



ANNUAL REPORT SUMMARY 2017-18

OUR CITY, OUR COMMUNITY, OUR FUTURE



FOREWORD

Council's vision for Lower Hutt is to create a great place to live, work and play. That is, a city people are proud to live in, where working and investing is a smart choice, and where there's always something for families to explore.

It's been a busy year as we work to make this vision a reality. We're making progress in improving the wellbeing of our residents and visitors, through strong financial management and investing in things that make a real difference.

Council's new financial strategy was introduced at the start of the 2017-18 financial year. The strategy has helped council to continue to deliver the lowest rate increases in the Wellington region and to maintain debt at prudent and affordable levels necessary for long-term investment in Lower Hutt.

The services we provide and facilities we invest in support people to live happy and healthy lives. In July 2017 we opened the redeveloped Huia Pool+Fitness centre, which includes a hydrotherapy pool for rehabilitation and a learner's pool. And construction continues on the Ricoh Sports Centre at Fraser Park. It will be a regionally-significant sporting facility catering for a number of codes including rugby, softball, squash, football, hockey and cricket.

Hutt City Council's work to transform the lives of young people in the high deprivation suburb of Taita was recognised at the Local Government New Zealand EXCELLENCE Awards. We aim to create a brighter future for Lower Hutt tamariki who need it most, through access to facilities, resources and activities that matter, for example the TAKA Trust WiFi initiative, which will ensure that all children in Lower Hutt's north east suburbs have free access to digital devices and Wi-Fi in their homes.

In September 2017, the Naenae Bowling Centre was opened at Walter Mildenhall Park. The \$6 million facility boasts three traditional outdoor greens and one covered artificial green, along with café and bar facilities. The centre has hosted

several high-profile events since opening including the international Bowls Premier League, which was broadcast live on Sky Sports.

In October 2017 we opened the Koraunui Stokes Valley Community Hub, which includes a Library, Toy Library, Plunket and several multipurpose spaces available to hire. The hub has had over 240,000 visitors in its first year in operation – a fantastic success. And in November, over 1000 people responded to a community consultation about what they wanted for our next exciting community facility, the Naenae Community Hub.

Driving economic growth and development in the city is crucial to our city's prosperity. This year we saw our population grow, along with an increase in building consent numbers. Our population is ageing and the challenge for Council is to ensure our city is well-equipped to respond to these changing demographics.

From November 2017 to February 2018, Council asked the public about a proposed District Plan change that would allow for a wider range of housing types and medium density housing in the city. This change is designed to provide for growth and to address issues such as housing affordability, particularly for those looking to buy their first property, plus offer practical options to older residents looking to downsize their homes while remaining in the same suburb.

We've also seen good levels of investment in the Lower Hutt CBD. The Riverlink project is generating interest as we look to turn our city centre to face the river, while at the same time protecting homes and businesses from a devastating flood.

We're also investing in the redevelopment of the Civic Precinct, the heart of our city. The Civic Precinct will be a vibrant, artistic, people-friendly space that our residents are proud of and want to spend time in. We're well on our way to doing this with the new Lower Hutt Events Centre, refurbished Town Hall, upgraded Riddiford Garden along with past work to upgrade the Dowse, War Memorial Library and surrounds. In October 2017, Highlight: Carnival of Lights, Council's newest and biggest event, lit up faces all over Riddiford Garden and attracted over 120,000 happy people to our Civic Precinct across four nights.

Our rejuvenation strategy is enhancing the city – making our community a better place to live, work and play. Lower Hutt is in great shape, and we'll be working hard again next year to make our city even better.



Ray Wallace
Mayor of Lower Hutt



Tony Stallinger
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

84% of residents feel **MOSTLY OR VERY SAFE**, an increase from last year

3,000

RANGATAHI ATTENDED X-ROADS, a five day event designed to educate students about the dangerous combination of alcohol, drug, and vehicle use

A STRONG AND DIVERSE ECONOMY

\$8.8M

INCREASE in international visitor spending

395

NEW HOUSING CONSENTS up 85%, the highest in the region

HEALTHY PEOPLE

40+ 

BRAND NEW BIKES WERE PROVIDED TO TWO LOW DECILE SCHOOLS THROUGH THE TAKA TRUST

The TAKA Trust seeks to provide vulnerable tamariki with more opportunities, and give them access to the things that most Kiwi kids take for granted, such as access to sports, technology, cultural events, modern learning and the arts

49

ORGANISATIONS AND THOUSANDS OF INDIVIDUALS are doing their bit to turn the tide to make Lower Hutt a healthier place.

STRONG AND INCLUSIVE COMMUNITIES

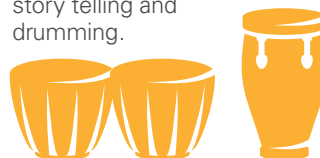


1000+

rangatahi and their whanau **ATTENDED SYMPHONY IN THE HUTT** a free community concert at the Walter Nash Centre



Hutt Valley children, fanau and friends came visited **THE POLY ODYSSEY AND POLYFEST AT THE WALTER NASH CENTRE WHERE THEY WERE IMMERSSED IN PASIFIKA CULTURE** including villages from five Pasifika nations, a full sized Vaka Atafaga, tape art labyrinth, story telling and drumming.



400

RANGATAHI HELPED INTO EMPLOYMENT since 2014 through Youth Inspire programme. Social return of investment \$11.60 for every dollar spent.



A WELL GOVERNED CITY

75% satisfied that Council makes decisions which are in the **BEST INTERESTS OF THE CITY**

94

ORGANISATIONS OR INDIVIDUALS PRESENTED to Councillors as part of the 2018-2028 Long Term Plan

114,300



CALLS AND 21,800 EMAILS answered through our contact centre over the year

ACTIVELY ENGAGED IN COMMUNITY ACTIVITIES



200,000

visitors through **KORAUNUI STOKES VALLEY COMMUNITY HUB** since it opened in October 2017

120,000+

attended the inaugural **HIGHLIGHT: CARNIVAL OF LIGHTS FESTIVAL** over Labour Weekend

A HEALTHY NATURAL ENVIRONMENT



THREE SCHOOLS

IN LOWER HUTT WITH A GREEN-GOLD ENVIROSCHOOL ACHIEVEMENT.

The highest number per local authority in the region.

1,045M² OF PARKS AND RESERVES managed by Hutt City Council for every household



8,235 TONNES OF RECYCLING



AN ACCESSIBLE AND CONNECTED CITY

\$28M

BUDGETED IN OUR THREE CYCLEWAY PROJECTS designed to develop a shared pathway network that is safe, convenient and pleasurable for commuting and recreational purposes

124

Year 5 and 6 children from Rata Street School in Naenae will have free wifi access in their homes through the **TAKA TRUST WIFI PROJECT**

A HEALTHY AND ATTRACTIVE BUILT ENVIRONMENT

85% satisfied with the **OVERALL LOOK AND FEEL** of the city

FOR 30 YEARS

we have been searching for a meaningful way to connect our central city with our river. With your support we are **INVESTING \$51 MILLION THROUGH THE RIVERLINK PROJECT** to deliver this connection



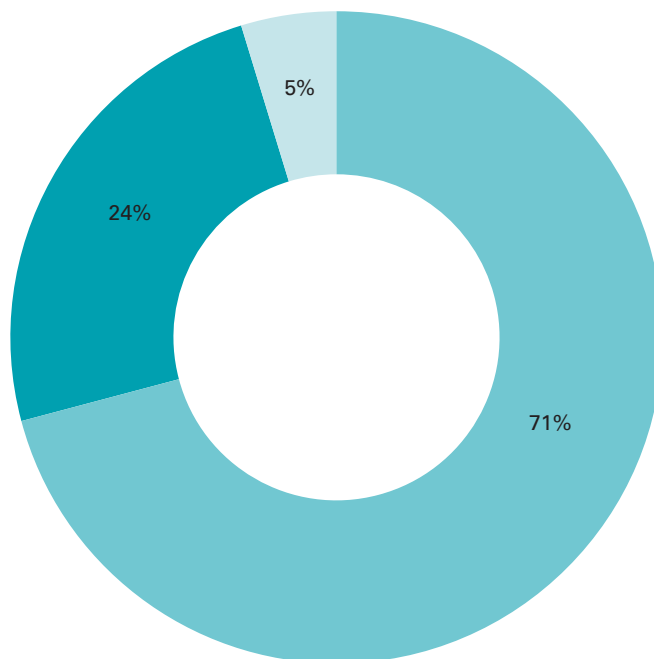
OUR YEAR IN REVIEW: PERFORMANCE

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. To answer these questions we changed our research approach and provider in 2016-17 (there is more on this in the full report). While we believe the change has delivered the answers we need to build on the service we already offer, it has meant the 2016-17 and 2017-18 results are not directly comparable to previous years' results or the target that was set prior to the change in research approach. This has resulted in us not achieving some of the targets sourced from customer research. We know the difference in results is likely to be due to the change in research approach, rather than an actual change in performance, due to parallel testing completed in 2015-16.

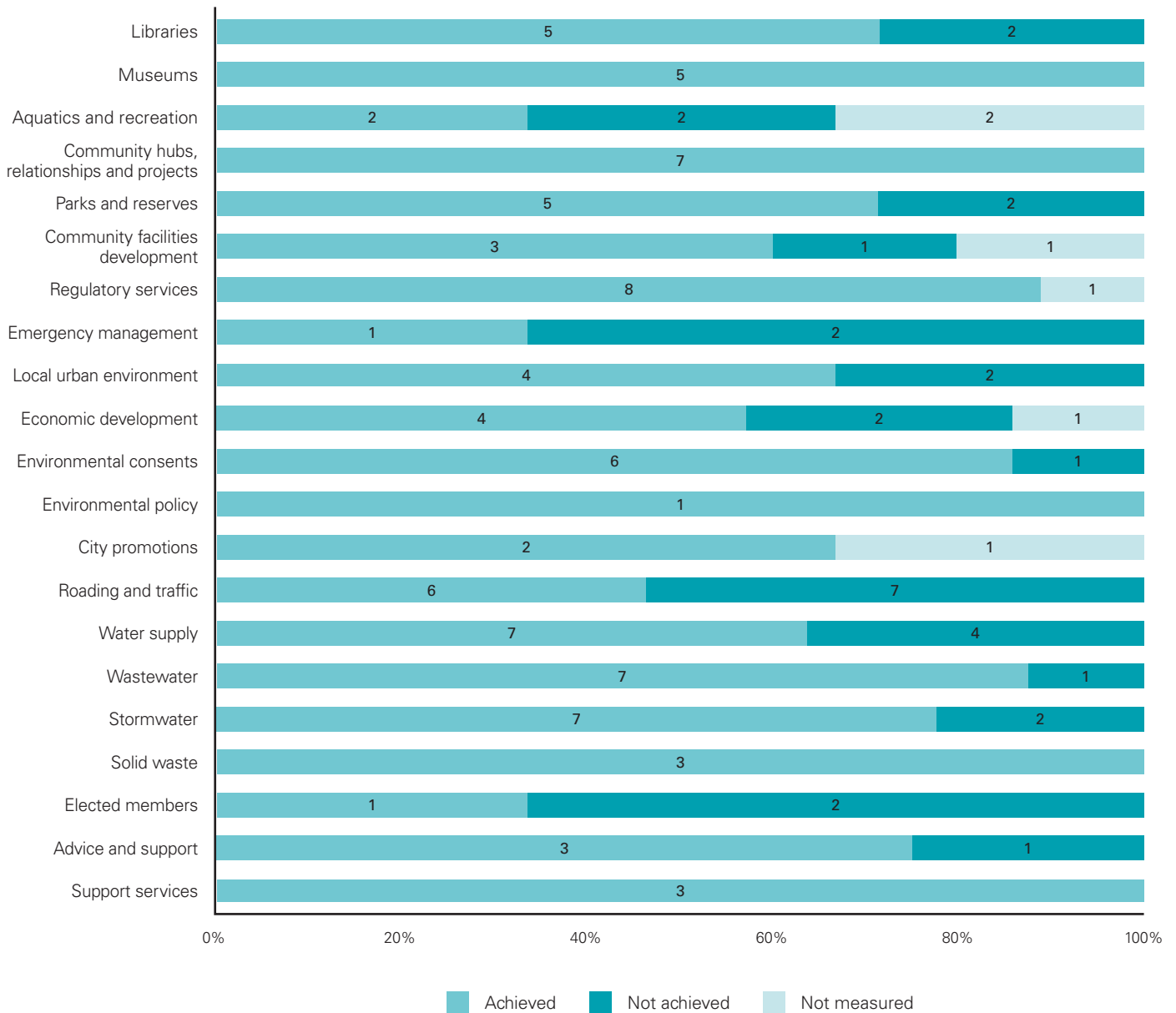


OVERALL PERFORMANCE TARGETS



■ Achieved ■ Not achieved ■ Not measured

OVERALL KEY PERFORMANCE TARGETS BY ACTIVITY AREA



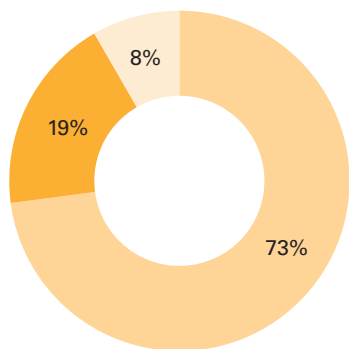
A change in research approach after performance targets were set has resulted in some measures not being achieved despite a high level of performance. For more information please see "Customer Research" on page 8

LEISURE AND WELLBEING

The Leisure and Wellbeing Strategy is a long-term approach to improving the cultural, physical and educational wellbeing of residents. It aims to deliver the best core local government public services in New Zealand in the areas of libraries, museums, physical recreation and community safety and connections. Building skills from a young age has been highlighted as a priority and will be fundamental to achieving this Strategy's goals.

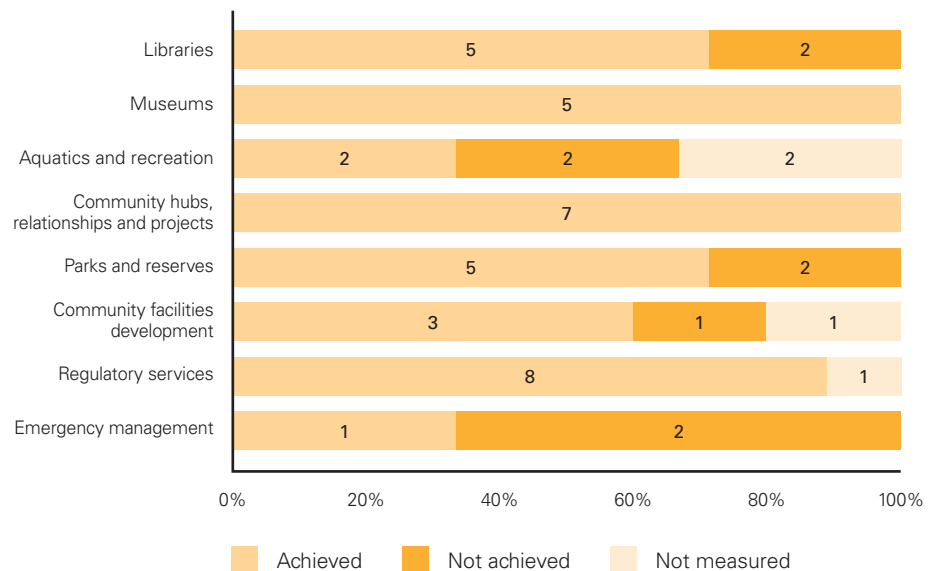
The Leisure and Wellbeing activities contribute to the majority of the community outcomes but are closely linked to: a safe community; healthy people; actively engaged in community activities and strong inclusive communities.

LEISURE AND WELLBEING: PERFORMANCE TARGETS SUMMARY



■ Achieved
 ■ Not achieved
 ■ Not measured

LEISURE AND WELLBEING: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



A number of measures are sourced from our resident satisfaction survey. Due to a change in research approach after performance targets were set some measures have not been met despite a high level of performance. For more information please see "Customer Research" on page 8.

Emergency management – In 2016-17 a new question was asked concerning the proportion of households prepared for an emergency, this along with a regional change in definition of "being prepared" has resulted in a target not being achieved.



HEALTHY PEOPLE TURNING THE TIDE

Turning the Tide is a social movement to make the Hutt a healthier place to live, learn, work and play through inspiring individuals to work together to turn the tide on our collective health. It recognises that every person has the ability to take action for a healthier city and acknowledges each action no matter how small or big. Turning the Tide is supported by Healthy Families Lower Hutt, a dedicated prevention workforce that works with local leaders, groups and organisations including Hutt City Council (lead provider), Hutt Valley District Health Board, Te Awakairangi Health Network, Sport Wellington, Ministry of Education, Ministry of Health, local schools, Maori and Pasifika communities, and local businesses.

At the end of June 2018, 49 organisations have formally joined the Turning the Tide movement with many of those organisations having a reach of thousands. In Naenae alone, ten organisations have joined Turning the Tide with a focus on promoting water as the choice of drink. These ten organisations have a reach of

approximately 5,000 members or students in addition to the over 620,000 visits to the Council pool and library each year.

One of these organisations is Wellington Rugby League who is leading the way in making their junior sporting fixtures family friendly. They “Go the H2O” and have water only side lines. Their junior players are rewarded with Player of the Day certificates with free pool passes to Council owned pools in Lower Hutt, Upper Hutt, Porirua and Wellington.

They strongly promote the national “Be a Sport” initiative which aims at encouraging supporters to get behind their players and match officials in a positive way. Each team takes responsibility for their own supporters’ behaviour with key messages displayed on large sandwich boards on the grounds. Having alcohol free and smokefree sidelines and water only fixtures is a core part of Wellington Rugby League’s kaupapa.

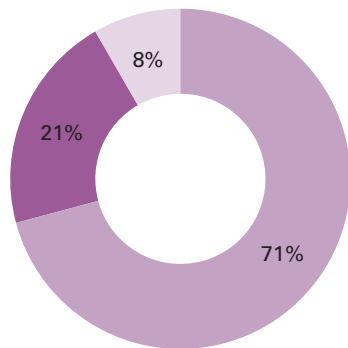
GROWTH, DEVELOPMENT AND SUSTAINABILITY

The Urban Growth Strategy 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. We are working on increasing the number of houses built, providing more employment opportunities through improved economic conditions and increasing our population.

Our 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, including working in partnership with the community and local businesses to use resources efficiently and to minimise pollution. The strategy recognises our dependence on the environment is fundamental to many aspects of our lives, and proper care is essential if the city and our communities are to prosper. The strategy guides future decision-making for Council.

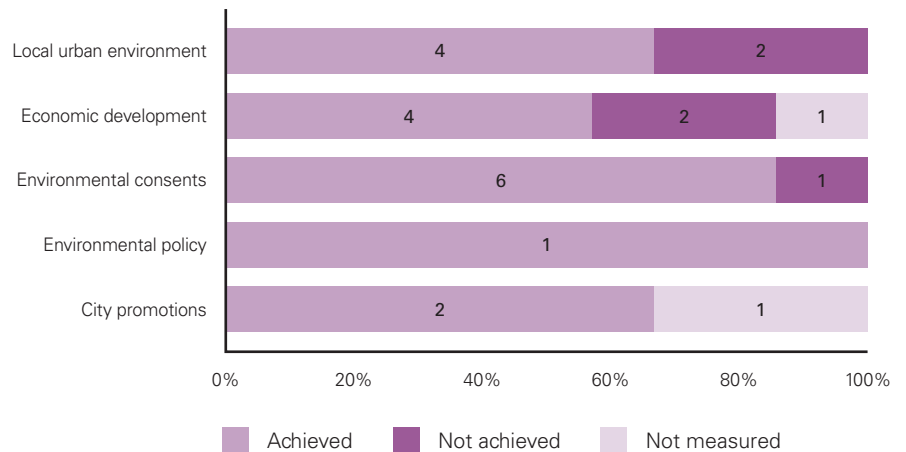
Both the Urban Growth Strategy and Environmental Sustainability Strategy contribute to the majority of the community outcomes. The Urban Growth Strategy is closely linked to: a strong and diverse economy; and a healthy and attractive built environment. The Environmental Sustainability Strategy is closely linked to a healthy natural environment and healthy people.

GROWTH, DEVELOPMENT AND SUSTAINABILITY: PERFORMANCE TARGETS SUMMARY



Achieved
 Not achieved
 Not measured

GROWTH, DEVELOPMENT AND SUSTAINABILITY: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



A number of measures are sourced from our resident satisfaction survey. Due to a change in research approach after performance targets were set some measures have not been met despite a high level of performance. For more information please see "Customer Research" on page 8.



FESTIVAL CONTRIBUTES TO A STRONG AND DIVERSE ECONOMY

Over 120,000 gathered in Lower Hutt over Labour Weekend last year to experience a wonderland of brilliant light installations and live performances for the city's first HighLight Carnival of Lights Festival. Visitors to the four day festival were treated to a dazzling array of light displays, live entertainment, activities, interactive features and pyrotechnics including UV hand marbling, emoji glow tunnel, illuminated maze, aerial performer within a giant suspended lightbulb, imagination alley and finishing with a fire and light show every night.

Local groups and businesses got involved offering sponsorship, displays and extended opening hours and deals to the many festival goers and visitors to our city.

A post event survey indicated that over a third of festival goers (nearly 43,000) lived outside the city and visited for the event. That's more than initial projection for the total number of attendees for the entire festival!

Community support for HighLight exceeded all expectations.

The event was such a success it was recognised as one of the region's best events last year being nominated as a finalist for the Wellington Gold Awards alongside All Whites vs Peru, Asia-Pacific Amateur Golf Championship, Beervana, CupaDupa, and Visa Wellington On A Plate.

Planning is well underway for the second HighLight Festival this year.



LEARNING MORE ABOUT OUR NATURAL ENVIRONMENT

On 6 November 2017, Koraunui School in Stokes Valley hosted a Bioblitz, an action packed event where the name of the game is to discover and count as many different species during the course of one day and night. The Bioblitz was the brain child of science teacher Dianne Christenson, the first primary school teacher to win the Prime Minister's Science Teacher Prize.

The event attracted 80 scientists and specialist who joined forces with students from eight schools to peer into nooks and crannies, under rocks and through leaves searching for life. During the 24 hours 241 observations

of 91 different species were recorded into the iNaturalist phone app (formerly Nature Watch). Using the app allowed scientists across the country and the world to assist with identifying any trickier species.

Local residents also took part by dropping into the Koraunui Stokes Valley Community Hub to learn about introduced pests, and native snails, insects and lizards.

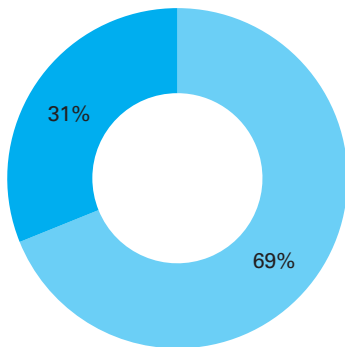
The event was a fun way to engage and connect students and the public to the environment they live in and the risks threatening it.

INFRASTRUCTURE

Infrastructure underpins the quality of life we value and includes essential services often taken for granted such as water, sewerage, stormwater, flood protection, roads and footpaths. The infrastructure strategy provides an integrated, long-term assessment of the city's key infrastructural assets. Our vision is that our infrastructure is resilient, fit for purpose, affordable and meets the needs of today without comprising the needs of tomorrow.

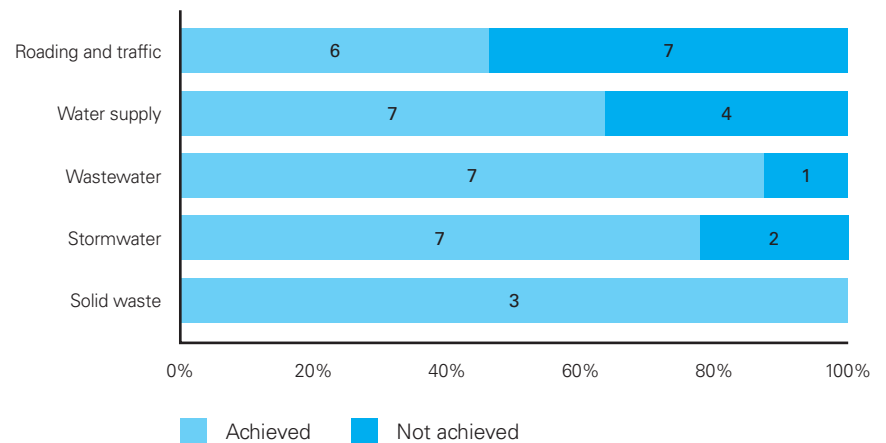
The Infrastructure Strategy contributes to the majority of the community outcomes but is closely linked to an accessible and connected city.

INFRASTRUCTURE: PERFORMANCE TARGETS SUMMARY



■ Achieved
 ■ Not achieved

INFRASTRUCTURE: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



A number of measures are sourced from our resident satisfaction survey. Due to a change in research approach after performance targets were set some measures have not been met despite a high level of performance. For more information please see "Customer Research" on page 8. Roading and traffic measures not achieved fell just below target with the exception of "accident trend", that followed national trends. Water quality and reliability remains at a high standard in Lower Hutt. Water supply measures not achieved include measures sourced from our survey, response time for non-urgent call outs, water consumption and water loss. Nearly all wastewater and stormwater measures were achieved. Exceptions were two faults causing dry weather wastewater overflow events (since fixed) and one flooding event. Remedial work has been completed and a long term solution prioritised.



CREATING AN ACCESSIBLE AND CONNECTED CITY

Many areas of our integrated strategy touch on changing the way our city moves – that’s both the people and the various vehicles that transport us.

It goes way beyond getting from A to B. Transport affects our ability to be physically active as part of our daily routine, the quality of the air we breathe, our safety as we move round the city and how easily we can access the people, places and services we need. All of these are vitally important to quality of life.

Our Urban Growth Strategy emphasises development through intensification, which will reduce journey distances. This makes promoting active transportation a key priority for Council. It will require a paradigm shift in the way we resource our transport network and the way we all think about how we move around the city.

We have invested \$28 million in our three cycle ways projects designed to develop a shared pathway network that is safe, easy, convenient, attractive and pleasurable, both for leisure and as transport to workplaces, schools and other key destinations.

Work on the much anticipated \$11.1 million Wainuiomata Shared Pathway began on 24 November with the official sod turning. Once completed there will be a 4m wide off-road sealed and separated pathway over the Wainuiomata Hill Road providing a safe accessway for pedestrians and cyclists. The pathway will boost existing mountain bike trails and walkways as well as improving the connection between the wider Hutt Valley and Wainuiomata making active transport safer for all residents.

Other significant Cycleway and Shared Path projects include:

- Eastern Bays part of the Great Harbour Way/Te Aranui o Poneke providing a shared path from Point Howard to northern Days Bay and Windy Point to Eastbourne
- The Beltway will provide a safe commuting and recreational route from Seaview to Taita, linking to the Hutt River trail and the public transport network.

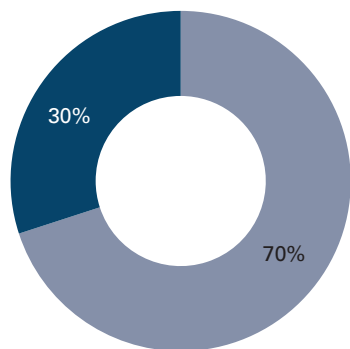
Future work will include extending the southern section of Beltway and the connections between cycleways and key destinations.

ORGANISATION

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

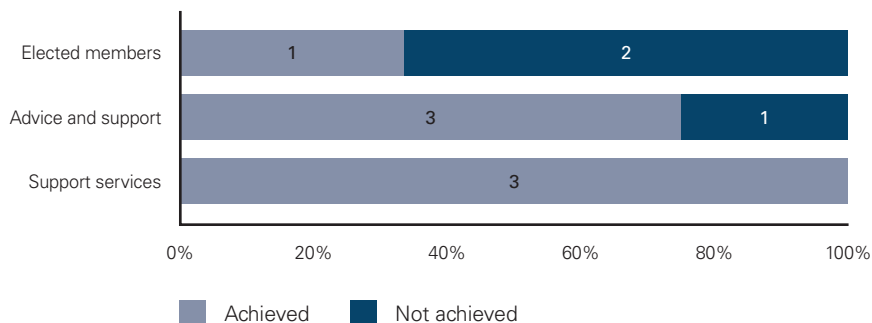
These activities contribute to the majority of the community outcomes but are closely linked to a well governed city.

ORGANISATION: PERFORMANCE TARGETS SUMMARY



■ Achieved ■ Not achieved

ORGANISATION: KEY PERFORMANCE TARGETS BY ACTIVITY AREA



A number of measures are sourced from our resident satisfaction survey. Due to a change in research approach after performance targets were set some measures have not been met despite a high level of performance. For more information please see "Customer Research" on page 8.

ENGAGING COMMUNITIES

For the 2018-2028 Long Term Plan, Council decided to do things a little differently. Council wanted to reach out to those typically under represented in civic decision making processes, particularly youth, ethnic minorities and those living with a disability, and to drive up online participation given the social and environmental benefits. This needed to be done without compromising the valued voices of the community who were already actively engaged and preferred traditional methods of consultation.

This commitment resulted in a change to not only the consultation approach but also the language, tone and imagery used throughout the documents. The tone used throughout the Consultation Document was deliberately informal and conversational to make it more accessible for the community. The title “Our City, Our Community, Our Future” was selected to promote the notion of communities coming together as one city for a brighter shared future. The imagery was reflective of the diversity within Lower Hutt and included pictures of people of all ages, ethnicities and those living with a disability. English and Te Reo were braided together throughout the Consultation Document and the engagement approach, reflecting the significant presence of Māori in our community.

There was extensive advertising during the campaign, however by far the most popular and successful part of the campaign was a fun promotional video developed by our Youth Council and students from the Naenae Computer Clubhouse (a creative technology hub for 10-18 year olds) to engage youth. The video had young people from the clubhouse switch places with Councillors and the Mayor to highlight the message that we are all one community together and the importance of the Long Term Plan. The video received close to 13,000 views on Facebook making it the most popular video on our facebook page other than the cover video and resulted in 266 clicks through to the Long Term Plan website.

The Consultation Document was made available primarily on the Council website. Given the focus on online participation, hard copies of the Consultation Document were made available by request rather than being distributed to every household, with copies also available at all Council facilities and public information events. Special consideration was given to those who may not have internet or computer access, with a computer and wifi made available at Council facilities so submitters could have their say online. Front line staff, identifiable in Long Term Plan branded t-shirts, were briefed to assist public with their submissions.

Overall the campaign was successful. Over half of submissions received were completed online compared to 18% last year. Among those who provided demographic information, submitters were younger and more ethnically diverse than previous years. Half of our submitters took up the opportunity to present to the Mayor and Councillors. We received positive feedback from the public and other stakeholders including our local Member of Parliament and SOLGM (Society of Local Government Managers).



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. Further financial details for the year ending 30 June 2018 can be found in the full 2017-18 Annual Report.

FOR THE 2017-18 FINANCIAL YEAR OUR:

REVENUE
WAS **\$160.9M**

OPERATING
SPEND WAS
\$169.2M

NET SURPLUS
(AFTER ASSET
REVALUATION)
\$58.6M

HUTT CITY COUNCIL IS AN
ENTITY WORTH

\$1.3BN

NET DEBT
WAS
\$156.4M

TOTAL CAPITAL
SPEND WAS
\$66.2M

WE MAINTAINED OUR
STANDARD & POOR'S
AA CREDIT RATING
AND WE ACHIEVED AN
AVERAGE COST OF
BORROWINGS OF

3.9%

FINANCIAL PERFORMANCE

Council closed the year \$10.3 million unfavourable to budget. This was mainly due to subsidies being \$4.2 million less than planned from project delays, a non-cash and temporary valuation loss of \$2.9 million on Council's interest rate swaps and a non-cash budget error of \$1.9 million on depreciation.

Council revalues its infrastructure and community assets every three years and the December 2017 revaluation resulted in an asset increase of \$69.8 million.

CAPITAL SPENDING

We budgeted to spend \$88.2 million on capital projects in 2017-18. Due to project delays, Council spent \$66.2 million with \$20 million worth of projects now moved to 2018-19 as part of Council's 2018-2028 Long Term Plan.

FINANCIAL POSITION

As at 30 June 2018, Council had total assets of \$1.6 billion. Of this, infrastructure (water, stormwater, wastewater, roading), parks, open spaces and community facilities accounts for \$1.5 billion with the remainder being financial investments in council controlled entities and term deposits.

Council's liabilities were \$243 million at year end with 80% of this being medium to long-term borrowings with the remainder being money owed to suppliers and temporary interest rate swap valuations. The difference between total assets and total liabilities represents ratepayers' equity in the Council of \$1.3 billion.

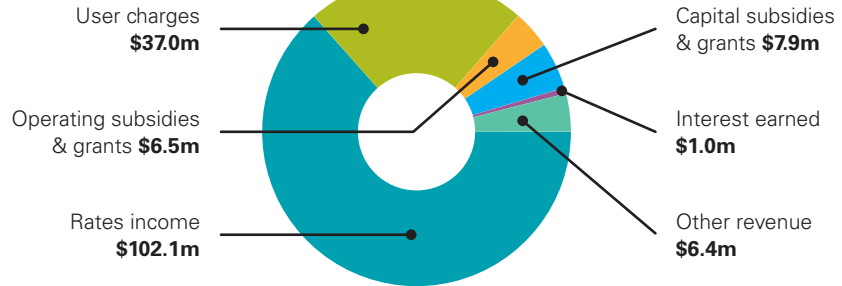
CASH AND DEBT MANAGEMENT

Council ended the year with net debt (total borrowings less cash and cash investments) of \$156.4 million. This was less than planned, reflecting lower spend on capital projects off-set by \$20 million of debt pre-funding for debt maturing in 2018-19.

OUR INCOME WAS \$160.9M

WHERE DID THIS MONEY COME FROM?

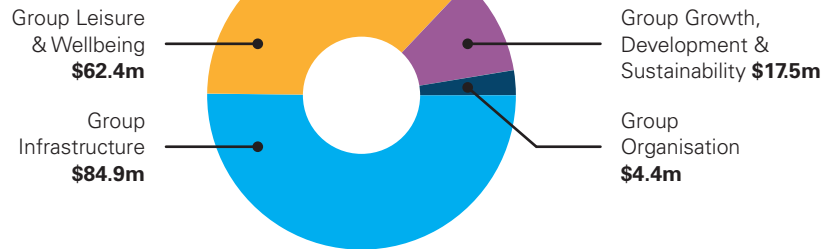
2018 ACTUAL INCOME (\$M)



OUR OPERATING SPEND WAS \$169.2M

HOW WAS THIS MONEY SPENT?

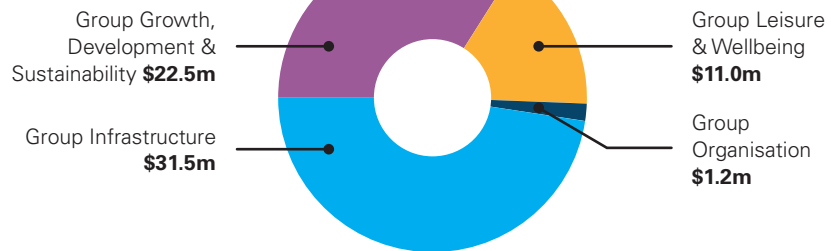
2018 ACTUAL EXPENDITURE (\$M)



OUR CAPITAL SPEND WAS \$66.2M

HOW WAS THIS MONEY SPENT?

2018 CAPITAL EXPENDITURE (\$M)



FINANCIAL PRUDENCE

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

These benchmarks and Council's performance against them are set out in the Disclosure Statement in the full 2017-18 Annual Report. Please note that the debt control benchmark calculates net debt using a different methodology.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2018

	COUNCIL			GROUP	
	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Total revenue	160,884	162,127	157,950	175,549	163,332
Finance costs	(7,039)	(7,193)	(6,145)	(7,039)	(6,145)
Loss on revaluation of financial instruments	(2,875)	-	-	(2,875)	-
Operating expenditure excluding finance costs and loss on revaluation of financial instruments	(162,173)	(158,387)	(150,831)	(165,879)	(150,129)
Share of associate's surplus/(deficit)	-	-	-	(6)	(52)
Surplus / (deficit) before tax	(11,203)	(3,453)	974	(250)	7,006
Income Tax expense	-	-	-	(247)	-
Surplus / (deficit) after tax	(11,203)	(3,453)	974	(3)	7,006
Gain/(losses) on property revaluations	69,781	72,313	-	74,801	6,054
Deferred tax on revaluation	-	-	-	(310)	-
Total other comprehensive revenue and expenses	69,781	72,313	-	74,491	6,054
Total comprehensive revenue and expenses attributable to Hutt City Council	58,578	68,860	974	74,488	13,060

BALANCED BUDGET

The Council budgeted to achieve a deficit of \$3.5 million for the year. Capital works payments made to the Community Facilities Trust (CFT), a Council Controlled Organisation, are required to be treated as operating expenditure for accounting purposes. If the capital works were to be completed directly by Council, these payments would be treated as capital expenditure and a balanced budget would be achieved. Although this treatment creates an operating deficit, the financial implications are no different (i.e. the capital payments increase the debt but have no impact on rates). A total of \$8.4 million was paid by Council to CFT during the year for capital works. As already noted Council closed the year \$10.3 million unfavourable to budget. This was mainly due to project delays, temporary valuations on Council's treasury management instruments (interest rate swaps) and a non-cash budget error on depreciation.

NET EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	COUNCIL			GROUP	
	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Equity at the beginning of the year	1,253,892	1,247,404	1,252,918	1,292,387	1,279,327
Total comprehensive income	58,578	68,860	974	74,488	13,060
Equity at the end of the year	1,312,470	1,316,264	1,253,892	1,366,875	1,292,387

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	COUNCIL			GROUP	
	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current assets	43,850	23,954	43,887	52,761	42,433
Non-current assets	1,511,800	1,519,644	1,404,159	1,558,862	1,445,984
Total assets	1,555,650	1,543,598	1,448,046	1,611,623	1,488,417
Current liabilities	63,815	46,617	51,361	65,320	53,237
Non-current liabilities	179,365	180,717	142,793	179,428	142,793
Total liabilities	243,180	227,334	194,154	244,748	196,030
Net assets	1,312,470	1,316,264	1,253,892	1,366,875	1,292,387
Total equity	1,312,470	1,316,264	1,253,892	1,366,875	1,292,387

Due to project delays, Council spent \$20 million less on capital works than planned for the year. This spend has been included in the 2018-19 budget and programme of works. As at 30 June 2018, both assets and liabilities exceeded budget. This is mainly due to Council pre-funding \$20 million of existing debt maturing in 2018-19. All debt pre-funding is held on term deposit until actual debt matures.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	COUNCIL			GROUP	
	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Net cash flow from operating activities	26,681	30,529	31,714	30,208	35,617
Net cash flow from investing activities	(76,732)	(68,716)	(55,983)	(75,012)	(58,861)
Net cash flow from financing activities	42,202	38,187	27,920	42,202	27,920
Net cash flow for the year	(7,849)	-	3,651	(2,602)	4,676

Council's cash on hand as at 30 June 2018 was \$871,000.

Net cash flow from operating activities was \$3.8 million less than budget, mainly due to project delays resulting in less subsidies than planned.

Net cash flow from investing activities was \$8.1 million higher than budget, mainly due to Council's 2018-19 debt pre-funding (unbudgeted) being placed on term deposit.

Net cash flow from finance activities was \$4.0 million higher than budget, mainly due to Council's 2018-19 debt pre-funding (unbudgeted).

GROUP HIGHLIGHTS

FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$M	2017 \$M	2016 \$M	2015 \$M	2014 \$M
Net Surplus	(0.0)	7.0	(10.5)	3.7	1.4
Total assets	1,611.6	1,488.4	1,450.4	1,425.7	1,346.6
Total liabilities	244.7	196.0	171.0	137.5	118.7
Total equity	1,366.9	1,292.4	1,279.3	1,288.2	1,245.9

NOTES

1. 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.
2. The summary financial report has been presented in New Zealand dollars.
3. 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 17 October 2018 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 2018.
4. 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.
5. This summary financial report has been prepared in accordance with PBE FRS-43.
6. This summary Annual Report was authorised by the Chief Executive Officer of the Hutt City Council on 7 November 2018.

INDEPENDENT AUDITOR'S REPORT

To the readers of the Hutt City Council's summary of the annual report for the year ended 30 June 2018.

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 2018.

The summary of the annual report comprises the following summary statements on pages 8 to 22:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive revenue and expenses, net equity and statement of cash flows for the year ended 30 June 2018;
- 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 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 2018 in our auditor's report dated 17 October 2018.

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, we have audited the City Council's 2018-28 long term plan, and performed a limited assurance engagement related to the City Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries.



Andrew Clark

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand, 7 November 2018



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