


2022–23



# Pūrongo ā-Tau Annual Report





The lines woven throughout this document are inspired by the topographic lines of two significant areas around Te Awa Kairangi ki Tai Lower Hutt: Pukeatua, the high ridge between Waiwhetū and Wainuiomata and Pukeariki, the highest point in Wellington's Belmont Regional Park (Belmont Trig). The movement of the lines references the form of the land, the coastline's shape, the tides' movement, and the river's flow and symbolises the energy and diversity of the different cultures, communities and people living and working together in Te Awa Kairangi ki Tai Lower Hutt.

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# He mihi

Ko Te Awa Kairangi he pou herenga iwi, he pou herenga waka.

Here mai ko te kei o tō waka ki te tumu herenga waka o ngā pae mounga kua whakatūtūria nei e te hikuroa o Ngake Mai i Tararua ki Remutaka ki Pūrehurehu, ki Pōkai Mangumangu, ki Pareraho, ki Tirohanga, ki Tukutuku, ki Puke Tirotiro, ki Pukeariki, e whakamarumarutia nei Te Tatau o Te Pō a Ngāti Te Whiti, a Ngāti Tāwhirikura, ki Pukeatua, te tuahu tapu o Te Kāhui Mounga i te wā i a Māui ki te whakapuare i te wahanui o Te Ika Whakarau a Kutikuti Pekapeka.

I ahu mai i Te Wai Mānga, i a Rua Tupua, i a Rua Tawhito, Ko Ngake, ko Whātaimai. Ka timu ngā tai o Te Wai Mānga, ka parzi mai ko Te Whanganui a Tara e pōkarekare mai ana.

Ka tū a Pukeatua ki runga i ngā wai e kato ana, i a Awamutu, i a Waiwhetū, kei reira a Arohanui ki te Tangata a Ngāti Puketapu, a Te Matehou, a Ngāti Hāmua e tū ana, tae noa atu rā ki ngā wai tuku kiri o te pūaha o te awa o Te Awa Kairangi.

Koia hoki te puna i heke mai ai he tangata. E kore e mimiti tēnei puna, ka koropupū, ka koropupū. Ko Te Awa Kairangi e rere iho mai ana i hōna pūtakenga i Pukemoumou i te paemounga o Tararua ki runga i hēnei whenua, ki runga i tēnei kāinga, hei āhuru mōwai ngā iwi.

Te Awa Kairangi is a rallying point for the many people and the many tribal affiliations that have made it their home.

Bind yourself to the many mountains of this place that were born from the lashing tail of Ngake. From Tararua to Remutaka, to Pūrehurehu, to Pōkai Mangumangu, to Pareraho, to Tirohanga, to Tukutuku, to Puke Tirotiro, to Pukeariki, to Te Korokoro o Te Mana which stands atop Te Tatau o Te Pō of Ngāti Te Whiti and Ngāti Tāwhirikura, to Pukeatua, the sacred altar of the Mountain Clan in the time of Māui.

It was here that the two ancient tūpuna, Ngake and Whātaimai, were summoned from the depths of the fresh water lake, tasked with prising open the mouth of the great fish.

It is Pukeatua that stands above the waters of Awamutu and Waiwhetū, the home of Arohanui ki te Tangata of Ngāti Puketapu, Te Matehou, and Ngāti Hāmua, flowing out to the life giving waters at the mouth of Te Awa Kairangi.

This is the spring that gives life to the people. This spring which will never be diminished, it will continue to flow, it will continue to flourish. Te Awa Kairangi that flows down from its source at Pukemoumou in the Tararua ranges and over these lands as a sheltering haven for the people.

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# Ngā hua o roto

## Contents

### Nā Te Koromatua

From our Mayor 4

### Nā Te Tumu Whakarae

From our Chief Executive 5



## Tirohanga whānui

### Overview

6

#### Aratohu pānui pūrongo

How to read this report 7

#### Tō tātou tāone

Our city 8

#### Ko wai mātou? He aha hā mātou mahi?

Who we are and what we do 10

#### Hō mātou whakaarotau

Our priorities 11

#### Ngā mahi o te tau

Our year in review 12

#### Key highlights

##### Whakangao i ngā poupu hāpori

Investing in infrastructure 14

##### Hei āhuru mōwai mō te katoa

Increasing our housing supply 16

##### Tiaki taiao

Caring for and protecting our environment 18

##### Taunaki ōhanga auaha, tāone whakapoapoa

Supporting an innovative, agile economy  
and attractive city 20

##### Tūhono hāpori

Connecting communities 22

##### Whakauka ahumoni

Financial sustainability 26

##### Ki hea tohaina ai hāku rēti?

Where will my rates be spent? 32

## Tātaritanga

### Our performance

34

#### Ngā whakatau me ngā whakapae o te kaweraatonga

Service performance judgements  
and assumptions 35

#### Whakarāpopoto tātaritanga

Our performance at a glance 38

#### Oranga taiao

Environmental wellbeing 41

##### Ngā puna wai

Water supply 42

##### Waiparu

Wastewater 48

##### Waiāwhā

Stormwater 52

##### Para

Solid waste 56

##### Whakauka me te Manawaroa

Sustainability and resilience 60

##### Ngā Ratonga Waeture

Regulatory services 64

#### Oranga ōhanga

Economic wellbeing 68

##### Ngā waka

Transport 69

##### Whanake tāone

City development 75



<b>Oranga hapori, oranga ahurea</b> Social and cultural wellbeing	78
<b>Hō mātou rangapū hapori me te mahi ngātahi</b> Community partnering and support	79
<b>Papa rēhia me ngā whenua tāpui</b> Open spaces, parks and reserves	83
<b>Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia</b> Connectivity, creativity, learning and recreation	88
<b>Kāwanatanga, ko te rautaki me ngā kīwei o te kete</b> Governance, strategy, and partnerships	93
<b>Ratonga rangatōpū</b> Corporate services	96
<b>Ngā ringaringa me ngā waewae o te kaunihera</b> Council-Controlled Organisations and Associates	100

## Hō mātou pūtea Our finances 121

<b>Tauākī Tūtohu</b> Statement of compliance	122
<b>Pūrongo Kaitātari Kaute</b> Independent Auditor's report	123
<b>Tauākī pūtea</b> Financial statements	127
<b>Āpitihanga tauākī pūtea</b> Notes to the financial statements	135
<b>Paerewa matawhāiti</b> Prudence benchmarks	200
<b>Tauākī pāpātanga tahua</b> Funding impact statements	204

## Āpitihanga Appendices 219

<b>Āpitihanga 1: Kuputaka</b> Appendix 1: Glossary	220
<b>Āpitihanga 2: Tō koutou Koromatua me ngā Kaikaunihera</b> Appendix 2: Your Mayor and Councillors	222
<b>Āpitihanga 3: Whakapā mai</b> Appendix 3: Contact details	223

# Nā Te Koromatua

## From our Mayor



Kia ora, over the past year, we've continued to invest in core infrastructure, delivering on our promise to get the basics right. We've responded to significant challenges with our water services network and have pushed forward with crucial investments that deliver against our priorities from our bold and ambitious 10-Year Plan.

We know the challenges we face in our city. We're experiencing the reality of ageing infrastructure, historic underinvestment and record urban growth, all while our community continues to adapt to the current economic situation and the impacts of our changing climate. As we've continued our capital investment programme, we've prioritised projects with partner funding to reduce the burden on our ratepayers.

We renewed 14.5km of pipes over the last financial year, a significant jump from averaging 4km in 2021-22 and 2021-22. This includes replacing and renewing the wastewater pipe from Barber Grove to Seaview – an old sewer pipe that has 90% of the Hutt Valley's waste flowing through it. We know there's more to do but I'm pleased with the progress we are making.

Resilience has been a major focus for us over the past year. Construction on Tupua Horo Nuku began, with the seawall and cycleway providing a greater level of protection from the ocean and extreme weather events for infrastructure under the road. We secured government funding for this project, in combination with contributions from Waka Kotahi and Hutt City Council.

We reached an important milestone in the RiverLink project, appointing AECOM-Fletcher as the preferred partner to deliver the programme and laying the foundations to start construction in the next financial year. The project was gifted a new name – Te Wai Takamori o Te Awa Kairangi – The Soothing Waters of Te Awa Kairangi. It will protect us from a 1 in 440-year flood and further revitalise our city centre, improving public transport and addressing congestion.

Co-funded by central government, Naenae Pool and Fitness Centre continues to progress well. When completed next year, it will be the first Green Star 5 rated aquatic facility in the country. This rating demonstrates our commitment to putting the environment first throughout the life-cycle of the project.

Working alongside our housing partners and mana whenua, Takai Here Tāngata saw the completion of nineteen homes for whānau in dire housing need. This was recognised when we won a national award for "Collaborative Government Action" and the overall Supreme Award at the Taituarā Local Government Excellence Awards.

I'm proud of the progress we're making to make Te Awa Kairangi ki Tai, Lower Hutt, the best place in New Zealand to grow up, raise a family and thrive. I'm looking forward to working with you as we continue to deliver for our people.

Mahia te mahi, hei painga mō te iwi.

Do what is necessary for the well-being of our people.

Ngā mihi.

**Campbell Barry**

Te Koromatua  
Mayor  
Hutt City Council

# Nā Te Tumu Whakarae

## From our Chief Executive



Kaua e rangiruatia te  
hāpai o e hoe: e kore tō  
tātau waka e ū ki uta.

Do not lift the paddle out  
of unison or our canoe  
will never reach the shore.

Kia ora, I am pleased to present  
this year's annual report.

We have seen a step-up in our  
capital investment programme  
delivery with a \$156 million spend  
across the group, representing  
double that of the prior year.  
Investment was prioritised into  
renewing core infrastructure such  
as the Barber Grove to Seaview  
wastewater pipe. This work will  
have positive flow-on impacts for  
generations to come.

Our financial management  
remains strong with Standard and  
Poor's reconfirming our AA credit  
rating. We are cognisant there  
are financial challenges ahead  
with a further ramping up of our  
infrastructure investment over the  
medium term, particularly debt  
headroom capacity constraints.

Our Financial Strategy focuses  
on achieving a balanced budget  
over the long-term, effectively  
ensuring that operating costs are  
paid for by operating revenue.  
The result achieved for this year is  
more than \$3.5 million better than  
the budgeted \$29.4 million deficit.

We are making progress on  
our climate change ambitions.  
We updated our city's carbon  
footprint and data shows we  
are reducing council's carbon  
footprint through moving our  
facilities to more sustainable  
energy sources, electrifying our  
vehicle fleet and improving gas  
destruction at the Silverstream  
landfill. More recyclables were  
collected at the kerbside, diverting  
this material from the landfill.

Homelessness remains a major  
challenge in our city. The awarding  
of \$98 million through the  
Infrastructure Acceleration Fund  
will enable 3,500 homes to be built  
as part of RiverLink and on the  
Valley Floor.

Following on from the success  
of our award-winning housing  
partnership I am immensely  
proud that our work is continuing  
to deliver real outcomes for our  
community. While visitor numbers  
at our facilities have not returned  
to pre-COVID levels, it's heartening  
to see that satisfaction rates  
are high. Over recent times we  
pivoted to meet community  
expectations and one example  
of this was electronic loans  
more than doubling over the  
last three years and a steady  
increase of computer usage.  
We also saw higher than target  
resident satisfaction rates  
with playgrounds, parks and  
sportsfields.

Being resilience-ready presented  
many challenges over the  
past year with unprecedented  
rainfall resulting in around 200  
slips across the city. This meant  
resources needed to be quickly  
redirected to Eastern Hutt  
Road, the western suburbs, and  
Wainuiomata Hill. Our roading  
network was affected by flooding  
which caused disruption to our  
community. Resident satisfaction  
in some areas dipped as we  
were not able to maintain our  
usual road maintenance and  
improvement programme.

Many other councils have  
experienced these same weather  
events, some to a much worse  
extent. Preparing for more  
adverse weather events is key to  
our sustainability. With more staff  
completing training we now have  
robust emergency management  
settings in place.

Thank you to all of our staff for  
your work over the past year and  
to our Mayor and Council.

Ngā mihi.

**Jo Miller**

Tumu Whakarae  
Chief Executive  
Hutt City Council



# 1 Tirohanga whānui Overview



# Aratohu pānui pūrongo

## How to read this report

The purpose of this Annual Report is to measure how we performed against the goals we set for the year.

Here's a quick rundown of the Council planning and reporting cycle:

- Our Long-Term Plan (also known as the 10-Year Plan) and Annual Plan work together in a series. The Long-Term Plan sets out the vision for our city over the following decade, and outlines key projects and budgets for that period. The first year of the Long-Term Plan also serves as the Annual Plan for that year.
- In the two years following a Long-Term Plan, we have an Annual Plan each year. You can think of them as being like chapters two and three of the Long-Term Plan.
- In our Long-Term Plan and Annual Plan we set goals across our different work areas to make sure Council is always striving to perform better and best serve our community. In our Annual Report, we compare the goals we set with how we actually performed that year. This document is then audited by the Office of the Auditor-General.

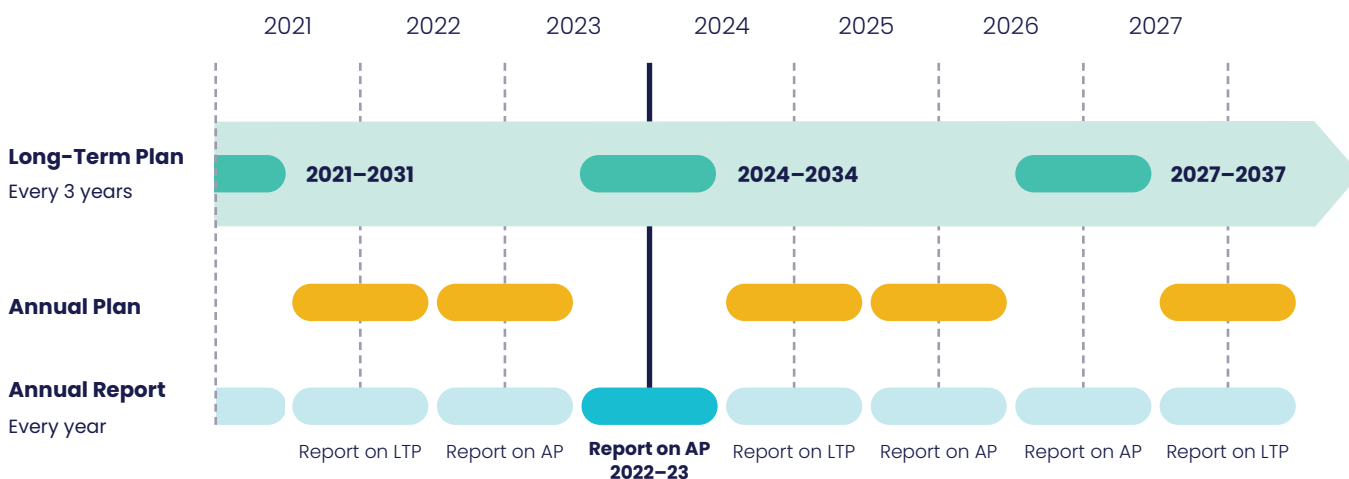
In 2021 we published our Long-Term Plan, 2021–31, which set out our purpose for a city where everyone thrives. To get there, we identified six key priorities (see page 11 in this Annual Report for more information on those priorities).

**1** The first section of this Annual Report gives an overview of our performance and key highlights from the year. This section is divided into those six key priority areas so you can see what we're doing in each area to work towards achieving our vision.

**2** The second section of this document shows our detailed performance in every area of our work, as well as our actual spending compared to our budgets.

**3** The final section is dedicated to our detailed financial information for the year 2022–23.

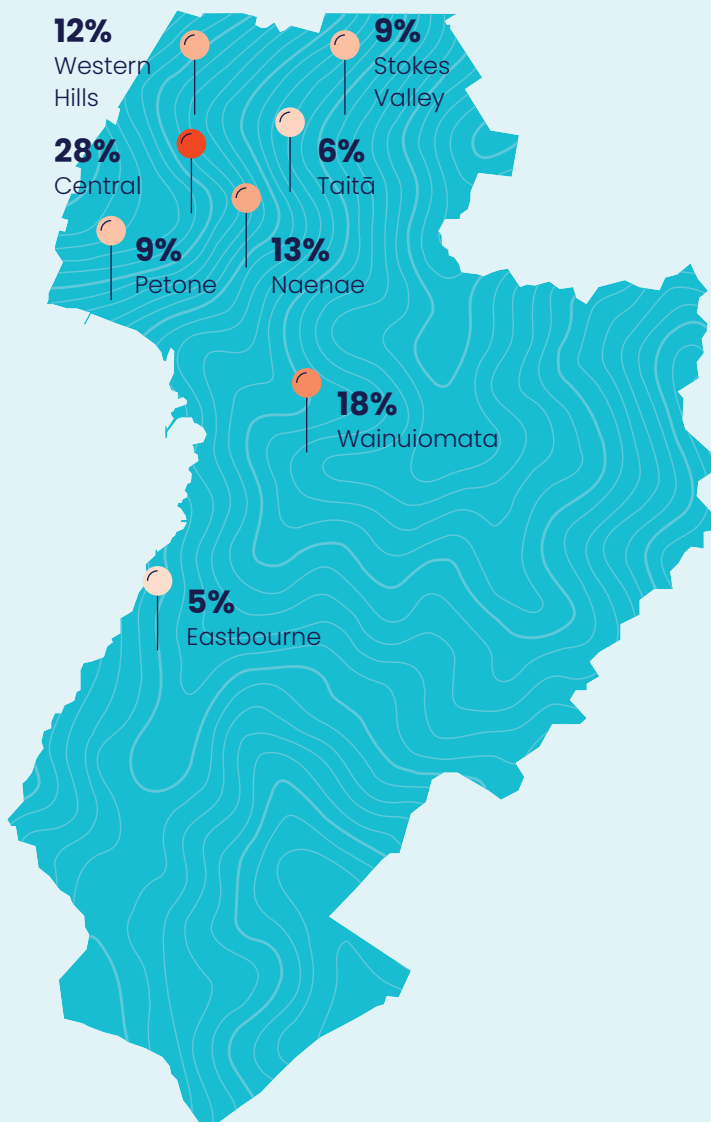
### Council planning and performance monitoring cycle



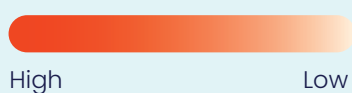
# Tō tātou tāone

## Our city

Our city comprises a village of villages; we are one city, but each of our neighbourhoods has a distinct local flavour.



### Population density



## Population

**43,900**

Households (Sense Partners 2023)

**113,000**

Residents (Sense Partners 2023)

**1 in 5**

of our residents live in areas rated among the most deprived in Aotearoa New Zealand (Census 2018)

**1 in 4**

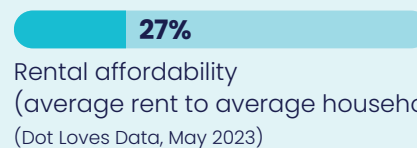
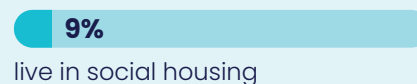
live in areas rated among the least deprived (Census 2018)



## Housing

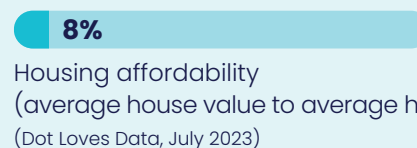
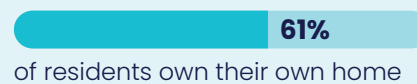
**\$528**

median rent per week



**\$706,000**

Average house value



**1 in 4**

households suffer dampness  
(Census 2018)

**1 in 5**

households have mould  
(Census 2018)



## Health

**76**

Average age of death  
(Ministry of Health 2018)

**226 per 100,000**

Child mortality rate of  
under 5 year olds  
(Ministry of Health 2018)

**14%**

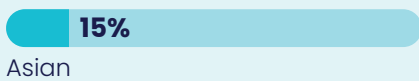
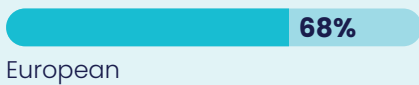
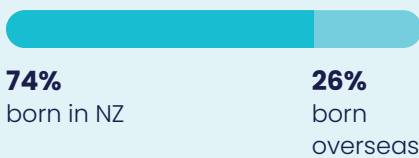
Regular  
smokers  
(Ministry of Health,  
Census 2018)

**8%**

of people aged  
20+ living with  
diabetes  
(Ministry of Health 2018)



## Ethnicity



**\$91**

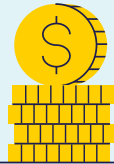
per person per quarter is the  
average amount lost to gaming  
machines (pokies) (Dot Loves Data 2023)

**Over half**

of our tamariki live in areas with  
a deprivation index of 7 or higher  
(Census 2018)

**2x**

Tamariki living in areas with the  
highest deprivation scores are  
twice as likely to end up in hospital  
compared with those from areas  
of lowest deprivation scores  
(Ministry of Health 2018)



## Income

**\$104,000**

Median household income  
(Dot Loves Data 2023)

**Top industries by jobs:**

- 1 Construction: 7,037
- 2 Healthcare and social assistance: 6,483
- 3 Retail trade: 5,224
- 4 Professional, scientific, and technical services: 5,102
- 5 Manufacturing: 4,794

**Top industries by GDP:**

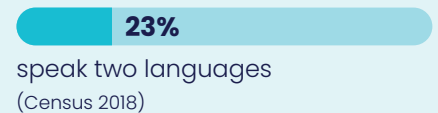
- 1 Professional, scientific, and technical services: \$789.1M
- 2 Manufacturing: \$744.9M
- 3 Construction: \$640.9M
- 4 Healthcare and social assistance: \$577.8M
- 5 Wholesale trade: \$469.8M  
(Infometrics 2022)



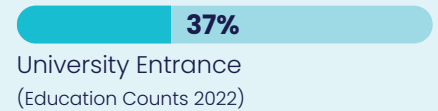
## Language

**Top 5 languages:**

English, Māori, Samoan,  
Hindi, Northern Chinese  
(Census 2018)



## Education



**NEET rate  
(youth not in education,  
employment, or training):**



# Council Assets



## Ko wai mātou? He aha hā mātou mahi? Who we are and what we do

We are Hutt City Council – we’re responsible for democratic and effective decision-making in Te Awa Kairangi ki Tai Lower Hutt.

We are also bound by the Local Government Act 2002 to promote the social, economic, environmental, and cultural wellbeing of our current and future communities. We do this through the services we deliver, and by developing a strategic vision alongside our community.

We work with and for our community in many ways. We look after community facilities and provide public services, including libraries and neighbourhood hubs, parks and sports grounds, swimming pools, and other reserves. We also collect rubbish and recycling, treat wastewater, prepare for emergency management, and keep our streets safe and in good condition.

### Nga Kīwei o Te Kete

Partnership with Mana Whenua

Tēnei ake anō ko ngā kīwei o te kete. Kei a au tōku, kei a koe tōu. This is indeed the handles of our basket. I have one handle, and you have the other.

We work alongside a number of partners, but first and foremost is our relationship with Mana Whenua.

Te Āti Awa Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira have historic and territorial rights in Te Awa Kairangi ki Tai Lower Hutt. Mana Whenua interests are represented by two Mana Whenua marae, Te Tatau o Te Pō and Waiwhetū Marae, and five iwi organisations: Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement) Trust, Te Rūnanga o Toa Rangatira, Wellington Tenth Trust, Palmerston North Māori Reserve Trust, and Te Rūnanganui o Te Āti Awa ki Te Upoko o Te Ika a Māui.

Council has developed Tākai Here (memoranda of partnership) with

the organisations representing Mana Whenua and iwi Māori in Te Awa Kairangi ki Tai Lower Hutt. These take a covenant approach, reflect iwi plans and align with Council and iwi aspirations.

We aim to meaningfully embrace and incorporate Te ao Māori in our policies and practices, be aware and responsive to Māori needs and aspirations, and fulfil our obligations under the principles of Te Tiriti. Council recognises the critical value that a strong partnership with Mana Whenua can bring to building a city where everyone thrives.

We want to ensure we have the right relationships and processes in place to enable partnership with Mana Whenua, effective participation and a shared decision-making focus. This includes meaningful, timely and inclusive engagement at all levels that requires teams to think about the role of Māori in the planning and delivery of our work programmes and the equitable resourcing for this in line with Te Tiriti o Waitangi obligations.

# Hō mātou whakaarotau

## Our priorities

We want Te Awa kairangi ki Tai Lower Hutt to be a city where everyone thrives.

As a community, we're continuing to face significant challenges. In our most recent 10 Year Plan Council identified six key priorities that will help us to tackle these challenges together and achieve our vision:



### 1 Whakangao i ngā poupou hapori

Investing in infrastructure

Investing in high-quality infrastructure that supports our people to move around, receive basic services (like water), and enjoy our community facilities.



### 2 Hei Āhuru Mōwai mō te Katoa

Increasing housing supply

Effectively planning for growth in our city, ensuring an increase in housing supply, and working with organisations to ensure our people have warm, safe, dry homes to live in.



### 3 Tiaki Taiao

Caring for and protecting our environment

Working with our communities to meet the challenges of climate change and our goal to become carbon zero by 2050.



### 4 Taunaki Ōhanga Auaha, Tāone Whakapoapoa

Supporting an innovative, agile economy and attractive city

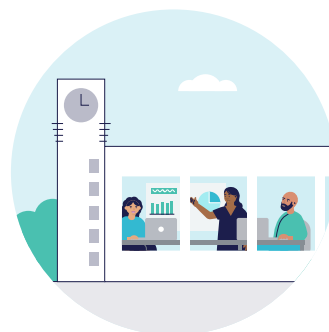
Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi Lower Hutt to make our city an attractive place to work and invest.



### 5 Tūhono Hapori

Connecting communities

Investing to connect and empower neighbourhoods and communities so they can thrive and remain safe, connected, healthy, inclusive, and resilient.



### 6 Whakauka Ahumoni

Financial sustainability

Investing in a financially sustainable and prudent way that ensures we are carefully managing our finances to deliver on our community's expectations.

# Ngā mahi o te tau

## Our year in review

An overview of our performance and key highlights from the year.



**816**  
new residential dwellings  
consented



**58%**

of the council vehicle  
fleet is electric



**60%**

of our capital invested went  
towards vital city transport and  
three waters infrastructure



## Key highlights



✓ Started construction on  
Tupua Horo Nuku (Eastern  
Bays Shared Path)



✓ Opened a new library in  
Maungaraki through an  
innovative partnership



✓ Completed the  
Wainuiomata Town  
Centre Upgrade



✓ Received grants of  
\$98.9 million for major  
stormwater and  
infrastructure upgrades



**646,578**  
visits to pools



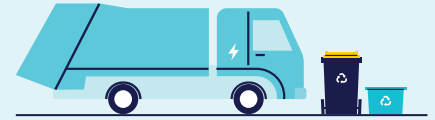
**143,337**  
visits to museums



**715,127**  
physical library loans



**177,361**  
electronic library loans



**5,865**  
tonnes of recycling collected



✓ Taranaki Whānui ki te Upoko o te Ika and Ngāti Toa Rangatira gifted the name and cultural narrative for Te Wai Takamori o Te Awa Kairangi (RiverLink)



✓ Started construction on Naenae Pool and Fitness Centre



✓ Completed the Barber Grove to Seaview Wastewater Pipe Duplication Project



✓ Te Wai Takamori o Te Awa Kairangi (RiverLink) Alliance won a New Zealand Planning Institute's Best Practice Award for Integrated Planning and Investigations



✓ Refurbished The Dowse Art Museum's collection storage



✓ Won two awards for the Takai Here Tāngata partnership at the Taituarā Local Government Excellence Awards

# Whakangao i ngā pou pou hāpori

## Investing in infrastructure

High-quality infrastructure is critical to creating a city where everyone thrives. Our infrastructure needs to support our people to move around safely and efficiently, receive basic services (like water), and enjoy our community facilities. Here are some of our key infrastructure achievements over the last year.



### We started construction on Tupua Horo Nuku in the Eastern Bays

A Te Huringa-Nuku ceremony was held in August 2022 to mark the start of work on Tupua Horo Nuku, the new seawall and shared path project between Eastbourne and Ngāu Matau and Point Howard.

This important resilience project has received funding from central government, in combination with matched funding from Waka Kotahi and Hutt City Council.

Construction is wrapping up in Mā-koromiko with the completion of the seawall, and the first section of the shared path between Eastbourne and Days Bay has been opened to the public. Construction is well underway in Sunshine Bay with foundations poured and a significant number of seawall sections in place.

Further works in the area include upgrading and enhancing areas of the foreshore to provide nesting habitat for several seashore-foraging species, including kororā (little blue penguins) – one of our most at-risk native birds.



### We secured government funding for walking and cycling projects

Two projects received \$17 million from the government's Transport Choices package in late 2022, covering up to 90% of the project's costs. The funding helps Council progress critical work to create safer, healthier, more sustainable and more accessible alternatives for residents to move around the city, while minimising the cost for Council.

The first project, Community Connections, aims to improve safety and encourage more sustainable forms of transport from Taitā and Avalon linking to the Beltway Cycleway. Meetings with local groups and community leaders began in 2023, and the community will have further opportunities to provide feedback throughout the project.

The second project, CBD Connections, will improve walking, cycling and public transport connections through the city centre. We're proceeding with finalising the design. The timeline for evaluation of the completed design is currently under consideration.



### We were approved for \$98.9 million towards major stormwater and infrastructure upgrades

Our application to the government's Infrastructure Acceleration Fund was approved in late 2022. The funding is integral to delivering Te Wai Takamori o Te Awa (formerly RiverLink) and much-needed housing intensification on the valley floor.

Severe wet weather resulted in slips across the city and this level of investment will mean that crucial upgrades to our city's three waters infrastructure can be completed, including approximately 2km of new stormwater pipeline, pumping stations and outfalls, supporting the resilience of our city.





### **We secured \$8.36 million from the government's Better Off Fund for resilience projects**

We'll be using \$8 million of this funding to undertake works that improve the resilience of Eastern Hutt Road in Stokes Valley following high rainfall which caused landslips in July 2022. This led to a partial road closure.

Following geotechnical and engineering assessments, designs to remediate the slip sites above Eastern Hutt Road were agreed and consent for works was approved where required. Physical works have commenced and will be completed early in 2024.

The remaining Better Off Funding will be used to develop a climate action campaign in collaboration with Wellington City Council.



### **We won an award for our new website**

Council's website was ranked third of all councils in the country in the 2022 Website Experience Benchmark Report by the Association of Local Government Information Management. Websites are assessed and rated based on accessibility, content quality assurance, searchability, performance, response time, and availability. This project was part of the wider Te Kōhao Go Digital programme.



### **Other highlights:**

- We refurbished The Dowse Art Museum's collection storage so artworks will be cared for, now and into the future.
- We implemented new Chrome devices and fast WiFi into our community hubs.
- We opened the Manor Park Shared Pathway, further completing the Hutt River Trail.
- Te Wai Takamori o Te Awa Kairangi (RiverLink) Alliance won a New Zealand Planning Institute's Best Practice Award for Integrated Planning and Investigations, in recognition of the collaboration on the resource consent process.
- We progressed work on refurbishing two of our community facilities in Petone and Moerā.
- We completed work on the Barber Grove to Seaview Wastewater Pipe Duplication project.

# Hei āhuru mōwai mō te katoa

## Increasing our housing supply

We need to effectively plan for growth in our city, ensuring an increase in housing supply. We need to work with organisations to ensure our people have warm, safe, dry homes to live in.

One of Council's key roles when it comes to housing supply is making sure our city's homes are safe and fit for purpose. We do this by assessing and issuing building consents.



### **We issued building consents for 816 new homes over the past year**

Our city is changing, with higher density housing and more complex multi-unit developments being built. This will produce more housing, with increased options for our residents, which is positive for the community. However, these higher density consent applications are complicated and require more time, input, and expertise to process.

A legislative change which came into effect in May 2023 resulted in a significant increase to the number of consents being submitted as customers sought to submit consents before they were required to comply with the new regulations. This consistently high volume of consents means our staff are working harder than ever to process applications within statutory timeframes. With a limited pool of people across the country to do this work, other councils are facing similar pressures to ours.

### **We held our first joint building and planning Customer Advisory Group meeting**

In 2023 we brought representatives together from across the building and construction sector in Lower Hutt to share information, gain feedback and work together on solutions to improve outcomes across the industry.



### **We sent out *Kaihanga*, our newsletter for building and resource consents**

The joint newsletter by our building consent/resource consent and engineering teams creates a regular opportunity to connect with our customers by providing updates and useful information.

### **We released a new online building consent service**

From March 2023, the process for building consents was made much faster and more transparent with a new system for customers to apply for a building consent through an online portal and a new system for staff to process applications.



### **We introduced new processes and building checklists**

Alongside the new improved system for building consents we took the opportunity to review and enhance our building inspection checklists to better align with best regulatory practice.

The checklists were updated based on feedback from Council building inspectors and from the building sector. Changes came into effect from August 2023 following a transition period with the building sector.



## Takai Here Tāngata

In December 2023, 19 whānau moved into brand new, fully furnished homes at Te Ara o Takapū, Taitā, following a blessing held on the site led by Te Āti Awa to clear the way for the new whānau.

The homes were successfully delivered through Takai Here Tāngata, a partnership between Hutt City Council, He Herenga Kura, Te Rūnanganui o Te Āti Awa, and Council-owned organisation Urban Plus Limited. The project is the first of its kind in the country.

The partnership builds and delivers warm, safe and affordable homes to people in Lower Hutt in desperate need of a home. A key aim is to provide pathways to permanent home ownership for families over time. In 2023 the partnership won a national award for collaborative government action and the overall Supreme Award at the

Taituarā Local Government Excellence Awards. The award acknowledged the special partnership that delivered the quality homes and wrap-around support for people in housing stress. In making the award, the Taituarā judging panel said, “Good housing outcomes make positive outcomes in other areas so much easier to achieve. We regard Takai Here Tāngata as a proof of concept for a highly transferable methodology that has the potential to deliver housing at scale.”

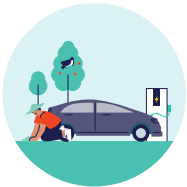
We are pleased to be working with our partners and the Ministry of Housing and Urban Development to deliver real outcomes for our community.

More initiatives are underway through this innovative partnership for those experiencing housing hardship.

# Tiaki taiao

## Caring for and protecting our environment

We are working with our communities to meet the challenges of climate change, and our goal of being carbon zero by 2050. Here are some of our key environmental achievements over the past year.



### We completed the roll-out of electric vehicle charging stations

In collaboration with Meridian Energy we completed the installation of 38 new electric vehicle (EV) charging stations across Te Awa Kairangi ki Tai Lower Hutt, ensuring that most residents now live within 3–4km of an EV charging station.

The 20 direct current and 18 alternating current charging stations were installed over the last two years, with the majority installed in 2022–23. Hutt City Council invested \$830,000 of the total \$1.2 million cost, with \$370,000 co-funded by the government's Low Emission Transport Fund, administered by the Energy Efficiency and Conservation Authority.



### Other highlights

- We secured a Green, Social and Sustainability loan for the Naenae Pool and Fitness Centre from the Local Government Funding Agency.
- We're continuing to phase out gas at our facilities. We changed from a gas boiler to a heat pump at Huia Pool. Work to transition McKenzie Baths Summer Pool from gas to electric water heating.
- We created and distributed a Too Good To Waste board game to help people of all ages understand the journey of recycling in our city.



## Recycling

Over the past year we have ramped up our efforts to maximise the effectiveness of our new kerbside recycling service introduced in 2021.

Through an education campaign and increased bin inspections we've been supporting behaviour change throughout the city to reduce contamination of our recycling. As a result, contamination of recycling has been trending down and 5,865 tonnes of recycling was collected in 2022–23, an increase on the previous year.

A review of Council's new kerbside collection service has shown the service is working well, with a range of positive outcomes. These include an increase in recycling volume collected, a reduction in emissions, and improvements to health and safety. In our latest Resident Satisfaction Survey, 77% of residents were satisfied or very satisfied with their recycling collection and 78% satisfied or very satisfied with rubbish collection.

# Taunaki ōhanga auaha, tāone whakapoapoa

## Supporting an innovative, agile economy and attractive city

We're investing to drive economic growth and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi ki Tai Lower Hutt to make our city an attractive place to work and invest. Here are some of our key economic achievements over the past year.



### We progressed work on Te Wai Takamori o Te Awa Kairangi

A once in a lifetime opportunity to transform and revitalise our city centre has moved forward in partnership with iwi Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira, Greater Wellington Regional Council, Waka Kotahi NZ Transport Agency, Hutt City Council, AECOM and Fletcher Construction.

Te Wai Takamori o Te Awa Kairangi (RiverLink) is set to be the largest infrastructure project in the history of the Hutt Valley. It will create a more resilient CBD in the face of increasing severe weather events and delivering a more connected and vibrant city centre with Te Awa Kairangi (Hutt River) at its heart. It will stimulate greater economic growth and development, allow more housing, and revitalise our city centre, as well as providing commercial opportunities for our local businesses to be involved in the project.

The project includes crucial flood protection and river restoration work, improvements to public transport, walking and cycling routes, local roads, and the State Highway 2 Melling Interchange, as well as urban revitalisation of the Lower Hutt city centre.

The name Te Wai Takamori o Te Awa Kairangi – The Soothing Waters of Te Awa Kairangi and cultural narrative was formally gifted to the Alliance at a pōwhiri in April 2023 by Mana Whenua partners Taranaki Whānui ki te Upoko o te Ika and Ngāti Toa Rangatira.

The narrative acknowledges the story of the tupua Ngake and how the whipping and lashing of his tail created Te Awa Kairangi – Hutt River. The new name, Te Wai Takamori o Te Awa Kairangi refers to the many waterways that came together to heal and soothe the scars that Ngake left on the land. These waterways feed the river and continue to shape the landscape of the Hutt Valley. The name is a reminder about the importance of caring for the environment.

The resource consent process was awarded a New Zealand Planning Institute's Best Practice Award in April 2023 for Integrated Planning and Investigations, recognising the careful planning and commitment to collaboration from all partners.

In May 2023, the Interim Project Alliance Agreement was signed with AECOM and Fletcher Construction as the lead designers and constructors on the project. Once the final detailed design, cost and construction approach is agreed upon, a Project Alliance Agreement will be signed later in 2023, with main construction to follow.



### **We helped highlight Māori-owned businesses**

In November 2022 we joined forces with Te Matarau a Māui and Amotai to organise a meet-and-greet event between Māori-owned businesses and large-scale organisations in the greater Wellington region. Over 200 Māori business owners attended the event and were able to connect with representative from large-scale organisations, government agencies, and other councils from the region.



### **We supported the establishment of a new Jobs and Skills Hub**

Council joined the Ministry of Social Development and other regional partners to help establish the Hutt Valley Jobs and Skills Hub and its working group to support its programmes and services.

The focus of the new hub will be on enabling the Hutt Valley's current and future workforce to meet skills demand for the construction and infrastructure sector ahead of major works over the next decade, such as Te Wai Takamori o Te Awa Kairangi, which are expected to create around 4,500–6,570 jobs. Project partners working on Te Wai Takamori o Te Awa Kairangi have agreed to utilise the hub as a key source of recruitment for their programme of works.



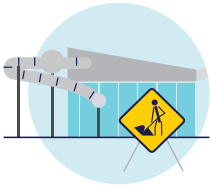
### **We refreshed our destination website**

Destination content previously on our HuttValleyNZ website was moved onto the refreshed regional WellingtonNZ.com in 2023, more than tripling the viewership and enhancing the promotion of businesses and experiences across Lower Hutt.

# Tūhono hāpori

## Connecting communities

We're investing to connect neighbourhoods and communities so they can thrive and remain safe, connected, healthy, inclusive, and resilient. Here are some of our key community achievements over the past year.



### We started construction on Naenae Pool and Fitness Centre

Construction work on the significant project to rebuild the beating heart of the Naenae community has began, following a Te Huringa-Nuku (dawn ceremony) in June 2022.

The main contractor, Apollo Projects, completed ground remediation in August 2022, and then laid the foundations for the pool halls. The first concrete pour took place in December 2022, followed by the steel and concrete frame and timber beams in January. Currently the team are working on completing the roof structure, installation of the pool tanks, and internal pool water services. The pool is on track to open in 2024.

The project is also delivering on the wider positive social, economic, and environmental outcomes sought. It remains on target to source 80% of the sub-contracts for supply and labour locally. Examples include parts for the zoom tubes being made in Taitā and the structural steel frame being made in Petone. The building is on track to achieve a five-star rating under the New Zealand Green Building Council's Green Star rating system for sustainability. It is creating community connections through initiatives that include community salvage days and public art.



### We continued the revitalisation of Naenae town centre

Following the refurbishment of the library in July 2022, work shifted to the new community centre housed in the former post office building. A blessing was held on the site in January 2023.

Main contractor Duncan Commercial began the seismic upgrade work in February. Work is progressing as they take care to protect existing historical features of the Category 1 listed historic place, including the iconic clock tower. Internal fit-out of the building has commenced and refurbishment of the clock tower will commence shortly.

Designed in consultation with the community, the building is being earthquake strengthened and refurbished to be a flexible space for the community to gather and connect, further breathing new life into the town centre.





## We opened a new library in Maungaraki

In partnership with Maungaraki School and the community a new purpose-built library was opened on the school grounds in March 2023. Part of the new Maungaraki Community Precinct, it's a once-in-a-generation refresh of community and school assets in response to the significant growth of young families in the area.

The library and community space is a first for the city, following a new operating model developed by the school's management team and Board of Trustees, the Maungaraki Community Association and Hutt City Libraries. The library is operated by school and Council staff as well as community volunteers, and is open to the public out of school hours.

Through the community-led partnership, Council has been able to bring library services to residents in the Western Hills. The new library gives local access and support to Hutt City Libraries' vast print and online collections, including eBooks, eMagazines, audiobooks, and online learning.

Hutt City Libraries also provides professional librarian services, helping to establish the new library and community space, as well as developing a comprehensive collection for all ages.

## Connecting communities continued

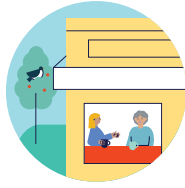


### Wainuiomata town centre

In June 2023, the long-awaited redevelopment of Wainuiomata's civic heart was officially handed back to the community following COVID-19 delays, the wettest winter on record and an unexpected upgrade required to a burst water pipe along Queen Street.

Based on the community's vision to make the town centre a safe and attractive place for everyone the upgrade introduced a half basketball court, significant pavement improvements, new seating, decking, and improved lighting. Locally connected artist, Tiaki Dahm, was engaged in the design process, and elements of their work can be seen through the cultural narrative introduced as part of the upgrade.

While the ultimate goal of the project was to deliver a high-quality upgrade to the town centre, both the contractor and Council aimed to have a deeper impact on the wider community throughout the project. Where possible the contractor partnered with local businesses and worked with five local Māori-owned businesses, supporting each in a variety of upskilling and development initiatives. A number of recently graduated local students were also employed on apprenticeships, with two recruits now in full-time employment with the contractor.



### Other highlights

- A nationwide quality of life survey released in October 2022 indicated that Lower Hutt residents have a relatively high quality of life compared to many other cities in New Zealand.
- We invested \$350,000 in the refurbishment of a new home for Ignite Sport Centre in Waiwhetū which opened in April 2023.
- A partnership between Te Awa Kairangi Kai Collective and Hutt City Council won a prestigious national award from Local Government New Zealand in July 2022.
- We joined the Welcoming Communities programme from Immigration New Zealand in January 2023, which is designed to create inclusive environments where all residents can thrive and belong.



# Whakauka ahumoni

## Financial sustainability

We're investing in a financially sustainable and prudent way that ensures we are carefully managing our finances to deliver on our community's expectations.

Being accountable to residents and ratepayers for the management of our finances, both in the short term and the long term, is a key responsibility of Council. This section aims to provide a brief overview to help you understand our finances. In particular, it shows where we have spent the money that we have received and how we have invested for the future of our city.

### Our financial strategy

Council's financial strategy is based on important principles that provide the foundation for prudent sustainable financial management. These principles can be summarised as:

- Affordability of rates
- Achieving intergenerational equity by spreading the costs between both present and future ratepayers
- Maintaining prudent borrowing levels
- Achieving a balanced operating budget and ensuring that everyday costs are paid for from everyday income
- Delivering services effectively and efficiently
- Strengthening Council's financial position in the long term

The financial strategy focuses on strong fiscal management while addressing growing demands for increased capital investment in core infrastructure assets. The financial strategy can be read in full in the Long-Term Plan 2021–31, [available on our website](#). It sets limits on the amount of debt we can take on compared to revenue (the net debt to revenue ratio). It also forecasts net debt (the money we owe lenders, less cash) and when we will balance the budget. The Council budgets are balanced when everyday revenue pays for everyday expenses.

### Investment in infrastructure

Te Awa Kairangi ki Tai Lower Hutt is projected to continue growing, and our infrastructure (from transport and water network to libraries and playgrounds) needs to support this growth. In addition, we have ageing assets across our three waters network that need to be replaced.

This year we continued work to improve the transport network, future-proofed and expanded our water networks and protected and restored parks and reserves. We also progressed renewal of Council facilities for residents to enjoy. In 2022–23, total capital investment by Council was \$156.3 million compared to a budget in the Annual Plan of \$177.5 million. Including Urban Plus Ltd investment into the wider group, total capital investment was \$156.8 million (2021–22 \$76 million). This increased investment of \$83 million is the continuation of a step-up in our capital investment programme to implement the objectives of the 10-Year Plan (see Graph 1).

Some of our key highlights and spend for the year were:

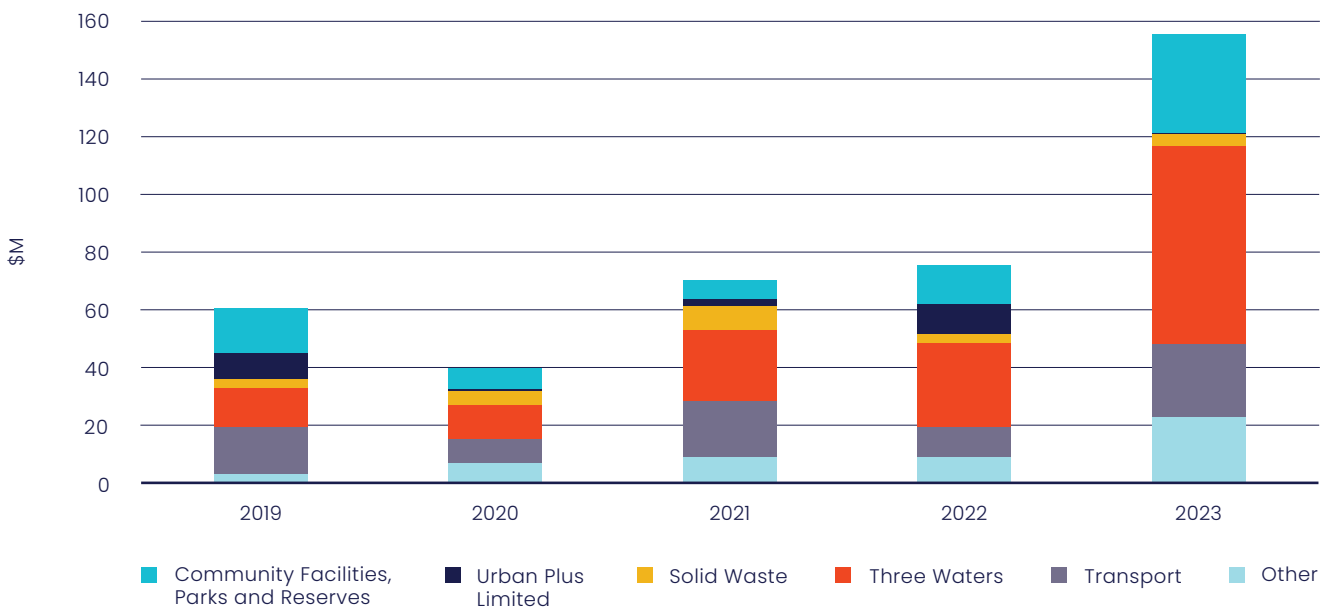
- \$69.5 million on three waters infrastructure. Network renewals equates to \$55.5 million of the total spend. This includes replacement of ageing galvanised water supply pipes and replacement of the main trunk sewer for the Barber Grove to Seaview Wastewater project, as well as some unplanned watermain work due to the Point Howard slip, and water infrastructure renewals for the Wainuiomata town centre development. The total spend for the year includes some work brought forward, some unplanned but necessary work and some increases. There was a resulting \$27.7 million overspend against the Annual Plan budget.
- \$26.3 million to continue works on the new Naenae Pool and Fitness Centre.
- \$25.8 million on transport projects. The Transport renewals spend of \$6.9 million and capital improvement spend of \$18.7 million enabled easier connections for people to get to the places they want to go while also encouraging more sustainable transport options. These included projects like Tupua Horo Nuku (Eastern Bays Shared Path)\* and the Micromobility Programme\*.
- \$7.4 million on Wainuiomata town centre development.
- \$5.6 million on Te Wai Takamori o Te Awa Kairangi (RiverLink) as this project gets underway with our project partners Greater Wellington Regional Council and Waka Kotahi.
- \$4.9 million on various parks and reserves projects such as Manor Park cycle trail, playgrounds, parks building renewals\* etc.

\* Refer to the Activity statements under Section 2 of this report for detailed spend and budgets for these projects.

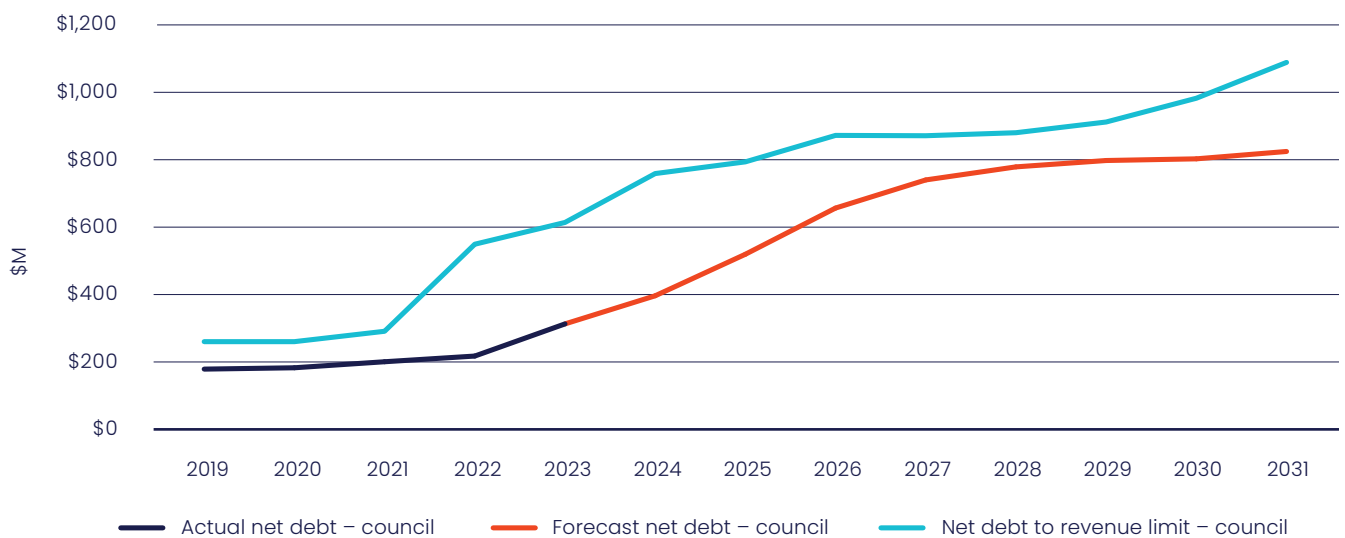
Our investment plans and ability to implement the capital programme have been impacted by supply chain constraints and the availability of contractors and staff. This is partly due to the lingering impacts of COVID-19 and partly due to reprioritisation of staff and contractors to deal with adverse weather events experienced during 2022–23 in the Hutt Valley and wider North Island.

Key areas of underspend in 2022–23 mainly related to delays for Tupua Horo Nuku (Eastern Bays Shared Path) and Te Wai Takamori o Te Awa Kairangi (RiverLink), with work progressing into 2023–24.

**Graph 1: Council capital investment five-year trend**



**Graph 2: Council net debt**

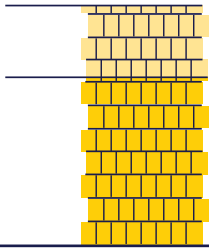


# \$307M

Group net debt  
(ratio of 126% of revenue)

# \$96M↑

Increase in  
group net  
debt in 2022–23



# \$2794.05

Per resident/person in  
net group borrowings (or  
\$7457.27 per rateable unit)



# AA

credit rating

AAA
<b>AA</b>
A
BBB
BB
B
CCC
C
D

## Prudent debt management

We use debt to help finance our capital investment for assets with long lives. This helps spread the cost of the assets across the generations that will benefit from them. Our set borrowing limit requires us to keep within our net debt to revenue ratio of 250%, so we are allowed to borrow up to that limit. This means the debt we take on remains affordable for us to repay.

In this financial year Council net debt increased by \$96 million to \$307 million (ratio of 126% of revenue). The increase is in line with the planned net debt of \$308 million (see Graph 2). In the next five years, we expect our net debt to revenue ratio to increase to around 221% as we lift our investment in core infrastructure (including three waters) over the coming years.

## Credit rating

We retained a strong credit rating of AA from Standard and Poor’s Credit Rating Agency. The long-term outlook was revised from a stable outlook to negative on 11 August 2023. The rating reflects the prudent manner in which we manage our debt and finances, but it also signals the projected weakening impact of the significant increases in our infrastructure investment over the next three years on our debt and liquidity ratios. Maintaining our credit rating enables easier access to liquidity markets and reduces our cost of debt.

## Revenue

We fund our services and operations through a mix of rates and non-rates revenue. Like all councils we have a high reliance on rates as an income stream (see Graph 3). Total group revenue for 2022–23 was \$263 million (excluding revenue on the revaluation of financial instruments) and is trending up (see Graph 4). Rates revenue at \$140 million represents just over a half of our revenue at a group level. Rates revenue increased by \$9.4 million in the current year, reflecting the rates revenue increase approved by Council to fund our services.

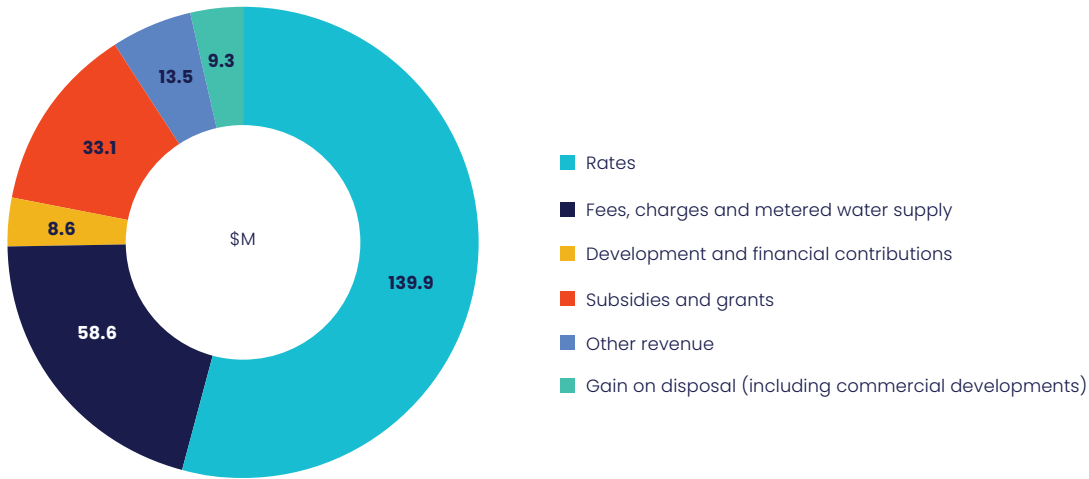
Subsidy and grant revenue is \$22 million lower than budgeted. This reflects the lower than planned achievement of Council’s capital programme resulting in lower related subsidy and grant revenue, including \$12.7 million less in Waka Kotahi capital subsidies.

Fees and charges are \$5.4 million more than budgeted, largely due to higher commercial waste volumes at the landfill.

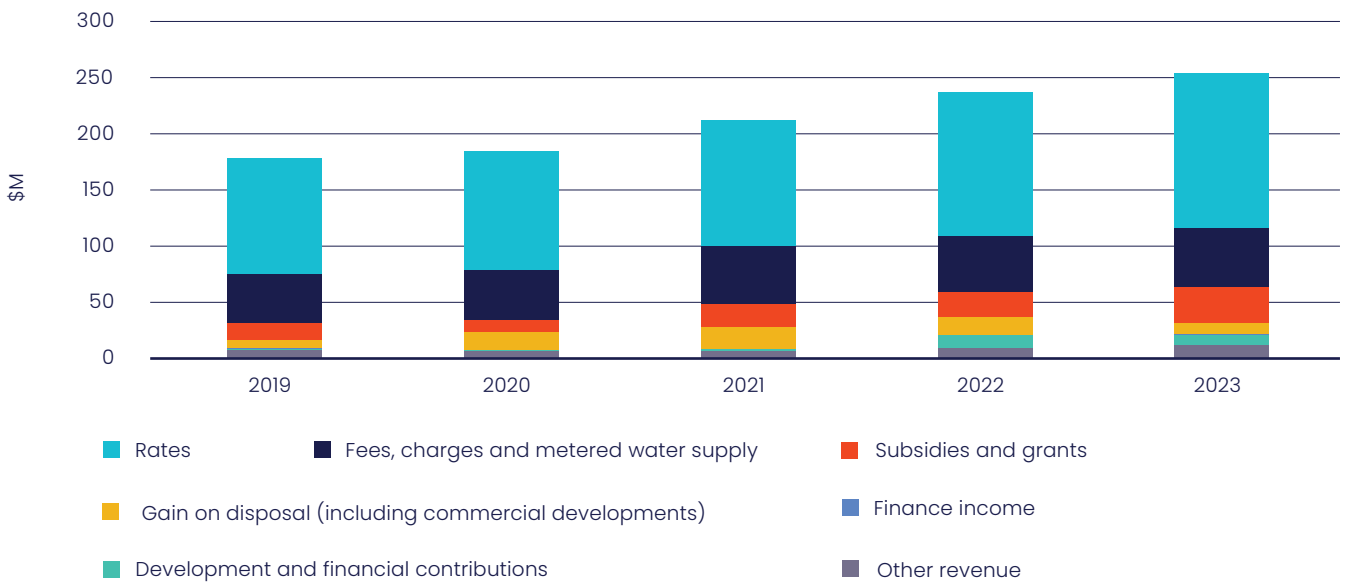
## Expenditure

Our operating expenditure is what it takes to deliver our day-to-day services. It includes things like paying our staff, maintaining our assets, and providing a wide range of services and support to the community. Across the group, total costs for 2022–23 were \$253.9 million. Graphs 5 and 6 show how the group’s spending is spread across the different services and the trend over the past five years. Council’s operating costs were higher than budget by \$3.2 million. The overspend is largely driven by \$1.6 million higher resourcing and compliance costs to aid in processing consent applications received, increased costs of \$5.9 million largely for roading reactive storm maintenance and related slip repairs following adverse weather events, and \$1 million repairs and maintenance for parks and reserves activities. Depreciation costs were \$3 million lower than planned, largely due to the 2021–22 year-end asset revaluation being lower than planned and changes in the capital delivery programme.

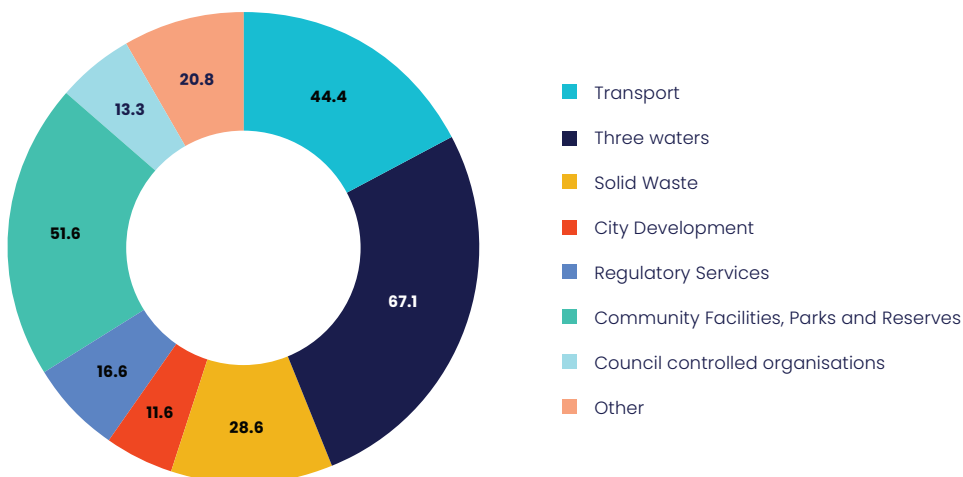
**Graph 3: Group revenue by source in 2022–23**



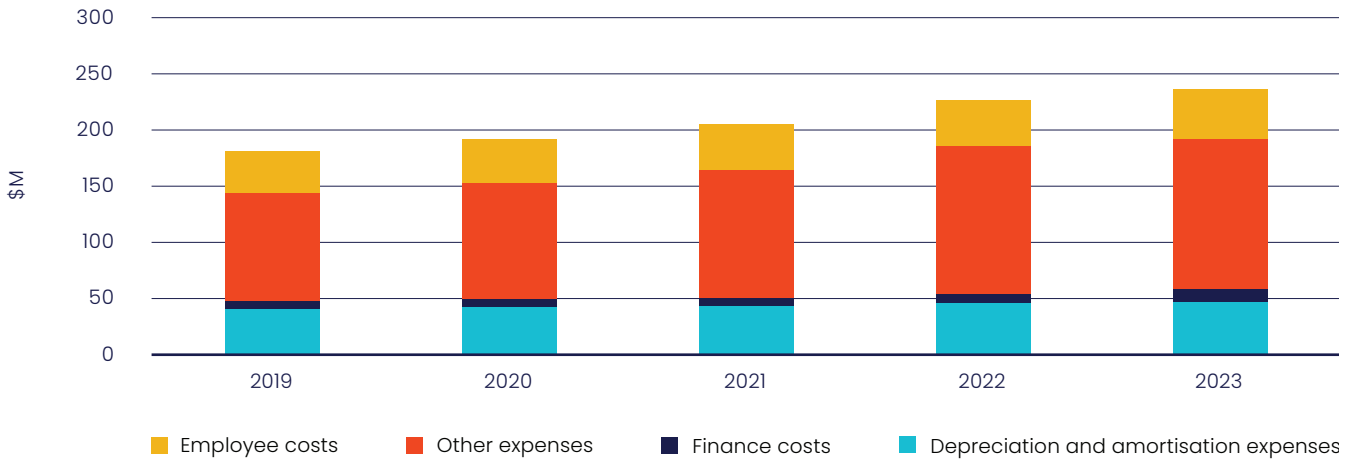
**Graph 4: Group five-year revenue trend (excluding gains on the revaluation of financial instruments)**



**Graph 5: Group expenditure by activity in 2022–23**



**Graph 6: Group five-year expenditure trend (excluding losses on revaluation of financial instruments)**



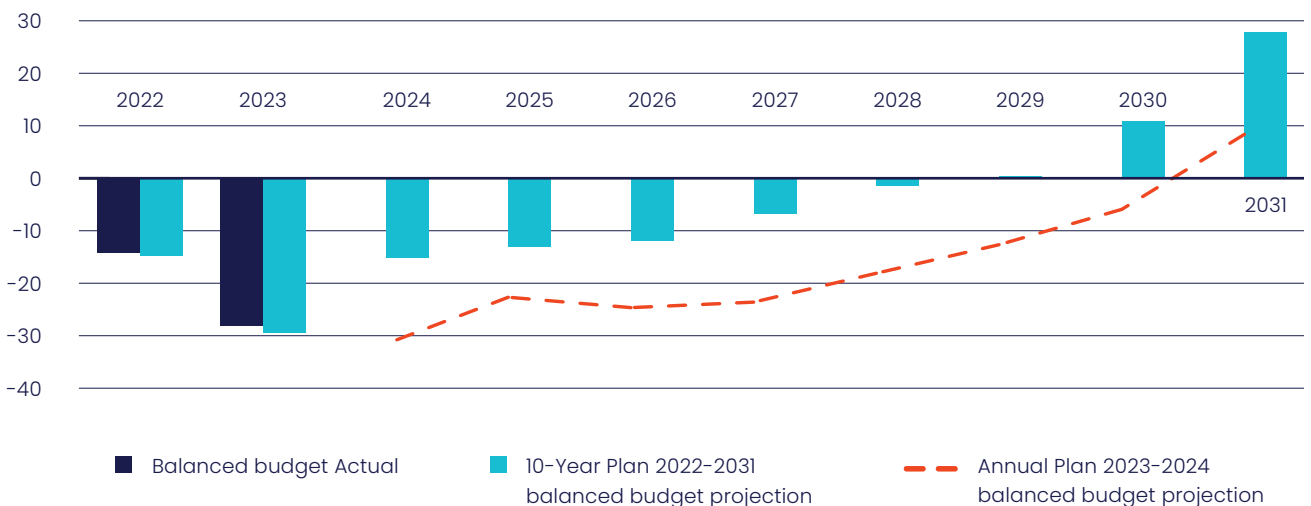
### Balanced budget

An important part of our financial strategy is our balanced budget target.

A balanced budget reflects that everyday costs are paid for by everyday income; effectively, operating costs are paid for by operating revenue. We don't want to be taking on debt to pay for everyday expenses, but it's reasonable (and in fact a good idea) to take on debt for big investments. In our 10-Year Plan we set out our approach for measuring whether we are achieving a balanced budget which has been reviewed and updated through the current Annual Plan 2023–24.

While there is a need to achieve a balanced budget for the long-term sustainability of Council services, this has to be weighed against the significant increase in capital investment requirements. To ensure that this is done in a way that is affordable to ratepayers, Council will move towards a balanced budget over several years. Council is forecasting to return to a balanced budget by 2030–31 based on the latest Annual Plan 2023–24. In 2022–23, our balanced budget result was a deficit of \$28.1 million, which was \$1.3 million better than the budgeted \$29.4 million deficit. Graph 7 shows the actual balanced budget trend to date and the future forecast.

**Graph 7: Council actual and projected balanced budget outlook**



The Hutt City Council balanced budget target is defined as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude from the definition of revenue Waka Kotahi NZ Transport Agency's Capital improvement subsidies, Infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku.

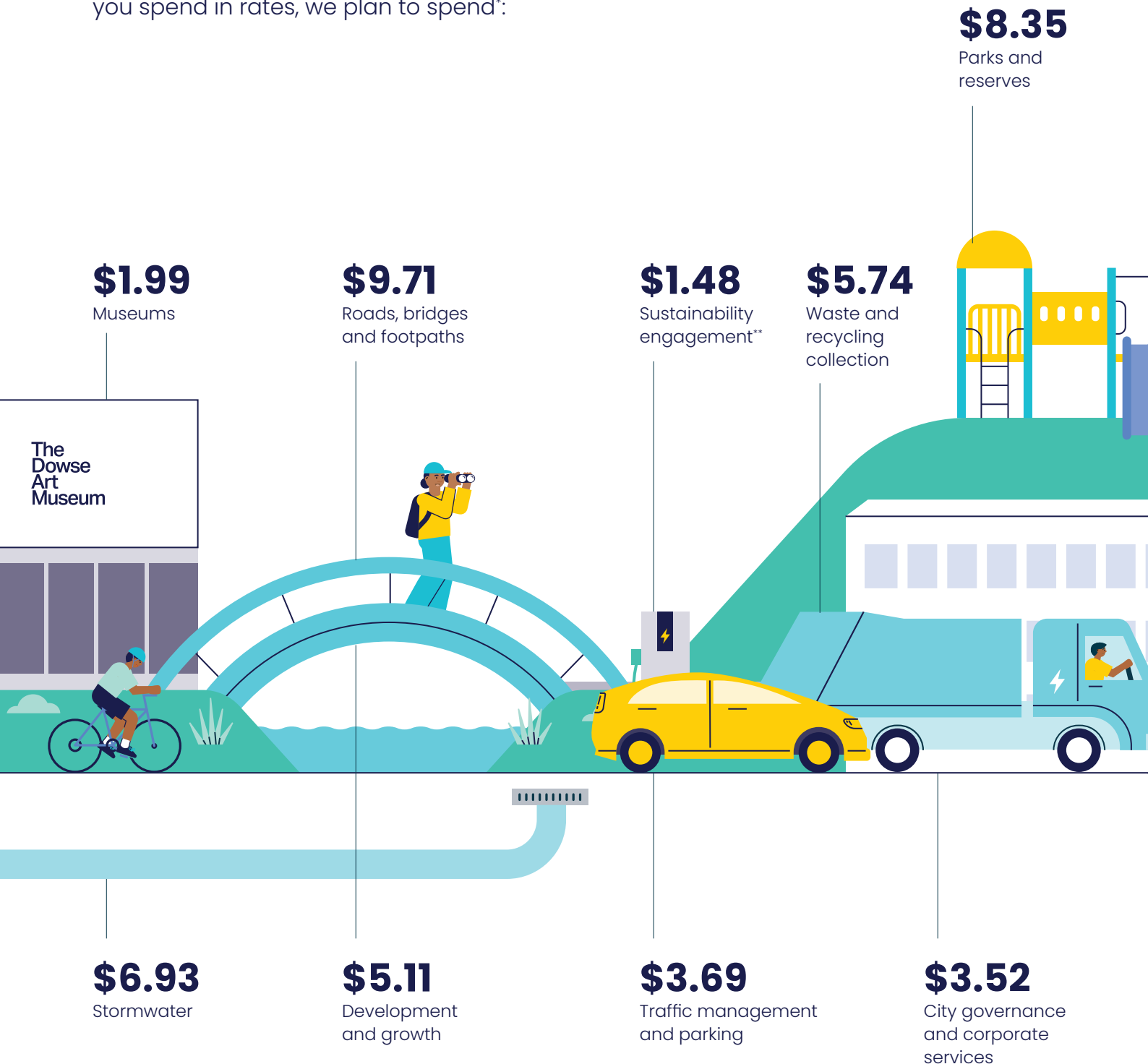




# Ki hea tohaina ai hāku rēti?

## Where will my rates be spent?

Over the next eight years for every \$100 you spend in rates, we plan to spend\*:



\* The average costs over the remaining eight years of the 10-Year Plan are presented here.

\*\* Sustainability engagement represents spending on community activities, along with facilitation of projects across council activities, including investment in:

- decarbonisation of council facilities
- cycleways
- RiverLink
- healthy urban waterways.

**\$4.89**

Pools

**\$0.11**

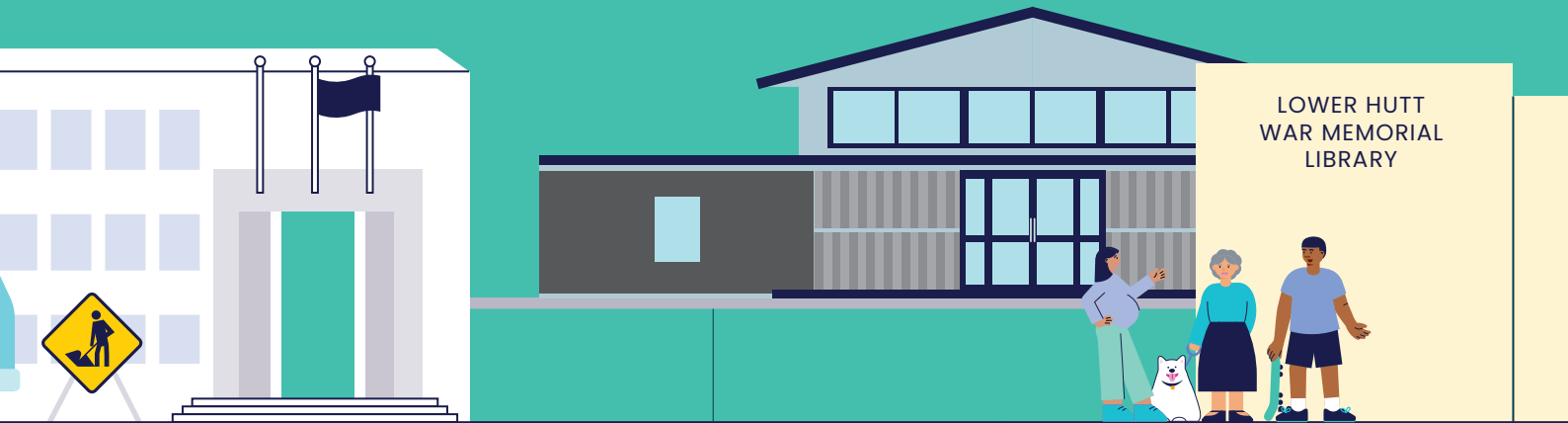
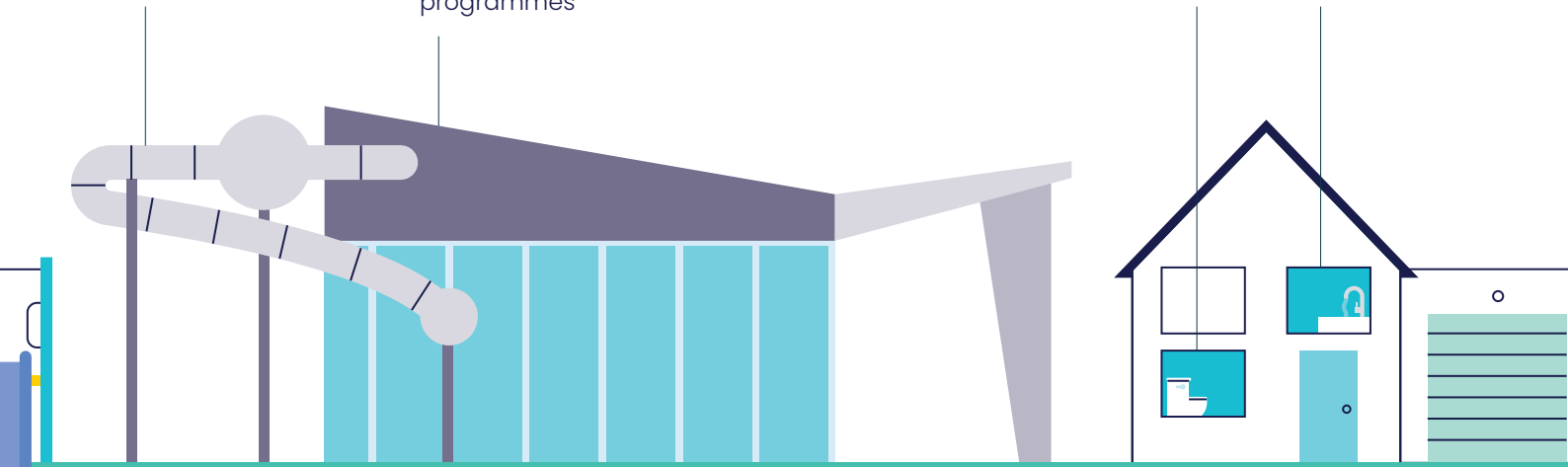
Recreation programmes

**\$20.06**

Wastewater

**\$19.03**

Water supply



**\$3.07**

Road maintenance and street cleaning

**\$2.22**

Consents and regulatory

**\$2.05**

Halls and venues

**\$4.49**

Community partnering

**\$3.58**

Libraries

We expect to receive -\$6.02 of credit from the landfill. This will help to offset costs and is reflected in the figures for all these other services shown on this page.



## 2 Tātaritanga Our performance

# Ngā whakataua me ngā whakapae o te kawē ratonga

## Service performance judgements and assumptions

### **PBE FRS 48 Service Performance Reporting standard Introduction**

We are Hutt City Council.

We are responsible for democratic and effective decision-making in Te Awa Kairangi ki Tai / Lower Hutt. We are also bound by the Local Government Act 2002 to promote the social, economic, environmental, and cultural wellbeing of our current and future communities. You can find more information on page number 10-13 in this Annual Report.

### **How we select our performance measures**

In our reports about service standards, which we explained in our 2021-2031 Long-term Plan, we make some important decisions and assess our performance in different ways. This assessment includes summarising our overall performance, evaluating how well we do various activities, and reporting to Hutt City Council every year.

One major decision is ensuring that the goals we set for our services match the criteria we use to gauge our performance. We then closely examine how these goals and measurements align to ensure that the selected measurements truly reflect the quality of community services.

We don't make these decisions in isolation. We seek input and feedback from people in our community, including residents, those who pay local rates, local boards, and other communities. We consider this input about our services and how to measure their quality. This feedback is collected during the Long-Term Plan, Annual Plan consultation process and through our annual Resident Satisfaction Survey.

The Local Government Act (2002) prescribes specific rules that require standard measurements for different types of activities. This allows people to compare services across Council. We also take advice from the Department of Internal Affairs (DIA) on how to measure certain things following specific guidelines, (such as processing a certain percentage of building permits and resource consents within 20 days). These decisions are essential for ensuring that our method of assessing our services aligns with community preferences, our objectives, and the law.

In addition to the selection of performance measurements, we also make decisions about how we measure, compile, and present information about the quality of our services.

We have a consistent way of reviewing and selecting performance measures. This methodology looks at why we're getting the money now is being spent on and what we want to achieve. It helps us determine performance measures. We check each measure using certain rules that make sense and show our progress well. We use this same method when we receive new funding to create the right performance measures.

When we decide how much funding we need, we carefully consider how it might impact our services and the metrics that indicate how well we are performing. Despite budget constraints, our leadership is confident that we can maintain our services at their current levels performance metrics do not need to be changed due to financial constraints.

The overview of our performance, effectively encapsulates the levels of service we intend to offer to the community through key performance indicators. We have taken steps to guarantee that these performance measures sufficiently contribute to tracking our progress in achieving the objectives outlined in the Council's Plan.

The Council's Service Performance Indicators are found in the "Our Performance" section of the Annual Report. Key performance indicators for the Council can be found on pages 39-119.

Reconciliation of Financial Statements to Funding Impact Statements are located on page 215 in this Annual Report

## Resident satisfaction surveys

We use surveys to help us understand what our customers, local residents, and the community think about our services. They're different from surveys that only ask if people are happy with our specific services.

Creating these surveys is a meticulous process. Skilled professionals, craft them using the most effective survey methods. We ensure that the questions are straightforward, avoiding any bias that might influence people's responses. In situations where it's crucial to maintain complete fairness, we collaborate with impartial organisations to conduct the surveys. The insights gained from these surveys serve enhance our procedures and making our services even better in the times ahead.

We take great care in selecting the individuals to participate in our surveys, aiming for a diverse representation that closely mirrors the community of Te Awa Kairangi ki Tai / Lower Hutt. On occasion, we may make slight adjustments to survey results to ensure they accurately reflect the characteristics of our target group. Additionally, when applicable, we employ advanced statistical techniques to assess the significance of survey findings. In cases where the results exhibit uncertainty due to low response rates, we are transparent in communicating this to ensure full awareness among our audience.

We use a number of expert survey techniques to make sure our surveys are as good as they can be. For example, surveys about our services are done more frequently because we want to keep improving our services. Surveys seeking generally opinions are done once a year to get an overall picture of what people think at that particular time.

We also run surveys with the general population, like the Quality-of-Life survey, to find out what people think about life in Te Awa Kairangi ki Tai / Lower Hutt. These surveys help us see the effectiveness of our services are and how they impact people's lives.

Our surveys help us understand how well our services are performing and give us ideas on how to make them better. This helps us make good decisions based on real information from the community we serve.

## How we report on our performance measures and results

The year-end results for performance measures are reported in this annual report. Results are reported in a table under the heading Key Performance Indicators for each activity area. Comparative results are provided for the prior year to give a comparison at a similar point in time and show trends.

The following criteria is used to rate and report on the results for the performance measures:

- ✓ Target has been met
- ✗ Target has not been met
- Measures could not be reported on

Where a standard for a performance measure has not been met, or there is a significant variance, an explanation is included.

## External implications for statements about performance

The introduction of the (the standard) brings more rigorous requirements for reporting service performance to enhance accountability and decision-making. External factors beyond an entity's control, such as government policy changes, travel restrictions, and economic conditions, can influence service performance results.

Hutt City Council utilises non-financial Key Performance Indicators (KPIs) based on the 2021-2031 Long Term-Plan, ensuring alignment with Council priorities and performance improvement. These KPIs measure outcomes directly controllable by the Council.

PBE FRS 48 encourages presentation on clear and meaningful service performance information alongside financial statements, emphasizing the application of qualitative characteristics and constraints in reporting. Reporting consistency and the disclosure of significant judgements affecting performance information are critical aspects of the Standard. HCC's impact assessment highlights expected changes and required disclosures due to these new reporting standards.

## Disclosure of key judgements for 2022–23

In our previous annual report 2021–22, we not only included disclosures about Key Performance Indicators (KPIs), but we also provided additional information on non-financial matters. This included details about the number of complaints received regarding water supply, wastewater, and stormwater KPIs, which were assessed by external auditors. We also addressed concerns related to the reliability of the water supply, particularly regarding the percentage of water loss.

86 Key Performance Indicators (KPIs) were set in our 2022–23 Annual Plan.

In our recent Resident Satisfaction Survey, conducted from 15 March to 25 April, we received 1,719 responses, the highest in the survey's history. This year's survey showed significant increases in satisfaction with Council facilities and outdoor spaces compared to last year. More information can be found on page 35 in this Annual Report.

The report emphasized the Government's Three Waters Reform program and discussed uncertainties related to measuring greenhouse gas emissions. In this Annual Report for 2022–23, we continue these disclosures and have included other important judgments and recommendations from auditors. This involves sharing information about our reasoning behind selecting specific KPIs, among other relevant matters.

Entities share the important decisions they make when reporting on their performance according to specific rules. Several factors determine when these decisions are shared, including how well the performance information aligns with the entity's goals and strategies, its internal consistency, and the level of freedom the entity possesses in selecting and presenting this information.

Other factors include the influence of certain attributes, such as importance and cost, and how user input affects the reporting. The entity also explains the decisions made when comparing past information or describing various elements and how they select measures and present their performance data.

## Statement of compliance

This performance report of the Hutt City Council has been prepared in accordance with the requirements of the LGA which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Hutt City Council service performance report as set out on pages 10 to 13, 35 to 119 and 217 has been prepared in accordance with the Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with PBE financial reporting standards.

# Whakarāpopoto tātaritanga

## Our performance at a glance

**29** were achieved

**54** did not achieve the targets set

**3** measures could not be reported on

Council's performance results are similar to last year. We achieved 29 of our performance goals (32 in 2022). We have work to do in some areas to meet more of our targets. We expect our continued focus on water infrastructure investment (\$69.5 million in 2023) will see these metrics improve in the future. For example, we renewed 14.5km of pipes during the year, more than any other Council in the region.

This year we faced challenges in meeting some of our transport targets, including the accuracy of travel times, a decline in average road condition, maintenance shortfalls, and improving resident satisfaction with the overall network. Our performance in the transport area was significantly impacted by severe weather events which resulted in a reprioritisation of work.

Our recent Resident Satisfaction Survey showed significant increases in satisfaction with Council facilities and outdoor spaces compared to last year. Most visitor number targets for libraries, pools, museums and hubs were not met this year. While visitor numbers at our facilities have not returned to pre-COVID-19 levels, it's heartening to see that satisfaction rates for our libraries and hubs, pools and museums are high: libraries 91% (83% in 2022); swimming pools 88% (81% in 2022); and museums 92% (80% in 2022).

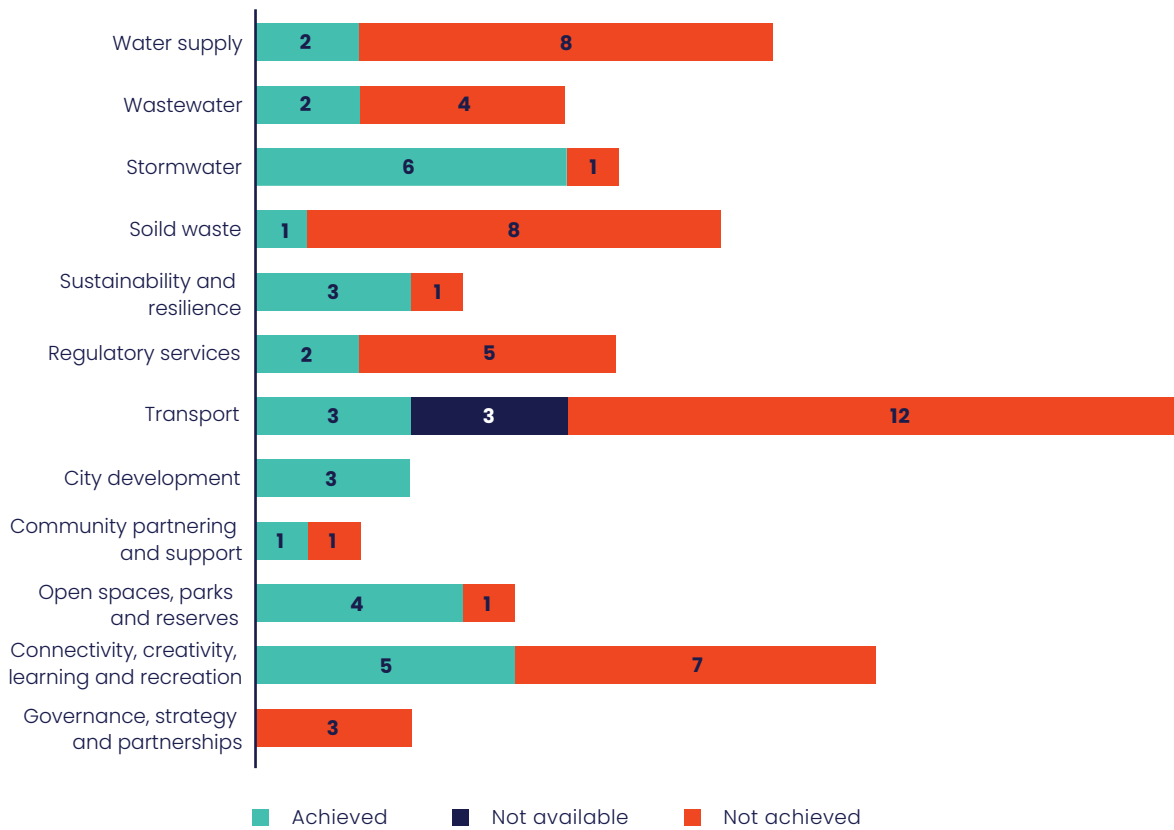
During and following the pandemic our business pivoted to meet community expectations in different ways. We continue to see this trend with electronic loans from libraries more than doubling over the last three years. There were over a quarter of a million instances of people accessing the Wi-Fi at libraries and hubs, and a steady increase of computer usage by our community. Local initiatives supported by council such as the new library at Maungaraki are key in providing greater access to our services in more publicly accessible ways.

We know that challenges remain. A surge in building consent submissions due to new regulations in last part of the year strained our processing capacity, leading to delays and a drop from 91% to 54% of processing consents within the statutory timeframes.

We are reviewing all of our performance measures as part of the preparation of the 2024-2034 Long-Term Plan, with an aim to continue improving our accountability and performance.



**KPI measure achievement by activity areas:**







# **Oranga taiao** Environmental wellbeing

# Ngā puna wai

## Water supply

### Statement of service performance

It's important that everyone in our community can reliably access safe and quality drinking water. To ensure this, we provide a sustainable and high-quality water supply to our community for domestic and commercial use. We regularly monitor the water quality and carry out any maintenance and upgrades necessary to deliver the required service. Greater Wellington Regional Council is responsible for the extraction, treatment, and supply of bulk water into the city's water supply system.

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.

### Key performance indicators

#### Water supply

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>We want to ensure our community has access to a safe, clean, reliable water supply</b>					
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria).	Full Compliance - 100%	Full Compliance - 100%	Non-Compliant	×	<p>This year, there were significant changes to the rules that govern how we measure and report on the safety of drinking water, as Taumata Arowai (the national regulator for water services) replaced the previous standards with new more rigorous standards. These standards came into effect on 15 November 2022.</p> <p>This year we have been non-compliant with both the old regulations (1 July 2022 – 14 November 2022) as well as the new regulations (15 November 2022 – 1 July 2023), for two different reasons.</p> <p>Non-compliance with old standards – The Drinking Water Standards were in effect up until 15 November 2022.</p> <p>There was a period when we could not demonstrate that certain sensors at Te Marua Water Treatment Plant were recalibrated or replaced within a 12-month period, meaning we were non-compliant with the regulations. When the sensors were recalibrated, it confirmed they were reading accurately, and the water was always safe to drink.</p>

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>We want to ensure our community has access to a safe, clean, reliable water supply (cont'd)</b>					
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria).	Full Compliance - 100%	Full Compliance - 100%	Non-Compliant	×	<p>Non-compliance with new standards</p> <p>New rules introduced by Taumata Arowai required an increase to a value known as a 'Ct' that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers. The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households.</p> <p>This rule means either significantly increasing the concentration of chlorine added at the treatment plant or increasing the time that the chlorine is in contact with the water before it reaches the first customers in Lower Hutt. Increasing the chlorine concentration to this level, which is around two and a half times the current dose, could result in a significant change to the taste of the water or cause skin irritation. Alternatively, significant network upgrades and investment are needed to increase the contact time between chlorine and water.</p> <p>We have applied for an exemption from Taumata Arowai. At the time of writing this report, we have not yet received a response and therefore are reporting that the water in the Wellington metropolitan region is non-compliant.</p> <p>We are continuing with our regular monitoring of the drinking water from the bores supplied from the Waiwhetu aquifer, as well as at the Waterloo Water Treatment Plant and locations within the drinking water network. The results show the water is safe to drink.</p> <p>There was a technical non-compliance with the new protozoal rules on 12 January 2023 at the Wainuiomata Water Treatment Plant that supplies water to both Wainuiomata in Lower Hutt and parts of Wellington City. The new rules focus on ensuring that water passing through the treatment plant does not exceed a certain level of turbidity (cloudy water that is used as an indicator for the presence of bugs that could cause public health risk) for more than 72 minutes per day. On this occasion, as we were still in the process of adjusting our operations to meet the new rules, we exceeded the allowable level of turbidity for a total of 18 minutes that day. However further investigations and monitoring showed that at no point was this water unsafe to drink.</p>
Number of complaints for drinking water per 1000 connections.	≤ 20	24.3	26.1	×	The network is ageing, and the associated fault volumes are increasing. We are battling with ageing pipes that are prone to bursts or in need of repairs.
Residents' satisfaction with the water supply service they receive.	≥ 90%	83%	73%	×	Some residents have raised concerns about the lack of effective communication during water outages. WWL has an app which communicates with public regarding any outage issues.

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022–23	2021–22	2022–23	2022–23	
Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	114 mins (Restated) <sup>1</sup> (66 mins as reported) <sup>2</sup>	98 mins	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 8 hours	18.3 hours (Restated) <sup>1</sup> (3 hours as reported) <sup>2</sup>	6.7 hours	✓	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 72 hours	193 hours (Restated) <sup>1</sup> (92.4 hours as reported) <sup>2</sup>	548 hours	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 20 working days	11 working days (Restated) <sup>1</sup> (3 working days as reported) <sup>2</sup>	23 working days	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.

1 We have corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. These changes relate to excluding records that were previously included, the most significant of which was the inclusion of duplicate records (where multiple people reported the same incident).

Due to the treatment of this data, duplicate records are closed before the job is complete, impacting the results. We have also removed additional jobs that were not strictly in line with the performance measure guidelines.

The times for the 2021–22 Financial Year have been restated.

2 These results were reported in the Annual Report 2021–22.

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>We need to ensure we have a sustainable water supply for the future</b>					
Average drinking water consumption per resident per day.	≤ 385 litres / resident / day	381 litres	410 litres	✓	Per capita consumption across all councils in the metro area has continued to increase primarily due to leakage, but also in part due to high residential use relative to other cities in NZ. We continue to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels, and we have planned investment in universal smart metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk.
Percentage of real water loss from networked reticulation system. <sup>3</sup>	≤ 20%	20%	37% <sup>4</sup>	✗	<p>It remains challenging to provide accurate water loss figures for the Wellington metropolitan region as residential water use is not universally metered. However, we do have access to maturing data from 16 Small Area Monitors and 156 District Area Meters across metropolitan Wellington that measure residential night and day water use. This data tells us that the level of water lost through leaks continues to rise due to aging infrastructure and a growing backlog of work to repair and replace this infrastructure.</p> <p>This year we have improved our methodology so we can estimate water loss with more certainty. In using our improved methodology, our estimates show that water loss has increased from 31% to 37% in Lower Hutt.</p>

3 These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters.

4 There is a 95% confidence interval for this measure of 22-52%. We amended the methodology for 2022-23 using an updated model using minimum night flows method which includes information from newly installed Small Area Monitors.

## Statement of comprehensive revenue and expenses

### Water supply

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)		(Year 2)			
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	3,625	3,382	3,730	3,730	3,772	42
Operating Subsidies	-	-	-	-	-	-
Operating Grants	1,060	3,403	-	-	(72)	(72)
Capital Subsidies	-	-	-	-	-	-
Capital Grants	1,060	25	-	-	-	-
Development & Financial Contributions	706	570	1,033	1,033	833	(201)
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	116	727	120	120	1,916	1,796
Other Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>6,568</b>	<b>8,107</b>	<b>4,883</b>	<b>4,883</b>	<b>6,448</b>	<b>1,565</b>
<b>Expenditure</b>						
Employee Costs	-	-	-	-	-	-
Operating Costs	17,853	19,481	19,978	19,344	20,990	(1,646)
Support Costs/Internal Charges	421	421	612	689	689	-
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Finance Cost	773	952	595	559	955	(396)
Depreciation	4,335	4,425	5,006	4,947	5,270	(322)
<b>Total Expenditure</b>	<b>23,383</b>	<b>25,279</b>	<b>26,191</b>	<b>25,539</b>	<b>27,904</b>	<b>(2,364)</b>
<b>Deficit Before Tax</b>	<b>(16,815)</b>	<b>(17,172)</b>	<b>(21,308)</b>	<b>(20,656)</b>	<b>(21,455)</b>	<b>(799)</b>
<b>Total Capital Expenditure</b>	<b>12,523</b>	<b>5,924</b>	<b>12,442</b>	<b>9,215</b>	<b>18,178</b>	<b>(8,963)</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(16,815)	(17,172)	(21,308)	(20,656)	(21,455)	(799)
Add Capital Contributions	(1,766)	(595)	(1,033)	(1,033)	(833)	201
Rate Funded Debt Repayment	-	-	-	1,394	1,914	520
<b>Total Rates Funding Requirement</b>	<b>(18,581)</b>	<b>(17,767)</b>	<b>(22,341)</b>	<b>(20,295)</b>	<b>(20,374)</b>	<b>(79)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	(443)	(250)	(956)	(1,913)	(1,937)	(24)
Capital To Improve Level Of Service	(2,059)	(1,091)	(4,612)	(3,105)	(3,889)	(784)
Capital To Replace Existing Assets	(10,021)	(4,583)	(6,874)	(4,197)	(12,352)	(8,155)
Less Capital Contributions	1,766	595	1,033	1,033	833	(201)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	4,335	4,425	5,006	4,947	5,270	322
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	(1,394)	(1,914)	(520)
<b>Total Loan Funding Requirement</b>	<b>(6,422)</b>	<b>(904)</b>	<b>(6,403)</b>	<b>(4,628)</b>	<b>(13,990)</b>	<b>(9,361)</b>
<b>Total Funding Requirement</b>	<b>(25,003)</b>	<b>(18,671)</b>	<b>(28,744)</b>	<b>(24,924)</b>	<b>(34,364)</b>	<b>(9,440)</b>



## Operating projects

There were no operating projects separately budgeted for the year.

### Significant operating variations from Annual Plan

Wellington Water Limited (WWL) manages, maintains, and operates the water supply activity on behalf of Council under a management services agreement. Net operating costs are \$0.8 million unfavourable to budget. This is mainly due to higher maintenance costs of \$1.6 million related to leak detection and repair work due to the ageing infrastructure; higher interest costs of \$0.4 million, mainly due to greater investment in capital works; and higher depreciation costs of \$0.3 million, largely due to the 2021–22 year end asset revaluation. These costs are partly offset by increased vested assets of \$1.7 million due to increased property development across the city.

## Capital projects

### Water supply

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Meet Additional Demand</b>			
Network Upgrades Water Supply Growth	56	43	12
Reservoir Upgrades Water Supply Growth	1,857	1,893	(36)
<b>Capital To Improve Level Of Service</b>			
Critical Pipelines Seismic Upgrade	1,592	2,462	(870)
Network Upgrade – Water Supply	483	377	106
Pump Station Upgrades Water Supply	1	-	1
Reservoir Upgrades Water Supply	1,030	1,050	(20)
<b>Capital To Replace Existing Assets</b>			
Distribution Pipe Model Development	27	44	(18)
Reactive Network Renewals Water Supply	95	778	(683)
Reactive Pump Station Renewals	179	5	175
Reactive Reservoir Renewals	83	16	67
Control Systems Renewals Water Supply	33	13	20
Network Renewals Water Supply	3,781	11,497	(7,717)
<b>Total Capital Projects</b>	<b>9,215</b>	<b>18,178</b>	<b>(8,963)</b>

### Significant capital variations from Annual Plan

Wellington Water Limited (WWL) manages the planning and delivery of the Water Supply capital programme on behalf of Council under a management services agreement. In 2022–23 and future years there is a large programme of capital works which WWL have been tasked with completing. For 2022–23 progress was made ahead of what was originally planned and work was able to be brought forward on some significant renewals projects resulting in an overspend. Inflationary pressures also contributed to the increases. As a result total actual capital spend was significantly more than what was in the approved Annual Plan budgets. Requests for additional funding were reported to and approved by Council throughout the year.

The overspend in Water Supply of \$8.9 million relates mainly to work on Network Renewals where significant progress was made on a programme of work to renew a large portion of the City's aging infrastructure including replacement of galvanised pipes and included work programmed for future years. There was also unplanned watermain work due to the Point Howard slip, and unplanned water infrastructure renewals carried out in conjunction with the Wainuiomata Queen Street Development project. The overspend covers the unplanned works which includes \$1.2 million for the galvanised iron pipe works and \$0.3 million for the Howard Road works and the work associated with Wainuiomata Queen Street Development \$1 million. Works brought forward amounted to \$3 million which covered programmed watermain renewals which included Waddington Dr, Naenae and Fraser St, Wainuiomata. The remaining balance of the overspend was due to cost escalations.

# Waiparu Wastewater

## Statement of service performance

By collecting, treating, and disposing of wastewater, we provide a service to residents and businesses that support development in the city while protecting the physical environment and our community's health. We provide a pipe network that takes household and commercial effluent to the Seaview Wastewater Treatment Plant, which treats it to public health and environmental standards.

## Key performance indicators

### Wastewater

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	

**It is critical our community is not exposed to any health or environmental risks associated with wastewater, by providing a safe, reliable, quality wastewater network**

Dry weather wastewater overflows per 1000 connections.	≤ 20	3.6	5.3	✓	
Number of complaints per 1000 connections.	≤ 30	2.6	22.1	✓	
Residents satisfaction with the wastewater service they receive.	≥ 90%	78%	72%	✗	Some residents feared that the wastewater system might fail during extreme weather events, pointing to previous instances of overflows.

**Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times:**

Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	1,154 mins (Restated) <sup>1</sup> (196 mins as reported) <sup>2</sup>	593 mins	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤ 8 hours	25.8 hours (Restated) <sup>1</sup> (20.3 hours as reported) <sup>2</sup>	35 hours	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Compliance with resource consents for discharges from wastewater system.	No enforcement action	3	6	✗	We received an abatement notice and three infringement notices for non-compliant effluent quality at the Seaview Wastewater Treatment Plant. Additionally, two infringement notices were received for odour from the Seaview Wastewater Treatment Plant.

1 We have corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. These changes relate to excluding records that were previously included, the most significant of which was the inclusion of duplicate records (where multiple people reported the same incident).

Due to the treatment of this data, duplicate records are closed before the job is complete, impacting the results. We have also removed additional jobs that were not strictly in line with the performance measure guidelines.

2 The times for the 2021-22 Financial Year have been restated.

## Statement of comprehensive revenue and expenses

### Wastewater

For the year ended 30 June	2021-31		2021-31	Annual		
	LTP (Year 1)	Actual	LTP (Year 2)	Plan	Actual	Bud v Act Variance
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	1,057	1,321	1,088	1,088	1,492	404
Operating Subsidies	2,231	2,553	2,611	2,716	2,861	145
Operating Grants	1,060	2,239	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	1,060	-	-	970	-	(970)
Development & Financial Contributions	466	2,650	669	669	2,327	1,657
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	116	735	120	120	1,837	1,717
Other Revenue	-	-	-	-	(0)	(0)
<b>Total Revenue</b>	<b>5,991</b>	<b>9,498</b>	<b>4,488</b>	<b>5,563</b>	<b>8,515</b>	<b>2,952</b>
<b>Expenditure</b>						
Employee Costs	-	-	-	-	-	-
Operating Costs	15,056	15,814	16,515	16,506	15,707	798
Support Costs/Internal Charges	471	471	1,062	1,132	1,132	-
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	2	(2)
Finance Cost	1,166	1,436	1,053	1,388	2,006	(618)
Depreciation	9,137	8,867	9,821	10,625	8,940	1,685
<b>Total Expenditure</b>	<b>25,830</b>	<b>26,588</b>	<b>28,451</b>	<b>29,651</b>	<b>27,788</b>	<b>1,863</b>
<b>Deficit Before Tax</b>	<b>(19,840)</b>	<b>(17,090)</b>	<b>(23,963)</b>	<b>(24,088)</b>	<b>(19,273)</b>	<b>4,815</b>
<b>Total Capital Expenditure</b>	<b>23,109</b>	<b>21,433</b>	<b>33,187</b>	<b>29,183</b>	<b>48,184</b>	<b>(19,001)</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(19,840)	(17,090)	(23,963)	(24,088)	(19,273)	4,815
Add Capital Contributions	(1,526)	(2,650)	(669)	(1,639)	(2,327)	(687)
Rate Funded Debt Repayment	-	-	-	2,359	(1,805)	(4,164)
<b>Total Rates Funding Requirement</b>	<b>(21,366)</b>	<b>(19,740)</b>	<b>(24,632)</b>	<b>(23,368)</b>	<b>(23,405)</b>	<b>(36)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	(1,210)	(1,603)	(2,713)	(2,937)	(3,292)	(356)
Capital To Improve Level Of Service	(4,916)	(5,050)	(3,148)	(1,337)	(3,609)	(2,272)
Capital To Replace Existing Assets	(16,982)	(14,780)	(27,326)	(24,910)	(41,283)	(16,373)
Less Capital Contributions	1,526	2,650	669	1,639	2,327	687
Less UHCC Capital Contributions	3,315	3,810	5,520	4,981	8,505	3,524
Less Depreciation	9,137	8,867	9,821	10,625	8,940	(1,685)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	(2,359)	1,805	4,164
<b>Total Loan Funding Requirement</b>	<b>(9,130)</b>	<b>(6,106)</b>	<b>(17,177)</b>	<b>(14,297)</b>	<b>(26,607)</b>	<b>(12,310)</b>
<b>Total Funding Requirement</b>	<b>(30,496)</b>	<b>(25,846)</b>	<b>(41,809)</b>	<b>(37,665)</b>	<b>(50,012)</b>	<b>(12,347)</b>

## Operating projects

There were no operating projects separately budgeted for the year.

### Significant operating variations from Annual Plan

Wellington Water Limited (WWL) manages, maintains and operates the Wastewater activity on behalf of Council under a management services agreement. Net operating costs are \$4.8 million favourable to budget. This is mainly due to reduced maintenance costs of \$0.8 million; lower depreciation costs of \$1.7 million largely due to the 2021–22 year end asset revaluation being lower than expected, combined with changes to the capital delivery; increased revenue from development contributions of \$1.7 million, and vested assets of \$1.7 million due to increased property developments across the City.

## Capital projects

### Wastewater

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Meet Additional Demand</b>			
Network Renewals Wastewater Growth	644	1,051	(407)
Network Upgrades Wastewater Growth	152	562	(410)
Trunk DBO Network Cyclic Replacement Wastewater Growth	697	1,260	(563)
Trunk DBO Asset Replacement Fund Wastewater Growth	2	3	(1)
Trunk Main Outfall Pipeline Overflow Mitigation Wastewater Growth	116	68	49
Wastewater Valley Floor Infrastructure Growth	1,326	349	978
<b>Capital To Improve Level Of Service</b>			
Network Upgrades Wastewater	909	3,367	(2,458)
Trunk Main Outfall Pipeline Overflow Mitigation	348	203	146
Trunk Type A Asset Development	80	39	40
<b>Capital To Replace Existing Assets</b>			
Wastewater Modelling	66	12	54
Network Renewals Wastewater	10,082	16,459	(6,377)
Pump Station Upgrades Wastewater	385	360	25
Trunk Non-DBO Minor Works	265	-	265
Trunk DBO Asset Replacement Fund	2,863	4,259	(1,395)
Trunk DBO Network Cyclic Replacement	10,916	19,739	(8,823)
Trunk Resource Consent Renewals	332	454	(122)
<b>Total Capital Projects</b>	<b>29,183</b>	<b>48,184</b>	<b>(19,001)</b>

## Significant capital variations from Annual Plan

Wellington Water Limited (WWL) manages the planning and delivery of the Wastewater capital programme on behalf of Council under a management services agreement. In 2022–23 and future years there is a large programme of capital works which WWL have been tasked with completing. For 2022–23 progress was made ahead of what was originally planned and work was able to be brought forward on some significant renewals projects resulting in an overspend. Inflationary pressures also contributed to the overspend. Total actual capital spend was significantly more than what was in the approved Annual Plan budgets. Requests for additional funding were reported to and approved by Council throughout the year.

The overspend in Wastewater of \$19 million relates mainly to Network Renewals and Network Cyclic Replacements where significant progress was made on a programme of work to renew the City's aging infrastructure. There was also urgent unplanned wastewater pipework replaced in Eastern Bays which was carried out in conjunction with the Tupua Horo Nuku shared path project.

A significant project was replacement of the main trunk sewer that connects to the Treatment Plant in Seaview referred to as the Barber Grove project. There were additional costs of \$9 million which included work brought forward from 2023–24 and about \$1.7 million of cost escalation based on the original tender price. The funding for this project was split between the 2022–23 and 2023–24 financial years. The overspend also covers \$2.5 million of Wastewater Network Upgrades that were brought forward and includes works in Epuni and Woburn. The overspend also covers \$4 million of Wastewater Network Renewals that were also brought forward which mainly relates to renewals in Avalon.

# Waiāwhā

## Stormwater

### Statement of service performance

We need to control stormwater to protect our community's health and safety and minimise property damage. We provide a stormwater drainage pipe network to manage the surface water run-off, as well as flood protection and control. Our objective is to achieve the best possible balance between the level of protection, the impact on our environment, and the cost to our community. This includes maintaining and upgrading assets to the required service levels.

### Key performance indicators

#### Stormwater

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>We want to ensure our community can enjoy recreational assets</b>					
Achieve water quality at main recreational beaches: percentage of days that monitored beaches are suitable for recreational use during bathing season – 1 Dec to 31 Mar.	100%	100%	100%	✓	
<b>We want to ensure our City has a safe, reliable, quality stormwater system</b>					
Number of flooding events (where stormwater enters a habitable floor).	≤ 2	2	0	✓	
Number of habitable floors affected by flooding events (per 1000 connections).	≤ 0.24	0.27	0	✓	
Number of complaints about stormwater system performance (per 1000 connections).	<20	14.3	18.2	✓	
Residents' satisfaction with the City's stormwater system.	≥ 70%	60%	51%	✗	Residents expressed concerns about the existing stormwater system's ability to handle extreme weather events, citing instances of overflowing and leaking in the streets during heavy rain.
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 480 minutes	4,261 minutes	0	✓	
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions).	Nil (no enforcement action)	0	0	✓	

## Statement of comprehensive revenue and expenses

### Stormwater

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)		(Year 2)			
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	12	29	12	12	44	32
Operating Subsidies	8	5	9	9	5	(4)
Operating Grants	530	1,904	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	530	-	-	550	-	(550)
Development & Financial Contributions	87	349	108	108	272	164
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	116	559	120	120	1,760	1,640
Other Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,284</b>	<b>2,846</b>	<b>249</b>	<b>799</b>	<b>2,081</b>	<b>1,282</b>
<b>Expenditure</b>						
Employee Costs	-	-	-	-	-	-
Operating Costs	5,457	5,418	5,105	5,085	5,290	(205)
Support Costs/Internal Charges	979	979	335	392	392	0
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Finance Cost	409	504	305	234	286	(52)
Depreciation	4,914	4,588	4,685	4,980	5,425	(445)
<b>Total Expenditure</b>	<b>11,759</b>	<b>11,489</b>	<b>10,430</b>	<b>10,691</b>	<b>11,393</b>	<b>(702)</b>
<b>Deficit Before Tax</b>	<b>(10,475)</b>	<b>(8,643)</b>	<b>(10,181)</b>	<b>(9,892)</b>	<b>(9,312)</b>	<b>580</b>
<b>Total Capital Expenditure</b>	<b>3,851</b>	<b>1,977</b>	<b>4,116</b>	<b>3,408</b>	<b>3,160</b>	<b>248</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(10,475)	(8,643)	(10,181)	(9,892)	(9,312)	580
Add Capital Contributions	(617)	(349)	(108)	(658)	(272)	386
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(11,093)</b>	<b>(8,992)</b>	<b>(10,289)</b>	<b>(10,550)</b>	<b>(9,584)</b>	<b>966</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	(218)	(135)	(187)	(68)	(114)	(46)
Capital To Improve Level Of Service	(2,414)	(967)	(1,502)	(1,077)	(1,220)	(143)
Capital To Replace Existing Assets	(1,219)	(875)	(2,427)	(2,263)	(1,826)	437
Less Capital Contributions	617	349	108	658	272	(386)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	4,914	4,588	4,685	4,980	5,425	445
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>1,680</b>	<b>2,960</b>	<b>677</b>	<b>2,230</b>	<b>2,537</b>	<b>306</b>
<b>Total Funding Requirement</b>	<b>(9,412)</b>	<b>(6,032)</b>	<b>(9,612)</b>	<b>(8,320)</b>	<b>(7,047)</b>	<b>1,273</b>

## Operating projects

There were no operating projects separately budgeted for the year.

### Significant operating variations from Annual Plan

Wellington Water Limited (WWL) manages, maintains and operates the Stormwater activity on behalf of Council under a management services agreement. Net operating costs are \$0.6 million favourable to budget. This is mainly due to increased vested assets of \$1.6 million due to increased property developments across the City, offset by reduced capital grants \$0.55 million, higher operating costs of \$0.2 million due to additional maintenance work, and higher depreciation costs of \$0.4 million largely due to the 2021–22 year end asset revaluation impacts combined with the changes to the capital delivery.

## Capital projects

### Stormwater

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Meet Additional Demand</b>			
Network Upgrades Storm Water Growth	68	58	9
Stormwater Valley Floor Infrastructure Growth	-	56	(56)
<b>Capital To Improve Level Of Service</b>			
Network Upgrades Storm Water	977	843	134
Pump Station Upgrades Storm Water	4	-	4
Stormwater consenting project	97	378	(281)
<b>Capital To Replace Existing Assets</b>			
Control Systems renewals Storm Water	5	-	5
Stormwater Network Modelling	298	308	(10)
Network Renewals Storm Water	1,705	1,459	246
Pump Station Reactive Renewals Storm Water	254	59	195
<b>Total Capital Projects</b>	<b>3,408</b>	<b>3,160</b>	<b>248</b>

### Significant capital variations from Annual Plan

Wellington Water Limited (WWL) manages the planning and delivery of the Stormwater capital programme on behalf of Council under a management service agreement. In 2022–23 there was a modest programme of works, with a greater emphasis on investment in the water and wastewater networks, which have a backlog of renewal work to complete.

There was a small underspend of \$0.25 million mainly in network renewals which was due to the Knights Road project coming in under budget.





# Para Solid waste

## Statement of service performance

Solid waste management is necessary for maintaining the health and quality of life of the community, the local economy, and the environment. It promotes environmental wellbeing by contributing primarily to the wellbeing outcomes of healthy people and a healthy natural environment. We deliver rubbish and recycling services for our residents, with a focus on encouraging waste minimisation. We also own and operate the Silverstream Landfill.

## Key performance indicators

### Solid waste

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Disposal/ landfills</b>					
<b>We are working to minimize the harmful effects of refuse</b>					
Number of resource consent-related infringement notices received from Greater Wellington Regional Council.	0 notices – (100% compliance)	0	0	✓	
<b>Refuse services</b>					
<b>We want to reduce litter and the negative impacts it can have on our natural environment and on our community's health</b>					
Number of litter incidents resulting in a complaint.	Previous year less 10% (364.50)	405	372	✗	The number of litter and illegal dumping complaints has reduced compared to the previous two years. The result is within 2% of the target and not significant. Note that the number of complaints is dependent on a range of factors, including the motivation to make a complaint. It does not necessarily reflect the total number of litter and illegal dumping incidents across the city.
<b>We are looking at ways to reduce the amount of waste going to landfill</b>					
Tonnes of waste to landfill (tonnes per person).	Less than previous year	19,735 / 113,559 = 0.17	21,431 / 113,034 = 0.18	✗	The amount of waste disposed is the result of a range of factors, including the consumption of products by households.

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022–23	2021–22	2022–23	2022–23	
<b>Recycling services</b>					
Percentage of kerbside recycling that is contaminated and diverted to landfill.	≤ 10%	18%	16%	×	Council instigated a programme to support behaviour change to reduce contamination (including an education/communications campaign, an increase in bin inspections, and removals of bins that are repeatedly contaminated) Contamination is trending down, and proactive work will continue during 23–24.
Tonnes of kerbside recycling collected.	Previous year plus 2% (>5,894)	5,778	5,865	×	The amount of recycling collected has increased and is within 1% of the target.
Resident satisfaction with Council's kerbside rubbish collection.	≥ 90%	76%	78%	×	Some residents expressed dissatisfaction with the early collection time of the red bin service (before 7am). There are concerns about tall wheelie bins tipping over in the wind, and bins being returned to the wrong location.
Resident satisfaction with Council's kerbside recycling collection.	≥ 90%	75%	77%	×	Some residents report feeling that recycling should include more different numbered soft plastics. There are also concerns that recycling might end up in landfills. This will be addressed in an education campaign.
Resident satisfaction with Council's kerbside green waste collection.	≥ 90%	59%	58%	×	Some users felt that the green waste collection service was not frequent enough during certain months, or it was challenging to opt into the service.
Overall resident satisfaction with Council's waste collection services.	≥ 85%	73%	72%	×	Some residents are satisfied with services and happy to do their part with recycling. Some suggested glass crates could be better utilised if they were strengthened, and the frequency of service could be increased to meet their family's needs. Others feel having large bins frequently emptied encourages waste-generating habits and that their rates are subsidising those creating more waste.

## Statement of comprehensive revenue and expenses

### Solid waste

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)	2022	(Year 2)	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	19,888	20,509	21,188	22,841	26,357	3,516
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	-	1,412	-	-	89	89
<b>Total Revenue</b>	<b>19,888</b>	<b>21,921</b>	<b>21,188</b>	<b>22,841</b>	<b>26,447</b>	<b>3,606</b>
<b>Expenditure</b>						
Employee Costs	381	207	400	135	171	(37)
Operating Costs	18,364	21,950	20,289	21,542	24,981	(3,439)
Support Costs/Internal Charges	804	804	864	985	(1,240)	2,225
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Finance Cost	512	567	655	983	714	269
Depreciation	1,647	1,596	1,769	1,689	1,699	(10)
<b>Total Expenditure</b>	<b>21,708</b>	<b>25,124</b>	<b>23,977</b>	<b>25,334</b>	<b>26,325</b>	<b>(991)</b>
<b>Surplus Before Tax</b>	<b>(1,820)</b>	<b>(3,203)</b>	<b>(2,789)</b>	<b>(2,493)</b>	<b>122</b>	<b>2,615</b>
<b>Total Capital Expenditure</b>	<b>2,535</b>	<b>3,111</b>	<b>7,702</b>	<b>7,697</b>	<b>3,939</b>	<b>3,757</b>
<b>Rates Funding Requirement</b>						
Surplus Before Tax	(1,820)	(3,203)	(2,789)	(2,493)	122	2,615
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	(7,858)	(6,437)	(7,256)	(7,653)	(10,454)	(2,801)
<b>Total Rates Funding Requirement</b>	<b>(9,678)</b>	<b>(9,640)</b>	<b>(10,045)</b>	<b>(10,146)</b>	<b>(10,332)</b>	<b>(186)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(2,535)	(3,111)	(7,702)	(7,697)	(3,939)	3,757
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	1,647	1,596	1,769	1,689	1,699	10
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	7,858	6,437	7,256	7,653	10,454	2,801
<b>Total Loan Funding Requirement</b>	<b>6,970</b>	<b>4,922</b>	<b>1,323</b>	<b>1,645</b>	<b>8,213</b>	<b>6,568</b>
<b>Total Funding Requirement</b>	<b>(2,708)</b>	<b>(4,718)</b>	<b>(8,722)</b>	<b>(8,501)</b>	<b>(2,119)</b>	<b>6,382</b>

## Operating projects

There were no operating projects separately budgeted for the year.

### Significant operating variations from Annual Plan

Revenue is favourable by \$3.6 million, due to higher user fees at the Silverstream landfill. This is mainly the result of increased commercial volumes.

The increase in revenue is offset by higher contracted costs of \$2.7 million, including higher operational costs at the landfills; an increase in costs of \$1.4 million for Ministry for the Environment waste levy; a net increase of \$0.7 million after purchase provisions and revaluations for Emissions Trading Units; and a fair value loss of \$1.6 million on revaluation of decommissioned landfills.

## Capital projects

### Solid waste

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Improve Level Of Service</b>			
Silverstream Landfill Stage 2 Design & Construction	4,301	3,737	565
Silverstream Landfill Asbestos Cell	1,029	126	903
Silverstream Landfill Transfer Station	2,367	77	2,290
<b>Total capital projects</b>	<b>7,697</b>	<b>3,939</b>	<b>3,757</b>

### Significant capital variations from Annual Plan

Capital is underspent by \$3.8 million. There was an underspend in the landfill stage 2 design and construction project of \$0.6 million due to delays from design changes and adverse winter weather. There was also an underspend in the landfill asbestos cell project of \$0.9 million due to delays in design work because of other priority work; and an underspend of \$2.3 million in the landfill transfer station project due to the procurement processes for the landfill operation only recently being signed off, and the final design of the resource recovery park still being developed (a project that should precede the transfer station).

# Whakauka me te Manawaroa

## Sustainability and resilience

### Statement of service performance

Sustainability and resilience activities focus on the opportunities and risks we face in our environment and emergency management. These activities look for strategies to address potential issues, and to provide short-term, mid-term and long-term solutions for change. Areas of focus include climate change, biodiversity, and emergency management.

We need to do more to look after our natural environment and to reduce our carbon footprint. Our work on climate change will contribute to our city achieving environmental outcomes associated with sustainable living and resilience. We want our city to be resilient to natural hazards and climate change risks. We also need to increase the resilience of our assets.

Protecting biodiversity is essential for the health and wellbeing of our natural environment and helps us reduce negative outcomes such as air and water pollution. Protecting and enhancing indigenous biodiversity contributes to making our city a vibrant and attractive place for locals and encourages visitors to the city to enjoy our high-quality tracks, beaches, and reserves.

The Civil Defence Emergency Management Act 2002 requires local authorities to plan and provide for civil defence emergency management within its district, and to be able to fully function during and after an emergency.

### Key performance indicators

#### Sustainability and resilience

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	

#### Climate change

##### Council is responding to the impact of climate change and contributing to the goal of a carbon zero city by 2050

Emissions from Council owned facilities (tCO <sub>2</sub> -e) <sup>1</sup> <i>Note: that emissions data for 22-23 has been updated, in order to reflect periodic and retrospective updates to emission factors, published by the Ministry for the Environment.<sup>2</sup></i>	30% reduction from 21-22 by 2024 (<2,293)	3,190	2,230	✓	
Percentage of Council owned vehicle fleet that is electric.	45%	42%	58%	✓	
Emissions from Council owned fossil fuel vehicles (tCO <sub>2</sub> -e). <i>Historic data has been updated to emission factors.</i>	Zero emissions by 2031 (94.2)	106 (New measure 2021-22)	79	✓	

#### Emergency management

##### Our city is prepared for an emergency and can respond appropriately

Percentage of Community Resilience Plans that are more than 24 months old	0%	60%	60%	✗	WREMO leads this work on our behalf and advises there are not sufficient resources to meet targets as they have been prioritising other activity (including emergency training and responses).
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- Quantifying greenhouse gas (GHG) emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG emissions are still evolving, as are GHG reporting and assurance standards.
- Emission factors are subject to change. factors are appropriate at the time of reporting. This report includes emissions associated with all invoiced energy consumption.

## Statement of comprehensive revenue and expenses

### Sustainability and resilience

For the year ended 30 June	2021-31		2021-31			
	LTP	Actual	LTP	Annual	Actual	Bud v Act
	(Year 1)		(Year 2)	Plan		Variance
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	75	-	95	95	-	(95)
Operating Subsidies	-	-	-	-	-	-
Operating Grants	150	99	278	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	149	-	278	237	(41)
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	670	618	690	1,010	1,058	48
<b>Total Revenue</b>	<b>895</b>	<b>866</b>	<b>1,063</b>	<b>1,383</b>	<b>1,295</b>	<b>(88)</b>
<b>Expenditure</b>						
Employee Costs	346	509	363	671	883	(212)
Operating Costs	1,638	1,654	1,522	1,725	1,837	(112)
Support Costs/Internal Charges	498	498	561	555	555	-
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	56	(56)
Finance Cost	6	7	13	59	95	(36)
Depreciation	15	13	15	6	80	(74)
<b>Total Expenditure</b>	<b>2,503</b>	<b>2,681</b>	<b>2,474</b>	<b>3,016</b>	<b>3,507</b>	<b>(491)</b>
<b>Deficit Before Tax</b>	<b>(1,608)</b>	<b>(1,815)</b>	<b>(1,411)</b>	<b>(1,633)</b>	<b>(2,212)</b>	<b>(579)</b>
<b>Total Capital Expenditure</b>	<b>370</b>	<b>561</b>	<b>381</b>	<b>568</b>	<b>696</b>	<b>(128)</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(1,608)	(1,815)	(1,411)	(1,633)	(2,212)	(579)
Add Capital Contributions	-	(149)	-	(278)	(237)	41
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(1,608)</b>	<b>(1,964)</b>	<b>(1,411)</b>	<b>(1,911)</b>	<b>(2,449)</b>	<b>(538)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(370)	(492)	(381)	(568)	(696)	(128)
Capital To Replace Existing Assets	-	(69)	-	-	-	-
Less Capital Contributions	-	149	-	278	237	(41)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	15	13	15	6	80	74
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>(355)</b>	<b>(399)</b>	<b>(366)</b>	<b>(284)</b>	<b>(379)</b>	<b>(95)</b>
<b>Total Funding Requirement</b>	<b>(1,963)</b>	<b>(2,363)</b>	<b>(1,777)</b>	<b>(2,195)</b>	<b>(2,828)</b>	<b>(633)</b>

## Operating projects

### Sustainability and resilience

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
Waste Minimisation Projects	714	954	(240)
Climate Change community Engagements	180	147	33

### Significant operating variations from Annual Plan

Net operating is close to budget at year end with a slight unfavourable variance. This was mainly due to increased employee costs from the new Business Unit Emergency Management and higher cost for the waste minimisation projects.

## Capital projects

### Sustainability and resilience

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital to improve level of service</b>			
Electric Vehicle Charge Stations	568	696	(128)
<b>Total Capital projects</b>	<b>568</b>	<b>696</b>	<b>(128)</b>

### Significant capital variations from Annual Plan

Capital spend covered the installation of a number of new electric vehicle charging stations throughout the city. The overspend was largely due to the extra costs of increasing electrical capacity at two locations (Avalon Park and Wainuiomata), to enable the roll-out of charging stations there.



  
**Meridian.**  
Electric vehicle charging



**HUTT CITY**  
TE AWA KAIRANGI

 Zero Emission

# Ngā Ratonga Waeture

## Regulatory services

### Statement of service performance

This statutory activity is fundamental to achieving a clean, healthy, attractive, safe, and sustainable environment for residents and visitors. These activities include building and resource consents, environmental health, trade waste, animal services, and parking control. These functions are included under environmental wellbeing; however, building and resource consents activities also contribute directly to economic wellbeing, and animal control activities to social wellbeing and the safety of our community.

The building control and Resource Management Act 2019 (RMA) activities contribute to and promote a safe, healthy, and attractive built environment. This includes ensuring that all building work is built to approved standards, providing general advice to the public on consenting matters, providing advice on environmentally sustainable residential design and products, and monitoring and enforcing conditions of consent.

Environmental health activities contribute to safeguarding the community from food-borne illness, alcohol-related harm, and potential health-related harm from the appearance industry (e.g. tattoos, beauty therapy).

We inspect a range of premises for cleanliness and hygienic practices. We also do a wide variety of work related to health nuisances and noise.

The trade waste function protects public health in areas of sewage, stormwater, and chemical hazards. It registers all commercial properties that discharge liquid waste and charges the users of the system to cover the cost of conveying, treating, and disposing of their waste.

Animal services activities are responsible for the monitoring and enforcement of regulations under the Dog Control Act so that residents are safe, and the welfare of animals is protected.

Parking services promote safe and efficient parking of vehicles and ensures the regular turnover of parking spaces to maintain fair access to public car parking in our city.

## Key performance indicators

### Regulatory services

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022–23	2021–22	2022–23	2022–23	
<b>Building consents</b>					
<b>We need to ensure that new housing is safe and meets standards without delaying the process</b>					
Percentage of building consents processed within statutory timeframe.	100% within 20 working days	65%	74%	×	Steady improvement in Q1 and Q2. Applications increased prior to legislated changes that came into effect in Q4 (approx. 277 new applications in Q3 and 416 in Q4). Resources redirected to deal with the influx of new requests at the start of the calendar year.
Code of compliance certificates issued within the statutory timeframe.	100% within 20 working days	88%	83.4%	×	GoGet <sup>1</sup> went live in March 2023 and since then, there has been a steady improvement as code compliance certificates move to the new system. There is a lag with actual physical construction due to a downturn in the construction industry.
<b>Resource consent</b>					
Percentage of non-notified resource consents processed within statutory timeframes.	100% within 20 working days	28%	42%	×	Steady improvement throughout the year. Resources redirected to deal with influx of consents in the prior year.
<b>Environmental health</b>					
<b>We want a community where everyone feels safe</b>					
Existing food premises verified within time frames.	95% by due date	7% (As at 30 June 2022 61% of existing food verifications were completed)	47%	×	The target was not met due to workload and operational challenges. There were marked improvements made throughout the course of the year with the availability of contracted resource.
Sale and supply of liquor (high risk premises) inspected.	95% checked	99%	100%	✓	
Noise control (excessive noise) complaints (%) investigated within 45 minutes.	≥ 85%	94%	79%	×	The end of year figure was slightly down on performance targets; management and resourcing issues with the contractor delivering this service affected the timelines of noise responses, as they fluctuated throughout the year.
<b>Animal control</b>					
Number of animal management community education programmes carried out.	≥ previous year (17)	17	38	✓	

<sup>1</sup> A workflow that manages the building consent process, including processing building consent applications, completing building inspections and issuing CCC's, helping to minimise costs and improve processing times.

## Statement of comprehensive revenue and expenses

### Regulatory services

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)		(Year 2)			
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	8,716	8,497	7,015	8,405	8,487	82
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	12	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	1,175	1,120	1,211	1,297	1,208	(89)
<b>Total Revenue</b>	<b>9,891</b>	<b>9,629</b>	<b>8,226</b>	<b>9,702</b>	<b>9,694</b>	<b>(8)</b>
<b>Expenditure</b>						
Employee Costs	6,743	6,982	6,800	8,516	8,584	(68)
Operating Costs	1,861	4,148	1,799	1,936	3,787	(1,851)
Support Costs/Internal Charges	3,381	3,381	3,609	3,969	3,969	-
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Finance Cost	9	11	14	77	95	(18)
Depreciation	100	102	97	54	177	(123)
<b>Total Expenditure</b>	<b>12,094</b>	<b>14,624</b>	<b>12,319</b>	<b>14,552</b>	<b>16,612</b>	<b>(2,060)</b>
<b>Deficit Before Tax</b>	<b>(2,203)</b>	<b>(4,995)</b>	<b>(4,093)</b>	<b>(4,850)</b>	<b>(6,917)</b>	<b>(2,067)</b>
<b>Total Capital Expenditure</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(2,203)	(4,995)	(4,093)	(4,850)	(6,917)	(2,067)
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(2,203)</b>	<b>(4,995)</b>	<b>(4,093)</b>	<b>(4,850)</b>	<b>(6,917)</b>	<b>(2,067)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	-	(15)	-	-	-	-
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	100	102	97	54	177	123
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>100</b>	<b>87</b>	<b>97</b>	<b>54</b>	<b>177</b>	<b>123</b>
<b>Total Funding Requirement</b>	<b>(2,103)</b>	<b>(4,908)</b>	<b>(3,996)</b>	<b>(4,796)</b>	<b>(6,740)</b>	<b>(1,945)</b>

## **Operating projects**

There were no operating projects separately budgeted for the year.

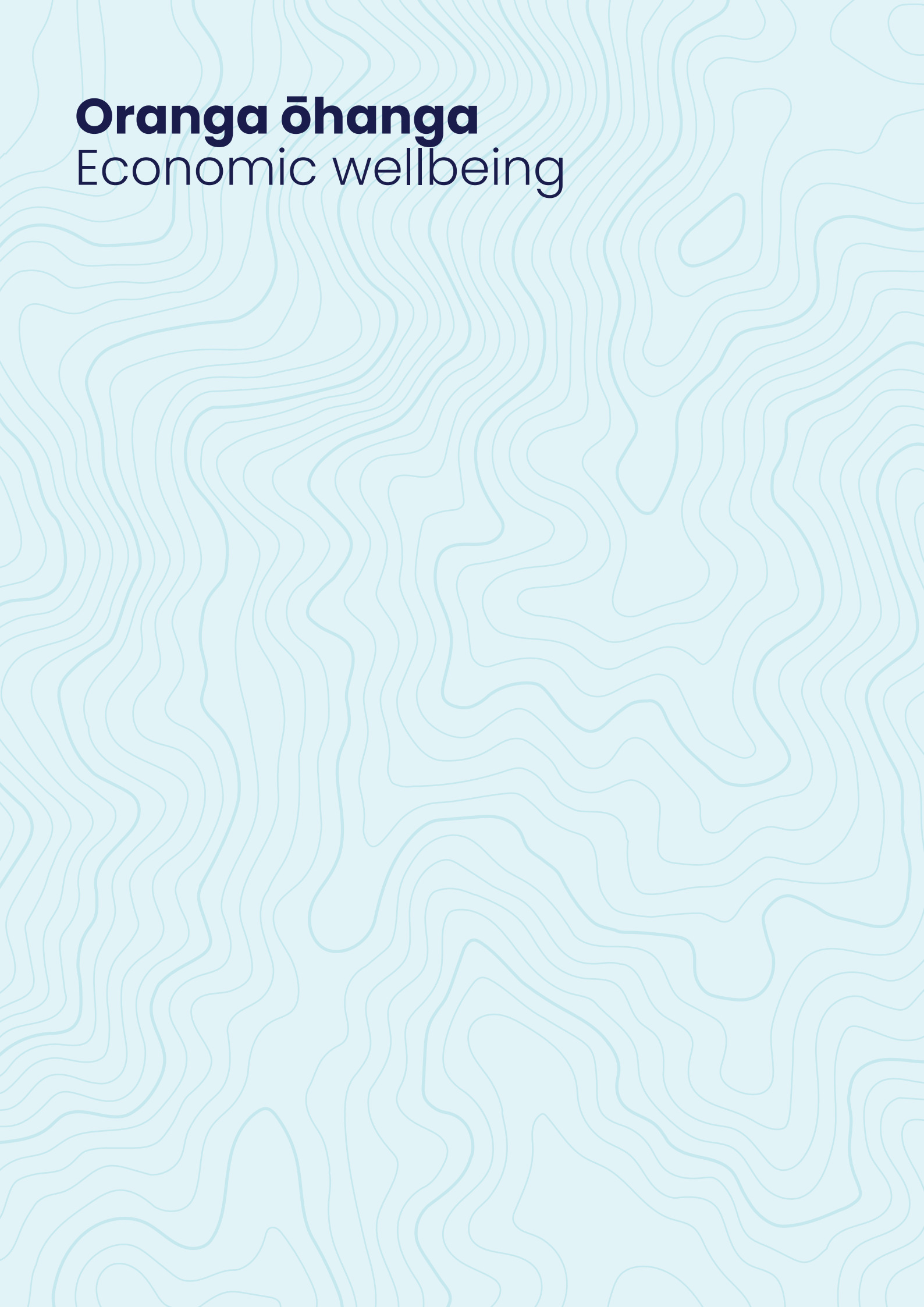
## **Significant operating variations from Annual Plan**

Net operating is \$2.1 million unfavourable to budget at year end. This was mainly due to higher resourcing and compliance costs to help process the backlog caused by the high volumes of consent applications received, as well as providing training and support to improve the timeliness and efficiency of the processing of consent applications.

## **Capital projects**

### Regulatory services

There were no capital projects planned or carried out during the year.



# **Oranga ōhanga**

## Economic wellbeing

# Ngā waka Transport

## Statement of service performance

Transport manages programmes of work required to maintain, operate, and renew our transport system. They are part of a continuous improvement process for our transport infrastructure. They have a focus on safety, better travel options, improved freight connections, and climate change mitigation.

A well-connected modern transport system that provides for all transport modes is vital to achieving an accessible and connected city. It links people in many ways and supports a thriving economy that is strong and diverse. This allows existing businesses to grow and our city to attract more visitors.

Transport activities relate to road assets (e.g. road and footpath surfaces, bridges), traffic assets (e.g. signs and markings, traffic signals, streetlights), roading maintenance and infrastructure contracts (asset maintenance, cleaning, vegetation control), road safety services, parking enforcement services, and active modes (e.g. shared path projects and equitable access for people of different abilities/needs). We provide sealed roads, footpaths, and streetlights so that motor vehicles, bicycles, and pedestrians can travel efficiently and safely.

## Key performance indicators

### Transport

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Traffic assets</b>					
<b>We need to be able to travel along key routes efficiently</b>					
Travel time on key routes (High Street, Petone-Seaview, Petone-Woburn, State Highway 2, Petone-Kelson, Harcourt Werry Drive and Cambridge Terrace).	Improve on previous year (Average travel time is within 10% of the expected average travel time)	Baseline year: - High St/ Hutt Rd 21.1 mins Seaview Rd/ The Esplanade 7.8 mins State Highway 2 (Haywards to Ngauranga) 14.6 mins Harcourt Werry Dr 5.4 mins Cambridge Tce/Eastern Hutt Rd 11.9 min Wainuiomata Rd (Fitzherbert-Randwick) 8.2 mins	N/A	-	The travel duration for the fourth quarter was unrecorded owing to resourcing challenges.
Travel time reliability (Buffer time index).	Improve on previous year	22%	N/A	-	The travel duration for the fourth quarter was unrecorded owing to challenges with staffing and contractors.

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	

## Road assets

### Our transport system is safe to travel on

Road condition index which measures the condition of the road surface (a lower number indicates a better rating).	Hold or improve rating (<3)	3	4	×	Overall increase in traffic volumes and sustained wet weather over the last two seasons contributed to the decline in road surface conditions.
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	Hold or improve rating (>78%)	78%	70%	×	Overall increase in traffic volumes and sustained wet weather over the last two seasons contributed to the decline in road surface conditions.

### Roading maintenance

Percentage of sealed local road network that is resurfaced annually.	≥2%	3.2%	1.8%	×	Previous sealing contractor did not deliver the agreed programme for 22-23. Our intention is to complete the missed seal sites with a new contractor in 23-24.
Percentage of footpaths that fall within the service standard for footpath condition.	≥98%	91%	89%	×	Council prioritises the available funding to fix the worst of the ageing footpaths. Significant investment would be required to bring the level of service to an acceptable standard.
Percentage of customer service requests relating to roads and footpaths that are responded to within the timeframe (48 hours).	≥94%	87%	Not available	-	The accurate reporting of the percentage of customer service requests relating to roads and footpaths responded to within the designated timeframe (48 hours) was hindered by system issues, resulting in a drop in the indicator's reliability.
Resident satisfaction with the footpath condition.	≥80%	37%	45%	×	Residents noted that footpaths were often cracked and uneven, while the gutters needed more frequent sweeping to prevent flooding.
Resident satisfaction with the condition of their local roads.	≥80%	42%	35%	×	Some residents felt that road repairs were obstructive.

### Road safety services

The number of fatalities and serious injury crashes on the local road network	Previous year less 1% (24.75)	25	26	×	Variable annual numbers, coming out of a previous decline trend.
Road risk rating – percentage that has a high collective risk rating and percentage that have a high personal rating <sup>2</sup>	≤ 5%	Data unavailable	1.65%	✓	

## Infrastructure contracts

### Infrastructure contracts managed by Council contribute to social outcomes

Audit of contracts – percentage of contracts audited	≥ 90% meet standards as per contract	90%	67%	×	Target not met due to staff being reprioritised onto dealing with severe weather events.
Audit of contracts – percentage of contracts meeting contractual obligations.	≥ 90% meet standards as per contract	90%	79%	×	Target not met due to staff being reprioritised onto dealing with severe weather events.

<sup>2</sup> Previously stated in LTP as Percentage that have a high/high rating but have moved to reporting these separately as Waka Kotahi systems do not provide a report that combines these two measures.



Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Active modes</b>					
<b>We are working to strengthen our active transport network</b>					
Total length of cycleways.	Maintain or increase length from previous year	Not available	21.3 kms	✓	
Total length of shared paths.	Maintain or increase length from previous year	Not available	71.4 kms	✓	
Resident satisfaction with on road cycleway condition.	≥ 80%	20%	36%	✗	Some residents are advocating for more or improved cycleways. Others expressed dissatisfaction and called for redirecting funding and council attention away from cycleways.
Resident satisfaction with shared path condition.	≥ 80%	43%	45%	✗	Concerns were raised about shared paths being dominated by cyclists, prompting calls for more education on responsible dog ownership and leash usage on these paths.
<b>Our parking enables access to services and businesses</b>					
Resident satisfaction with the availability of car parking to access services and facilities (does not include access to residences).	≥ 75%	Not available	45%	✗	Residents reported increasingly limited parking options, particularly affecting parents and mobility park users.

## Statement of comprehensive revenue and expenses

### Transport

For the year ended 30 June	2021-31		2021-31	Annual		
	LTP (Year 1)	Actual	LTP (Year 2)	Plan	Actual	Bud v Act Variance
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	4,826	4,894	4,657	4,657	5,604	947
Operating Subsidies	4,526	4,350	4,753	5,103	4,980	(123)
Operating Grants	-	-	-	-	-	-
Capital Subsidies	8,261	3,979	11,206	21,720	8,688	(13,032)
Capital Grants	2,500	1,296	1,750	10,250	8,406	(1,844)
Development & Financial Contributions	243	518	366	366	409	43
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	510	1,421	525	525	3,500	2,975
Other Revenue	516	578	530	530	438	(92)
<b>Total Revenue</b>	<b>21,382</b>	<b>17,036</b>	<b>23,787</b>	<b>43,151</b>	<b>32,024</b>	<b>(11,127)</b>
<b>Expenditure</b>						
Employee Costs	2,305	2,431	2,422	1,744	1,923	(178)
Operating Costs	12,431	12,671	12,815	13,919	19,706	(5,787)
Support Costs/Internal Charges	3,104	3,104	3,295	4,657	4,740	(83)
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Finance Cost	900	1,109	1,419	1,359	1,337	22
Depreciation	16,693	15,676	18,275	18,128	16,776	1,351
<b>Total Expenditure</b>	<b>35,433</b>	<b>34,991</b>	<b>38,226</b>	<b>39,807</b>	<b>44,482</b>	<b>(4,675)</b>
<b>Deficit Before Tax</b>	<b>(14,051)</b>	<b>(17,955)</b>	<b>(14,439)</b>	<b>3,344</b>	<b>(12,458)</b>	<b>(15,802)</b>
<b>Total Capital Expenditure</b>	<b>18,859</b>	<b>10,592</b>	<b>23,836</b>	<b>52,361</b>	<b>25,788</b>	<b>26,573</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(14,051)	(17,955)	(14,439)	3,344	(12,458)	(15,802)
Add Capital Contributions	(11,004)	(5,793)	(13,322)	(32,336)	(17,503)	14,833
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(25,055)</b>	<b>(23,748)</b>	<b>(27,761)</b>	<b>(28,992)</b>	<b>(29,960)</b>	<b>(969)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	(267)	(157)	(283)	(333)	(159)	174
Capital To Improve Level Of Service	(9,932)	(4,263)	(15,027)	(40,776)	(18,711)	22,065
Capital To Replace Existing Assets	(8,660)	(6,172)	(8,526)	(11,252)	(6,918)	4,334
Less Capital Contributions	11,004	5,793	13,322	32,336	17,503	(14,833)

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)		(Year 2)			
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	16,693	15,676	18,275	18,128	16,776	(1,351)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>8,838</b>	<b>10,877</b>	<b>7,761</b>	<b>(1,897)</b>	<b>8,491</b>	<b>10,388</b>
<b>Total Funding Requirement</b>	<b>(16,217)</b>	<b>(12,871)</b>	<b>(20,000)</b>	<b>(30,889)</b>	<b>(21,470)</b>	<b>9,419</b>

## Operating projects

### Transport

There were no operating projects separately budgeted for the year.

## Significant operating variations from Annual Plan

Net operating is \$15.8 million unfavourable to budget at year end, mainly due to a reduction in Waka Kotahi capital subsidies \$13 million and Crown Infrastructure Partners capital grants \$1.8 million most of which relates to the Tupua Horo Nuku (Eastern Bays Shared Path) project which has been delayed. There are also higher operating costs of \$5.9 million driven by reactive storm maintenance particularly costs related to Eastern Hutt Road slips for which Council approved extra funding. This is offset by higher User Charges \$0.7 million due to an increase parking revenue and subdivision inspection fees, and higher Vested Assets \$3 million due to the development work happening across the city and a reduction in depreciation costs of \$1.3 million largely due to the 2021-22 year end asset revaluation being lower than expected combined with changes in the capital delivery.

## Capital projects

### Transport

Project	Annual	Actual	Bud v Act
	Plan		Variance
	2023	2023	2023
	\$000	\$000	\$000
<b>Capital To Meet Additional Demand</b>			
Cross Valley Transport Connections – Growth	58	5	53
Minor Safety Works Growth	1	1	0
Traffic Safety Improvements Growth	21	6	14
Local Area Traffic Management Growth	2	54	(52)
Cycling Micromobility Programme Growth	251	94	158
Pedestrian Crossing New Growth	1	-	1
<b>Capital To Improve Level Of Service</b>			
Cross Valley Transport Connections	4,517	386	4,131
Reconstruction Improvements	82	80	2
Broadband Ducting	22	33	(11)
Land Purchase For Roads	10	-	10
Substandard Roads Upgrade	435	16	419
Tupua Horo Nuku (Eastern Bays Shared Path)	20,500	13,228	7,272
Wheelchair-Friendly Footpath Routes	41	113	(72)
Traffic Safety Improvements	1,244	375	869
Local Area Traffic Management	101	413	(312)
Cycleway/Shared Path Beltway	-	41	(41)

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
Cycling Micromobility Programme	6,179	2,125	4,054
Pedestrian Crossings – New	27	-	27
LED Streetlighting	-	59	(59)
School Speed Zone Programme	103	139	(36)
Bridge Seismic Strengthening Cuba St. Overbridge	1,338	-	1,338
Network Resilience – Eastern Hutt Road	5,145	1,033	4,112
Streets For People Program – Micromobility	1,032	670	362
<b>Capital To Replace Existing Assets</b>			
Area Wide Pavement Treatment	4,467	1,511	2,956
Pavement Surfacing	3,558	2,462	1,096
Footpath Resurfacing And Replacement	422	338	83
Minor Road And Footpath Construction	76	79	(3)
Road Reconstruction	309	603	(294)
Wainuiomata Hill Rd Safety Seal	1,646	1,773	(126)
Traffic Signal Replacement	175	-	175
Minor Safety Works	51	15	36
Pedestrian Crossing Renewal	32	0	32
Streetlight Lantern Replacement Programme	206	135	70
Streetlight Standard Replacement	257	-	257
Carpark Resurfacing	52	-	52
<b>Total Capital Projects</b>	<b>52,361</b>	<b>25,788</b>	<b>26,573</b>

### Significant capital variations from Annual Plan

Capital spend is under budget by \$26.5 million mainly due to delays particularly across a number of large projects. The most significant have been Tupua Horo Nuku which is under budget by \$7.3 million, mainly due to delays in sourcing specialist construction parts from overseas suppliers and additional geotechnical complexity on the proposed sites; Cross Valley Connections which is under by \$4.1 million; Cycling Micromobility which is under budget by \$4.1 million; Network Resilience Eastern Hutt Rd which is under by \$4.1 million; Bridge Seismic Strengthening Cuba St which is under by \$1.3 million; and Transport Renewals projects including Area Wide Pavement Treatment and Pavement Surfacing which in total are under budget by \$4.3 million. The main reason for many of these underspends is the unavailability and the performance of contractors as well as internal resourcing constraints to progress and project manage the Transport workplan. As a result of these deliverability issues Council agreed through the 2023–24 Annual Plan process to defer a number of budgets in 2022–23 to later years.

# Whanake tāone

## City development

### Statement of service performance

Providing services for residents, businesses, and visitors is necessary for the city's economic development. We have a unique quality of life, due to our easy access to recreational green spaces, the river Te Awa Kairangi, and the harbour Te Whanganui a Tara. Within the city development group sits urban design, business support and city growth, housing, and the District Plan.

By supporting the business sector and promoting Te Awa Kairangi ki Tai Lower Hutt as a business location and vibrant city, we generate benefits for local enterprises and our residents. Placemaking, supported events, and collaborations make the city a more vibrant and interesting place and attract visitors from outside the city. Working with our partners, we provide opportunities for better connectedness across our business community, helping to improve skills and capabilities to enable future growth.

### Key performance indicators

#### City development

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2019-20	2020-21	2021-22	2022-23	2022-23	

#### Housing

##### We are working to help people facing homelessness and housing hardship

Number of Te Awa Kairangi ki Tai Lower Hutt households assisted into more settled accommodation.	50	New measure 2021-22	New measure 2021-22	92	50	✓	
Number of households provided with legal housing advice and advocacy.	80	New measure 2021-22	New measure 2021-22	127	94	✓	
Number of households assisted by the homelessness prevention programme.	80	New measure 2021-22	New measure 2021-22	75	93	✓	

## Statement of comprehensive revenue and expenses

### City development

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)	2022	(Year 2)	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	289	281	298	162	177	15
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	765	-	7,491	1,634	254	(1,380)
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	65	203	-	65	88	23
<b>Total Revenue</b>	<b>1,119</b>	<b>484</b>	<b>7,789</b>	<b>1,861</b>	<b>519</b>	<b>(1,342)</b>
<b>Expenditure</b>						
Employee Costs	2,213	1,953	2,320	2,268	3,009	(740)
Operating Costs	10,049	5,998	12,644	13,188	4,988	8,200
Support Costs/Internal Charges	2,011	2,011	2,217	2,434	2,435	(1)
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Finance Cost	302	372	635	1,406	1,146	260
Depreciation	-	12	-	-	5	(5)
<b>Total Expenditure</b>	<b>14,575</b>	<b>10,346</b>	<b>17,816</b>	<b>19,296</b>	<b>11,583</b>	<b>7,714</b>
<b>Deficit Before Tax</b>	<b>(13,456)</b>	<b>(9,862)</b>	<b>(10,027)</b>	<b>(17,435)</b>	<b>(11,063)</b>	<b>6,372</b>
<b>Total Capital Expenditure</b>	<b>8,705</b>	<b>7,557</b>	<b>40,136</b>	<b>25,680</b>	<b>19,587</b>	<b>6,094</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(13,456)	(9,862)	(10,027)	(17,435)	(11,063)	6,372
Add Capital Contributions	(765)	-	(7,491)	(1,634)	(254)	1,380
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(14,221)</b>	<b>(9,862)</b>	<b>(17,518)</b>	<b>(19,069)</b>	<b>(11,317)</b>	<b>7,752</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	(1,200)	(753)	-	(1,389)	(21)	1,368
Capital To Improve Level Of Service	(7,505)	(6,804)	(40,136)	(24,291)	(19,566)	4,726
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	765	-	7,491	1,634	254	(1,380)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	-	12	-	-	5	5
Less Asset Sales	-	-	-	1,024	-	(1,024)
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>(7,940)</b>	<b>(7,545)</b>	<b>(32,645)</b>	<b>(23,022)</b>	<b>(19,328)</b>	<b>3,695</b>
<b>Total Funding Requirement</b>	<b>(22,161)</b>	<b>(17,407)</b>	<b>(50,163)</b>	<b>(42,091)</b>	<b>(30,645)</b>	<b>11,446</b>

## Operating projects

### City development

Project	Annual Plan	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Heritage Incentives	264	182	82
Urban Precinct Placemaking	359	61	298
Development Stimulus Package	5,189	1,391	3,798
Urban Growth – Wellington Reg Growth Framework	833	352	481

### Significant operating variations from Annual Plan

Net operating is \$6.4 million favourable to budget at year end. This is made up of reduced revenue of \$1.3 million, mainly due to reduced capital subsidies as a result of delays in Te Wai Takamori o Te Awa Kairangi capital works. This is offset by an underspend in operating expenditure, mainly due to the Development Stimulus project being underspent by \$3.8 million due to a slowdown in the construction market; \$1 million underspend in the District Plan programme; and \$3.0 million underspend due to delays in Te Wai Takamori o Te Awa Kairangi demolition works. This is offset by higher employee costs of \$0.7 million, largely for subdivision engineering work. Development Stimulus and District Plan budgets are to be carried over to 2023–24.

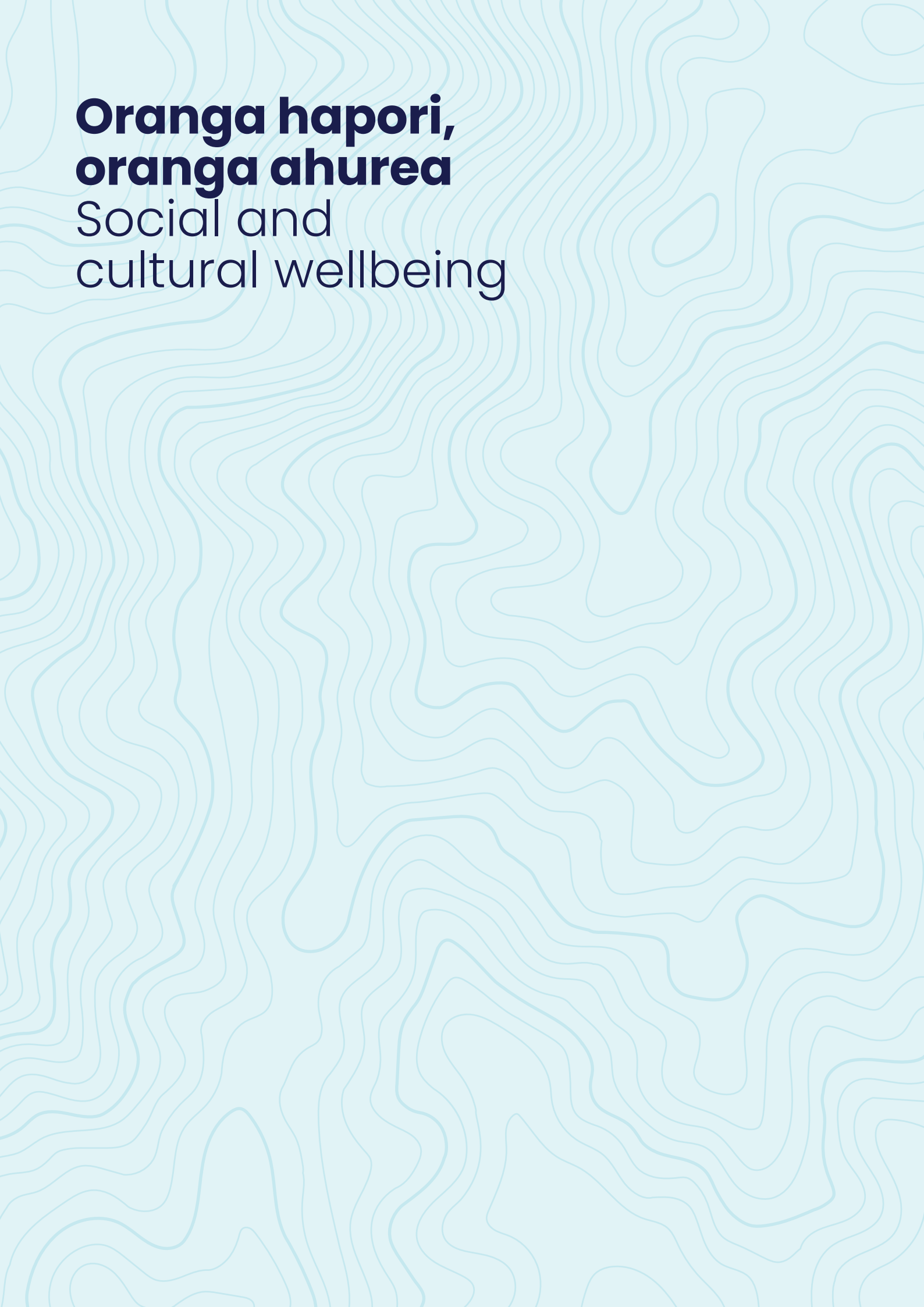
## Capital projects

### City development

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Meet Additional Demand</b>			
Urban Growth Strategy Improvements	1,389	21	1,368
<b>Capital To Improve Level Of Service</b>			
Petone 2040	412	58	353
Naenae Town Centre Improvements	2,073	1,737	336
Wainuiomata Queen Street Development	6,215	7,729	(1,514)
Te Wai Takamori o Te Awa Kairangi (RiverLink) – Replacement riverbank car parking	17	153	(136)
Te Wai Takamori o Te Awa Kairangi (RiverLink) – East Access Route	1,668	1,435	234
Te Wai Takamori o Te Awa Kairangi (RiverLink) – Promenade & Urban Improvements	11,347	4,403	6,943
Te Wai Takamori o Te Awa Kairangi (RiverLink) – Footbridge	1,536	1,383	153
Te Wai Takamori o Te Awa Kairangi (RiverLink) – Strategic Property Purchases	1,024	2,668	(1,644)
<b>Total Capital Projects</b>	<b>25,681</b>	<b>19,587</b>	<b>6,094</b>

### Significant capital variations from Annual Plan

City Development capital is underspent by \$6.1 million at year end, mainly due to a total \$5.5 million underspend across all the Te Wai Takamori o Te Awa Kairangi projects as project progress and expenditure has been restricted due to the Alliance resourcing, \$0.4 million underspend in Petone 2040 and \$0.3 million underspend in Naenae Town Centre. These unspent budgets for these projects will be carried over to complete the work in 2023–24. There is an overspend of \$1.5 million in the Wainuiomata Queen Street Development which was offset by underspends in a number of other capital projects.



**Oranga hāpori,  
oranga ahurea**  
Social and  
cultural wellbeing



# Hō mātou rangapū hapori me te mahi ngātahi

## Community partnering and support

### Statement of service performance

For our city to thrive, we need neighbourhoods and communities that are safe, connected, healthy, inclusive, and resilient. Our neighbourhoods and communities give us a sense of place and purpose. Council's role is to support and enable neighbourhoods and communities to thrive.

We work alongside communities to enable, facilitate, and support community-led initiatives and solutions to local issues. We use community forums and interactions to establish a community voice on specific issues and work on issues with groups and agencies across Te Awa Kairangi ki Tai Lower Hutt.

We operate eight neighbourhood hubs and 12 community halls. Our neighbourhood hubs offer a mix of community-led and Council and agency-led activities and services. Council's focus is on library, arts and recreation, and digital connection, while community and agency initiatives offer wellbeing-focused services and programmes.

Collaborative initiatives to support social and cultural wellbeing improve community connectedness and give a sense of belonging across communities. City safety initiatives improve safety outcomes and make Te Awa Kairangi ki Tai Lower Hutt an attractive place to live, work, and do business. Neighbourhood hubs and halls provide a safe inclusive space for the community. They enable community participation in a range of activities and reduce social isolation.

### Key performance indicators

#### Community partnering and support

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Community hubs</b>					
<b>We provide safe spaces for social, leisure and educational activities</b>					
Number of sites which met visitor number targets.	3 of 3	0 of 3	0 of 3	×	Visitor numbers overall are slowly increasing but have yet to return to pre-COVID-19 levels, in part due to behaviour change. Weather conditions impacted summer pools.
Resident satisfaction with hubs	≥ 80%	83% (Unweighted average over 3 hubs)	91%	✓	

## Statement of comprehensive revenue and expenses

### Community partnering and support

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)	2022	(Year 2)	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	438	391	451	446	467	22
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	5	5	-	(5)
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	(2)	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	1,240	732	164	1,176	899	(277)
<b>Total Revenue</b>	<b>1,678</b>	<b>1,121</b>	<b>620</b>	<b>1,627</b>	<b>1,366</b>	<b>(261)</b>
<b>Expenditure</b>						
Employee Costs	3,763	3,185	3,138	4,018	3,432	586
Operating Costs	4,669	3,849	4,646	4,608	4,713	(105)
Support Costs/Internal Charges	1,552	1,552	1,648	1,885	1,885	-
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	45	(45)
Finance Cost	50	62	78	196	191	5
Depreciation	1,648	1,364	1,693	1,500	1,333	167
<b>Total Expenditure</b>	<b>11,682</b>	<b>10,012</b>	<b>11,203</b>	<b>12,207</b>	<b>11,599</b>	<b>608</b>
<b>Deficit Before Tax</b>	<b>(10,004)</b>	<b>(8,891)</b>	<b>(10,583)</b>	<b>(10,580)</b>	<b>(10,232)</b>	<b>347</b>
<b>Total Capital Expenditure</b>	<b>1,110</b>	<b>572</b>	<b>827</b>	<b>1,454</b>	<b>556</b>	<b>898</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(10,004)	(8,891)	(10,583)	(10,580)	(10,232)	347
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(10,004)</b>	<b>(8,891)</b>	<b>(10,583)</b>	<b>(10,580)</b>	<b>(10,232)</b>	<b>347</b>
<b>Loan funding requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(280)	(147)	(108)	(108)	(122)	(14)
Capital To Replace Existing Assets	(830)	(425)	(719)	(1,346)	(434)	912
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	1,648	1,364	1,693	1,500	1,333	(167)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>538</b>	<b>792</b>	<b>866</b>	<b>46</b>	<b>777</b>	<b>731</b>
<b>Total Funding Requirement</b>	<b>(9,466)</b>	<b>(8,099)</b>	<b>(9,717)</b>	<b>(10,534)</b>	<b>(9,456)</b>	<b>1,078</b>

## Operating projects

### Community partnering and support

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
Marae Funding	206	226	(20)
Safety Initiatives	498	65	433
Homelessness Strategy	736	598	138
Community Resilience	309	23	286
Mauri Ora Fund	734	704	30

### Significant operating variations from Annual Plan

Net operating is close to budget at year end with a slight favourable variance. There were reduced employee costs within Healthy Families programmes due to vacancies as the next phase of the programme was being established. This also resulted in less revenue as external funding is based on expenditure. Other operating costs are under budget, mainly due to a \$0.4 million underspend in grants, including the Naenae Community Resilience fund to be carried over. There were a number of other smaller underspends.

## Capital projects

### Community partnering and support

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Improve Level Of Service</b>			
Community Halls Improvements	103	-	103
Walter Nash Centre Equipment and Fitout	-	29	(29)
Walter Nash Centre Furniture	-	55	(55)
Community Hubs – Building Improvements	5	28	(23)
Community Panel Projects	-	4	(4)
Community Houses	-	5	(5)
<b>Capital To Replace Existing Assets</b>			
Community Halls External and Internal Renewal	103	51	51
Walter Nash Centre Renewal	1,039	319	720
Walter Nash Indoor Courts Resurface Floor and Seating	26	24	1
Stokes Valley Hub Renewal	21	35	(15)
Community Hubs – Interior & Exterior Renewal	9	-	9
Community Hubs – Furniture & Equipment Replacements	5	-	5
CCTV Replacement	31	-	31
Community Houses Building Renewal	82	4	79
CBD Community Resource Centre	31	-	31
<b>Total Capital Projects</b>	<b>1,454</b>	<b>556</b>	<b>898</b>

### Significant capital variations from Annual Plan

Capital is under budget by \$0.9 million, mainly due to an underspend in the Walter Nash Centre renewal project. This was because the condition of the Walter Nash roof was better than expected, resulting in savings of \$0.7 million. There were other savings across a number of smaller projects, totalling \$0.2 million.



# Papa rēhia me ngā whenua tāpui

## Open spaces, parks and reserves

### Statement of service performance

Open spaces, parks, reserves, sportsgrounds, street gardens, and street trees help make our city an attractive place to live, and provide places for recreation and gatherings, as well as bump space (places where people can meet and socialise informally). Participation in sport and recreation plays a key role in improving the physical and psychological wellbeing of individuals. It builds social capital by bringing communities together and creating a sense of pride and belonging.

We provide, develop, maintain, and protect a reserve network that contributes to a healthy natural environment. We manage sportsgrounds, civic parks, neighbourhood parks, bush reserves, cemeteries, playgrounds, the foreshore, street trees, and gardens. These activities help to create a pleasant environment for our community to enjoy. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

The provision, management, and protection of reserves enhances environmental sustainability and supports ecosystem services. In bush reserves there is a strong emphasis on providing connected native habitats that host a range of native species. Hutt City Council's work in this area complements the work of other large landowners like Greater Wellington Regional Council and the Department of Conservation.

### Key performance indicators

Open spaces, parks and reserves

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Open spaces, parks and reserves: We provide leisure and recreational opportunities to our community</b>					
Number of days Council owned/maintained grass sport fields are closed (due to maintenance or drainage issues).	≤ 20 days	15	23	✘	Insufficient drainage systems on the sports fields resulted in severe waterlogging during heavy rainfall. As a result, Hutt Park was unusable for approximately two weeks due to a large event held on a rainy day, which subsequently caused substantial surface damage, restricting games for an additional month.
Number of days Council owned/maintained artificial turf sports fields are closed (due to maintenance or drainage issues).	≤ 10 days	0	3	✓	
Resident satisfaction with sports fields.	≥ 80%	75%	86%	✓	
Resident satisfaction with parks and reserves.	≥ 80%	77%	85%	✓	
Resident satisfaction with playgrounds.	≥ 80%	71%	82%	✓	

## Statement of comprehensive revenue and expenses

### Open spaces, parks and reserves

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)		(Year 2)			
	2022	2022	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	1,472	1,483	1,515	1,539	1,628	89
Operating Subsidies	-	-	-	-	-	-
Operating Grants	5	6	6	6	6	(0)
Capital Subsidies	-	-	-	-	27	27
Capital Grants	-	-	-	-	643	643
Development & Financial Contributions	3,000	7,045	617	617	4,800	4,183
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	1,269	-	-	-	-
Vested Assets	-	179	-	-	65	65
Other Revenue	55	15	56	55	0	(54)
<b>Total Revenue</b>	<b>4,532</b>	<b>9,997</b>	<b>2,194</b>	<b>2,217</b>	<b>7,168</b>	<b>4,952</b>
<b>Expenditure</b>						
Employee Costs	769	664	807	968	909	59
Operating Costs	12,431	11,782	12,122	13,940	14,727	(787)
Support Costs/Internal Charges	1,093	1,093	1,183	1,470	1,470	(0)
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	43	(43)
Finance Cost	400	493	647	732	478	254
Depreciation	3,445	3,092	4,636	3,595	2,941	654
<b>Total Expenditure</b>	<b>18,138</b>	<b>17,124</b>	<b>19,395</b>	<b>20,705</b>	<b>20,568</b>	<b>137</b>
<b>Deficit Before Tax</b>	<b>(13,606)</b>	<b>(7,127)</b>	<b>(17,201)</b>	<b>(18,488)</b>	<b>(13,399)</b>	<b>5,089</b>
<b>Total Capital Expenditure</b>	<b>12,909</b>	<b>2,741</b>	<b>12,052</b>	<b>8,240</b>	<b>4,893</b>	<b>3,347</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(13,606)	(7,127)	(17,201)	(18,488)	(13,399)	5,089
Add Capital Contributions	(3,000)	(7,045)	(617)	(617)	(5,470)	(4,853)
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(16,606)</b>	<b>(14,172)</b>	<b>(17,818)</b>	<b>(19,105)</b>	<b>(18,869)</b>	<b>236</b>
<b>Loan funding requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(3,008)	(1,469)	(2,162)	(3,205)	(2,278)	927
Capital To Replace Existing Assets	(9,901)	(1,272)	(9,890)	(5,035)	(2,615)	2,420
Less Capital Contributions	3,000	7,045	617	617	5,470	4,853
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	3,445	3,092	4,636	3,595	2,941	(654)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>(6,464)</b>	<b>7,396</b>	<b>(6,799)</b>	<b>(4,028)</b>	<b>3,518</b>	<b>7,546</b>
<b>Total Funding Requirement</b>	<b>(23,070)</b>	<b>(6,776)</b>	<b>(24,617)</b>	<b>(23,133)</b>	<b>(15,351)</b>	<b>7,782</b>

## Operating projects

Open spaces, parks and reserves

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
Petone Wharf Demolition	700	-	700
Point Howard Wharf Laterals Demolition	720	615	105
Hutt Valley Tennis – Mitchell Park	500	709	(209)

### Significant operating variations from Annual Plan

Net operating is \$5.1 million favourable to budget at year end, mainly due to additional revenue of \$4.2 million from higher than expected reserve financial contributions as a result of the amount of property developments throughout the city. There were also unbudgeted capital grants received of \$0.7 million from Greater Wellington Regional Council. Operating expenditure was close to budget; however, there were increased costs for repairs and maintenance and an increase in contract costs caused by reactive works of \$0.8 million. This was offset by \$0.3 million in reduced interest costs and \$0.7 million in reduced depreciation, largely due to the 2021–22 year end asset revaluation being lower than expected combined with changes in the capital delivery.

## Capital projects

Open spaces, parks and reserves

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Improve Level Of Service</b>			
Parks & Gardens Protection Bollards	5	-	5
Avalon Park Development	103	124	(21)
Williams Park Improvements	473	7	467
Wainuiomata Garden Of Remembrance	257	29	228
ECNZ Track Easement	-	27	(27)
Hardcourt Development Western Hills	51	-	51
Jubilee Park Drainage	31	-	31
Light Boxes	25	-	25
Meadowbank Reserve Development Belmont	257	29	228
Maugatai Reserve Bike Track & Groundworks	-	198	(198)
Manor Park Cycle Trail	-	726	(726)
Naenae Ground Works (Reserves Funded)	-	16	(16)
Valley Floor Review Implementation	412	110	302
Mountain Bike Park	161	90	70
Minoh Friendship House Improvements	-	55	(55)
Honiana Te Puni Redevelopment	257	-	257
Memorial Park Synthetic Turf & Changing Rooms	309	-	309
New Cemetery Development, Akatarawa Road	864	867	(2)

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Replace Existing Assets</b>			
Seats & Bins	62	54	7
Parks Buildings Capital Renewals	1,949	1,504	445
Parks Hard Surfaces Renewal	257	172	85
Sportsground Buildings Renewal	226	216	11
Playgrounds	262	371	(109)
Petone Wharf	2,000	169	1,831
Track Renewal	103	61	42
Parks Signage & Interpretation	31	22	9
Korohiwa Bus Barn Renewal	-	28	(28)
Other Renewals Projects	145	19	127
<b>Total Capital Projects</b>	<b>8,241</b>	<b>4,893</b>	<b>3,348</b>

### Significant capital variations from Annual Plan

Capital is under budget by \$3.3 million mainly due to an underspend of \$1.8 million in the Petone Wharf project due to the project being deferred to 2029–30 to offset cost pressures across the capital programme as part of the Annual Plan 2023–24 decisions. Other delays are in Williams Park Improvements \$0.5 million, Parks Capital Renewals \$0.4 million, Valley Floor Implementation Review \$0.3 million, Memorial Park Synthetic Turf \$0.3 million and Honiana Te Puni Redevelopment \$0.3 million. These underspends were mainly due to limited internal and contractor resourcing capacity. Carryovers are intended for these underspends, except for Parks Building Renewals which is recognised as a saving. These underspends were partly offset by an overspend in a number of smaller projects including Manor Park Cycle Trail \$0.7 million and Maugatai Reserve Bike Track & Groundworks \$0.2 million due to agreements with other parties to progress these projects. Capital grants have been received to fund these overspends.





# Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia

## Connectivity, creativity, learning and recreation

### Statement of service performance

Council has a key role in providing spaces and facilities for our communities to come together and connect, create, learn, and have fun. Our neighbourhood hubs, swimming pools, fitness centres, creative spaces, and museums are important public assets, and are often at the heart of the communities they serve. These facilities also run recreation programmes, promotions, and events year round.

Our library services and museums enable all citizens to access information, knowledge, arts, creativity and culture that supports and enriches individuals and the community. People's lives are positively affected by participation in recreation, sport, and fitness. We provide these high-quality services at a low user cost so the whole community can access them. They enhance cultural life, diversity, and wellbeing and promote civic pride and community values. Contributing to stronger communities means the city as a whole will achieve better social and economic outcomes and be more resilient in the future.

### Key performance indicators

Connectivity, creativity, learning, and recreation

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Libraries</b>					
<b>We provide safe spaces where our community can access the services they need</b>					
Number of libraries which met visitor number targets.	7 of 7	1 of 7	1 of 7	✗	Visitor numbers overall are slowly increasing but have yet to return to pre-COVID-19 levels, in part due to behaviour change.
Number of physical loans from libraries.	Decrease of less than or equal to 5% (≥790,000)	712,932	715,127	✗	Physical loans failed to meet target and are practically the same as last year.
Number of physical loans from libraries via the home delivery service.	Decrease of less than or equal to 5% (≥5,012)	4,390	4,602	✗	Physical loans failed to meet target and are practically the same as last year.
Number of electronic loans from libraries.	10% increase on previous year (≥103,400)	115,321	177,361	✓	
Number of people using the Wifi at libraries and community hubs.	Increase number of people year on year (≥293,400)	233,994	253,364	✗	Missed target might signal a positive shift towards diverse digital access, despite initial challenges with the new technology.
Use of Council computers at libraries and community hubs.	≥ 75,000	52,412	63,791	✗	
Resident satisfaction with Libraries.	≥ 80%	83%	91%	✓	

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	

## Swimming pools and fitness

### We provide our community with access to a leisure and recreational opportunities

Number of pools which met visitor number targets.	2 of 2 indoor pools, 3 of 3 outdoor pools	0 of 5	2 of 5	✘	Visitor numbers overall are slowly increasing but have yet to return to pre-COVID-19 levels, in part due to behaviour change.
Number of fitness suite members.	≥1,400	1,232	1,569	✓	
Resident satisfaction with pools.	≥ 80%	81%	88%	✓	

## Creative spaces and museums

### We enable access to arts and culture

Number of museums which met visitor number targets.	2 of 2	0 of 2	1 of 2	✘	Visitor numbers overall are slowly increasing but have yet to return to pre-COVID-19 levels, in part due to behaviour change. Venue spaces at The Dowse not available during reporting period due to collection store refurbishment impacting visitor numbers.
Residents' satisfaction with museums.	≥ 80%	80% (Unweighted average over 2 museums)	92% (Unweighted average over 2 museums)	✓	

## Statement of comprehensive revenue and expenses

Connectivity, creativity, learning, and recreation

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)	2022	(Year 2)	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Income	-	-	-	-	-	-
User Charges	4,115	2,982	4,289	3,742	3,645	(96)
Operating Subsidies	-	-	-	-	-	-
Operating Grants	100	232	83	35	116	81
Capital Subsidies	-	-	-	-	-	-
Capital Grants	2,700	2,700	8,000	12,150	4,063	(8,087)
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	4	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	1,015	738	941	713	709	(4)
<b>Total Revenue</b>	<b>7,930</b>	<b>6,656</b>	<b>13,313</b>	<b>16,640</b>	<b>8,534</b>	<b>(8,107)</b>
<b>Expenditure</b>						
Employee Costs	9,411	9,205	9,730	9,085	9,288	(203)
Operating Costs	8,964	7,896	7,359	6,167	7,136	(969)
Support Costs/Internal Charges	6,122	6,122	6,535	7,951	10,099	(2,148)
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	265	(265)
Finance Cost	697	859	1,038	2,025	2,292	(267)
Depreciation	4,589	4,421	4,678	4,756	4,110	646
<b>Total Expenditure</b>	<b>29,783</b>	<b>28,503</b>	<b>29,340</b>	<b>29,984</b>	<b>33,190</b>	<b>(3,206)</b>
<b>Deficit Before Tax</b>	<b>(21,853)</b>	<b>(21,847)</b>	<b>(16,027)</b>	<b>(13,344)</b>	<b>(24,656)</b>	<b>(11,313)</b>
<b>Total Capital Expenditure</b>	<b>13,288</b>	<b>10,852</b>	<b>24,696</b>	<b>35,503</b>	<b>29,689</b>	<b>5,814</b>
<b>Rates Funding Requirement</b>						
Deficit Before Tax	(21,853)	(21,847)	(16,027)	(13,344)	(24,656)	(11,313)
Add Capital Contributions	(2,700)	(2,700)	(8,000)	(12,150)	(4,063)	8,087
Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Rates Funding Requirement</b>	<b>(24,553)</b>	<b>(24,547)</b>	<b>(24,027)</b>	<b>(25,494)</b>	<b>(28,719)</b>	<b>(3,226)</b>
<b>Loan funding requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(10,158)	(8,273)	(21,738)	(31,344)	(27,766)	3,578
Capital To Replace Existing Assets	(3,130)	(2,579)	(2,958)	(4,159)	(1,923)	2,236
Less Capital Contributions	2,700	2,700	8,000	12,150	4,063	(8,087)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	4,589	4,421	4,678	4,756	4,110	(646)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
<b>Total Loan Funding Requirement</b>	<b>(5,999)</b>	<b>(3,731)</b>	<b>(12,018)</b>	<b>(18,597)</b>	<b>(21,516)</b>	<b>(2,919)</b>
<b>Total Funding Requirement</b>	<b>(30,552)</b>	<b>(28,278)</b>	<b>(36,045)</b>	<b>(44,091)</b>	<b>(50,235)</b>	<b>(6,145)</b>

## **Operating projects**

### Connectivity, creativity, learning, and recreation

There were no operating projects separately budgeted for the year.

## **Significant operating variations from Annual Plan**

Net operating is \$11.3 million unfavourable to budget at year end mainly due to reduced revenue as a result of delays in meeting the milestones for receipt of capital grants from Crown Infrastructure Partners for funding the Naenae Pool rebuild project, which is now expected to be received in the second quarter of the 2023–24 financial year. There are a number of overspends related to Naenae Pool mainly due to unavoidable increases in insurance \$0.3 million, site cleaning and site maintenance \$0.2 million. There is also an increase of \$0.2 million in employee costs mainly due to a need to meet the lifeguard attendance requirements at the pools. There is also higher interest costs of \$0.3 million and a property revaluation loss due to demolition of the old roof at Huia pool. These are offset by reduced depreciation of \$0.6 million largely due to the 2021–22 year end asset revaluation being lower than expected combined with changes in the capital delivery.

## Capital projects

Connectivity, creativity, learning, and recreation

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Improve Level Of Service</b>			
Dowse Collection Storage Upgrade	960	768	192
Dowse New Artworks	46	56	(9)
Dowse Heat Pump	566	32	534
Little Theatre Improvements	26	6	20
Pools Other Improvement Projects	116	9	107
Huia Pool Heat Pump (New side)	-	149	(149)
Naenae Pool & Fitness Rebuild	28,853	26,354	2,499
Eastbourne Pool Heat Pump	-	47	(47)
RFID Robotic Returns Sorter	165	-	165
Libraries Buildings Improvements	46	18	29
Civic Events Centre Improvements	276	103	173
Self Scanning Machines Purchase	-	82	(82)
Decarbonisation Energy Conversion	290	142	148
<b>Capital To Replace Existing Assets</b>			
Dowse Carpets and Soft Furnishings Gallery and Office	15	-	15
Dowse Gallery Lighting	15	12	4
Dowse Building and Plant Renewal	67	104	(38)
Dowse Museum Renewal	135	203	(68)
Petone Settlers Museum Building & Plant Renewal	-	15	(15)
Huia Pool Replace Roof Membranes	-	226	(226)
Other Pool Projects	210	270	(60)
Stokes Valley Pool Roof Replacement	664	33	631
Furniture and Equipment Replacement Programme Libraries	42	(66)	108
Libraries Interior and Exterior Renewal	485	-	485
Replace Library Shelving	21	39	(18)
Libraries Stock Replacement	797	849	(52)
Clubhouse Equipment Renewal	-	23	(23)
Civic Events Centre Renewal	82	91	(8)
Little Theatre Renewal	82	125	(42)
Petone Library Renewal	1,544	-	1,544
<b>Total Capital Projects</b>	<b>35,503</b>	<b>29,689</b>	<b>5,814</b>

### Significant capital variations from Annual Plan

Capital is underspent by \$3.7 million, mainly due to delays and deferrals of a number of projects. The most significant are Petone Library renewals \$1.5 million due to the project being deferred to 2024–25 to keep library services available to the Petone community while Moera Library works progress; and Stokes Valley Pool roof replacement \$0.6 million and Dowse heat pump \$0.5 million both being deferred to 2023–24 to align with contractor availability. There were also smaller over- and underspends across a number of other projects. The Naenae Pool and Fitness Centre rebuild project ended the year under budget, with the overall costs and completion date remaining unchanged.

# Kāwanatanga, ko te rautaki me ngā kīwei o te kete

## Governance, strategy, and partnerships

### Statement of service performance

Under the Local Government Act 2002 (LGA), councils have two purposes:

- To enable democratic local decision-making and action by, and on behalf of, communities
- To promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

The elected members, processes, and professional advice support councils to fulfil their first obligation to sound governance and robust decision-making for the city.

The LGA also requires councils to recognise and respect the Crown’s responsibility to take appropriate account of the principles of Te Tiriti o Waitangi (the Treaty of Waitangi) and to maintain and improve opportunities for Māori to contribute to local government decision-making processes. Our partnership with Mana Whenua is key to meeting our obligations and achieving a city where everyone thrives.

This activity is made up of governance-related services for elected members, our partnership with Mana Whenua, strategic planning, policy development, monitoring and reporting, and community funding panels.

### Key performance indicators

Governance, strategy, and partnerships

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>Democratic Services</b>					
<b>Our community are provided with the information they require to participate in the democratic process</b>					
Percentage of meetings and committee agendas made available to the public within statutory timeframes (four clear working days under Council’s standing orders).	100%	100%	99%	×	There were delays in finalising reports on two occasions during the year.
Resident satisfaction with access to the decision-making process.	≥ 80%	40%	41%	×	Some residents feel consultations close too quickly, leaving them with insufficient time to engage with proposals or delve into matters.
Residents feel they have enough information to participate in democratic process.	≥ 80%	47%	51%	×	Some residents feel the amount of information on HCC website is overwhelming, others feel it lacks details. The website undergoes frequent updates to enhance the user experience.

## Statement of comprehensive revenue and expenses

Governance, strategy, and partnerships

For the year ended 30 June	2021-31		2021-31		Annual Plan	Actual	Bud v Act Variance
	LTP (Year 1)	Actual	LTP (Year 2)	Actual			
	2022 \$000	2022 \$000	2023 \$000	2023 \$000			
<b>Revenue</b>							
Rates Income	-	-	-	-	-	-	-
User Charges	-	-	-	-	-	-	-
Operating Subsidies	-	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-	-
Other Revenue	-	-	241	156	197	42	
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>241</b>	<b>156</b>	<b>197</b>	<b>42</b>	
<b>Expenditure</b>							
Employee Costs	1,069	1,010	1,144	1,124	1,066	58	
Operating Costs	1,757	1,618	2,227	2,325	2,309	16	
Support Costs/Internal Charges	3,799	3,799	4,055	4,199	4,202	(3)	
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	30	(30)	
Finance Cost	-	-	-	-	-	-	
Depreciation	6	6	3	(26)	5	(31)	
<b>Total Expenditure</b>	<b>6,631</b>	<b>6,433</b>	<b>7,429</b>	<b>7,622</b>	<b>7,612</b>	<b>10</b>	
<b>Deficit Before Tax</b>	<b>(6,631)</b>	<b>(6,433)</b>	<b>(7,188)</b>	<b>(7,466)</b>	<b>(7,414)</b>	<b>52</b>	
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rates funding requirement</b>							
Deficit Before Tax	(6,631)	(6,433)	(7,188)	(7,466)	(7,414)	52	
Add Capital Contributions	-	-	-	-	-	-	
Rate Funded Debt Repayment	-	-	-	-	-	-	
<b>Total Rates Funding Requirement</b>	<b>(6,631)</b>	<b>(6,433)</b>	<b>(7,188)</b>	<b>(7,466)</b>	<b>(7,414)</b>	<b>52</b>	
<b>Loan Funding Requirement</b>							
Capital To Meet Additional Demand	-	-	-	-	-	-	
Capital To Improve Level Of Service	-	-	-	-	-	-	
Capital To Replace Existing Assets	-	-	-	-	-	-	
Less Capital Contributions	-	-	-	-	-	-	
Less UHCC Capital Contributions	-	-	-	-	-	-	
Less Depreciation	6	6	3	(26)	5	31	
Less Asset Sales	-	-	-	-	-	-	
Less Rate Funded Debt Repayment	-	-	-	-	-	-	
<b>Total Loan Funding Requirement</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>(26)</b>	<b>5</b>	<b>31</b>	
<b>Total Funding Requirement</b>	<b>(6,625)</b>	<b>(6,427)</b>	<b>(7,185)</b>	<b>(7,492)</b>	<b>(7,409)</b>	<b>83</b>	



## **Operating projects**

There were no operating projects separately budgeted for the year.

## **Significant operating variations from Annual Plan**

Net operating is close to budget at year end with no significant operating variances for the year.

## **Capital projects**

There were no capital projects planned or carried out during the year.

# Ratonga rangatōpū

## Corporate services

### Statement of service performance

Corporate services activities are related to Council's functions that support the delivery of our services and projects. These activities support the outcomes of all other activity areas.

### Key performance indicators

Not applicable. No KPI measures were selected as part of the Long-Term Plan for this activity area.

### Statement of comprehensive revenue and expenses

Corporate services

For the year ended 30 June	2021-31 LTP (Year 1)	Actual	2021-31 LTP (Year 2)	Annual Plan	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2023 \$000	2023 \$000	2023 \$000	2023 \$000
<b>Revenue</b>						
Rates Income	79,690	80,307	81,342	85,783	85,999	217
Targeted rates Income	49,770	50,573	57,167	53,808	54,259	451
User Charges	1,098	1,310	1,136	1,107	1,549	442
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	10	844	834
Capital Subsidies	-	-	-	-	(8)	(8)
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	898	903	912	1,412	1,491	79
Dividends From CCOs	5	3	5	4	5	1
Gain On Property Revaluations, Sales, Disposals	-	52	-	-	-	-
Vested Assets	-	0	-	-	-	-
Other Revenue	356	460	370	422	454	33
Gain/(Loss) On Revaluation Of Financial Instruments	-	20,442	-	-	3,613	3,613
<b>Total Revenue</b>	<b>131,817</b>	<b>154,051</b>	<b>140,932</b>	<b>142,546</b>	<b>148,207</b>	<b>5,661</b>
<b>Expenditure</b>						
Employee Costs	13,766	13,938	14,454	15,375	16,352	(976)
Operating Costs	6,430	10,363	6,488	11,806	9,501	2,305
Support Costs/Internal Charges	(24,235)	(24,235)	(25,976)	(30,320)	(30,323)	3
Loss On Property Revaluations, Sales, Disposals	-	-	-	-	(6)	6
Finance Cost	1,318	1,412	1,436	1,595	1,602	(7)
Depreciation	1,708	1,206	2,144	622	955	(333)
<b>Total Expenditure</b>	<b>(1,013)</b>	<b>2,684</b>	<b>(1,454)</b>	<b>(922)</b>	<b>(1,919)</b>	<b>997</b>
<b>Surplus Before Tax</b>	<b>132,830</b>	<b>151,367</b>	<b>142,386</b>	<b>143,468</b>	<b>150,126</b>	<b>6,658</b>
<b>Total Capital Expenditure</b>	<b>6,259</b>	<b>215</b>	<b>7,312</b>	<b>4,168</b>	<b>1,604</b>	<b>2,564</b>

For the year ended 30 June	2021-31		2021-31	Annual		Bud v Act
	LTP	Actual	LTP	Plan	Actual	Variance
	(Year 1)	2022	(Year 2)	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Rates Funding Requirement</b>						
Surplus Before Tax	132,830	151,367	142,386	143,468	150,126	6,658
Add Capital Contributions	-	-	-	-	8	8
Rate Funded Debt Repayment	28,768	(617)	35,321	38,358	27,291	(11,067)
<b>Total Rates Funding Requirement</b>	<b>161,598</b>	<b>150,750</b>	<b>177,707</b>	<b>181,826</b>	<b>177,425</b>	<b>(4,401)</b>
<b>Loan Funding Requirement</b>						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(4,949)	362	(6,139)	(2,952)	(860)	2,092
Capital To Replace Existing Assets	(1,310)	(576)	(1,173)	(1,216)	(744)	472
Less Capital Contributions	-	-	-	-	(8)	(8)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	1,708	1,206	2,144	622	955	333
Less Asset Sales	299	53	9	(9)	-	9
Less Rate Funded Debt Repayment	(28,768)	617	(35,321)	(38,358)	(29,440)	8,918
<b>Total Loan Funding Requirement</b>	<b>(33,020)</b>	<b>1,662</b>	<b>(40,480)</b>	<b>(41,913)</b>	<b>(30,097)</b>	<b>11,816</b>
<b>Total Funding Requirement</b>	<b>128,578</b>	<b>152,412</b>	<b>137,227</b>	<b>139,913</b>	<b>149,477</b>	<b>9,565</b>

## Operating projects

Project	Budget	Actual	Bud v Act
	2023	2023	Variance
	\$000	\$000	\$000
Events Funding	201	98	103
Community Engagement Research	273	144	129

## Significant operating variations from Annual Plan

Net operating is \$6.6 million favourable to budget at year end. This is mainly due to a gain of \$3.6 million in the revaluation of financial instruments, higher rates mainly due to greater than expected growth in the rating base, and reduced remissions and rates refunds. Employee costs are over budget, mainly due to additional resourcing including temporary staff backfilled to cover critical roles, and additional costs to support Go Digital and IT operations. The higher employee costs for Go Digital and IT operations are offset by lower operating costs of \$3.0 million. These are offset by IT infrastructure overspend of \$1.4 million due to higher costs for licences and cloud storage.

## Capital projects

### Corporate services

Project	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2023 \$000
<b>Capital To Improve Level Of Service</b>			
System Upgrades	31	(24)	55
Other (IT) Projects	154	(25)	179
Facilities Seismic Strengthening	1,713	-	1,713
Flag Track Infrastructure	-	74	(74)
Vehicle Purchase	745	758	(12)
The Pavilion Improvements	309	77	232
<b>Capital To Replace Existing Assets</b>			
Pavilion Renewal	10	16	(5)
Civic Administration Building Renewal	31	41	(10)
Hardware – IT Infrastructure	103	244	(141)
Contingent Facilities Management Fund	1,029	409	620
Defibrillators	43	35	8
<b>Total Capital Projects</b>	<b>4,168</b>	<b>1,604</b>	<b>2,564</b>

### Significant capital variations from Annual Plan

Capital is under budget by \$2.5 million, mainly due to reduced spend on facilities projects to offset Council-wide cost escalations as part of the Annual Plan 2023–24 process. Where projects have been delayed the underspends have been carried over to complete these projects in 2023–24.





# **Ngā ringaringa me ngā waewae o te kaunihera**

Council-Controlled  
Organisations  
and Associates

# 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.

### Nature and scope of its activities

Council expects the company to own and operate Seaview Marina as a facility for the enjoyment of the Te Awa Kairangi ki Tai Lower Hutt community without compromising its commercial objectives and environmental responsibilities.

### Key performance indicators

#### Seaview Marina Limited

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
<b>Financial</b>				
Measure changed in 2022–23.	Not applicable	Not applicable	Deliver annual budgeted revenues for each of the four business entities:	
			Boat storage – 100%	99.5% <sup>1</sup>
			Hardstand – 100%	122.8%
			Marine centre – 100%	112.9%
			Launching ramp – 100%	131.6%
Deliver the total annual budgeted revenue comprising each of the four business entities:	Achieve 100% of budgeted revenue for four entities	Not Achieved 96.5%	Measure changed in 2022–23	Not applicable
– Boat storage		Due to lower than planned marina berth occupancy rates		
– Hardstand				
– Marine centre				
– Launching ramp.				
Control operational expenses within budget <sup>2</sup> .	Achieve less than or equal to 100% of \$2,869,985	Not Achieved \$2,925,185	Achieve less than or equal to 100% of \$2,436,402	Not Achieved. \$2,566,015
		Due to higher than planned diesel expenses, which also resulted in higher than planned diesel sales		Mainly due to higher than planned diesel and maintenance expenses

1 An evacuation drill was planned for the 2021–22 financial year, and all marina users were notified. However, due to staff challenges the actual exercise ended up taking place in early 2022–23. The exercise achieved its objectives.

2 Operational expenses are defined as all expenses controllable by Seaview management. Excludes losses arising from the revaluation of similar assets within an asset class.

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
Achieve prescribed return on equity <sup>3</sup> .	Achieve greater than or equal to 3.8%	Not Achieved 1.41%	Achieve greater than or equal to 4.1%	Achieved 4.7%
Manage capital expenditure <sup>4</sup> .	Complete within budget and on time	Achieved	Complete within budget and on time	Achieved
<b>Relationship and Communication</b>				
Newsletter communications.	Complete 4 newsletters in 2022–23	Not Achieved Due to staff shortages Newsletter 1 – 23.11.22 Newsletter 2 – 21.4.23 Newsletter 3 – 30.6.23 Note: 51 other communications were sent to SML's client database during this period.	Complete 4 newsletters in 2021–22	Achieved
Meet all shareholder reporting deadlines.	Reporting Deadlines for 2022–23	Achieved	Reporting Deadlines for 2021–22	Achieved
Client Service.	88% satisfaction in the bi-annual survey (not applicable in 2022–23)	Not applicable Survey is undertaken every second year. Last survey was 2021–22	88% satisfaction in the bi-annual survey	Achieved 90.5% for 2021–22
<b>Risk Management and Human Resources</b>				
Notifiable health and safety incidents.	Nil incidents	Achieved	Nil incidents	Achieved
Business Continuity Plan.	Run test scenario and review	Achieved <sup>5</sup>	Run test scenario and review	Achieved <sup>1</sup>
Staff satisfaction.	Achieve 85% staff satisfaction	Not Achieved 78% for 2022–2023	Achieve 85% staff satisfaction	Achieved 92% for 2021–22

3 ROE is calculated as the net Surplus/(Deficit) excluding losses or gains arising from the revaluation of similar assets within an asset class divided by the opening balance of equity at the start of the year.

4 Capital expenditure excludes carry forward of expenses on projects from previous years.

5 Cyclone Gabrielle was active across New Zealand from 12th through 16th of Feb, 2023. SML made the decision to keep staff at home on 14.2.23, due to this severe weather event. Business was continuous while the majority of staff worked remotely.



Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
<b>Marketing</b>				
Implement marketing strategy to improve occupancy rates.	Berth occupancy equal or greater than 91%	Not Achieved Berth occupancy 85% <sup>6</sup>	Berth occupancy to 95%	Not achieved Berth occupancy 89% <sup>6</sup>
Media and Public Relations.	Measure retired in 2022–23	Not applicable	6 Media releases or PR exercises during the year	Achieved
<b>Non-Financial</b>				
To provide financial or non-financial support to at least three charitable (non-profit) ventures with a marine focus during any given year.	Support provided to three charitable ventures in 2022–23	Achieved <sup>7</sup>	Support provided to three charitable ventures in 2021–22	Achieved <sup>8</sup>
Public Benefit.	Perform survey of public opinion on marina facilities (during third quarter)	Achieved	New measure introduced in 2022–23	Not applicable
<b>Environmental</b>				
Reduce direct emissions.	Reduce direct emissions by 50% by 2030, and achieve net zero emissions by 2050.	In progress – ongoing obligation in process. See below	New measure introduced in 2022–23	Not applicable
Fleet and equipment.	Equipment or vehicle utilising fossil fuels be replaced by equipment or vehicles that are electric or utilise other low carbon alternative	In progress New electric powered industrial sweeper purchased in 2023	New measure introduced in 2022–23	Not applicable
Plan use of incentives.	Explore pricing incentives to transition to electric or other low carbon propulsion, and consider actions to reduce indirect emissions from marina users	Not Achieved – incentive will be implemented in 2023–2024	New measure introduced in 2022–23	Not applicable

6 In 2021–2022 SML encountered a problem with large numbers of seabirds roosting on the new in-water development. This needed to be solved before actively marketing the vacant berths. In 2022–2023, promotion of the marina was enhanced through social media, however wider economic contraction has suppressed occupancy rates.

7 Support provided to the following charitable ventures/trusts – Sailability, Coastguard NZ, Lowry Bay Yacht Club, the Heart Day Out and NZME Special Childrens Christmas Party.

8 Support was provided to the following three charitable ventures – Sailability, Coastguard NZ and the Common Unity Project (Lower Hutt).

# Urban Plus Limited

Urban Plus Ltd (UPL) Group is 100% owned by Hutt City Council. The Urban Plus Ltd Group consists of Urban Plus Ltd and its 100% owned subsidiaries UPL Development Ltd and UPL Ltd Partnership.

## 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 a portfolio of rental housing and develop property in preparation for sale or lease. The company's activities include property development, rental property management, provision of strategic property advice to Council and the purchase of surplus property.

## Nature and scope of its activities

UPL was established in 2007 as a specialist property company charged with supporting the objectives of Council by providing housing outcomes for Te Awa Kairangi ki Tai Lower Hutt. UPL has managed and invested into its portfolio of social housing ever since it took ownership of the portfolio from Council in 2007. UPL also provides specialist property services and advice to Council and is involved in a range of development activities.

UPL's primary focus has been on delivering social housing for low-income elderly and releasing affordable and market housing for sale. Council's 2020 letter of expectation sought from UPL the delivery of wider housing outcomes and benefits.

## Key performance indicators

### Urban Plus Limited

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
<b>Rental Housing</b>				
1.1 Capital expenditure within budget.	Capital \$1,846,592	Achieved \$628,898	Capital \$1,412,437	Not Achieved \$5,453,476  This is due to unbudgeted strategic acquisitions and approved by the Board.
1.2 Operational expenditure within budget <sup>1</sup> .	Operating \$1,462,680	Achieved \$1,430,085	Operating \$1,218,535	Achieved \$1,214,552
1.3 Net surplus before depreciation and tax and after finance expenses as a proportion of the net book value of residential land and buildings at the start of the year greater than 2.25% <sup>2</sup> .	2.25%	Achieved 2.43%	2.25%	Achieved 2.54%
1.4 Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90% <sup>3</sup> .	90%	Achieved 96%	90%	Achieved 98%

1 Operating expenditure before depreciation and tax expense.

2 Calculated as net surplus plus depreciation, over the opening value of residential land and buildings.

3 This measure is from a survey of tenants who on a 5 point rating scale, with 3 being 'neutral', rated their satisfaction as satisfied or better. There was a response rate of 42.5% from the 186 surveys sent.

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
1.5 Percentage of total housing units occupied by low-income elderly greater than or equal to 85%.	85%	Not Achieved 75.27% identified NZ National Superannuation as their primary source of income. The existing tenants at recently acquired Properties have lowered this percentage <sup>4</sup> .	85%	Not Achieved 78% identified NZ National Superannuation as their primary source of income. The existing tenants at recently acquired properties have lowered this percentage <sup>4</sup> .
1.6 Annual rental increases to be no greater than \$50 per week per unit.	No greater than \$50 per week per unit	Achieved There was no rent increase in FY22–23	80%	Achieved 67%
1.7 Increase the portfolio size to 220 units by December 2023.	220 units by December 2023	Not Achieved Number of units decreased to 183, the 220 target is expected to be achieved by December 2023	220 units by December 2023	Not Achieved Number of units increased to 200, the 220 target is expected to be achieved by December 2023
1.8 All rental housing units in the portfolio to have a HomeFit® certificate by 30 June 2024.	All housing units to have received a HomeFit® certificate by 30 June 2024	Not Achieved All housing units are expected to have received a HomeFit® certificated by 30 June 2024	All housing units to have received a HomeFit® certificate by 30 June 2024	Not Achieved
1.9 Any rental housing units purchased and not already utilising electricity or renewable sources of energy for space heating, water heating, and cooking facilities, shall be converted to utilise only electricity or renewable sources of energy within five years of acquisition.	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	N/A No units in the existing portfolio utilise non-renewable energy sources No units acquired during 2022–23 utilise non-renewable energy sources	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	N/A No units in the existing portfolio utilise non-renewable energy sources No units acquired during 2021–22 utilise non-renewable energy sources
1.10 New rental housing units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A No units were constructed during 2022–23	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A No units were constructed during 2021–22

<sup>4</sup> Information on the existing tenants at 17 Britannia St and 16A Colson St has not yet been fully gathered so a conservative approach has been taken to assume that tenants are not low income elderly unless UPL has received confirmation they are.

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
<b>Property Development</b>				
1.11 Capital expenditure within budget.	Capital \$73,233	Not Achieved \$192,409	Capital \$0	Not Achieved \$4,459,475. This is due to the decision not to transfer the Molesworth development into UPL LP where it was budgeted to be moved.
1.12 Operational expenditure within budget <sup>5</sup> .	Operating \$9,570,072	Achieved \$8,922,465	Operating \$1,256,879	Not Achieved \$1,344,956. This is predominantly due to the marketing and agent fees associated with the unbudgeted sale of the Jackson Street property.
1.13 All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cook facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cook facilities	Achieved	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	N/A No new developments were completed during 2021–22
1.14 By the year ending 30 June 2021, all new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars <sup>6</sup> .	All new housing units to achieve a HomeStar™ rating of at least six stars	Achieved All housing units received a HomeStar™ design rating of at least six stars <sup>6</sup>	All new housing units to achieve a Homestar™ rating of at least six stars	Achieved All housing units received a Homestar™ design rating of at least six stars
1.15 A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).	20%	N/A No 'Market' housing development projects were completed during 2022–23	20%	Achieved The sale of the Jackson Street project property returned 52.6%
1.16 A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).	15%	N/A No 'Affordable' housing development projects were completed during 2022–23	15%	N/A No 'Affordable' housing development projects were completed during 2021–22

5 Operating expenditure before depreciation and tax expense.

6 Homestar™ is an independent rating tool for assessing the health, efficiency, and sustainability of homes.

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
1.17 Value of divestment to Community Housing Provider (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 12.5% (except where the Board and Shareholder agree otherwise to achieve specified objectives).	12.5%	Achieved The sale of the Molesworth Street project property returned 20.3%	10%	N/A No divestments to Community Housing Providers were made during 2021–22
1.18 Long- term public rental accommodation pre-tax returns at no less that (or equal to) 3.5% after depreciation.	3.5%	N/A No long-term public rental accommodation was completed during 2022–23	3.5%	N/A No long-term public rental accommodation was completed during 2021–22
<b>Professional Property Advice</b>				
1.19 Achieve a market return on additional services provided to the shareholder.	Achieve a market return on additional services provided to the shareholder	N/A Additional services were not charged to the shareholder during 2022–23	Achieve a market return on additional services provided to the shareholder	N/A Additional services were not charged to the shareholder during 2021–22

## Statement of service performance

### UPL Developments Limited

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required.	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved
Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required.	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved
Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects.	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved
Capital expenditure within budget <sup>1</sup> .	\$22,066,704	Achieved \$2,212,303	\$0	Not Achieved \$4,850,126  There was no capital expenditure budget for the 2021–22 financial year as the decision to use UPL DL for development projects was made after the budget was set
Operational expenditure within budget <sup>2</sup> .	\$140,753	Not Achieved \$167,571	\$346,819	Achieved \$156,342
All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A  No new developments were completed in the year to 30 June 2023	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	N/A  No new developments were completed in the year to 30 June 2022

1 Calculated as net surplus plus depreciation, over the opening value of residential land and buildings.

2 Operating expenditure before depreciation and tax expense.

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars <sup>3</sup> .	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars.	N/A No new housing units were consented in the year to 30 June 2023	All new housing units to achieve a Homestar™ design rating of at least six stars	N/A No new housing units were consented in the year to 30 June 2022
A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).	20%	N/A No commercial development projects were completed during the year to 30 June 2023	20%	N/A No commercial development projects were completed during the year to 30 June 2022
A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2023	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2022
Value of divestment to Community Housing Providers (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 12.5% (except where the Board and Shareholder agree otherwise to achieve specified objectives).	12.5%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2023	10%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2022
Long-term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation.	3.5%	N/A No long-term rental accommodation was developed during the year to 30 June 2023	3.5%	N/A No long-term rental accommodation was developed during the year to 30 June 2022
Act as general partner when a Limited Partnership structure is utilised for development projects.	Act as General Partner when a Limited Partnership structure is utilised for development projects	Achieved	Act as general partner when a Limited Partnership structure is utilised for development project	Achieved

3 This measure is from a survey of tenants who on a 5 point rating scale, with 3 being 'neutral', rated their satisfaction as satisfied or better. There was a response rate of 42.5% from the 186 surveys sent.

## Statement of service performance

### UPL Limited Partnership

Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds.	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved
To perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes.	Perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes	Achieved	Perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes	Achieved
Capital expenditure within budget <sup>1</sup> .	\$0	Not Achieved \$808,388	\$38,574,651	Achieved \$1,144,948
Operational expenditure within budget <sup>2</sup> .	\$140,120	Achieved \$23,0382	\$184,060	Achieved \$130,670
All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	Achieved All consented projects utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	N/A No developments consented after 30 June 2019 were completed in the year to 30 June 2022
All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars <sup>3</sup> .	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars	N/A No projects received HomeStar™ design rating accreditation within this financial year	All new housing units to achieve a HomeStar™ design rating of at least six stars	N/A No new housing units were consented in the year to 30 June 2022

1 Capital expenditure relates to expenditure on property development projects. These properties are developed for sale and held as inventory rather than being capitalised at completion. This expenditure includes interest expenses.

2 Operational expenditure excludes cost of commercial development sales.

3 Homestar™ is an independent rating tool for assessing the health, efficiency, and sustainability of homes.



Measure	Target	Achieved	Target	Achieved
	2023	2023	2022	2022
A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).	20%	N/A No housing was released to the market during the year to 30 June 2023	20%	Achieved Central Park on Copeland returned 38.7% The Lane, Waterloo returned 31.8%
A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2023	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2022
Value of divestment to Community Housing Providers (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 12.5% (except where the Board and Shareholder agree otherwise to achieve specified objectives).	12.5%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2023	10%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2022
Long-term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation <sup>4</sup> .	3.5%	N/A No long-term rental accommodation was developed during the year to 30 June 2023	3.5%	N/A No long-term rental accommodation was developed during the year to 30 June 2022

<sup>4</sup> Returns are specific to each project's (Board Approved) business case where long-term market rentals are developed. Future rents are set per independent annual review.



# Wellington Water 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 Te Awa Kairangi ki Tai Lower Hutt and other shareholding councils.

## **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.

Note: key performance measures are also reported in the relevant activity sections of this Annual Report (Water Supply, Wastewater and Stormwater). The performance results that follow are key metrics extracted from the Wellington Water Limited 2022–23 Annual Report.

## **Wellington Water performance measurement systems**

The following notes relate to performance measures outlined on pages [42](#), [48](#), [52](#) and [114-119](#) of the Annual Report.

We outsource the management of our three waters infrastructure to Wellington Water Ltd (WWL). This includes the gathering of information to support the reporting of council performance measures in these areas.

WWL's Annual report received an unmodified audit opinion from Audit New Zealand on the financial statements and a qualified opinion in respect of performance information. The qualified opinion is in respect of two matters, being the accuracy of determining water loss and the recording of complaints. In respect of water loss calculations, a change in methodology more accurately assesses water loss for the 30 June 2023 financial year but cannot be directly compared with the previous year. With the recording of complaints (in HCC terminology requests for service) there is concern that HCC does not adequately record multiple requests for the same issue. This matter will be addressed as part of the Go Digital Programme when the Confirm system is replaced, which is expected to occur in 2023.

## Key performance indicators

### Wellington Water Limited

#### Water supply

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>We want to ensure our community has access to a safe, clean, reliable water supply</b>					
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria).	Full Compliance -100%	Full Compliance -100%	Non-compliant	x	<p>This year, there were significant changes to the rules that govern how we measure and report on the safety of drinking water, as Taumata Arowai (the national regulator for water services) replaced the previous standards with new more rigorous standards. These standards came into effect on 15 November 2022.</p> <p>This year we have been non-compliant with both the old regulations (1 July 2022 – 14 November 2022) as well as the new regulations (15 November 2022 – 1 July 2023), for two different reasons.</p> <p><b>Non-compliance with old standards</b></p> <p>The Drinking Water Standards were in effect up until 15 November 2022.</p> <p>There was a period when we could not demonstrate that certain sensors at Te Marua Water Treatment Plant were recalibrated or replaced within a 12-month period, meaning we were non-compliant with the regulations. When the sensors were recalibrated, it confirmed they were reading accurately, and the water was always safe to drink</p>

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria).	Full Compliance -100%	Full Compliance -100%	Non-compliant	x	<p><b>Non-compliance with new standards</b></p> <p>New rules introduced by Taumata Arowai required an increase to a value known as a 'Ct' that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers. The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households.</p> <p>This rule means either significantly increasing the concentration of chlorine added at the treatment plant or increasing the time that the chlorine is in contact with the water before it reaches the first customers in Lower Hutt. Increasing the chlorine concentration to this level, which is around two and a half times the current dose, could result in a significant change to the taste of the water or cause skin irritation. Alternatively, significant network upgrades and investment are needed to increase the contact time between chlorine and water.</p> <p>We have applied for an exemption from Taumata Arowai. At the time of writing this report, we have not yet received a response and therefore are reporting that the water in the Wellington metropolitan region is non-compliant.</p> <p>We are continuing with our regular monitoring of the drinking water from the bores supplied from the Waiwhetu aquifer, as well as at the Waterloo Water Treatment Plant and locations within the drinking water network. The results show the water is safe to drink.</p> <p>There was a technical non-compliance with the new protozoal rules on 12 January 2023 at the Wainuiomata Water Treatment Plant that supplies water to both Wainuiomata in Lower Hutt and parts of Wellington City. The new rules focus on ensuring that water passing through the treatment plant does not exceed a certain level of turbidity (cloudy water that is used as an indicator for the presence of bugs that could cause public health risk) for more than 72 minutes per day. On this occasion, as we were still in the process of adjusting our operations to meet the new rules, we exceeded the allowable level of turbidity for a total of 18 minutes that day. However further investigations and monitoring showed that at no point was this water unsafe to drink.</p>

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022–23	2021–22	2022–23	2022–23	
The percentage of real water loss from the local authority's networked reticulation system <sup>1</sup> .	≤ 20	20%	37% <sup>2</sup>	×	It remains challenging to provide accurate water loss figures for the Wellington metropolitan region as residential water use is not universally metered. However, we do have access to maturing data from 16 Small Area Monitors and 156 District Area Meters across metropolitan Wellington that measure residential night and day water use. This data tells us that the level of water lost through leaks continues to rise due to aging infrastructure and a growing backlog of work to repair and replace this infrastructure.  This year we have improved our methodology so we can estimate water loss with more certainty. In using our improved methodology, our estimates show that water loss has increased from 31% to 37% in Hutt City.
Median response time to attend urgent call-outs.	≤ 90 minutes	114 mins (Restated) <sup>3</sup> (66 mins as reported) <sup>4</sup>	98 mins	×	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Median response time to resolve urgent call-outs.	≤ 8 hours	18.3 hours (Restated) <sup>3</sup> (3 hours as reported) <sup>4</sup>	6.7 hours	✓	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Median response time to attend non-urgent call-outs.	≤ 72 hours	193 hours (Restated) <sup>3</sup> (92.4 hours as reported) <sup>4</sup>	548 hours	×	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Median response time to resolve non-urgent call-outs.	≤ 20 working days	11 working days (Restated) <sup>3</sup> (3 working days as reported) <sup>4</sup>	23 working days	×	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections.	≤ 20	24.3	26.1	×	The network is ageing, and the associated fault volumes are increasing. We are battling with ageing pipes that are prone to bursts or in need of repairs.

1 These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

2 There is a 95% confidence interval for this measure of 22–52%. We amended the methodology for 2022–23 using an updated model using minimum night flows method which includes information from newly installed Small Area Monitors

3 We have corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. These changes relate to excluding records that were previously included, the most significant of which was the inclusion of duplicate records (where multiple people reported the same incident).

Due to the treatment of this data, duplicate records are closed before the job is complete, impacting the results. We have also removed additional jobs that were not strictly in line with the performance measure guidelines.

4 The times for the 2021–22 Financial Year have been restated.

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
Average consumption of drinking water per day per resident.	≤ 385 litres	381 litres	410 litres	✓	Per capita consumption across all councils in the metro area has continued to increase primarily due to leakage, but also in part due to high residential use relative to other cities in NZ. We continue to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels, together with investment in universal smart metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk.

## Wastewater

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022–23	2021–22	2022–23	2022–23	
<b>It is critical our community is not exposed to any health or environmental risks associated with wastewater, by providing a safe, reliable, quality wastewater network</b>					
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed 1000 connections.	≤ 20	3.6	5.3	✓	
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems.	0	1	1	✗	We received an abatement notice and three infringement notices for non-compliant effluent quality at the Seaview Wastewater Treatment Plant, Additionally, two infringement notices were received for odour from the Seaview Wastewater Treatment Plant.
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems.	0	2	5	✗	
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems.	0	0	0	✓	
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems.	0	0	0		
<b>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times:</b>					
Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system.	≤ 90 minutes	1,154 mins (Restated) <sup>5</sup> (196 mins as reported) <sup>6</sup>	593 mins	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system.	≤ 8 hours	25.8 hours (Restated) <sup>5</sup> (20.3 hours as reported) <sup>6</sup>	35 hours	✗	Response and resolution times are exceeding targets due to the increasing work volume and resource constraints. WWL continues to manage this by prioritising the highest risks and the available resources accordingly which has an impact on the response times.
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections.	≤ 30	20.6	22.1	✓	

5 We have corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. These changes relate to excluding records that were previously included, the most significant of which was the inclusion of duplicate records (where multiple people reported the same incident). Due to the treatment of this data, duplicate records are closed before the job is complete, impacting the results. We have also removed additional jobs that were not strictly in line with the performance measure guidelines.

6 The times for the 2021–22 Financial Year have been restated.



## Stormwater

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2022-23	
<b>We want to ensure our community can enjoy recreational assets</b>					
The number of flooding events that occurred throughout the year.	≤ 2	2	0	✓	
For each flooding event, the number of habitable floors affected; expressed per 1,000 connections.	≤ 0.24	0.3	N/A – No flooding events	✓	
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems.	0	0	0	✓	
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems.	0	0	0	✓	
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems.	0	0	0	✓	
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems.	0	0	0	✓	
<b>We want to ensure our City has a safe, reliable, quality stormwater system</b>					
Median response time to attend a flooding event.	≤ 8 hours	71 hours	N/A – No flooding events	✓	
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 connections.	≤ 20	14.3	18.2	✓	
Achieve water quality at main recreational beaches: percentage of days that monitored beaches are suitable for recreational use during bathing season – 1 Dec to 31 Mar.	100%	100%	100%	✓	



**3**

**Hō mātou pūtea**

Our finances

# Tauākī Tūtohu

## Statement of compliance

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



**Campbell Barry**

Koromatua o Te Awa Kairangi ki Tai  
Mayor of Lower Hutt

30 October 2023



**Jo Miller**

Tumu Whakarae  
Chief Executive

30 October 2023

# Pūrongo Kaitātari Kaute

## Independent Auditor's report

### To the readers of Hutt City Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Hutt City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 30 October 2023. This is the date on which we give our report.

### Opinion on the audited information

#### *Unmodified opinion on the audited information, excluding the statements of service provision*

In our opinion:

- the financial statements on pages 126 to 195:
  - present fairly, in all material respects:
    - the City Council and Group's financial position as at 30 June 2023;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 216, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term and annual plan;

- the statement about capital expenditure for each group of activities on pages 203 to 215 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's long-term and annual plan; and
- the funding impact statement for each group of activities on pages 203 to 215, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term and annual plan.

#### *Qualified opinion on the activity statements*

In our opinion, except for the possible effects of the matters described in the Basis for our opinion on the audited information section of our report, the statement of service provision (referred to as "Our performance") on pages 10 to 13, 35 to 119 and 217:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

### Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 199 to 202, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's audited information and, where applicable, the City Council's long-term plan and annual plan.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

### **Basis for our opinion on the audited information**

We identified issues with some of the performance measures in relation to water supply, wastewater and stormwater as described below.

#### *Total number of complaints received – Water supply, Wastewater, and Stormwater*

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The City Council and its afterhours call centre provider have not been classifying complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received. Our opinion on these performance measures was also qualified for the 2022 performance year.

We carried out our audit 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### **Emphasis of matters**

Without further modifying our opinion, we draw attention to the following disclosures.

#### *Uncertainty over the water services reform programme*

Note 1 on page 136 and note 31 on page 195 outline developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026.

The financial impact of the water services reform on the City Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

#### *Inherent uncertainties in the measurement of Greenhouse gas emissions*

The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page 60, which outlines the inherent uncertainties in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainties because the scientific knowledge and methodologies to determine the emissions factors and processes used to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's long-term plan and annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as "Our performance"), as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 9, 14 to 34, 121, and 218 to 223, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the City Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.



### John Whittal

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

**AUDIT NEW ZEALAND**

Mana Arotake Aotearoa

# Tauākī pūtea

## Financial statements

### Statement of comprehensive revenue and expenses

For the year ended  
30 June 2023

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Revenue</b>						
Rates	3.	140,258	139,591	130,880	139,875	130,462
Fees, charges and metered water supply	4.	53,212	47,824	45,079	58,617	50,236
Development and financial contributions		8,642	2,793	11,131	8,635	11,136
Subsidies and grants	4.	33,091	55,436	22,940	33,091	22,940
Finance income	5.	1,492	1,412	904	1,051	535
Other revenue	4.	12,192	6,313	9,501	12,406	9,690
Revenue from the sale of commercial developments		-	-	-	9,304	13,492
Gain on revaluation of financial instruments	6.	3,613	-	20,442	3,613	20,442
Gain on disposal	6.	-	-	1,335	-	2,420
<b>Total revenue</b>		<b>252,500</b>	<b>253,369</b>	<b>242,212</b>	<b>266,592</b>	<b>261,353</b>
<b>Expenses</b>						
Employee costs	7.	45,615	43,904	40,083	47,253	41,674
Other expenses	8.	135,677	132,089	122,642	145,976	133,727
Finance costs	5.	11,197	10,613	7,784	11,197	7,784
Loss on disposal	6.	436	-	-	442	-
Depreciation and amortisation costs	14–16.	47,716	50,876	45,369	49,078	46,823
<b>Total expense</b>		<b>240,641</b>	<b>237,482</b>	<b>215,878</b>	<b>253,946</b>	<b>230,008</b>
Share of associate's surplus/(deficit)	17.	-	-	-	(300)	507
<b>Surplus/(deficit) before tax</b>		<b>11,859</b>	<b>15,887</b>	<b>26,334</b>	<b>12,346</b>	<b>31,852</b>
Income tax expense/(benefit)	9.	68	-	14	348	904
<b>Surplus/(deficit) after tax (attributed to Hutt City Council)</b>		<b>11,791</b>	<b>15,887</b>	<b>26,320</b>	<b>11,998</b>	<b>30,948</b>
<b>Other comprehensive revenue and expenses</b>						
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(losses) on property revaluations	24.	-	-	180,310	(3,729)	197,725
Deferred tax on revaluation	9.	-	-	-	844	300
<b>Total other comprehensive revenue and expenses</b>		<b>-</b>	<b>-</b>	<b>180,310</b>	<b>(2,885)</b>	<b>198,025</b>
<b>Total comprehensive revenue and expenses (attributed to Hutt City Council)</b>		<b>11,791</b>	<b>15,887</b>	<b>206,630</b>	<b>9,113</b>	<b>228,973</b>

Explanations of the major variances against budget are provided in note 29.

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



## Statement of changes in equity

For the year ended  
30 June 2023

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Balance at 1 July</b>		<b>1,592,966</b>	<b>1,514,647</b>	<b>1,386,336</b>	<b>1,655,205</b>	<b>1,426,232</b>
Total comprehensive revenue and expenses for the year		11,791	15,887	206,630	9,113	228,973
<b>Balance at 30 June</b>	24.	<b>1,604,757</b>	<b>1,530,534</b>	<b>1,592,966</b>	<b>1,664,318</b>	<b>1,655,205</b>

Explanations of the major variances against budget are provided in note 29.

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

## Statement of financial position

As at 30 June 2023

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	10.	10,245	2,491	23,832	36,950	26,087
Debtors and other receivables	11.	34,427	18,712	21,264	34,571	21,432
Inventories	13.	1,706	896	2,981	14,003	20,261
Prepayments		5,320	9,513	5,639	5,319	5,648
Accrued interest		12	211	266	16	266
Other financial assets	18.	10,000	-	-	10,000	-
Non-current assets held for sale		-	1,484	-	-	-
<b>Total current assets</b>		<b>61,710</b>	<b>33,307</b>	<b>53,982</b>	<b>100,859</b>	<b>73,694</b>
<b>Non-current assets</b>						
Property, plant and equipment	14.	1,761,167	1,834,070	1,745,884	1,828,001	1,817,109
Intangible assets	15.	795	5,648	1,029	799	1,035
Assets under construction	14.	152,379	23,511	58,721	154,613	59,353
Investment property		-	-	-	3,721	5,078
Derivative financial instruments	12.	5,609	-	2,648	5,609	2,648
Non-current receivable		1,021	909	964	1,021	964
Investment in associate	17.	200	200	200	581	881
Other financial assets	18.					
- Investment in CCO's and other similar entities		58,272	33,743	35,253	8,027	5,008
- Investment in other entities		455	455	455	455	455
<b>Total other financial assets</b>		<b>58,727</b>	<b>34,198</b>	<b>35,708</b>	<b>8,482</b>	<b>5,463</b>
<b>Total non-current assets</b>		<b>1,979,898</b>	<b>1,898,536</b>	<b>1,845,154</b>	<b>2,002,827</b>	<b>1,892,531</b>
<b>Total assets</b>		<b>2,041,608</b>	<b>1,931,843</b>	<b>1,899,136</b>	<b>2,103,686</b>	<b>1,966,225</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Borrowings	20.	70,000	102,265	35,700	70,000	35,700
Derivative financial instruments	12.	-	-	-	-	-
Creditors and other payables	19.	45,018	32,517	29,700	45,352	30,114
Employee entitlements	21.	4,504	5,161	5,206	4,646	5,338
Provisions	22.	-	-	524	-	524
Income tax payable	9.	68	-	42	449	1,558
Other liabilities	23.	5,646	7,570	5,940	5,798	6,078
<b>Total current liabilities</b>		<b>125,236</b>	<b>147,513</b>	<b>77,112</b>	<b>126,245</b>	<b>79,312</b>

As at 30 June 2023

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Non-current liabilities</b>						
Borrowings	20.	300,700	228,884	220,000	300,700	220,000
Employee entitlements	21.	401	419	372	450	406
Derivative financial instruments	12.	11	18,458	663	11	663
Provisions	22.	10,503	6,035	8,023	10,503	8,023
Deferred tax liability	9.	-	-	-	1,458	2,616
<b>Total non-current liabilities</b>		<b>311,615</b>	<b>253,796</b>	<b>229,058</b>	<b>313,122</b>	<b>231,708</b>
<b>Total liabilities</b>		<b>436,851</b>	<b>401,309</b>	<b>306,170</b>	<b>439,368</b>	<b>311,020</b>
<b>Net assets (assets minus liabilities)</b>		<b>1,604,757</b>	<b>1,530,534</b>	<b>1,592,966</b>	<b>1,664,318</b>	<b>1,655,205</b>
<b>Equity</b>						
Accumulated funds	24.	711,898	693,701	704,745	726,576	719,355
Reserves	24.	892,859	836,833	888,221	937,742	935,850
<b>Total Equity (attributable to Hutt City Council)</b>		<b>1,604,757</b>	<b>1,530,534</b>	<b>1,592,966</b>	<b>1,664,318</b>	<b>1,655,205</b>

Explanations of the major variances against budget are provided in note 29.

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

## Statement of cash flows

For the year ended  
30 June 2023

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Cash flows from operating activities</b>						
<b>Cash was provided from:</b>						
Receipts from rates and levies – Council		138,471	139,591	129,855	138,088	129,437
Receipts from rates and levies – Greater Wellington Regional Council *		38,678	34,389	34,131	38,678	34,131
Receipts from user charges and other income		90,649	111,477	80,120	101,272	83,220
Receipts from sales of commercial developments		-	-	-	9,304	13,492
Interest received		1,827	1,412	849	1,382	480
Dividends		-	4	-	-	-
Net GST received from Inland Revenue **		-	-	211	-	211
		<b>269,625</b>	<b>286,873</b>	<b>245,166</b>	<b>288,725</b>	<b>260,971</b>
<b>Cash was applied to:</b>						
Payments to employees		(46,317)	(43,904)	(40,085)	(47,901)	(41,638)
Payments to suppliers		(133,485)	(132,089)	(113,268)	(137,611)	(115,993)
Purchase of inventory held for commercial development		-	-	-	(7,561)	(8,612)
Interest paid		(9,374)	(10,613)	(7,285)	(9,374)	(7,285)
Net GST paid to Inland Revenue **		(2,602)	-	-	(2,602)	-
Rates and levies passed to Greater Wellington Regional Council *		(37,940)	(34,389)	(33,755)	(37,940)	(33,755)
		<b>(229,718)</b>	<b>(220,995)</b>	<b>(194,393)</b>	<b>(242,989)</b>	<b>(207,284)</b>
<b>Net cash flows from operating activities</b>		<b>39,907</b>	<b>65,878</b>	<b>50,773</b>	<b>45,736</b>	<b>53,687</b>
<b>Cash flows from investing activities</b>						
<b>Cash was provided from:</b>						
Receipts from sale of property, plant and equipment		30	1,015	1,481	16	4,393
Other investment receipts		667	-	240	667	240
		<b>697</b>	<b>1,015</b>	<b>1,721</b>	<b>683</b>	<b>4,633</b>
<b>Cash was applied to:</b>						
Purchase of property, plant and equipment		(143,929)	(148,306)	(73,068)	(145,295)	(78,769)
– less Upper Hutt City Council capital contribution		8,505	4,981	3,810	8,505	3,810
Purchase of assets under construction		-	-	-	-	-
Purchase of intangible assets		-	(4,168)	(145)	-	(145)
Other payments and investments		(33,767)	-	(1,750)	(13,767)	(1,750)
		<b>(169,191)</b>	<b>(147,493)</b>	<b>(71,153)</b>	<b>(150,557)</b>	<b>(76,854)</b>
<b>Net cash flows from investing activities</b>		<b>(168,494)</b>	<b>(146,478)</b>	<b>(69,432)</b>	<b>(149,874)</b>	<b>(72,221)</b>

For the year ended  
30 June 2023

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Cash flows from financing activities</b>						
<b>Cash was provided from:</b>						
Proceeds from borrowings		150,700	146,387	70,000	150,700	70,000
<b>Cash was applied to:</b>						
Repayment of borrowings		(35,700)	(65,787)	(30,000)	(35,700)	(30,000)
<b>Net cash flows from financing activities</b>						
		<b>115,000</b>	<b>80,600</b>	<b>40,000</b>	<b>115,000</b>	<b>40,000</b>
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		(13,587)	-	21,341	10,862	21,466
Cash, cash equivalents and bank overdrafts at the beginning of the year		23,832	2,491	2,491	26,087	4,621
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	10.	<b>10,245</b>	<b>2,491</b>	<b>23,832</b>	<b>36,949</b>	<b>26,087</b>

\* Hutt City Council acts as a collection agency for Greater Wellington Regional Council by including additional rates in its own billing processes. Once collected the monies are passed to Greater Wellington Regional Council.

\*\* 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.

Explanations of the major variances against budget are provided in note 29.

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

## Reconciliation of surplus after tax with cash flows from operating activities

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Surplus after tax</b>	<b>11,791</b>	<b>26,320</b>	<b>11,998</b>	<b>30,948</b>
<b>Add/(less) non-cash items:</b>				
Depreciation and amortisation	47,716	45,369	49,078	46,823
Share of associates (surplus)/deficit	-	-	300	(507)
Net bad debts/impairment expense	(1,265)	311	(1,251)	366
(Gain)/Loss on revaluation of financial instruments	(3,613)	(20,442)	(3,613)	(20,442)
Landfill provision	1,956	2,134	1,956	2,134
Vested Assets	(9,077)	(3,621)	(9,077)	(3,621)
Income tax expense	68	14	348	904
<b>Add/(less) movements in working capital:</b>				
(Increase)/decrease in accounts receivable and other assets	(9,993)	(1,186)	(5,108)	(3,383)
Increase/(decrease) in creditors	2,790	4,841	2,710	4,689
Increase/(decreased) in provisions and other liabilities	(996)	(1,632)	(972)	(1,551)
Increase in deferred tax liability	94	-	(1,075)	(253)
<b>Add/(less) items classified as investing activities:</b>				
Surplus on sale of property, plant and equipment and other movements	436	(1,335)	442	(2,420)
<b>Net cash inflows from operating activities</b>	<b>39,907</b>	<b>50,773</b>	<b>45,736</b>	<b>53,687</b>

## Reconciliation of borrowing cash flows from financing activities

	Council and Group			2023 \$000
	2022 \$000	Cash Flows \$000	Non-Cash changes \$000	
	<b>Opening</b>	<b>Movements</b>	<b>Movements</b>	<b>Closing</b>
Current borrowing	35,700	(35,700)	35,700	70,000
Non-current borrowing	220,000	150,700	(35,700)	300,700
<b>Total Liabilities from Financing activities</b>	<b>255,700</b>	<b>115,000</b>	<b>-</b>	<b>370,700</b>

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

# Āpiti hanga tauākī pūtea

## Notes to the financial statements

### 1. Statement of accountings policies

#### Reporting entity

Hutt City Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates 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 relevant legislation governing the Council's operations included the LGA and the Local Government (Rating) Act 2002.

The Group consists of the ultimate parent, Hutt City Council and its subsidiaries/Council-Controlled Organisations (CCOs), Seaview Marina Ltd and Urban Plus Ltd Group (both 100% owned). The Urban Plus Ltd Group consists of Urban Plus Ltd and its 100% owned subsidiaries UPL Development Ltd and UPL Ltd Partnership. Council's 17% equity share of its associate Wellington Water Services Ltd is equity accounted. The Council's subsidiaries/CCOs are incorporated and domiciled in New Zealand.

Council and the Group provide local infrastructure, local public services and provides regulatory functions to the community. Council does not operate to make a financial return.

The reporting date of Council, CCOs, and the associate is 30 June.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purposes of complying with generally accepted account practices (GAAP).

The financial statements of Council and the Group are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 30 October 2023.

#### Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

#### Statement of compliance

The financial statements of Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes the requirement to comply with NZ GAAP.

The financial statements have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards.

#### 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), which have been measured at fair value.

Management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest thousand dollars (\$000) other than the remuneration and the severance payments (disclosed in note 7) which are rounded to the nearest dollar.

#### Changes in accounting standards

##### *PBE IPSAS 41 Financial Instruments*

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Council and the Group have adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.



### *PBE FRS48 Service Performance Reporting*

This standard establishes new requirements for the selection and presentation of service performance information. Council and the Group have adopted PBE FRS 48. The main changes between PBE FRS 48 and PBE IPSAS 1 Presentation of Financial Statements is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information. This is disclosed in Section 2 of this report.

### **Standards issued and not effective and not early adopted**

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Group are:

#### *2022 Omnibus Amendments to PBE Standards*

This standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

### **Other changes in accounting policies**

There have been no other changes in accounting policies.

### **Summary of significant accounting policies**

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### **Basis of consolidation**

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when Council obtains control of the entity and ceases when Council loses control of the entity.

Control over an entity is determined when Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. Council considers all relevant facts and circumstances in assessing whether it has power over another entity; for example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, Group voting rights, and pre-determination mechanisms. Council reassesses whether or not it controls another entity if facts and circumstances change.

## Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expenses.

## Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, 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 presented in these financial statements are those approved by Council in its Annual Plan 2022–23. The budget figures have been prepared in accordance with NZ GAAP using accounting policies adopted by council for the preparation of these financial statements.

These figures are approved by Council at the beginning of the year, after a period of consultation with the public as part of the community planning process.

The budget figures do not include budget information relating to the controlled organisations or associates. These figures do not include any additional expenditure subsequently approved by Council outside the annual plan process.

## Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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:

- Estimating the fair value of land, buildings and Infrastructural assets: refer to note 14: Property, plant and equipment
- Estimating the retirement and long service leave obligations: refer to note 21: Employee entitlements
- Estimating the Holiday's Act Compliance provisions: refer note 21: Employee entitlements
- Estimating the landfill aftercare provisions: refer to note 22: Provisions

## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2023 in relation to the classification of pensioner housing. Refer to note 14: Property, plant and equipment.

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. Hutt City Council continues to recognise its three waters assets at 30 June 2023 in accordance with the accounting policies set out in note 14. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed between 1 July 2024 and 30 June 2026. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

## 2. Summary revenue and expenditure for group of activities

### Accounting Policy

The cost of service for each significant activity of council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities, indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.

### Breakdown of summary revenue and expenditure for group of activities

	Council		
	Actual	Budget	Actual
	2023 \$000	2023 \$000	2022 \$000
<b>Revenue</b>			
<b>Environmental wellbeing</b>			
Water Supply	6,448	4,883	8,107
Wastewater	8,515	5,563	9,498
Stormwater	2,081	799	2,846
Solid waste	26,447	22,841	21,921
Sustainability and resilience	1,295	1,383	866
Regulatory services	9,694	9,702	9,629
<b>Economic wellbeing</b>			
Transport	32,024	43,151	17,036
City development	519	1,861	484
<b>Social and cultural wellbeing</b>			
Community partnering and support	1,366	1,627	1,121
Open spaces, parks, and reserves	7,168	2,217	9,997
Connectivity, creativity, learning and recreation	8,534	16,640	6,656
Governance, strategy and partnerships	197	156	-
Corporate Services	7,954	2,955	23,171
<b>Total activity revenue</b>	<b>112,242</b>	<b>113,778</b>	<b>111,332</b>
General rates	85,998	85,783	80,308
Targeted rates	54,260	53,808	50,572
<b>Total revenue</b>	<b>252,500</b>	<b>253,369</b>	<b>242,212</b>

	<b>Council</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	2023 \$000	2023 \$000	2022 \$000
<b>Expenditure</b>			
<b>Environmental wellbeing</b>			
Water Supply	27,904	25,539	25,279
Wastewater	27,788	29,651	26,588
Stormwater	11,393	10,691	11,489
Solid waste	28,555	25,334	25,124
Sustainability and resilience	3,507	3,016	2,681
Regulatory services	16,612	14,552	14,624
<b>Economic wellbeing</b>			
Transport	44,400	39,807	34,991
City development	11,583	19,296	10,346
<b>Social and cultural wellbeing</b>			
Community partnering and support	11,599	12,207	10,012
Open spaces, parks, and reserves	20,568	20,705	17,124
Connectivity, creativity, learning and recreation	31,041	29,984	28,503
Governance, strategy and partnerships	7,612	7,622	6,433
Corporate Services	(1,919)	(922)	2,684
<b>Total activity expenditure</b>	<b>240,641</b>	<b>237,482</b>	<b>215,878</b>
<b>Total operating expenditure</b>	<b>240,641</b>	<b>237,482</b>	<b>215,878</b>
<b>Surplus/(deficit) before tax</b>	<b>11,859</b>	<b>15,887</b>	<b>26,334</b>

### 3. Rates revenue

#### Accounting Policy

Rates revenue is measured at fair value.

General rates and targeted rates (excluding water-by-meter) are recognised at the start of the financial year to which the rates resolution relates. They are recognised as the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Revenue from water-by-meter (charged on usage) is not considered to be a rate in terms of this policy. Water-by-meter is included in note 4.

Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its Rates Remission Policy.

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

## Breakdown of rates and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
General rates	85,998	80,308	85,615	79,890
Targeted rates attributable to activities:				
– water supply (excluding metered water supply rates)	20,374	18,958	20,374	18,958
– wastewater	23,404	21,831	23,404	21,831
– recycling	3,914	3,640	3,914	3,640
– refuse collection	5,939	5,615	5,939	5,615
– green waste collection	475	384	475	384
– Jackson street programme	154	144	154	144
<b>Total rates (excluding metered water supply rates)</b>	<b>140,258</b>	<b>130,880</b>	<b>139,875</b>	<b>130,462</b>

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other authorities for services provided by that council for which those other local authorities rate. The annual rates income for the Council for the year ended 30 June 2023 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is reflected in the table above.

## Rates remissions

Council's Rates Remission Policy (set out in detail in the Long-Term Plan 2021–31) allows 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.

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Total gross rates, excluding targeted water supply rates	140,719	131,304	140,336	130,886
Rates remissions:				
– Pan remissions	352	331	352	331
– Sports bodies and other	46	49	46	49
– Transition remissions	-	21	-	21
– Remission of targeted rates	3	-	3	-
– Penalty remissions	60	23	60	23
<b>Total rates remissions</b>	<b>461</b>	<b>424</b>	<b>461</b>	<b>424</b>
<b>Rates (net of remissions), excluding metered water supply rates</b>	<b>140,258</b>	<b>130,880</b>	<b>139,875</b>	<b>130,462</b>

## 4. User charges and subsidies received

### Accounting policy

User charges and subsidies revenue are measured at fair value. Specific accounting policies for significant revenue items are explained below.

#### *Rental revenue*

Rental revenue arising from operating leases or rental agreements on properties is accounted for on a straight-line basis over the lease or rental term.

#### *Water-by-Meter*

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

#### *Parking fees and fines*

The Group recognises revenue from fines (such as traffic and parking infringements) when the notice of infringement or breach is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the history of fines over the preceding two-year period.

#### *Building and resource consent revenue (regulatory revenue)*

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

#### *Entry fees*

Entry fees are fees charged to users of the Council's local facilities such as pools and gymnasiums. Revenue for entry fees is recognised upon entry to such facilities.

#### *Landfill fees (solid waste collection and disposal)*

Fees for disposing of waste at Council's landfills are recognised as waste is disposed by users.

#### *Waka Kotahi NZ Transport Agency subsidies*

Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. These subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

#### *Other grants received*

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

#### *Development and financial contributions*

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service or an equivalent service for which the contribution was charged.

#### *Vested assets*

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control over the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested assets is usually determined by reference to the cost of constructing the asset. For assets received from property development, the fair value is based on construction price information provided by the property developer.

#### *Sales of goods*

Revenue from the sale of goods is recognised when a product is sold to the customer.

## Breakdown of user charges and subsidies received

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Fees, charges and metered water supply</b>				
Rent	2,689	2,036	8,115	7,209
Water by meter	3,361	3,068	3,340	3,052
Parking fees	1,842	1,772	1,842	1,772
Service and entry fees	4,041	3,119	4,041	3,119
Solid waste collection and disposal	26,515	20,413	26,515	20,413
Other user charges	403	1,272	403	1,272
Regulatory revenue	10,148	9,733	10,148	9,733
Penalties	4,213	3,666	4,213	3,666
<b>Total fees, charges and metered water supply</b>	<b>53,212</b>	<b>45,079</b>	<b>58,617</b>	<b>50,236</b>
<b>Subsidies and grants</b>				
Waka Kotahi subsidies	13,996	8,272	13,996	8,272
Upper Hutt City Council	2,861	2,553	2,861	2,553
Other grants	16,234	12,115	16,234	12,115
<b>Total subsidies and grants</b>	<b>33,091</b>	<b>22,940</b>	<b>33,091</b>	<b>22,940</b>
<b>Other revenue</b>				
Dividends	5	3	5	3
Vested assets	9,077	3,621	9,077	3,621
Petrol tax	317	352	317	352
Sale of goods	417	322	738	581
Miscellaneous revenue	2,376	5,203	2,269	5,133
<b>Total other revenue</b>	<b>12,192</b>	<b>9,501</b>	<b>12,406</b>	<b>9,690</b>

There are no unfulfilled conditions or other contingencies attached to Waka Kotahi and other subsidies recognised. Included in "Other grants" to June 2023, is \$4.1 million funding for Naenae Pool and Fitness Centre and \$7.2 million funding for Eastern Bay Shared Pathway.

## 5. Finance income and finance costs

### Accounting policy

Interest/finance income is recognised using the effective interest method.

Borrowing/finance costs are recognised as an expense in the financial year in which they are incurred.

Borrowing costs consist of interest and other costs that the Council and the Group incurs in connection with the borrowing of funds. Council and the Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

### Breakdown of finance income and finance costs

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Finance income</b>				
Interest revenue				
– call and term deposits	558	497	1,051	535
– related party loans	934	407	-	-
<b>Total finance income</b>	<b>1,492</b>	<b>904</b>	<b>1,051</b>	<b>535</b>
<b>Finance costs</b>				
Interest expense				
– interest on borrowings	10,770	7,495	10,770	7,495
– discount unwind on provisions (note 22)	427	289	427	289
<b>Total finance costs</b>	<b>11,197</b>	<b>7,784</b>	<b>11,197</b>	<b>7,784</b>
<b>Net finance costs</b>	<b>9,705</b>	<b>6,880</b>	<b>10,146</b>	<b>7,249</b>

## 6. Gains and losses

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Non-financial instruments</b>				
Property, plant and equipment gains/(losses) on disposal	(436)	1,335	(442)	2,420
<b>Total non-financial instruments gains/(losses)</b>	<b>(436)</b>	<b>1,335</b>	<b>(442)</b>	<b>2,420</b>
<b>Financial instruments</b>				
Gains/(Losses) on held for derivative financial instruments:				
– interest rate swaps	3,613	20,442	3,613	20,442
<b>Total financial instruments gains/(losses)</b>	<b>3,613</b>	<b>20,442</b>	<b>3,613</b>	<b>20,442</b>
<b>Total gains/(losses)</b>	<b>3,177</b>	<b>21,777</b>	<b>3,171</b>	<b>22,862</b>



## 7. Employee costs

### Accounting policy

Salaries and wages are recognised as an expense as employees provide services.

### Superannuation schemes

#### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Salaries and wages	43,231	37,948	44,716	39,428
Defined contribution plan employer contributions	1,198	1,012	1,239	1,052
Increase/(decrease) in employee entitlements/liabilities (refer note 21)	(673)	(2)	(648)	30
Other employee costs	1,859	1,125	1,946	1,164
<b>Total employee costs</b>	<b>45,615</b>	<b>40,083</b>	<b>47,253</b>	<b>41,674</b>

The Chief Executive received the following remuneration:

	2023			2022		
	Salary \$	Post Employment Benefits \$	Total Remuneration \$	Salary \$	Post Employment Benefits \$	Total Remuneration \$
Chief Executive	409,899	12,264	422,163	401,499	12,551	414,050

Total remuneration includes any non-financial benefits provided to the Chief Executive.

### Employee staffing levels and remuneration

	Council		Group	
	2023	2022	2023	2022
Full-time equivalent salaried employees	480	464	494	478
Full-time equivalent waged and temporary employees	40	27	40	27
<b>Total Full Time Equivalent</b>	<b>520</b>	<b>491</b>	<b>534</b>	<b>505</b>
<b>Total number of staff</b>	<b>650</b>	<b>678</b>	<b>665</b>	<b>692</b>

Definition: One Full-time equivalent employee is a person in an employment relationship with Hutt City Council or Group employed to work 40 hours per week for the year.

## The number of employees earning per annum

	Council		Group	
	2023	2022	2023	2022
<b>Salary range</b>				
\$200,000 – \$439,999	6	6	7	7
\$180,000 – \$199,999	3	-	3	-
\$160,000 – \$179,999	7	8	10	9
\$140,000 – \$159,999	12	8	14	11
\$120,000 – \$139,999	36	33	36	33
\$100,000 – \$119,999	47	47	47	47
\$80,000 – \$99,999	100	85	102	88
\$60,000 – \$79,999	134	135	140	140
Less than \$59,999	305	356	306	357
<b>Total</b>	<b>650</b>	<b>678</b>	<b>665</b>	<b>692</b>

Total remuneration includes any non-financial benefits provide to employees.

## Transactions with key management personnel

Key management personnel include the Chief Executive and executive members of the Corporate Leadership Team.

	Council & Group	
	2023 \$000	2022 \$000
<b>Key management personnel costs</b>		
Salary and other short term benefits	1,439	1,260
Post-employment benefits	36	38
<b>Total key management personnel costs</b>	<b>1,475</b>	<b>1,298</b>
<b>Total full time equivalent</b>	<b>5</b>	<b>5</b>

## Severance payments

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with Council. Severance payments exclude any final payment of salary, holiday pay, superannuation contributions or other contractual entitlement.

	Council		Group	
	2023 \$	2022 \$	2023 \$	2022 \$
Severance payments	900	-	900	-
Number of employees	1	-	1	-

In accordance with Schedule 10, Section 33 of the Local Government Act 2002, Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

The value of the severance payment for the current year was \$900.

## 8. Operating costs

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Auditors' fees – Audit New Zealand</b>				
– for auditing the financial statements	255	217	355	318
Auditors' fees – other auditors	2	31	6	31
Impairment of receivables	(673)	373	(656)	373
Directors' fees	-	-	163	149
Entertainment	8	4	8	4
Grants	5,145	554	5,145	554
Insurance	4,684	4,086	5,151	4,503
Inventories	2,240	296	9,986	8,910
Legal services	265	321	294	346
Other specialist services	15,712	8,346	16,034	8,591
Councillors remuneration	1,001	974	941	980
Minimum lease payments under operating leases	756	852	956	987
Operational contracts	33,604	28,844	33,789	28,979
Maintenance	13,863	7,538	14,486	8,108
GWRC bulk water charges	11,328	10,248	11,328	10,248
Energy costs	3,610	3,378	3,643	3,462
Other expenses	43,877	56,580	44,347	57,184
<b>Total operating costs</b>	<b>135,677</b>	<b>122,642</b>	<b>145,976</b>	<b>133,727</b>

The Remuneration Authority is responsible for setting the remuneration levels for elected members. Elected representatives received the following remuneration:

		Council			Group		
		2023			2022		
		Remuneration \$	Directors' fees \$	Total remuneration \$	Remuneration \$	Directors' fees \$	Total remuneration \$
<b>Mayor and councillors</b>							
C Barry	**	159,669	-	159,669	158,000	-	158,000
G Barratt	From 30 September 2021	61,351	-	61,351	39,959	-	39,959
J Briggs		79,005	-	79,005	81,324	-	81,324
K Brown		74,083	11,458	85,541	64,547	6,981	71,528
B Dyer		75,154	-	75,154	68,195	-	68,195
S Edwards		79,005	-	79,005	81,324	-	81,324
D Hislop	Up to Election October 2022	25,075	2,578	27,653	81,324	6,981	88,305
T Lewis		91,968	8,343	100,311	101,524	-	101,524
C Milne	Up to Election October 2022	17,219	-	17,219	54,540	-	54,540
A Mitchell		74,083	-	74,083	64,547	-	64,547
K Morgan	From Election October 2022	44,209	-	44,209	-	-	-
C Parkin	From Election October 2022	43,987	-	43,987	-	-	-
S Rasheed	Up to 27 May 2022	-	-	-	59,375	-	59,375
N Shaw		70,095	-	70,095	64,547	-	64,547
T Stallinger	From Election October 2022	45,763	-	45,763	-	-	-
L Sutton	Up to Election October 2022	17,219	-	17,219	54,540	-	54,540
G Tupou	From Election October 2022	42,952	-	42,952	-	-	-
<b>Total</b>		<b>1,000,837</b>	<b>22,379</b>	<b>1,023,216</b>	<b>973,746</b>	<b>13,962</b>	<b>987,708</b>
<b>Total number of representatives</b>		<b>13</b>	<b>2</b>	<b>13</b>	<b>13</b>	<b>2</b>	<b>13</b>

Due to the difficulty in determining the full-time equivalent for Councillors this figure is taken as the number of Councillors.

Directors' fees: Councillors are appointed to the boards of Council-Controlled Organisations (Seaview Marina Ltd and Urban Plus Ltd).

\*\* The Mayor's total remuneration includes the value of benefit from receiving a vehicle.

Under the Local Government Members (2022-23) Determination 2022, Councillors may claim a childcare allowance of up to \$6,000 per child under 14 as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business. They may also claim a communications allowance of \$800 for private internet use and \$500 for private cellphone use.

Council has three Community Boards – Petone, Eastbourne and Wainuiomata. Remuneration paid to the elected members of these Community Boards is as follows:

		2023 \$	2022 \$
<b>Eastbourne Community Board:</b>			
B Moss (Chair)	Chair from 7 December 2022	10,850	6,867
V Horrocks (Chair)	Up to Election October 2022	4,060	13,734
M Gibbons		6,971	6,867
E Keddell	From Election October 2022	4,941	-
B Spedding		7,077	6,867
F Vickers		6,974	6,867
<b>Total</b>		<b>40,873</b>	<b>41,202</b>
<b>Petone Community Board:</b>			
M Fisher (Chair)	Chair from 6 December 2022	12,275	8,175
P Hanna (Chair)	Up to Election October 2022	4,834	16,351
S Freeman	From Election October 2022	5,883	-
M Henderson		8,300	8,175
S Kuresa	From Election October 2022	5,883	-
M Roberts		8,300	8,175
A Voutratzis	Up to Election October 2022	2,417	8,175
K Yung		8,993	8,175
<b>Total</b>		<b>56,885</b>	<b>57,226</b>
<b>Wainuiomata Community Board:</b>			
T A Puketapu (Chair)	From Election October 2022. Chair from 8 December 2022	11,054	-
D Chrisp	From Election October 2022	6,197	-
L Clark	From Election October 2022	6,197	-
T Haarker	From Election October 2022	6,197	-
G Tupou (Chair)	Up to Election October 2022	5,092	17,224
D McKinley	Up to Election October 2022	2,546	8,612
T Stallworth	Up to Election October 2022	2,546	8,612
G Sue		8,742	8,612
S Tuala-Le'afa	Up to Election October 2022	2,546	8,612
J Winterburn	Up to Election October 2022	2,546	8,612
<b>Total</b>		<b>53,663</b>	<b>60,284</b>

On 28 March 2023 Council agreed to pay a home-based technology allowance of \$45 per month to the Community Board Chairs.

## Meeting attendance of elected representatives 2023 – Pre-Election October 2022

Meeting	Council	Policy, finance & strategy	Communities	Infrastructure & regulatory	Climate change & sustainability	Audit & risk	Hutt valley services	Chief executive's employment
<b>Number of meetings held</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
C Barry (Mayor)	4	2	2	2	2	2	-	1
G Barratt	3	2	1	1	-	-	-	-
J Briggs	4	2	2	-	2	2	1	1
K Brown	3	2	2	2	2	-	-	-
B Dyer	4	2	2	2	-	-	1	-
S Edwards	4	2	1	-	2	2	-	1
D Hislop	4	1	1	1	-	-	-	1
T Lewis (Deputy Mayor)	3	2	2	-	2	-	-	1
C Milne	3	1	0	-	-	-	-	-
A Mitchell	4	2	2	2	2	2	-	-
N Shaw	4	2	2	2	2	1	1	-
L Sutton	4	2	1	2	-	-	-	-

Meeting	Traffic	District plan review	Briefings
<b>Number of meetings held</b>	<b>1</b>	<b>1</b>	<b>6</b>
C Barry (Mayor)	-	-	6
G Barratt	1	-	2
J Briggs	1	-	6
K Brown	0	1	4
B Dyer	1	1	6
S Edwards	-	1	6
D Hislop	-	-	5
T Lewis (Deputy Mayor)	-	1	6
C Milne	0	1	4
A Mitchell	1	-	6
N Shaw	1	1	6
L Sutton	-	-	2

Note: Where no number is shown, the councillor named is not a member of that committee.

## Meeting attendance of elected representatives 2023 – Post-Election October 2022

Meeting	Council	Policy, finance & strategy	Communities, culture & partnerships	Infrastructure & regulatory	Climate change & sustainability	Audit & risk	Long term plan/annual plan	Hutt valley services
<b>Number of meetings held</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>2</b>
C Barry (Mayor)	7	2	2	2	2	3	6	-
G Barratt	7	-	2	1	-	2	6	-
J Briggs	7	-	2	-	2	3	6	-
K Brown	6	23	2	1	2	-	4	-
B Dyer	7	2	-	2	-	-	6	2
S Edwards	7	2	-	2	1	-	6	-
T Lewis (Deputy Mayor)	7	2	2	2	2	-	6	-
A Mitchell	7	2	-	2	2	-	6	-
K Morgan	6	2	1	-	-	2	3	-
C Parkin	7	2	2	-	2	-	6	2
N Shaw	7	-	1	-	1	-	6	4
T Stallinger	7	2	-	2	-	3	6	2
G Tupou	7	-	2	2	-	-	6	-

Meeting	Chief executive's performance review	Traffic	District plan review	District Licensing	Briefings
<b>Number of meetings held</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>26</b>
C Barry (Mayor)	1	-	1	-	22
G Barratt	-	3	-	-	15
J Briggs	1	-	1	-	20
K Brown	-	-	-	-	19
B Dyer	-	3	1	1	24
S Edwards	1	-	1	1	21
T Lewis (Deputy Mayor)	1	-	1	-	23
A Mitchell	-	3	1	-	26
K Morgan	1	-	1	-	26
C Parkin	-	3	-	-	24
N Shaw	-	2	0	-	23
T Stallinger	-	-	-	-	25
G Tupou	-	3	-	-	19

Note: Where no number is shown, the councillor named is not a member of that committee.

## Meeting attendance of elected representatives 2022

Meeting	Council	Policy, finance & strategy	Communities	Infrastructure & regulatory	Climate change & sustainability	Audit & risk	Long term plan/annual plan	Hutt valley services
<b>Number of meetings held</b>	<b>12</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>3</b>
C Barry	12	6	5	6	5	6	6	-
G Barratt (from 30 Sep 21)	8	4	3	2	-	-	3	-
J Briggs	12	6	5	-	5	5	6	3
K Brown	10	6	1	4	3	-	5	-
B Dyer	12	5	5	6	-	-	6	3
S Edwards	12	6	5	-	4	5	6	-
D Hislop	12	6	4	5	-	-	6	-
T Lewis	12	4	4	-	4	-	6	-
C Milne	9	6	1	-	-	-	5	-
A Mitchell	12	6	5	6	5	6	6	-
S Rasheed (up to 27 May 22)	8	4	4	-	3	4	4	2
N Shaw	12	5	5	6	4	5	6	2
L Sutton	11	5	5	6	-	-	6	-

Meeting	Briefings
<b>Number of briefings held</b>	<b>29</b>
C Barry	27
G Barratt (from 30 Sep 21)	10
J Briggs	24
K Brown	24
B Dyer	29
S Edwards	29
D Hislop	29
T Lewis	25
C Milne	5
A Mitchell	29
S Rasheed (up to 27 May 22)	27
N Shaw	28
L Sutton	14

Note: Where no number is shown, the councillor named is not a member of that committee.

## 9. Taxation

### Accounting policy

Income tax expense includes components relating to both current tax and deferred tax.

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

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.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current tax and deferred tax are recognised against the surplus or deficit for the period, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expenses or directly in equity.



## Breakdown of taxes and other information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Components of tax expense</b>				
Current tax expense	68	42	668	1,420
Adjustments to current tax in prior years	-	(28)	(5)	(165)
Deferred tax expense	-	-	(315)	(351)
<b>Tax expense/(benefit)</b>	<b>68</b>	<b>14</b>	<b>348</b>	<b>904</b>
<b>Relationship between tax expense and accounting surplus</b>				
Net surplus/(deficit) before tax	11,859	26,334	12,346	31,852
Tax at 28%	3,321	7,374	3,457	8,919
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	2	2
Non-taxable revenue	(3,253)	(7,331)	(2,993)	(8,777)
Tax on partnership share	-	-	-	1,024
Prior period adjustment	-	(28)	(5)	(165)
Deferred tax adjustment	-	-	(113)	(98)
<b>Tax expense/(benefit)</b>	<b>68</b>	<b>14</b>	<b>348</b>	<b>904</b>

<b>Deferred tax asset/(liability)</b>	Property, plant and equipment	Other provisions	Tax losses	Deferred tax asset/ (liability)
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### Council

Balance at 30 June 2021	-	-	-	-
Balance at 30 June 2022	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Group

Balance at 30 June 2021	(3,270)	40	-	(3,230)
Charged to surplus or deficit	303	11	-	314
Charged to equity	300	-	-	300
<b>Balance at 30 June 2022</b>	<b>(2,667)</b>	<b>51</b>	<b>-</b>	<b>(2,616)</b>
Charged to surplus or deficit	309	6	-	315
Charged to equity	843	-	-	843
<b>Balance at 30 June 2023</b>	<b>(1,515)</b>	<b>57</b>	<b>-</b>	<b>(1,458)</b>

Generally, local authorities are exempt from taxation except for income derived from any Council-Controlled Company or port activity per section CW 39 of the Income Tax Act 2007.

Council has unrecognised tax losses available to carry forward of \$nil (2022: \$nil), with a tax effect of \$nil (2022: \$nil).

The Group has unrecognised tax losses available to carry forward of \$nil (2022: \$nil), with a tax effect of \$nil (2022: \$nil).

## 10. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents (current assets) comprise cash at bank, cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Overdrafts are included in note 20.

### Breakdown of cash and cash equivalents and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Cash at bank and on hand	10,245	23,832	36,950	26,087
Term deposits with maturities less than three months	-	-	-	-
<b>Cash and Cash Equivalents</b>	<b>10,245</b>	<b>23,832</b>	<b>36,950</b>	<b>26,087</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 \$64,000 (2022: \$62,000), as shown in note 24.

Cash, cash equivalents noted above and bank overdrafts (note 20) are included for the purposes of the statement of cash flows.

## 11. Debtors and other receivables

### Accounting policy

Debtors and other receivables are initially measured at their face value, less an allowance for expected credit losses.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

### Breakdown of debtors and other receivables and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Rates receivable	7,469	5,542	7,469	5,542
Other receivables:				
– Amounts due from related parties (note 26)	54	117	-	-
– GST receivable	4,727	2,125	4,727	2,125
– Other receivables	22,415	14,983	22,633	15,274
<b>Total other receivables</b>	<b>27,196</b>	<b>17,225</b>	<b>27,360</b>	<b>17,399</b>
<b>Gross debtors and other receivables</b>	<b>34,665</b>	<b>22,767</b>	<b>34,829</b>	<b>22,941</b>
Less allowance for credit losses	(238)	(1,503)	(258)	(1,509)
<b>Total debtors and other receivables</b>	<b>34,427</b>	<b>21,264</b>	<b>34,571</b>	<b>21,432</b>
<b>Total receivables comprise of:</b>				
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements and charges that are partly subsidised by rates	33,164	19,999	33,363	20,282
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,263	1,265	1,208	1,150
	<b>34,427</b>	<b>21,264</b>	<b>34,571</b>	<b>21,432</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.

## Expected credit losses

### Rates receivable

Council seldom provides for any expected credit losses on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payments. If payment has not been made within three months of the court's judgement, Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive has not approved the write-off of any rates receivable during the year as prescribed by Section 90a and 90 B of the LGIA 2002 (2022: \$nil).

### Other receivables

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2022: \$nil).

The ageing profile of receivables as at 30 June is detailed below:

## Rates receivables

	2023			2022		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Rates receivable – Council</b>						
Not past due	-	-	-	-	-	-
Past due 1-60 days	6,050	-	6,050	4,550	-	4,550
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	1,419	-	1,419	992	-	992
<b>Total</b>	<b>7,469</b>	<b>-</b>	<b>7,469</b>	<b>5,542</b>	<b>-</b>	<b>5,542</b>
<b>Rates receivable – Group</b>						
Not past due	-	-	-	-	-	-
Past due 1-60 days	6,050	-	6,050	4,550	-	4,550
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	1,419	-	1,419	992	-	992
<b>Total</b>	<b>7,469</b>	<b>-</b>	<b>7,469</b>	<b>5,542</b>	<b>-</b>	<b>5,542</b>
<b>Other receivables – Council</b>						
Not past due	22,640	-	22,640	12,865	-	12,865
Past due 1-30 days	2,036	-	2,036	1,118	-	1,118
Past due 31-60 days	1,186	-	1,186	1,009	-	1,009
Past due >60 days	1,334	(238)	1,096	2,233	(1,503)	730
<b>Total</b>	<b>27,196</b>	<b>(238)</b>	<b>26,958</b>	<b>17,225</b>	<b>(1,503)</b>	<b>15,722</b>

	2023			2022		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Other receivables – Group</b>						
Not past due	22,689	-	22,689	12,858	-	12,858
Past due 1-30 days	2,063	-	2,063	1,137	-	1,137
Past due 31-60 days	1,206	-	1,206	1,019	-	1,019
Past due >60 days	1,430	(258)	1,172	2,240	(1,509)	731
<b>Total</b>	<b>27,360</b>	<b>(258)</b>	<b>27,130</b>	<b>17,399</b>	<b>(1,509)</b>	<b>15,745</b>
<b>Total receivables – Council</b>	<b>34,665</b>	<b>(238)</b>	<b>34,427</b>	<b>22,767</b>	<b>(1,503)</b>	<b>21,264</b>
<b>Total receivables – Group</b>	<b>34,829</b>	<b>(258)</b>	<b>34,571</b>	<b>22,941</b>	<b>(1,509)</b>	<b>21,432</b>

All receivables greater than 30 days in age are considered to be past due.

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

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Individual impairment	238	315	258	315
Collective impairment	-	1,188	-	1,194
<b>Total expected credit losses</b>	<b>238</b>	<b>1,503</b>	<b>258</b>	<b>1,509</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor and all appear in over 60 days past due. Indications include the debtor being in liquidation or being more than one year overdue.

Movements in the allowance for expected credit losses of receivables are as follows:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
At 1 July	1,503	1,137	1,509	1,143
Additional allowance made during the year	-	366	-	366
Allowance reversed during the year	(1,265)	-	(1,251)	-
Receivables written-off during the period	-	-	-	-
<b>At 30 June</b>	<b>238</b>	<b>1,503</b>	<b>258</b>	<b>1,509</b>

Council and the Group holds no collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

## 12. Derivative financial instruments

### Accounting policy

Derivative financial instruments are used to manage exposure to interest-rate risks arising from the Council's financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. They are subsequently measured at their fair value at each balance date. As the Council and the Group do not designate their derivative financial instruments as hedging instruments for accounting purposes, the associated gains or losses on derivatives are recognised within surplus or deficit.

Derivatives are carried as current or non-current assets when their fair value is positive and as current or non-current liabilities when their fair value is negative, depending on the maturity of the instrument.

### Breakdown of derivative financial instruments

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Non-current asset portion</b>				
Interest rate swaps – fair value through surplus or deficit	5,609	2,648	5,609	2,648
<i>Total non-current asset portion</i>	5,609	2,648	5,609	2,648
<b>Total derivative financial instrument assets</b>	<b>5,609</b>	<b>2,648</b>	<b>5,609</b>	<b>2,648</b>
<b>Non-current liability portion</b>				
Interest rate swaps – fair value through surplus or deficit	11	663	11	663
<i>Total non-current liability portion</i>	11	663	11	663
<b>Total derivative financial instrument liabilities</b>	<b>11</b>	<b>663</b>	<b>11</b>	<b>663</b>
<b>Total derivative financial instruments</b>	<b>5,597</b>	<b>1,985</b>	<b>5,597</b>	<b>1,985</b>

### Fair value

The fair value of interest rate swaps has been determined using a discounted cash flows valuation technique based on quoted market prices. The interest rate swaps were independently valued at 30 June 2023 by Hedgebook Limited.

### Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Council and the Group were \$133 million (2022: \$133 million). At 30 June 2023, the fixed interest rates of interest rate swaps varied from 1.82% to 5.09% (2022: 1.82% to 5.09%).

## 13. Inventories

### Accounting policy

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential.

Inventories held for distribution or consumption in the provision of services that are supplied on a commercial basis are measured at the lower of cost adjusted and net realisable value.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes that inventories that were purchased first are distributed or used first.

Inventories acquired through a non-exchange transaction are measured at fair value at the date of acquisition.

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

Emission trading units are held for consumption based on landfill emissions and are valued at net realisable value based on market rates at balance date.

### Breakdown of inventory and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Commercial inventories held for sale:</b>				
Diesel	-	2	13	29
Emission trading units	1,649	2,850	1,649	2,850
Inventory	57	129	57	129
Commercial property developments	-	-	12,284	17,253
<b>Total inventories</b>	<b>1,706</b>	<b>2,981</b>	<b>14,003</b>	<b>20,261</b>

No inventories are pledged as security for liabilities (2022: \$nil). However, some inventories are subject to retention of title clauses. Commercial inventories are valued at cost, as there are no impairments of inventories.

## 14. Property plant and equipment

### Critical accounting estimates and assumptions

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

- The physical deterioration and condition of an asset: for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible: for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the New Zealand 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, and 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 Council's infrastructural asset revaluations.

### Critical judgements in applying accounting policies

#### *Classification of pensioner housing properties*

The Council and the Group own a number of properties held to improve housing for pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for a service delivery objective as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

#### **Independent valuer and key assumptions**

##### *Water, wastewater and stormwater – Key valuation assumptions;*

- Construction costs based on unit rates reflect the costs of replacing assets.
- Useful lives of assets are calculated based on information provided by Wellington Water Limited.
- The capital goods price index (CGPI) was used where indexation was appropriate.
- Due to most assets being below ground, the valuer did not complete physical asset inspections and relied on data provided by Hutt City Council's three waters provider Wellington Water Limited.
- Council's three waters data is under continuous improvement as better information is obtained in the maintenance and replacement of these assets. This work is in progress and further improvements are required. As part of completing the valuation the expert valuer therefore applies professional judgement to aspects of the data where required. The Council's water data has a reliable confidence level.
- The expert valuer also applies professional judgement in determining asset replacement rates. The valuer makes these judgements based on consideration of recent replacement costs, knowledge of the network and other information available at the time of the valuation.

##### *Road – Key valuation assumptions;*

- Unit rates for road construction were based on current construction rates applicable to the asset type. Where there was no current contracted unit rate information available, the most recent rates were used and indexed for the impact of inflation.
- Useful lives were determined considering the age, condition information held on these assets and the asset's future service potential.

*Operational land, buildings and site improvements – Key valuation assumptions;*

- Land and buildings were mainly valued based on recent equivalent sales information and market evidence.
- Where no market existed for the buildings, ODRC was used with allowance for the building's age, condition and configuration.

*Collection items – Works of art – Key valuation assumptions;*

- Works of art were valued based on equivalent sales information and market evidence.

## **Accounting policy**

Property, plant and equipment consists of:

**Operational assets** – these include land, buildings, landfill post-closure, site improvements, library books, plant and equipment, collection items and motor vehicles.

**Restricted assets** – restricted assets are mainly parks and reserves owned by Council and the Group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** – infrastructure assets are fixed-utility systems owned by Council and the Group. Each asset class (roading assets, water assets, stormwater assets and wastewater assets) includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

Land (infrastructure, operational and restricted, except land under roads) and collections are measured at fair value. Buildings, site improvements and other infrastructure assets are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

## **Revaluation**

Land (excluding land under roads), buildings, site improvements, infrastructural assets and collection assets are revalued with sufficient regularity to ensure their carrying amount does not differentiate materially from fair value and at least every three years.

Revaluation of property, plant and equipment is accounted for on a class-by-class basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

The fair value of land, buildings, site improvements and collection assets is their market value. The fair value of the roading, water assets, stormwater assets and wastewater assets is measured using the depreciated replacement cost. Fair value is assessed by an independent registered valuer.

## **Additions**

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through non-exchange transactions, it is recognised at its fair value as at the date of acquisition.

## **Subsequent costs**

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 the Council and the Group and the cost of the item can be measured with reliability.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.



## Disposals

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 surplus or deficit. 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 (other than land, land under roads and art collections), at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Years	Percentages
<b>Operational assets</b>		
Site improvements	2 – 40	2.50 – 50.00
Buildings	3 – 80	1.25 – 33.33
Landfill assets (including plant and infrastructure not associated with the network)	3 – 70	1.43 – 33.33
Library books	7	14.28
Plant and equipment	1 – 30	3.33 – 100.00
Vehicles	3 – 5	20.00 – 33.00
Wharves	5 – 56	1.77 – 19.03
Breakwaters	88	1.14
<b>Infrastructure assets</b>		
Storm water assets	10 – 57	1.76 – 9.28
Water supply assets	3 – 36	2.79 – 33.33
Waste water assets (including treatment plant)	2 – 155	0.65 – 50.00
Roading network	0 – 33.67	Over 3 years
Seawalls	58	1.70

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end. In respect of revalued assets, the useful life is adjusted to a rate recommended by the independent valuer as at the date of the revaluation.

## 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 (UHCC) pays an annual levy to the Council based on an apportionment formula equating to between 29% and 33% of the funding requirements. While UHCC 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.

UHCC'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 UHCC are recognised as revenue in the surplus or deficit if the contributions are for the operation of the bulk wastewater system. Funding contributions for capital work are recognised as an increase in UHCC's interest in the bulk wastewater system assets.

## Impairment of property, plant and equipment

Property, plant and equipment assets that have a finite useful life are reviewed for indicators of impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as 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 surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expenses and increased that asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of assets was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

<b>Council 2023</b>	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Operational assets</b>							
Land	57,105	-	57,105	-	-	-	-
Site improvements	28,065	(124)	27,942	3,415	-	(2)	-
Buildings	142,728	(426)	142,302	5,138	-	(380)	-
Landfill assets	52,263	(8,444)	43,819	3,559	-	-	-
Library books	9,091	(5,979)	3,112	795	-	-	-
Plant and equipment	25,007	(14,094)	10,912	3,096	-	(951)	-
Vehicles	2,386	(888)	1,498	626	-	(48)	-
Wharves	11,814	(2,968)	8,846	-	-	-	-
Breakwaters	5,247	(4)	5,243	-	-	-	-
<b>Total</b>	<b>333,706</b>	<b>(32,927)</b>	<b>300,779</b>	<b>16,629</b>	<b>-</b>	<b>(1,381)</b>	<b>-</b>
<b>Collection assets</b>							
Public art collections	2,284	-	2,284	-	-	-	-
Other collection items	15,148	-	15,148	64	-	-	-
Petone Settlers	241	-	241	-	-	-	-
<b>Total collections</b>	<b>17,673</b>	<b>-</b>	<b>17,673</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>351,379</b>	<b>(32,927)</b>	<b>318,452</b>	<b>16,693</b>	<b>-</b>	<b>(1,381)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	217,476	(662)	216,814	17,238	1,837	-	-
Waste water treatment plant	39,207	(178)	39,029	39	-	-	-
Less UHCC share in HVS assets	(43,325)	146	(43,179)	(8,505)	-	-	-
<b>Total</b>	<b>213,358</b>	<b>(694)</b>	<b>212,664</b>	<b>8,772</b>	<b>1,837</b>	<b>-</b>	<b>-</b>
Land	25,057	-	25,057	-	-	-	-
Land under roads	146,170	-	146,170	-	299	-	-
Storm water system	286,198	(444)	285,754	1,329	1,760	-	-
Water supply system	114,839	(422)	114,417	9,445	1,916	-	-
Roading network	495,907	(1,329)	494,578	17,912	3,201	-	-
Seawalls	4,814	(7)	4,807	-	-	-	-
<b>Total infrastructural assets</b>	<b>1,286,343</b>	<b>(2,896)</b>	<b>1,283,447</b>	<b>37,458</b>	<b>9,013</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	143,984	-	143,984	65	-	(3)	-
<b>Total restricted assets</b>	<b>143,984</b>	<b>-</b>	<b>143,984</b>	<b>65</b>	<b>-</b>	<b>(3)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,781,706</b>	<b>(35,823)</b>	<b>1,745,883</b>	<b>54,216</b>	<b>9,013</b>	<b>(1,384)</b>	<b>-</b>

Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	-	-	-	-	-	57,105	-	57,105
-	2	-	-	-	(1,517)	31,478	(1,639)	29,840
-	21	-	-	-	(5,249)	147,486	(5,654)	141,832
-	-	-	-	-	(1,315)	55,822	(9,759)	46,063
-	-	-	-	-	(823)	9,886	(6,802)	3,084
-	877	-	-	-	(1,958)	27,152	(15,175)	11,976
-	18	-	-	-	(250)	2,964	(1,120)	1,844
-	-	-	-	-	(315)	11,814	(3,283)	8,531
-	-	-	-	-	(60)	5,247	(64)	5,183
-	<b>918</b>	-	-	-	<b>(11,487)</b>	<b>348,954</b>	<b>(43,496)</b>	<b>305,458</b>
-	-	-	-	-	-	2,284	-	2,284
-	-	-	-	-	-	15,212	-	15,212
-	-	-	-	-	-	241	-	241
-	-	-	-	-	-	<b>17,737</b>	-	<b>17,737</b>
-	<b>918</b>	-	-	-	<b>(11,487)</b>	<b>366,691</b>	<b>(43,496)</b>	<b>323,195</b>
-	-	-	-	-	(8,235)	236,551	(8,897)	227,654
-	-	-	-	-	(2,158)	39,246	(2,336)	36,910
-	-	-	-	-	1,758	(51,830)	1,904	(49,926)
-	-	-	-	-	<b>(8,635)</b>	<b>223,967</b>	<b>(9,329)</b>	<b>214,638</b>
-	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,469	-	146,469
-	-	-	-	-	(5,425)	289,287	(5,869)	283,418
-	-	-	-	-	(5,269)	126,200	(5,691)	120,509
-	-	-	-	-	(16,581)	517,020	(17,910)	499,110
-	-	-	-	-	(82)	4,814	(89)	4,725
-	-	-	-	-	<b>(35,992)</b>	<b>1,332,814</b>	<b>(38,888)</b>	<b>1,293,926</b>
-	-	-	-	-	-	144,046	-	144,046
-	-	-	-	-	-	<b>144,046</b>	-	<b>144,046</b>
-	<b>918</b>	-	-	-	<b>(47,479)</b>	<b>1,843,551</b>	<b>(82,384)</b>	<b>1,761,167</b>

**Council 2022**

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Operational assets</b>							
Land	52,900	-	52,900	395	5	-	-
Site improvements	31,213	(1,359)	29,855	1,244	-	-	-
Buildings	156,773	(4,977)	151,796	1,232	-	-	-
Landfill assets	49,307	(7,204)	42,103	2,956	-	-	-
Library books	8,328	(5,145)	3,183	763	-	-	-
Plant and equipment	24,592	(12,354)	12,237	872	-	(457)	-
Vehicles	1,499	(690)	809	887	-	-	-
Wharves	11,716	(2,669)	9,047	98	-	-	-
Breakwaters	4,852	(58)	4,794	-	-	-	-
<b>Total</b>	<b>341,180</b>	<b>(34,456)</b>	<b>306,724</b>	<b>8,447</b>	<b>5</b>	<b>(457)</b>	<b>-</b>
<b>Collection assets</b>							
Public art collections	2,194	-	2,194	-	-	-	-
Other collection items	13,075	-	13,075	55	-	-	-
Petone Settlers	219	-	219	-	-	-	-
<b>Total collections</b>	<b>15,488</b>	<b>-</b>	<b>15,488</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>356,668</b>	<b>(34,456)</b>	<b>322,212</b>	<b>8,502</b>	<b>5</b>	<b>(457)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	201,533	(7,899)	193,634	4,881	734	-	-
Waste water treatment plant	43,659	(2,522)	41,137	25	-	-	-
Less UHCC share in HVS assets	(42,391)	1,892	(40,499)	(3,810)	-	-	-
<b>Total</b>	<b>202,801</b>	<b>(8,529)</b>	<b>194,272</b>	<b>1,096</b>	<b>734</b>	<b>-</b>	<b>-</b>
Land	20,359	-	20,359	51	-	-	-
Land under roads	145,759	-	145,759	-	411	-	-
Storm water system	195,473	(4,789)	190,684	1,994	559	-	-
Water supply system	116,282	(4,547)	111,735	4,166	735	-	-
Roading network	469,447	(15,636)	453,811	10,575	1,003	-	-
Seawalls	4,784	(81)	4,703	-	-	-	-
<b>Total infrastructural assets</b>	<b>1,154,905</b>	<b>(33,583)</b>	<b>1,121,322</b>	<b>17,882</b>	<b>3,442</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	137,333	-	137,333	-	174	(132)	-
<b>Total restricted assets</b>	<b>137,333</b>	<b>-</b>	<b>137,333</b>	<b>-</b>	<b>174</b>	<b>(132)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,648,906</b>	<b>(68,039)</b>	<b>1,580,867</b>	<b>26,384</b>	<b>3,621</b>	<b>(589)</b>	<b>-</b>

Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
3,805	-	-	-	-	-	57,105	-	57,105
(4,392)	-	2,823	-	-	(1,588)	28,065	(124)	27,942
(15,277)	-	10,140	-	-	(5,589)	142,728	(426)	142,302
-	-	-	-	-	(1,240)	52,263	(8,444)	43,819
-	-	-	-	-	(834)	9,091	(5,979)	3,112
-	445	-	-	-	(2,185)	25,007	(14,094)	10,912
-	-	-	-	-	(198)	2,386	(888)	1,498
-	-	-	-	-	(299)	11,814	(2,968)	8,846
395	-	108	-	-	(54)	5,247	(4)	5,243
<b>(15,469)</b>	<b>445</b>	<b>13,071</b>	-	-	<b>(11,987)</b>	<b>333,706</b>	<b>(32,927)</b>	<b>300,779</b>
90	-	-	-	-	-	2,284	-	2,284
2,018	-	-	-	-	-	15,148	-	15,148
22	-	-	-	-	-	241	-	241
<b>2,130</b>	-	-	-	-	-	<b>17,673</b>	-	<b>17,673</b>
<b>(13,339)</b>	<b>445</b>	<b>13,071</b>	-	-	<b>(11,987)</b>	<b>351,379</b>	<b>(32,927)</b>	<b>318,452</b>
10,328	-	14,865	-	-	(7,628)	217,476	(662)	216,814
(4,477)	-	5,191	-	-	(2,847)	39,207	(178)	39,029
2,876	-	(3,677)	-	-	1,931	(43,325)	146	(43,179)
<b>8,727</b>	-	<b>16,379</b>	-	-	<b>(8,544)</b>	<b>213,358</b>	<b>(694)</b>	<b>212,664</b>
4,647	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,170	-	146,170
88,172	-	8,933	-	-	(4,588)	286,198	(444)	285,754
(6,344)	-	8,550	-	-	(4,425)	114,839	(422)	114,417
14,882	-	29,842	-	-	(15,535)	495,907	(1,329)	494,578
30	-	149	-	-	(75)	4,814	(7)	4,807
<b>110,114</b>	-	<b>63,853</b>	-	-	<b>(33,167)</b>	<b>1,286,343</b>	<b>(2,896)</b>	<b>1,283,447</b>
6,609	-	-	-	-	-	143,984	-	143,984
<b>6,609</b>	-	-	-	-	-	<b>143,984</b>	-	<b>143,984</b>
<b>103,384</b>	<b>445</b>	<b>76,924</b>	-	-	<b>(45,154)</b>	<b>1,781,706</b>	<b>(35,823)</b>	<b>1,745,883</b>

<b>Group 2023</b>	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Operational assets</b>							
Land	57,105	-	57,105	-	-	-	-
Site improvements	28,065	(124)	27,942	3,415	-	(2)	-
Buildings	142,728	(426)	142,302	5,138	-	(380)	-
Landfill assets	52,263	(8,444)	43,819	3,559	-	-	-
Library books	9,091	(5,979)	3,112	795	-	-	-
Plant and equipment	25,007	(14,094)	10,912	3,096	-	(951)	-
Vehicles	2,386	(888)	1,498	626	-	(48)	-
Wharves	11,814	(2,968)	8,846	-	-	-	-
Breakwaters	5,247	(4)	5,243	-	-	-	-
Seaview marina	20,143	(1,175)	18,968	105	-	(16)	-
Piers and berths	6,275	(2,221)	4,054	2	-	(7)	-
Urban Plus land	31,447	-	31,447	-	-	-	-
Urban Plus buildings	16,794	(67)	16,727	553	-	-	-
Urban Plus other assets	47	(18)	29	40	-	-	-
<b>Total</b>	<b>408,412</b>	<b>(36,408)</b>	<b>372,004</b>	<b>17,329</b>	<b>-</b>	<b>(1,404)</b>	<b>-</b>
<b>Collection Assets</b>							
Public art collection	2,284	-	2,284	-	-	-	-
Other collection items	15,148	-	15,148	64	-	-	-
Petone Settlers	241	-	241	-	-	-	-
<b>Total collections</b>	<b>17,673</b>	<b>-</b>	<b>17,673</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>426,085</b>	<b>(36,408)</b>	<b>389,677</b>	<b>17,393</b>	<b>-</b>	<b>(1,404)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	217,476	(662)	216,814	17,238	1,837	-	-
Waste water treatment plant	39,207	(178)	39,029	39	-	-	-
Less UHCC share in HVS assets	(43,325)	146	(43,179)	(8,505)	-	-	-
<b>Total</b>	<b>213,358</b>	<b>(694)</b>	<b>212,664</b>	<b>8,772</b>	<b>1,837</b>	<b>-</b>	<b>-</b>
Land	25,057	-	25,057	-	-	-	-
Land under roads	146,170	-	146,170	-	299	-	-
Storm water system	286,198	(444)	285,754	1,329	1,760	-	-
Water supply system	114,839	(422)	114,417	9,445	1,916	-	-
Roading network	495,907	(1,329)	494,578	17,912	3,201	-	-
Seawalls	4,814	(7)	4,807	-	-	-	-
<b>Total infrastructural assets</b>	<b>1,286,343</b>	<b>(2,896)</b>	<b>1,283,447</b>	<b>37,458</b>	<b>9,013</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	143,984	-	143,984	65	-	(3)	-
<b>Total restricted assets</b>	<b>143,984</b>	<b>-</b>	<b>143,984</b>	<b>65</b>	<b>-</b>	<b>(3)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,856,412</b>	<b>(39,305)</b>	<b>1,817,110</b>	<b>54,916</b>	<b>9,013</b>	<b>(1,407)</b>	<b>-</b>

Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	-	-	-	-	-	57,105	-	57,105
-	2	-	-	-	(1,517)	31,478	(1,639)	29,840
-	21	-	-	-	(5,249)	147,486	(5,654)	141,832
-	-	-	-	-	(1,315)	55,822	(9,759)	46,063
-	-	-	-	-	(823)	9,886	(6,802)	3,084
-	877	-	-	-	(1,958)	27,152	(15,175)	11,976
-	18	-	-	-	(250)	2,964	(1,120)	1,844
-	-	-	-	-	(315)	11,814	(3,283)	8,531
-	-	-	-	-	(60)	5,247	(64)	5,183
-	10	-	-	-	(303)	20,232	(1,468)	18,764
-	5	-	-	-	(190)	6,270	(2,406)	3,864
(220)	-	-	-	-	-	31,227	-	31,227
(4,436)	-	927	-	-	(860)	12,911	-	12,911
-	16	-	-	-	(16)	87	(18)	69
<b>(4,656)</b>	<b>949</b>	<b>927</b>	<b>-</b>	<b>-</b>	<b>(12,856)</b>	<b>419,681</b>	<b>(47,388)</b>	<b>372,292</b>
-	-	-	-	-	-	2,284	-	2,284
-	-	-	-	-	-	15,212	-	15,212
-	-	-	-	-	-	241	-	241
-	-	-	-	-	-	<b>17,737</b>	-	<b>17,737</b>
<b>(4,656)</b>	<b>949</b>	<b>927</b>	<b>-</b>	<b>-</b>	<b>(12,856)</b>	<b>437,418</b>	<b>(47,388)</b>	<b>390,029</b>
-	-	-	-	-	(8,235)	236,551	(8,897)	227,654
-	-	-	-	-	(2,158)	39,246	(2,336)	36,910
-	-	-	-	-	1,758	(51,830)	1,904	(49,926)
-	-	-	-	-	<b>(8,635)</b>	<b>223,967</b>	<b>(9,329)</b>	<b>214,638</b>
-	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,469	-	146,469
-	-	-	-	-	(5,425)	289,287	(5,869)	283,418
-	-	-	-	-	(5,269)	126,200	(5,691)	120,509
-	-	-	-	-	(16,581)	517,020	(17,910)	499,110
-	-	-	-	-	(82)	4,814	(89)	4,725
-	-	-	-	-	<b>(35,992)</b>	<b>1,332,814</b>	<b>(38,888)</b>	<b>1,293,926</b>
-	-	-	-	-	-	144,046	-	144,046
-	-	-	-	-	-	<b>144,046</b>	-	<b>144,046</b>
<b>(4,656)</b>	<b>949</b>	<b>927</b>	<b>-</b>	<b>-</b>	<b>(48,848)</b>	<b>1,914,278</b>	<b>(86,276)</b>	<b>1,828,003</b>

**Group 2022**

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Operational assets</b>							
Land	52,900	-	52,900	395	5	-	-
Site improvements	31,213	(1,359)	29,855	1,244	-	-	-
Buildings	156,773	(4,977)	151,796	1,232	-	-	-
Landfill assets	49,307	(7,204)	42,103	2,956	-	-	-
Library books	8,328	(5,145)	3,183	763	-	-	-
Plant and equipment	24,592	(12,354)	12,237	872	-	(457)	-
Vehicles	1,499	(690)	809	887	-	-	-
Wharves	11,716	(2,669)	9,047	98	-	-	-
Breakwaters	4,852	(58)	4,794	-	-	-	-
Seaview marina	10,705	(1,810)	8,895	77	-	(4)	-
Piers and berths	4,943	(2,031)	2,912	1,332	-	-	-
Urban Plus land	22,514	-	22,514	-	-	-	-
Urban Plus buildings	19,154	(79)	19,075	380	-	-	-
Urban Plus other assets	64	(24)	40	-	-	(17)	-
<b>Total</b>	<b>398,560</b>	<b>(38,400)</b>	<b>360,160</b>	<b>10,236</b>	<b>5</b>	<b>(478)</b>	<b>-</b>
<b>Collection Assets</b>							
Public art collection	2,194	-	2,194	-	-	-	-
Other collection items	13,075	-	13,075	55	-	-	-
Petone Settlers	219	-	219	-	-	-	-
<b>Total collections</b>	<b>15,488</b>	<b>-</b>	<b>15,488</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>414,048</b>	<b>(38,400)</b>	<b>375,648</b>	<b>10,291</b>	<b>5</b>	<b>(478)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	201,533	(7,899)	193,634	4,881	734	-	-
Waste water treatment plant	43,659	(2,522)	41,137	25	-	-	-
Less UHCC share in HVS assets	(42,391)	1,892	(40,499)	(3,810)	-	-	-
<b>Total</b>	<b>202,801</b>	<b>(8,529)</b>	<b>194,272</b>	<b>1,096</b>	<b>734</b>	<b>-</b>	<b>-</b>
Land	20,359	-	20,359	51	-	-	-
Land under roads	145,759	-	145,759	-	411	-	-
Storm water system	195,473	(4,789)	190,684	1,994	559	-	-
Water supply system	116,282	(4,547)	111,735	4,166	735	-	-
Roading network	469,447	(15,636)	453,811	10,575	1,003	-	-
Seawalls	4,784	(81)	4,703	-	-	-	-
<b>Total infrastructural assets</b>	<b>1,154,905</b>	<b>(33,582)</b>	<b>1,121,323</b>	<b>17,882</b>	<b>3,442</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	137,333	-	137,333	-	174	(132)	-
<b>Total restricted assets</b>	<b>137,333</b>	<b>-</b>	<b>137,333</b>	<b>-</b>	<b>174</b>	<b>(132)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,706,286</b>	<b>(71,982)</b>	<b>1,634,304</b>	<b>28,173</b>	<b>3,621</b>	<b>(610)</b>	<b>-</b>



Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
3,805	-	-	-	-	-	57,105	-	57,105
(4,392)	-	2,823	-	-	(1,588)	28,065	(124)	27,942
(15,277)	-	10,140	-	-	(5,589)	142,728	(426)	142,302
-	-	-	-	-	(1,240)	52,263	(8,444)	43,819
-	-	-	-	-	(834)	9,091	(5,979)	3,112
-	445	-	-	-	(2,185)	25,007	(14,094)	10,913
-	-	-	-	-	(198)	2,386	(888)	1,498
-	-	-	-	-	(299)	11,814	(2,968)	8,846
395	-	108	-	-	(54)	5,247	(4)	5,243
9,365	-	931	-	-	(296)	20,143	(1,175)	18,968
-	-	-	-	-	(190)	6,275	(2,221)	4,054
8,933	-	-	-	-	-	31,447	-	31,447
(2,740)	-	969	-	-	(957)	16,794	(67)	16,727
-	16	-	-	-	(10)	47	(18)	29
<b>89</b>	<b>461</b>	<b>14,971</b>	<b>-</b>	<b>-</b>	<b>(13,440)</b>	<b>408,412</b>	<b>(36,408)</b>	<b>372,004</b>
90	-	-	-	-	-	2,284	-	2,284
2,018	-	-	-	-	-	15,148	-	15,148
22	-	-	-	-	-	241	-	241
<b>2,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,673</b>	<b>-</b>	<b>17,673</b>
<b>2,219</b>	<b>461</b>	<b>14,971</b>	<b>-</b>	<b>-</b>	<b>(13,440)</b>	<b>426,085</b>	<b>(36,408)</b>	<b>389,677</b>
10,328	-	14,865	-	-	(7,628)	217,476	(662)	216,814
(4,477)	-	5,191	-	-	(2,847)	39,207	(178)	39,029
2,876	-	(3,677)	-	-	1,931	(43,325)	146	(43,179)
<b>8,727</b>	<b>-</b>	<b>16,379</b>	<b>-</b>	<b>-</b>	<b>(8,544)</b>	<b>213,358</b>	<b>(694)</b>	<b>212,664</b>
4,647	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,170	-	146,170
88,172	-	8,933	-	-	(4,588)	286,198	(444)	285,754
(6,344)	-	8,550	-	-	(4,425)	114,839	(422)	114,417
14,882	-	29,842	-	-	(15,535)	495,907	(1,329)	494,578
30	-	149	-	-	(75)	4,814	(7)	4,807
<b>110,114</b>	<b>-</b>	<b>63,853</b>	<b>-</b>	<b>-</b>	<b>(33,166)</b>	<b>1,286,343</b>	<b>(2,897)</b>	<b>1,283,447</b>
6,609	-	-	-	-	-	143,984	-	143,984
<b>6,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,984</b>	<b>-</b>	<b>143,984</b>
<b>118,942</b>	<b>461</b>	<b>78,824</b>	<b>-</b>	<b>-</b>	<b>(46,606)</b>	<b>1,856,412</b>	<b>(39,305)</b>	<b>1,817,110</b>

## Valuation

### *Operational and restricted land and buildings*

For the purposes of the market value for financial reporting purposes assessment, we have valued each property in its entirety; being the total value of the land and improvements together. This total value has then been apportioned amongst the different components forming the improvements and the land. As many of the improvements, such as reserves, fall over several parcels of land, where applicable, we have treated these parcels as contingent and provided a single value for the amalgamated land component.

The land component of the valuation has been derived from market-based evidence based on its highest and best with reference to sales of comparably zoned land in surrounding areas. Adjustments have been made to land values where there is a designation against the land or the use of the land is restricted because of reserve status.

Specialised buildings which are generally used for operational purposes i.e. amenities and hall buildings, are rarely sold separately, with the result that there is little or no comparable sales information available. In this scenario, the best indication of the assets' fair value is the depreciated replacement cost approach which is the current replacement cost of the asset less, where applicable, accumulated depreciation, to reflect the age of the asset.

We have utilised the straight-line method of depreciation with assets' ages and remaining lives estimated. Asset replacement costs are based on the replacement with modern equivalent assets with adjustments for appropriate obsolescence. For Council's earthquake prone buildings, the estimated earthquake strengthening costs have been deducted from the depreciated replacement cost.

The most recent independent valuations for Council's land and buildings effective 31 May 2022, was performed by Peter Erceg and Chris McCashin (MPINZ), of Aon Risk Solutions.

### *Infrastructural assets (excluding land under roads)*

The market value for financial reporting purposes was calculated using the optimised depreciated replacement cost (ODRC) approach. This is based on the current replacement cost of modern equivalent replacement assets (MERA) that is adjusted for over-design, over-capacity and/or redundant assets, less an allowance for depreciation.

Council, through Wellington Water Limited, provided established asset groupings and further to these groupings, asset component classifications levels. Aon has used Council asset groupings and asset component levels to establish a level of valuation. Physical inspections of a sample of all asset types were undertaken. During the site inspections, and while at the Wellington Water Limited offices, the valuer systematically inspected and documented each asset type, including key technical details, age, life and the assets' remaining useful life.

Development of replacement costs of the piping services, water infrastructure assets, storage tanks and reservoirs have been valued by using normalised/standardised rates based on modern equivalent asset costs, in particular metre rates per diameter or the like. Using standardised costs allowed a realistic balance between extreme positions of valuing on a whole-of-system approach and requiring precise asset detail.

The ages of the subject assets have, in general, been comprehensively documented and as a result, the ages of a considerable portion of the assets have been accurately recorded. During site visits ages of the assets were determined through council's documentation, Geographic Information System and staff knowledge.

Once an appropriate unit replacement cost and asset ages and lives were established, a straight-line depreciation was attributed to each asset component to establish the ODRC value.

The most recent independent valuations for infrastructural assets (excluding land under roads) were performed by Peter Erceg and Roger Khoo (MPINZ), of Aon Risk Solutions. The valuation is effective as at 31 May 2022.

**Councils' most recent estimate of the replacement cost of infrastructural asset is at 31 May 2022:**

	<b>\$000</b>
Waste water	565,500
Waste water treatment plant	119,300
Storm water	561,800
Water supply	313,800
Roading (excluding land under roads)	1,096,400
	<b>2,656,800</b>

**Service concession arrangements.**

The service concession arrangement assets consist of the wastewater treatment plant located at Seaview which is jointly owned by UHCC and council but operated by Veolia Water under a 10-year agreement effective from June 2020. The contract has two rights of renewal for further subsequent terms of three and two years respectively. These assets are included in the infrastructure, building and site improvement assets and are valued consistently with other assets within the class.

The carrying value of these service concession assets for Council and the Group is \$49.9 million (2022: \$40.9 million).

**Collection items**

The collections are valued at fair value, being an amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is considered as representing the best estimate of the intrinsic cultural or heritage value of an asset.

Determination of fair value has been made by reference to observable prices in an active market (be it primary retail or secondary auction market) for the same or similar asset. If there is no active market, fair value is determined by other market-based evidence adjudged by the valuer as active and knowledgeable participants in the market.

Painting and works on paper were valued as at 31 May 2022 by Ben Ashley (AAA), Ashley & Associates Limited, cultural and forensic specialists contracted as independent valuers.

**Assets held by Subsidiaries**

Seaview Marina Limited assets consist of non-specialised properties and are valued at fair value using market-based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition, we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuer Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions. The valuation is effective as at 31 May 2022.

Urban Plus flats and other non-specialised properties are valued at fair value using market-based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition, we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions. The valuation is effective as at 30 June 2023.

## Assets under construction

Property, plant and equipment in the course of construction by class of asset is detailed below:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Water systems	70,893	29,134	70,893	29,134
Roading network	17,501	824	17,501	824
Landfills	637	257	637	257
Land and site improvements	24,369	11,552	24,369	11,552
Buildings	34,523	9,188	34,523	9,188
Other	4,456	7,766	5,312	8,398
<b>Total assets under construction</b>	<b>152,379</b>	<b>58,721</b>	<b>154,613</b>	<b>59,353</b>

## 15. Intangible Assets

### Accounting policy

#### *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 the Group are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, costs associated with maintaining computer software and costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

#### *Software as a Service (SaaS)*

Costs associated with software developed and used under a SaaS arrangement are expenses when incurred as the rights of ownership of the software does not transfer to the Council or the Group.

Some additional costs are incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset where the ownership of the developments reside with the Group. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

#### *Resource Consents*

Costs associated with registering a resource consent in the wastewater activity are recognised as an intangible asset.

### *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 surplus or deficit.

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

	<b>Years</b>	<b>Percentages</b>
Computer software	2–10	10–52.55
Resource Consents	12–29	3.33–7.86

### *Impairment of intangible assets*

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for indicators of impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Council 2023</b>							
Software	2,739	(2,419)	320	-	-	(278)	-
Resource consents	1,981	(1,272)	709	-	-	-	-
	<b>4,720</b>	<b>(3,691)</b>	<b>1,029</b>	<b>-</b>	<b>-</b>	<b>(278)</b>	<b>-</b>
<b>Council 2022</b>							
Software	2,854	(2,538)	316	145	-	(260)	-
Resource consents	1,981	(1,204)	777	-	-	-	-
	<b>4,835</b>	<b>(3,742)</b>	<b>1,093</b>	<b>145</b>	<b>-</b>	<b>(260)</b>	<b>-</b>
<b>Group 2023</b>							
Software	2,800	(2,472)	328	-	-	(278)	-
Resource consents	1,982	(1,275)	707	-	-	-	-
	<b>4,782</b>	<b>(3,747)</b>	<b>1,035</b>	<b>-</b>	<b>-</b>	<b>(278)</b>	<b>-</b>
<b>Group 2022</b>							
Software	2,915	(2,588)	327	145	-	(260)	-
Resource consents	1,982	(1,207)	775	-	-	-	-
	<b>4,897</b>	<b>(3,795)</b>	<b>1,102</b>	<b>145</b>	<b>-</b>	<b>(260)</b>	<b>-</b>

Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	278	-	-	-	(166)	2,461	(2,307)	154
-	-	-	-	-	(68)	1,981	(1,340)	641
-	<b>278</b>	-	-	-	<b>(234)</b>	<b>4,442</b>	<b>(3,647)</b>	<b>795</b>
-	258	-	-	-	(139)	2,739	(2,419)	320
-	-	-	-	-	(68)	1,981	(1,272)	709
-	<b>258</b>	-	-	-	<b>(207)</b>	<b>4,720</b>	<b>(3,691)</b>	<b>1,029</b>
-	278	-	-	-	(169)	2,522	(2,363)	159
-	-	-	-	-	(68)	1,982	(1,343)	639
-	<b>278</b>	-	-	-	<b>(237)</b>	<b>4,504</b>	<b>(3,706)</b>	<b>798</b>
-	258	-	-	-	(142)	2,800	(2,472)	328
-	-	-	-	-	(68)	1,982	(1,275)	707
-	<b>258</b>	-	-	-	<b>(210)</b>	<b>4,782</b>	<b>(3,747)</b>	<b>1,035</b>

## 16. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2023 \$000	Actual 2022 \$000
<b>Directly attributable depreciation and amortisation expense by activity (group of activity)</b>		
<b>Environmental wellbeing</b>		
Water supply	5,270	4,425
Wastewater	8,940	8,867
Stormwater	5,425	4,588
Solid waste	1,699	1,596
Sustainability and resilience	80	13
Regulatory services	177	103
<b>Economic wellbeing</b>		
Transport	16,776	15,676
City development	5	12
<b>Social and cultural wellbeing</b>		
Community partnering and support	1,333	1,364
Open spaces, parks, and reserves	2,941	3,092
Connectivity, creativity, learning and recreation	4,110	4,421
Governance, strategy and partnerships	5	6
Corporate services	955	1,206
<b>Total directly attributable depreciation and amortisation expense by group of activity</b>	<b>47,716</b>	<b>45,369</b>
Depreciation and amortisation not directly attributable by group of activity	-	-
<b>Total depreciation and amortisation expense</b>	<b>47,716</b>	<b>45,369</b>



## 17. Investment in associate

Wellington Water Limited was jointly created on 9 July 2003 to manage the drinking water, wastewater and stormwater assets of the councils. Since its inception it has gradually expanded its operations and now covers six councils in the Wellington region.

The company has issued Class A shares representing voting rights and Class B shares which confer the level of contributions and ownership between each council.

The company is considered to be jointly controlled because of the equal share of voting rights conferred through the Class A shares. It therefore an associate of all councils in accordance with IPSAS 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. Council's ownership interest in the company is 20% (2022: 20%).

2022 and 2023	Shares on issue	Hutt City Council	Wellington City Council	Upper Hutt Council	Porirua City Council	Greater Wellington Regional Council	South Wairarapa District Council
Class A shares (voting entitlements)	900	150	150	150	150	150	150
		17%	17%	17%	17%	17%	17%
Class B shares (financial entitlements)	500	100	200	40	60	75	25
		20%	40%	8%	12%	15%	5%

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

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Wellington Water Limited</b>				
Balance at beginning of the year	200	200	881	374
New Shares issued	-	-	-	-
B Shares sold	-	-	-	-
Share of operating surplus/(deficit)	-	-	-	507
<b>Balance at end of year</b>	<b>200</b>	<b>200</b>	<b>881</b>	<b>881</b>

	Total Wellington Water Ltd		Group share	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Revenue	382,880	302,599	76,576	60,520
Expenditure	384,774	299,225	76,955	59,845
Surplus (Deficit) before taxation	(1,894)	3,374	(379)	675
Taxation (Expense)/benefit	383	(838)	79	(168)
<b>Surplus (Deficit) after taxation</b>	<b>(1,501)</b>	<b>2,536</b>	<b>(300)</b>	<b>507</b>
Assets	79,025	60,430	15,805	12,086
Liabilities	76,001	55,905	15,200	11,181
Equity	3,024	4,525	605	905

## 18. Other financial assets

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Current portion</b>				
Loans to related parties	-	-	-	-
Short term deposits with original maturities greater than three months	10,000	-	10,000	-
<b>Total other financial assets – current portion</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>
<b>Non-current portion</b>				
<b>Investment in Council Controlled Organisations and other similar entities</b>				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 30)	35,700	15,700	-	-
Unlisted shares in Local Government Funding Agency	100	100	100	100
Borrower Notes from Local Government Funding Agency	7,927	4,908	7,927	4,908
<b>Total investment in Council Controlled Organisations and other similar entities</b>	<b>58,272</b>	<b>35,253</b>	<b>8,027</b>	<b>5,008</b>
<b>Investment in other entities</b>				
NZ Local Government Insurance Company	455	455	455	455
<b>Total investment in other entities</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>455</b>
<b>Total other financial assets – non-current portion</b>	<b>58,727</b>	<b>35,708</b>	<b>8,482</b>	<b>5,463</b>
<b>Total other financial assets</b>	<b>68,727</b>	<b>35,708</b>	<b>18,482</b>	<b>5,463</b>

Loans to related parties and shares in subsidiaries are those transactions with Urban Plus Limited and Seaview Marina Limited – 100% owned subsidiaries (Council-Controlled Organisations).

### Unlisted shares

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

### Impairment

There has been no impairment provision made on the investment in New Zealand Local Government Insurance Company (2022: \$nil).

## 19. Creditors and other payables

### Accounting policy

Short-term creditors and other payables are recorded at amortised costs.

### Breakdown of creditors and other payables

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Trade and other payables	5,076	830	5,076	830
Deposits and bonds	1,661	518	1,663	520
Accrued expenses	34,557	24,995	34,889	25,250
Rates in advance	1,969	1,829	1,969	1,829
Amounts due to customers for contract work	1,755	1,528	1,755	1,685
<b>Total creditors and other payables</b>	<b>45,018</b>	<b>29,700</b>	<b>45,352</b>	<b>30,114</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.

All creditors and other payables are classified as exchange transactions.

## 20. Borrowings

### Accounting policy

Borrowings are initially recognised at their face value plus transaction costs. After initial recognition, all borrowings are measured at amortised costs using the effective interest rate.

Borrowings are classified as current liabilities, unless the Council or the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Current portion</b>				
Bank overdraft	-	-	-	-
Secured loans	70,000	35,700	70,000	35,700
<b>Total current portion</b>	<b>70,000</b>	<b>35,700</b>	<b>70,000</b>	<b>35,700</b>
<b>Non-current portion</b>				
Secured loans	300,700	220,000	300,700	220,000
<b>Total non-current portion</b>	<b>300,700</b>	<b>220,000</b>	<b>300,700</b>	<b>220,000</b>
<b>Total borrowing</b>	<b>370,700</b>	<b>255,700</b>	<b>370,700</b>	<b>255,700</b>

### Maturity profile

	Interest cost		Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Years of Maturity</b>						
Under 1 year	2,034	1,046	70,000	35,700	70,000	35,700
1 to 2 years	1,162	2,052	40,000	70,000	40,000	70,000
2 to 3 years	1,162	586	40,000	20,000	40,000	20,000
3 to 4 years	1,182	1,172	40,700	40,000	40,700	40,000
4 to 5 years	1,743	733	60,000	25,000	60,000	25,000
Over 5 years	3,486	1,905	120,000	65,000	120,000	65,000
<b>Total borrowing</b>	<b>10,770</b>	<b>7,495</b>	<b>370,700</b>	<b>255,700</b>	<b>370,700</b>	<b>255,700</b>

### *Secured loans*

Council's debt of \$371 million (2022: \$256 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 1.21% to 6.59% (2022: 0.70% to 4.524%). Where the interest rate is floating, the rate is generally reset quarterly based on the 90-day bank bill rate plus a margin for credit.

### *Security*

A debenture trust deed has been established and Covenant Trustee Services Limited appointed as Trustee. All borrowing is secured by a charge overall rating in favour of the Trustee.

Council has \$45 million of wholesale advance facilities split between Westpac Banking Corporation for \$10 million (2022: \$15 million), and New Zealand Local Government Funding Agency for \$35 million (2022: \$20 million). As at 30 June a total of \$nil (2022: \$nil) had been drawn against this wholesale advance facility. The facility is secured under the Debenture Trust Deed.

### *Bank overdraft*

Council has a \$250,000 unsecured bank overdraft facility (2022: \$250,000). The facility is undrawn at balance date (2022: \$nil).

### *Internal borrowings*

Council borrows on a consolidated level and as such does not use internal borrowing. Council therefore does not prepare internal borrowing statements.

### *Interest terms for secured loans*

Council's secured loans are mix of both fixed and floating rates of interest. For floating rate debt, the interest is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

## **21. Employee entitlements**

### **Accounting policy**

#### *Short-term benefits*

Employee benefits that Council and the Group expect to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave and long-service leave earned to, but not yet taken at balance date, where the entitlements are expected to be settled within 12 months.

Council and the 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*

Employee benefits due to be settled beyond 12 months after the end of the period in which the employee renders the related service, include retirement gratuities. Due to the low value of the benefit and the fact that most employees who are entitled to this benefit have now accrued full entitlements, no actuarial valuation has been undertaken. The calculation is based on the entitlements accruing for eligible staff based on years of service using current remuneration rates.

#### *Presentation of employee entitlements*

Annual leave and vested long service leave are classified as a current liability. All other employee entitlements are classified as a non-current liability, as retirement dates are not known.

### **Superannuation schemes**

#### *Defined contribution schemes*

Obligations for contributions to KiwiSaver and defined contribution superannuation schemes are recognised as an expense in the surplus and deficit as incurred.

## Breakdown of provisions and other information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Current portion</b>				
Accrued Salaries and Wages	866	656	866	656
Time in lieu	62	62	62	62
Annual leave	2,463	2,368	2,590	2,094
Annual leave – historical obligation *	1,079	2,078	1,090	2,479
Long Service Leave	34	42	38	47
<b>Total current portion</b>	<b>4,504</b>	<b>5,206</b>	<b>4,646</b>	<b>5,338</b>
<b>Non-current portion</b>				
Retirement gratuities	401	372	450	406
<b>Total non-current portion</b>	<b>401</b>	<b>372</b>	<b>450</b>	<b>406</b>
<b>Total employee entitlements</b>	<b>4,905</b>	<b>5,578</b>	<b>5,096</b>	<b>5,744</b>

\* This amount is the estimated cost to investigate and settle shortfall in payments made to current and past employees as a result of the complexities in interpreting and compliance with the Holidays Act 2003. An initial estimate was developed and assessed independently by Ernst & Young based on identified areas of potential non-compliance with the Act and the subsequent recalculation performed based on a sample of employees. Following this, a Holidays Act Remediation Project (HARP) was established and detailed calculations were performed for the period up to 31 March 2022 with the support from an external specialist. During the year ending 30 June 2023, payments were made to both current employees and former employees to settle these shortfalls. The project has been paused pending a new HRIS and Payroll system implementation. Once this solution is delivered then HARP will finalise any further amounts owing to both current and former employees.

## 22. Provisions

### Accounting policy

Council and the Group recognise 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'.

#### Landfill post closure costs

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

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post closure costs when the obligation for post closure arises. The calculated cost is based on estimates of closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care is 25 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.

The provision of landfill post closure costs is valued annually by an independent valuer.

## Critical accounting estimates and assumptions

### Estimating the landfill aftercare costs

The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements.

Provisions are measured at management's best estimate of the expenditures required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

In determining the fair value of the provision, assumptions and estimates are made in relation to the discount rate, the expected cost of the post-closure restoration and monitoring of the landfill site and the expected timing of these costs. Expected costs and timing of the closure are based on the estimated remaining capacity of the landfill, based on the advice and judgement of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

## Breakdown of provisions and other information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Provision for landfill aftercare	10,503	8,547	10,503	8,547
<b>Total provisions</b>	<b>10,503</b>	<b>8,547</b>	<b>10,503</b>	<b>8,547</b>
Current	-	524	-	524
Non-Current	10,503	8,023	10,503	8,023
<b>Total provisions</b>	<b>10,503</b>	<b>8,547</b>	<b>10,503</b>	<b>8,547</b>

## Movements in provision

	Landfill aftercare	
	2023 \$000	2022 \$000
Balance at beginning of the year	8,547	6,413
Discount unwinding	427	289
Amounts charged to provision during the period	1,529	1,845
<b>Balance at end of the year (non-current liability)</b>	<b>10,503</b>	<b>8,547</b>

## Landfill aftercare costs

Council has resource consents to operate the Silverstream Landfill. In addition to the Silverstream Landfill site, Council has an aftercare obligation for six additional closed landfill sites. Council has responsibility under the resource consents to provide on-going maintenance and monitoring of the landfills 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 one landfill, Silverstream (stage 1 and 2). The stage 2 landfill is consented to be developed progressively with a total estimated airspace of 5.3 million cubic metres. The estimated available airspace in the completed section of the landfill is 138,000 cubic metres (2022: 161,000 cubic metres) with work underway to provide an additional 138,000 cubic meters over the next year. Airspace usage is currently approximately 126,000 cubic metres (2022: 126,000 cubic metres) per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for thirteen years, is projected to be approximately 25–30 years. Council is monitoring gas, leachate, and water for six 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 20–30 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 5.0% (2022: 5.0%) and an inflation rate of 2.5% (2022: 2.0%).

The large increase in the provision in the current year is a result of an increased level of aftercare costs expected to be incurred over future periods the provision relates to, particularly monitoring costs across all sites.

The provision is independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2023.

## 23. Other liabilities

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Other liabilities – current portion</b>				
Accrued interest expenses	2,397	1,001	2,397	1,001
Third party funds	144	219	144	219
Emission Trading Liability	349	1,140	-	1,140
Miscellaneous current liabilities	245	1,026	612	1,064
Income earned in advance	2,512	2,554	2,645	2,654
<b>Total other liabilities</b>	<b>5,646</b>	<b>5,940</b>	<b>5,798</b>	<b>6,078</b>

## 24. Equity

### Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets less total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds (Comprehensive revenue and expenses)
- Council-created reserves
- Restricted reserves
- Asset revaluation reserves.

Accumulated comprehensive revenue and expenses is Council and the Group's accumulated surplus or deficit since the formation of the Council, adjusted for transfers to/from specific 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 the contributing third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

Asset revaluation reserves relate to the revaluation of property, plant, and equipment to fair value after initial recognition.

### Breakdown of equity and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Accumulated funds</b>				
Balance at beginning of the year	704,745	685,230	719,355	695,211
Net assets on Amalgamation of Hutt City Community Facilities Trust		-	-	-
Deferred tax on revaluations	-	-	-	-
Interest allocated to reserves	(973)	(151)	(974)	(151)
Other adjustments	-	-	-	-
Other transfers to reserves	(4,849)	(7,053)	(4,849)	(7,053)
Transfers from reserves	1,185	400	1,185	400
Net surplus/(deficit) after tax	11,791	26,320	11,998	30,948
<b>Accumulated funds – balance at end of the year</b>	<b>711,898</b>	<b>704,745</b>	<b>726,715</b>	<b>719,355</b>
<b>Council created reserves</b>				
Balance at beginning of the year	34,499	27,695	34,499	27,695
Transfers to accumulated funds	(1,185)	(400)	(1,185)	(400)
Transfers from accumulated funds	4,849	7,053	4,849	7,053
Interest earned	972	151	972	151
<b>Council created reserves – balance at end of the year</b>	<b>39,135</b>	<b>34,499</b>	<b>39,135</b>	<b>34,499</b>



	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Restricted reserves</b>				
Balance at beginning of the year	62	61	62	61
Transfers to accumulated funds	-	-	-	-
Transfers from accumulated funds	-	-	-	-
Interest earned	2	1	2	1
<b>Restricted reserves – balance at end of the year</b>	<b>64</b>	<b>62</b>	<b>64</b>	<b>62</b>
<b>Asset revaluation reserve</b>				
Balance at beginning of the year	853,660	673,350	901,289	703,264
Changes in asset value – revaluation	-	180,310	(3,729)	197,725
Changes in asset value – impairment	-	-	-	-
Other adjustments	-	-	-	-
Deferred tax on revaluation	-	-	844	300
<b>Asset revaluation reserve – balance at end of the year</b>	<b>853,660</b>	<b>853,660</b>	<b>898,404</b>	<b>901,289</b>
<b>Asset revaluation reserves consist of:</b>				
Operational assets				
– buildings	55,620	55,620	60,202	63,056
– land	37,186	37,186	77,160	77,380
– collections	20,780	20,780	21,108	20,780
Infrastructure assets				
– land	15,481	15,481	15,481	15,481
– wastewater	127,653	127,653	127,653	127,653
– stormwater	190,599	190,599	190,599	190,599
– water	44,321	44,321	44,321	44,321
– road	284,105	284,105	284,105	284,105
Restricted assets				
– land	77,914	77,914	77,914	77,914
<b>Total asset revaluation reserves</b>	<b>853,660</b>	<b>853,660</b>	<b>898,542</b>	<b>901,289</b>
<b>Total other reserves</b>	<b>892,859</b>	<b>888,221</b>	<b>937,603</b>	<b>935,850</b>
<b>Total equity</b>	<b>1,604,757</b>	<b>1,592,966</b>	<b>1,664,318</b>	<b>1,655,205</b>

## 25. Financial instruments

### 25A. Financial instruments categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Note	Council		Group	
		2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Financial assets</b>					
<b>Fair value through surplus or deficit</b>					
Borrower Notes from Local Government Funding Agency	18.	7,927	4,908	7,927	4,908
Derivative financial instrument assets	12.	5,609	2,648	5,609	2,648
<b>Total fair value through surplus or deficit</b>		<b>13,536</b>	<b>7,556</b>	<b>13,536</b>	<b>7,556</b>
<b>Finance assets at amortised costs</b>					
Cash and cash equivalents	10.	10,245	23,832	36,950	26,087
Short term deposits with original maturities greater than three months	18.	10,000	-	10,000	-
Debtors and other receivables	11.	34,427	21,264	34,571	21,432
Other financial assets:					
Loans to Related Parties	18.	35,700	15,700	-	-
<b>Total finance assets at amortised costs</b>		<b>90,372</b>	<b>60,796</b>	<b>81,521</b>	<b>47,519</b>
<b>Other financial assets</b>					
<b>Fair value through other comprehensive revenue or expenditure</b>					
- NZ Local Government Insurance Company	18.	455	455	455	455
- NZ Local Government Funding Agency	18.	100	100	100	100
<b>Total fair value through other comprehensive revenue or expenditure</b>		<b>555</b>	<b>555</b>	<b>555</b>	<b>555</b>
<b>Total financial assets</b>		<b>104,463</b>	<b>68,907</b>	<b>95,612</b>	<b>55,630</b>
<b>Financial liabilities</b>					
<b>Fair value through surplus or deficit</b>					
Derivative financial instrument liabilities	12.	11	663	11	663
<b>Total fair value through surplus or deficit</b>		<b>11</b>	<b>663</b>	<b>11</b>	<b>663</b>
<b>Financial liabilities at amortised cost</b>					
Trade creditors and other payables	19.	45,018	29,700	45,352	30,114
Income tax payable	9.	68	42	449	1,558
Borrowings:					
- bank overdraft	20.	-	-	-	-
- secured loans	20.	370,700	255,700	370,700	255,700
<b>Total financial liabilities at amortised cost</b>		<b>415,786</b>	<b>285,442</b>	<b>416,501</b>	<b>287,372</b>
<b>Total financial liabilities</b>		<b>415,797</b>	<b>286,105</b>	<b>416,512</b>	<b>288,035</b>

## 25B. Financial instruments categories

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 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.

	2023				2022			
	Valuation Technique			Total \$000	Valuation Technique			Total \$000
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	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 and Group</b>								
<b>Financial assets</b>								
Derivatives	-	13,536	-	13,536	-	2,648	-	2,648
Shares	-	-	555	555	-	-	5,463	5,463
<b>Financial liabilities</b>								
Derivatives	-	11	-	11	-	663	-	663

There were no transfers between the different levels of the fair value hierarchy.

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

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

	2023 \$000	2022 \$000
Balance at 1 July	5,463	3,953
Gain and losses recognised in the surplus or deficit	(81)	-
Purchases	3,767	1,750
Sales	(667)	(240)
Transfers into level 3	-	-
Transfers out of level 3	(7,927)	-
<b>Balance at 30 June</b>	<b>555</b>	<b>5,463</b>

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

## **25C. Financial instruments risks**

Council's and the Group's activities expose them to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council and the Group have a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. Council has established Council-approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### **Market Risk**

#### *Price risk*

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. 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 council's investment portfolio in accordance with the limits set out in 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 2023 Council does not have any foreign currency risk (2022: \$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 expose Council to fair value interest rate risk. Council's Treasury Risk Management Policy outlines the level of borrowing that is to be secured using fixed interest rate instruments.

#### *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 Council to cash flow interest rate risk. Generally, 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 Council borrowed at fixed rates directly. Under the interest rate swaps, 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 Council, causing council to incur a loss. Due to the timing of its cash flows and outflows, Council at times invests surplus cash into bank and term deposits which gives rise to credit risk. Council investment policy limits the amount of credit exposure to any one financial institution or organisation. The Group only invests funds with entities that have a Standard and Poor's credit rating of at least A-1 for short-term and A for long-term investments. Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk. Financial instruments which potentially subject the Group to credit risk principally consist of cash and/or cash equivalents, trade and other receivables, other assets, financial guarantees and interest rate swaps and options.

## The maximum exposure to credit risk:

	Note	Council		Group	
		2023 \$000	2022 \$000	2023 \$000	2022 \$000
Cash, cash equivalents and term deposits	10.	10,245	23,832	36,950	26,087
Debtors and other receivables	11.	34,427	21,264	34,571	21,432
Other assets	18.	455	455	455	455
Community and development loans	18.	-	-	-	-
Short term deposits with original maturities greater than three months	18.	10,000	-	10,000	-
Loans to related parties	18.	35,700	15,700	-	-
Financial guarantees	28.	-	35	-	35
Derivative financial instrument assets (interest rate swaps and options)	12.	5,609	2,648	5,609	2,648
<b>Total credit risk</b>		<b>96,436</b>	<b>63,934</b>	<b>87,585</b>	<b>50,657</b>

Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28.

### 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	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Counterparties with credit ratings</b>				
<b>Cash at bank and term deposits</b>				
AA-	20,245	23,832	46,950	26,087
<b>Total cash at bank and term deposits</b>	<b>20,245</b>	<b>23,832</b>	<b>46,950</b>	<b>26,087</b>
<b>Derivative financial instrument assets</b>				
AA -	5,609	2,648	5,609	2,648
<b>Total derivative financial instrument assets</b>	<b>5,609</b>	<b>2,648</b>	<b>5,609</b>	<b>2,648</b>
<b>Counterparties without credit ratings</b>				
<b>Community and related party loans</b>				
Existing counterparty with no defaults in the past	35,700	15,700	-	-
<b>Total community, development and related party loans</b>	<b>35,700</b>	<b>15,700</b>	<b>-</b>	<b>-</b>

Loans to related parties in the contractual maturity analysis contractual cash flows do not reflect the current year. \$35.7 million is non-current (2022: \$15.7 million non-current).

Debtors and other receivables mainly arise from 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. 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. Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

### Management of liquidity risk

Liquidity risk is the risk that 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. Council aims to maintain flexibility in funding by keeping committed credit lines available. 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 Plan. Council has a policy to maintain the overdraft facility to below \$250,000 at any one time and has undrawn credit facilities totalling \$45 million (2022: \$35 million).

### Contractual maturity analysis of financial liabilities

The table below analyses 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 on 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	Contractual cash flows	Less than 1 year	Between 1–3 years	Between 3–5 years	Greater than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council 2023</b>						
Trade and other payables	5,076	5,076	5,076	-	-	-
Income tax payable	68	68	68	-	-	-
Secured loans	370,700	381,469	72,034	82,324	103,625	123,486
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>375,844</b>	<b>386,613</b>	<b>77,178</b>	<b>82,324</b>	<b>103,625</b>	<b>123,486</b>
<b>Group 2023</b>						
Trade and other payables	5,076	5,076	5,076	-	-	-
Income tax payable	449	449	449	-	-	-
Secured loans	370,700	381,469	72,034	82,324	103,625	123,486
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>376,225</b>	<b>386,994</b>	<b>77,559</b>	<b>82,324</b>	<b>103,625</b>	<b>123,486</b>
<b>Council 2022</b>						
Trade and other payables	830	830	830	-	-	-
Income tax payable	42	42	42	-	-	-
Secured loans	255,700	263,194	36,746	92,638	66,905	66,905
Financial guarantees	35	35	35	-	-	-
<b>Total</b>	<b>256,607</b>	<b>264,101</b>	<b>37,653</b>	<b>92,638</b>	<b>66,905</b>	<b>66,905</b>
<b>Group 2022</b>						
Trade and other payables	830	830	830	-	-	-
Income tax payable	1,558	1,558	1,558	-	-	-
Secured loans	255,700	263,194	36,746	92,638	66,905	66,905
Financial guarantees	35	35	35	-	-	-
<b>Total</b>	<b>258,123</b>	<b>265,617</b>	<b>39,169</b>	<b>92,638</b>	<b>66,905</b>	<b>66,905</b>

Council is exposed to liquidity risk as a guarantor of all the LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 30.

### Contractual maturity analysis of financial assets

The table below analyses council's financial assets into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1–3 years	Between 3–5 years	Greater than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council 2023</b>						
Cash and cash equivalents	10,245	10,245	10,245	-	-	-
Debtors and other receivables	34,427	34,427	34,427	-	-	-
Other financial assets:						
- loans to related parties	35,700	35,700	-	35,700	-	-
<b>Total</b>	<b>80,372</b>	<b>80,372</b>	<b>44,672</b>	<b>35,700</b>	-	-
<b>Group 2023</b>						
Cash and cash equivalents	36,950	36,950	36,950	-	-	-
Debtors and other receivables	34,571	34,571	34,571	-	-	-
<b>Total</b>	<b>71,521</b>	<b>71,521</b>	<b>71,521</b>	-	-	-
<b>Council 2022</b>						
Cash and cash equivalents	23,832	23,832	23,832	-	-	-
Debtors and other receivables	21,264	21,264	21,264	-	-	-
Other financial assets:						
- loans to related parties	15,700	15,700	-	15,700	-	-
<b>Total</b>	<b>60,796</b>	<b>60,796</b>	<b>45,096</b>	<b>15,700</b>	-	-
<b>Group 2022</b>						
Cash and cash equivalents	26,087	26,087	26,087	-	-	-
Debtors and other receivables	21,432	21,432	21,432	-	-	-
<b>Total</b>	<b>47,519</b>	<b>47,519</b>	<b>47,519</b>	-	-	-

## Sensitivity analysis

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

	2023				2022			
	Interest rate risk				Interest rate risk			
	-100bps		+100bps		-100bps		+100bps	
	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000
<b>Council and Group</b>								
<b>Financial assets</b>								
Derivatives held for trading	(5,617)	-	5,304	-	(5,950)	-	17,141	-
<b>Financial liabilities</b>								
Borrowing:								
- short term loans	-	-	-	-	357	-	(357)	-
- term loans	1,550	-	(1,550)	-	2,010	-	(2,010)	-
<b>Total sensitivity to interest rate risk</b>	<b>(4,067)</b>	<b>-</b>	<b>3,754</b>	<b>-</b>	<b>(3,583)</b>	<b>-</b>	<b>14,774</b>	<b>-</b>

No equity instruments are held. No foreign exchange instruments are held.

### Short-term loans

Council has short-term floating rate debt with a principal amount totalling \$nil (2022: \$nil). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$nil (2022: \$nil).

### Term loans

Council has term floating rate debt with a principal amount totalling \$155 million (2022: \$135 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1.55 million (2022: \$1.35 million). A movement in market interest rates on fixed rate debt \$216 million (2022: \$127 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

## 26. Related party transactions

Council is the ultimate parent of the Group and controls the following entities of being Urban Plus Limited (and their group), and Seaview Marina Limited, and has significant influence over Wellington Water Limited as an associate.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council and the Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have not been made for transactions with entities within the Council and the Group (such as funding and financing flows) where the transactions are consistent with the normal operating relationship between the entities and normal terms and conditions for such Group transactions.

For detailed information on related party transactions with key personnel and elected members, please refer to note 7 and 8.



## 27. Capital commitments and operating leases

### Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Property, plant and equipment				
– 3 water networks	3,459	-	3,459	-
– Roading network	4,458	5,639	4,458	5,639
– Buildings	29,333	55,347	29,333	55,347
– Other	1,308	1,345	1,940	1,444
Intangible assets	-	-	-	-
<b>Total capital commitments</b>	<b>38,558</b>	<b>62,331</b>	<b>39,190</b>	<b>62,430</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

### Operating leases as lessee

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 lease payments payable under non-cancellable leases are as follows:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Not later than one year	25	274	391	420
Later than one year and not later than five years	-	25	648	160
Later than five years	-	-	14	-
<b>Total non-cancellable operating leases</b>	<b>25</b>	<b>299</b>	<b>1,053</b>	<b>580</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2022: \$nil).

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on council by any of the leasing arrangements.

## Operating leases as lessor

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	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Not later than one year	552	680	879	735
Later than one year and not later than five years	3,785	4,337	4,386	4,389
Later than five years	-	100	15	100
<b>Total operating leases as lessor</b>	<b>4,337</b>	<b>5,117</b>	<b>5,280</b>	<b>5,224</b>

No contingent rents have been recognised in the statement of comprehensive revenue and expenses during the period.

## 28. Contingencies

### Contingent liabilities

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Financial guarantees	-	35	-	35
<b>Total contingent liabilities</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>35</b>

### Financial guarantees

The value of financial guarantees disclosed as contingent liabilities reflects Council's assessment of the undiscounted portion of financial guarantees owing by the other party to the guarantee as disclosed in their annual reports, that are not recognised in the statement of financial position, to local community groups. Council has recognised \$nil (2022: \$nil) financial guarantees in the statement of financial position.

### Other legal proceedings

No information has been disclosed as any disclosure may seriously prejudice the outcome.

### Unquantified claims

Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ("Riskpool"). The scheme is in run-off; however, Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. This likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that members claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

### Associate's contingent liabilities

There are no material contingent liabilities associated with the Wellington Water Limited (associate) (2022: \$nil).

## New Zealand Local Government Funding Agency (LGFA)

Council is a guarantor of LGFA. LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard & Poor's of AAA.

Council is one of 30 local authority shareholders (with the New Zealand Government being the other major shareholder) and 40 additional local authority guarantors of LGFA. LGFA has uncalled capital of \$20 million of which Council's share is \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, council is a guarantor of all of LGFA's borrowings. At 30 June 2022, LGFA had borrowings totalling \$18.57 billion (2022: \$16.77 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- It is not aware of any local authority debt default events in New Zealand; and
- Local authority legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Contingent assets

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 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.

## 29. Major budget variations

Explanations for major variations from council's budgeted figures in the 2022–2023 annual plan are as follows:

The statement shows the operating revenue and expenditure, as well as other transactions, that have impacted on Council's and the Group's wealth. The following are the significant variances:

- Rates, excluding metered water supply rates, are \$0.7 million above budget. This is largely due to high growth together with other minor variances.
- Fees, charges, and metered rates for water supply are \$5.4 million above budget. This is due to higher commercial volumes processed at the landfill.
- Development and financial contributions are \$5.8 million above budget. This is due to the significant growth occurring in the city, as well as impacts of Council implementing the new Development and Financial Contributions Policy in 2021.
- Subsidies and grants are \$22.3 million below budget. This reflects the lower than planned achievement of Council's capital programme, resulting in lower related subsidy and grant revenue, including \$12.7 million lower Waka Kotahi capital subsidies.
- Other revenue is \$5.9 million above budget as a result of increased revenue from vested assets due to the completion of a number of large subdivisions.
- Gain on revaluation of financial instruments is \$3.6 million above budget. This variance is a result of changing market conditions. Gains on revaluation are not budgeted for.
- Other expenses are \$3.6 million above budget. This includes \$4.6 million in repairs and maintenance costs, primarily due to weather related slips. A further \$1.5 million resulted from increased costs provided for future landfill aftercare. These are offset by savings in other areas.
- Depreciation and amortisation is \$3.2 million lower than budget, largely due to the 2021–22 year end asset revaluation being lower than expected. The main reductions are \$1.2 million under buildings, \$1.4 million under on roading, and \$1.7 million under wastewater systems.
- The above have contributed to net surplus after tax of \$11.8 million compared to a budget surplus after tax of \$15.9 million.

The statement of financial position (that is, what Council owns and owes) is as at 30 June 2023. The following are significant variances in the statement of financial position:

- Cash and cash equivalents (including budgeted overdraft) are \$7.8 million above budget as a result of prefunding \$10 million April 2024 loan maturity. Please also refer to cash flow explanations.
- Debtors and other receivables are \$15.7 million higher than budget mainly due to an additional \$2.1 million GST refund due, an additional \$1.1 million of regulatory debtors due, and \$2 million higher Waka Kotahi claim refund due than compared to prior year. This balance also includes \$6.3 million receivable from Central Government for their contribution of the Eastern Bay Shared Pathway.
- Other assets are \$10 million above budget due to prefunding of \$10 million held on term deposit beyond a 90-day term.
- Property, plant, and equipment is \$73 million below budget. This is due largely to the timing of completion of capital projects. Please see assets under construction.
- Intangible assets are \$4.9 million below budget. This is mainly due to cloud software expenditure intended to be capitalised being transferred to licence fees prepayments as the arrangement does not carry any ownership rights.
- Assets under construction are \$128.9 million above budget. This is due to the increase level of capital spending together with the delay in the completion and capitalisation of various three water projects.
- Current and non-current derivative financial instrument asset is \$5.6 million above budget. This is due to the revaluation of Council's interest rate swap portfolio.
- Investments in CCO are \$24.5 million below budget. This is mainly due to the additional \$20 million loan funding provided to Urban Plus Limited to complete additional commercial housing developments.
- Current and non-current derivative financial instruments liability is \$18.4 million lower than budget. This is due to the revaluation of Council's interest rate swap portfolio.
- Current and non-current borrowing is \$40 million above budget. This is due to prefunding \$10 million April 2024 loan maturity along with additional funding to support increase level of assets under construction.
- Creditors and other payables are \$12.5 million above budget. This is due to timing of payments to suppliers for operational and capital expenditure (asset under construction).

- Non-current provisions are \$4.5 million above budget resulting from a greater level of landfill aftercare provision than expected.
- The accumulation of the above results in net assets and equity being \$74.2 million above budgeted level.

The following are significant variances in the statement of cash flows:

- Cash out flow from operations is \$25.9 million above budget. This relates to a higher level of payment to suppliers than expected in the budget.
- Cash out flow from investing is \$22 million above budget. This relates to a higher level of purchases of property plant and equipment assets.
- Cash in flow from financing is \$34.4 million above budget. This relates to prefunding \$10 million of April 2024 loan maturity, along with additional funding to support increase level of capital spending.

Explanations for further budget variations are shown at the end of the financial performance statement for each activity.

### 30. Capital management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires 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 LGA and applied by council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally 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 LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that 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 council's LTP.

Council has the following council created reserves:

- Reserves for different areas of benefit
- 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. Interest is added to these reserves where applicable and deductions are made where funds have been used for the purpose they were intended.

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.

### 31. Events after the balance date

#### Three Waters Reform

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

There have been no other significant events occurring after balance date.

## Other legislative disclosures

### Local Government Act 2002 – Financial disclosures

The Local Government Act 2002 sets out a number of disclosure requirements for councils over and above the generally accepted accounting practices (GAAP) information. New disclosures were added in legislative changes and additions to the Local Government (Financial Reporting and Prudence) Regulations 2014.

#### Insurance of assets

Asset type	Policy class	Total declared value	Maximum limit of liability
Buildings, plant and equipment and above ground infrastructure property (land, roading assets and bridges are not insured)	Material damage	\$447,412,391	Natural Catastrophe: \$600 million any one loss or series of losses arising out of any one event and in annual aggregate for all four Councils. All other losses: \$600 million any one loss or series of losses arising out of any one event for all four Councils.
Underground infrastructure assets	Material damage – natural catastrophe only	\$1,736,088,783	Natural Catastrophe: \$600 million each and every loss or series of losses arising out of any one event for all four Councils and limited to a \$350 million sublimit for HCC.
Residential property	Material damage	\$6,221,000	Natural Catastrophe: First \$300,000 per unit to be recovered from the Earthquake Commission. Any remaining top up required per unit to a maximum of \$6,221,000 for 13 units. All other losses e.g. fire: Replacement value per unit to a maximum of \$6,221,000 for 13 units.
Motor vehicle	Comprehensive motor vehicle	\$3,165,809	Market Value of the Insured Vehicle or any Agreed Value as specified in the Schedule of Motor Vehicles. Third party liability – limit any one accident \$20 million.
Fine arts	Material damage	Gallery Collection: \$26,987,091 Exhibitions and Temporary Loans incoming and outgoing: \$2,000,000	Limit and loss: Gallery Collection: \$17,229,295 Exhibitions and Temporary Loans, incoming and outgoing: \$1,500,000 Transit: \$750,000

#### Rating base information

The Local Government Act (Amendment No. 3) includes a clause 30A in Section 10. The information below satisfies the disclosure requirement of that clause as at 30 June 2023.

Rating system	Capital
Rateable units	42,351
Capital value of rating units	41,157,417,200
Total land value of rating units	25,511,582,200
Average rates per residential ratepayer	\$3,181

## Information on Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surplus held in reserves are credited with interest. Council holds 14 reserves; four are restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining council-created reserves are discretionary reserves that Council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of Council's treasury management.

The table below contains a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial balances for this financial year:

	Opening balance	Deposits	Expenditure	Closing balance
	July 2022 \$000	2023 \$000	2023 \$000	June 2023 \$000
<b>Council-created reserves – purpose of the fund</b>				
<i>Reserve purchase and development (parks and reserves activity):</i> To provide for the purchase of land for reserves purposes or the development of existing reserves. The fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the fund is to provide open space and recreational opportunity to offset the effects of land use intensification.	21,398	5,762	(1,037)	26,123
<i>Election fund (managing services activity):</i> To annually provide for the cost of Council elections and by-elections.	150	-	-	150
<i>Landfills reserve (solid waste activity):</i> To set funds aside for the longer-term replacement of the landfill. This figure has been capped at \$12M.	12,000	-	-	12,000
<i>Waste minimisation reserve:</i> To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contracts.	385	11	(148)	248
<i>Wingate Landfill reserve (parks and reserves activity):</i> To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	181	7		188
<i>Wingate Park (parks and reserves activity):</i> To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	174	7		181
<i>Ex-Hillary Commission funds (aquatics and recreation):</i> To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	7	-		7
<i>Ex-Hutt City Community Facilities Trust – Fraser Park Turf long term asset repair and maintenance fund:</i> To provide for the long term maintenance of the named facility.	42	16		58
<i>Ex-Hutt City Community Facilities Trust – Ricoh Sport Centre long term asset repair and maintenance fund:</i> To provide for the long term maintenance of the named facility.	12	13		25
<i>Ex-Hutt City Community Facilities Trust – Naenae Bowls Centre long term asset repair and maintenance fund:</i> To provide for the long term maintenance of the named facility.	149	6		155
<b>Totals</b>	<b>34,498</b>	<b>5,822</b>	<b>(1,185)</b>	<b>39,135</b>

	<b>Opening balance</b>	<b>Deposits</b>	<b>Expenditure</b>	<b>Closing balance</b>
	July 2022 \$000	2023 \$000	2023 \$000	June 2023 \$000
<b>Restricted reserves – purpose of the fund</b>				
<i>Taitā Cemetery – JV Bently (parks and reserves activity):</i> The Council is contracted to maintain Plot 32/33, block 7, St James section in perpetuity. The plots contain Issac Young, Eliza Young and AG Talbut.	3	-	-	3
<i>Lavelle tree bequest (parks and reserves activity):</i> To provide for the planting of trees in and around Lower Hutt on major thoroughfares.	34	1	-	35
<i>ML Talbut Bequest (parks and reserves activity):</i> To provide for the planting and maintenance of reserves.	14	1	-	15
<i>Eastbourne Arts Trust (museums activity):</i> To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.	11	-	-	11
<b>Totals</b>	<b>62</b>	<b>2</b>	<b>-</b>	<b>64</b>



# Paerewa matawhāiti

## Prudence benchmarks

The purpose of this section is to disclose the Hutt City Council's financial performance in relation to various benchmarks and assess whether the Council has prudently managed revenues, expenses, assets, liabilities and general financial dealings.

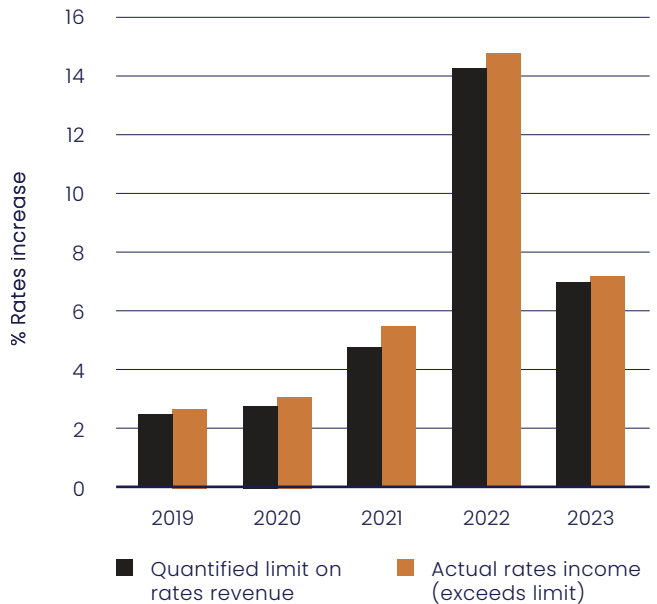
The Council is required to include these prudence benchmarks in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

The benchmarks have been prepared for the parent entity and not the Group.

### Rates (increase) affordability benchmark

Meets the affordability benchmark if rates increase is within a quantified limit.

The following graph compares the Council's proposed rates income with a quantified limit on rates contained in the Financial Strategy in the 10-Year Plan. The quantified limits are set to enable the achievement of a balanced budget by 2028–29. 2021–22 includes the impact of the introducing the new rates funded rubbish, recycling and green waste services. The rates income for 2022–23 was slightly above the limited set primarily due to growth in the city being higher than anticipated and other minor rating databases changes that have occurred in the city.

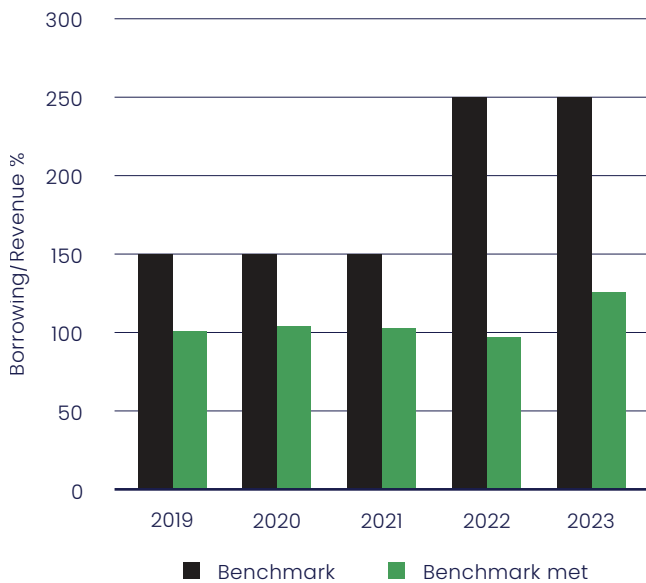


## Debt affordability benchmark

Council meets its affordability benchmarks if borrowing is within each quantified limit on borrowing set in its financial strategy.

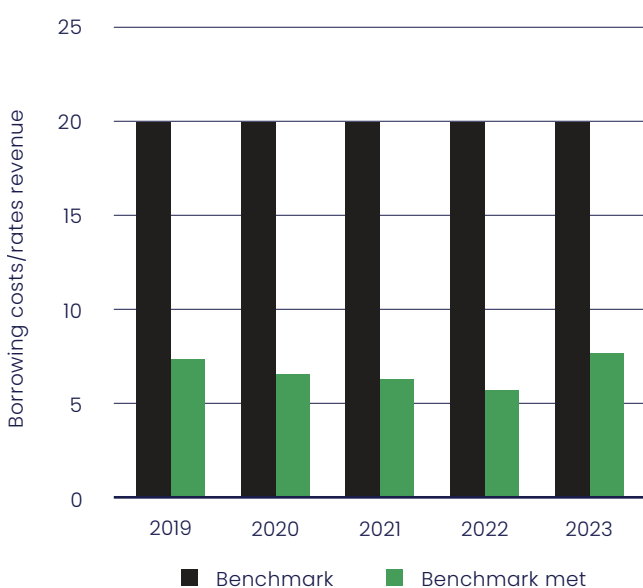
### 1: Debt affordability benchmark (debt as percentage of revenue)

The following graph compares Council's actual borrowings with a quantified limit on borrowing stated in the Financial Strategy including in the Long-Term Plan. The quantified limit increased to 250% as part of the Long-Term Plan 2021–31. Council has remained within the borrowing limits set in that plan.



### 2: Debt affordability benchmark (interest costs/rates revenue)

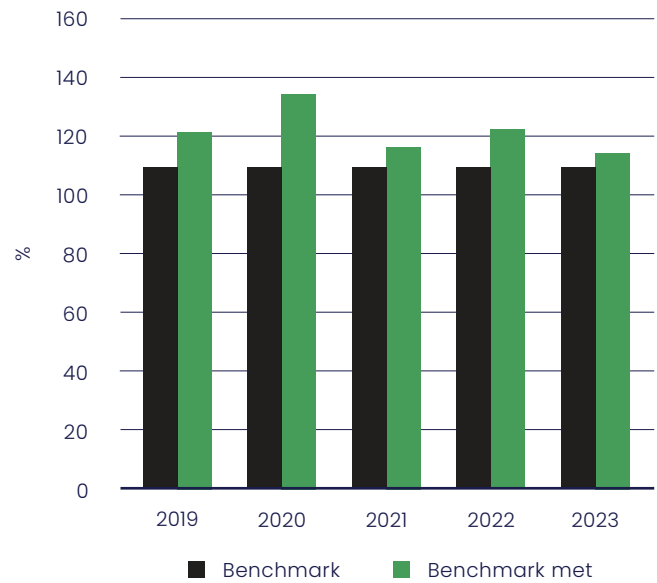
Meets the debt affordability benchmark if its interest costs for the year are less than 20% of its rates revenue.



### 3: Debt affordability benchmark (liquidity)

Council meets the benchmark if liquidity is above 110%.

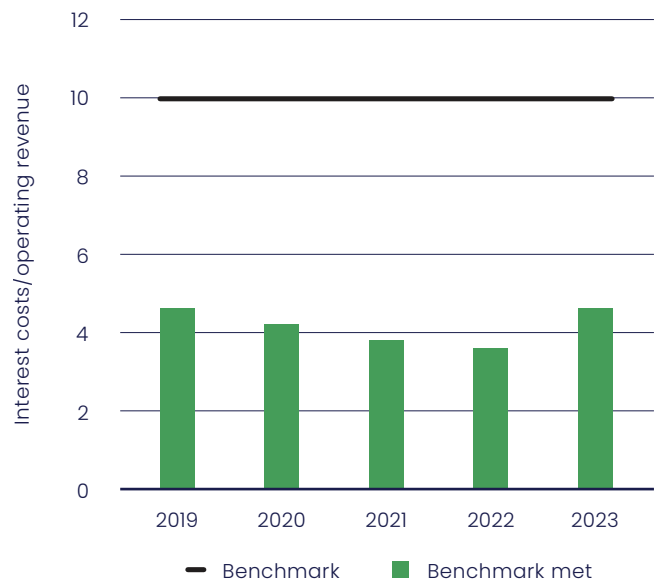
The following graph displays the Council's gross debt levels (including standby facilities and cash holdings) compared to actual debt levels.



### Debt servicing benchmark

Council meets the debt servicing benchmark if its borrowing costs for the year equals or are less than 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivate financial instruments and revaluation of property, plant and equipment).

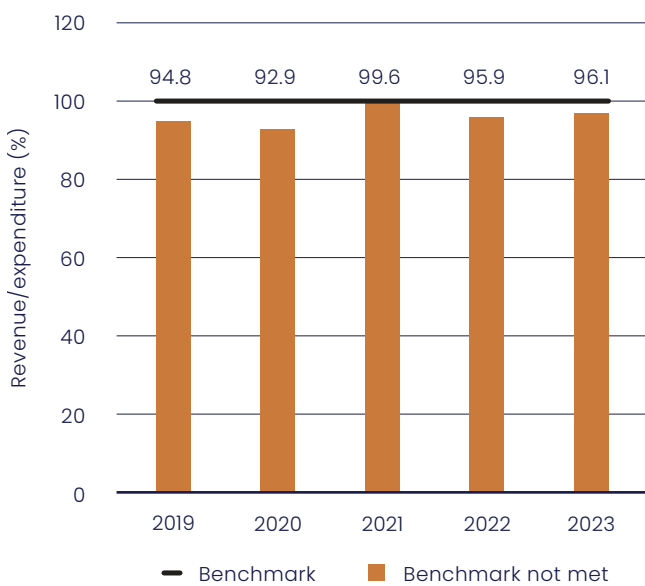
The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivate financial instruments and revaluation of property, plant and equipment).



## Balanced budget benchmark

Council meets the balance budget benchmark for each year if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation on property, plant or equipment) exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

This benchmark is similar to the balance budget measure adopted by Council as part of its Financial Strategy in the Long-Term Plan 2021–31. Council believes its own measure is more relevant to measuring whether its day-to-day income covers its day-to-day operating costs. The main differences between the two measures are that Council's measure removes capital improvements subsidies, grant revenue from infrastructure Acceleration Fund grants, and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku. The results of Council's measure can be found under 'Financial sustainability' in Section 1 of this Annual Report.



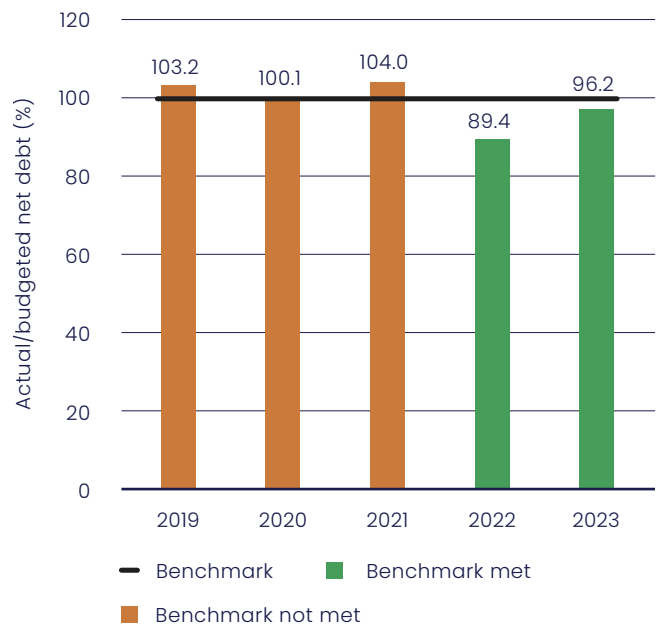
## Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



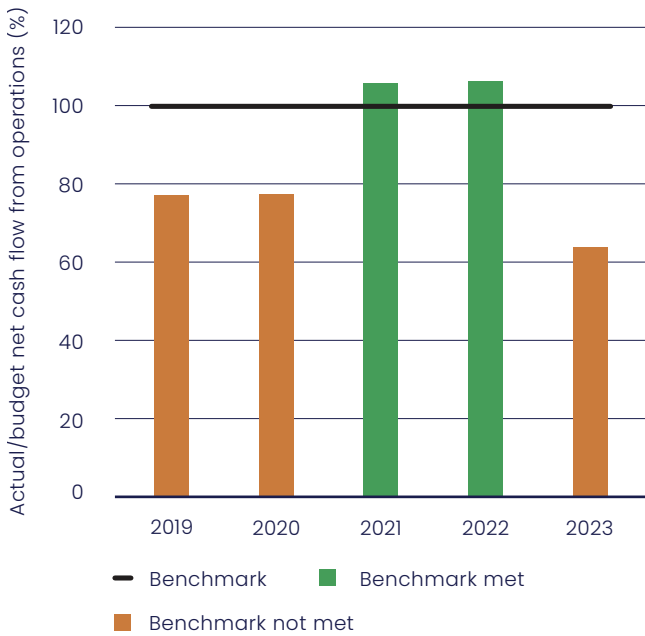
## Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## Operations control benchmark

The following graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operational control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



# Tauākī pāpātanga tahua

## Funding impact statements

### Water supply

#### Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)	2022	(Year 2)	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	18,581	18,958	22,341	20,295	20,374
Subsidies and grants for operating purposes	1,060	3,403	-	-	(72)
Fees and charges	3,625	3,382	3,730	3,730	3,772
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	727	120	120	1,916
<b>Total operating funding (A)</b>	<b>23,383</b>	<b>26,470</b>	<b>26,191</b>	<b>24,145</b>	<b>25,990</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	17,853	19,481	19,978	19,344	20,990
Finance costs	773	952	595	559	955
Internal charges and overheads applied	421	421	612	689	689
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>19,047</b>	<b>20,854</b>	<b>21,185</b>	<b>20,592</b>	<b>22,634</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,335</b>	<b>5,616</b>	<b>5,006</b>	<b>3,553</b>	<b>3,356</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	1,060	25	-	-	-
Development and financial contributions	706	570	1,033	1,033	833
Increase (decrease) in debt	6,422	(287)	6,403	4,628	13,990
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>8,188</b>	<b>308</b>	<b>7,436</b>	<b>5,662</b>	<b>14,822</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	443	250	956	1,913	1,937
- to improve level of service	2,059	1,091	4,612	3,105	3,889
- to replace existing assets	10,021	4,583	6,874	4,197	12,352
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>12,523</b>	<b>5,924</b>	<b>12,442</b>	<b>9,215</b>	<b>18,178</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,335)</b>	<b>(5,616)</b>	<b>(5,006)</b>	<b>(3,553)</b>	<b>(3,356)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Wastewater Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	21,366	21,831	24,632	23,368	23,405
Subsidies and grants for operating purposes	3,291	4,792	2,611	2,716	2,861
Fees and charges	1,057	1,321	1,088	1,088	1,492
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	735	120	120	1,836
<b>Total operating funding (A)</b>	<b>25,830</b>	<b>28,679</b>	<b>28,451</b>	<b>27,292</b>	<b>29,593</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	15,056	15,814	16,515	16,506	15,707
Finance costs	1,166	1,436	1,053	1,388	2,006
Internal charges and overheads applied	471	471	1,062	1,132	1,132
Other operating funding applications	-	-	-	-	2
<b>Total applications of operating funding (B)</b>	<b>16,693</b>	<b>17,721</b>	<b>18,630</b>	<b>19,026</b>	<b>18,848</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>9,137</b>	<b>10,958</b>	<b>9,821</b>	<b>8,266</b>	<b>10,745</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	4,375	3,810	5,520	5,951	8,505
Development and financial contributions	466	2,650	669	669	2,327
Increase (decrease) in debt	9,130	4,015	17,177	14,297	26,607
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>13,971</b>	<b>10,475</b>	<b>23,366</b>	<b>20,917</b>	<b>37,439</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	1,210	1,603	2,713	2,937	3,292
- to improve level of service	4,916	5,050	3,148	1,337	3,609
- to replace existing assets	16,982	14,780	27,326	24,910	41,283
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>23,109</b>	<b>21,433</b>	<b>33,187</b>	<b>29,183</b>	<b>48,184</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(9,137)</b>	<b>(10,958)</b>	<b>(9,821)</b>	<b>(8,266)</b>	<b>(10,745)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Stormwater Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	7,905	7,265	6,943	7,065	6,692
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	538	1,909	9	9	5
Fees and charges	12	29	12	12	44
Internal charges and overheads recovered	3,188	1,727	3,346	3,485	2,892
Local authorities fuel tax, fines, infringement fees, and other receipts	116	559	120	120	1,760
<b>Total operating funding (A)</b>	<b>11,759</b>	<b>11,489</b>	<b>10,430</b>	<b>10,691</b>	<b>11,393</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	5,457	5,418	5,105	5,085	5,290
Finance costs	409	504	305	234	286
Internal charges and overheads applied	979	979	335	392	392
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>6,845</b>	<b>6,901</b>	<b>5,745</b>	<b>5,711</b>	<b>5,968</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,914</b>	<b>4,588</b>	<b>4,685</b>	<b>4,980</b>	<b>5,425</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	530	-	-	550	-
Development and financial contributions	87	349	108	108	272
Increase (decrease) in debt	(1,680)	(2,960)	(677)	(2,230)	(2,537)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(1,063)</b>	<b>(2,611)</b>	<b>(569)</b>	<b>(1,572)</b>	<b>(2,265)</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	218	135	187	68	114
- to improve level of service	2,414	967	1,502	1,077	1,220
- to replace existing assets	1,219	875	2,427	2,263	1,826
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,851</b>	<b>1,977</b>	<b>4,116</b>	<b>3,408</b>	<b>3,160</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,914)</b>	<b>(4,588)</b>	<b>(4,685)</b>	<b>(4,980)</b>	<b>(5,425)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Solid waste Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	9,678	9,640	10,045	10,146	10,332
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	19,888	20,509	21,188	22,841	26,357
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1,412	-	-	89
<b>Total operating funding (A)</b>	<b>29,566</b>	<b>31,561</b>	<b>31,233</b>	<b>32,987</b>	<b>36,779</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	18,745	22,157	20,689	21,677	25,152
Finance costs	512	567	655	983	714
Internal charges and overheads applied	804	804	864	985	(1,240)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>20,061</b>	<b>23,528</b>	<b>22,208</b>	<b>23,645</b>	<b>24,626</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>9,505</b>	<b>8,033</b>	<b>9,025</b>	<b>9,342</b>	<b>12,153</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(6,970)	(4,922)	(1,323)	(1,645)	(8,213)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(6,970)</b>	<b>(4,922)</b>	<b>(1,323)</b>	<b>(1,645)</b>	<b>(8,213)</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	2,535	3,111	7,702	7,697	3,939
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,535</b>	<b>3,111</b>	<b>7,702</b>	<b>7,697</b>	<b>3,939</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(9,505)</b>	<b>(8,033)</b>	<b>(9,025)</b>	<b>(9,342)</b>	<b>(12,153)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Sustainability & resilience Funding impact statement

For the year  
ended 30 June

	2021–31 LTP (Year 1)	Actual	2021–31 LTP (Year 2)	2022–23 AP	Actual
	2022 \$000	2022 \$000	2023 \$000	2023 \$000	2023 \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	1,146	1,736	952	1,280	1,710
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	150	99	278	-	-
Fees and charges	75	-	95	95	-
Internal charges and overheads recovered	462	377	459	631	739
Local authorities fuel tax, fines, infringement fees, and other receipts	670	618	690	1,010	1,058
<b>Total operating funding (A)</b>	<b>2,503</b>	<b>2,830</b>	<b>2,474</b>	<b>3,016</b>	<b>3,507</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,985	2,163	1,885	2,396	2,721
Finance costs	6	7	13	59	95
Internal charges and overheads applied	498	498	561	555	555
Other operating funding applications	-	-	-	-	56
<b>Total applications of operating funding (B)</b>	<b>2,489</b>	<b>2,668</b>	<b>2,459</b>	<b>3,010</b>	<b>3,427</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>15</b>	<b>162</b>	<b>15</b>	<b>6</b>	<b>80</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	149	-	278	237
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	355	250	366	284	379
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>355</b>	<b>399</b>	<b>366</b>	<b>562</b>	<b>616</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	370	492	381	568	696
- to replace existing assets	-	69	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>370</b>	<b>561</b>	<b>381</b>	<b>568</b>	<b>696</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(15)</b>	<b>(162)</b>	<b>(15)</b>	<b>(6)</b>	<b>(80)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Regulatory services Funding impact statement

For the year ended 30 June	2021-31		2021-31	2022-23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	1,570	4,038	2,762	3,248	4,830
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	8,716	8,497	7,015	8,405	8,487
Internal charges and overheads recovered	633	959	1,331	1,602	2,088
Local authorities fuel tax, fines, infringement fees, and other receipts	1,175	1,132	1,211	1,297	1,208
<b>Total operating funding (A)</b>	<b>12,094</b>	<b>14,626</b>	<b>12,319</b>	<b>14,552</b>	<b>16,612</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	8,604	11,130	8,599	10,452	12,371
Finance costs	9	11	14	77	95
Internal charges and overheads applied	3,381	3,381	3,609	3,969	3,969
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>11,994</b>	<b>14,522</b>	<b>12,222</b>	<b>14,498</b>	<b>16,435</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>100</b>	<b>104</b>	<b>97</b>	<b>54</b>	<b>177</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(100)	(89)	(97)	(54)	(177)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(100)</b>	<b>(89)</b>	<b>(97)</b>	<b>(54)</b>	<b>(177)</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	-	15	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(100)</b>	<b>(104)</b>	<b>(97)</b>	<b>(54)</b>	<b>(177)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Transport Funding impact statement

For the year  
ended 30 June

	2021–31 LTP (Year 1)	Actual	2021–31 LTP (Year 2)	2022–23 AP	Actual
	2022 \$000	2022 \$000	2023 \$000	2023 \$000	2023 \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	17,853	17,450	18,735	19,416	20,919
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	4,526	4,350	4,753	5,103	4,980
Fees and charges	4,826	4,894	4,657	4,657	5,604
Internal charges and overheads recovered	7,202	6,298	9,026	9,576	9,041
Local authorities fuel tax, fines, infringement fees, and other receipts	1,026	1,999	1,055	1,055	3,938
<b>Total operating funding (A)</b>	<b>35,433</b>	<b>34,991</b>	<b>38,226</b>	<b>39,807</b>	<b>44,482</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	14,736	15,102	15,237	15,664	21,629
Finance costs	900	1,109	1,419	1,359	1,337
Internal charges and overheads applied	3,104	3,104	3,295	4,657	4,740
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>18,740</b>	<b>19,315</b>	<b>19,951</b>	<b>21,680</b>	<b>27,706</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>16,693</b>	<b>15,676</b>	<b>18,275</b>	<b>18,128</b>	<b>16,776</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	10,761	5,275	12,956	31,970	17,094
Development and financial contributions	243	518	366	366	409
Increase (decrease) in debt	(8,838)	(10,877)	(7,761)	1,897	(8,491)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,166</b>	<b>(5,084)</b>	<b>5,561</b>	<b>34,233</b>	<b>9,012</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	267	157	283	333	159
- to improve level of service	9,932	4,263	15,027	40,776	18,711
- to replace existing assets	8,660	6,172	8,526	11,252	6,918
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>18,859</b>	<b>10,592</b>	<b>23,836</b>	<b>52,361</b>	<b>25,788</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(16,693)</b>	<b>(15,676)</b>	<b>(18,275)</b>	<b>(18,128)</b>	<b>(16,776)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## City development Funding impact statement

For the year  
ended 30 June

	2021-31 LTP (Year 1)	Actual	2021-31 LTP (Year 2)	2022-23 AP	Actual
	2022 \$000	2022 \$000	2023 \$000	2023 \$000	2023 \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	10,031	9,862	11,721	12,667	7,795
Targeted rates	145	-	149	154	154
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	289	281	298	162	177
Internal charges and overheads recovered	4,045	-	5,648	6,248	3,369
Local authorities fuel tax, fines, infringement fees, and other receipts	65	203	-	65	88
<b>Total operating funding (A)</b>	<b>14,575</b>	<b>10,346</b>	<b>17,816</b>	<b>19,296</b>	<b>11,583</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	12,262	7,951	14,964	15,456	7,997
Finance costs	302	372	635	1,406	1,146
Internal charges and overheads applied	2,011	2,011	2,217	2,434	2,435
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,575</b>	<b>10,334</b>	<b>17,816</b>	<b>19,296</b>	<b>11,578</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	765	-	7,491	1,634	254
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	7,940	7,545	32,645	23,022	19,328
Gross proceeds from sale of assets	-	-	-	1,024	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>8,705</b>	<b>7,545</b>	<b>40,136</b>	<b>25,680</b>	<b>19,582</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	1,200	753	-	1,389	21
- to improve level of service	7,505	6,804	40,136	24,291	19,566
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>8,705</b>	<b>7,557</b>	<b>40,136</b>	<b>25,680</b>	<b>19,587</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>(5)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Community partnering & support Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)	2022	(Year 2)	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	7,129	7,184	7,142	7,085	7,145
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	5	5	-
Fees and charges	438	391	451	446	467
Internal charges and overheads recovered	2,875	1,707	3,441	3,495	3,088
Local authorities fuel tax, fines, infringement fees, and other receipts	1,240	730	164	1,176	899
<b>Total operating funding (A)</b>	<b>11,682</b>	<b>10,012</b>	<b>11,203</b>	<b>12,207</b>	<b>11,599</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	8,432	7,034	7,784	8,626	8,145
Finance costs	50	62	78	196	191
Internal charges and overheads applied	1,552	1,552	1,648	1,885	1,885
Other operating funding applications	-	-	-	-	45
<b>Total applications of operating funding (B)</b>	<b>10,034</b>	<b>8,648</b>	<b>9,510</b>	<b>10,707</b>	<b>10,266</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,648</b>	<b>1,364</b>	<b>1,693</b>	<b>1,500</b>	<b>1,333</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(538)	(792)	(866)	(46)	(777)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(538)</b>	<b>(792)</b>	<b>(866)</b>	<b>(46)</b>	<b>(777)</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	280	147	108	108	122
- to replace existing assets	830	425	719	1,346	434
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,110</b>	<b>572</b>	<b>827</b>	<b>1,454</b>	<b>556</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,648)</b>	<b>(1,364)</b>	<b>(1,693)</b>	<b>(1,500)</b>	<b>(1,333)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Open spaces, parks & reserves Funding impact statement

For the year ended 30 June	2021-31		2021-31	2022-23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)	2022	(Year 2)	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	11,834	11,451	12,024	12,794	13,175
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	5	6	6	6	6
Fees and charges	1,472	1,483	1,515	1,539	1,628
Internal charges and overheads recovered	4,772	2,721	5,794	6,311	5,694
Local authorities fuel tax, fines, infringement fees, and other receipts	55	1,463	56	55	65
<b>Total operating funding (A)</b>	<b>18,138</b>	<b>17,124</b>	<b>19,395</b>	<b>20,705</b>	<b>20,568</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	13,200	12,446	12,929	14,908	15,635
Finance costs	400	493	647	732	478
Internal charges and overheads applied	1,093	1,093	1,183	1,470	1,470
Other operating funding applications	-	-	-	-	43
<b>Total applications of operating funding (B)</b>	<b>14,693</b>	<b>14,031</b>	<b>14,759</b>	<b>17,110</b>	<b>17,627</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,445</b>	<b>3,092</b>	<b>4,636</b>	<b>3,595</b>	<b>2,941</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	670
Development and financial contributions	3,000	7,045	617	617	4,800
Increase (decrease) in debt	6,464	(7,396)	6,799	4,028	(3,518)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>9,464</b>	<b>(351)</b>	<b>7,416</b>	<b>4,645</b>	<b>1,952</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	3,008	1,469	2,162	3,205	2,278
- to replace existing assets	9,901	1,272	9,890	5,035	2,615
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>12,909</b>	<b>2,741</b>	<b>12,052</b>	<b>8,240</b>	<b>4,893</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,445)</b>	<b>(3,092)</b>	<b>(4,636)</b>	<b>(3,595)</b>	<b>(2,941)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Connectivity, creativity learning & recreation Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)	2022	(Year 2)	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	17,497	18,134	16,214	17,073	18,552
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	100	232	83	35	116
Fees and charges	4,115	2,982	4,289	3,742	3,645
Internal charges and overheads recovered	7,056	6,413	7,813	8,421	10,167
Local authorities fuel tax, fines, infringement fees, and other receipts	1,015	742	941	713	709
<b>Total operating funding (A)</b>	<b>29,783</b>	<b>28,503</b>	<b>29,340</b>	<b>29,984</b>	<b>33,190</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	18,374	17,101	17,089	15,252	16,424
Finance costs	697	859	1,038	2,025	2,292
Internal charges and overheads applied	6,122	6,122	6,535	7,951	10,099
Other operating funding applications	-	-	-	-	265
<b>Total applications of operating funding (B)</b>	<b>25,194</b>	<b>24,082</b>	<b>24,662</b>	<b>25,228</b>	<b>29,080</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,589</b>	<b>4,421</b>	<b>4,678</b>	<b>4,756</b>	<b>4,110</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	2,700	2,700	8,000	12,150	4,063
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,999	3,731	12,018	18,597	21,516
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>8,699</b>	<b>6,431</b>	<b>20,018</b>	<b>30,747</b>	<b>25,579</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	10,158	8,273	21,738	31,344	27,766
- to replace existing assets	3,130	2,579	2,958	4,159	1,923
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>13,288</b>	<b>10,852</b>	<b>24,696</b>	<b>35,503</b>	<b>29,689</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,589)</b>	<b>(4,421)</b>	<b>(4,678)</b>	<b>(4,756)</b>	<b>(4,110)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Governance, strategy and partnerships

### Funding impact statement

For the year ended 30 June	2021-31		2021-31	2022-23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	4,725	5,198	4,851	5,000	5,177
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	1,906	1,235	2,337	2,466	2,237
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	241	156	197
<b>Total operating funding (A)</b>	<b>6,631</b>	<b>6,433</b>	<b>7,429</b>	<b>7,622</b>	<b>7,612</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2,826	2,628	3,371	3,449	3,375
Finance costs	-	-	-	-	-
Internal charges and overheads applied	3,799	3,799	4,055	4,199	4,202
Other operating funding applications	-	-	-	-	30
<b>Total applications of operating funding (B)</b>	<b>6,625</b>	<b>6,427</b>	<b>7,426</b>	<b>7,648</b>	<b>7,607</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>(26)</b>	<b>5</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(6)	(6)	(3)	26	(5)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(6)</b>	<b>(6)</b>	<b>(3)</b>	<b>26</b>	<b>(5)</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(6)</b>	<b>(6)</b>	<b>(3)</b>	<b>26</b>	<b>(5)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Corporate services Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	10	844
Fees and charges	1,098	1,310	1,136	1,107	1,549
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,259	21,861	1,287	1,838	5,570
<b>Total operating funding (A)</b>	<b>2,357</b>	<b>23,171</b>	<b>2,423</b>	<b>2,955</b>	<b>7,963</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	20,196	24,301	20,942	27,182	25,853
Finance costs	1,318	1,412	1,436	1,595	1,602
Internal charges and overheads applied	7,904	(4,369)	13,221	11,915	8,992
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>29,418</b>	<b>21,344</b>	<b>35,599</b>	<b>40,691</b>	<b>36,447</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(27,061)</b>	<b>1,827</b>	<b>(33,176)</b>	<b>(37,736)</b>	<b>(28,485)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	(8)
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	33,021	(1,666)	40,479	41,913	30,097
Gross proceeds from sale of assets	299	53	9	(9)	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>33,320</b>	<b>(1,612)</b>	<b>40,488</b>	<b>41,904</b>	<b>30,088</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve level of service	4,949	(362)	6,139	2,952	860
- to replace existing assets	1,310	576	1,173	1,216	744
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,259</b>	<b>215</b>	<b>7,312</b>	<b>4,168</b>	<b>1,604</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>27,061</b>	<b>(1,827)</b>	<b>33,176</b>	<b>37,736</b>	<b>28,485</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note for 2021–22 Actuals under “Local authorities fuel tax, fines, infringement fees, and other receipts” the amounts include \$20,442k for Gains on Revaluation of Financial Instruments.

# Council Funding impact statement

For the year ended 30 June	2021–31		2021–31	2022–23	
	LTP	Actual	LTP	AP	Actual
	(Year 1)		(Year 2)		
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	79,689	80,307	81,344	85,628	85,999
Targeted rates	49,770	50,573	57,168	53,963	54,259
Subsidies and grants for operating purposes	9,671	14,790	7,745	7,885	8,739
Fees and charges	45,612	45,078	45,474	47,824	53,223
Internal charges and overheads recovered	-	-	-	-	-
Interest & dividends from investments	903	907	917	1,416	1,496
Local authorities fuel tax, fines, infringement fees, and other receipts	5,949	31,277	5,088	6,309	17,838
<b>Total operating funding (A)</b>	<b>191,595</b>	<b>222,932</b>	<b>197,735</b>	<b>203,024</b>	<b>221,554</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	157,726	162,725	165,087	175,995	181,288
Finance costs	6,542	7,785	7,888	10,613	11,197
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	442
<b>Total applications of operating funding (B)</b>	<b>164,268</b>	<b>170,510</b>	<b>172,975</b>	<b>186,607</b>	<b>192,927</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>27,326</b>	<b>52,421</b>	<b>24,760</b>	<b>16,417</b>	<b>28,627</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	20,191	11,960	33,967	52,532	30,814
Development and financial contributions	4,503	11,131	2,794	2,794	8,640
Increase (decrease) in debt	51,199	(10,015)	105,158	104,719	88,193
Gross proceeds from sale of assets	299	53	9	1,015	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>76,192</b>	<b>13,130</b>	<b>141,928</b>	<b>161,060</b>	<b>127,647</b>
<b>Application of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	3,338	2,899	4,139	6,639	5,524
- to improve level of service	48,126	31,321	102,655	116,460	82,655
- to replace existing assets	52,054	31,331	59,893	54,377	68,095
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>103,517</b>	<b>65,550</b>	<b>166,687</b>	<b>177,476</b>	<b>156,274</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(27,326)</b>	<b>(52,421)</b>	<b>(24,760)</b>	<b>(16,417)</b>	<b>(28,626)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation of Financial Statements to Funding Impact Statements

For the year ended 30 June	2021-31		2021-31		
	LTP	Actual	LTP	2022-23	Actual
	(Year 1)		(Year 2)	AP	
	2022	2022	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
Total revenue from Prospective Statement of Comprehensive Income	212,974	242,213	228,973	253,370	252,497
Less capital contributions	(21,379)	(19,280)	(31,241)	(50,346)	(30,949)
<b>Funding Impact Statement Total Operating Funding (A)</b>	<b>191,595</b>	<b>222,932</b>	<b>197,732</b>	<b>203,024</b>	<b>221,547</b>
Total expenditure from Prospective Statement of Comprehensive Income	212,505	215,879	225,797	237,483	240,637
Less depreciation	(48,238)	(45,369)	(52,822)	(50,876)	(47,716)
<b>Funding Impact Statement Total Applications of Operating Funding (B)</b>	<b>164,267</b>	<b>170,509</b>	<b>172,975</b>	<b>186,607</b>	<b>192,921</b>
Net Surplus per Prospective Statement of Comprehensive Income	469	26,334	3,176	15,887	11,860
Add depreciation expense	48,238	45,369	52,822	50,876	47,716
Less capital contributions	(21,379)	(19,280)	(31,241)	(50,346)	(30,949)
<b>Funding Impact Statement Surplus (Deficit) of Operating Funding (A-B)</b>	<b>27,328</b>	<b>52,423</b>	<b>24,757</b>	<b>16,417</b>	<b>28,626</b>
<b>Surplus (deficit) of Operating Funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital source of funding</b>					
Add capital contributions	21,379	19,280	31,241	50,346	30,949
UHCC subsidy	3,315	3,810	5,520	4,981	8,505
Add depreciation	48,238	45,369	52,822	50,876	47,716
Asset sales	299	53	9	1,015	-
Loan funding	30,286	(2,963)	77,095	70,259	69,104
<b>Total Sources of Capital Funding (C)</b>	<b>103,517</b>	<b>65,550</b>	<b>166,687</b>	<b>177,476</b>	<b>156,274</b>
<b>Total Application of Capital Funding (D)</b>	<b>103,517</b>	<b>65,550</b>	<b>166,687</b>	<b>177,476</b>	<b>156,274</b>
<b>Difference of Capital Funding (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Āpitihanga

## Appendices

### **Āpitihanga 1: Kuputaka**

Appendix 1: Glossary 219

### **Āpitihanga 2: Tō koutou Koromatua me ngā Kaikaunihera**

Appendix 2: Your Mayor and Councillors 222

### **Āpitihanga 3: Whakapā mai**

Appendix 3: Contact details 223

# Āpiti hanga 1: Kuputaka

## Appendix 1: Glossary

**10 Year Plan** – A plan that describes the activities of a local authority, its community outcomes, and its long-term focus in terms of decisions and activities. This is equivalent to our Long-Term Plan (LTP).

**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.

**Asset** – Something of value that Council owns on behalf of the people of Te Awa Kairangi ki Tai Lower Hutt, such as roads, drains, parks, and buildings.

**Asset Management Plan** – A long-term plan for managing an asset to ensure that it continues to have the capacity to provide an agreed level of service and that costs over the life of the asset are minimised.

**Capital expenditure** – Money spent on acquiring or building long-term Council assets.

**Central Business District (CBD)** – Lower Hutt's city centre.

**Community Boards** – A local elected body 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 Panels** – Community Panels replaced the previous community committee structure. Their role was to represent and act as an advocate for the interests of their communities. Hutt City Council had four community panels in the Central, Eastern, Northern and Western ward communities. Community panels were disestablished following the October 2019 triennial elections. On 26 May 2020 Council agreed to establish Community Funding Panels.

**Council-Controlled Organisation (CCO)** – A company, in which Council is at least a 50% shareholder that independently manages facilities, delivers services, and undertakes developments on behalf of the Te Awa Kairangi ki Tai Lower Hutt community. Where necessary, Council funds these organisations.

**Employee Costs** – The costs of all staff expenditure, including wages, salaries and related taxes, training, and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading. This does not include CCO director fees, which are included in operating expenditure.

**Financial Year** – Council's financial year runs from 1 July to 30 June of the following year.

**Local Government Act 2002** – The key legislation that defines the powers and responsibilities of local authorities like Hutt City Council.

**Long Term Plan (LTP)** – See 10-Year Plan, above.

**Maintenance costs** – Money spent to keep the Council's assets in working condition, such as repairs and maintenance.

**Mana Whenua** – Māori who have historic and territorial rights over the land. Mana whenua refers to iwi and hapū who have these rights in Te Awa Kairangi ki Tai, Lower Hutt. The tribe's history and legends are based in the lands they have occupied over generations and the land provides the sustenance for the people and to provide.

**Ngāti Toa Rangatira** – An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt. Originally living in the Kāwhia area on the North Island's west coast, Ngāti Toa Rangatira (also known as Ngāti Toa) lands are now largely in the south-western North Island centred around Porirua and the Kāpiti Coast. The northernmost point of the Ngāti Toa Rangatira rohe is considered to be Whangaehu, extending south on the west coast of the North Island and encompassing Te Moana o Raukawa (Cook Strait). In Te Waipounamu (the South Island), the rohe extends to the Arahura River, its southernmost point on the West Coast, and Kaikōura on the east coast.

**Operating Expenditure** – Money spent on the day-to-day operations of the 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 targeted rates.

**Residents Satisfaction Survey (RSS)** – This survey is conducted using a panel system, where a group of residents receive surveys to provide feedback on the city.

**Significance** – The degree of importance of an issue, proposal, decision, or matter as assessed by a local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural wellbeing of the community.

**Significant Activity** – An activity deemed to be significant according to Council's Significance and Engagement Policy. Currently the Long-Term Plan and Annual Plan list 31 separate significant activities that fall within 12 groups of activities.

**Seaview Marina Limited (SML)** – This is a Council-controlled organisation which is Wellington's newest and fastest developing marina, situated at the sheltered northeast end of Wellington Harbour.

**Taranaki Whānui ki Te Upoko o Te Ika** – Taranaki Whānui ki Te Upoko o Te Ika is a collective that comprises people of Te Āti Awa, Taranaki, Ngāti Ruanui, Ngāti Tama and others, including Ngāti Mutunga, from several Taranaki iwi whose ancestors migrated to Wellington in the 1820s and 1830s and who signed the Port Nicholson Block Deed of Purchase in 1839. Taranaki Whānui ki Te Upoko o Te Ika, represented by Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement) Trust, has over 19,000 registered members.

**Targeted rate** – Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater, refuse and recycling, and the Jackson Street Programme.

**Te Āti Awa** – An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt, and Te Upoko o Te Ika a Māui, the wider Wellington region. Te Āti Awa in this region share close kinship to Te Āti Awa in northern Taranaki, Kāpiti and the northern areas of the South Island.

**Urban Plus Limited (UPL) & Urban Plus Limited Developments Limited (UPLD DL)** – These are Council-controlled organisations, and are multi-disciplined property companies. They provide high quality residential property development, rental housing portfolio management and strategic property services.

**User charges** – Income to Council through fees paid by those who use specific services Council provides.



# Āpiti hanga 2: Tō koutou Koromatua me ngā Kaikaunihera

## Appendix 2: Your Mayor and Councillors

Hutt City Council is made up of 12 Councillors and a Mayor. Along with all other local authorities in New Zealand, Council is elected every three years.

The Mayor and six Councillors are elected on a city-wide basis and six Councillors are elected to represent their respective wards, while working in the best interests of the city as a whole. There are six wards – Northern, Eastern, Central, Western, Harbour and Wainuiomata – each with one Councillor.

Following elections in October 2022, a new Council was sworn in for the new triennium. You can find information about Hutt City Council's elected members on our website – [hutt.city/councillors](http://hutt.city/councillors)

The Council in place during 2022–23 comprised the following members:

### **Campbell Barry**

Koromatua | Mayor

### **Tui Lewis**

Koromatua Tuarua | Deputy Mayor

Kaikaunihera ki te Whanganui

Harbour Ward Councillor

### **Josh Briggs**

Kaikaunihera o Te Tāone Whānui

City Wide Councillor

### **Brady Dyer**

Kaikaunihera o Te Tāone Whānui

City Wide Councillor

### **Simon Edwards**

Kaikaunihera o Te Tāone Whānui

City Wide Councillor

### **Karen Morgan**

Kaikaunihera o Te Tāone Whānui

City Wide Councillor

### **Tony Stallinger**

Kaikaunihera o Te Tāone Whānui

City Wide Councillor

### **Gabriel Tupou**

Kaikaunihera o Te Tāone Whānui

City Wide Councillor

### **Glenda Barratt**

Kaikaunihera ki Te Riu

Central Ward Councillor

### **Keri Brown**

Kaikaunihera o Wainuiomata

Wainuiomata Ward Councillor

### **Andy Mitchell**

Kaikaunihera ki Te Rāwhiti

Eastern Ward Councillor

### **Chris Parkin**

Kaikaunihera ki Te Uru

Western Ward Councillor

### **Naomi Shaw**

Kaikaunihera ki Te Raki

Northern Ward Councillor



# ĀpitiHanga 3: Whakapā mai

## Appendix 3: Contact details

### Hutt City Council

Address: Administration Building, 30 Laings Road, Lower Hutt

Postal Address: Private Bag 31 912, Lower Hutt 5010

Phone: 04 570 6666 | 0800 HUTT CITY

After hours emergencies:  
04 570 6666 | 0800 HUTT CITY

Email: [contact@huttcity.govt.nz](mailto:contact@huttcity.govt.nz)

Website: [huttcity.govt.nz](http://huttcity.govt.nz)

Facebook: [facebook.com/huttcitycouncil](https://facebook.com/huttcitycouncil)

Twitter: [twitter.com/huttcitycouncil](https://twitter.com/huttcitycouncil)

Chief Executive: Jo Miller

Email: [jo.miller@huttcity.govt.nz](mailto:jo.miller@huttcity.govt.nz)

### Neighbourhood Hubs

#### War Memorial Library

Address: 2 Queens Drive, Lower Hutt

Phone: 04 570 6633

#### Eastbourne Community Library

Address: 38 Rimu Street, Eastbourne

Phone: 04 562 8042

#### Maungaraki Community Library – Whare Pūrākau

Address: Maungaraki School,

137 Dowse Drive, Maungaraki

Phone: 028 2550 3219

#### Moerā Community Library

Address: 107 Randwick Road, Moerā

Phone: 04 568 4720

#### Naenae Community Library

Address: Hillary Court, Naenae

Phone: 04 567 2859

#### Petone Community Library

Address: 7 Britannia Street, Petone

Phone: 04 568 6253

#### Koraunui Stokes Valley Community Hub & Library

Address: 186 Stokes Valley Road, Stokes Valley

Phone: 04 562 9050

#### Walter Nash Centre & Library

Address: 22 Taine Street, Taitā

Phone: 04 560 1090

#### Wainuiomata Community Hub & Library

Address: 1a–1c Queen Street, Wainuiomata

Phone: 04 564 5822

### Pools

#### Huia Pool and Fitness

Address: Huia Street, Lower Hutt

Pool phone: 04 570 6655

Fitness suite phone: 04 570 1053

#### Stokes Valley Pool and Fitness

Address: Bowers Street, Stokes Valley

Pool phone: 04 562 9030

Fitness suite phone: 04 562 9030

#### McKenzie Baths Summer Pool

Address: 79 Udy Street, Petone

Phone: 04 568 6563

#### Eastbourne Summer Pool

Address: Marine Parade, Eastbourne

Phone: 04 562 7582

#### Wainuiomata Summer Pool

Address: 2 Moohan Street, Wainuiomata

Phone: 04 564 8780

### Arts and Culture

#### The Dowse Art Museum

Address: 45 Laings Road, Lower Hutt

Phone: 04 570 6500

#### Petone Settlers Museum

Address: 130 The Esplanade, Petone

Phone: 04 568 8373

#### Little Theatre

Address: 2 Queens Drive, Lower Hutt

Phone: 04 570 6500





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**HUTT CITY**  
TE AWA KAIRANGI