

A young child with curly hair, wearing a dark blue long-sleeved shirt and dark pants, is walking on a green lawn and blowing bubbles. Several large, iridescent bubbles are floating in the air around the child. In the background, there is a modern building with a large glass facade reflecting the sky and trees. Bare trees are visible on the left side of the image.

ANNUAL REPORT SUMMARY 2018-2019

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

HUTT CITY
TE AWA KAIRANGI

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FOREWORD

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

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

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

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

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

water until damaged pipes can be repaired in the case of a major earthquake.

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

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

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

A strong and diverse economy is critical to our city's success and Council continues to prepare and position our city for a prosperous future. This year Council launched *Te Wā Heke – Invent the Future* to bring a fresh perspective to our work in the STEM (science, technology, engineering and mathematics) space, incorporating all Council's science, technology and innovation initiatives. In May 2019, over 1,600 school children from 22 schools attended the first day of the inaugural *Te Wā Heke* festival.



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

Building consents and applications for new buildings have reached an all-time high this year, a strong indicator of economic growth in the city, with Lower Hutt expecting to see an additional 1,535 new dwellings built in the next two to three years. Improving access to housing for those who are homeless has been another significant issue, with an action plan developed in partnership with social service and government agencies and those who have experienced homelessness, now completed and implementation underway.

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



Ray Wallace

Ray Wallace
Mayor



Jo Miller

Jo Miller
Chief Executive

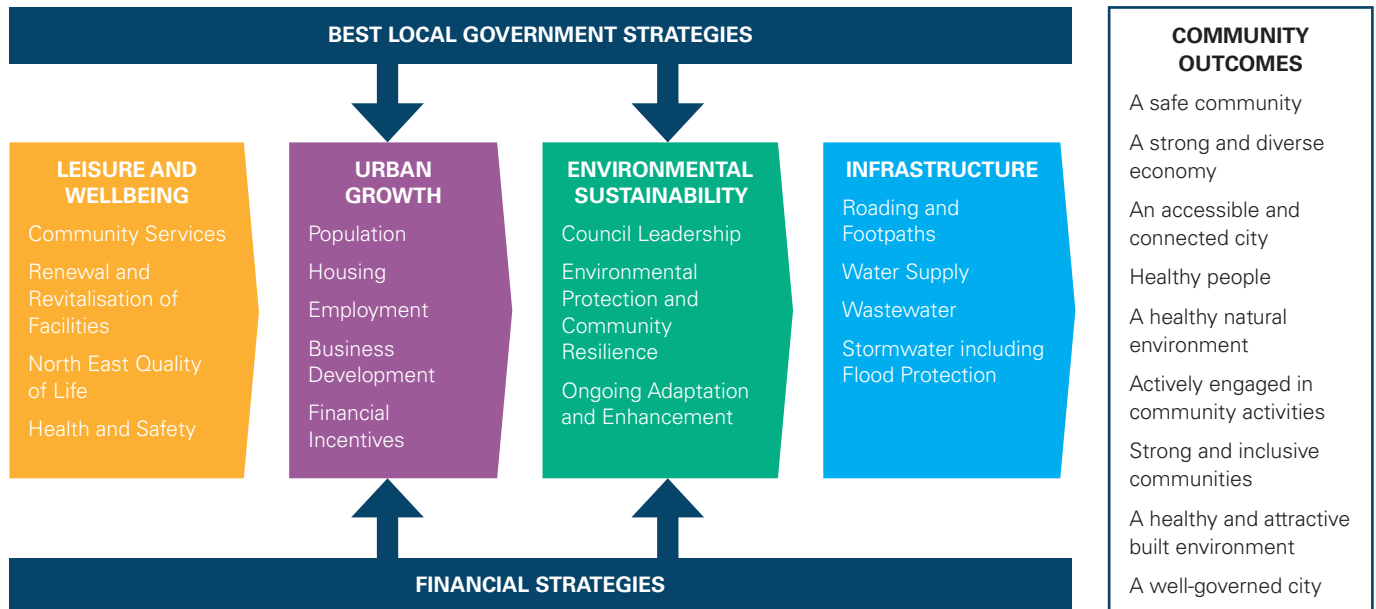
VISION FOR THE CITY

Hutt City will be a great place to live, work and play

Council has a vision for the city's future that Hutt City will be a great place to live, work and play. That is, a city that people are proud to live in, where working and investing is a smart choice, and where there's always something for families to explore. Four key strategies have been developed to help achieve this vision.

STRATEGIC DIRECTION: OUR FOUR KEY STRATEGIES AND COMMUNITY OUTCOMES

Our vision is to make our city a great place to live, work and play. The move to rejuvenate and revitalise Lower Hutt is underpinned by four key strategies – Leisure and Wellbeing, Urban Growth, Environmental Sustainability and Infrastructure. The four strategies are linked to the nine community outcomes described in our Long Term Plan. The diagram below shows how these four strategies and their key objectives feed into and out of Council's Financial Strategy and organisational goals and ultimately come together to achieve our community outcomes.



OUR YEAR IN REVIEW: HIGHLIGHTS

A SAFE COMMUNITY

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

94% **77%**
DURING THE DAY AFTER DARK

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



A HEALTHY NATURAL ENVIRONMENT

Twenty-five schools and groups, amounting to over

2,450

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



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

A STRONG AND DIVERSE ECONOMY

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

Lower Hutt Events Centre
290
EVENTS HELD SINCE IT OPENED

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

STRONG AND INCLUSIVE COMMUNITIES

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

97% of the young women who attended



OVER 4,000

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

95% 

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

HEALTHY PEOPLE

63% 

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

 81% 

of residents perceive their
OVERALL HEALTH TO BE GOOD OR BETTER

A HEALTHY AND ATTRACTIVE BUILT ENVIRONMENT



Hutt City Council
adopts

ZERO
CARBON TARGET

FOUR
COMMUNITY WATER STATIONS installed
as an emergency
water network



81%
of residents think Lower Hutt is
A GREAT PLACE TO LIVE



AN ACCESSIBLE AND CONNECTED CITY



ACCESSAWARE
app goes live

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

**TE HIKOI ARAREWA -
WAINUIOMATA HILL SHARED PATH**

COMPLETED -
MAY 2019



DOGGONE
tag and app
introduced



ACTIVELY ENGAGED IN COMMUNITY ACTIVITIES

4,000 people attended the
**INAUGURAL TE WĀ HEKE
FESTIVAL** over the 2 days - this
included 1,600 students from
22 Lower Hutt schools (including
13 lower decile schools)



140,000

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

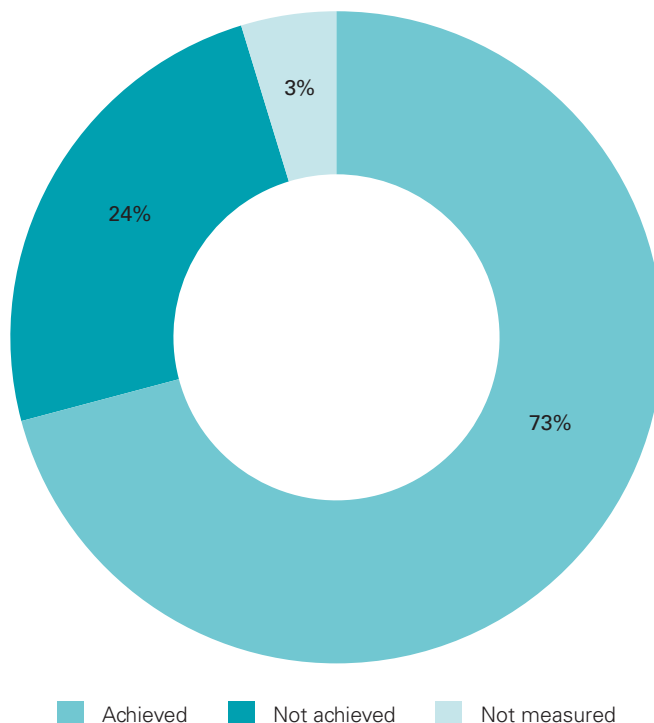
OUR YEAR IN REVIEW: PERFORMANCE

CUSTOMER RESEARCH

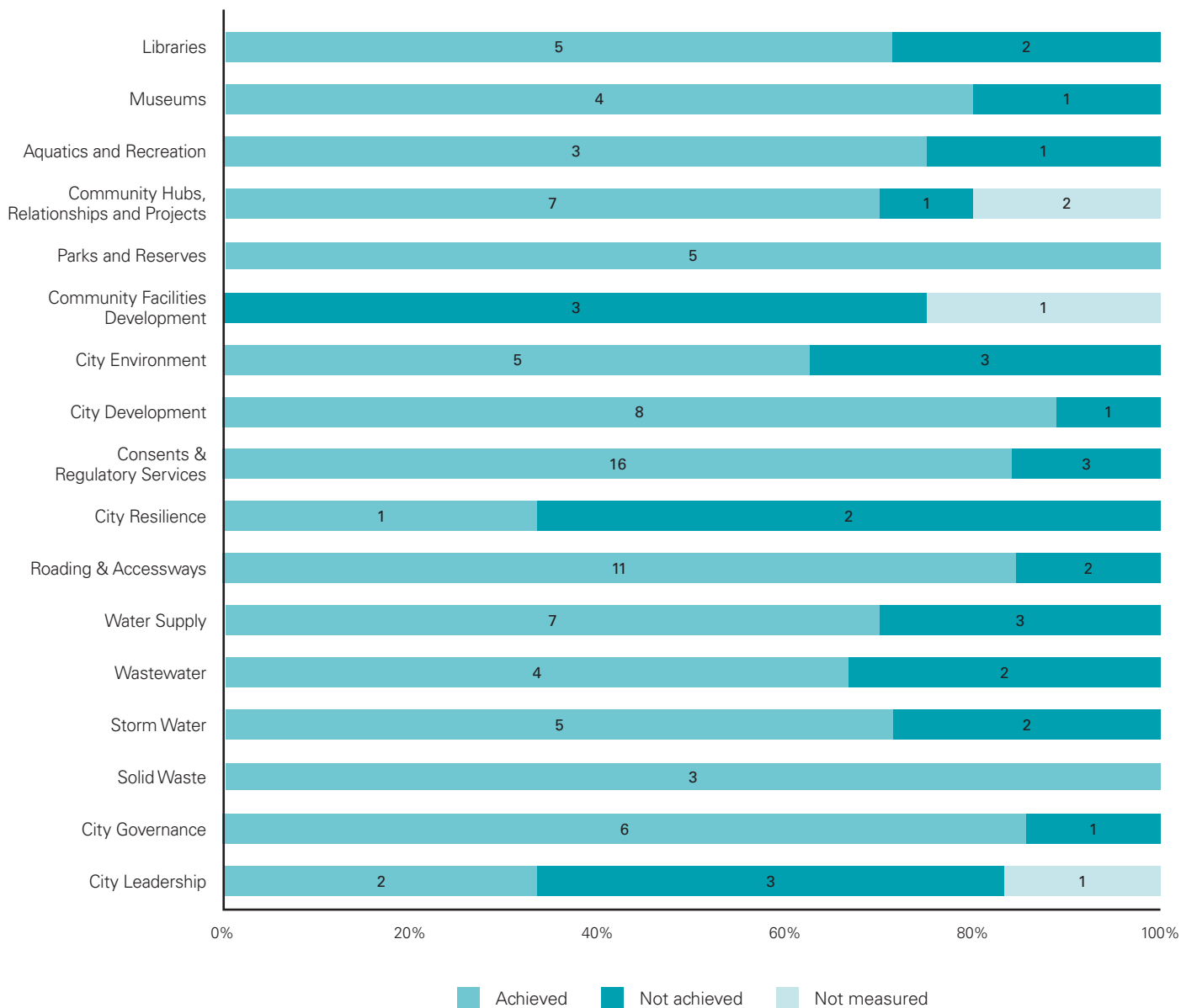
Providing the best local government services is a key priority for Council. To achieve this we need to know how satisfied our customers are, how we can do better and what is most important to our customers so we can prioritise and deliver better value for the community.



OVERALL PERFORMANCE TARGETS SUMMARY



OVERALL KEY PERFORMANCE TARGETS BY ACTIVITY AREA



FINANCIAL OVERVIEW

Being accountable to the ratepayers and residents for the management of its budgets and assets is a key responsibility of Council. We have produced this overview to help ratepayers and residents understand our finances and in particular where we have spent the money that we have received and how we have invested in the future of the City.

FINANCIAL PERFORMANCE

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

Operating Revenue

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

Operating Expenditure

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

borrowing costs reduced by \$0.3M due to unbudgeted costs for Landfill revaluation interest unwinding component.

Capital

Capital expenditure is money spent on assets to meet additional demand, to improve levels of service, or to replace existing assets. Council's planned capital expenditure was \$72.6M. The actual capital spend for the year was \$44.2M which included \$10.1M for Cycleways/Shared Paths projects, \$13.4M for Three Waters projects, \$2.9M for Pools, Halls Libraries, and Museums, \$2.9M for Wharves Refurbishment, \$0.7M for Avalon Park, \$2.2M for other Parks projects, \$1.9M for the Events Centre, and \$0.7M for IT System upgrades. The most significant underspends were on Eastern Bays Cycleways/Shared Path project \$4.7M, Three Waters \$3.5M, Strategic Property purchases \$5.7M, together with the \$4M of costs which were budgeted as capital but transferred to operating expenditure. Most of the projects underspent have been carried over and will be completed in 2019-2020.

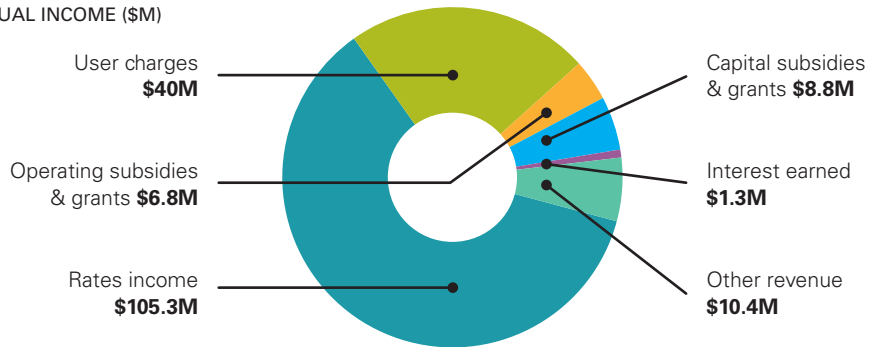
Impairment of revalued assets

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

OUR INCOME WAS \$172.6M

WHERE DID THIS MONEY COME FROM?

ACTUAL INCOME (\$M)

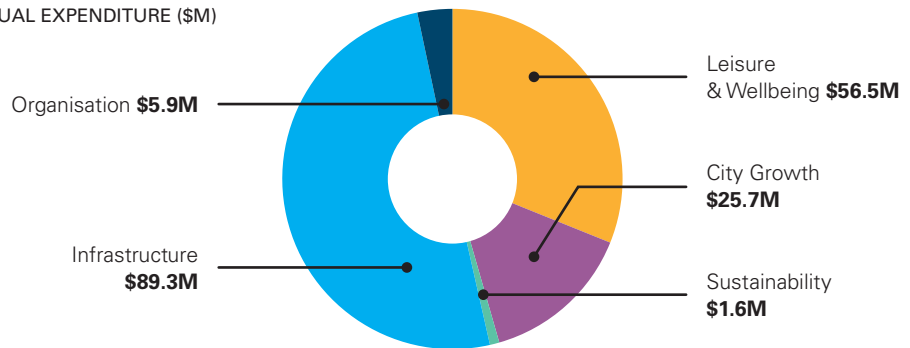


OUR OPERATING SPEND WAS \$179M

(EXCLUDING LOSS ON REVALUATION OF FINANCIAL INSTRUMENTS)

HOW THIS MONEY WAS SPENT

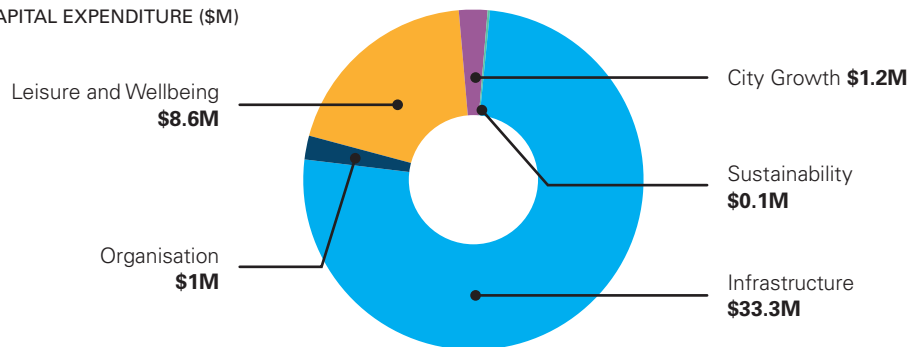
ACTUAL EXPENDITURE (\$M)



OUR CAPITAL SPEND WAS \$44.2M

HOW WAS THIS MONEY SPENT?

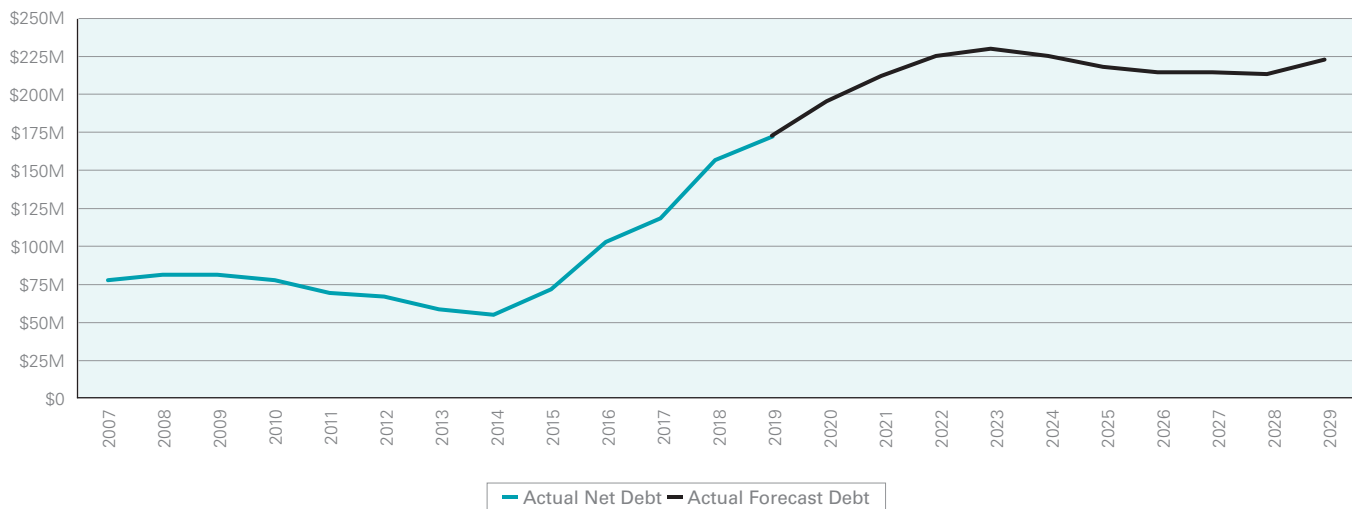
CAPITAL EXPENDITURE (\$M)



DEBT

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

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



FINANCIAL PRUDENCE

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

These benchmarks and Council's performance against them are as set out in the Prudence Reporting section of the full Annual Report.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES*

FOR THE YEAR ENDED 30 JUNE 2019

Full details are provided later in this report but the following is a summary that highlights the key financial information.

For the 2018/2019 financial year (excluding gains/losses on revaluation of financial instruments and asset revaluations) Council:

Received revenue of: \$172.6M

Incurred operating expenditure of: \$177.8M

Spent on capital projects: \$44.2M

Had total assets worth: \$1,544.2M

Had net debt of: \$171.8M

	COUNCIL			GROUP	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Total revenue	172,645	168,599	160,884	180,938	175,549
Finance costs	(8,042)	(8,781)	(7,039)	(8,042)	(7,039)
Loss on revaluation of financial instruments	(11,557)	-	(2,875)	(11,557)	(2,875)
Operating expenditure excluding finance costs and loss on revaluation of financial instruments	(170,983)	(161,897)	(162,173)	(175,726)	(165,879)
Share of associate's surplus/(Deficit)	-	-	-	6	(6)
Surplus / (deficit) before tax	(17,937)	(2,079)	(11,203)	(14,381)	(250)
Income Tax expense	-	-	-	436	(247)
Surplus / (deficit) after tax	(17,937)	(2,079)	(11,203)	(14,817)	(3)
Gain/(losses) on property revaluations	-	-	69,781	4,031	74,801
Impairment gain/(losses) on revalued property	(9,358)	-	-	(9,358)	-
Deferred tax on revaluation	-	-	-	369	(310)
Total other comprehensive revenue and expenses	(9,358)	-	69,781	(4,958)	74,491
Total comprehensive revenue and expenses attributable to Hutt City Council	(27,295)	(2,079)	58,578	(19,775)	74,488

* The information relating to variance explanations for the current year performance against budget is presented/reported on page 10

NET EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	COUNCIL			GROUP	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Equity at the beginning of the year	1,312,470	1,318,808	1,253,892	1,366,875	1,292,387
Total comprehensive income	(27,295)	(2,079)	58,578	(19,774)	74,488
Adjustment to deferred tax on transition to PBE accounting standards	-	-	-	-	-
Equity at the end of the year	1,285,175	1,316,729	1,312,470	1,347,101	1,366,875

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

The following table provides a summary of the Council and Group financial position (that is what they own and owe) at the end of the financial year.

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

Assets are \$25.6M lower than budget, and liabilities are \$6M higher than budget. This is mainly due the delay in capital projected, together with the asset impairment of the Naenae Pool and hall.

	COUNCIL			GROUP	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Current assets	29,281	43,457	43,850	37,693	52,761
Non-current assets	1,514,927	1,526,306	1,511,800	1,570,044	1,558,862
Total Assets	1,544,208	1,569,763	1,555,650	1,607,737	1,611,623
Current liabilities	30,215	59,735	63,815	31,688	65,320
Non-current liabilities	228,818	193,299	179,365	228,948	179,428
Total liabilities	259,033	253,034	243,180	260,636	244,748
Net assets	1,285,175	1,316,729	1,312,470	1,347,101	1,366,875
Total equity	1,285,175	1,316,729	1,312,470	1,347,101	1,366,875

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

The following table provides a summary of the Council and group cash flows during the respective financial years.

The following are significant variances in the Statement of Cash Flows:

Cash flow from operations is \$9.8M below that budget due to lower level of NZTA funding for capital projects.

Cash flow from Investing is \$4.0M below budget relates to lower than expected level of capital purchases.

Cash flow from financing is \$9.8M below budget relates to lower level of borrowings required to fund capital projects.

	COUNCIL			GROUP	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Net cash flow from operating activities	27,231	35,260	26,681	21,536	30,208
Net cash flow from investing activities	(32,881)	(56,891)	(76,732)	(36,597)	(75,012)
Net cash flow from financing activities	11,961	21,721	42,202	11,961	42,202
Net cash flow for the year	6,311	90	(7,849)	(3,100)	(2,602)

GROUP HIGHLIGHTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$M	2018 \$M	2017 \$M	2016 \$M	2015 \$M
Net Surplus / (Deficit)	(14.8)	(0.0)	7.0	(10.5)	3.7
Total assets	1,607.7	1,611.6	1,488.4	1,450.4	1,425.7
Total liabilities	260.6	244.7	196.0	171.0	137.5
Total equity	1,347.1	1,366.9	1,292.4	1,279.3	1,288.2

NOTES

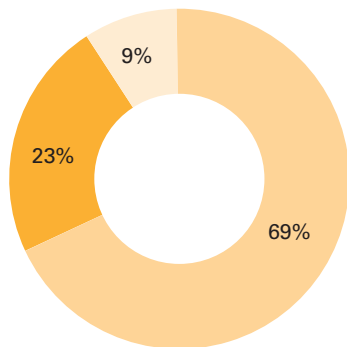
- The specific disclosures included in the summary financial report have been extracted from the full financial report. The full financial statements have been prepared in accordance with Tier 1 PBE Standards.
- The summary financial report has been presented in New Zealand dollars.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The full financial report dated 9 October 2019 has received an unmodified audit report. A copy of the financial report may be obtained from the Council's website huttcity.govt.nz from mid November 2019.
- After balance date South Wairarapa District Council became a shareholder of Wellington Water Ltd and this resulted in Hutt City Council's share holding in Wellington Water Ltd (WWL) reducing. WWL also entered into an 'operate and maintain' contract with Veolia effective 1 June 2020 - HCC has not yet determined the impact of the contract. Also, the Reserve Bank reduced the Official Cash Rate on 7 August and this will reduce interest costs. A full disclosure can be found in note 35, page 186 of the full Annual Report.
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unmodified auditor's report is included with this summary annual report.
- This summary financial report has been prepared in accordance with PBE FRS-43.
- This summary Annual Report was authorised by the Chief Executive Officer of the Hutt City Council on 7 November 2019.

LEISURE AND WELLBEING

The Leisure and Wellbeing Strategy is our long-term approach to improving the cultural, physical and educational wellbeing of residents. Our activities to support the strategy focus on delivering services through the city's community, cultural and leisure facilities; supporting the local community through safety initiatives, partnerships and funding; and promoting the health, safety and wellbeing of residents and visitors.

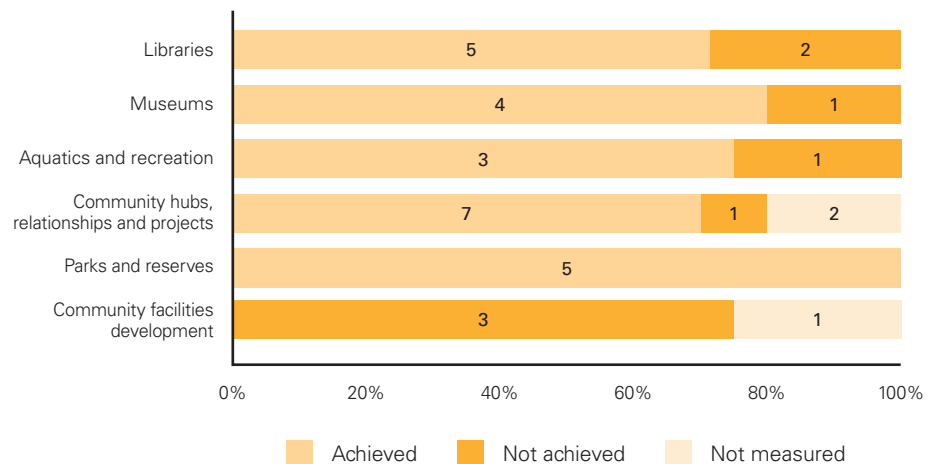
These Leisure and Wellbeing activities contribute to the majority of the community outcomes but are closely linked to: a safe community; healthy people; actively engaged in community activities; and strong and inclusive communities.

LEISURE AND WELLBEING: PERFORMANCE TARGETS SUMMARY



■ Achieved
 ■ Not achieved
 ■ Not measured

LEISURE AND WELLBEING: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



Targets not met include the number of on line visits to libraries, attendance at the Dowse and the completion of the Fraser Park Sportsville complex which was completed in January 2019. The Community Facilities Trust's operating expenditure was over budget due to grants paid to Fraser Park Sportsville for fit-out of RICOH Sports Centre (unbudgeted) and capital expenditure was over budget due to late completion and contract variations at RICOH Sports Centre, resulting in higher than planned costs. Naenae Hub is on hold due to the Naenae pool.



CASE STUDIES

HOMELESSNESS STRATEGY

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

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

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

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

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

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

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



WORKING WITH OUR DISABILITY COMMUNITY

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

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

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

establishment of a Sub Committee of Council made up of people from the disability community was a key outcome for the Plan.

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

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

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

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

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

TE WĀ HEKE (INVENT THE FUTURE) EDUCATION

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

Learning

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

Hutt Science inspires young people to get involved in science and technology earlier. Through Hutt Science schools

are provided with teaching kits, professional development and children's programmes for primary and intermediate school teachers to help engage children in science.

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

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

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

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

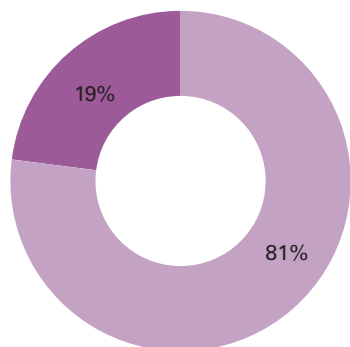


CITY GROWTH

The Urban Growth Strategy is Council’s approach to managing growth and development in Hutt City to 2032. It focuses on how much we want the city to grow, where new homes and businesses will be accommodated, and what will be done to support and encourage this development. Our activities to support the strategy focus on developing the economic wellbeing of the city, including delivering promotion of the city, environmental planning and consents functions.

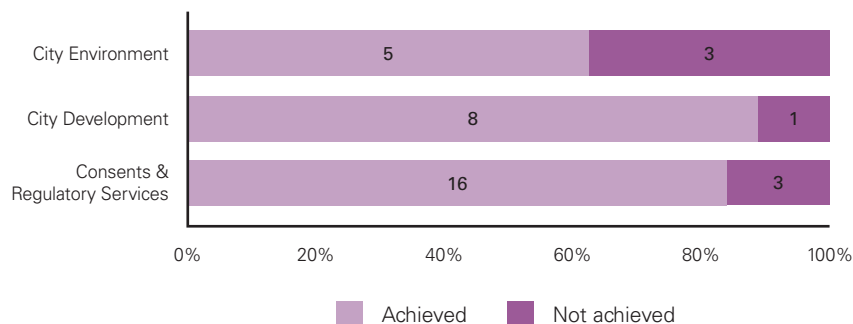
These City Growth activities contribute to the majority of the community outcomes but are closely linked to: a strong and diverse economy; and a healthy and attractive built environment.

CITY GROWTH: PERFORMANCE TARGETS SUMMARY



■ Achieved ■ Not achieved

CITY GROWTH: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



For City Environment, River Link resource consent was not achieved as the timing was delayed to allow NZTA’s process for Melling Interchange to catch up. Construction to start mid 2021 pending consultation and processing of RMA consent application. The target of processing non-notified land use consents within 18 days wasn’t achieved due to complexity and the unprecedented number of consents. There was a 15% increase in non-notified consents issued in 2018/19 compared to the previous year i.e. 352 non-notified land-use resource consents in 2019 compared to 302 in 2018.



CASE STUDIES

CENTRAL CITY TRANSFORMATION PLAN

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

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

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

The CCTP is based on nine principles and related projects:

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

TE WĀ HEKE (INVENT THE FUTURE) BUSINESS

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

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

and mentors, as well as specialist workshops and inspirational speakers.

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

Council also offers targeted tax rebates for science and technology businesses, business advice, international relationship networks and more.

SWEET AS HUTT HOT CHOCOLATE CHALLENGE

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

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

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

"We had record trading days over the weekend"

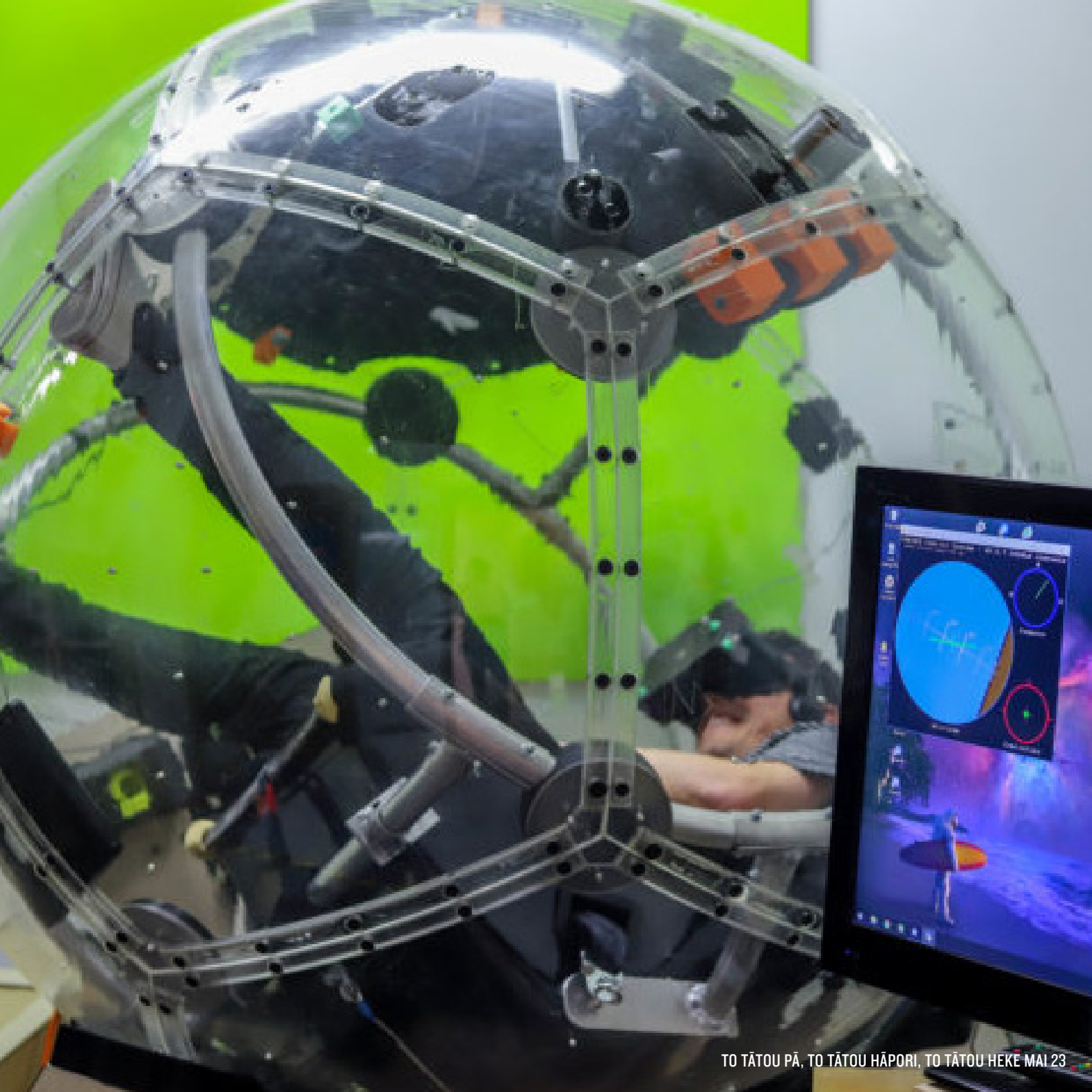
"There were lines out the door"

120 HOT CHOCOLATES **SOLD IN ONE DAY** FOR ONE COMPETITOR – highest ever for them

219 IMAGES POSTED ON **#SWEETASCHALLENGE**

147k POSTVIEWS ON FACEBOOK



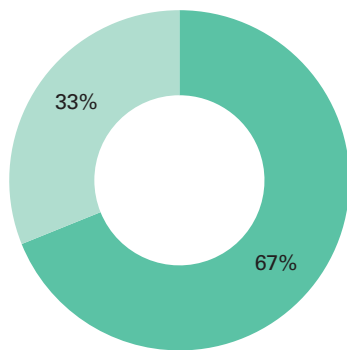


SUSTAINABILITY

The Environmental Sustainability Strategy focuses on opportunities and risks we face in regard to our environment. It addresses potential issues, and provides short-term, mid-term and long-term solutions for change. The strategy guides future decision-making for Council. Our activities to support the strategy focus on developing the environmental wellbeing of the city including environmental education.

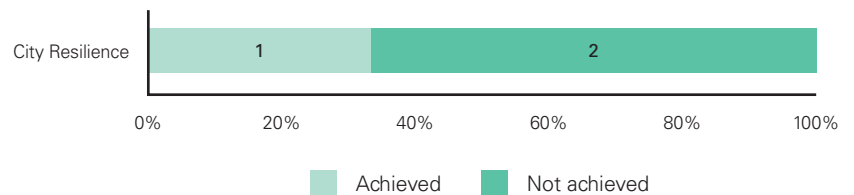
These Sustainability activities contribute to the majority of the community outcomes but are closely linked to: a healthy natural environment; and healthy people.

SUSTAINABILITY: PERFORMANCE TARGETS SUMMARY



Achieved Not achieved

SUSTAINABILITY: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



The target for time to activate the Emergency Operations Centres (EOC) was achieved. 20% of households were prepared for a civil defence emergency (against a target of greater than 30%) and 83% coverage was achieved for Community Response Plans that were developed, maintained, and agreed (against a target of 90% of the geographical area). However, a higher proportion (70%) indicated they had enough emergency food and water provisions at home to last more than three days. This is consistent with guidelines issued by National Civil Defence.

CASE STUDIES

ZERO CARBON

An increase in the concentration of greenhouse gases (GHG) in the atmosphere, as a consequence of human industrial growth and other activities, has caused the global climate to begin to change with the primary effect a significant rise in the global temperature.

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

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

In November 2018, Council agreed to set an organisational target of reducing greenhouse gas emissions to net zero by no later than 2050. We will need to make changes to the way we operate:

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

- having more regard to climate change objectives in its procurement decisions.

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



TE WĀ HEKE (INVENT THE FUTURE) RESILIENCE

EQR Net

We're trialling a new system that will enable us to electronically monitor ground shaking beneath some of our key buildings during an earthquake. It's a world-first seismic monitoring system called EQRNet which has

been developed by Canterbury Seismic Instruments⁷ (CSI). It will provide us with information about how ground motion varies across the city and how council structures perform. We've selected 10 buildings for the 6 month trial and the information will be made available to the public through our website.

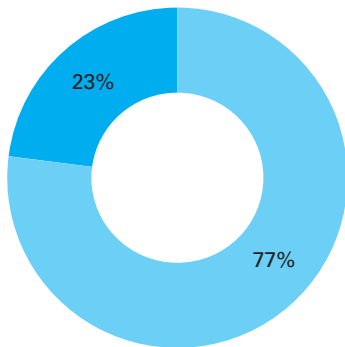
⁷ <http://www.csi.net.nz/index.php/general/csi-eqrnet/>

INFRASTRUCTURE

Our long-term approach is to ensure that infrastructure is built and maintained to perform at a high standard, to ensure we are meeting all our legislative requirements and the needs and the expectations of our community, now and into the future. The Infrastructure Strategy enables and informs asset management planning and ensures decisions are made in the most efficient and effective way possible. Our activities to support the strategy focus on managing the community's infrastructural assets in the form of roading, water supply, wastewater and stormwater networks, and landfill activities.

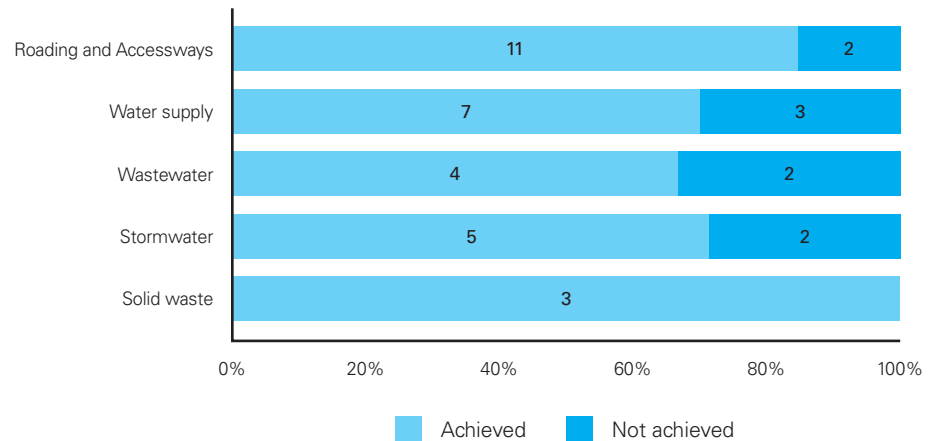
These Infrastructure activities contribute to the majority of the community outcomes but are closely linked to: an accessible and connected city; and healthy people.

INFRASTRUCTURE: PERFORMANCE TARGETS SUMMARY



■ Achieved
 ■ Not achieved

INFRASTRUCTURE: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



The target for time taken to respond to non-urgent call outs to repair a fault or unplanned interruption to the network water reticulation system wasn't met. This was largely due to the large number of issues caused by the November earthquake and storm events still being dealt with. There was an increased number of reported water leaks. There were three confirmed habitable floors affected in Eastbourne during the 7 April flooding event and a storm water catchment study for the Eastbourne catchment will be prioritised with the other projects in the storm water programme.

CASE STUDIES

TE WĀ HEKE (INVENT THE FUTURE) INFRASTRUCTURE

Smart Places

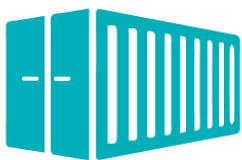
We're exploring what it means to be a smart city – a place that uses technology, data and new approaches that make people's lives better, easier and safer. We're on the lookout for fresh technology and fresh thinking that will make our city an even better place to live, learn, work and play. It could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

Collecting data to improve journeys

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

Community Water Stations

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



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

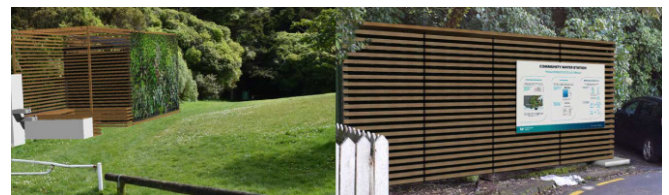
At some sites Wellington Water drilled new wells to source water, and at other sites water is taken from streams.

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

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

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

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

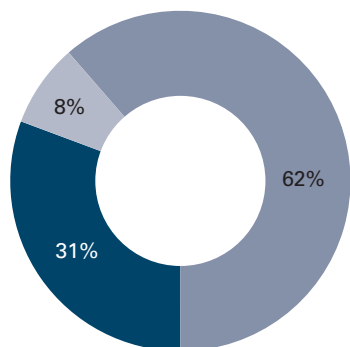


ORGANISATION

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

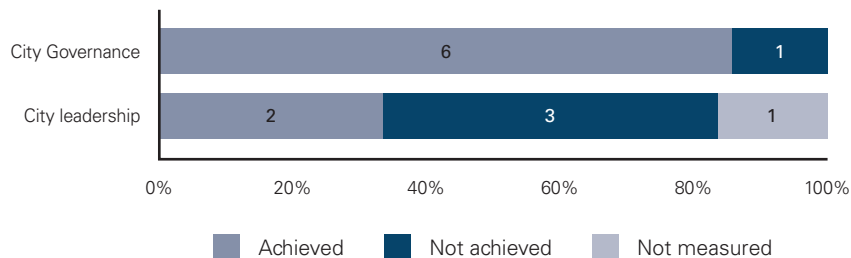
These activities contribute to the majority of the community outcomes but are closely linked to: a well-governed city.

GOVERNANCE, ENGAGEMENT AND ORGANISATION: PERFORMANCE TARGETS SUMMARY



Achieved
 Not achieved
 Not measured

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



The operating unfavourable variance of \$4.3M (calculated as being the net deficit for the year of \$17.9M, adjusted for the loss on revaluation of financial instruments of \$11.5m, compared to the budgeted deficit of \$2.1 M) is mainly due to lower capital subsidies because of delays in Cycleway/Shared Paths projects, plus costs of \$4M budgeted as capital expenditure and transferred to operating expenditure (including Development Stimulus Package). Capital was favourable by \$28.4M due to delays in a number of key projects including \$10.0M for Cycleways/Shared Paths project and \$13.4M for Three Waters projects.



TO TĀTOU PĀ, TO TĀTOU HĀPORI, TO TĀTOU HEKE MAI 29

To the readers of the Hutt City Council's summary of the annual report for the year ended 30 June 2019.

The summary of the annual report was derived from the annual report of the Hutt City Council (the City Council) and group for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 8 to 10, 13 to 16, 20, 24, 26 and 28:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue and expenses, net equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service provision.

OPINION

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

SUMMARY OF THE ANNUAL REPORT

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 9 October 2019.

COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS-43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary annual report, we have reported on the full annual report and performed a limited assurance engagement related to the City Council's debenture trust deed. Other than in our capacity as auditor, we have no relationship with, or interests in the City Council or its subsidiaries and controlled entities.



Andrew Clark
Audit New Zealand

*On behalf of the Auditor-General
Wellington, New Zealand, 7 November 2019*



TO TĀTOU PĀ, TO TĀTOU HĀPORI, TO TĀTOU HEKE MAI 31



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