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

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

## Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## Budget figures

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

## Operating statements included in the Statement of Service Performance

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

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

## Critical accounting estimates, judgements and assumptions

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

### *Infrastructural assets*

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

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

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

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
General rates	53,974	52,501	53,737	52,265
Targeted rate - water supply	10,823	10,025	10,823	10,025
Targeted rate - waste water	14,575	13,832	14,575	13,832
Targeted rate - recycling	1,198	1,199	1,198	1,199
Uniform annual general charge	-	-	-	-
<b>Total rates revenue</b>	<b>80,570</b>	<b>77,557</b>	<b>80,333</b>	<b>77,321</b>

### Rates remissions

Rates revenue is shown net of rates remissions, totalling \$245,000 (2009: \$237,000). The Council's Rates Remission Policy (set out in detail in the LTCCP) allows the Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital, and land protected for historical or cultural purposes, provided the property is used for community benefit and not for surplus. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Schools	168	165	168	165
Kindergartens/playcentres	7	10	7	10
Sports bodies	3	2	3	2
Churches	28	28	28	28
Hospitals	17	17	17	17
Economic development	-	-	-	-
Other	8	5	8	5
Flooding	-	-	-	-
Penalty remissions	14	10	14	10
<b>Total</b>	<b>245</b>	<b>237</b>	<b>245</b>	<b>237</b>

### 3. USER CHARGES AND SUBSIDIES RECEIVED

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>USER CHARGES</b>				
Rent	1,166	1,130	3,859	3,743
Water by meter	1,761	1,804	1,761	1,804
Parking fees	1,626	1,607	1,626	1,607
Service and entry fees	3,561	3,080	3,595	3,087
Solid waste collection and disposal	11,205	10,935	11,205	10,934
Other user charges	859	848	862	848
Landfill revenue from Waiwhetu stream clean up	6,752	-	6,752	-
Regulatory revenue	4,268	4,424	4,268	4,424
Penalties	2,345	2,298	2,345	2,298
<b>Total user charges</b>	<b>33,543</b>	<b>26,126</b>	<b>36,273</b>	<b>28,745</b>
<b>SUBSIDIES RECEIVED</b>				
Operating subsidies	132	148	132	148
New Zealand Transport Agency	6,924	6,568	6,924	6,568
Upper Hutt City Council	2,370	2,868	2,370	2,868
Other government	233	197	233	197
Capital subsidies	39	84	39	84
<b>Total subsidies received</b>	<b>9,698</b>	<b>9,865</b>	<b>9,698</b>	<b>9,865</b>
<b>OTHER REVENUE</b>				
Dividends	18	29	18	29
Vested assets	12,877	1,739	12,877	1,770
Petrol tax	399	492	399	492
Sale of goods	594	518	723	626
Miscellaneous revenue	2,666	1,964	2,649	2,010
<b>Total other revenue</b>	<b>16,554</b>	<b>4,742</b>	<b>16,666</b>	<b>4,927</b>

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

### 4. FINANCE INCOME AND FINANCE COSTS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Finance income</b>				
Interest income				
- call and term deposits	257	142	266	146
- related party deposits	48	6	-	-
- community loans	-	-	-	-
<b>Total finance income</b>	<b>305</b>	<b>148</b>	<b>266</b>	<b>146</b>
<b>Finance costs</b>				
Interest expense				
- interest on bank borrowings (note 21)	5,033	5,646	5,221	5,902
- related party borrowings	-	5	-	-
- discount unwind on provisions (note 23)	1,382	679	1,382	679
Fair value gains on hedging instruments				
- fair value hedging instruments	-	-	-	-
- fair value adjustment to bank borrowings	-	-	-	-
<b>Total finance costs</b>	<b>6,415</b>	<b>6,330</b>	<b>6,603</b>	<b>6,581</b>
<b>Net finance costs</b>	<b>6,110</b>	<b>6,182</b>	<b>6,337</b>	<b>6,435</b>

## 5. GAINS & LOSSES

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Non-financial instruments</b>				
Property, plant and equipment gains on disposal	747	656	190	656
<b>Total non-financial instruments gains</b>	<b>747</b>	<b>656</b>	<b>190</b>	<b>656</b>
<b>Financial instruments</b>				
Fair value through equity investments gains on disposal	-	-	-	-
Gains/(Losses) on held for trading derivative financial instruments:				
- interest rate swaps	(1,058)	(1,706)	(1,058)	(1,706)
Ineffectiveness on fair value hedges	-	-	-	-
<b>Total financial instruments gains/(losses)</b>	<b>(1,058)</b>	<b>(1,706)</b>	<b>(1,058)</b>	<b>(1,706)</b>
<b>Total gains/(losses)</b>	<b>(311)</b>	<b>(1,050)</b>	<b>(868)</b>	<b>(1,050)</b>

## 6. EMPLOYEE COSTS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Salaries and wages	24,358	21,914	25,132	22,559
Recruitment costs	70	120	72	131
Training	585	634	632	653
ACC	239	221	250	228
Other employee costs	302	229	317	240
Retiring and Long Service Leave	59	337	59	337
Defined contribution plan employer contributions	265	76	267	77
Increase/(decrease) in employee entitlements/liabilities	156	441	174	446
<b>Total employee costs</b>	<b>26,034</b>	<b>23,972</b>	<b>26,903</b>	<b>24,671</b>

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

## 7. OPERATING COSTS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Auditors' fees				
- for auditing the financial statements	139	133	168	145
- for auditing the Community Plan	18	95	18	95
- additional fees for auditing prior year financial statements	19	30	19	30
Impairment of receivables	391	(154)	428	(106)
Directors' fees	-	-	111	112
Entertainment	74	55	76	58
Grants	1,329	1,246	1,330	1,246
Donations	12	17	12	18
Insurance	628	712	711	801
Inventories consumed	305	334	307	336
Legal services	320	350	336	370
Other specialist services	3,332	2,831	3,459	2,863
Total remuneration to councillors	655	684	655	684
Minimum lease payments under operating leases	753	724	796	762
Operational contracts	24,287	23,634	24,052	23,455
Maintenance	9,879	8,858	10,133	9,215
GWRC bulk water charges	5,935	5,914	5,935	5,914
Waiwhetu Stream flood management plan	8,476	-	8,476	-
Energy costs	2,975	2,947	3,037	3,000
Other expenses	13,351	13,805	13,725	14,512
<b>TOTAL OPERATING COSTS</b>	<b>72,878</b>	<b>62,215</b>	<b>73,784</b>	<b>63,510</b>

## 8. TAXATION

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Relationship between tax expense and accounting profit</b>				
Surplus/(deficit) before tax	8,447	5,496	7,734	5,068
Tax at 30%	2,534	1,649	2,320	1,520
<b>Plus/(less) tax effect of:</b>				
Non-deductible expenditure	-	-	126	-
Non-taxable income	(2,577)	(1,602)	(2,353)	(1,376)
Prior year adjustment	-	-	5	-
Tax losses not recognised	(17)	(47)	(98)	(144)
Tax losses recognised	-	-	(2,343)	-
Deferred tax adjustment	-	-	2,343	-
<b>TAX EXPENSE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tax expense comprises:</b>				
Current tax	-	-	-	-
Deferred tax	-	-	-	-



## 8. TAXATION (continued)

DEFERRED TAX ASSET/(LIABILITY)	PROPERTY, PLANT AND EQUIPMENT	OTHER PROVISIONS	TAX LOSSES	DEFERRED TAX ASSET/(LIABILITY)
<b>COUNCIL</b>				
<b>Balance at 30 June 2008</b>	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
<b>Balance at 30 June 2009</b>	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
Change in tax rate	-	-	-	-
<b>Balance at 30 June 2010</b>	-	-	-	-
<b>GROUP</b>				
<b>Balance at 30 June 2008</b>	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
<b>Balance at 30 June 2009</b>	-	-	-	-
Charged to income	(2,372)	29	2,343	-
Charged to equity	-	-	-	-
Change in tax rate	-	-	-	-
<b>Balance at 30 June 2010</b>	<b>(2,372)</b>	<b>29</b>	<b>2,343</b>	-

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

Council has unrecognised tax losses available to carry forward of \$2,989,000 (2009: \$2,868,000), with a tax effect of \$837,000 (2009: \$860,000). The losses are available for offset against future assessable income.

The Group has unrecognised tax losses available to carry forward of \$12,748,000, with a tax effect of \$3,824,000. The losses are available for offset against future assessable income.

## 9. CASH AND CASH EQUIVALENTS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Cash at bank and on hand	2,894	8,958	2,999	9,023
Term deposits with maturities less than three months	-	-	-	-
<b>CASH AND CASH EQUIVALENTS</b>	<b>2,894</b>	<b>8,958</b>	<b>2,999</b>	<b>9,023</b>

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 \$76,000 (2009: \$83,000), as shown in note 25.

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Cash at bank and on hand	2,894	8,958	2,999	9,023
Term deposits with maturities less than three months	-	-	-	-
Bank overdraft (note 21)	-	-	-	-
<b>Total</b>	<b>2,894</b>	<b>8,958</b>	<b>2,999</b>	<b>9,023</b>

## 10. DEBTORS AND OTHER RECEIVABLES

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Rates receivable</b>	<b>3,758</b>	<b>2,548</b>	<b>3,757</b>	<b>2,548</b>
Other receivables:				
- Amounts due from related parties (note 30)	104	163	-	-
- GST receivable	2,864	2,369	2,864	2,369
- Other receivables	7,342	5,238	7,954	5,831
<b>Total other receivables</b>	<b>10,310</b>	<b>7,770</b>	<b>10,818</b>	<b>8,200</b>
<b>Gross debtors and other receivables</b>	<b>14,068</b>	<b>10,318</b>	<b>14,575</b>	<b>10,748</b>
Less provision for impairment	(318)	(305)	(332)	(368)
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>13,750</b>	<b>10,013</b>	<b>14,243</b>	<b>10,380</b>

### 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 (2009: \$nil).

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

	2010			2009		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
<b>RATES RECEIVABLES</b>						
<b>Council</b>						
Not past due	-	-	-	-	-	-
Past due 1-60 days	1,693	(14)	1,679	1,848	(9)	1,839
Past due 61-120 days	779	-	779	328	-	328
Past due >120 days	1,286	-	1,286	372	-	372
<b>Total</b>	<b>3,758</b>	<b>(14)</b>	<b>3,744</b>	<b>2,548</b>	<b>(9)</b>	<b>2,539</b>
<b>Group</b>						
Not past due	-	-	-	-	-	-
Past due 1-60 days	1,693	(14)	1,679	1,848	(9)	1,839
Past due 61-120 days	779	-	779	328	-	328
Past due >120 days	1,286	-	1,286	372	-	372
<b>Total</b>	<b>3,758</b>	<b>(14)</b>	<b>3,744</b>	<b>2,548</b>	<b>(9)</b>	<b>2,539</b>
<b>OTHER RECEIVABLES</b>						
<b>Council</b>						
Not past due	9,879	(90)	9,789	7,223	(60)	7,163
Past due 1-30 days	76	-	76	266	-	266
Past due 31-60 days	27	-	27	45	-	45
Past due >60 days	328	(214)	114	236	(236)	-
<b>Total</b>	<b>10,310</b>	<b>(304)</b>	<b>10,006</b>	<b>7,770</b>	<b>(296)</b>	<b>7,474</b>
<b>Group</b>						
Not past due	10,309	(90)	10,219	7,546	(60)	7,486
Past due 1-30 days	97	(1)	96	283	-	283
Past due 31-60 days	33	(2)	31	98	(48)	50
Past due >60 days	379	(239)	140	273	(251)	22
<b>Total</b>	<b>10,818</b>	<b>(332)</b>	<b>10,486</b>	<b>8,200</b>	<b>(359)</b>	<b>7,841</b>
<b>Total Receivables - Council</b>	<b>14,068</b>	<b>(318)</b>	<b>13,750</b>	<b>10,318</b>	<b>(305)</b>	<b>10,013</b>
<b>Total Receivables - Group</b>	<b>14,576</b>	<b>(346)</b>	<b>14,230</b>	<b>10,748</b>	<b>(368)</b>	<b>10,380</b>

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Individual impairment	228	206	238	265
Collective impairment	90	99	94	103
<b>Total provision for impairment</b>	<b>318</b>	<b>305</b>	<b>332</b>	<b>368</b>

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Past due 1-30 days	-	-	1	-
Past due 31-60 days	-	-	2	48
Past due > 60 days	228	206	235	217
<b>Total individual impairment</b>	<b>228</b>	<b>206</b>	<b>238</b>	<b>265</b>

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>At 1 July</b>	<b>305</b>	<b>317</b>	<b>368</b>	<b>335</b>
Additional provisions made during the year	265	50	280	117
Provisions reversed during the year	(92)	(22)	(116)	(41)
Receivables written-off during the period	(160)	(40)	(200)	(43)
<b>At 30 June</b>	<b>318</b>	<b>305</b>	<b>332</b>	<b>368</b>

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

## II. DERIVATIVE FINANCIAL INSTRUMENTS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Current asset portion</b>				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - cash flow hedges	-	-	-	-
Interest rate swaps - held for trading	1,196	1,742	1,196	1,742
<i>Total current asset portion</i>	1,196	1,742	1,196	1,742
<b>Non-current asset portion</b>				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - cash flow hedges	-	-	-	-
Interest rate swaps - held for trading	-	-	-	-
<i>Total non-current asset portion</i>	-	-	-	-
<b>Total derivative financial instrument assets</b>	<b>1,196</b>	<b>1,742</b>	<b>1,196</b>	<b>1,742</b>
<b>Current liability portion</b>				
Interest rate swaps - fair value hedges	-	-	-	-
Interest rate swaps - held for trading	3,108	2,596	3,108	2,596
Forward foreign exchange contracts - held for trading	-	-	-	-
<i>Total current liability portion</i>	3,108	2,596	3,108	2,596
<b>Non-current liability portion</b>				
Interest rate swaps - held for trading	-	-	-	-
<i>Total non-current liability portion</i>	-	-	-	-
Total derivative financial instrument liabilities	3,108	2,596	3,108	2,596
<b>Total derivative financial instruments</b>	<b>(1,912)</b>	<b>(854)</b>	<b>(1,912)</b>	<b>(854)</b>

### Fair value

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

### Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$60 million (2009: \$40 million) and for the group were \$60 million (2009: \$40 million). At 30 June 2010, the fixed interest rates of cash flow hedges interest rate swaps vary from 3.79% to 7.11% (2009: 3.79% to 7.11%).

## 12. INVENTORIES

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<i>Commercial inventories held for sale:</i>				
Diesel	-	-	4	2
Inventory	56	46	2,175	46
	<b>56</b>	<b>46</b>	<b>2,179</b>	<b>48</b>

No inventories are pledged as security for liabilities (2009: \$nil). However, some inventories are subject to retention of title clause.

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

## 13. NON-CURRENT ASSETS HELD FOR SALE

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<i>Non-current assets held for sale are:</i>				
- land	-	392	-	2,096
- buildings	-	-	-	-
- plant	-	-	40	-
<b>Total non-current assets held for sale are:</b>	<b>-</b>	<b>392</b>	<b>40</b>	<b>2,096</b>

#### 14. PROPERTY, PLANT AND EQUIPMENT

COUNCIL 2010	OPENING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	OPENING CARRYING AMOUNT	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION	CURRENT YEAR IMPAIRMENT CHARGES	CURRENT YEAR DEPRECIATION	CLOSING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CLOSING CARRYING AMOUNT
<b>Operational assets</b>											
Land	43,372	-	43,372	-	(207)	-	-	-	43,165	-	43,165
Buildings	64,750	(2,991)	61,759	1,498	(142)	-	-	(3,184)	66,106	(6,175)	59,931
Landfill building assets	5,215	-	5,215	-	-	-	-	(70)	5,215	(70)	5,145
Library books	4,694	(1,863)	2,831	708	-	-	-	(704)	5,402	(2,567)	2,835
Plant and equipment	15,046	(6,954)	8,092	2,942	(96)	96	-	(1,379)	17,892	(8,237)	9,655
Wharves	2,282	(1,766)	516	-	-	-	-	(23)	2,282	(1,789)	493
Landfill Plant	763	-	763	10,772	-	-	-	(82)	11,535	(82)	11,453
Breakwaters	5,128	(56)	5,072	-	-	-	-	(56)	5,128	(112)	5,016
	<b>141,250</b>	<b>(13,630)</b>	<b>127,620</b>	<b>15,920</b>	<b>(445)</b>	<b>96</b>	<b>-</b>	<b>(5,498)</b>	<b>156,725</b>	<b>(19,032)</b>	<b>137,693</b>
<b>Collection assets</b>											
Paintings	3,781	-	3,781	-	-	-	-	-	3,781	-	3,781
Works on paper (NZ) & international	1,198	-	1,198	-	-	-	-	-	1,198	-	1,198
Other collection items	2,565	(2)	2,563	13	-	-	-	(2)	2,578	(4)	2,574
Total collections	7,544	(2)	7,542	13	-	-	-	(2)	7,557	(4)	7,553
	<b>148,794</b>	<b>(13,632)</b>	<b>135,162</b>	<b>15,933</b>	<b>(445)</b>	<b>96</b>	<b>-</b>	<b>(5,500)</b>	<b>164,282</b>	<b>(19,036)</b>	<b>145,246</b>
<b>Infrastructural assets</b>											
Waste water system	245,644	(7,777)	237,867	5,954	-	-	-	(7,652)	251,598	(15,429)	236,169
Less UHCC share in HVS assets	(41,554)	3,841	(37,713)	(662)	-	-	-	1,294	(42,216)	5,135	(37,081)
	204,090	(3,936)	200,154	5,292	-	-	-	(6,358)	209,382	(10,294)	199,088
Land	162,652	-	162,652	169	(119)	-	-	-	162,702	-	162,702
Landfill land asset	2,860	-	2,860	-	-	-	-	-	2,860	-	2,860
Storm water system	155,795	(2,587)	153,208	2,331	-	-	-	(2,624)	158,126	(5,211)	152,915
Storm water landfill assets	3,500	-	3,500	3,883	-	-	-	(43)	7,383	(43)	7,340
Water supply system	102,826	(2,940)	99,886	1,204	-	-	-	(2,960)	104,030	(5,920)	98,110
Roading network	331,468	(9,074)	322,394	21,870	-	-	-	(9,081)	353,338	(18,155)	335,183
Roading landfill assets	3,860	-	3,860	174	-	-	-	(55)	4,034	(55)	3,979
Seawalls	3,350	(60)	3,290	-	-	-	-	(62)	3,350	(122)	3,228
	<b>970,401</b>	<b>(18,597)</b>	<b>951,804</b>	<b>34,923</b>	<b>(119)</b>	<b>-</b>	<b>-</b>	<b>(21,203)</b>	<b>1,005,205</b>	<b>(39,800)</b>	<b>965,405</b>
<b>Restricted assets</b>											
Land	112,063	-	112,063	40	-	-	-	-	112,103	-	112,103
	<b>112,063</b>	<b>-</b>	<b>112,063</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,103</b>	<b>-</b>	<b>112,103</b>
<b>Joint venture assets</b>											
Share of PPE	115	(42)	73	41	-	-	(37)	(18)	156	(97)	59
	<b>115</b>	<b>(42)</b>	<b>73</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>(37)</b>	<b>(18)</b>	<b>156</b>	<b>(97)</b>	<b>59</b>
<b>Total property, plant and equipment</b>	<b>1,231,373</b>	<b>(32,271)</b>	<b>1,199,102</b>	<b>50,937</b>	<b>(564)</b>	<b>96</b>	<b>(37)</b>	<b>(26,721)</b>	<b>1,281,746</b>	<b>(58,933)</b>	<b>1,222,813</b>

COUNCIL 2009	OPENING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	OPENING CARRYING AMOUNT	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION	CURRENT YEAR IMPAIRMENT CHARGES	CURRENT YEAR DEPRECIATION	CLOSING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CLOSING CARRYING AMOUNT
<b>Operational assets</b>											
Land	34,052	-	34,052	132	(264)	-	-	-	43,372	-	43,372
Buildings	65,141	(7,444)	57,697	3,892	(416)	7,394	-	(2,941)	64,750	(2,991)	61,759
Landfill building assets	2,204	(497)	1,707	-	-	679	-	(182)	5,215	-	5,215
Library books	3,681	(1,220)	2,461	1,013	-	-	-	(643)	4,694	(1,863)	2,831
Plant and equipment	10,111	(6,033)	4,078	4,613	-	178	-	(1,099)	15,046	(6,954)	8,092
Wharves	2,282	(1,671)	611	-	-	-	-	(95)	2,282	(1,766)	516
Landfill plant	162	(69)	93	-	-	84	-	(15)	763	-	763
Breakwaters	5,239	(111)	5,128	-	-	111	-	(56)	5,128	(56)	5,072
	<b>122,872</b>	<b>(17,045)</b>	<b>105,827</b>	<b>9,650</b>	<b>(680)</b>	<b>8,446</b>	<b>-</b>	<b>(5,031)</b>	<b>141,250</b>	<b>(13,630)</b>	<b>127,620</b>
<b>Collection assets</b>											
Paintings	927	-	927	2,748	-	-	-	-	3,781	-	3,781
Works on paper (NZ) & international	39	-	39	1,128	-	-	-	-	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)	7,544	(2)	7,542
	<b>124,724</b>	<b>(17,046)</b>	<b>107,678</b>	<b>15,205</b>	<b>(680)</b>	<b>8,446</b>	<b>-</b>	<b>(5,032)</b>	<b>148,794</b>	<b>(13,632)</b>	<b>135,162</b>
<b>Infrastructural assets</b>											
Waste water system	223,589	(13,657)	209,932	6,126	-	13,421	-	(7,541)	245,644	(7,777)	237,867
Less UHCC share in HVS assets	(39,075)	2,492	(36,583)	(818)	-	-	-	1,349	(41,554)	3,841	(37,713)
Land	184,514	(11,165)	173,349	5,308	-	13,421	-	(6,192)	204,090	(3,936)	200,154
Landfill land asset	157,270	-	157,270	198	(128)	-	-	-	162,652	-	162,652
Storm water system	2,860	-	2,860	-	-	-	-	-	2,860	-	2,860
Storm water landfill assets	134,263	(4,214)	130,049	1,792	-	4,213	-	(2,586)	155,795	(2,587)	153,208
Water supply system	2,906	(174)	2,732	-	-	261	-	(87)	3,500	-	3,500
Roading network	95,760	(5,055)	90,705	2,205	-	5,055	-	(2,940)	102,826	(2,940)	99,886
Roading landfill assets	287,505	(13,899)	273,606	7,894	-	13,399	-	(8,574)	331,468	(9,074)	322,394
Seawalls	1,602	(166)	1,436	-	-	249	-	(83)	3,860	-	3,860
	3,293	(116)	3,177	-	-	117	-	(61)	3,350	(60)	3,290
	<b>869,973</b>	<b>(34,789)</b>	<b>835,184</b>	<b>17,397</b>	<b>(128)</b>	<b>36,715</b>	<b>-</b>	<b>(20,523)</b>	<b>970,401</b>	<b>(18,597)</b>	<b>951,804</b>
<b>Restricted assets</b>											
Land	85,146	-	85,146	455	-	-	-	-	112,063	-	112,063
	<b>85,146</b>	<b>-</b>	<b>85,146</b>	<b>455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,063</b>	<b>-</b>	<b>112,063</b>
<b>Joint venture assets</b>											
Share of PPE	152	(56)	96	-	(37)	36	-	(22)	115	(42)	73
	<b>152</b>	<b>(56)</b>	<b>96</b>	<b>-</b>	<b>(37)</b>	<b>36</b>	<b>-</b>	<b>(22)</b>	<b>115</b>	<b>(42)</b>	<b>73</b>
<b>Total property, plant and equipment</b>	<b>1,079,995</b>	<b>(51,891)</b>	<b>1,028,104</b>	<b>33,057</b>	<b>(845)</b>	<b>45,197</b>	<b>-</b>	<b>(25,577)</b>	<b>1,231,373</b>	<b>(32,271)</b>	<b>1,199,102</b>

	OPENING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	OPENING CARRYING AMOUNT	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION	CURRENT YEAR IMPAIRMENT CHARGES	CURRENT YEAR DEPRECIATION	REVALUATION SURPLUS	CLOSING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CLOSING CARRYING AMOUNT
<b>GROUP 2010</b>												
<b>Operational assets</b>												
Land	43,372	-	43,372	-	(207)	-	-	-	-	43,165	-	43,165
Buildings	64,750	(2,991)	61,759	1,498	(142)	-	-	(3,184)	-	66,106	(6,175)	59,931
Landfill building assets	5,215	-	5,215	-	-	-	-	(70)	-	5,215	(70)	5,145
Library books	4,694	(1,863)	2,831	708	-	-	-	(704)	-	5,402	(2,567)	2,835
Plant and equipment	15,046	(6,954)	8,092	2,942	(96)	96	-	(1,379)	-	17,892	(8,237)	9,655
Wharves	2,282	(1,766)	516	-	-	-	-	(23)	-	2,282	(1,789)	493
Landfill plant	763	-	763	10,772	-	-	-	(82)	-	11,535	(82)	11,453
Breakwaters	5,128	(56)	5,072	-	-	-	-	(56)	-	5,128	(112)	5,016
Seaview Marina	1,984	(409)	1,575	449	(110)	51	-	(134)	-	2,323	(492)	1,831
Piers and berths	2,603	(472)	2,131	220	-	-	-	(87)	-	2,823	(559)	2,264
Urban Plus Limited	16,282	(1,152)	15,130	128	-	-	-	(544)	-	16,410	(1,696)	14,714
	<b>162,119</b>	<b>(15,663)</b>	<b>146,456</b>	<b>16,717</b>	<b>(555)</b>	<b>147</b>	<b>-</b>	<b>(6,263)</b>	<b>-</b>	<b>178,281</b>	<b>(21,779)</b>	<b>156,502</b>
<b>Collection assets</b>												
Paintings	3,781	-	3,781	-	-	-	-	-	-	3,781	-	3,781
Works on paper (NZ) & international	1,198	-	1,198	-	-	-	-	-	-	1,198	-	1,198
Other collection items	2,565	(2)	2,563	13	-	-	-	(2)	-	2,578	(4)	2,574
Total collections	7,544	(2)	7,542	13	-	-	-	(2)	-	7,557	(4)	7,553
	<b>169,663</b>	<b>(15,665)</b>	<b>153,998</b>	<b>16,730</b>	<b>(555)</b>	<b>147</b>	<b>-</b>	<b>(6,265)</b>	<b>-</b>	<b>185,838</b>	<b>(21,783)</b>	<b>164,055</b>
<b>Infrastructural assets</b>												
Waste water system	245,644	(7,777)	237,867	5,954	-	-	-	(7,652)	-	251,598	(15,429)	236,169
Less UHCC share in HVS assets	(41,554)	3,841	(37,713)	(662)	-	-	-	1,294	-	(42,216)	5,135	(37,081)
	204,090	(3,936)	200,154	5,292	-	-	-	(6,358)	-	209,382	(10,294)	199,088
Land	162,652	-	162,652	169	(119)	-	-	-	-	162,702	-	162,702
Landfill land asset	2,860	-	2,860	-	-	-	-	-	-	2,860	-	2,860
Storm water system	155,795	(2,587)	153,208	2,331	-	-	-	(2,624)	-	158,126	(5,211)	152,915
Storm water landfill assets	3,500	-	3,500	3,883	-	-	-	(43)	-	7,383	(43)	7,340
Water supply system	102,826	(2,940)	99,886	1,204	-	-	-	(2,960)	-	104,030	(5,920)	98,110
Roading network	331,468	(9,074)	322,394	21,870	-	-	-	(9,081)	-	353,338	(18,155)	335,183
Roading landfill assets	3,860	-	3,860	174	-	-	-	(55)	-	4,034	(55)	3,979
Seawalls	3,350	(60)	3,290	-	-	-	-	(62)	-	3,350	(122)	3,228
	<b>970,401</b>	<b>(18,597)</b>	<b>951,804</b>	<b>34,923</b>	<b>(119)</b>	<b>-</b>	<b>-</b>	<b>(21,203)</b>	<b>-</b>	<b>1,005,205</b>	<b>(39,800)</b>	<b>965,405</b>
<b>Restricted assets</b>												
Land	112,063	-	112,063	40	-	-	-	-	-	112,103	-	112,103
	<b>112,063</b>	<b>-</b>	<b>112,063</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,103</b>	<b>-</b>	<b>112,103</b>
<b>Joint venture assets</b>												
Share of PPE	115	(42)	73	41	-	-	(37)	(18)	-	156	(97)	59
	<b>115</b>	<b>(42)</b>	<b>73</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>(37)</b>	<b>(18)</b>	<b>-</b>	<b>156</b>	<b>(97)</b>	<b>59</b>
<b>Total joint venture assets</b>	<b>115</b>	<b>(42)</b>	<b>73</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>(37)</b>	<b>(18)</b>	<b>-</b>	<b>156</b>	<b>(97)</b>	<b>59</b>
<b>Total property, plant and equipment</b>	<b>1,252,242</b>	<b>(34,304)</b>	<b>1,217,938</b>	<b>51,734</b>	<b>(674)</b>	<b>147</b>	<b>(37)</b>	<b>(27,486)</b>	<b>-</b>	<b>1,303,302</b>	<b>(61,680)</b>	<b>1,241,622</b>



	OPENING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	OPENING CARRYING AMOUNT	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION	CURRENT YEAR IMPAIRMENT CHARGES	CURRENT YEAR DEPRECIATION	REVALUATION SURPLUS	CLOSING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CLOSING CARRYING AMOUNT
<b>GROUP 2009</b>												
<b>Operational assets</b>												
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	10,111	(6,033)	4,078	4,613	-	178	-	(1,099)	322	15,046	(6,954)	8,092
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
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
	<b>143,096</b>	<b>(18,339)</b>	<b>124,757</b>	<b>10,295</b>	<b>(680)</b>	<b>8,446</b>	<b>-</b>	<b>(5,770)</b>	<b>9,408</b>	<b>162,119</b>	<b>(15,663)</b>	<b>146,456</b>
<b>Collection assets</b>												
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
	<b>144,948</b>	<b>(18,340)</b>	<b>126,608</b>	<b>15,850</b>	<b>(680)</b>	<b>8,446</b>	<b>-</b>	<b>(5,771)</b>	<b>9,545</b>	<b>169,663</b>	<b>(15,665)</b>	<b>153,998</b>
<b>Infrastructural assets</b>												
Waste water 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
Storm water system	134,263	(4,214)	130,049	1,792	-	4,213	-	(2,586)	19,740	155,795	(2,587)	153,208
Storm water 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
	<b>869,973</b>	<b>(34,789)</b>	<b>835,184</b>	<b>17,397</b>	<b>(128)</b>	<b>36,715</b>	<b>-</b>	<b>(20,523)</b>	<b>83,159</b>	<b>970,401</b>	<b>(18,597)</b>	<b>951,804</b>
<b>Restricted assets</b>												
Land	85,146	-	85,146	455	-	-	-	-	26,462	112,063	-	112,063
	<b>85,146</b>	<b>-</b>	<b>85,146</b>	<b>455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,462</b>	<b>112,063</b>	<b>-</b>	<b>112,063</b>
<b>Joint venture assets</b>												
Share of PPE	152	(56)	96	-	(37)	36	-	(22)	-	115	(42)	73
	<b>152</b>	<b>(56)</b>	<b>96</b>	<b>-</b>	<b>(37)</b>	<b>36</b>	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>115</b>	<b>(42)</b>	<b>73</b>
<b>Total joint venture assets</b>												
<b>Total property, plant and equipment</b>	<b>1,100,219</b>	<b>(53,185)</b>	<b>1,047,034</b>	<b>33,702</b>	<b>(845)</b>	<b>45,197</b>	<b>-</b>	<b>(26,316)</b>	<b>119,166</b>	<b>1,252,242</b>	<b>(34,304)</b>	<b>1,217,938</b>

## 14. PROPERTY, PLANT AND EQUIPMENT (continued)

### VALUATION

#### *Operational and restricted land and buildings*

At fair value as determined from market-based evidence by an independent valuer. The most recent valuations are as follows: land and buildings, was performed by Angela Croad BBS(VPM), MPINZ, of Darroch, and the valuation is effective as at 1 July 2008. Wharves valuation was performed by Ian Macallan & Co Limited as at 30 June 1990.

#### *Landfills*

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

#### *Infrastructural assets*

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

#### *Library literary assets*

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

#### *Collection items*

During the year ended 30 June 2009 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

	OPENING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	OPENING CARRYING AMOUNT	CURRENT YEAR ADDITIONS	CURRENT YEAR DISPOSALS	ACCUMULATED DEPRECIATION ON DISPOSALS AND REVALUATION	CURRENT YEAR IMPAIRMENT CHARGES	CURRENT YEAR DEPRECIATION	REVALUATION SURPLUS	CLOSING COST/ VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CLOSING CARRYING AMOUNT
<b>Council 2010</b>												
Software	5,834	(3,711)	2,123	4,273	-	-	-	(922)	-	10,107	(4,633)	5,474
	<b>5,834</b>	<b>(3,711)</b>	<b>2,123</b>	<b>4,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(922)</b>	<b>-</b>	<b>10,107</b>	<b>(4,633)</b>	<b>5,474</b>
<b>Council 2009</b>												
Software	4,941	(3,029)	1,912	1,031	(138)	125	-	(807)	-	5,834	(3,711)	2,123
	<b>4,941</b>	<b>(3,029)</b>	<b>1,912</b>	<b>1,031</b>	<b>(138)</b>	<b>125</b>	<b>-</b>	<b>(807)</b>	<b>-</b>	<b>5,834</b>	<b>(3,711)</b>	<b>2,123</b>
<b>Group 2010</b>												
Software	5,905	(3,768)	2,137	4,276	-	-	-	(930)	-	10,181	(4,698)	5,483
	<b>5,905</b>	<b>(3,768)</b>	<b>2,137</b>	<b>4,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(930)</b>	<b>-</b>	<b>10,181</b>	<b>(4,698)</b>	<b>5,483</b>
<b>Group 2009</b>												
Software	5,011	(3,076)	1,935	1,032	(138)	125	-	(817)	-	5,905	(3,768)	2,137
	<b>5,011</b>	<b>(3,076)</b>	<b>1,935</b>	<b>1,032</b>	<b>(138)</b>	<b>125</b>	<b>-</b>	<b>(817)</b>	<b>-</b>	<b>5,905</b>	<b>(3,768)</b>	<b>2,137</b>

## 16. INVESTMENT IN SUBSIDIARIES

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>SEAVIEW MARINA LIMITED</b>				
Balance at beginning of the year	2,495	2,495	-	-
New Shares issued	-	-	-	-
<b>Balance at end of the year</b>	<b>2,495</b>	<b>2,495</b>	<b>-</b>	<b>-</b>
<b>URBAN PLUS LIMITED</b>				
Balance at beginning of the year	12,050	12,050	-	-
New Shares issued	-	-	-	-
<b>Balance at end of the year</b>	<b>12,050</b>	<b>12,050</b>	<b>-</b>	<b>-</b>
<b>Total investment in subsidiaries</b>	<b>14,545</b>	<b>14,545</b>	<b>-</b>	<b>-</b>

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Capacity				
Balance at beginning of the year	224	224	104	224
New Shares issued	-	-	-	-
Share of operating surplus / (deficit)	-	-	14	(120)
<b>Balance at end of the year</b>	<b>224</b>	<b>224</b>	<b>118</b>	<b>104</b>

## 17. INVESTMENT IN ASSOCIATES (continued)

Summarised financial information of associate

	TOTAL CAPACITY		COUNCIL SHARE		GROUP SHARE	
	30 JUNE 2010 \$000	30 JUNE 2009 \$000	30 JUNE 2010 \$000	30 JUNE 2009 \$000	30 JUNE 2010 \$000	30 JUNE 2009 \$000
Revenue	7,196	6,520	2,662	2,412	2,662	2,412
Expenditure	7,149	6,498	2,645	2,404	2,645	2,404
Assets	1,359	1,358	503	502	503	502
Liabilities	1,045	1,083	387	401	387	401
Surplus (Deficit) before taxation	47	22	17	8	17	8
Taxation	(9)	(8)	(3)	(3)	(3)	(3)
Surplus (Deficit) after taxation	38	14	14	5	14	5

## 18. OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Total other assets - current portion</b>	-	-	-	-
NZ Local Government Insurance Company	234	234	234	234
Smartlinx 3 Limited	465	375	465	375
Provision for impairment of investment in Smartlinx 3 Limited	(271)	-	(271)	-
Community and development loans	40	145	40	145
Provision for impairment of community and development loans	(30)	(76)	(30)	(76)
Loan to Seaview Marina (related party - notes 27 and 30)	2,851	-	-	-
<b>Total other assets - non-current portion</b>	<b>3,289</b>	<b>678</b>	<b>438</b>	<b>678</b>
<b>TOTAL OTHER ASSETS</b>	<b>3,289</b>	<b>678</b>	<b>438</b>	<b>678</b>

### Unlisted shares

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

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

### Impairment

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
At 1 July	-	-	-	-
Additional provisions made during the year	(271)	-	(271)	-
Provisions reversed during the year	-	-	-	-
<b>At 30 June</b>	<b>(271)</b>	<b>-</b>	<b>(271)</b>	<b>-</b>

### Community and development loans

The fair value of community and development loans is \$10,000 (2009: \$69,000). Fair value has been determined using a financial risk factor of 25% (2009 48%).

The face value of community and development loans is \$40,000 (2009: \$145,000).

## 18. OTHER FINANCIAL ASSETS (continued)

### Impairment

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
At 1 July	(76)	(324)	(76)	(324)
Additional provisions made during the year	(46)	-	(46)	-
Provisions reversed during the year	-	248	-	248
Receivables written-off during the period	92	-	92	-
<b>At 30 June</b>	<b>(30)</b>	<b>(76)</b>	<b>(30)</b>	<b>(76)</b>

## 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 2010 are included in these financial statements under the classifications shown below:

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>SHARE OF ASSETS EMPLOYED</b>				
Share of revenue	52	77	52	77
Share of expenses	(74)	(78)	(74)	(78)
<b>SHARE OF NET SURPLUS / (DEFICIT)</b>	<b>(22)</b>	<b>(1)</b>	<b>(22)</b>	<b>(1)</b>
Share of property, plant and equipment	58	73	58	73
Share of accounts receivable	12	15	12	15
Share of accounts payable	(5)	(2)	(5)	(2)
<b>TOTAL SHARE OF ASSETS EMPLOYED</b>	<b>65</b>	<b>86</b>	<b>65</b>	<b>86</b>

There were no capital commitments, contingent assets or contingent liabilities owing at balance date (2009: \$nil).

## 20. CREDITORS AND OTHER PAYABLES

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Trade and other payables	10,652	8,066	10,652	8,069
Deposits and bonds	285	334	287	337
Accrued expenses	8,530	7,546	9,187	7,672
Rates in advance	618	594	618	594
Amounts due to customers for contract work	1,159	1,414	1,159	1,414
	<b>21,244</b>	<b>17,954</b>	<b>21,903</b>	<b>18,086</b>

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Current portion</b>				
Bank overdraft	-	-	-	-
Secured loans	23,897	44,406	31,097	50,056
<i>Total current portion</i>	23,897	44,406	31,097	50,056
<b>Non-current portion</b>				
Secured loans	60,128	45,194	60,128	45,194
<i>Total non-current portion</i>	60,128	45,194	60,128	45,194
<b>TOTAL BORROWING</b>	<b>84,025</b>	<b>89,600</b>	<b>91,225</b>	<b>95,250</b>

### Term Liability Maturity Profile

	INTEREST COST		COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Years of Maturity</b>						
Under 1 year	1,765	2,826	23,897	44,406	31,097	50,056
1 to 2 years	806	315	20,057	5,041	20,057	5,041
2 to 3 years	55	1,254	11	20,064	11	20,064
3 to 4 years	893	1	10,050	15	10,050	15
4 to 5 years	581	4	20,005	62	20,005	62
Over 5 years	933	1,251	10,005	20,012	10,005	20,012
<b>TOTAL BORROWINGS</b>	<b>5,033</b>	<b>5,651</b>	<b>84,025</b>	<b>89,600</b>	<b>91,225</b>	<b>95,250</b>

### Secured loans

The Council's debt of \$84.0 million (2009: \$89.6 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 2.82% to 7.11% (2009: 2.94% to 7.11%).

### Security

A debenture trust deed has been established and Perpetual Trust Limited appointed as Trustee. All borrowing, other than \$164,000, (2009: \$195,000) is secured by a charge overall rating in favour of the Trustee.

Council has a \$25 million (2009: \$50 million) wholesale advance facility. As at 30 June 2010 a total of \$nil (2009: \$nil) had been drawn against this facility. The facility is secured under the Debenture Trust Deed.

## 22. EMPLOYEE ENTITLEMENTS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<i>Current portion</i>				
Accrued Salaries and Wages	293	197	293	197
Time in lieu	31	26	31	26
Annual leave	1,862	1,875	1,939	1,937
Retirement and Long Service Leave	67	58	70	58
Sick Leave	65	58	65	58
<i>Total current portion</i>	2,318	2,214	2,398	2,276
<i>Non-current portion</i>				
Long Service Leave	43	-	43	-
Retirement gratuities	697	688	697	688
<i>Total non-current portion</i>	740	688	740	688
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>3,058</b>	<b>2,902</b>	<b>3,138</b>	<b>2,964</b>

## 23. PROVISIONS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Provision for landfill aftercare	4,893	3,571	4,893	3,571
Financial guarantees	-	-	-	-
	<b>4,893</b>	<b>3,571</b>	<b>4,893</b>	<b>3,571</b>

### Movements in provision

	LANDFILL AFTERCARE	
	2010 \$000	2009 \$000
Balance at beginning of the year	3,571	2,953
Discount unwinding	1,382	679
Amounts charged to provision during the period	(60)	(61)
<b>BALANCE AT END OF THE YEAR</b>	<b>4,893</b>	<b>3,571</b>

### Landfill aftercare costs

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

The management of the landfills will influence the timing of recognition of some liabilities.

Council currently operates two landfills, Silverstream (stage 1 and 2) and Wainuiomata. The first phase of stage 2 of the Silverstream landfill began receiving refuse in April 2010 with some refuse still being placed in stage 1. Based on current refuse inflows the landfills have an estimated remaining capacity of 278,000 cubic metres. This equals an estimated life of the Silverstream landfill stage 1 and the newly completed section of stage 2 of 158,000 cubic metres (2009: 100,000, stage 1 only), with stage 1 expected to close in January 2011, stage 2 is consented to be developed progressively with a total estimated capacity of 5 million cubic metres. The estimated remaining life of the Wainuiomata landfill is 3 years and 5 months (120,000 cubic metres, 2009: 160,000). Council is also monitoring gas, leachate, and water for five closed landfills identified as potential risks.

The cash outflows for the closed landfills at Silverstream stage 1 and Wainuiomata are expected to continue for at least twenty to thirty years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 6% (2009: 6%). The accounting treatment of this provision is described in detail in the statement of accounting policies.

## 24. OTHER LIABILITIES

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>OTHER LIABILITIES - CURRENT PORTION</b>				
Accrued interest expenses	361	378	361	378
Third party funds	207	182	207	183
Miscellaneous current liabilities	763	684	763	684
Income earned in advance	1,369	1,379	1,948	1,872
Development contributions	417	287	417	287
<b>Total other liabilities - current portion</b>	<b>3,117</b>	<b>2,910</b>	<b>3,696</b>	<b>3,404</b>
<b>OTHER LIABILITIES - NON-CURRENT PORTION</b>				
	-	-	-	-
<b>Total other liabilities - non-current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OTHER LIABILITIES</b>	<b>3,117</b>	<b>2,910</b>	<b>3,696</b>	<b>3,404</b>

## 25. EQUITY

	NOTE	COUNCIL		GROUP	
		2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>ACCUMULATED FUNDS</b>					
Balance at beginning of the year		729,970	730,406	730,385	731,249
Interest allocated to reserves		(546)	(656)	(546)	(656)
Other transfers to reserves		(989)	(5,133)	(989)	(5,133)
Transfers from reserves		12,328	1,563	12,328	1,563
Net surplus/(deficit) after tax		7,389	3,790	6,676	3,362
<b>BALANCE AT END OF THE YEAR</b>		<b>748,152</b>	<b>729,970</b>	<b>747,854</b>	<b>730,385</b>
<b>COUNCIL CREATED RESERVES</b>					
Balance at beginning of the year		21,100	16,900	21,100	16,900
Transfers to accumulated funds		(12,318)	(1,563)	(12,318)	(1,563)
Transfers from accumulated funds		989	5,109	989	5,109
Interest earned		543	654	543	654
<b>BALANCE AT END OF THE YEAR</b>		<b>10,314</b>	<b>21,100</b>	<b>10,314</b>	<b>21,100</b>
<b>RESTRICTED RESERVES*</b>					
Balance at beginning of the year		83	57	83	57
Transfers to accumulated funds		(10)	-	(10)	-
Transfers from accumulated funds		-	24	-	24
Interest earned		3	2	3	2
<b>BALANCE AT END OF THE YEAR</b>	<b>9</b>	<b>76</b>	<b>83</b>	<b>76</b>	<b>83</b>
<b>ASSET REVALUATION RESERVES</b>					
Balance at beginning of the year		388,656	224,804	388,656	224,804
Changes in asset value		-	-	-	-
Valuation gains/(losses) taken to equity		-	163,852	-	163,852
<b>BALANCE AT END OF THE YEAR</b>		<b>388,656</b>	<b>388,656</b>	<b>388,656</b>	<b>388,656</b>
<b>Asset revaluation reserves consist of:</b>					
<b>Operational Assets</b>					
Library books		706	706	706	706
Buildings		13,857	13,857	13,857	13,857
Land		22,735	22,735	22,735	22,735
Collections		137	137	137	137
<b>Infrastructure Assets</b>					
Land		65,048	65,048	65,048	65,048
Wastewater		72,823	72,823	72,823	72,823
Stormwater		64,666	64,666	64,666	64,666
Water		29,405	29,405	29,405	29,405
Road		61,512	61,512	61,512	61,512
<b>Restricted Assets</b>					
Land		57,767	57,767	57,767	57,767
<b>Total</b>		<b>388,656</b>	<b>388,656</b>	<b>388,656</b>	<b>388,656</b>
<b>TOTAL OTHER RESERVES</b>		<b>399,046</b>	<b>409,839</b>	<b>399,046</b>	<b>409,839</b>
<b>TOTAL RESERVES</b>		<b>1,147,198</b>	<b>1,138,809</b>	<b>1,146,900</b>	<b>1,140,224</b>

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



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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>SURPLUS AFTER TAX</b>	8,447	3,790	7,734	3,362
<i>Add/(less) non-cash items:</i>				
Depreciation and amortisation	27,643	26,384	28,416	27,133
Share of associates (surplus)/deficit	-	-	(14)	-
Net bad debts/impairment expense	404	(12)	392	33
Landfill provision	1,322	618	1,322	618
Other Assets (Non Current)	-	(3)	-	(3)
Loss	-	1,706	-	1,706
Vested assets	(12,877)	(7,042)	(12,877)	(7,073)
Assets held for sale	-	(84)	-	(84)
Transfer from assets under construction to expenses	585	-	585	-
<i>Add/(less) movements in working capital:</i>				
Increase in accounts receivable and other assets	(3,577)	(356)	(3,693)	(206)
Increase/(decrease) in creditors	3,290	(1,604)	3,817	(1,539)
Increase in provisions and other liabilities	363	312	466	327
<i>Add/(less) items classified as investing activities:</i>				
Profit on sale of property, plant and equipment and other movements	(747)	(656)	(190)	(656)
<b>NET CASH IN FLOWS FROM OPERATING ACTIVITIES</b>	<b>24,853</b>	<b>23,053</b>	<b>25,958</b>	<b>23,618</b>

## 27. FINANCIAL INSTRUMENTS RISKS

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>FINANCIAL ASSETS</b>				
<b>Fair value through profit and loss - Held for trading</b>				
Derivative financial instrument assets	1,196	1,742	1,196	1,742
	1,196	1,742	1,196	1,742
<b>Loans and receivables</b>				
Cash and cash equivalents	2,894	8,958	2,999	9,023
Debtors and other receivables	13,750	10,013	14,243	10,380
<b>Other financial assets:</b>				
Community and development loans	40	145	40	145
Loans to related parties	2,851	-	-	-
<b>Total loans and receivables</b>	<b>19,535</b>	<b>19,116</b>	<b>17,282</b>	<b>19,548</b>
<b>Held to maturity</b>				
<b>Other financial assets:</b>				
NZ Local Government Insurance Company	234	234	234	234
Local authority stock	-	-	-	-
<b>Total held to maturity</b>	<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>
<b>Fair value through equity</b>				
<b>Other financial assets:</b>				
Local authority stock	-	-	-	-
Unlisted shares	194	375	194	375
Listed shares	-	-	-	-
<b>Total fair value through equity</b>	<b>194</b>	<b>375</b>	<b>194</b>	<b>375</b>
<b>Total financial assets</b>	<b>21,159</b>	<b>21,467</b>	<b>18,906</b>	<b>21,899</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Fair value through profit and loss - Held for trading</b>				
Derivative financial instrument liabilities	3,108	2,596	3,108	2,596
	<b>3,108</b>	<b>2,596</b>	<b>3,108</b>	<b>2,596</b>
<b>Financial liabilities at amortised cost</b>				
Creditors and other payables	21,244	17,954	21,903	18,086
Borrowings:				
- bank overdraft	-	-	-	-
- secured loans	84,025	89,600	91,225	95,250
<b>Total financial liabilities at amortised cost</b>	<b>105,269</b>	<b>107,554</b>	<b>113,128</b>	<b>113,336</b>
<b>Total financial liabilities</b>	<b>108,377</b>	<b>110,150</b>	<b>116,236</b>	<b>115,932</b>

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

## 27. FINANCIAL INSTRUMENTS RISKS (continued)

### Market Risk

#### *Price risk*

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

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June 2010 the Council does not have any foreign currency risk (2009: \$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.

## 27. FINANCIAL INSTRUMENTS RISKS (continued)

The maximum exposure to credit risk:

	NOTE	COUNCIL		GROUP	
		2010 \$000	2009 \$000	2010 \$000	2009 \$000
Cash, cash equivalents and term deposits	9	2,894	8,958	2,999	9,023
Debtors and other receivables	10	13,750	10,013	14,243	10,380
Other assets		428	609	428	609
Community and development loans		10	69	10	69
Loans to related parties		2,851	-	-	-
Financial guarantees		278	337	278	337
Derivative financial instrument assets (interest rate swaps and options)		1,196	1,742	1,196	1,742
<b>Total credit risk</b>		<b>21,407</b>	<b>21,728</b>	<b>19,154</b>	<b>22,160</b>

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>				
Cash at bank and term deposits				
AA	2,894	8,958	2,999	9,023
<b>Total cash at bank and term deposits</b>	<b>2,894</b>	<b>8,958</b>	<b>2,999</b>	<b>9,023</b>
Derivative financial instrument assets				
AA	1,196	1,742	1,196	1,742
<b>Total derivative financial instrument assets</b>	<b>1,196</b>	<b>1,742</b>	<b>1,196</b>	<b>1,742</b>
<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>				
Community and related party loans				
Existing counterparty with no defaults in the past	2,851	-	-	-
Existing counterparty with defaults in the past	40	145	-	145
<b>Total community, development and related party loans</b>	<b>2,891</b>	<b>145</b>	<b>-</b>	<b>145</b>

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.

## 27. FINANCIAL INSTRUMENTS RISKS (continued)

### Liquidity Risk

#### *Management of liquidity risk*

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

The Council manages its borrowings in accordance with its funding and financial policies. These policies have been adopted as part of the Council's Long Term Council Community Plan. The Council has a policy to maintain the overdraft facility to below \$250,000 at any one time, and has undrawn credit facilities totalling \$25 million (2009: \$50 million).

#### *Contractual maturity analysis of financial liabilities*

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

	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
<b>Council 2010</b>						
Creditors and other payables	10,652	10,652	10,652	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	84,025	93,768	26,867	24,162	32,668	10,071
Finance leases	-	-	-	-	-	-
Financial guarantees	278	278	278	-	-	-
<b>Total</b>	<b>94,955</b>	<b>104,698</b>	<b>37,797</b>	<b>24,162</b>	<b>32,668</b>	<b>10,071</b>
<b>Group 2010</b>						
Creditors and other payables	10,652	10,652	10,652	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	91,225	101,040	34,139	24,162	32,668	10,071
Finance leases	-	-	-	-	-	-
Financial guarantees	278	278	278	-	-	-
<b>Total</b>	<b>102,155</b>	<b>111,970</b>	<b>45,069</b>	<b>24,162</b>	<b>32,668</b>	<b>10,071</b>
<b>Council 2009</b>						
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	-	-	-
<b>Total</b>	<b>98,003</b>	<b>108,392</b>	<b>54,864</b>	<b>26,973</b>	<b>91</b>	<b>26,464</b>
<b>Group 2009</b>						
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	-	-	-
<b>Total</b>	<b>103,656</b>	<b>114,059</b>	<b>60,531</b>	<b>26,973</b>	<b>91</b>	<b>26,464</b>

## 27. FINANCIAL INSTRUMENTS RISKS (continued)

### *Contractual maturity analysis of financial assets*

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

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	BETWEEN 1-3 YEARS \$000	BETWEEN 3-5 YEARS \$000	GREATER THAN 5 YEARS \$000
<b>Council 2010</b>						
Cash and cash equivalents	2,894	2,894	2,894	-	-	-
Debtors and other receivables	13,750	13,750	13,750	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	10	10	10	-	-	-
- loans to related parties	2,851	2,851	-	2,851	-	-
<b>Total</b>	<b>19,505</b>	<b>19,505</b>	<b>16,654</b>	<b>2,851</b>	-	-
<b>Group 2010</b>						
Cash and cash equivalents	2,999	2,999	2,999	-	-	-
Debtors and other receivables	14,243	14,243	14,243	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- community and development loans	10	10	10	-	-	-
- loans to related parties	-	-	-	-	-	-
<b>Total</b>	<b>17,252</b>	<b>17,252</b>	<b>17,252</b>	-	-	-
<b>Council 2009</b>						
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	-	-	-
- loans to related parties	-	-	-	-	-	-
<b>Total</b>	<b>19,040</b>	<b>19,040</b>	<b>19,040</b>	-	-	-
<b>Group 2009</b>						
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	-	-	-
- loans to related parties	-	-	-	-	-	-
<b>Total</b>	<b>19,472</b>	<b>19,407</b>	<b>19,472</b>	-	-	-

## 27. FINANCIAL INSTRUMENTS RISKS (continued)

### Sensitivity analysis

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

COUNCIL	2010 \$000				2009 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
INTEREST RATE RISK	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
Financial Assets								
Cash and cash equivalents		-	-	-		-		-
Derivatives held for trading	(1,877)	-	1,765	-	(1,680)	-	1,564	-
Financial liabilities								
Borrowing:								
- short term loans	190	-	(190)	-	271	-	(271)	-
- term loans	652	-	(652)	-	1,932	-	(1,932)	-
<b>Total sensitivity to interest rate risk</b>	<b>(1,035)</b>	<b>-</b>	<b>923</b>	<b>-</b>	<b>523</b>	<b>-</b>	<b>(639)</b>	<b>-</b>

GROUP	2010 \$000				2009 \$000			
	-100BPS		+100BPS		-100BPS		+100BPS	
INTEREST RATE RISK	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY	PROFIT	OTHER EQUITY
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives held for trading	(1,877)	-	1,765	-	(1,680)	-	1,564	-
Financial liabilities								
Borrowing:								
- short term loans	-	-	-	-	276	-	(276)	-
- term loans	652	-	(652)	-	1,932	-	(1,932)	-
<b>Total sensitivity to interest rate risk</b>	<b>(1,225)</b>	<b>-</b>	<b>1,113</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>(644)</b>	<b>-</b>

#### *Explanation of sensitivity analysis*

Derivative net financial assets and derivatives held for trading include interest rate swaps with a fair value liability totalling \$1,912,000 (2009 liability: \$854,000). A movement in interest rates of plus 1% has an effect of \$1,765,000 (2009: \$1,564,000) on the unrealised value of the derivatives and on realised receipts on the derivatives during the period of \$750,000 (2009: \$400,000).

No equity instruments are held.

#### *Short term loans*

Council has short term floating rate debt with a principal amount totalling \$18.9 million (2009: \$44.4 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$190,000 (2009: \$444,000).

#### *Term loans*

Council has term floating rate debt with a principal amount totalling \$55 million (2009: \$35 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$550,000 (2009: \$350,000). 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.

## 27. FINANCIAL INSTRUMENTS RISKS (continued)

### Fair value hierarchy disclosures

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

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

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

	2010				2009			
	VALUATION TECHNIQUE			TOTAL	VALUATION TECHNIQUE			TOTAL
	QUOTED MARKET PRICE \$000	OBSERVABLE INPUTS \$000	SIGNIFICANT NON-OBSERVABLE INPUTS \$000		QUOTED MARKET PRICE \$000	OBSERVABLE INPUTS \$000	SIGNIFICANT NON-OBSERVABLE INPUTS \$000	
<b>COUNCIL</b>								
<b>Financial Assets</b>								
Derivatives		1,196		1,196	1,742			1,742
Shares			428	428		609		609
<b>Financial Liabilities</b>								
Derivatives		3,108		3,108	2,596			2,596
<b>GROUP</b>								
<b>Financial Assets</b>								
Derivatives		1,196		1,196	1,742			1,742
Shares			428	428		609		609
<b>Financial Liabilities</b>								
Derivatives		3,108		3,108	2,596			2,596

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

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

	2010	2009
<b>Balance at 1 July</b>	<b>609</b>	<b>609</b>
Gain and losses recognised in the surplus or deficit	(271)	-
Gain and losses recognised in other comprehensive income	-	-
Purchases	90	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
<b>Balance at 30 June</b>	<b>428</b>	<b>609</b>



## 28. REMUNERATION

The Chief Executive received the following remuneration:

2010				2009			
SALARY \$	MOTOR VEHICLE \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$	SALARY \$	MOTOR VEHICLE \$	POST EMPLOYMENT BENEFITS \$	TOTAL REMUNERATION \$
314,113	10,442	6,282	330,837	304,562	10,441	8,904	323,907

Elected Representatives received the following remuneration:

	COUNCIL	GROUP TOTAL		COUNCIL	GROUP TOTAL							
	2010						2009					
	REMUNERATION \$	DIRECTOR FEES \$	TOTAL REMUNERATION \$	REMUNERATION \$	DIRECTOR FEES \$	TOTAL REMUNERATION \$						
Mayor and Councillors												
DK Ogden (Mayor)	107,211	-	107,211	105,045	-	105,045						
RW Styles (Deputy Mayor)	54,474	15,000	69,474	54,412	15,000	69,412						
JMK Baird	47,937	15,000	62,937	47,945	15,000	62,945						
VR Jamieson	48,554	-	48,554	61,548	-	61,548						
MJ Cousins	48,579	-	48,579	50,792	-	50,792						
A Finlayson	43,640	-	43,640	47,973	-	47,973						
WR Wallace	47,937	-	47,937	50,716	-	50,716						
D Hislop	47,937	-	47,937	47,928	-	47,928						
R Day	42,178	-	42,178	44,176	-	44,176						
MJ Shierlaw	41,685	-	41,685	41,455	-	41,455						
D Bassett	41,804	-	41,804	46,717	-	46,717						
BG Branch	41,685	-	41,685	43,461	-	43,461						
G McDonald	41,685	-	41,685	41,455	-	41,455						
<b>Total</b>	<b>655,306</b>	<b>30,000</b>	<b>685,306</b>	<b>683,623</b>	<b>30,000</b>	<b>713,623</b>						

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

## 29. SEVERANCE PAYMENTS

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

	2010	2009
Severance payments	\$2,000	\$55,000
Number of employees	1	1

## 30. RELATED PARTIES TRANSACTIONS

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

### RELATED PARTY TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES OR JOINT VENTURE:

#### With Seaview Marina Limited (the Marina)

For the year ended 30 June 2010, the Council charged the Marina accountancy fees \$4,000 (2009: \$4,000), legal fees \$4,000 (2009: \$4,000) and rates and water \$84,000 (2009: \$83,000).

Total advances from Council to the Marina outstanding at 30 June 2010 amounted to \$nil (2009: \$157,000) and loans amounted to \$2,851,000 (2009: \$nil). Loans from Hutt City Council are issued at the three month BKBM FRA Rate plus a margin of 200 basis points. The maximum amount to be advanced at any time during the term of loan shall not exceed \$3,500,000.

### 30. RELATED PARTIES TRANSACTIONS (continued)

#### With Urban Plus Limited (UrbanPlus)

At 30 June UrbanPlus owed Council \$104,000 (2009: \$6,000). Interest has been charged on the outstanding monthly balance through the year at market rates.

During the year UrbanPlus paid to Council \$162,000 (2009: \$152,000) for rates and water usage, \$45,000 (2009: \$45,000) management fee for services, \$261,000 (2009: \$Nil) for reimbursement of property costs and purchased land for \$296,000 (2009: \$1,637,000).

During the year Council paid \$444,000 (2009: \$364,000) to UrbanPlus for property services.

#### With Capacity Infrastructure Services (Capacity)

As at 30 June 2010 the Council owed Capacity \$154,000 (2009: \$135,000).

As at 30 June 2010 Capacity owed Council \$nil (2009: \$nil).

During the year Capacity paid \$nil (2009: \$1,000) to the Council, for services provided.

During the year the Council paid \$1,422,000 (2009: \$1,650,000) to Capacity, for professional services.

During the year Capacity paid \$15,000 (2009 : \$15,000) directors fees to Councillor Ray Wallace.

#### With Silverstream Gas Joint Venture

No related party transactions were entered into during the year.

#### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

KEY MANAGEMENT PERSONNEL COSTS	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Salary and other short term benefits	1,948	2,006	2,480	2,361
Post-employment benefits	15	13	17	14
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
	<b>1,963</b>	<b>2,019</b>	<b>2,497</b>	<b>2,375</b>

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

Chief Executive, Tony Stallinger, is Treasurer of the Mitchell Park Squash Club, which is associated with Hutt Valley Tennis. In the 2009 financial year Council approved funding of \$225,000 to Hutt Valley Tennis. The payment was made in the 2010 financial year.

The Mayor, David Ogden was elected in 2007 to the Hutt Valley DHB. The Council made payments of \$4,500 (2009: \$6,000) during the year. The Council received \$3,000 (2009: \$7,000) for venue hire.

Councillor Margaret Cousins sits on the Hutt Council of Social Services. The Council made payments of \$11,000 (2009: \$nil) during the year for annual community development funding grants (2008/9 and 2009/10). There is a balance of \$6,000 (2009: nil) outstanding for unpaid invoices at year-end. She sits on the Normandale residents' association board. At year end there was an outstanding balance of \$3,000 (2009: \$1,000) for payment towards activities during the year.

Councillor Roger Styles is the chairman of and community committee member Christopher Milne is a director of Energy Smart Limited. The Council made payments of \$13,500 as a contribution towards Healthy Homes initiatives (2009: \$83,000).

Councillor Ray Wallace is Chairman of the Hutt Safe City Group Inc. The Council made payments of \$35,000 (2009: \$nil) towards the merging of Hutt Neighbourhood Support and Community Patrols of Hutt City.

Community committee member Leigh Sutton is the owner of River Side Media publishers. The Council made payments of \$13,000 (2009: \$34,000) for document publishing and advertising/column space in the Stokes Valley Times.

Council has invested, by way of share purchase, \$465,000 (2009: \$375,000) 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 (2009: \$nil) to the Council for the use of storage and the Council paid \$49,000 (2009: \$98,000) to Smartlinx 3 Limited for the provision of broadband, security and WIFI services. There is a balance of \$7,000 (2009: \$28,000) outstanding for unpaid invoices at year-end.

### 31. CAPITAL COMMITMENTS AND OPERATING LEASES

#### Capital Commitments

Commitments for capital expenditure contracted, but not provided for:

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Property, plant and equipment	5,890	5,895	5,890	5,895
Intangible assets	-	-	-	-
Investment property	-	-	-	-
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>5,890</b>	<b>5,895</b>	<b>5,890</b>	<b>5,895</b>

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Not later than one year	542	407	562	495
Later than one year and not later than five years	308	321	310	372
Later than five years	-	-	-	-
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>850</b>	<b>728</b>	<b>872</b>	<b>867</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2009: \$nil).

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

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

#### Operating Leases as Lessor

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

	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

No contingent rents have been recognised in the statement of comprehensive income during the period.

## 32. CONTINGENCIES

CONTINGENT LIABILITIES	COUNCIL		GROUP	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Financial guarantees	278	337	278	337
Waste water	5,336	5,425	5,336	5,425
Other legal proceedings	-	-	-	-
Insurance - Riskpool	-	500	-	500
	<b>5,614</b>	<b>6,262</b>	<b>5,614</b>	<b>6,262</b>

### 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 (2009: \$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 10 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 6.5% (2009: 6.0%).

### 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. Council has accrued \$420,000 for two equal payments to be made to Riskpool on 1 July 2010 and 1 July 2011. There is an indication that there will be a call made on 1 July 2012, but there is no indication of how much this may be.

### Joint venture contingent liabilities

There are no contingent liabilities associated with the Silverstream Gas Joint Venture (2009: \$nil).

### Associate's contingent liabilities

There are no contingent liabilities associated with the Capacity associate (2009: \$nil).

### Contingent assets

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

The Council has a contingent asset from UrbanPlus of \$194,444 (2009: \$175,000) relating to the future sales of Summit Road and Wainui Road. This is eliminated on consolidation for the Group.

The Council is currently in dispute with Greater Wellington Regional Council over some of the costs associated with the Waiwhetu stream clean up. The Council intend to enter into mediation with respect to these costs. As a result of the mediation the Council may recover some costs from Greater Wellington Regional Council. The extent of any possible recoveries can not be quantified at this time.

## 33. MAJOR BUDGET VARIATIONS

Explanations for major variations from Council's budgeted figures in the 2009/2010 Annual Plan are as follows:

Council made a surplus after tax of \$7.389 million compared with a budgeted surplus after tax of \$4.260 million. The operating result was therefore \$3.129 million better than budget. Explanations of major variances against budget are detailed below.

The surplus after tax has been used to repay debt after adjusting for items not having a cash flow nature and items supporting capital expenditure.

### 33. MAJOR BUDGET VARIATIONS (continued)

Actual revenue is \$17.237 million greater than the plan budget, attributable to the following:

- An increase in vested assets of \$12.427 million. The unplanned assets were vested in the Council following completion of the Dowse Interchange project on State Highway 2. The assets consist principally of stormwater, wastewater and water infrastructural assets. Council only budgets for minimal amounts for vested assets related to property development.
- \$5.150 million was received in unbudgeted landfill charges relating to the Waiwhetu Stream clean up. This was because the amount of contaminated material which was removed from the stream was much greater than was first anticipated.

The unplanned extra revenue was partly offset by increased expenditure of \$12.250 million, attributable to the following:

- Finance costs were higher than budget by \$1.997 million. In part this was due to extra interest costs of \$615,000 due to higher than forecast debt during the year. This was partially offset by interest earned during the year of \$305,000.
- Also included in the Finance costs extra expenditure is \$1.382 million relating to providing for the future costs which will be incurred when the current landfills are closed. Further details of this are shown in note 23.
- Operating costs exceeded budget by \$9.741 million. Of this amount, \$8.476 million related to unbudgeted costs for work on the Waiwhetu Stream clean up. This cost is largely offset by the additional revenue noted above, which was received by the landfill.

Other comprehensive gains and losses:

- A loss of \$1.058 million was incurred in the fair value of interest rate swaps. The Council had budgeted for a gain of \$800,000 in the expectation of a rise in interest rates over the year.

The following are the significant variances in the statement of financial position:

- Net Debt is \$8.1 million higher than forecast at the end of the year, mainly due to projected asset sales not taking place.

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

### 34. CAPITAL MANAGEMENT

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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

Hutt City Council has the following Council created reserves:

- reserves for different areas of benefit
- self insurance reserves
- trust and bequest reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to Trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

### 35. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date.

# APPENDICES

## HUTT CITY PROFILE

Hutt City (geographical name Lower Hutt) is located at the southern end of the North Island of New Zealand. It is the second largest city in the Wellington region and borders onto the capital city, Wellington. 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
-----------	-----------------

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
<b>Total population</b>	<b>97,701</b>
<b>Number of Households</b>	
Northern Ward	5,259
Eastern Ward	6,180
Western Ward	4,437
Central Ward	7,209
Wainuiomata Ward	5,802
Harbour Ward	6,837
<b>Total households</b>	<b>35,724</b>

### 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

<b>Total council assets as at 1 July 2009:</b>	<b>\$1,258,342,000</b>
Area of parks and reserves	5,305 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	479 km
Length of footpaths	728 km
Number of street lights	13,544
Length of wastewater pipes	679 km
Length of stormwater pipes	541 km
Length of water pipes	697 km
Rating system	Capital
Rateable properties	38,323
Average rates per residential ratepayer	\$1,642
Capital value of the city (1 September 2007)	\$17,906,443,200

### 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.

## **Annual Plan**

A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.

## **Appropriation/Appropriated**

Money that has been set aside from, or brought into, an operating or revenue account.

## **Asset**

Something of value that Council owns on behalf of the people of Hutt City, such as roads, drains, parks and buildings.

## **Asset Management Plan**

A long term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

## **Capital Expenditure**

Expenditure that will increase the value of Council's assets.

## **Capital Value**

Value of land including any improvements.

## **Community Boards**

Local elected bodies set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.

## **Community Committees**

Local committees set up by Council. Community committees are consulted by Council and can represent community concerns to Council. Hutt City Council had two community committees until October 2010: Central/West and North/East. Following the October 2010 election the incoming Council will decide whether to re-establish community committees and, if so, the areas they will cover.

## **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)**

CCTOs 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 Tenth 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 and Annual Plan list 18 separate significant activities that fall within five groups of activities.

## **Supplier Costs**

Expenditure for the purchase of general goods and services.

## **Support Costs**

The internal allocation of expenditure incorporated in the Managing Services Activity.

## **Taonga**

A highly prized resource.

## **Targeted Rates**

Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and the Jackson Street Programme.

## **Te Atiawa**

Local tangata whenua with inherited land ownership and kinship to Northern Taranaki Te Atiawa.

## **Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui**

A representative Maori Council made up from local tangata whenua and representing the eight Taranaki tribes within the Wellington region.

## **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.

## **Uniform Annual General Charge**

A flat rate levied on a property regardless of the property's value, over all properties in the district.

## **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.



# CONTACT DETAILS

## MAYOR AND COUNCILLORS

	DATE (IF NOT CONTINUOUS)	TELEPHONE	MOBILE	EMAIL
<b>Mayor</b>				
David Ogden	Until 15 Oct 2010			
Ray Wallace	From 18 Oct 2010	564 8880	0272 264 046	ray.wallace@huttcity.govt.nz
<b>Central Ward Councillors</b>				
David Bassett		566 4929	021 135 9391	david.bassett@huttcity.govt.nz
Deborah Hislop	Until 15 Oct 2010			
Chris Milne	From 18 Oct 2010	586 3890	0274 422 708	chris.milne@huttcity.govt.nz
<b>Eastern Ward Councillors</b>				
Barbara Branch	Until 15 Oct 2010			
Lisa Bridson	From 18 Oct 2010	569 4690	021 879 468	lisa.bridson@huttcity.govt.nz
Roger Styles		934 3270	0274 800 072	roger.styles@huttcity.govt.nz
<b>Harbour Ward Councillors</b>				
Joy Baird	Until 15 Oct 2010			
Ross Jamieson		562 7231	0274 427 319	ross.jamieson@huttcity.govt.nz
Michael Lulich	From 18 Oct 2010	977 3166	021 030 4561	michael.lulich@huttcity.govt.nz
<b>Northern Ward Councillors</b>				
Angus Finlayson		566 5046	0274 453 035	angus.finlayson@huttcity.govt.nz
Gwen McDonald		563 7212	0274 540 546	gwen.mcdonald@huttcity.govt.nz
<b>Wainuiomata Ward Councillors</b>				
Randall Day	Until 15 Oct 2010			
Ken Laban	From 18 Oct 2010	971 8982	0292 000 044	ken.laban@huttcity.govt.nz
Ray Wallace	Until 15 Oct 2010			
Margaret Willard	From 18 Oct 2010	973 1378	0273 632 967	margaret.willard@huttcity.govt.nz
<b>Western Ward Councillors</b>				
Margaret Cousins		586 2135	-	margaret.cousins@huttcity.govt.nz
Max Shierlaw		589 3669	0272 606 852	max.shierlaw@huttcity.govt.nz

## COMMUNITY BOARD MEMBERS

	DATE (IF NOT CONTINUOUS)	TELEPHONE	MOBILE	EMAIL
<b>Eastbourne Community Board</b>				
Sarah Crawford		568 2814	-	sarah.crawford@huttcity.govt.nz
Murray Gibbons		562 8567	021 236 1099	murray.gibbons@huttcity.govt.nz
Virginia Horrocks	From 18 Oct 2010	562 8381	021 230 8210	virginia.horrocks@huttcity.govt.nz
Geoff Rashbrooke		568 4988	-	geoff.rashbrooke@huttcity.govt.nz
Ian Young	Until 15 Oct 2010			
Derek Wilshere		562 7920	027 430 3596	derek.wilshere@huttcity.govt.nz
<b>Petone Community Board</b>				
Mason Branch		-	027 480 0365	mason.branch@huttcity.govt.nz
Richard Cole		586 1113	-	richard.cole@huttcity.govt.nz
Gerald Davidson		938 3723	-	gerald.davidson@huttcity.govt.nz
Vera Ellen	Until 15 Oct 2010			
Peter Foese	From 18 Oct 2010	586 2945	0274 610 376	peter.foese@huttcity.govt.nz
Tui Lewis	From 18 Oct 2010	970 5159	021 271 6249	tui.lewis@huttcity.govt.nz
Mary Lochore	From 18 Oct 2010	803 3838	021 069 0568	mary.lochore@huttcity.govt.nz
Michael Lulich	Until 15 Oct 2010			
<b>Wainuiomata Community Board</b>				
Campbell Barry	From 18 Oct 2010	564 5590	0272 160 364	campbell.barry@huttcity.govt.nz
Karl Dickson	From 18 Oct 2010	564 9001	0274 341 682	karl.dickson@huttcity.govt.nz
David Elliott	From 18 Oct 2010	973 2239	022 677 9422	david.elliott@huttcity.govt.nz
Jim Manu	Until 15 Oct 2010			
Reg Moore	From 18 Oct 2010	971 6872	0272 98 5590	reg.moore@huttcity.govt.nz
Marcia Ngarimu	Until 15 Oct 2010			
Tracey Pollard	Until 15 Oct 2010			
Heather Robb	From 18 Oct 2010	564 8577	-	heather.robb@huttcity.govt.nz
Kevin Small	Until 15 Oct 2010			
Terry Stallworth		-	0272 749 511	terry.stallworth@huttcity.govt.nz
Margaret Willard	Until 15 Oct 2010			

## COMMUNITY COMMITTEE MEMBERS UNTIL 8 OCT 2010

CENTRAL/WEST COMMUNITY COMMITTEE	NORTH/EAST COMMUNITY COMMITTEE
Kathryn Fitzpatrick	Michael Ellis
Sue Lafrentz	Julie Englebretsen
Christopher Milne	Ted Heslin
Rick Mooney	Leigh Sutton
Desiree Mulligan	

## STRATEGIC LEADERSHIP TEAM

	POSITION	TELEPHONE	EMAIL
Tony Stallinger	Chief Executive	570 6773	tony.stallinger@huttcity.govt.nz
Joycelyn Foo	General Counsel	570 6736	joycelyn.foo@huttcity.govt.nz
Marty Grenfell	General Manager Community Services	570 6878	marty.grenfell@huttcity.govt.nz
Claire Johnstone	General Manager Business Services	570 6781	claire.johnstone@huttcity.govt.nz
Kim Kelly	General Manager Development Services	570 6949	kim.kelly@huttcity.govt.nz
Bruce Sherlock	General Manager City Infrastructure	570 6833	bruce.sherlock@huttcity.govt.nz

## CONTACT DETAILS

### HUTT CITY COUNCIL

Address:	Administration Building 30 Laings Road Lower Hutt
Postal Address:	Private Bag 31 912 Lower Hutt 5010
Telephone:	570 6666 0800 HUTT CITY
After Hours Emergencies:	570 6666
Facsimile:	569 4290
Email:	<a href="mailto:contact@huttcity.govt.nz">contact@huttcity.govt.nz</a>
Website:	<a href="http://www.huttcity.govt.nz">www.huttcity.govt.nz</a>

#### WAR MEMORIAL LIBRARY

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

#### PETONE COMMUNITY LIBRARY

Address:	Britannia Street Petone
Telephone:	568 6253

#### EASTBOURNE COMMUNITY LIBRARY

Address:	Rimu Street Eastbourne
Telephone:	562 8042

#### STOKES VALLEY COMMUNITY LIBRARY

Address:	Scott Court Stokes Valley
Telephone:	562 9050

#### MOERA COMMUNITY LIBRARY

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

#### TAITA COMMUNITY LIBRARY

Address:	Taine Street Taita
Telephone:	567 2767

#### NAENAE COMMUNITY LIBRARY

Address:	Hillary Court Naenae
Telephone:	567 2859

#### WAINUIOMATA COMMUNITY LIBRARY

Address:	Queen Street Wainuiomata
Telephone:	564 5822

